

108TH CONGRESS
2D SESSION

H. R. 3589

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 23, 2004

Received; read twice and referred to the Committee on Energy and Natural
Resources

AN ACT

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,*

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

3 (a) APPOINTMENT OF CHIEF FINANCIAL OFFICER.—

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

16 (2) ACTING CHIEF FINANCIAL OFFICER.—If a
17 Chief Financial Officer has not been appointed
18 under paragraph (1) within 180 days after the date
19 of the enactment of this Act, the Virgin Islands
20 Chief Financial Officer Search Commission, by ma-
21 jority vote, shall appoint from the names on the list
22 submitted under section 2(d), an Acting Chief Fi-
23 nancial Officer to serve in that capacity until a Chief
24 Financial Officer is appointed under the first sen-
25 tence of paragraph (1). In either case, if the Acting
26 Chief Financial Officer serves in an acting capacity

1 for 180 consecutive days, without further action the
2 Acting Chief Financial Officer shall become the
3 Chief Financial Officer.

4 (b) TRANSFER OF FUNCTIONS.—

5 (1) IN GENERAL.—Upon the appointment of a
6 Chief Financial Officer under subsection (a), the
7 functions of the Director of the Office of Manage-
8 ment and Budget established under the laws of the
9 Virgin Islands shall be transferred to the Chief Fi-
10 nancial Officer. All employees of the Office of Man-
11 agement and Budget become employees of the Office
12 of the Chief Financial Officer.

13 (2) DOCUMENTS PROVIDED.—The heads of
14 each department of the Government of the Virgin Is-
15 lands, in particular the head of the Department of
16 Finance of the Virgin Islands and the head of the
17 Internal Revenue Bureau of the Virgin Islands shall
18 provide all documents and information under the ju-
19 risdiction of that head that the Chief Financial Offi-
20 cer considers required to carry out his or her func-
21 tions to the Chief Financial Officer.

22 (c) DUTIES OF CHIEF FINANCIAL OFFICER.—The
23 duties of the Chief Financial Officer shall include the fol-
24 lowing:

1 (1) Assume the functions and authority of the
2 office of the Office of Management and Budget es-
3 tablished under the laws of the Virgin Islands as
4 transferred under subsection (b).

5 (2) Develop a report on the financial status of
6 the Government of the Virgin Islands not later than
7 6 months after appointment and quarterly there-
8 after. Such reports shall be available to the public
9 and shall be submitted to the Committee on Re-
10 sources in the House of Representatives and the
11 Committee on Energy and Natural Resources in the
12 Senate.

13 (3) Each year certify spending limits of the an-
14 nual budget and whether or not the annual budget
15 is balanced.

16 (4) Monitor operations of budget for compliance
17 with spending limits, appropriations, and laws, and
18 direct adjustments where necessary.

19 (5) Develop standards for financial manage-
20 ment, including inventory and contracting, for the
21 government of the Virgin Islands in general and for
22 each agency in conjunction with the agency head.

23 (6) Oversee all aspects of the implementation of
24 the financial management system provided pursuant
25 to section 3 to ensure the coordination, trans-

1 parenthood, and networking of all agencies' financial,
2 personnel, and budget functions.

3 (7) Provide technical staff to the Governor and
4 legislature of the Virgin Islands for development of
5 a deficit reduction and financial recovery plan.

6 (d) DEPUTY CHIEF FINANCIAL OFFICER.—Until the
7 date that is 5 years after the date of the enactment of
8 this Act, the position of the Director of the Office of Man-
9 agement and Budget of the Virgin Islands shall—

10 (1) have the duties, salary (as specified in sub-
11 section (f)(3)), and other conditions of the Deputy
12 Chief Financial Officer in lieu of the duties, salary,
13 and other conditions of the Director of the Office of
14 Management and Budget of the Virgin Islands as
15 such functions existed before the appointment of the
16 Chief Financial Officer; and

17 (2) assist the Chief Financial Officer in car-
18 rying out the duties of the Chief Financial Officer.

