



FY 2008 Executive Budget Report

*Aligning Resources
with Priorities*

30 May 2007

**Governor John P. de Jongh Jr.
Lt. Governor Gregory R. Francis**



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FY 2008 Executive Budget Overview

- ❑ Balanced Budget
- ❑ Moderate Growth despite a precarious financial situation
- ❑ Institutional Reform
- ❑ Tackling Ignored Long-Term Legal Obligations
- ❑ Accountability: Performance-Based Budgeting
- ❑ Gives us a Foundation going Forward
- ❑ First Steps and not a Panacea
- ❑ Improved Public Service for Residents



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FY 2008 Executive Budget Initiatives

- Reform the way we do business – Aligning Resources with Priorities
- Bring our Financial Statements up to date through Financial Audits of our Government books for the past 2 years
- Address long-ignored Financial and Legal Obligations that are restricting our use of current resources
 - Retirement System and Retroactive Salaries
 - Outstanding encumbrances
 - Appropriations from prior budgets
- Bring Energy Office under the Office of the Governor
- Move Housing programs and functions from Housing, Parks and Recreation to Housing Finance Authority
- Create a new Department of Sports, Parks and Recreation
- Transfer Community Development Block Grant Program to Housing Finance Authority



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FY 2008 Executive Budget Challenges

