

**COMMITTEE ON EDUCATION AND WORKFORCE
DEVELOPMENT**

06/17/2025-AMENDED AND REPORTED OUT TO THE COMMITTEE ON RULES AND JUDICIARY

BILL NO. 36-0064

Thirty-Sixth Legislature of the Virgin Islands

March 28, 2025

An act amending title 33 Virgin Islands Code, chapter 111, section 3093 to align the disbursement and spending limitations of funds allotted to public schools from the Education Initiative Fund with the realities of academic planning, ensuring that funds are used to maximize student success

PROPOSED BY: Senators Kurt A. Viale and Angel L. Bolques, Jr.

1 **WHEREAS**, school funds are allocated for schools in October to be expended by
2 September, creating a restrictive spending window;

3 **WHEREAS**, these funds are not distributed to schools until March, significantly
4 reducing the time available for effective planning and utilization of resources;

5 **WHEREAS**, the summer break beginning in June further shortens the timeframe, leaving
6 administrators with only a brief period to plan and utilize funds before the September deadline;

7 **WHEREAS**, when schools resume in August, administrators are left with just one month
8 to spend remaining funds, often leading to rushed or inefficient expenditures that do not align
9 with long-term educational priorities;

10 **WHEREAS**, the current funding timeline limits schools' ability to make strategic
11 investments in staffing, infrastructure, instructional materials, and student programs;

1 **WHEREAS**, any funds unexpended by the September deadline are returned to the
2 Education Initiative Fund, reducing the total amount available for direct educational use;

3 **WHEREAS**, the requirement to return unspent funds results in schools expending less
4 than their full allotment, thereby hindering their ability to implement critical programs,
5 purchase necessary resources, and enhance student achievement;

6 **WHEREAS**, the failure to fully expend allocated funds may create a misleading
7 perception that schools require less funding than is actually needed, potentially leading to
8 reduced future appropriations and negatively impacting long-term educational planning;

9 **WHEREAS**, amending the law to make funds "available until expended" would provide
10 schools with the necessary flexibility needed to allocate resources effectively ensuring that
11 financial decisions are based on educational priorities rather than arbitrary spending deadlines;
12 and

13 **WHEREAS**, allowing funds to carry over beyond the fiscal year would minimize
14 wasteful spending, improve financial and academic planning, and ensure that resources are
15 fully utilized to maximize student success; Now, Therefore,

16 ***Be it enacted by the Legislature of the Virgin Islands:***

17 **SECTION 1.** Title 33 Virgin Islands Code, chapter 111, section 3100i is repealed.

18 **SECTION 2.** Title 33 Virgin Islands Code, chapter 111, section 3093 is amended by
19 striking the language in its entirety and inserting the following language:

20 “(a) There is established in the Treasury of the Virgin Islands, a fund to be known as
21 the Virgin Islands Education Initiative Fund (hereinafter the “Fund”). The Commissioner of
22 Finance shall provide for the administration of the Fund as a separate and distinct fund in the
23 Treasury of the Government of the Virgin Islands and shall promulgate rules for the expenditure
24 of funds and the reporting of such expenditures pursuant to the provisions of this section.

(b) The Fund shall consist of:

(1) thirty-five percent of the proceeds derived from the games under each contract between the Virgin Islands Lottery and a private contractor of lottery games, including the proceeds under a contract with a contractor of video lottery games authorized under title 32 Virgin Islands Code, section 246(a)(1);

(2) all sums appropriated thereto by the Legislature of the Virgin Islands; and

(3) all donations, gifts and bequests.

(c) Monies in the fund shall be dispersed by the Commissioner of Finance into an interest fund checking account pursuant to the following formula:

(1) A base allocation of \$50,000 and \$15,000 per public school and public adult education facility, respectively. Each public school and public adult education facility shall receive the additional sum of \$15.00 per student for every enrolled student over five hundred, as determined by the fall school population report of the Office of Testing, Learning and Evaluation, and the Department of Education. The fall school population report shall be submitted no later than September 1st of each fiscal year. The funds should be released within 30 days after the report is submitted.

(2) Each fiscal year, each superintendent must receive the sum of \$75,000 from the Fund to manage district related academics and social and emotional programs.