19 (e) CONDITIONS RELATED TO CHIEF FINANCIAL OF-
20 FICER.—

21 (1) TERM.—The Chief Financial Officer shall
22 be appointed for a term of 5 years.

23 (2) REMOVAL.—The Chief Financial Officer
24 shall not be removed except for cause. An Acting
25 Chief Financial Officer may be removed for cause or

1 by a Chief Financial Officer appointed with the ad-
2 vice and consent of the Legislature of the Virgin Is-
3 lands.

4 (3) REPLACEMENT.—If the Chief Financial Of-
5 ficer is unable to continue acting in that capacity
6 due to removal, illness, death, or otherwise, another
7 Chief Financial Officer shall be selected in accord-
8 ance with subsection (a).

9 (4) SALARY.—The Chief Financial Officer shall
10 be paid at a salary to be determined by the Governor
11 of the Virgin Islands, except such rate may not be
12 less than the highest rate of pay for a cabinet officer
13 of the Government of the Virgin Islands or a Chief
14 Financial Officer serving in any government or semi-
15 autonomous agency.

16 (f) CONDITIONS RELATED TO DEPUTY CHIEF FI-
17 NANCIAL OFFICER.—

18 (1) TERM; REMOVAL.—The Deputy Chief Fi-
19 nancial Officer shall serve at the pleasure of the
20 Chief Financial Officer.

21 (2) REPLACEMENT.—If the Deputy Chief Fi-
22 nancial Officer is unable to continue acting in that
23 capacity due to removal, illness, death, or otherwise,
24 another person shall be selected by the Governor of

1 the Virgin Islands to serve as Deputy Chief Finan-
2 cial Officer.

3 (3) SALARY.—The Deputy Chief Financial Offi-
4 cer shall be paid at a salary to be determined by the
5 Chief Financial Officer, except such rate may not be
6 less than the rate of pay of the Director of the Of-
7 fice of Management and Budget.

8 (g) RESUMPTION OF FUNCTIONS.—On the date that
9 is 5 years after the date of the enactment of this Act,
10 the functions of the Chief Financial Officer shall be trans-
11 ferred to the Director of the Office of Management and
12 Budget of the Virgin Islands.

13 (h) SUNSET.—This section shall cease to have effect
14 after the date that is 5 years after the date of the enact-
15 ment of this Act.

16 **SEC. 2. ESTABLISHMENT OF COMMISSION.**

17 (a) ESTABLISHMENT.—There is established a com-
18 mission to be known as the “Virgin Islands Chief Finan-
19 cial Officer Search Commission”.

20 (b) DUTY OF COMMISSION.—The Commission shall
21 recommend to the Governor not less than 3 candidates for
22 nomination as Chief Financial Officer of the Virgin Is-
23 lands. Each candidate must have demonstrated ability in
24 general management of, knowledge of, and extensive prac-
25 tical experience at the highest levels of financial manage-

1 ment in governmental or business entities and must have
2 experience in the development, implementation, and oper-
3 ation of financial management systems. Candidates shall
4 not have served in a policy making or unclassified position
5 of the Government of the Virgin Islands in the 10 years
6 immediately preceding appointment as Chief Financial Of-
7 ficer.

8 (c) MEMBERSHIP.—

9 (1) NUMBER AND APPOINTMENT.—The Com-
10 mission shall be composed of 9 members appointed
11 not later than 30 days after the date of the enact-
12 ment of this Act. Persons appointed as members
13 must have recognized business, government, or fi-
14 nancial expertise and experience and shall be ap-
15 pointed as follows:

16 (A) 1 individual appointed by the Governor
17 of the Virgin Islands.

18 (B) 1 individual appointed by the Presi-
19 dent of the Legislature of the Virgin Islands.

20 (C) 1 individual, who is an employee of the
21 Government of the Virgin Islands, appointed by
22 the Central Labor Council of the Virgin Is-
23 lands.

24 (D) 1 individual appointed by the Chamber
25 of Commerce of St. Thomas-St. John.