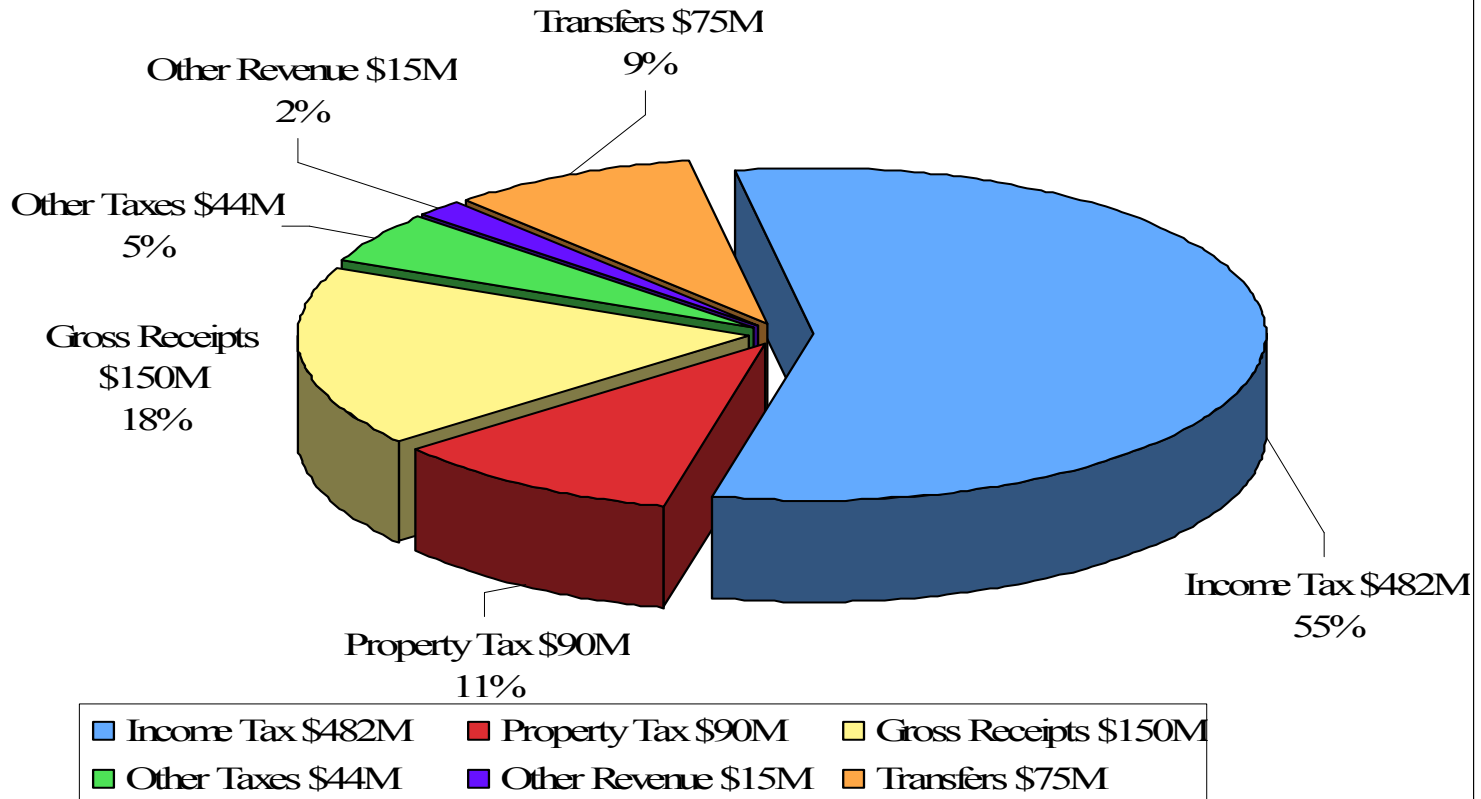
Inherited Challenges

- ❑ Precarious Financial Situation
- ❑ Mismanagement of Federal Funds
- ❑ Financial Audits 2 years in arrears
- ❑ Ignored Financial Legal Obligations including more than \$400 million in Retroactive Salary obligations
- ❑ Unfunded Liability of GERS of over \$1 Billion
- ❑ Inefficient Management Structures
- ❑ Ineffective Government-wide Coordination

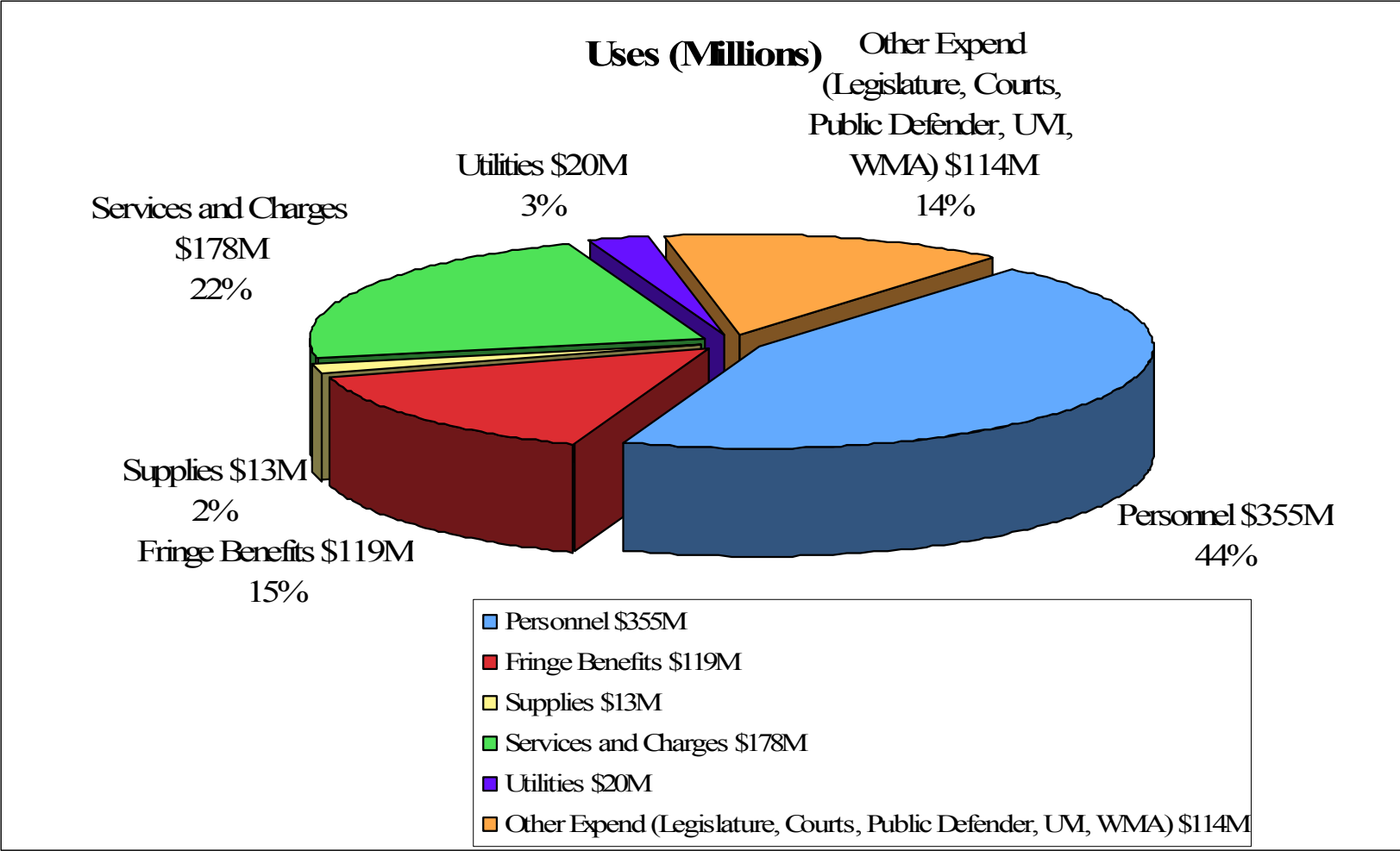
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FY 2008 Budget Sources

