

1 **FISCAL YEAR 2016 BUDGET HEARING PRESENTATION**

2
3 **THE OFFICE OF COLLECTIVE BARGAINING**

4
5 **SUBMITTED BY:**

6
7 **CHIEF NEGOTIATOR: DR. VALDEMAR A. HILL, JR.**

8
9 **(July 10, 2015)**

10
11 **Good Morning, Honorable Senator and Chairperson of the Committee on**
12 **Finance, Clifford F. Graham, other members of the Committee on Finance and**
13 **other distinguished senate members in attendance, and to the listening and**
14 **viewing audience. My name is Dr. Valdemar A. Hill, Jr. and I currently serve as**
15 **the Government's Chief Negotiator. With me today, are Valcina Quashie,**
16 **Director of Financial Services, Joss Springette, Esq. and Chivonne Jones, Esq.,**
17 **both Assistant Attorneys General-Labor assigned to the Office of Collective**
18 **Bargaining. We appear before you today in support of the Governor's**
19 **recommended Fiscal Year 2016 budget for the Office of Collective Bargaining**
20 **in the amount of Seven Hundred Twenty Six Thousand, Six Hundred Eighty Six**
21 **(\$726,686.00) (see Exhibit 1 & 2).**

22 **In fulfilling your request to keep the presentation within 30 minutes,**
23 **and to focus on budgetary matters only, I offer the following:**

24
25 **THE ROLE AND FUNCTION OF THE OFFICE OF COLLECTIVE BARGAINING**

26 **The Office of Collective Bargaining's mission is to provide timely**
27 **negotiated collective bargaining agreements in a fair and equitable manner**
28 **that will foster good labor relations; to fulfill our legal mandate to fairly**
29 **engage in the collective bargaining process; to acknowledge the need for**
30 **monetary increases on the part of employees and at the same time being**

1 cognizant of the adverse economic condition of the government and its
2 projected deficit.

3 One of the smallest agencies in the V.I. Government, the Office of
4 Collective Bargaining, nevertheless, is charged with a major responsibility.
5 Established by statute, Act No. 4440, the Office was created under the Office of
6 the Governor; however, for funding purposes, pursuant to Act No. 6305, is
7 placed under the Division of Personnel. The Office assists the Governor in the
8 formulation of labor policies and strategies for collective bargaining and
9 coordinates the Government's position in labor mediation, arbitration, civil
10 and administrative proceedings on union matters.

11 12 **THE COMPOSITION OF THE OFFICE OF COLLECTIVE BARGAINING**

13 The Office of Collective Bargaining functions from its main office on St.
14 Croix at #5001 Chandler's Wharf, Suite 10, Gallows Bay. We have a satellite
15 office located on St. Thomas, the GERS Building, 2nd Floor, with office space
16 provided by the Department of Justice. In addition to the Chief Negotiator, the
17 Office employs an Executive Assistant to the Chief Negotiator, two (2) Labor
18 Relations Specialists, a Director of Financial Services, a Paralegal and an
19 Administrative Secretary. There are no vacant positions. Two Assistant
20 Attorneys General, permanently assigned to the Office of Collective
21 Bargaining, are funded by the Department of Justice. A Personnel Listing and
22 organizational chart are attached (see Exhibits 5 and 6).

23 Personnel Services for Fiscal Year 2016 are recommended at \$416,783;
24 Fringe Benefits are projected at \$167,160 for a total of \$583,943, or 80.36% of
25 the Office's overall budget.

