

BILL NO. 28-0028

Twenty-Eighth Legislature of the Virgin Islands

March 30, 2009

An Act known as “The Virgin Islands Economic Stimulus Funds Accountability and Transparency Act of 2009” relating to the efficient use of and the accountability for all economic stimulus monies available to the Virgin Islands under the American Recovery and Reinvestment Act of 2009

PROPOSED BY: Senator Usie R. Richards
Co-Sponsor: Adlah “Foncie” Donastorg, Jr.

1 **WHEREAS**, the world economy and indeed the national economy is in crisis.
2 Unemployment rates are at their highest in decades; significant job losses have occurred.
3 Loans are virtually unavailable for potential borrowers, thereby devastating the fiscal budgets
4 and economic turnaround in the nation’s states and territories; and

5 **WHEREAS**, the Virgin Islands is experiencing the impact of the economic downturn
6 with its unemployment rate of 6%; the disrepair of many of its roads and schools; an ever-
7 increasing loss of jobs resulting from the shutdown of many small and large businesses; and
8 the relocation from the Virgin Islands of many individuals from a talented workforce; and

9 **WHEREAS**, significant reductions in appropriations have already been implemented
10 by the Legislature over the past years; and

1 **WHEREAS**, on February 17, 2009, President Barack Obama signed into law the
2 “American Recovery and Reinvestment Act of 2009” (“ARRA”); and

3 **WHEREAS**, ARRA provides supplemental funding for the purposes of preventing
4 further job losses; job creation through infrastructure; investment; extensions to
5 unemployment benefits; education reforms; housing assistance; transportation funds;
6 development of energy resources; and stabilization of state and local governmental entities;
7 and

8 **WHEREAS**, the primary purpose of the ARRA funds is not solely to stimulate the
9 Virgin Islands economy on a short-term basis, but to enable the Territory to develop and
10 implement long-term economic opportunities and infrastructure improvements for the future;
11 and

12 **WHEREAS**, the Virgin Islands is expected to receive significant funding under
13 ARRA; and

14 **WHEREAS**, ARRA funding will provide a significant opportunity for the Virgin
15 Islands to improve its economic conditions by reviewing program and project needs,
16 allocating funding appropriately, coordinating and monitoring funding allocation and
17 expenditures, tracking successes and failures and auditing funding received from ARRA; and

18 **WHEREAS**, section 1607 of ARRA requires that not later than 45 days after the date
19 of the enactment of ARRA, for funds provided to any State or agency of a State the Governor
20 of the State must certify that 1) the State will request and use funds provided by ARRA, and
21 2) the funds will be used to create jobs and promote economic growth; and

22 **WHEREAS**, the ARRA provides that if funds provided to any State in any division
23 of the ARRA are not accepted for use by the Governor, then acceptance by the State
24 Legislature, by means of the adoption of a resolution, shall be sufficient to provide funding to
25 such State; and

1 **WHEREAS**, ARRA provides that after the adoption of a State legislature’s
2 resolution, funding to the State will be for distribution to local governments, councils of
3 government, public entities, and public-private entities within the State either by formula or
4 at the State’s discretion; and

5 **WHEREAS**, to ensure that all ARRA funding available to the Virgin Islands will be
6 accepted and used, the Legislature intends to enact legislation whenever necessary, and
7 exercise its legislative oversight to ensure the efficacious use of ARRA funding; and

8 **WHEREAS**, the Virgin Islands will need to allocate and use efficiently and
9 effectively and be accountable for funds received through ARRA to stimulate the Virgin
10 Islands economy, and will need to exercise great diligence to maximize such use by having
11 an accountability process in place; and

12 **WHEREAS**, transparency and accountability are imperative to the effective use of
13 funding received; and

14 **WHEREAS**, it is the Legislature’s intent that the economic stimulus monies, as
15 received, are directed to programs and projects that provide the greatest economic benefit to
16 the Territory, while maintaining and advancing the Territory’s long-term policy goals; and

17 **WHEREAS**, the ARRA requires the states and territories to manage fiscal stimulus
18 resources in a manner that is prudent, accountable and transparent and in a manner that is as
19 expeditious as possible; and

20 **WHEREAS**, it is the intent of the Legislature that all economic stimulus monies
21 available to the Territory are requested, accepted, received, used efficiently and that the
22 Government is accountable for their efficient and proper use; Now, Therefore,

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

24 **SECTION 1.** This Act may be cited as “The Virgin Islands Economic Stimulus
25 Funds Accountability and Transparency Act of 2009.”

