

GOVERNMENT OF
THE UNITED STATES VIRGIN ISLANDS



DEPARTMENT OF FINANCE

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October 5, 2009

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Honorable Senator Carlton Dowe, Chairman
Committee on Appropriations and Budget
Capitol Building, Charlotte Amalie
St. Thomas, U.S. Virgin Islands 00804

Dear Senator Dowe:

Thank you for your invitation to testify on Bill No. 28-0102 (An Act appropriating \$3,000,000 from the Internal Revenue Matching Fund to the Governor Juan F. Luis Hospital in the fiscal year ending September 30, 2010 to renovate and upgrade its emergency room). However, in my capacity as Executive Director of the Virgin Islands Government's Public Finance Authority, I will be travelling to New York City on October 6, 2009 to participate in closing of the Series 2009 Matching Fund Bonds. As you are probably aware, these bonds were sold last week to a very enthusiastic investment community.

While my colleague at the Office of Management and Budget will place on record the Administration's position on Bill No. 28-0102, I am pleased to provide information regarding the Internal Revenue Matching Fund. Please find, attached, an analysis of the fund balance, as of September 30, 2009.

Should my input be required as this bill proceeds through the committee process, I would be pleased to participate further.

Respectfully,

Angel E. Dawson, Jr.
Commissioner of Finance

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2009 OCT -6 AM 9:42
SENATOR
CARLTON DOWE

GOVERNMENT OF THE VIRGIN ISLANDS
INTERNAL REVENUE MATCHING FUND 215/225 - 3002/3003/3005/3006/3007
September 30, 2009

Beginning Balance from F/Y '06		\$ 19,691,952.59
Revenues F/Y '07	\$ 30,880,101.20	
Obligations F/Y '07	<u>(50,392,950.54)</u>	
Net Activity F/Y '07		<u>(19,512,849.34)</u>
Ending Balance 9/30/07		<u>179,103.25</u>
Beginning Balance from F/Y '07		179,103.25
Revenues F/Y '08	30,071,061.22	
Obligations F/Y '08	<u>(21,964,271.33)</u>	
Net Activity F/Y '08		<u>8,106,789.89</u>
Ending Balance 9/30/08		<u>8,285,893.14</u>
Beginning Balance from F/Y '08		8,285,893.14
Revenues F/Y '09	42,767,593.48	
Obligations F/Y '09	<u>(46,164,196.29)</u>	
Net Activity F/Y '09		<u>(3,396,602.81)</u>
Ending Balance 9/30/09		<u>\$ 4,889,290.33</u>

Note:

This unaudited balance does not represent appropriations available until expended that have not been already obligated.

DOF - General Ledger
 CF - 10/5/09

WRITTEN TESTIMONY
OF
DEBRA E. GOTTLIEB
DIRECTOR
OFFICE OF MANAGEMENT AND BUDGET
ON
BILL NUMBER 28-0102 AN ACT APPROPRIATING MONIES TO GOVERNOR JUAN F.
LUIS HOSPITAL TO RENOVATE AND UPGRADE ITS EMERGENCY ROOM
BEFORE THE COMMITTEE ON APPROPRIATION AND BUDGET
28TH LEGISLATURE
FRITS E. LAWAETZ CONFERENCE ROOM, ST. CROIX
OCTOBER 6, 2009 – 9:30 A.M.

GOOD MORNING HONORABLE CARLTON "ITAL" DOWE, CHAIRMAN OF THE COMMITTEE ON APPROPRIATIONS AND BUDGET, SENATORS OF THE 28TH LEGISLATURE WHO ARE PRESENT, MEMBERS OF THE MEDIA AND THE LISTENING AND VIEWING AUDIENCE.

MY NAME IS DEBRA E. GOTTLIEB, DIRECTOR OF THE OFFICE OF MANAGEMENT AND BUDGET (OMB), I AM UNABLE TO ATTEND TODAY'S COMMITTEE MEETING. NEVERTHELESS I APPRECIATE THE OPPORTUNITY TO PROVIDE TESTIMONY ON BILL NO. 28-0102. I WILL SPEAK TO THE ABILITY OF THE INTERNAL REVENUE MATCHING FUND TO SUSTAIN THE PROPOSED APPROPRIATION.

BILL NO. 28-0102 SEEKS TO APPROPRIATE THE SUM OF \$3.0 MILLION FROM THE INTERNAL REVENUE MATCHING FUND TO THE GOVERNOR JUAN F. LUIS HOSPITAL TO RENOVATE AND UPGRADE ITS EMERGENCY ROOM. UNFORTUNATELY, THE INTERNAL REVENUE MATCHING FUND IS UNABLE TO SUSTAIN THE PROPOSED APPROPRIATION IN FISCAL YEAR 2010.

IN FISCAL YEAR 2010, THE INTERNAL REVENUE MATCHING FUND WILL BE FULLY UTILIZED FOR THE FOLLOWING:

1. \$50,343,000 CONTRIBUTION TO THE GENERAL FUND TO COVER THE OPERATIONAL COST OF THE GOVERNMENT AND HELP BRIDGE THE GAP IN THE REVENUE SHORTFALL
2. \$1,000,000 CONTRIBUTION TO THE CRISIS INTERVENTION FUND
3. \$50,461,647 CONTRIBUTION TO DEBT SERVICE
4. \$2,000,000 CONTRIBUTION TO ST. CROIX CAPITAL IMPROVEMENT FUND
5. \$3,500,000 TO FUND OPERATIONS OF THE PUBLIC FINANCE AUTHORITY

ADDITIONALLY, THERE ARE OTHER PRE-EXISTING OBLIGATIONS AGAINST THE INTERNAL REVENUE MATCHING FUND.

ALSO, ALTHOUGH THE PROPOSED PROJECT TO RENOVATE AND UPGRADE THE GOVERNOR JUAN F. LUIS HOSPITAL'S EMERGENCY ROOM IS A WORTH WHILE PROJECT, THE PROPOSED APPROPRIATION IS FOR LESS THAN THE \$9.5 MILLION ESTIMATE THAT HAD BEEN DISCUSSED AT A JUAN F. LUIS HOSPITAL BOARD MEETING. PROJECTS OF THIS NATURE SHOULD BE PART OF A COMPREHENSIVE CAPITAL IMPROVEMENT PLAN TO UPGRADE THE HOSPITAL IN BOTH DISTRICTS.

ACCORDINGLY, OMB IS NOT IN FAVOR OF THIS PROPOSED MEASURE, FOR THE REASONS STATED ABOVE. THANK YOU FOR AFFORDING ME THIS OPPORTUNITY TO SHARE MY THOUGHTS RELATIVE TO THIS BILL.