

OMB Emphasizes Growth and Sustainability as Jenifer O'Neal Prepares to Face Senators at Budget Hearing

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The V.I. government's 900-page budget proposal for fiscal years 2024 and 2025 aims to focus on the themes of growth, redevelopment, and sustainability, following successful recovery efforts from the dual hurricanes of Irma and Maria and the Covid-19 pandemic.

The document was made public ahead of the Senate's first budget hearing this week and outlines the executive branch's revenue and expenditure projections for the coming years.

Jenifer O'Neal, director of the Office of Management and Budget, wrote in her covering letter that despite the ongoing economic effects of the pandemic, the fiscal fallout in the territory has been less drastic than initially feared. The proposed budget incorporates continued efforts to rebuild infrastructure, provide economic aid to non-profit organizations, and make allowances for ongoing

wage negotiations.

Increased expenditures in most departments form a part of the new budget proposal to meet existing and past obligations and drive performance improvement initiatives. This includes the automation of core government processes, which forms a significant part of the initiative.

The government is optimistic about a 15 percent increase in corporate income tax and gross receipt tax revenues, while personal income tax collection is projected to decrease by 2.7 percent in FY2024. An expected growth of 6 percent in real property tax revenues is also indicated in the proposal.

The annual budget for both FY2024 and FY2025 is anticipated to exceed \$1.4 billion, incorporating mandatory costs such as retroactive wages owed to present and former employees, and tax refunds.

The budget also provides for considerable spending on disaster recovery projects, with a projected expenditure of \$10 billion in FY24/FY25. An expected outlay of over \$2.9 billion of pandemic-related federal funds is slated for each fiscal year.

Governor Albert Bryan has [expressed concern](#) in the government's ability to expend disaster recovery-related funds in a timely fashion, pointing to manpower constraints.

Key highlights of the budget include an allocation of over \$18 million for employee wage increases, more than \$2.6 million for the expansion of the GVI Fellows cohort, and \$225,000 for the Office of Gun Violence Prevention. Additionally, a substantial amount of \$25 million has been set aside to address retroactive wages owed to current and former employees.

As Ms. O'Neal prepares to present her testimony before the Senate Committee on Budget, Appropriations and Finance on Tuesday, chaired by Senator Donna Frett-Gregory, she expressed optimism about the comprehensive nature of the budget. She believes that the budget can meet the needs of government agencies and departments while maintaining fiscal sustainability, a key goal for the territory in the coming years.