

Fiscal Year 2021

Operating Budget Request

Judicial Branch of the Virgin Islands & Judicial Council of the Virgin Islands

May 29, 2020



BUDGET PRESENTATION 2021



MAY 29, 2020

JUDICIAL BRANCH OF THE VIRGIN ISLANDS

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Supreme Court of The Virgin Islands

May 29, 2020

Honorable Albert A. Bryan Jr.
Governor of the United States Virgin Islands
Government House, 21-22 Kongens Gade
St. Thomas, U. S. Virgin Islands 00802

Honorable Novelle E. Francis, Jr.
President, 33rd Legislature of the Virgin Islands
Capitol Building- Old Barracks Yard
St. Thomas, U. S. Virgin Islands 00802

RE: Judicial Branch and Judicial Council Fiscal Year 2021 Budget Requests, Post Audit Submission, and Fiscal Year 2019 Annual Report of the Virgin Islands Court and Judiciary System

Dear Governor Bryan and Senate President Francis:

Enclosed are copies of the Fiscal Year 2021 Budget Request for the Judiciary of the Virgin Islands and the Judicial Council of the Virgin Islands and the Post Audit Submission along with copies of the 2019 *Annual Report on the U. S. Virgin Islands Court and Judiciary System*, as required by 4 V. I. C. §31 (D)(4). This budget request covers funding for the operations of the entire judicial system, including both the Supreme Court and the Superior Court. The request was duly approved and adopted by the Judicial Management Advisory Council at a duly noticed meeting held on May 8, 2020.

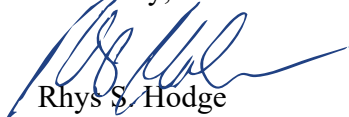
For Fiscal Year 2021, the Judicial Branch of the Virgin Islands requests an appropriation of \$39,179,342, with an accompanying request for the Judicial Council in the amount of \$118,292. This request considers the fiscal condition of the Territory and represents a 9.4% decrease from the FY 2020 request and an 11% increase over the funding level of the Judiciary which has been in place for the past 4 fiscal years.

Additionally, in FY 2020, the Judicial Branch requested \$1 million dollars to cover projected expenses for the Actuarially Determined Employer Share of Contributions bills from GERS. To date, the Judiciary has paid an

estimated \$730,000 in ADEC despite receiving no increase in funding. Once again, based on the number of judicial officers and marshals eligible for retirement in 2021, the current request includes a conservative estimate of funding to cover ADEC expenses.

The Judiciary will cooperate fully in the budget process. Should you require anything further, please do not hesitate to contact me at 340.774.2237.

Sincerely,



Rhys S. Hodge
Chief Justice

Enclosures (2)

cc: Hon. Harold W. L. Willocks, Presiding Judge, Superior Court
Hon. Kurt A. Vialet, Chair of the Committee on Finance
Regina Petersen, Administrator of Courts
Jenifer O'Neal, Director Designee, OMB
Jose George, Post Auditor

VIRGIN ISLANDS
JUDICIAL MANAGEMENT ADVISORY COUNCIL
RESOLUTION NO. 2020-0003
RELATIVE TO APPROVING THE JUDICIARY OF THE VIRGIN ISLANDS
BUDGTE FOR FISCAL YEAR 2021

WHEREAS, the proposed Fiscal Year (“FY”) 2021 for the Judiciary of the Virgin Islands was presented by the Administrator of Courts, and The Chief Financial Officer at the Judicial Management Advisory Council meeting on May 8, 2020; and

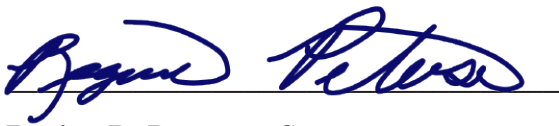
WHEREAS, the FY 2021 Judiciary of the Virgin Islands proposed budget was thoroughly reviewed, studied and discussed by the members of the Judicial Management Advisory Council;

NOW THEREFORE, BE IT RESOLVED, that the FY 2021 Judiciary of the Virgin Islands’ Budget, a copy of which is attached as an exhibit hereto, is APPROVED.

DULY ADOPTED by the Judicial Management Advisory Council at a duly noticed meeting on May 8, 2020.



