

DIVISION OF PERSONNEL

FY 2019 BUDGET REPORT



**"Doing the
People's Business"**

Submitted to

Senator Kurt A. Violet

Committee on Finance

32nd Legislature of the United States Virgin Islands

Presented by

Milton E. Potter, MS, SHRM-SCP, IPMA-SCP

July 11, 2018

Good morning Honorable Senator Kurt A. Vialet, Chairman of the 32nd Legislature's Committee on Finance, other distinguished Senators present, members of my senior staff, ladies and gentlemen in the viewing and listening audience. My name is Milton E. Potter and I serve as Director of the Division of Personnel for the Government of the U.S. Virgin Islands. My management team and I are pleased to appear before you today to offer justification for the Division of Personnel's Fiscal Year 2019 budget.

I learned some valuable lessons from last September's hurricanes and their aftermath. Virgin Islanders have hidden reserves of resilience. It is often when we are presented with critical challenges that we realize these strengths were within us all the time. The Division of Personnel sustained significant damage to our physical plant in both districts. Interior walls collapsed; windows and doors were breached, and major flooding occurred throughout the building. Much of the initial cleanup was done internally. I would like publicly thank my staff for donning their dust masks, gloves and rain boots to ensure that we were able to continue to provide critical services to our clients. I would also like to thank Public Works Commissioner Nelson Petty, Shawn Brown, and the DPW crew for their invaluable assistance. Since a picture speaks a thousand words, I have included a photo of just some of what we had to contend with. We loss office furniture; servers, telephones and other critical equipment in both offices. The total projected loss processed through FEMA Disaster Public Assistance was \$432,421.

As a critical component of the Executive Office of the Governor, the Division of Personnel's mandate can be found in the Virgin Islands Code, Title 3, Chapter 25, Sections 451 through 667, as well as the Personnel Rules & Regulations, sub-

chapter 472, sections 91-103. These mandates empower the Division's Director to establish and maintain a system of personnel administration based on merit principles and scientific methods governing the appointment, promotion, transfer, layoff, removal and discipline of the officers and employees of the GVI.

Our mission is supported through the management of our six (6) primary strategic goals: 1) value, encourage and support the selection of a qualified and diverse workforce; 2) continually improve individual and organizational effectiveness; 3) anticipate and meet the changing needs of the workforce and their families; 4) drive career development and professional growth; 5) create, enhance and leverage strategic partnerships; and 6) enhance services through technology.

The Division of Personnel is comprised of seven (7) units: Administrative and Fiscal Services; Recruitment and Classification; Training and Employee Development; Records Administration (NOPA); Human Resources Information Systems (HRIS); EEO and Policy; and the Group Health Insurance Office.



Budget Overview

The Division of Personnel receives its funding through appropriations from the General Fund, and the Indirect Cost Fund. It is our intention to work strategically and creatively, within the scope of our allotted resources to provide quality, customer-driven human resource services to support the GVI. We do this by developing, and implementing programs, policies and procedures that add value to the GVI and its employees, leading to improved employee selection, promotion, retention and empowerment. In this year's budget, you will see higher appropriations because items normally carried under the Miscellaneous Fund have been moved to our main General Fund budget. In keeping with the Executive Budget's, overall theme of "Rebirth of Economic Sustainability – Building Stronger and Smarter," we are excited about this upcoming year. The recommended FY 2019 budget will enable us to continue our technological expansion and revive a number of other initiatives that were temporarily derailed due in part to Hurricanes Irma and Maria.

I will now provide you with an overview of our proposed budget for Fiscal Year 2019.

GENERAL FUND	FY-2019 REQUEST	INDIRECT COST FUND	FY-2019 REQUEST	TOTAL FY 2019 BUDGET	FY 2019 REQUEST
Personnel Services	\$1,931,387	Personnel Services	\$373,606	Personnel Services	\$2,304,993
Capital Outlay/Equipment	\$5,000	Capital Outlay/Equipment	-	Capital Outlay/Equipment	\$5,000
Fringe Benefits	\$804,136	Fringe Benefits	\$149,689	Fringe Benefits	\$953,825
Supplies	\$39,524	Supplies	\$2,400	Supplies	\$41,924
Other Services & Charges	\$38,984,618	Other Services & Charges	\$21,420	Other Services & Charges	\$39,006,038
Public Utilities	\$140,800	Public Utilities	-	Public Utilities	\$140,800
Miscellaneous	-	Miscellaneous	-	Miscellaneous	-
TOTAL GEN. FUND	\$41,905,465	TOTAL INDIR. FUND	\$547,115	GRAND TOTAL	\$42,452,580

The overall FY 2019 budget that supports the Governor’s Recommendation for the Division of Personnel is \$42,452,580, of this amount \$41,905,465 is funded by the General Fund and \$547,115 from the Indirect Cost Fund. Our Personnel Services line funds salaries for forty–one (41) employees. Currently, there are forty (40) filled positions and one (1) funded vacancy within the organization.

