

GOOD MORNING HONORABLE NOVELLE E. FRANCIS, JR., CHAIRPERSON OF THE COMMITTEE ON BUDGET, APPROPRIATIONS AND FINANCE, MEMBERS OF THE COMMITTEE, OTHER MEMBERS OF THE 36TH LEGISLATURE PRESENT, AND THE VIEWING AND LISTENING AUDIENCE OF THE U.S. VIRGIN ISLANDS.

I AM KEVIN MCCURDY, COMMISSIONER OF THE DEPARTMENT OF FINANCE (DOF), AND ACCOMPANYING ME TODAY ARE THE OTHER MEMBERS OF THE GOVERNOR'S FINANCIAL TEAM; JULIO RHYMER, DIRECTOR OF THE OFFICE OF MANAGEMENT AND BUDGET (OMB), JOEL LEE, DIRECTOR OF THE BUREAU OF INTERNAL REVENUE (BIR), CINDY RICHARDSON, DIRECTOR OF THE DIVISION OF PERSONNEL (DOP), JOSS SPRINGETTE, CHIEF NEGOTIATOR OF THE OFFICE OF COLLECTIVE BARGAINING (OCB), BRENT LEERDAM, TAX COLLECTOR, AND CHALMA MOORHEAD, ACTING TAX ASSESSOR OF THE OFFICE OF THE LIEUTENANT GOVERNOR'S OFFICE (LGO), AND ADRIENNE WILLIAMS-OCTALIEN, DIRECTOR OF THE OFFICE OF DISASTER RECOVERY (ODR). ON BEHALF OF THE HONORABLE GOVERNOR, ALBERT BRYAN, JR., WE ARE HERE TODAY TO PROVIDE AN UPDATE TO THE COMMITTEE ON BUDGET, APPROPRIATIONS AND FINANCE.

STATUS OF VENDOR PAYMENTS

THROUGH FEBRUARY 6, 2025, THE CENTRAL GOVERNMENT OF THE VIRGIN ISLANDS PAID A TOTAL OF \$485.3 MILLION IN VENDOR PAYMENTS AND ALLOTMENTS. THE BREAKDOWN BY FUND IS AS FOLLOWS:

- GENERAL FUND \$140.2M
- SPECIAL FUND \$ 96.0M

- FEDERAL FUND \$236.4M
- ARPA FUND \$ 12.4M

GENEARL FUND ALLOTMENTS TOTALS \$35.8M AND SPECIAL FUND \$4M, SPECIFICALLY FROM THE ANTILITTER FUND. EMBEDDED IN THE TOTAL FOR FEDERAL FUNDS IS LARGELY FOR DISASTER-RELATED PROJECTS. SEE SNIPPET BELOW FOR ADDITIONAL INFORMATION.

Total Paid Invoices by Bank - FY25 through February 6, 2025						
	30	60	90	120	Greater than 120	TOTAL
General Fund	86,691,065	12,493,576	8,492,312	9,143,467	23,467,200	140,287,620
Bank 2	10,349,445	54,856,460	14,117,408	4,744,637	11,972,747	96,040,697
Federal	152,768,692	46,868,701	18,519,281	11,165,959	7,147,075	236,469,708
ARPA	7,035,624	976,992	1,603,479	656,063	2,222,698	12,494,856
	256,844,826	115,195,729	42,732,479	25,710,126	44,809,720	485,292,881

AP AGING

AS OF FEBRUARY 7, 2025, THE TOTAL AMOUNT OF ACCOUNTS PAYABLE (AP) WAS \$66.1 MILLION. THE BREAKDOWN IS AS FOLLOWS:

- GENERAL FUND \$46.4M
- SPECIAL FUND \$10.3M
- FEDERAL \$8.6M
- ARPA \$724K

Government of the US Virgin Islands

Invoices Summary (based on Invoice Date)