Rhys S. Hodge, Chair



Regina D. Petersen, Secretary

Introduction

The Judicial Branch of the Virgin Islands, pursuant to Act No. 7888, was unified administratively on July 30, 2016. The Judicial Branch Administrative Office was also established with the enactment of Act No. 7888. This Office is headed by an Administrator of Courts, who is appointed by the Chief Justice, and charged with several functions to include “developing, implementing, coordinating, and enforcing all non-judicial matters throughout the branch and related to policies, standards, procedures, programs, and personnel. JBAO, subject to the authority of the Chief Justice, is also responsible for the development of the budget and oversight of the expenditure of funds consistent with the judicial branch’s budget; procurement and disbursement policies.

The Judicial Branch Administrative Office submits the Fiscal Year 2020 Budget Request on behalf of the Judicial Branch of the Virgin Islands in the amount of \$39,179,342 and the Judicial Council \$118,292, respectively. The current governance structure of the Virgin Islands Judiciary is shown on the next page.

Budget Guidelines

The Judicial Branch's budgeting and strategic objectives center on Core Strategies for achieving Judicial Excellence, and Maintaining Public Trust, and Confidence through Innovative Leadership". In this regard, the Judiciary has implemented new internal guidelines to not only streamline the budget process, but to achieve uniformity and consistency in the development and presentation of its annual budget request. The guidelines include establishing key performance indicators that are measurable and data driven to ensure alignment with the overall goals and objectives of the Judiciary as follows:

- Strategic Planning and Execution
- Transparency
- Data Reliability
- Effective Communication with to Stakeholders

The Key Areas of focus for the Judiciary are:

- Personnel Management
- Operating Expense Management
- Contract Services
- Facility Management and Maintenance
- Performance Analysis
- Capital Budget

PERSONNEL MANAGEMENT

The largest segment of the budget lies within the area of Salaries and Fringe Benefits. Within Personnel Management, specific areas were identified as both short term and long-term goals in the development of strategic staffing plans, identifying and addressing succession planning, identifying positions for attrition, resource allocation and re-allocation and the right-sizing of divisions based on service need. Additionally, the judiciary, in its projections and planning for anticipated retirement costs, such as lumpsum payments and Employer missing contributions, has within the past year begun to forecast the Actuarially Determined Employer Contributions (ADEC) liability. Long-term goals continue to include the Implementation of a Single Compensation Plan post-unification, as well as the determination of optimal divisional staffing requirements especially with the implementation of a new case management system in the Superior Court and the efficiencies that are anticipated with E-filing coming online in the current fiscal year. The Judiciary continues to plan to provide adequately for anticipated increases in fringe benefits, and strike a careful and almost impossible balance between employee retention, competition in recruitment and the inability to provide step increases in the current economy.

OPERATING EXPENSE MANAGEMENT

Operating expenses represent the core expenditures within the Judiciary. These expenses are reported based expenditure level and adjusted in accordance with shifting obligations and funding priorities. The Budget and Accounting Services Division generates and analyzes historical information to track spending trends in the operations and communicates to the Judicial Branch Administrative Office opportunities for cost savings and facilitates the establishment of annual spending limits. Following the impact of 2 Category 5 Hurricanes the Judiciary continues to experience increased costs for insurance, vehicle maintenance and repairs, equipment, furniture and supply purchases, and infrastructure repair. In the midst of the third year of the recovery process, the Judiciary continues not only to face significant challenges in completing repairs to its facilities, but now has to undertake the arduous task of retrofitting those facilities to reconstitute services during an ongoing pandemic.

CONTRACT SERVICES

Professional Services are evaluated by the Budget and Accounting Services and Procurement Divisions. Historical information is analyzed along with current market data to determine appropriate contractual pricing levels. In the current recovery and response period for both the hurricanes and the pandemic, it is expected that expenditures for professional services will continue to increase.

FACILITY MANAGEMENT AND MAINTENANCE

Infrastructure is a major component of the Judiciary's operations. Buildings, vehicles, equipment, and all ancillary systems and services comprise this section of the budget. To reduce costs in these areas, following repair and/or replacement, the Judiciary must be able to fully implement Preventative Maintenance Measures as part of its long-term strategy. Schedules for all major equipment and buildings to assist with reducing overall costs. Funding constraints continue to hamper progress in this area.

