The Virgin Islands Consortium

OMB Says Unplanned Expenditures, Not Revenue, Are Driving USVI's Budget Strain

At Friday's Spring Revenue Estimating Conference, OMB Director Julio Rhymer said the territory is currently $46 million to $50 million short of projections, has already begun cutting about $40 million, and is still facing a projected $6 million deficit.

Government / **Published On March 21, 2026 11:10 AM /**

Nelcia Charlemagne March 21, 2026

The Office of Management and Budget has issued a clarion call for responsible government spending, as finance officials fear that mismanaged expenditure could outweigh revenue collections.

OMB Director Julio Rhymer was the last person to speak during the Spring Revenue Estimating Conference on Friday. He noted that the projected revenue collections for the current fiscal year stand at $902 million, but “you're short right now between $46 and $50 million.” Noting the shortfall, OMB and the Department of Finance have already begun making budget cuts expected to total “about $40 million.” Therefore, OMB is “projecting about a $6 million deficit.”

OMB is waiting until April 15th, the income tax filing deadline, to decide whether the FY2026 budget will need to be revisited.

For Senator Kurt Vialet, the situation “speaks to why every collection entity need to collect…It's hampering government because entities are not collecting.”

A massive injection of federal recovery funds is not a panacea for the territory’s financial situation. Though there is some $16 billion to be spent in the next decade, Mr. Rhymer warned that the focus must be on “how we control those expenditures into the future.”

“We need to be very clear on how we move forward in terms of expenditures, and how we control expenditures and how we account for it,” Mr. Rhymer said.

He maintained that revenue generation is not necessarily the issue, but instead “expenditures that we're unaware of.” We, in this case, refer to OMB and the Department of Finance. According to Mr. Rhymer, some entities have “outstanding bills” that have no appropriations tied to them. It’s a matter that the government is forced to handle.

“For this fiscal year, we've probably spent $140 million worth of prior expenditures, and that's what's creating the issue,” Mr. Rhymer said. It’s something that OMB is looking to crack down on.

Along with Finance Commissioner Kevin McCurdy, Mr. Rhymer intends to host a “small conference” in the summer to encourage department heads to assess expenditure and “get it right going forward.”

The Committee on Budget, Appropriations, and Finance will soon be tasked with building the FY2027 budget. The Office of Management and Budget is forecasting a collection of $918.9 million, the number upon which expenditures can be budgeted.

At the start of Friday’s conference, Lieutenant Governor Tregenza Roach posed a pertinent question: “How do you meet the needs of all people with the limited resources that we have?” It’s something that decision makers will have to take into careful consideration, particularly as unplanned expenditures threaten stability.