Budget Sources Prior to Debt Service & Transfers



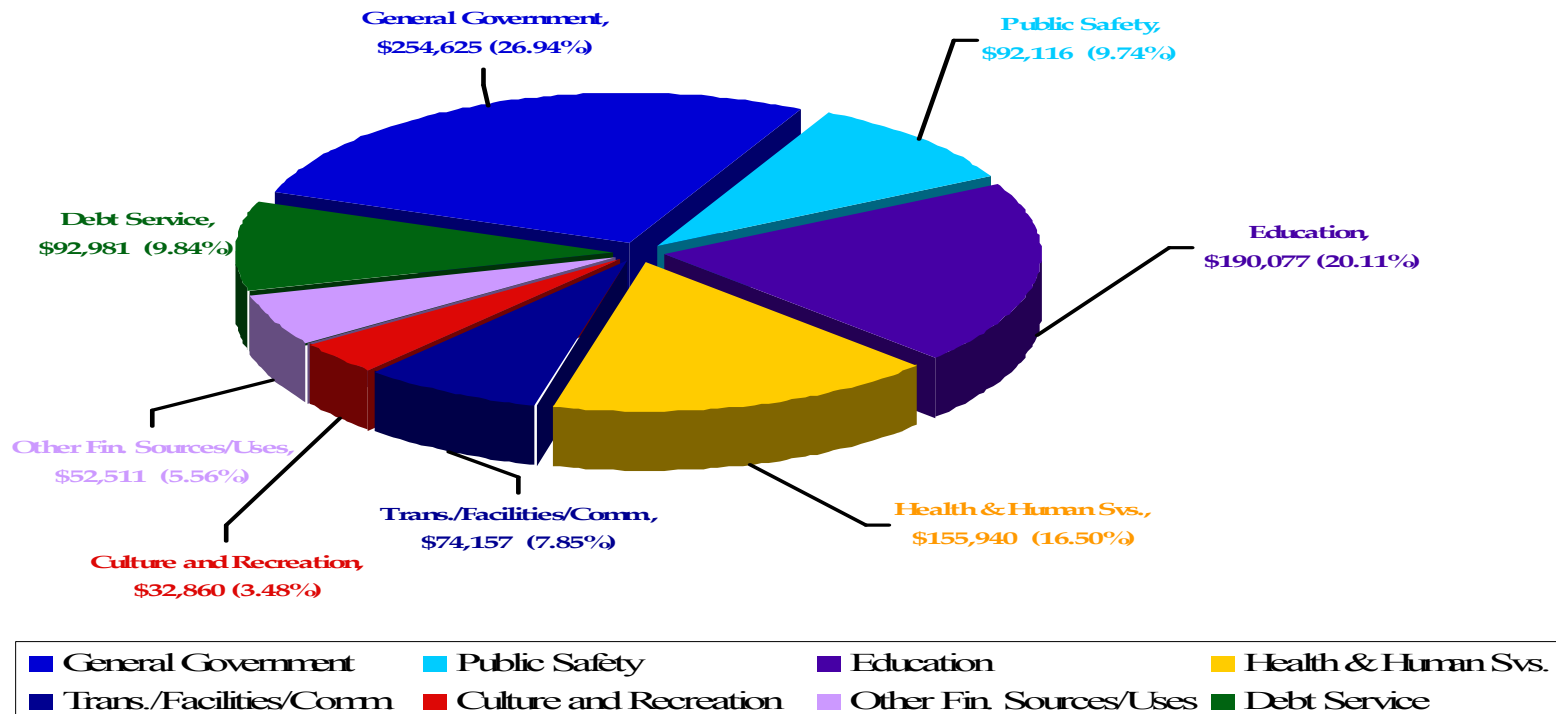
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FY 2008 Budget Expenditures