Nevertheless, a Preventative Maintenance Program is still a strategic and performance objective for the branch. Funding for this objective must be prioritized.

PERFORMANCE MANAGEMENT

The Judicial Branch has committed to implementing Key Performance Indicators to measure performance from both a strategic and financial standpoint. In this regard, the Judiciary must be able to establish realistically achievable baselines within the existing funding framework. While the Branch has suffered under austere budgets for numerous and consecutive years, performance management remains an integral part of the long-term strategic objectives for the Judiciary.

CAPITAL BUDGETING

Capital Budgeting is incorporated in Judicial Branch Operations and focused on both short-term improvements and long-term projects. Fixed Asset Management and planning are a major component of budget development. the Capital Budgeting process. The Judiciary has a vested interest in ensuring that major infrastructure projects are strategically tied to the overall goals and objectives. New Capital criteria and approval processes have been implemented and are reviewed and updated on a regular basis. The criteria for development, implementation and review include the following:

- Public Benefit
- Safety, Security, Risk Management
- Cost
- Priority (Rank)
- Rate of Return on Investment

Judicial Council

The Appellate Division of the District Court of the Virgin Islands served as the appellate court for processing cases appealed from the Superior Court of the Virgin Islands, prior to the establishment of the Supreme Court of the Virgin Islands, and historically, the Judicial Council has acted as the vehicle through which the Territorial Government has provided assistance to the District Court. Since the acceptance of jurisdiction in 2007 by the Supreme Court of the Virgin Islands, no new cases have been filed in the Appellate Division. However, the Appellate Division continues to work towards the conclusion of the cases pending prior to the establishment of the Supreme Court.

In addition to the conclusion of the cases pending before the Appellate Division, the District Court Library continues to provide services to the members of the local bar and the community at large. However, since there are no other expenses related to the administration of the pending appellate caseload, the fiscal year 2021 Judicial Council request is solely to cover the salaries of 2 Law Librarians. The current request strikes a careful balance between fiscal restraints and anticipated contractual increases in fringe benefits.

| Judicial Council Summary of Expenditures by Object | | | |
|---|-------------------------------------|--|-------------------------------------|
| DESCRIPTION | October 1, 2019 - Sept. 30, 2020 | | October 1, 2020 - Sept. 30, 2021 |
| | | | Request |
| General Fund Appropriation | 113,130 | | 118,292 |
| Grant Funding | 0 | | 0 |
| | | | |
| PERSONNEL SERVICES | | | |
| SALARIES | 71,986 | | 73,786 |
| OVERTIME | | | |
| LUMP SUM PAYMENTS | | | |
| HOLIDAY PAY | | | |
| SICK LEAVE | | | |
| ANNUAL PAY, OTHER | | | |
| CAPITAL OUTLAYS | | | |
| FRINGE BENEFITS | | | |
| RETIREMENT | 14,757 | | 17,340 |
| F.I.C.A | 4,463 | | 4,575 |
| MEDICARE | 1,044 | | 1,070 |
| HEALTH INSURANCE PREMIUM | 20,796 | | 21,438 |
| WORKERS COMP. PREMIUMS | 84 | | 84 |
| UNEMPLOYMENT COMPENSATION | | | |
| ALL OTHER: | | | |
| EMPLOYEE & INCENTIVE AWARDS | | | |
| SUPPLIES | | | |
| OTHER SERVICES & CHARGES | | | |
| UTILITY SERVICES | | | |
| | | | |
| TOTAL | 113,130 | | 118,292 |

Personnel

| Judicial Council | | | | | | | | | |
|-----------------------------|----------|----------|---|--|---|---------------------|---|-------------------------------|-------------------------------|
| Summary of Personnel Cost | | | | | | | | | |
| POSITION TITLE | District | STATUS | ANNUAL SALARY FISCAL YEAR 2021 | FICA @ 7.65% (2020 SS Salary Cap is \$137,700) | SOCIAL SECURITY @ 6.20 % Ceiling of \$132,900 | MEDICARE @ 1.45% | EMPLOYER COST RETIREMENT @ 23.5% ANNUAL | HEALTH INSURANCE PER PP | HEALTH INSURANCE ANNUAL |
| LAW LIBRARIAN TECHNICIAN | STX | F | 33,747 | 2,582 | 2,092 | 489 | 7,931 | 313 | 10,719 |
| LAW LIBRARIAN TECHNICIAN | STT | F | 40,039 | 3,063 | 2,482 | 581 | 9,409 | 178 | 10,719 |
| TOTAL BOTH DISTRICTS | | 2 | \$ 73,786 | \$ 5,645 | \$ 4,575 | \$ 1,070 | \$ 17,340 | \$ 491 | \$ 21,438 |