Due Date Period: 2004 to Present

Summary as of February 7, 2025

	Total Invoices by Bank				All Invoices TOTAL
	Invoice Date - FY25	Invoice Date - pre-FY25			
	Entered in FY25	Entered pre-FY25	Entered in FY25	Total Pre-FY25 Invoice Date	
Bank 1	29,296,715	10,549,134	6,495,999	17,045,133	46,341,847
Allotments ¹	13,950,833	-	-	-	13,950,833
One-Time Income Tax ²	-	7,083,111	-	7,083,111	7,083,111
Payroll	48,200	-	-	-	48,200
Bank 2	5,960,431	709,753	3,610,486	4,320,239	10,280,670
Federal	6,188,819	-	2,487,932	2,487,932	8,676,751
ARPA	374,363	1,500	348,436	349,936	724,300
Subtotal	41,868,528	11,260,387	12,942,854	24,203,241	66,071,768
Less: One-time Income Tax (A)	-	(7,083,111)	-	(7,083,111)	(7,083,111)
Less: Inter-departmental Invoices (B)	(3,571,627)	(332,007)	(747,415)	(1,079,422)	(4,651,048)
Total less (A) and (B)	38,296,901	3,845,269	12,195,439	16,040,708	54,337,609

90-120 DAYS REVENUE COLLECTIONS

FY25 YEAR-TO-DATE AS OF FEBRUARY 7, 2025, THE CENTRAL GOVERNMENT OF THE VIRGIN ISLANDS COLLECTED \$298.5 MILLION IN REVENUE IN THE BANK ACCOUNTS, OF WHICH \$247.2 MILLION CAME INTO THE GENERAL FUND AND \$51.3 MILLION CAME INTO SPECIAL FUNDS (BANK 2). BASED ON ACTUALS YEAR-TO-DATE AND THE REMAINDER OF THE FY25 FORECAST, GENERAL FUND.

CASH ON HAND

AS OF FEBRUARY 7, THE GOVERNMENT OF THE VIRGIN ISLANDS ENDED WITH \$38.9 MILLION OF AVAILABLE CASH, OF WHICH \$26.4 MILLION WAS IN THE GENERAL FUND AND \$12.5 MILLION IN SPECIAL FUNDS (BANK 2). NOTE THAT THIS CASH BALANCE BENEFITED IN PART FROM \$40 MILLION OF TRANSFERS IN NOVEMBER AND DECEMBER 2024 FROM THE LINE OF CREDIT INTO THE GENERAL FUND. AS OF FEBRUARY 7, \$11 MILLION OF THE \$40 MILLION OF PROCEEDS HAD BEEN REPAID (ON FEBRUARY 6, 2025), WITH THE REMAINING \$29 MILLION FORECAST TO BE REPAID BY MAY 2025.

TOURISM REVOLVING FUND

THE TOURISM REVOLVING FUND REFLECTS APPROXIMATELY \$64.5M. FOR FY'2025, A TOTAL OF \$7.9M HAS BEEN COLLECTED AND A TOTAL OF \$13.9 HAS BEEN EXPENDED, WHICH IS AS A RESULT OF THE POOL CASH SYSTEM. WHAT THIS MEANS IS THAT ALTHOUGH THE TOURISM REVOLVING FUND IS ITS OWN FUND, IT IS SUPPORTED BY CASH VIA A POOL CASH APPROACH WHERE IN TIMES OTHER FUNDS IN THAT FISCAL YEAR CAN SUPPORT THE EXPENSES NEEDED AND IN RETURN OTHER FUNDS MAY NEED TO BE SUPPORTED SUCH AS OUR HEALTH INSURANCE FUND. AS SUCH, WE ASK THIS BODY NOT TO LOOK AT THE FUND BALANCE AS AVAILABLE CASH BUT TO MAKE THE NECESSARY ASSESSMENTS BASED ON CURRENT YEARS' ACTIVITIES.

THE MAIN FUNDING SOURCE CONTINUES TO BE AS A RESULT OF THE HOTEL OCCUPANCY TAX, WHICH MAKES UP 91% OF THE FUNDING AND COMES THROUGH THE VIRGIN ISLANDS BUREAU OF INTERNAL REVENUE.

ACT 8915 & 8258 REPORTING COMPLIANCE

WE CONTINUE TO COMPLY WITH THE REPORTING REQUIREMENTS UNDER ACT 8915, INCLUDING SUBMITTING REVENUE AND EXPENDITURE REPORTS FOR YOUR REVIEW. ADDITIONALLY, WE HAVE PROVIDED A DETAILED ACTION PLAN TO ACCELERATE THE COLLECTION OF DELINQUENT PROPERTY TAXES AND REDUCE THE GOVERNMENT OF THE VIRGIN ISLANDS' (GVI) OUTSTANDING REAL PROPERTY TAX RECEIVABLES.