The Division of Personnel hired three (3) new employees during FY 2018.

Currently, in the St. Thomas/St. John District, we have thirty (30) employees, and in the St. Croix district, we have ten (10) employees. We continue to encourage the continued education and professional development of our staff.

For FY 2019, the miscellaneous provisions to be administered by the Division of Personnel that were made a part of our overall budget are listed below:

DOP Records Scanning Project	\$225,000
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DOP Customer Service Standards & Marketing	\$92,000
DOP Admin Expenses Health Ins. Board	\$275,000
DOP GVI Employees Recognition Act.	\$30,000
DOP Health Insurance Consultants	\$285,000
DOP Health Insurance for Retirees	\$37,440,000
DOP Municipal Council Pension	\$40,000
DOP Certified Public Manager Program	\$75,000
DOP Career Incentive Program/GVI Learning Management System	\$100,000

The Records Management/Scanning and the Customer Service Standards projects are new additions to the FY 2019 budget. An overview of these projects are outlined below:

Records Management/Scanning Project - The importance of records management cannot be overstated. The manner, in which records are filed, organized and retrieved impacts customer service and legal compliance. As the official custodian of GVI employee records, we can and must improve in this area. To that end, in Fiscal Year 2019, the Division will embark on a major records management and imaging initiative to provide a faster, more efficient document retrieval system that will substantially put us in line with industry record management best practice, and local and federal regulations. It is imperative that employees have peace of mind that their records are properly safeguarded and protected.

Customer Service Standards & Marketing Campaign – The development of the GVI Customer Service Standards is an initiative designed to improve the efficiency and

effectiveness of our workforce and ultimately the quality of service delivered to our customers. The Division of Personnel was tasked with the creation and branding of the GVI Customer Service Standards in accordance with Title 3, Chapter 5, Subchapter II of the VI Code (3 V.I.C. §76). Representatives from the Division of Personnel, the Office of the Governor, the Office of Management and Budget, the Department of Labor, and the Department of Tourism are represented on the Customer Service Standard Steering Committee. The committee is now working on adding specificity to the guiding principles for each standard and creating additional performance metrics to ensure we can properly track, analyze, and measure the success of our Customer Service Standards across the GVI. We are developing the training portion and implementation plan and need funding for a marketing campaign to successfully launch the GVI Customer Service Standards.

Recruitment & Classification

Our Recruitment and Classification unit is charged with providing technical support to all GVI agencies in an effort to hire qualified candidates to perform vital government services. For the first phase of our classification and compensation study, the Division of Personnel was able to purchase an Applicant Tracking tool, NEOGOV, which has allowed us to be incredibly successful in streamlining and managing the entire recruiting process from receiving applications to hiring employees. Candidates can apply online for job opportunities in the comfort of their home, at our office kiosks, at the Department of Labor's computer lab, or on their smartphones. This initiative has placed the GVI at the cutting edge of HR technology. It is noteworthy that the system remained in full gear before, during and after last September's devastating storms.

Earlier this spring Governor Mapp asked the Division of Personnel to lead the charge concerning recruiting candidates to fill a large number of critical positions to aid with the recovery process. The Division has thus far posted over 100 vacancies ranging from truck drivers, to social workers, engineers and attorneys. Since the bulk of these positions require specialized skill sets, in an effort to maximize the pool of eligible candidates, we have extended the closing date to apply for many of these positions to mid-July. By month's end, we will get a more accurate view of the positions that have thus far been filled. This is an excellent opportunity for local Virgin Islanders as well as those living abroad, to secure employment to assist with rebuilding our territory.

Regarding our efforts at recruiting law enforcement personnel, we continue to think outside the box. The Division recently entered into an MOU with Commissioner Richards and the VIPD team, allowing VIPD to have direct involvement regarding the hiring entry police officers. On a trial basis, VIPD will administer and score a brand new computer based entrance exam. We have also granted additional exam waivers for honorably discharged veterans, certain National Guard personnel and candidates with college degrees. We are optimistic that this will translate to improved numbers with regard to the GVI's police recruiting efforts.

The success of our applicant tracking system has allowed our personnel analysts more time to engage in community outreach initiatives. This past spring, the Division organized Territory-wide Career Expos and Job fairs, receiving participation from a total of 16 executive branch agencies. We also coordinated sessions with high school students and recent UVI graduates offering tips for transitioning from

school to the workforce, and to promote job opportunities within the GVI. Additionally, we have conducted seminars with the graduating seniors of the Boys & Girls Club of the Virgin Islands. Our team provided tips on how to dress for success, interviewing skills, resume building and career choices.

Minimum Wage Adjustment

In accordance with Act 8027 which adjusted the V.I. minimum wage to \$10.50 per hour, effective June 1, 2018, our Records Administration unit facilitated the implementation of personnel actions for approximately 500 government employees whose salary fell below the \$10.50 per hour (\$21,840.00) threshold.

