The Virgin Islands Consortium

Governor Submits Amended FY2019 Budget To Include $38 Million In New Revenues

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New revenues to help fund critical services will be available in Fiscal Year 2019 as a result of the V.I. Government's recent agreement to resume oil refining on St. Croix, Government House announced late Friday.

According to the release, Governor Kenneth Mapp submitted an amended budget to the Virgin Islands Legislature on Friday addressing the more than $38 million in additional revenues anticipated from the deal struck with ArcLight Capital, the parent company of Limetree Bay Terminals. The original budget was submitted in May, prior to the July finalization of the Government's agreement with ArcLight. Increased government revenues represent a sign of continued positive economic growth and the expanded budget allows the territory to further invest in its infrastructure and workforce, the governor said.

“As you are aware, and Limetree Bay has reconfirmed, its parent, ArcLight Capital LLC, is investing over $1.4 billion in the restart of the refining facility on St. Croix over the next 17 months. We estimate from that investment the Government will receive over $38 million of new revenues during FY 2019. These revenues will come from payroll and other taxes and from the direct spend on the refinery reconstruction,” Mr. Mapp wrote in his letter to Senate President Myron Jackson. “The amended spending plan I am submitting to you today reflects additional distribution of resources to each branch of government, the University of the Virgin Islands and our partners in the nonprofit community.”

In his letter to the Mr. Jackson, the governor highlighted the need to provide additional after-school programs and to sustain and allow for public sector salary increases, according to the release. He also emphasized his ongoing concern for the plight of the Territory’s farmers, many of whom were not given adequate federal assistance to recover from their hurricane losses.

Mr. Mapp has proposed that $4 million be directed to pay the territory’s waste haulers as senators have not moved on the legislation he sent down earlier this summer that would permit the Virgin Islands Waste Management Authority (W.M.A.) to pay its vendors.

“No action by the Senate on this request has yet occurred,” the governor stated. “The account payables at W.M.A. have become dire. I urge the Senate to act now on my proposals to address VIWMA’s critical needs.”

The amended FY 2019 spending plan also proposes:

- $1.1 million increase in support for local nonprofit organizations.
- $4.75 million for the Judicial and Legislative branches.
- $64 million to sustain a portion of the increases in wages established under Executive Orders 483-2018 and 484-2018.
- $3.5 million for Workmen’s Compensation Fund and the Unemployment Insurance Fund.
- $1 million for “critical service employees” at the Department of Health.
- $1.5 million to fund capital improvements associated with the relocation of the Department of Planning and Natural Resources.
- $1 million for personnel and engineers at the Department of Public Works in order to expedite the massive roadway improvement initiative now underway.
- $1.23 million to pay vendors under the Department of Human Services.

The governor said his financial team was available to answer senators’ questions about the amended budget and that his administration remained committed to working with the Legislature and the private sector.