Expenditures by Functions of Government
(in Thousands)





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Education Reform Initiatives

- Empowering District Superintendents with Enhanced Budgetary Authority
 - \$ at the student level
 - Timely response to student needs
- Creation of District Facilities Manager positions
- Budgeting for ongoing and summer maintenance
- Commitment to Professional Development and certification of Teachers



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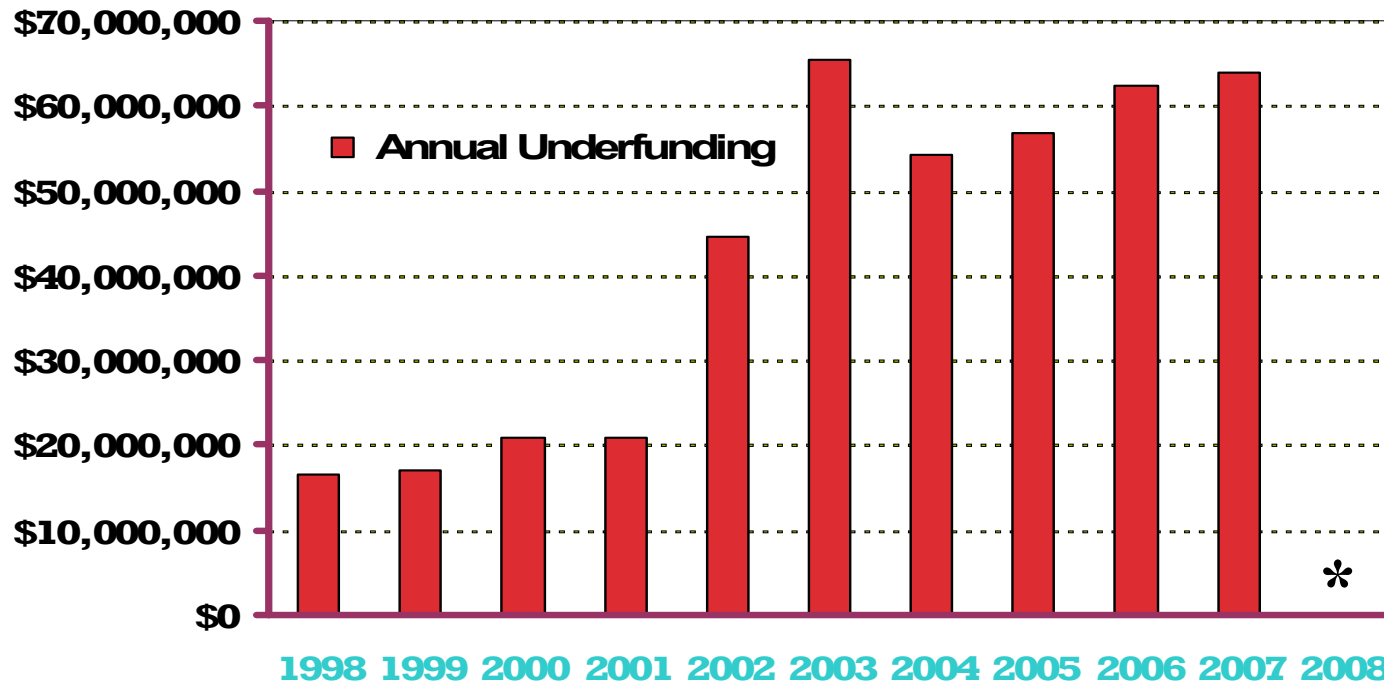
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Public Safety Reform Initiatives