Classification & Compensation Study

The University of the Virgin Islands will complete the outsourced component of the Classification and Compensation Study in compliance with Act 6333. Following the storms, we contacted UVI to revise project timeline in an effort to minimize delays. The University of the Virgin Islands indicated that no delays were necessary. We are awaiting confirmed dates to meet with the University for the project to formally move forward. In spite of this delay, the Classification and Compensation Study team forged forward and has completed the setup phase of an electronic onboarding system, a step that would have been completed later in the project. This electronic onboarding system will allow for seamless transfers between the electronic application system launched last year and new hire status. The onboarding system will allow for electronic new hire paperwork completion, eliminating the need for most departments to print new hire packages including the I-9 and W4 forms. This system will allow departments to get as detailed as they would like to complement the standard onboarding process that the Division of

Personnel will establish; for example, welcome videos for leadership, action steps, department specific forms and assigning mentors. Additionally, the onboarding application will provide an opportunity for the GVI to systematically and efficiently off-roll employees to include generating and compiling vital exit interview data. This system will launch in October.

In addition, we hope to receive senatorial support to make the changes necessary to finally implement the Personnel Rules and Regulations, which have already been reviewed by the Department of Justice. These changes will allow for zero conflicts between existing local law, federal law and the Personnel Rules and Regulations. We look forward to working with the Legislature in drafting these measures and testifying in support of these amendments as soon as your calendars permit.

Employee Development and Training

To serve our community and each other, we must continuously offer our employees opportunities to learn and share best practices, focusing on skill development that will make them more effective at work, and providing them with the tools to develop their skills.

During the past year, the Employee Development and Training Unit accomplished the following:

- Provided training and development for over 545 individuals from various GVI agencies.
- Provided the Bureau of Internal Revenue with customized training on Customer Service for all staff levels as well as a customized follow-up training specifically for its managers and supervisors.

- Decreased Sexual Harassment Claims in the past two years from seven (7) in fiscal year 2016, to four (4) in fiscal year 2017. We will continue to provide our mandatory Sexual Harassment Prevention training for both managers and employees and strongly encourage agencies to register their employees for the trainings.

Internship Program

The Division of Personnel continues to forge forward with our internship program for College and University students. We continue to encourage agencies to develop internship projects and students are encouraged to apply on-line for projects that provide them with professional experience in the furtherance of their education and training.

Learning Management System

The Training Unit has revved up its efforts in fulfilling the Division's promise to provide professional development training to all GVI employees with the latest innovative training resources available. In January 2016, we developed a Learning Management System (LMS) Steering Committee to provide guidance on the selection of an LMS for the entire GVI. An LMS is a software application for the administration, delivery, documentation, tracking, and reporting of electronic educational technology courses or training programs.

The LMS Steering Committee identified the top criteria for the GVI's Learning Management System (LMS), and the Division of Personnel commenced the RFP process for the LMS through the Department of Property and Procurement. We have selected an LMS and are in the process of contract negotiations with the vendor. Unfortunately, due to the hurricanes, the process was halted but has

resumed. We are in the final procurement stages and anticipate entering the implementation phase of this LMS project in the latter part of 2018.

Certified Public Managers Program

We have a revised Memorandum of Understanding (MOU) with the University of the Virgin Islands for the 3rd cohort of the Virgin Island Certified Public Manager® Program. The 2017-2018 Colleague Group includes 40 employees of the Government of the U.S. Virgin Islands sponsored by a GVI-funded scholarship. There are 20 GVI-sponsored employees on St. Thomas and 20 on St. Croix. Classes began on May 16, 2017, and we expect the colleague group to graduate by the end of August 2018.

Group Health Insurance

The Division of Personnel's Group Health Insurance unit is responsible for the administration of the health, dental, vision and life insurance plans for active employees, retirees and their dependents as negotiated by the Government Employees Services Commission Health Insurance Board (GESC).

Having successfully transitioned to the BenteK benefits administration system, which has significantly improved our accuracy with eligibility, we are now working towards educating our membership and staff as the system allows members to view and make benefit changes as qualifying events occur.

Currently, the GVI's group health insurance plan has approximately 13,763 participants, which includes active government employees and retirees from the three branches of government and semi-autonomous and autonomous entities.

There are 7,165 active employees and 6,598 retirees enrolled under the plan. When you take into account the dependent population, the plan covers more than 30,000 lives. It is estimated that the FY 2018 medical and dental costs will be approximately \$162,000,000.

In FY18, we have paid a total of \$102,027,226.74 in healthcare premiums to date. Of this amount, \$66,317,697.38 is the Government's portion and \$35,709,529.36 is the Employees/Retiree share.

