

DEPARTMENT OF LABOR SHARES FY 2019 PROJECTED BUDGET

Date : August 9, 2018

ST. THOMAS- Members of the Committee on Finance chaired by Sen. Kurt Vialet, held a meeting at the Capitol Building on Monday, to receive testimony from officials from the Department of Labor (DOL) and other agencies for the FY 2019 budget appropriations.

The governor's recommended budget for DOL is \$11,119,439. The budget breakdown is as follows: \$10,223,152 from the General Fund and \$896,287 from the Government Insurance Fund. \$801,333 is the non-appropriated local funding and \$6,268,072 is the non-appropriated Federal Fund totaling \$18,188,844.

"Securing Federal Grants has been an issue for DOL for quite some time," said Sen. Nereida Rivera O'Reilly. "Are there Federal Grants that are at risk?" she asked. In response, Averil George, Commissioner Designee at DOL stated that The Workforce Grant, a grant for adults and youths and Foreign Labor Grant totaling \$34,000 are at-risk. Sen. O'Reilly asked, "Is DOL able to rescue those grants?" George stated that the grants expired in March 2018 and June 2018.

Thus far, for FY 2018 the total received for Worker's Compensation Administration totals \$4,500,000. The funds expended is broken down into two categories: \$1,033,861 for Injured Workers and \$2,420,716 for Providers. "Why is DOL struggling with workers compensation?" inquired Sen. Janelle Sarauw. George stated that DOL is severely understaffed and there are eight vacancies for those positions. DOL will start a campaign to attract new hires.

"What is the unemployment rate?" asked Sen. Positive Nelson. Gary Halyard, Director of the Bureau of Labor Statistics, said, "Currently, unemployment Territory-wide is down to 9.5%. Post-hurricanes it was 18%. Before the storms, it was approximately 11%. Sen. Vialet inquired, "What is the number of people looking for jobs?" Halyard stated that the number fluctuates based on the positions open. For example, if there are a lot of jobs, then more people apply. However, if contractual jobs are available, then fewer people fill out applications.

Separately, The Virgin Islands Energy Office (VIEO), the Office of Veterans Affairs and the Roy Lester Schneider Hospital shared their FY 2019 budget appropriations.

Elmo Roebuck, Jr., Director of the VIEO stated that the recommended budget totals \$1,125,408. Considering that the FY 2019 budget mirrors FY 2017, there is a reduction of \$135,058 in comparison to FY 2018. The budget breakdown is as follows: \$554,999 for personnel services, \$251,568 for fringe benefits, \$269,728 for other services, and \$21,000 for supplies.

Patrick Farrell, Director of the V.I. Office of Veterans Affairs stated that the recommended budget for FY 2019 is \$783,625. Approximately, \$335,544 is for personnel salaries and fringe benefits, \$31,081 is for operating expenses, \$300,000 for medical travel and death benefits and \$117,000 for projected non-appropriated funds from the V.I. Lottery and Taxi-Cab Commission.

Dr. Bernard Wheatley, Chief Executive Officer of Schneider Regional Medical Center stated that the operational budget for FY 2019 is \$28.3 million. In comparison to the FY 2018 budget of \$34 million, this is a reduction of \$5.6 million. "However, the projected net patient revenue of \$33.9 million for FY 2018 has increased because of the federal match for Medicaid to 100%. For FY 2019, SRMC is estimated net patient revenue of \$45.1 million which includes an estimated additional \$4.8 million of revenue from the Medicaid Match," said Dr. Wheatley.

Senators present are Kurt Vialet, Janelle Sarauw, Dwayne DeGraff, Novelle Francis, Positive Nelson, Tregenza Roach, Brian Smith, Novelle Francis, and Nereida Rivera O'Reilly.

Photos: <http://www.legvi.org/committeemeetings/Media>

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