

Union Calendar No. 389

108TH CONGRESS
2^D SESSION

H. R. 3589

[Report No. 108-645]

To create the Office of Chief Financial Officer of the Government of the Virgin Islands.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 21, 2003

Mrs. CHRISTENSEN introduced the following bill; which was referred to the Committee on Resources

SEPTEMBER 7, 2004

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

[For text of introduced bill, see copy of bill as introduced on November 21, 2003]

A BILL

To create the Office of Chief Financial Officer of the Government of the Virgin Islands.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. CHIEF FINANCIAL OFFICER OF THE VIRGIN IS-**

4 **LANDS.**

5 *(a) APPOINTMENT OF CHIEF FINANCIAL OFFICER.—*

1 (1) *IN GENERAL.*—*The Governor of the Virgin*
2 *Islands shall appoint a Chief Financial Officer, with*
3 *the advice and consent of the Legislature of the Virgin*
4 *Islands, from the names on the list required under*
5 *section 2(d). If the Governor has nominated a person*
6 *for Chief Financial Officer but the Legislature of the*
7 *Virgin Islands has not confirmed a nominee within*
8 *90 days after receiving the list pursuant to section*
9 *2(d), the Governor shall appoint from such list a*
10 *Chief Financial Officer on an acting basis until the*
11 *Legislature consents to a Chief Financial Officer.*

12 (2) *ACTING CHIEF FINANCIAL OFFICER.*—*If a*
13 *Chief Financial Officer has not been appointed under*
14 *paragraph (1) within 180 days after the date of the*
15 *enactment of this Act, the Virgin Islands Chief Fi-*
16 *nancial Officer Search Commission, by majority vote,*
17 *shall appoint from the names on the list submitted*
18 *under section 2(d), an Acting Chief Financial Officer*
19 *to serve in that capacity until a Chief Financial Offi-*
20 *cer is appointed under the first sentence of paragraph*
21 *(1). In either case, if the Acting Chief Financial Offi-*
22 *cer serves in an acting capacity for 180 consecutive*
23 *days, without further action the Acting Chief Finan-*
24 *cial Officer shall become the Chief Financial Officer.*

25 (b) *TRANSFER OF FUNCTIONS.*—

1 (1) *IN GENERAL.*—Upon the appointment of a
2 Chief Financial Officer under subsection (a), the
3 functions of the Director of the Office of Management
4 and Budget established under the laws of the Virgin
5 Islands shall be transferred to the Chief Financial Of-
6 ficer. All employees of the Office of Management and
7 Budget become employees of the Office of the Chief Fi-
8 nancial Officer.

9 (2) *DOCUMENTS PROVIDED.*—The heads of each
10 department of the Government of the Virgin Islands,
11 in particular the head of the Department of Finance
12 of the Virgin Islands and the head of the Internal
13 Revenue Bureau of the Virgin Islands shall provide
14 all documents and information under the jurisdiction
15 of that head that the Chief Financial Officer considers
16 required to carry out his or her functions to the Chief
17 Financial Officer.

18 (c) *DUTIES OF CHIEF FINANCIAL OFFICER.*—The du-
19 ties of the Chief Financial Officer shall include the fol-
20 lowing:

21 (1) Assume the functions and authority of the of-
22 fice of the Office of Management and Budget estab-
23 lished under the laws of the Virgin Islands as trans-
24 ferred under subsection (b).

1 (2) *Develop a report on the financial status of*
2 *the Government of the Virgin Islands not later than*
3 *6 months after appointment and quarterly thereafter.*
4 *Such reports shall be available to the public and shall*
5 *be submitted to the Committee on Resources in the*
6 *House of Representatives and the Committee on En-*
7 *ergy and Natural Resources in the Senate.*

8 (3) *Each year certify spending limits of the an-*
9 *nuual budget and whether or not the annual budget is*
10 *balanced.*

11 (4) *Monitor operations of budget for compliance*
12 *with spending limits, appropriations, and laws, and*
13 *direct adjustments where necessary.*

14 (5) *Develop standards for financial management,*
15 *including inventory and contracting, for the govern-*
16 *ment of the Virgin Islands in general and for each*
17 *agency in conjunction with the agency head.*

18 (6) *Oversee all aspects of the implementation of*
19 *the financial management system provided pursuant*
20 *to section 3 to ensure the coordination, transparency,*
21 *and networking of all agencies' financial, personnel,*
22 *and budget functions.*

23 (7) *Provide technical staff to the Governor and*
24 *legislature of the Virgin Islands for development of a*
25 *deficit reduction and financial recovery plan.*

1 (d) *DEPUTY CHIEF FINANCIAL OFFICER.*—Until the
2 date that is 5 years after the date of the enactment of this
3 Act, the position of the Director of the Office of Management
4 and Budget of the Virgin Islands shall—

5 (1) have the duties, salary (as specified in sub-
6 section (f)(3)), and other conditions of the Deputy
7 Chief Financial Officer in lieu of the duties, salary,
8 and other conditions of the Director of the Office of
9 Management and Budget of the Virgin Islands as
10 such functions existed before the appointment of the
11 Chief Financial Officer; and

12 (2) assist the Chief Financial Officer in carrying
13 out the duties of the Chief Financial Officer.