OTHER PROJECTED EXPENDITURES

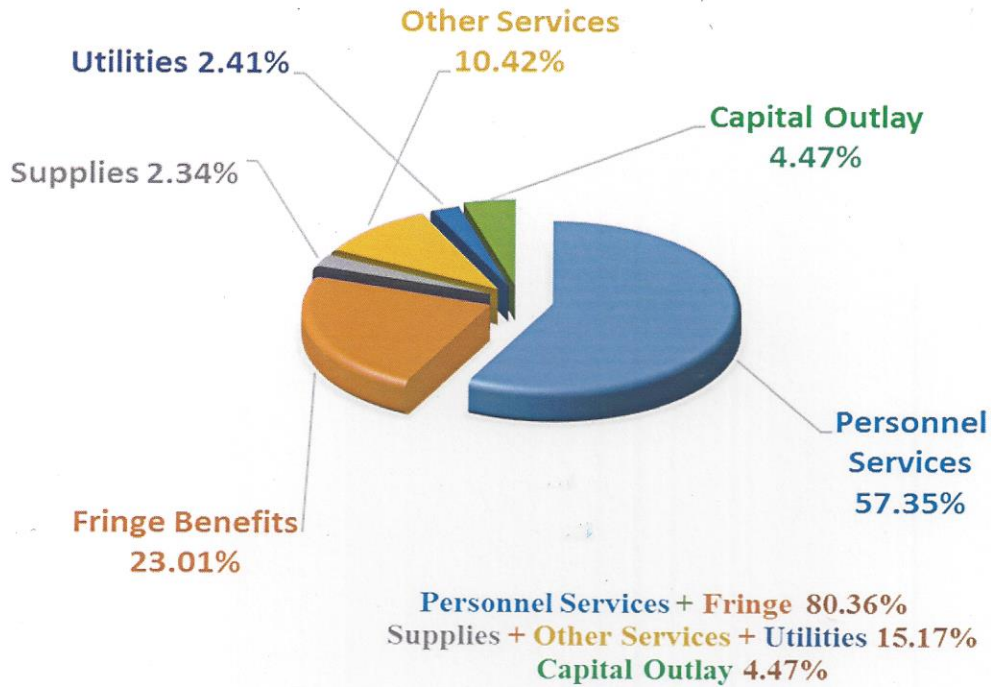
The Fiscal Year 2016 budget projects expenditures of \$17,000 for Supplies, or 2.34% of the overall budget. This money will be used to purchase paper, toner and ink for printers, copiers and fax machines), postage, cleaning and other office and operating supplies. Our offices function similarly to a small law firm and, given the number of documents prepared, distributed, and filed, these costs can be quite significant. Utility costs for Gallows Bay location are conservatively projected to be \$17,500 or 2.41% of the overall budget. We project Capital Expenditures for the office to be \$32,495 or 4.47% of our overall budget for the purchase of new copy machines for the offices.

Recommended at \$75,748 or 10.42% of our overall budget, Other Services, second to Personnel Services, is the largest percentage of our budget. These monies are allocated to pay operating expenses such as our rent, contracts, communication, custodial and other professional services. With these funds, we will continue to operate and update our document archival system. This system allows for the data entry of all prior and current case files into a computerized system to enable quick access and retrieval.

SUMMARY OF PROPOSED FY'2016 BUDGET

Personnel Services	\$416,783.00	57.35%
Fringe Benefits	\$167,160.00	23.01%
Supplies	\$17,000.00	2.34%
Other Services	\$75,748.00	10.42%
Utilities Services	\$17,500.00	2.41%
Capital Outlay	\$32,495.00	4.47%
TOTAL	\$ 726,686.00	100.00%

SUMMARY OF THE FY 2016 PROPOSED BUDGET



SUPPORT FOR THE PROPOSED BUDGET FOR THE OFFICE OF COLLECTIVE BARGAINING

During the past fiscal years the Office has been faced with numerous economic challenges. Nonetheless, it is our belief that the proposed budget for the Office of Collective Bargaining, while conservative, is representative of the Office's mission and responsibility, and reflects the current financial condition of the Government. We fully intend to operate within its scope, but respectfully request it not be adjusted downward. We urge its approval, as requested by the Governor.

NEGOTIATIONS

Notwithstanding the fact of the financial condition of the Government, from Fiscal Year 2012 to present, the Office of Collective Bargaining still had its share of success.

Negotiations with the United Steelworkers Union (USW) (Supervisors, Enforcement Officers, WTJX-Support Staff and VI Lottery) and the American Federation of Teachers (Educational Professional, Paraprofessional and Support Staff) and LESU (Law Enforcement Supervisors Union) all resulted in fully executed Collective Bargaining Agreements (CBA) with an agreement to Postpone Wage Negotiations for a future date.

Negotiations with the following Unions have commenced but have not been concluded and are all scheduled to recommence during this Fiscal Year:

- **Seafarer's International Union (SIU)**
 - Emergency Room Physicians
 - Correction Officers
 - Masters
 - VING Base Security Guards
- **Our Virgin Islands Labor Union (OVILU)**
 - Department of Public Works' Non-Supervisory Personnel
 - Department of Agriculture's Non-Supervisory Personnel
 - Department of Justice's Non-Supervisory Personnel
- **United Steelworkers (USW)**
 - WMA Supervisory Personnel
 - GERS Support Staff Personnel
 - EDA Support Staff Personnel
- **Association of Fire Fighters**
 - Support Staff

1 Negotiations with the Licensed Practical Nurses Association (LPNA) and
2 the Registered Nurses Leadership Union (RNLU) were concluded with no wage
3 increases.