- Significant funding provided (\$4M) to upgrade 911 system and new Public Safety Equipment
 - Funding will cover antennas, towers and communications equipment
- Addressing Longstanding VIPD Officer Vacancies:
 - Create a ‘Recruiter’ Position
 - Institute a new recruitment program including outreach off island
- Establish a Joint VIPD/DOJ ‘Cold Case’ Unit to address unsolved Major Crimes
- Institute improved training programs for all officers
- Dedicate \$ for VIPD Staff Psychologist

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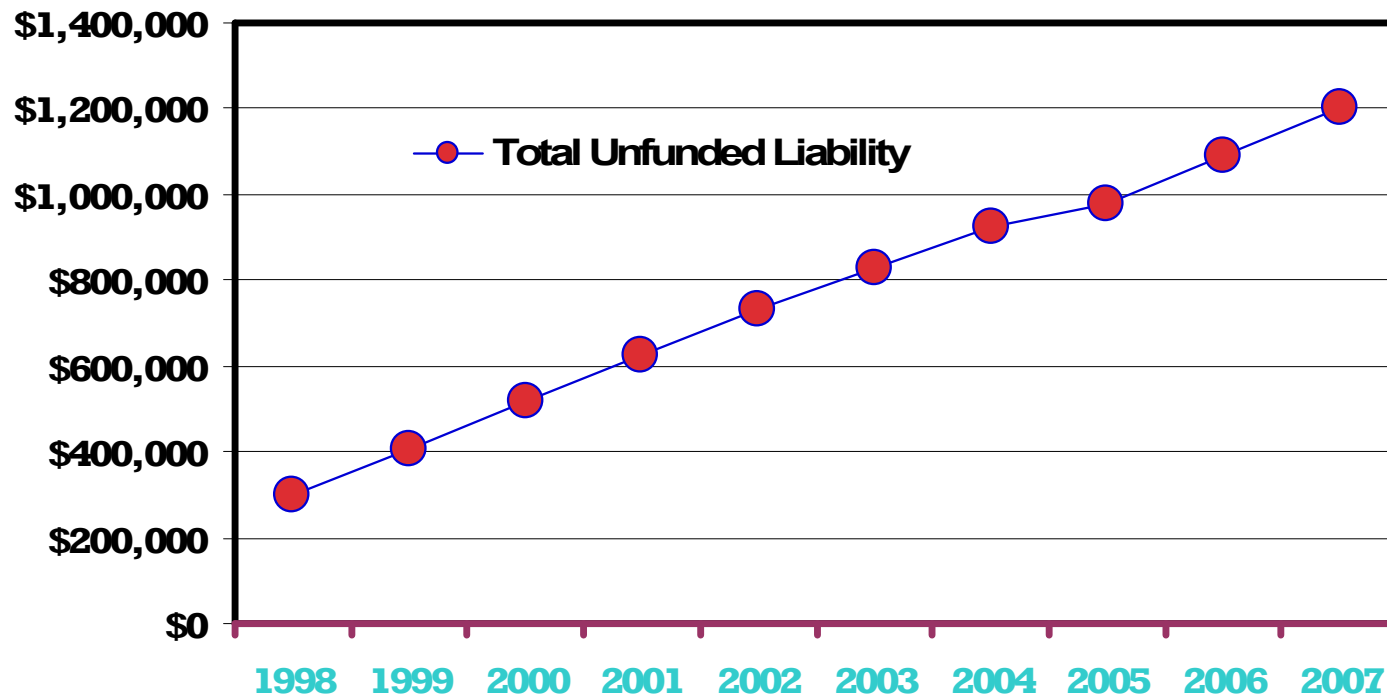
GERS Underfunding



Note: Data 2005-on estimated. * Note: 2008 Additionally funded by Increased Employer Contribution and POB

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Growing Pension Debt



Note: Data 2005-on estimated.