1 (E) 1 individual appointed by the Chamber
2 of Commerce of St. Croix.

3 (F) 1 individual appointed by the Presi-
4 dent of the University of the Virgin Islands.

5 (G) 1 individual appointed by the Chief
6 Judge of the Virgin Islands Territorial Court.

7 (H) 1 individual, who is a resident of St.
8 John, appointed by the At-Large Member of the
9 Legislature of the Virgin Islands.

10 (I) 1 individual appointed by the Advocates
11 for the Preservation of the Retirement System.

12 (2) TERMS.—

13 (A) IN GENERAL.—Each member shall be
14 appointed for the life of the Commission.

15 (B) VACANCIES.—A vacancy in the Com-
16 mission shall be filled in the manner in which
17 the original appointment was made. Any mem-
18 ber appointed to fill a vacancy shall be ap-
19 pointed for the remainder of that term.

20 (3) BASIC PAY.—Members shall serve without
21 pay.

22 (4) QUORUM.—Five members of the Commis-
23 sion shall constitute a quorum.

24 (5) CHAIRPERSON.—The Chairperson of the
25 Commission shall be the Chief Judge of the Terri-

1 torial Court or her designee and shall serve as an ex
2 officio member of the Commission and shall vote
3 only in the case of a tie.

4 (6) MEETINGS.—The Commission shall meet at
5 the call of the Chairperson. The Commission shall
6 meet for the first time not later than 15 days after
7 all members have been appointed under this sub-
8 section.

9 (7) GOVERNMENT EMPLOYMENT.—Members
10 may not be current government employees, except
11 for the member appointed under paragraph (1)(C);
12 and

13 (d) REPORT; RECOMMENDATIONS.—The Commission
14 shall transmit a report to the Governor and the Resources
15 Committee of the House of Representatives and the Com-
16 mittee on Energy and Natural Resources of the Senate
17 not later than 60 days after its first meeting. The report
18 shall name the Commission's recommendations for can-
19 didates for nomination as Chief Financial Officer of the
20 Virgin Islands.

21 (e) TERMINATION.—The Commission shall terminate
22 210 days after its first meeting.

23 **SEC. 3. FINANCIAL MANAGEMENT SYSTEM.**

24 It is hereby authorized to be appropriated such sums
25 as necessary for the installation of a Financial Manage-

1 ment System, including appropriate computer hardware
2 and software, to the Government of the Virgin Islands.
3 Upon becoming available, the financial management sys-
4 tem shall be available to the Chief Financial Officer and,
5 after the date that is 5 years after the date of the enact-
6 ment of this Act, the Director of the Office of Manage-
7 ment and Budget of the Virgin Islands, to assist the Chief
8 Financial Officer or the Director of the Office of Manage-
9 ment and Budget of the Virgin Islands, as the case may
10 be, to carry out the official duties of that office.

11 **SEC. 4. DEFINITIONS.**

12 For the purposes of this Act, the following definitions
13 apply:

14 (1) CHIEF FINANCIAL OFFICER.—In sections 1
15 and 2, the term “Chief Financial Officer” means a
16 Chief Financial Officer or Acting Chief Financial
17 Officer, as the case may be, appointed under section
18 1(a).

19 (2) COMMISSION.—The term “Commission”
20 means the Virgin Islands Chief Financial Officer
21 Search Commission established pursuant to section
22 2.

23 (3) GOVERNOR.—The term “Governor” means
24 the Governor of the Virgin Islands.

1 (4) REMOVAL FOR CAUSE.—The term “removal
2 for cause” means removal based upon misconduct,
3 failure to meet job requirements, or any grounds
4 that a reasonable person would find grounds for dis-
5 charge.

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

7 Nothing in this Act shall be construed to permit the
8 Governor and Legislature of the Virgin Islands to dilute,
9 delegate, or otherwise alter or weaken the powers and au-
10 thority of the Office of Management and Budget estab-
11 lished under the laws of the Virgin Islands.

 Passed the House of Representatives September 22,
2004.

Attest:

JEFF TRANDAHL,

Clerk.