

Finance Committee Considers FY 2020 Budgets for the VI Bureau of Corrections, Economic Development Authority, and the VI Energy Office

Date : July 23, 2019

ST.

CROIX--The Committee on Finance chaired by Senator Kurt A. Vialet continued to meet Tuesday afternoon in the UVI Great Hall, Albert Sheen Campus, St. Croix regarding the FY 2020 Fiscal Year Budget for the VI Bureau of Corrections (VIBOC); Economic Development Authority (EDA); and VI Energy Office (VIEO).

Wynn

Wynn, Director of VIBOC said in her testimony, for FY 2020, their proposed budget is \$34,369,823. This represents an increase of only \$252,985 over FY2019.

According

to her, Personnel Costs are the Bureau's greatest expense. The Bureau has 215 authorized positions and 74 vacancies. That means, she added, that 34-percent of its positions are unfilled.

The

Director pointed out that, projected payroll for the upcoming FY is \$14,635,940. Fringe benefits for its employees amount to \$5,960,987. She added that for FY 2020, payroll and fringe benefits account for almost 60-percent of the total budget.

Director

Wynn told the Committee that VIBOC remains chronically understaffed. Accordingly, there are 65 correctional officers at Golden Grove—the consent decree requires 74 officers. At the

Alexander Farrelly Criminal Justice Complex on St. Thomas there are 30 correctional officers—the consent decree requires 63.

Testamark

also noted that, until these acute staffing shortages are resolved, two things will continue to happen—the VI will find it very difficult to come out from under the federal consent decrees and the Bureau will continue to spend large amounts on correctional officer overtime.

According

to the Director, in FY 2018, the Bureau spent approximately \$ 3,833,196 in overtime. In contrast, she added, if they were able to fill all the vacant correctional officer positions, their overtime in FY2020 budget would be approximately \$810,000.

Another

critical problem said the Director is that a chunk of the Bureau's budget goes to pay vendors—companies and professionals who provide critical service to the Bureau and its inmates and detainees.

The

Director stated, the Virgin Islands should build an 800-bed facility on St. Croix and a 300-bed facility on St. Thomas. She pointed out that the VI is not currently in the position to fund the capital outlays required for these new facilities; that's why the Bureau is considering alternative funding arrangements, including the possibility of a public/private partnership with for profit.

According

to her, right now they are paying approximately \$7.4 million annually (not inclusive of medical care and incidentals) to house prisoners off island, and an estimated \$71,000 a month for experts and monitors to ensure compliance with

consent decree.

Regarding

the release of prisoners back into the community, the Director said, the Bureau is looking to the success of the Federal Prison Industries program and the Second Chance Act of 2007 as a guide in offering training and services to aid the reentry of prisoners.

Kamal

Latham, Chief Executive Officer, VIEDA said, the Authority's funding request for FY 2020 reflects a bold and ambitious approach to economic development, it represents an increase of \$ 1 million over the \$5,882,865, that was appropriated for FY 2019.

According

to Latham, this increase will go towards business marketing because they believe that this is an area that will yield a high return on investment to promote economic growth, job creation, and wealth generation.

He

said, they intend to recruit 50 new companies over the next two years, potentially contributing: 250 new jobs to the local workforce; \$12-27.4 million in wages and salaries; \$6 million in capital investments; and \$2.5 million in charitable contributions.

Some

of the Authority's FY 2019 Selected Accomplishments to date were: approved an extension of tax-incentive benefits for a major hotel that plans to invest over \$200 million to bring its property back online, which would employ over 400 full-time employees. Approved 6 new loans totaling approximately \$1.3 million and reviewed another 7 seven loan applications totaling \$1.6 million.

Others

were: Applied for \$100,000 grant to conduct a feasibility study for a food incubator in St. Croix; reduced the loan delinquency rate to two percent after restructuring and refinancing of troubled loans; and presented 9 applications and 8 petitions to EDC Board for consideration.

Kyle

Fleming, Director of VIEO said the General Fund for FY 2020 Budget appropriation is \$1,343,015 which represents an increase of \$27,203 from FY 2019. This increase was based on additional Fringe Benefits, Supplies, and Utilities.

According

to Fleming, FY 2020 grant award is anticipated at \$407,450 and the Weatherization Assistance Program appropriation is projected at \$510,518.

According

to Fleming, VIEO finds itself at an interesting crossroad relative to its opportunities to generate meaningful impacts throughout the community.

000000000000