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OMB Nominee Julio Rhymer Targets Cost Reduction and Financial Reform

Plans include a comprehensive spending review, improved federal grant utilization, and strategies to boost agency autonomy and long-term fiscal sustainability, outlined by during his confirmation hearing before the Committee on Rules and Judiciary

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OMB Director Nominee Julio Rhymer. By. V.I. LEGISLATURE

Julio Rhymer is preparing to formally assume the role of director of the Office of Management and Budget for the second time, following the [sudden resignation](#) of Jenifer O’Neal from the post earlier this year. Appointed to the role in an acting position forty-one days ago, Mr. Rhymer appeared before the Committee on Rules and Judiciary on Tuesday to make his case for a

permanent position.

Among his top priorities as OMB Director: reducing the burden on general fund finances caused by semi-autonomous and autonomous agencies, capacity building within the Office, and succession planning.

His career spans “over 30 years within the financial industry...with a proven track record of enhancing operational efficiency and accountability,” Mr. Rhymer said. He told lawmakers that in his previous stint as OMB director, he played a “pivotal role in developing our territory's annual budget.” Simultaneously, he “[collaborated] with various agencies to align their financial needs with strategic goals of the government.”

Poised to return to the office for a second time, Mr. Rhymer said his vision is to “revamp and restructure the Office of Management and Budget to ensure it functions efficiently and effectively manage the government's finances.”

His plans include “streamlining the budget processes” to “simplify and standardize the budget process preparation across agencies.” This work will involve adopting “analytical solutions to enhance data collection, analysis and reporting capabilities.” Mr. Rhymer also intends to foster stronger interagency collaboration to “better align our financial strategies with the territory's long-term goals.” Additionally, he promises to establish performance metrics and subsequently link funding to performance outcomes. This will ensure that “taxpayer dollars are spent effectively and yield tangible results for our citizens.”

Lawmakers were pleased to learn of Mr. Rhymer’s intentions to perform a comprehensive spending review in order to “identify areas where costs can be reduced or covered by federal grants without compromising essential services.” Under his leadership, OMB is also expected to embark on a “comprehensive review of all autonomous and semi-autonomous agencies that receive general fund appropriations annually.” This, Mr. Rhymer said, will “assist these instrumentalities to a true path of autonomy.”

OMB will also conduct a thorough review of all federal grants to ensure they are spent “timely and in compliance with grant requirements.” The review will include a plan to “remove the third-party fiduciary once and for all, from the Government of the Virgin Islands by December 2025.”

Several senators were particularly interested in Mr. Rhymer’s plans to rectify issues with federal grant spending – or rather, the failure to fully spend the allotted funds. It’s a situation that Senator Carla Joseph called a “major crisis”. Mr. Rhymer insists that accountability remains a significant issue. “They have to draw [down on]the funds within a time frame. We should not have money left on the table,” he explained. “No-one seems to want to be held accountable for the fact that money is going back,” Senator Marise James agreed.

Outside of operational changes, Mr. Rhymer considers training and capacity building key to improving the budget and financial management skills of employees, with plans to strengthen the small team at OMB. The Office remains woefully understaffed, with only thirty-three out of approximately fifty positions filled. “It's a struggle to get tasks done timely,” he lamented. Nonetheless, Mr. Rhymer is invested in building capacity within his “very young [and] talented team.” He intended to begin succession planning, to identify “future leaders to sit in my seat five to six years from now.”

In the meantime, the OMB director nominee is working to “foster the teamwork relationship” within the Office. He described his plans as “meaningful reforms” with which to enhance

government efficiency and effectiveness.

While Mr. Rhymer was outlining several targets for the transformation of the OMB, Sen. Marise James was concerned about the several statutory boards he would have to sit on. The OMB Director is required to be a board member of the Public Finance Authority, the Virgin Islands Lottery, WTJX, and the Housing Finance Authority. Addressing the lawmaker's concerns, Mr. Rhymer told Sen. James that "it's a benefit to the OMB director to be on several boards... You actually see the inner workings."

He again reiterated his promise to combat high turnover rates at the Office of Management and Budget, reduce instances of grant funds being returned to the federal government and clamp down on overspending within the local government. It is anticipated that Mr. Rhymer will assume the role of OMB director in an official capacity following Wednesday's meeting of the full body.

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