As a result of the 2017 hurricanes, the GESC Board waived completion of the Health Risk Assessment. However, the focus remains on addressing our highest medical outliers, which are Musculoskeletal issues, Neoplasms (Cancer), and Circulatory disorders. We continue to encourage our plan members to develop a relationship with a Primary Care Physician (PCP) and complete their annual wellness physical. This upcoming year, we will be promoting a campaign through the Health Disparities Council to provide colorectal screenings, for employees 50 and over, in accordance with the American Medical Association recommendations.

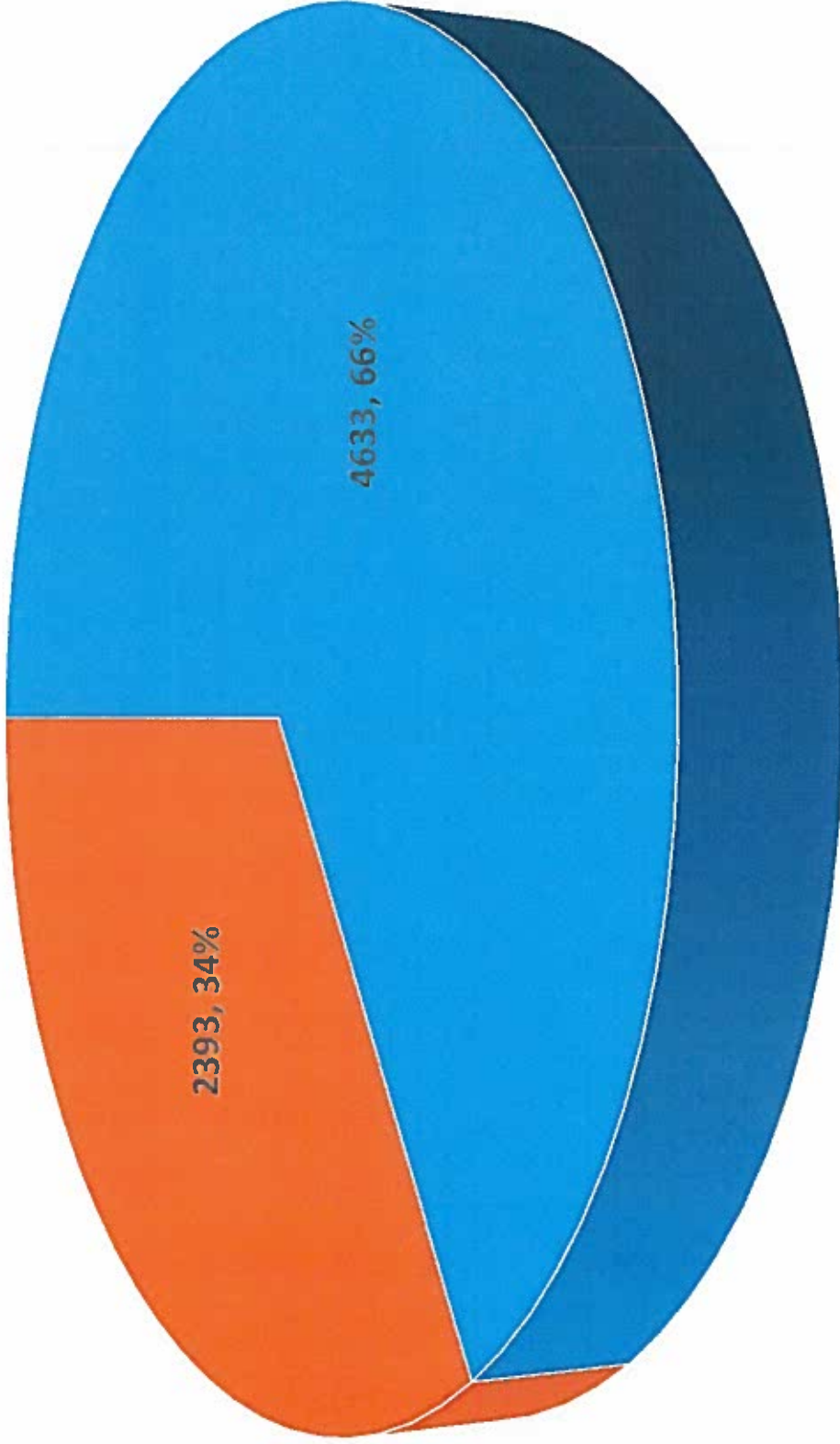
We encourage Primary Plan Members to actively monitor their health by annually completing their Health Risk Assessment and make positive health changes to improve their current health. Notwithstanding the challenges faced due to the hurricanes, the Wellness Program has continued to support the health and wellness of employees and retirees. Our program hosts a variety of high interest events with sold out produce giveaways, Battle of the Agencies on St. Croix, territorial physical fitness classes with over 300 registrants and a highly popular Thursday night bowling league on St. Croix with 12 teams. Both Expos will take place from 10AM to 2PM and we expect over 1,000 primary plan members to attend. We urge all

employees to participate in this networking opportunity, meet our vendors and complete their biometric testing which is a requirement for the Health Risk Assessments for primary plan members.

