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Carrion Grills Karl Knight on Governor's 2025 Budget Proposal Amid Fiscal Challenges

Carrion pressed the governor's Chief of Staff, Karl Knight, on proposed austerity measures and budget allocations for FY2025, highlighting concerns over financial prudence and existing vacancies within the Office of the Governor

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Government House in downtown Christiansted, St. Croix.

Senator Samuel Carrion used Monday's meeting of the Committee on Budget, Appropriations, and Finance to grill the governor's Chief of Staff, Karl Knight, about his office's proposed austerity measures in FY2025.

Mr. Knight appeared before the Committee on Monday to present the Office of the Governor's FY2025 budget request. The total ask is \$14,015,824 including \$1,225,000 in miscellaneous, special appropriated funds, \$300,000 from the Tourism Revolving Fund, and \$12,490,824 from the general fund. The requested appropriation from the general fund includes \$693,397 in funding for the Bureau of Economic Research, \$666,465 for the Office of Gun Violence Prevention, and \$11,130,962 for the Office of the Governor itself.?

Mr. Knight told Mr. Carrion that "we don't necessarily have any particular austerity measures." Nonetheless, he noted that the Office of the Governor is "very prudent. We try our best to stay within our budget." According to Mr. Knight, he is "cracking down" on utility spending. He also pointed out that staff in the Office of the Governor will not receive salary increases in FY2025.

Still, Mr. Carrion wondered whether the Office should adopt a more frugal mindset "given our financial status." According to Mr. Knight, the government's approach has been to "slow spending." As he explained, "we recognize that we had been ambitious with our planned expenditures, and we've been trying to slow them to see how revenues look as we finish out this fiscal year." During a mid-year financial review before the Legislature, the Office of Management and Budget projected a [\\$91 million revenue shortfall](#). "We are trying to be as austere as we can to close out the fiscal year," stated Mr. Knight.

During this budget cycle, OMB issued ceilings within which several departments must manage their budget requests. There is no indication, however, that the Office of the Governor is operating within such a budget ceiling.?

Personnel requests from the general fund total \$6,404,300, while fringe benefits amount to \$2.2 million. The budget accommodates 86 filled positions and 10 vacancies budgeted at 50 percent. Mr. Carrion later contended that, "I'm not really seeing [many] areas where we're trying to save." He referenced several open vacancies including positions within the Office of Gun Violence Prevention, suggesting that existing staff could be seconded to assist the Office. "If we continue the path that we are, things are going to look very ugly soon," warned the senator.

Supplies for FY2025 are estimated at \$386,400 and include minor tools, catering, and the replacement of uniforms for housekeeping, security and maintenance staff. Another \$2,186,220 is earmarked for other services and charges. That figure includes \$955,600 for "routine monthly professional service contracts and security services" and \$359,500 for "inter-island and off-island travel expenses for the governor, security detail and support staff." Committee chair Senator Donna Frett-Gregory noted an increase in the other services and charges category, which Mr. Knight says is due to "increasing reliance on professional service contracts."

The Office of the Governor intends to spend \$384,328 on capital outlays, including the purchase of two new vehicles and "repairs to the generator and air conditioning at Government House on St. Croix." Mr. Knight told lawmakers that "most of our vehicles are five years and older" and therefore the Office is "trying to systematically replace some of the aging vehicles in the fleet." It was not an explanation that pleased Senator Kenneth Gittens, who noted that some police vehicles were even older.

The Office has also requested \$1,225,000 for miscellaneous annual activities including USVI and British Virgin Islands Friendship Day, USVI and Puerto Rico Friendship Day and Emancipation Day. Ms. Frett-Gregory recalled scheduling issues with the last USVI-BVI Friendship Day last October, which prompted Mr. Knight to clarify that "what we end up doing is trying to obligate funds in the prior fiscal year for the celebrations."

Despite criticism from several senators, Mr. Knight maintains the FY2025 budget “supports our strategic vision and unwavering dedication to creating a resilient economy, enhancing public services and fostering a community whose every resident can thrive.”

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