4 The Association of Hospital Employed Physicians (AHEP) commenced
5 negotiations during Fiscal Year 2010, which resulted in an impasse of certain
6 provisions. Impasse arbitration took place during Fiscal Year 2011 and the
7 parties are scheduled to return to the table to conclude negotiations of the
8 successor agreement.

9 Given the number of expired contracts, the adverse economic conditions
10 and the projected government deficit for 2016, it is not likely that there will be
11 any negotiated wage increases in the immediate future.

12 There are currently thirty eight (38) Collective Bargaining Agreements.
13 Thirteen (13) exclusive Unions represent the members in those units; nine (9)
14 CBA are current. Those not current are extended on a day-to-day basis by
15 agreement of the parties. (See attached Exhibit 13)

16 The Office of Collective Bargaining will continue to bargain in a manner
17 consistent with the recognition of the adverse economic condition of the
18 government. We will continue to preserve management rights and
19 prerogatives as provided for statutorily and contractually. We will continue
20 to seek common ground that will help to bring balance to the relationship
21 between labor and management.

22 23 **CASE MANAGEMENT**

24 A critical responsibility of the Office of Collective Bargaining is the
25 management of its case file and the representation of the Government in labor
26 management disputes. Grievances continue to be filed by the Unions
27 challenging the non-implementation of contractual salary increases.

As of June 30, 2015, there were three hundred seventy six (376) cases pending resolution via the arbitration process, and fifty two (52) unfair labor practice charges pending resolution were before the Public Employees Relations Board. Other type cases such as Rights Arbitration, Unit Clarification, Representation, Decertification, Civil, Impasse Arbitration and EEOC comprise another three hundred twenty four (324) pending to be heard and/or to be disposed of, for a total of three hundred seventy six (376) cases back-logged. Below is a summary of case activity as of June 30, 2015 for Fiscal Year 2015:

Summary of Case Activity

	May, 2015 End	Received:	Closed:	June 30, 2015
Rights Arbitration (RA)	249	45	22	272
Unfair Labor Practice(ULPC)	47	12	7	52
Impasse Arbitration (IMP)	3	0	0	3
Unit Clarification (UC)	11	0	0	11
Representation (RC)	0	0	0	0
Decertification (DC)	0	0	0	0
Civil (CV)	35	3	2	36
Govt. Service Appeal (GSA)	0	0	0	0
Equal Employment Opportunity Commission(EEOC)	3	0	1	2
TOTAL	348	60	32	376

TRAINING

In representing the Government of the Virgin Islands we depend on a number of factors: primarily the education and orientation of our supervisors, managers and department heads on sound employment and labor practices, grievance handling and contract administration. We will continue to exert

1 efforts to provide training opportunities to senior management of
2 departments, divisions, and agencies to help them better serve their
3 employees. The more knowledgeable these individuals are about the
4 collective bargaining process, the greater the ability to facilitate the process
5 during negotiations. Thus far, for fiscal year 2015, the office has provided
6 eight (8) such training opportunities to senior management team from
7 various departments, divisions, and agencies.

9 **LABOR-MANAGEMENT RELATIONS**

10 To improve our communication, appreciation and understanding of each
11 other's roles and common objectives, our relationships with union
12 representatives and labor unions require continuous dialog. This office is
13 amenable to working with union representatives and labor unions in a
14 collaborative manner, and in conjunction with the Public Employees Relations
15 Board, to improve labor-management relations. An effective way to
16 accomplish this is at the "grassroots" level. That is, establishing a forum for
17 meaningful dialog and creating a positive working relationship between union
18 employees and first line supervisors. The successful handling of grievances at
19 this initial level may result in fewer grievances going to mediation and/or
20 arbitration.

22 **MEETING FY' 2016 CHALLENGES**

23 The Office of Collective Bargaining will continue to meet the challenges
24 of FY'2016 by adhering to the austerity measures put in place by the
25 Government of the Virgin Islands. It will make every effort to decrease
26 spending, conserve energy, reduce travel and minimize the use of supplies.

1 **CONCLUSION**

2 Doing more in the area of labor relations, essentially means that our
3 small staff and our operating resources need to be augmented. It is my hope
4 that we will have the support of the Finance Committee and the entire 31st
5 Legislature to continue to fulfill the very important mandates of our Office.
6 The funding for the Office of Collective Bargaining comes entirely from the
7 Union Arbitration Award and Government Employees Increment Fund.

8 I am most grateful and appreciative of the opportunity you have
9 afforded me to present and support the Governor's budget recommendation.
10 My staff has been steadfastly committed to carrying out the mandate of the
11 office and for that, I thank them. Finally, I thank the Governor for his support,
12 and I am now prepared to answer any questions you may have.