In conclusion, Mr. Chairman, I am honored to have been given the privilege to lead this small but vital central service agency for the last three and one half years. However, by no means is this a one-man-show. My entire team gave unselfishly of themselves at a time when it would have been so easy to complain and retreat. Many of them left devastated homes to work in equally devastated office buildings with collapsed walls, saturated carpets, and ceilings that allowed you to sky gaze while sitting at your desk, to ensure that the important work of the Division continued. Thank you Team DOP! Your attitude, flexibility, resilience and professionalism have been tremendous assets to me personally, and to the people of the Virgin Islands in general. You have made all the difference. My team and I are now available to answer any questions you might have.

Count By Gender

Workforce by Gender



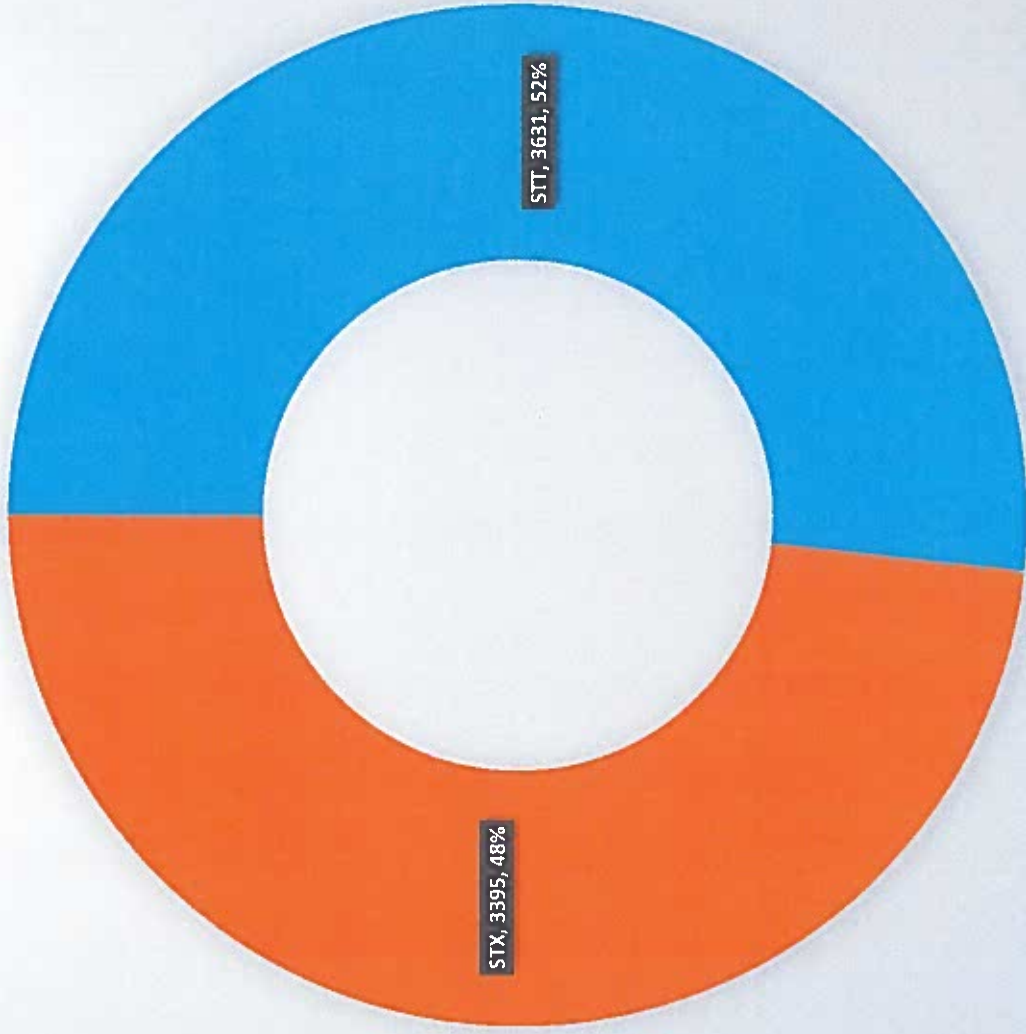
Gender

F

M

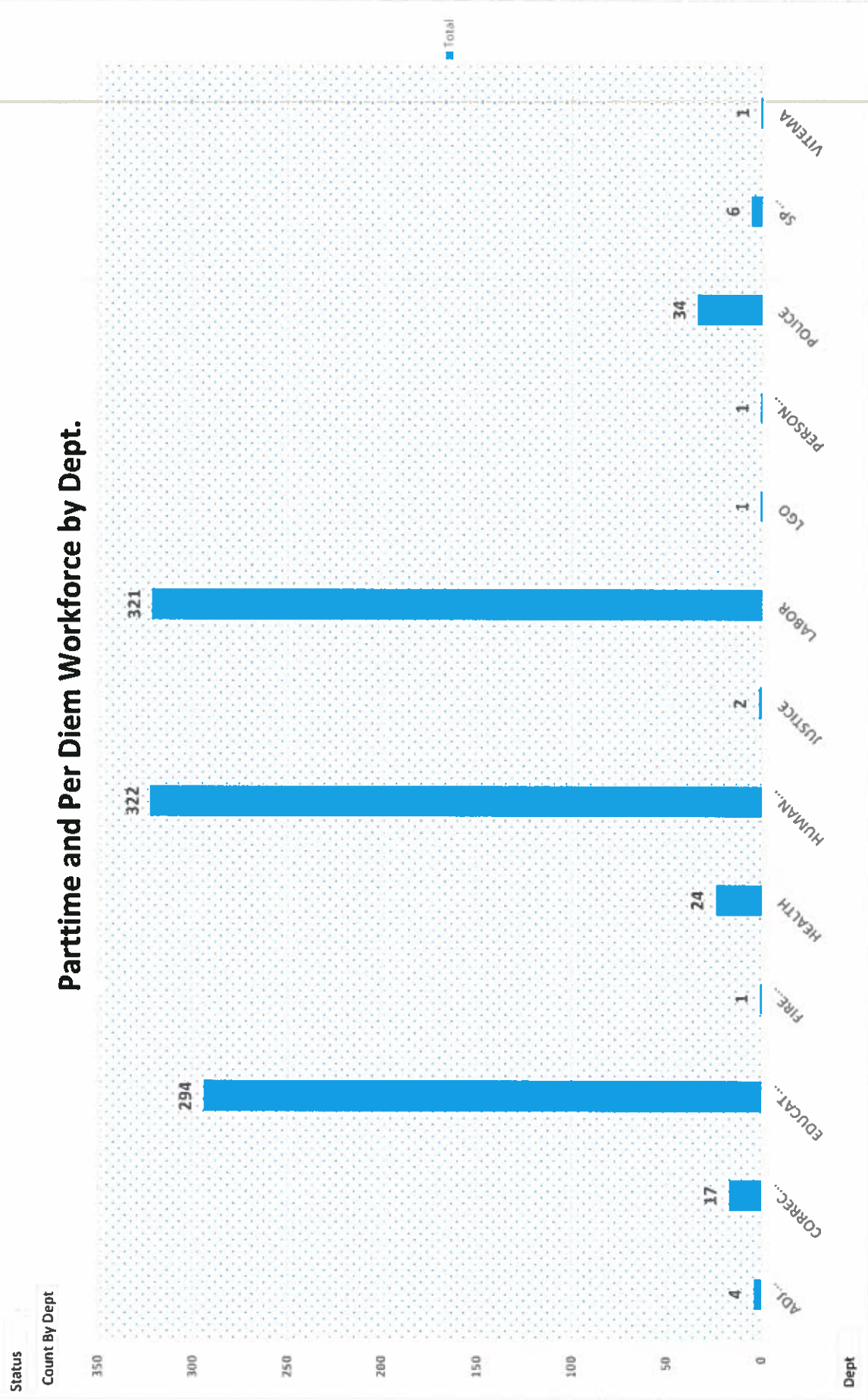
Workforce by District

Count by Dist.



