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V.I. Dept. of Tourism Receives Partial Budget Release, Averting Operational Crisis

Senate hearing planned to address budget delay and spending concerns at D.O.T.

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USVI's Tourism LOGO By. V.I. DEPARTMENT OF TOURISM

The V.I. Dept. of Tourism's budget finally came online Tuesday, though partially, giving the department access to funding for at least three months. This development allows for the continuation of critical operations, including meeting some vendor obligations.

That's according to Office of Management and Budget (OMB) Director Jenifer O'Neal, speaking to [WTJX Radio](#) news on Tuesday. "As of right now the department is in receipt of their fiscal year 2024 budget," said Ms. O'Neal. "They have three months of the budget that is now available to

them online in the ERP (a payment and invoicing system), so they are able to proceed with spending, and three months — which would be October, November and December — have been made available to the department."

The release of funds to D.O.T. follows [Consortium reporting on the matter Tuesday](#), bringing to light the protracted delay of the department's budget which led to layoffs and other operational issues. There has also been pressure from Senator Donna Frett-Gregory on the Dept. of Finance and OMB, with emails being sent to the leaders of the aforementioned government arms regarding the hold on the D.O.T. funds.

The Consortium learned on Monday that Ms. O'Neal has been furious with D.O.T. and the Dept. of Finance for what she believes has been high overspending — way beyond budget at D.O.T. — leading to the hold on the department's funding allocation, according to several people with knowledge of the matter. The alleged overspending is claimed to be in the tens of millions of dollars, but the exact amount remains unknown. Also unknown is whether Tourism officials agree with this assessment — Consortium attempts to reach Joseph Boschulte, D.O.T. commissioner, have been unsuccessful.

Ms. Frett-Gregory, chair of the powerful Committee on Budget, Appropriations, and Finance told the Consortium Tuesday that she is planning to call a Senate hearing on the matter, with OMB, Dept. of Finance and Dept. of Tourism officials expected to testify at the hearing.

The Dept. of Tourism's budget is funded through the Tourism Advertising Revolving Fund, or TARF, which is supported by Hotel Occupancy Tax revenues. For D.O.T.'s FY2024, the Bryan administration recommended a budget of \$32.1 million to support operations in the competitive tourism market. The department had been unable to fulfill financial covenants for months because of the hold on its budget, so vendors will be relieved to learn that some funding has been provided. However, with the responsibility of daily operations and a backlog of vendor invoices, how far the three-month budget provision will stretch remains to be seen.