JUDICIAL BRANCH

| JUDICIAL BRANCH | | | | |
|---|--|---|---|---|
| Summary of Expenditures by Object | | | | |
| DESCRIPTION | | October 1, 2019 - September 30, 2020 | | October 1, 2020 - September 30, 2021 |
| | | | | Request |
| | | | | |
| General Fund Appropriation | | 35,246,781 | | 39,179,342 |
| Grant Funding | | | | |
| | | | | |
| | | | | |
| PERSONNEL SERVICES | | 19,481,437 | | 21,163,105 |
| FRINGE BENEFITS | | 7,166,234 | | 8,917,274 |
| CAPITAL OUTLAYS | | 3,496,764 | | 1,815,410 |
| SUPPLIES | | 655,176 | | 660,000 |
| UTILITY SERVICES | | 2,093,971 | | 2,100,000 |
| OTHER SERVICES & CHARGES | | 3,959,260 | | 4,513,554 |
| ALL OTHER: | | | | |
| COMMISSION ON JUDICIAL CONDUCT | | 2,500 | | 2,500 |
| ACCESS TO JUSTICE COMMISSION | | 2,500 | | 2,500 |
| BOARD OF PROFESSIONAL RESPONSIBILITY & UPL | | 5,000 | | 5,000 |
| TOTAL | | 36,862,842 | * | 39,179,342 |
| | | | | |
| <i>*Includes Act 8166 Reauthorization Funds, Grant Funds, and Insurance Proceeds received in FY2019 for the Superior Court.</i> | | \$ 1.606.061.00 | | |

JUDICIAL BRANCH
Schedule of Expenditures Personnel Costs

| DESCRIPTION | | |
|--------------|--|----------------------|
| Fund | Item | Request |
| | PERSONNEL SERVICES | |
| General Fund | REGULAR SALARIES/LUMPSUM/HOLIDAY | \$ 20,263,105 |
| Federal Fund | OTHER PERSONAL SERVICES: | |
| General Fund | COMPENSATION FOR ATTORNEYS, EXPERTS, ETC. | 650,000 |
| General Fund | JURY FEES | 250,000 |
| General Fund | CONSULTANT FEES | |
| | TOTAL PERSONNEL, PERSONAL SERVICES & OTHER | \$ 21,163,105 |
| | FRINGE BENEFITS | |
| General Fund | RETIREMENT | \$ 3,910,366 |
| General Fund | ADEC (Actuarially Determined Employer Contributions) | 500,000 |
| General Fund | F.I.C.A /MEDICARE | 1,466,886 |
| General Fund | HEALTH INSURANCE | 2,853,492 |
| General Fund | WORKERS COMPENSATION | 30,000 |
| General Fund | UNEMPLOYMENT COMPENSATION | 10,500 |
| | TOTAL FRINGE | 8,771,244 |
| | TOTAL PERSONNEL SERVICES AND FRINGE | \$ 29,934,349 |
| | Personnel by Organization | |
| | Judicial Branch Administrative Offices | |
| | Salary | \$ 10,134,488 |
| | Lumpsums/Separations | 450,000 |
| | FICA/Medicare- 2020 base rate \$137,700 | 767,160 |
| | Retirement | 2,162,227 |
| | Health Insurance with Projected 5% Increase | 1,575,170 |
| | ADEC (Actuarially Determined Employer Contributions) | 500,000 |
| | Employee Incentives: Service Awards, Employee of the Year | 146,030 |
| | Unemployment/Worker's Compensation: Based on Previous years experience | 40,500 |
| | Other Personnel Services: Attorney Fees, Experts, Jury Expenses | 900,000 |
| | Total | \$ 16,675,575 |
| | Supreme Court | |
| | Salary | \$ 2,106,441 |
| | FICA/Medicare- 2020 base rate \$137,700 | 147,112 |
| | Retirement | 310,999 |
| | Health Insurance with Projected 5% Increase | 192,114 |
| | Total | \$ 2,756,666 |
| | Superior Court | |
| | Salary | \$ 7,572,175 |
| | FICA/Medicare- 2020 base rate \$137,700 | 552,614 |
| | Retirement | 1,437,140 |
| | Health Insurance with Projected 5% Increase | 1,086,208 |
| | Total | \$ 10,648,137 |