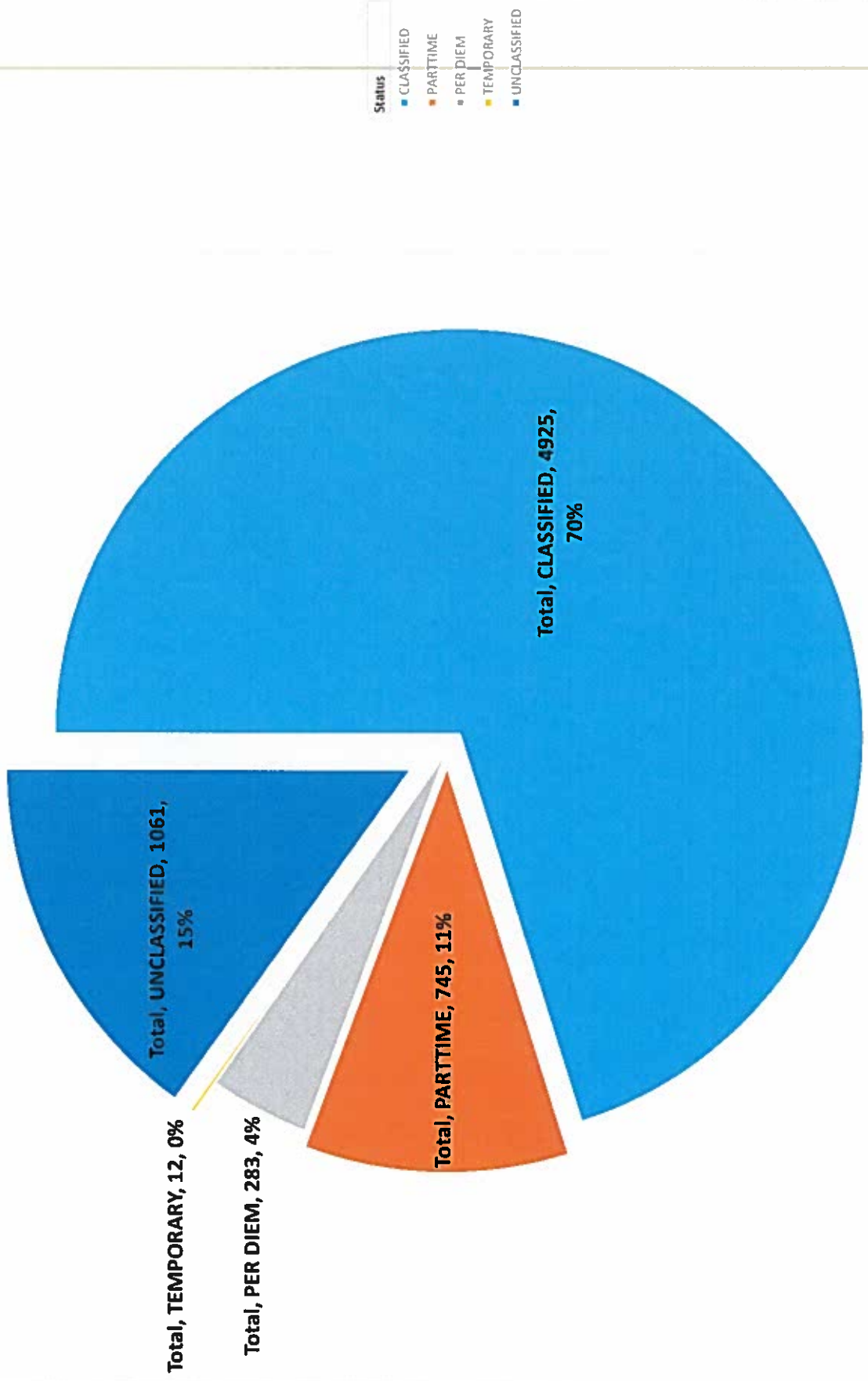
Dist.
■ STT
■ STX

Parttime and Per Diem Workforce by Dept.