SECTION “c” OF ACT 8258 REMOVED THE BUREAU FROM THE FRONT END OF THE LICENSING PROCESS AND PLACED THEM ON THE BACK END OF THE PROCESS. IN ACCORDANCE WITH THIS CHANGE, THE BUREAU SENT THE NAMES OF 255 TAXPAYERS TO DLCA FOR LICENSE REVOCATION. THIS BACK-END PROCESS DOES NOT RESULT IN THE IMMEDIATE COLLECTION OF REVENUES AS WAS SEEN WITH THE PRIOR FRONT-END PROCESS, AS THE WAIT TIME FOR COLLECTION OF THE TAXES IS NO LONGER DEPENDENT ON TAXPAYERS RECEIVING THEIR LICENSE, WHICH WAS A REQUIREMENT FOR SATISFYING OUTSTANDING TAX OBLIGATIONS. IN REGARD TO ACT 8915, THE BUREAU DEVELOPED AND SUBMITTED ITS ACTION PLAN. THE LISTS OF DELINQUENT TAXPAYERS WILL CONTINUE TO BE SHARED WITH DLCA FOR LICENSE REVOCATION.

FURTHERMORE, THE BUREAU OF INTERNAL REVENUE (BIR) IS WORKING CLOSELY WITH THE DEPARTMENT OF JUSTICE (DOJ) TO EVALUATE OPTIONS FOR COLLECTING THE HOTEL OCCUPANCY TAX. A FINAL DECISION ON THIS MATTER IS EXPECTED IN THE COMING MONTHS.

LINE OF CREDIT COMPLIANCE

\$50M LINE OF CREDIT WAS ESTABLISHED IN NOVEMBER 2024. TO DATE, \$40M HAS BEEN DRAWN DOWN AND OF THAT AMOUNT \$11M HAS BEEN RETURNED. THE LINE OF CREDIT AVAILABLE BALANCE IS CURRENTLY \$19.9M. \$29M WAS UTILIZED TO SUPPORT THE GVI’S CONTINUED OPERATIONS.

IN ADDITION, THE LINE OF CREDIT OF \$100 MILLION SUPPORTS RECOVERY PROJECTS CONTINUES TO SUPPORT ODR’S EFFORTS TO PROVIDE TIMELY

PAYMENTS AND FUNDING TO VENDORS FOR VARIOUS PROJECTS TO AUGMENT THE PACE OF THE RECOVERY. ODR HAS UTILIZED \$93.1 MILLION OF THE LINE OF CREDIT TO ADVANCE PROJECTS THROUGH VARIOUS PHASES, AND AS OF TODAY, \$73.5 MILLION HAS BEEN REPAID FROM FEDERAL REIMBURSEMENTS WHICH LEAVES \$80.5 MILLION OF THE \$100 MILLION LOC CAP AVAILABLE TO CONTINUE TO STREAMLINE RECOVERY WORK.

FUNDS HAVE BEEN UTILIZED TO SUPPORT PROJECTS SUCH AS THE CDBG-DR ENVISION TOMORROW HOME RECONSTRUCTION PROJECT ENSURING CONTRACTORS ARE PAID AND WORK CAN COMMENCE AND CONTINUE TO SUPPORT THE 100 HOMES NOW IN CONSTRUCTION. FUNDS HAVE ALSO BEEN USED TO CONTINUE WORK ON THE CHRISTIANSTED SEWER LINE PROJECT, DPNR'S NATIONAL PARK SERVICE GRANT PROJECTS, WAPA PROJECTS, AND LED LIGHTS FOR SEVERAL DEPARTMENT OF SPORTS, PARKS AND RECREATION FACILITIES. THE LINE HAS ALSO BEEN TAPPED TO PROCESS PAYMENTS TO ARCHITECTURAL AND ENGINEERING CONTRACTORS TO ADVANCE RECOVERY PROJECTS.