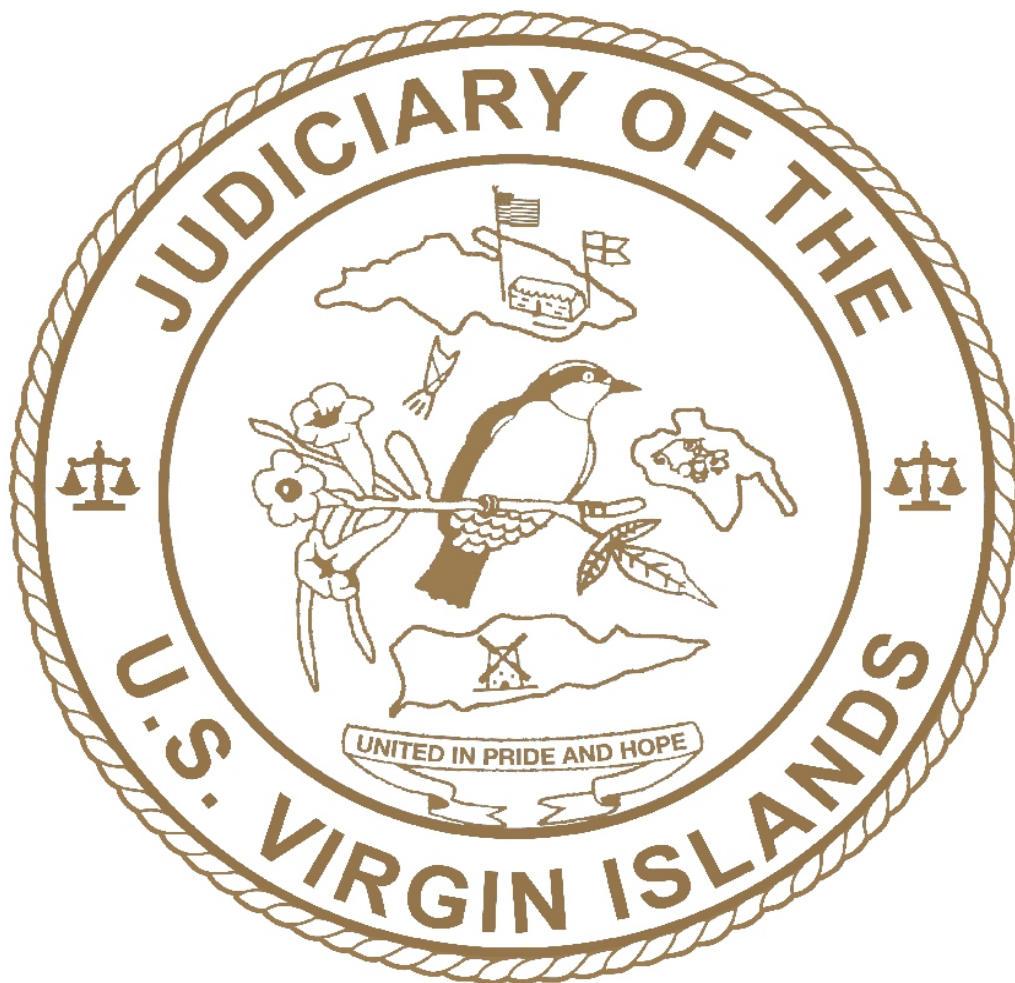
| JUDICIAL BRANCH | | | | |
|-----------------------------|-----------------------------|---|---------|---------------------|
| Schedule of Capital Outlays | | | | |
| DESCRIPTION | | | | |
| Fund | Item | | | Request |
| | CAPITAL OUTLAYS | | | |
| General Fund | MACHINERY & EQUIPMENT | | | \$ 702,910 |
| | | <i>Emergency Equipment purchases including Radio Communications</i> | 365,293 | |
| | | <i>Fire Alarms</i> | 100,000 | |
| | | <i>Camera Replacement</i> | 125,000 | |
| | | <i>HVAC Equipment Purchases</i> | 72,617 | |
| | | <i>Flag Poles</i> | 40,000 | |
| | | | | |
| General Fund | COMPUTER EQUIPMENT | | | \$ 500,000 |
| | | <i>Backup Solutions</i> | 195,000 | |
| | | <i>Courtroom Upgrades, Remote Appearances, and other equipment</i> | 275,000 | |
| | | <i>Jury Management Upgrade</i> | 30,000 | |
| | | | | |
| General Fund | VEHICLES | | | \$ - |
| | | | | |
| | | | | |
| General Fund | TECHNOLOGY PROJECT | | | \$ - |
| | | | 0 | |
| | | | | |
| | | | | |
| | ALL OTHER: | | | |
| General Fund | LAND | | | |
| General Fund | BUILDING IMPROVEMENTS | | | \$ 500,000 |
| | | <i>Building Improvements - Window Replacement, Interior renovations</i> | 500,000 | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| General Fund | NEW AND REPLACEMENT VOLUMES | | | \$ 112,500 |
| | | TOTAL CAPITAL OUTLAYS | | \$ 1,815,410 |

