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Dept. of Tourism Lays Off Greeters, Entertainers as Budget Delay Impacts Operations

Delayed \$32.1 million budget leads to staff layoffs in Tourism Department

Tourism / **Published On December 05, 2023 05:33 AM /**

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The V.I. Dept. of Tourism is laying off some of its most important employees during the holiday season: greeters, who are the first point of contact for visitors coming into the territory. Also on the chopping block are entertainers such as deejays who regularly perform for guests at ports and during off-island events.

The layoffs are described as part of a restructuring effort, but the real culprit is the lack of the department's fiscal year 2024 budget, making it near impossible to continue vital operations.

D.O.T.'s fiscal year 2024 budget of \$32.1 million, most of which is supported through the Tourism Advertising Revolving Fund, was supposed to be online at the beginning of the fiscal year in early October. But to date, the budget hasn't come online, meaning the department has not received its 2024 allocation of funds, and the ripple effects are being felt across the board — from a plethora of unpaid vendors to the department's own operations.

Senator Donna Frett-Gregory, chair of the Senate's powerful Committee on Budget, Appropriations, and Finance told the Consortium on Monday that she was briefed on the layoffs of the greeters and entertainers within the department after speaking to Dept. of Tourism Commissioner Joseph Boschulte, and Asst. DOT Commissioner Alani Henneman. The matter was worrisome, she said, because D.O.T.'s budget should have been online months ago.

"We approved the [Dept. of Tourism's] budget very early. The governor signed off on the budget, and the expectation is there's a closeout period, but usually the budget is on by at least the first week in October," she said. "I understand that the other agencies, their budgets are on. I understand that they were told that they need to watch their expenditures, which I agree with... But in particular, what we've done over the years is we have utilized the Tourism Advertising Revolving Fund for the budget of the Dept. of Tourism because the fund has sufficient funding to cover the operations of that particular agency. And one of the things I did as the chair of the Budget, Appropriations, and Finance Committee is to make sure that I check fund balances prior to appropriating any budget against these funds."

Ms. Frett-Gregory said the Tourism Advertising Revolving Fund, or TARF, which is supported by Hotel Occupancy Tax revenues, had more than enough funding to satisfy D.O.T.'s \$32.1 million fiscal year 2024 budget. She said D.O.T. is one of the agencies that isn't "looking for the revenues to come in a particular year; they have sufficient revenues to cover what we appropriated for FY2024."

The senator said that while she wasn't certain what was the cause of delay for D.O.T.'s budget, "it appears to me that there's some internal wrangling occurring with the powers that be when it comes OMB, the Dept. of Finance, the Dept. of Tourism, but I am just very disappointed that they have not been able to resolve these issues over a three-month window."

Ms. Frett-Gregory also expressed concern that some Dept. of Tourism vendors were not paid prior to the opening of the new fiscal year. "I believe what matters right now is we need to get to the bottom of this," she said, adding that the TARF had sufficient funding for fiscal year 2023, and now FY24.

Attempts to reach D.O.T. Commissioner Joseph Boschulte for comment were unsuccessful. Dept. of Finance Commissioner Nominee Kevin McCurdy did not respond to a request for comment at time of publication.

Ms. Frett-Gregory said she spoke to Mr. McCurdy earlier Monday, and he has vowed to get the D.O.T. budget online. "I just think that they need to get themselves together and figure out exactly what their issues are, but in the interim our small businesses should not be suffering as a result of this," she said.

The senator also expressed hope that funds in the TARF, or in any other fund governed by specific laws on expenditure, were not being used without the explicit authorization of the Senate.

"The deeper question is why wasn't a budget put on, and why are we still having discussions or hearing that vendors were not paid for the prior fiscal year budget," she said. "So that question needs to be answered because like I said, based on the [TARF] balance, the funds should be

available, so it's my fervent hope that we haven't utilized those funds for any other purposes without coming before the institution of the Legislature to ask for permission."

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