BUDGET STABILIZATION FUND COMPLIANCE

THE BUDGET STABILIZATION FUND (BSF) HAS HISTORICALLY PLAYED A CRUCIAL ROLE IN SUPPORTING EMERGENCY REQUESTS, INCLUDING ASSISTANCE TO THE VIRGIN ISLANDS WATER AND POWER AUTHORITY (VIWAPA) AND THE BOVONI LANDFILL FIRE EARLIER IN FISCAL YEAR 2024. THE TOTAL AMOUNT PAID OUT TO WAPA TOTALS \$174M AND FOR TO THE EMERGENCY DEPARTMENTS SUCH AS VI

FIRE SERVICES, VI WASTE MANAGEMENT AUTHORITY, AND VITEMA ETC TOTALS \$1.1M.

THE FUND STARTED WITH \$21M AT THE TIME THE EMERGENCIES BEGAN. AT PRESENT, THE FUND HOLDS \$2.4 MILLION. NOTE THAT WE REMAIN COMMITTED TO SETTING ASIDE \$5 MILLION ANNUALLY TO ENSURE FINANCIAL CUSHION FOR FUTURE EMERGENCIES.

SINGLE-PAYER COMPLIANCE

THE CENTAL GOVERNMENT IS CURRENT WITH PAYMENTS TO WAPA ON BEHALF AGENCIES FUNDED BY GENERAL FUND. PAYMENT IS MADE BY 15TH OF THE MONTH TO INCLUDE SCHNEIDER REGIONAL MEDICAL CENTER, JUAN F. LUIS HOSPITAL, AND THE VI WASTE MANAGEMENT AUTHORITY PAYMENTS WHICH IS FUNDED BY THEIR REGULAR ALLOTMENTS.

AS A RESULT OF DEDICATED TEAM MEMBERS AT DOF WHO IS IN CONSTANT COMMUNICATION WITH WAPA AND THE D&A TO ENSURE THE BILLING LOOKS ACCURATE AND HANDLE ANY DISCREPANCIES OR CHALLENGES BEFORE SUBMITTING PAYMENT, WE ARE ABLE TO MEET THE DEADLINE.

FEDERAL DRAW DOWNS

AS OF THE CURRENT FISCAL YEAR, THE GOVERNMENT HAS PROCESSED APPROXIMATELY \$236M IN FEDERAL EXPENDITURES, WITH AN ADDITIONAL \$8.6M IN PROCESSING. ENSURING THE TIMELY SUBMISSION OF DRAWDOWN REQUESTS

REMAINS A TOP PRIORITY TO SUSTAIN CASH FLOW, MINIMIZE AUDIT RISKS, AND ENHANCE OVERALL FINANCIAL MANAGEMENT. WE WILL CONTINUE TO COLLABORATE WITH RELEVANT DEPARTMENTS AND AGENCIES TO EXPEDITE THE DRAWDOWN PROCESS AND ENHANCE FINANCIAL OVERSIGHT.

STATUS OF FEDERAL GRANTS TO INCLUDE FEMA, ARPA, CARES, EPSTEIN FUND

EPSTEIN FUNDS

- **REPORT ON AWARDED AND UTILIZED FUNDS**

TOTAL FUNDS AND ALLOCATIONS

- **SETTLEMENT AMOUNT - \$254,782,494**
- **TOTAL AMOUNT ALLOCATED TO THE TERRITORY: \$182,004,812**
- **LEGAL FEES & CHARITABLE DONATIONS: \$74,738,981**
- **FUNDS AVAILABLE FOR THE GOVERNMENT OF THE VIRGIN ISLANDS (GVI): \$156,120,109**

FUNDS RECEIVED AND UTILIZED

- **TOTAL FUNDS RECEIVED TO DATE: \$156,987,694 (INCLUDES \$25 MILLION ALLOCATED FOR SPECIFIC USE BY THE DEPARTMENT OF JUSTICE AND ACCRUED INTEREST)**
- **TOTAL FUNDS AVAILABLE TO DATE (EXCLUDING DOJ ALLOCATION): \$131,435,163**
- **FUNDS USED FOR GOVERNMENT OPERATIONS: \$33.6 MILLION**
- **FUNDS DEPOSITED IN INTEREST BEARING ACCOUNT \$97.8 MILLION**