(3) Each fiscal year, the Commissioner of Education must receive the sum of \$125,000 from the Fund to pay non-American Federation of Teachers coach stipends for athletic programs.

(4) Each fiscal year, the sum of \$250,000 shall be allocated from the Fund to the Department of Education for the purpose of covering administrative costs incurred in the

1 operation of the Fund and to retain one accountant per school district to aid principals in
2 complying with the reporting requirements of the Fund.

3 (5) At the end of the fiscal year, all remaining funds will remain with each school
4 to be used for enhancing classroom instruction and resources, and for student support and
5 intervention. The uses include the acquisition of textbooks, software, and related
6 educational resources.

7 (d) Principals may use monies from the Education Initiative Fund for costs associated
8 with the management and operation of the school district's administrative functions to include:

9 (1) Salaries and benefits for district-level financial control officers;
10 (2) Communication costs, such as telephone and internet for administrative
11 offices;

12 (3) Professional development for administrative and financial staff;
13 (4) Data processing costs related to student information and financial
14 management systems; and

15 (5) Necessary operating expenses for the district's administrative offices.

16 (e) Principals shall not use monies from the Education Initiative Fund to purchase:

17 (1) entertainment items, goods, or services;
18 (2) more than \$8,000 worth of equipment and supplies for administrative offices
19 annually;

20 (3) donations, raffle tickets, or other charity-related expenditures;
21 (4) more than \$5,000 per person, legal entity, employee, or more than fifty
22 percent of the school's total allocation on professional services, professional services
23 provided by non-employees with specialized skills under independent contractor

1 agreements, excluding payments for goods, materials, and travel expenses of independent
2 contractors;

3 (5) delinquent prior obligations;

4 (6) vehicles; or

5 (7) employee travel.

6 (f) Each superintendent and school receiving an allocation under the Education

7 Initiative Fund shall have established an imprest fund checking account.

8 (g) The principal of each school or facility, or the next highest ranking assistant
9 principal in the principal's absence shall be the sole authority empowered to write checks on
10 the respective school's imprest fund checking account.

11 (h) All monies due to schools and educational facilities shall be allocated,
12 disbursement, and reported in accordance with the provisions of this section as follows:

13 (1) The Virgin Islands Department of Education shall initiate the process by
14 formally requesting the necessary funds and preparing documentation outlining the
15 proposed distribution of funds no later than October 1st of each fiscal year.

16 (2) The Office of Management and Budget shall authorize the release of funds
17 no later than November 1st of each fiscal year.

18 (3) The Department of Finance shall disburse the funds, including processing
19 payments to schools, no later than December 1st of the fiscal year.

20 (4) Each principal and superintendent shall submit to the Commissioner of
21 Education a monthly report detailing the amount, the nature, and the justification for each
22 expenditure. Reports shall be submitted by the 15th of each month and must include
23 receipts, and any other documentation required under the guidelines of the Virgin Islands
24 Education Initiative Fund and the laws of the Virgin Islands.

(5) The Department of Education shall compile an annual financial report summarizing the fiscal year's activities for submission to the Department of Finance by the 30th day of the month following the end of the fiscal year.

(i) The Commissioner of Finance shall maintain comprehensive records of all monies deposited into and disbursed from the Fund and shall submit an annual report on the status of the Fund to the Governor and the Legislature no later than the sixty days after the close of the fiscal year.

(j) **Violations and Enforcement:**

(1) Any suspected or confirmed violations of the rules of the Fund to include misappropriation, misuse, or unauthorized expenditure of funds disbursed under this section shall be investigated by Department and appropriate law enforcement agencies. Where applicable, offenders shall be subject to administrative sanctions, including suspension or termination, and civil or criminal penalties under applicable laws.

(2) Principals or superintendents who fail to submit required monthly or annual financial reports may have subsequent disbursements suspended until compliance is achieved and may be subject to disciplinary action by the Department of Education.

(3) The Department of Education shall develop and enforce a system of progressive penalties for noncompliance, which may include written warnings, mandatory financial management training, reduction in allocations, and referral to the Virgin Islands Inspector General or Attorney General for further action.

BR25-0427/February 24, 2025/PFA/Revised/March 3, 2025

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