14 (e) *CONDITIONS RELATED TO CHIEF FINANCIAL OFFI-*
15 *CER.*—

16 (1) *TERM.*—The Chief Financial Officer shall be
17 appointed for a term of 5 years.

18 (2) *REMOVAL.*—The Chief Financial Officer shall
19 not be removed except for cause. An Acting Chief Fi-
20 nancial Officer may be removed for cause or by a
21 Chief Financial Officer appointed with the advice
22 and consent of the Legislature of the Virgin Islands.

23 (3) *REPLACEMENT.*—If the Chief Financial Offi-
24 cer is unable to continue acting in that capacity due
25 to removal, illness, death, or otherwise, another Chief

1 *Financial Officer shall be selected in accordance with*
2 *subsection (a).*

3 (4) *SALARY.—The Chief Financial Officer shall*
4 *be paid at a salary to be determined by the Governor*
5 *of the Virgin Islands, except such rate may not be less*
6 *than the highest rate of pay for a cabinet officer of*
7 *the Government of the Virgin Islands or a Chief Fi-*
8 *nancial Officer serving in any government or semi-*
9 *autonomous agency.*

10 (f) *CONDITIONS RELATED TO DEPUTY CHIEF FINAN-*
11 *CIAL OFFICER.—*

12 (1) *TERM; REMOVAL.—The Deputy Chief Finan-*
13 *cial Officer shall serve at the pleasure of the Chief Fi-*
14 *nancial Officer.*

15 (2) *REPLACEMENT.—If the Deputy Chief Finan-*
16 *cial Officer is unable to continue acting in that ca-*
17 *capacity due to removal, illness, death, or otherwise, an-*
18 *other person shall be selected by the Governor of the*
19 *Virgin Islands to serve as Deputy Chief Financial Of-*
20 *ficer.*

21 (3) *SALARY.—The Deputy Chief Financial Offi-*
22 *cer shall be paid at a salary to be determined by the*
23 *Chief Financial Officer, except such rate may not be*
24 *less than the rate of pay of the Director of the Office*
25 *of Management and Budget.*

1 (g) *RESUMPTION OF FUNCTIONS.*—On the date that is
2 5 years after the date of the enactment of this Act, the func-
3 tions of the Chief Financial Officer shall be transferred to
4 the Director of the Office of Management and Budget of the
5 Virgin Islands.

6 (h) *SUNSET.*—This section shall cease to have effect
7 after the date that is 5 years after the date of the enactment
8 of this Act.

9 **SEC. 2. ESTABLISHMENT OF COMMISSION.**

10 (a) *ESTABLISHMENT.*—There is established a commis-
11 sion to be known as the “Virgin Islands Chief Financial
12 Officer Search Commission”.

13 (b) *DUTY OF COMMISSION.*—The Commission shall
14 recommend to the Governor not less than 3 candidates for
15 nomination as Chief Financial Officer of the Virgin Is-
16 lands. Each candidate must have demonstrated ability in
17 general management of, knowledge of, and extensive prac-
18 tical experience at the highest levels of financial manage-
19 ment in governmental or business entities and must have
20 experience in the development, implementation, and oper-
21 ation of financial management systems. Candidates shall
22 not have served in a policy making or unclassified position
23 of the Government of the Virgin Islands in the 10 years
24 immediately preceding appointment as Chief Financial Of-
25 ficer.

