

The Virgin Islands Consortium

Mapp's Financial Team Face Senate At First FY 2016 \$1.2 Billion Budget Hearing

VIC News / **Published On June 08, 2015 11:58 PM /**

Staff **June 08, 2015**



ST. THOMAS – The Committee on Finance, chaired by Sen. Clifford Graham, met with Governor Kenneth Mapp's financial team at the Earl B. Ottley Legislative Hall to hear testimony on the administration's fiscal year 2016 budget overview and revenue projections on Monday.

According to Nellon Bowry, Director nominee of the Office of Management & Budget, the grand total the government's budget is \$1.27 billion in current year expenditure and debt service. This is funded from \$1.1 billion of local funds and \$172.2 million from the federal grant funds.

The 2016 budget breakdown is as follows: there is \$770.8 million general fund expenditure budget. The operating budget for the GVI is \$647.5 million for the executive departments and agencies; \$55.3 million for the Legislature and Judiciary combined and \$68 million for long-term debt service such as the gross receipt tax bonds, according to Bowry.

Sen. Myron Jackson asked Bowry to expound upon the implementation of debt restructuring.

"Financial analysis indicated that an opportunity exists in today's municipal bond market environment to restructure outstanding matching fund and Gross Receipt Tax Bonds to produce aggregate budgetary savings of approximately \$280.8 million through Fiscal Year 2020, an annual average of \$56 million," said Bowry. The director nominee added that the reduction in debt service obligation will allow for increased transfers of matching fund cover-over receipts and gross receipts tax to the general fund.

St. Croix Democrat Sen. Novelle Francis, Jr. inquired whether the financial team had implemented any cost-saving measures, to which Bowry responded that for fiscal year 2015, the department allotments was reduced to \$29 million.

"We are planning on deferring tax refunds from \$85 million to \$50 million. these taxes are from corporations and individuals," Bowry said.

Sen. Marvin Blyden inquired if any audits were recently conducted, and Collens said that there's currently a basic financial audit for fiscal year 2014.

Sen. Sammuel Sanes asked for a more in depth explanation of the tax collection campaign to be waged through the Bureau of Internal Revenue, a program designed to improve gross receipt and income tax collection.

Bowry said under the program that he's proposed, merchants will be required to install data capture processes on point of sale devices, which will capture store sales data that will be accessed by tax authorities.

Asked by Sanes if the government or the businesses would incur the cost of the new devices, Bowry was unable to give a positive answer.

Focusing primarily on enabling legislations, Sen. Graham asked whether the FY 2016 budget took into consideration the allocation of more funds to the Government Employee' Retirement System (GERS). However, Bowry stated that currently, additional revenues are not included for GERS.

Sen. Graham continued his line of questioning, pressing Bowry on a proposal by the Mapp administration that the hotel expectancy tax be increased from 10 percent to 12 percent. He also inquired whether the increase would go towards the general fund, but Bowry said the extra revenues will remain with the Department of Tourism.

In addition to the budget overview, lawmakers also [considered and approved](#) the amendments to Bill No. 31-0073- to allow the Department of Public Works to apply for no more than \$75,000,000 for the construction of the territory's roads.

Overall, Sen. Graham said today's meeting is one of many that will occur during the budget season. "We will receive budget updates from various departments throughout the summer," said Sen. Graham.

© Viconsortium 2026