1 **SECTION 2.** Within 30 days after this Act takes effect, the Governor shall submit to
2 the Legislature a list of all ARRA funds the Governor intends to accept and a list of all
3 ARRA funds the Governor intends to decline.

4 **SECTION 3.** In addition to the requirements of 33 V.I.C., §3023(a) the Governor
5 shall submit written notification to the Legislature of all ARRA grants and funding received
6 within five days after their receipt. The notification must include amount of the funds, their
7 intended use, any limitations on their use, any matching funds or legislative authorizations
8 required and other direct and indirect costs to the Virgin Islands.

9 **SECTION 4.** Unless preempted by ARRA, funds received by the Territory under
10 ARRA are subject to appropriation by the Legislature, but any ARRA grant or other aid
11 under ARRA which requires legislative authorization must be acted upon within 10 business
12 days of its receipt by the Legislature. If the Legislature fails to take action within 10 business
13 days, legislative authorization is deemed granted.

14 **SECTION 5.** Beginning May 1, 2009, the Governor shall submit to the Legislature's
15 special Economic Stimulus Committee or successor committee a detailed report on the
16 receipt and use of all ARRA funding, including statistics on the number of jobs created under
17 each category of ARRA funding.

18 **SECTION 6.** (a) Within 60 days after the effective date of this Act, the Public Finance
19 Authority shall establish a website to keep the public informed about progress toward the
20 Territory's shared goals of job creation, infrastructure improvement and economic growth;
21 help the public know how stimulus funds will be distributed in the Territory and what kinds
22 of projects and programs are eligible for the funds; promote accountability and transparency;
23 and provide an opportunity for the public to monitor where their money is going and how it
24 is being spent.

1 (b) The website must list every dollar received, the date upon which the funds
2 were received, the federal source of the funds, the government account into which those
3 funds have been deposited and the items for which those funds were spent , or will be spent.

4 (c) The website must provide a link for the public to suggest ideas and projects
5 for funding and must connect website visitors to related federal and local websites and other
6 resources where they can get additional information as it is made available.

7 **SECTION 7.** (a) Within 30 days after the effective date of this Act, the President of
8 the Legislature shall form a five-member Economic Stimulus Funds Accountability
9 Committee to investigate, monitor and report to the Legislature’s standing Committee on
10 Appropriations and Budget, actions undertaken with ARRA funding. The President, the
11 Majority Leader, the Minority Leader, the chairperson of the Committee on Appropriations
12 and Budget, and one member of the Legislature appointed by the President shall serve on the
13 Economic Stimulus Funds Accountability Committee.

14 (b) In relation to any investigation under this section, the Economic Stimulus
15 Funds Accountability Committee has all of the investigatory powers conferred upon
16 committees of the Legislature pursuant to title 2, chapter 1 of the Virgin Islands Code and the
17 Rules of the Legislature.

18 (c) The Post Auditor shall assist the Economic Stimulus Funds Accountability
19 Committee in carrying out the purpose of this section.

20 **BILL SUMMARY**

21 Section 1 sets forth the name of the act. The proposed legislation may be cited as
22 “The Economic Stimulus Funds Accountability Act of 2009”.

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24 Section 2 requires the Governor to notify the Legislature of the ARRA funding the
25 Governor intends to accept and those funds he intends to decline. The purpose of this timely

1 notification is to allow the Legislature to use its oversight authority to ensure accountability
2 and efficient use of the funds. Another purpose is to allow the Legislature ample time to
3 enact legislation accepting any funding the Governor has declined.

4 Section 3 requires notification of the Legislature when ARRA funds are received.

5 Section 4 makes ARRA funds subject to legislative appropriation.

6 Section 5 requires the Governor to submit a quarterly report to the Legislature of
7 ARRA funding expenditures.

8 Section 6 authorizes the establishment of a legislative oversight committee to
9 investigate and monitor the expenditure of stimulus funds.

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11 **BR09-0373/March 9, 2009/**

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