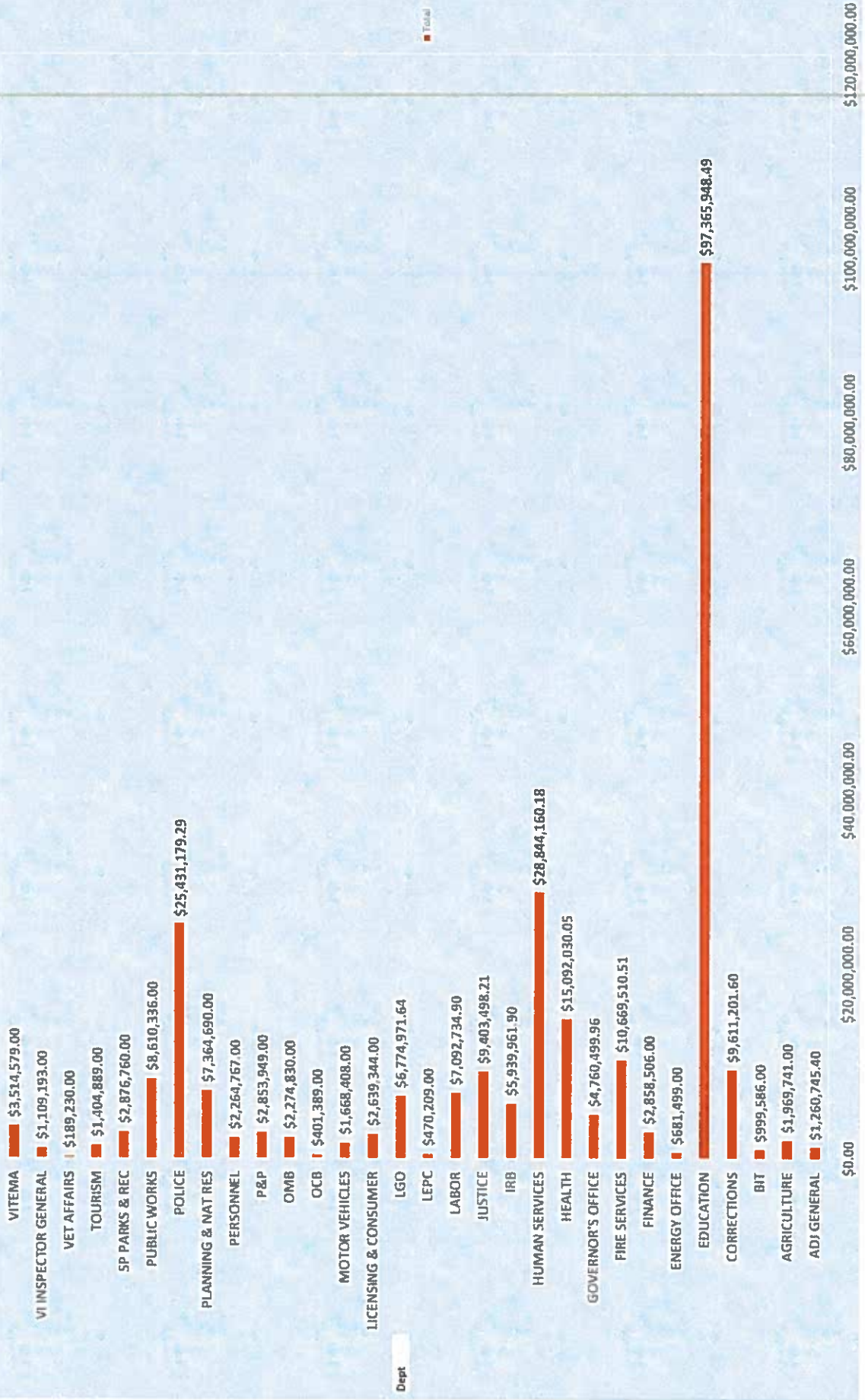
Department	CLASSIFIED	PARTTIME	PER DIEM	TEMPORARY	UNCLASSIFIED	Grand Total
ADJ GENERAL	\$943,073.00	\$64,966.40			\$252,706.00	\$1,260,745.40
AGRICULTURE	\$981,267.00			\$43,382.00	\$945,092.00	\$1,969,741.00
BIT	\$452,586.00				\$547,000.00	\$999,586.00
CORRECTIONS	\$6,635,321.80	\$729,157.80			\$2,246,722.00	\$9,611,201.60
EDUCATION	\$86,932,419.00	\$440,484.20	\$1,717,596.40		\$8,275,448.89	\$97,365,948.49
ENERGY OFFICE	\$138,499.00				\$543,000.00	\$681,499.00
FINANCE	\$1,773,628.00			\$9,378.00	\$1,075,500.00	\$2,858,506.00
FIRE SERVICES	\$9,744,508.51	\$10,002.00			\$915,000.00	\$10,669,510.51
GOVERNOR'S OFFICE					\$4,760,499.96	\$4,760,499.96
HEALTH	\$10,385,413.15	\$498,555.46	\$54,533.00	\$31,100.00	\$4,122,428.44	\$15,092,030.05
HUMAN SERVICES	\$21,067,165.18	\$3,500,335.00			\$4,276,660.00	\$28,844,160.18
IRB	\$5,013,725.90			\$58,736.00	\$867,500.00	\$5,939,961.90
JUSTICE	\$3,683,314.00	\$87,500.01	\$24,003.20		\$5,608,681.00	\$9,403,498.21
LABOR	\$2,965,130.00	\$2,633,342.90	\$66,480.00	\$62,919.00	\$1,364,863.00	\$7,092,734.90
LEPC	\$72,209.00				\$398,000.00	\$470,209.00
LGO	\$3,434,426.00	\$1,535.64			\$3,339,010.00	\$6,774,971.64
LICENSING & CONSUMER	\$1,080,194.00				\$1,559,150.00	\$2,639,344.00
MOTOR VEHICLES	\$1,278,408.00				\$390,000.00	\$1,668,408.00
OCB	\$187,389.00				\$214,000.00	\$401,389.00
OMB	\$953,830.00				\$1,321,000.00	\$2,274,830.00
P&P	\$1,347,949.00				\$1,506,000.00	\$2,853,949.00
PERSONNEL	\$1,411,967.00	\$20,800.00			\$832,000.00	\$2,264,767.00
PLANNING & NAT RES	\$4,345,190.00			\$57,000.00	\$2,962,500.00	\$7,364,690.00
POLICE	\$20,413,492.89	\$819,143.00	\$15,912.00	\$86,368.00	\$4,096,263.40	\$25,431,179.29
PUBLIC WORKS	\$4,236,776.00				\$4,373,560.00	\$8,610,336.00
SP PARKS & REC	\$1,975,918.00	\$52,842.00			\$848,000.00	\$2,876,760.00
TOURISM	\$203,639.00				\$1,201,250.00	\$1,404,889.00
VET AFFAIRS	\$104,230.00				\$85,000.00	\$189,230.00
VI INSPECTOR GENERAL	\$652,193.00				\$457,000.00	\$1,109,193.00
VITEMA	\$1,425,156.00	\$1,920.00			\$2,087,503.00	\$3,514,579.00
Grand Total	\$193,839,017.43	\$8,860,584.41	\$1,878,524.60	\$348,883.00	\$61,471,337.69	\$266,398,347.13

WORKFORCE BY CLASSIFICATION



Salaries of Workforce By Department

Sum of AnnSal



Count of Employees

Employee Workforce By Department