JUDICIAL BRANCH

Schedule of Expenditures Supplies, Utilities, Other Services

DESCRIPTION

| Fund | Item | | | Request |
|--------------|--|--|----------------|---------------------|
| | SUPPLIES | | | |
| General Fund | OFFICE SUPPLIES | | | \$ 250,000 |
| | | <i>Office Supplies, Drinking Water, Toner Purchases, Computer Supplies</i> | <i>150,000</i> | |
| | | <i>Pandemic related Janitorial Supplies</i> | <i>100,000</i> | |
| General Fund | OPERATING SUPPLIES & OTHER | | | \$ 410,000 |
| | | <i>Gasoline, Vehicle Repairs and Maintenance</i> | <i>150,000</i> | |
| | | <i>Small Tools and Minor Equipment, including COVID-19 purchases</i> | <i>260,000</i> | |
| | TOTAL SUPPLIES | | | \$ 660,000 |
| | UTILITY SERVICES | | | |
| General Fund | | <i>Electricity and Water</i> | | \$ 1,600,000 |
| General Fund | | <i>Telephone and Internet</i> | | \$ 500,000 |
| | TOTAL UTILITIES | | | \$ 2,100,000 |
| | OTHER SERVICES & CHARGES | | | |
| General Fund | PROFESSIONAL SERVICES | <i>Contract Services Judicial Rules, Legal Services</i> | | \$ 591,287 |
| General Fund | COMPUTER SERVICES | <i>Software and Hardware Maintenance, License Renewals, etc.</i> | | \$ 1,374,972 |
| General Fund | TRAVEL | | | \$ 125,000 |
| General Fund | TRANSPORTATION - NOT TRAVEL | | | \$ 75,000 |
| General Fund | ADVERTISING AND PROMOTION | | | \$ 100,000 |
| General Fund | PRINTING AND BINDING | | | \$ 70,000 |
| General Fund | INSURANCE | <i>Increase in Premiums due to Hurricanes Irma and Maria</i> | | \$ 500,000 |
| General Fund | REPAIRS AND MAINTENANCE | | | \$ 300,000 |
| General Fund | RENTAL - LAND/BUILDING | | | \$ 650,000 |
| General Fund | RENTAL - MACHINES/EQUIPMENT | | | \$ 300,000 |
| General Fund | TRAINING | | | \$ 139,320 |
| General Fund | SECURITY | | | \$ 277,975 |
| General Fund | ALL OTHER: | | | |
| | COMMISSION ON JUDICIAL CONDUCT | | | \$ 2,500 |
| | ACCESS TO JUSTICE COMMISSION | | | \$ 2,500 |
| | BOARD OF PROFESSIONAL RESPONSIBILITY & UPL | | | \$ 5,000 |
| General Fund | MISCELLANEOUS | | | \$ 10,000 |
| | TOTAL OTHER SERVICES AND CHARGES | | | \$ 4,523,554 |





Judicial Branch Administrative Office
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