1 (c) *MEMBERSHIP.*—

2 (1) *NUMBER AND APPOINTMENT.*—*The Commis-*
3 *sion shall be composed of 9 members appointed not*
4 *later than 30 days after the date of the enactment of*
5 *this Act. Persons appointed as members must have*
6 *recognized business, government, or financial exper-*
7 *tise and experience and shall be appointed as follows:*

8 (A) *1 individual appointed by the Governor*
9 *of the Virgin Islands.*

10 (B) *1 individual appointed by the President*
11 *of the Legislature of the Virgin Islands.*

12 (C) *1 individual, who is an employee of the*
13 *Government of the Virgin Islands, appointed by*
14 *the Central Labor Council of the Virgin Islands.*

15 (D) *1 individual appointed by the Chamber*
16 *of Commerce of St. Thomas-St. John.*

17 (E) *1 individual appointed by the Chamber*
18 *of Commerce of St. Croix.*

19 (F) *1 individual appointed by the President*
20 *of the University of the Virgin Islands.*

21 (G) *1 individual appointed by the Chief*
22 *Judge of the Virgin Islands Territorial Court.*

23 (H) *1 individual, who is a resident of St.*
24 *John, appointed by the At-Large Member of the*
25 *Legislature of the Virgin Islands.*

1 (I) *1 individual appointed by the Advocates*
2 *for the Preservation of the Retirement System.*

3 (2) *TERMS.—*

4 (A) *IN GENERAL.—Each member shall be*
5 *appointed for the life of the Commission.*

6 (B) *VACANCIES.—A vacancy in the Com-*
7 *mission shall be filled in the manner in which*
8 *the original appointment was made. Any mem-*
9 *ber appointed to fill a vacancy shall be ap-*
10 *pointed for the remainder of that term.*

11 (3) *BASIC PAY.—Members shall serve without*
12 *pay.*

13 (4) *QUORUM.—Five members of the Commission*
14 *shall constitute a quorum.*

15 (5) *CHAIRPERSON.—The Chairperson of the*
16 *Commission shall be the Chief Judge of the Territorial*
17 *Court or her designee and shall serve as an ex officio*
18 *member of the Commission and shall vote only in the*
19 *case of a tie.*

20 (6) *MEETINGS.—The Commission shall meet at*
21 *the call of the Chairperson. The Commission shall*
22 *meet for the first time not later than 15 days after*
23 *all members have been appointed under this sub-*
24 *section.*

1 (7) *GOVERNMENT EMPLOYMENT.*—*Members may*
2 *not be current government employees, except for the*
3 *member appointed under paragraph (1)(C); and*

4 (d) *REPORT; RECOMMENDATIONS.*—*The Commission*
5 *shall transmit a report to the Governor and the Resources*
6 *Committee of the House of Representatives and the Com-*
7 *mittee on Energy and Natural Resources of the Senate not*
8 *later than 60 days after its first meeting. The report shall*
9 *name the Commission's recommendations for candidates for*
10 *nomination as Chief Financial Officer of the Virgin Is-*
11 *lands.*

12 (e) *TERMINATION.*—*The Commission shall terminate*
13 *210 days after its first meeting.*

14 **SEC. 3. FINANCIAL MANAGEMENT SYSTEM.**

15 *It is hereby authorized to be appropriated such sums*
16 *as necessary for the installation of a Financial Manage-*
17 *ment System, including appropriate computer hardware*
18 *and software, to the Government of the Virgin Islands.*
19 *Upon becoming available, the financial management system*
20 *shall be available to the Chief Financial Officer and, after*
21 *the date that is 5 years after the date of the enactment of*
22 *this Act, the Director of the Office of Management and*
23 *Budget of the Virgin Islands, to assist the Chief Financial*
24 *Officer or the Director of the Office of Management and*

1 *Budget of the Virgin Islands, as the case may be, to carry*
2 *out the official duties of that office.*

3 **SEC. 4. DEFINITIONS.**

4 *For the purposes of this Act, the following definitions*
5 *apply:*

6 (1) *CHIEF FINANCIAL OFFICER.*—*In sections 1*
7 *and 2, the term “Chief Financial Officer” means a*
8 *Chief Financial Officer or Acting Chief Financial Of-*
9 *ficer, as the case may be, appointed under section*
10 *1(a).*

11 (2) *COMMISSION.*—*The term “Commission”*
12 *means the Virgin Islands Chief Financial Officer*
13 *Search Commission established pursuant to section 2.*

14 (3) *GOVERNOR.*—*The term “Governor” means*
15 *the Governor of the Virgin Islands.*

16 (4) *REMOVAL FOR CAUSE.*—*The term “removal*
17 *for cause” means removal based upon misconduct,*
18 *failure to meet job requirements, or any grounds that*
19 *a reasonable person would find grounds for discharge.*

20 **SEC. 5. NO ABROGATION OF POWERS.**

21 *Nothing in this Act shall be construed to permit the*
22 *Governor and Legislature of the Virgin Islands to dilute,*
23 *delegate, or otherwise alter or weaken the powers and au-*
24 *thority of the Office of Management and Budget established*
25 *under the laws of the Virgin Islands.*

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