REMAINING FUNDS

- **PENDING FUNDS TO BE RECEIVED FROM MOTTLEY RICE: \$25,047,660**

FEDERAL FUNDS

Category	Fiscal Year	Revenues (\$)	Expenses (\$)
FEMA	2024	359,358,847.45	397,570,971.27
FEMA	2025	99,165,215.15	161,652,489.00
CARES	2024	34,295,920.84	28,436,694.00
CARES	2025	8,212,678.44	3,634,166.00
ARPA	2024	-	16,139,003.00
ARPA	2025	-	11,572,141.00

DIVISION OF PERSONNEL

CURRENT CENTRAL GOVERNMENT EMPLOYEE

THE CURRENT CENTRAL GOVERNMENT EMPLOYEE POPULATION IS 5,827 CONSISTING OF 2,967 EMPLOYEES IN THE ST. THOMAS/ST. JOHN DISTRICT AND 2,860 EMPLOYEES IN THE ST. CROIX DISTRICT. THERE ARE A TOTAL OF 1,341 UNCLASSIFIED EMPLOYEES AND 4,375 CLASSIFIED EMPLOYEES, 44 PART-TIME, AND 67 TEMPORARY EMPLOYEES.

GVI BREAKDOWN

FOR FY'25 (TO DATE) – THE DIVISION HAS PROCESSED **208 HIRES** CONSISTING OF THE FOLLOWING BREAKOUT:

NEW HIRE:57

REHIRE:57

PROMOTION: 38

TRANSFER BETWEEN DEPT: 39.

TRANSFER WITHIN DEPT: 12.

BRANCH TRANSFER:5

SEPARATIONS: 79 (RESIGNATIONS – 43, RETIREMENTS – 36)

GROUP HEALTH INSURANCE

1. **RATE INCREASE:** ON OCTOBER 1ST, THE GVI IMPLEMENTED A 4% RATE INCREASE FOR EMPLOYEE AND EMPLOYER PREMIUMS. THE BREAKDOWN IS AS FOLLOWS:

- ACTIVE EMPLOYEES WITH **SINGLE COVERAGE** SAW A PREMIUM INCREASE OF **\$5**.
- ACTIVE EMPLOYEES WITH **FAMILY MEDICAL AND DENTAL** COVERAGE EXPERIENCED AN INCREASE OF **\$9.31**.
- RETIREES UNDER **AGE 65** WITH SINGLE COVERAGE SAW AN INCREASE OF **\$6.79**.
- RETIREES WITH **FAMILY MEDICAL AND DENTAL** COVERAGE SAW AN INCREASE OF **\$12.24**.

2. **OVERALL BUDGET INCREASE:**

- THE TOTAL MEDICAL, DENTAL, VISION, AND LIFE INSURANCE COST HAS INCREASED FROM **\$206.2 MILLION** IN FY 2024 TO **\$226.1 MILLION** IN FY 2025.
- THIS REPRESENTS A **\$19.948 MILLION** INCREASE, A **9.7% OVERALL INCREASE**.

3. **PREMIUM CONTRIBUTIONS (OCTOBER-DECEMBER 2024):**

- THE TOTAL PREMIUM CONTRIBUTIONS PAID FROM OCTOBER THROUGH DECEMBER 2024 AMOUNTED TO **\$62,025,458.81**.
- OF THIS, THE **EMPLOYER SHARE** WAS **\$45,278,584.94** (73%), AND THE **EMPLOYEE SHARE** WAS **\$16,746,873.87** (27%).

DONATED LEAVE:

AS OF FEBRUARY 1ST, DOP HAS PROCESSED 83 APPLICATIONS TOTALING \$719,098.72 IN DONATED LEAVE. FOR FY 2024 – 336 APPLICATIONS WERE APPROVED AND PROCESSED TOTALING \$2,040,766.02.

GVI FELLOWS PROGRAM

THE GVI FELLOWS PROGRAMS WAS TRANSFERRED TO THE DIVISION OF PERSONAL FOR FY 25. CURRENTLY THERE ARE 6 MEMBERS OF COHORT THREE (3). THEY ARE CURRENTLY IN THEIR THIRD AGENCY ROTATION AT – OMB, DOF, ODR, OOG, DHS WITH ONE WHO RECENTLY ACCEPTED A JOB OFFER AT THE JUDICIAL COURT. THIS COHORT IS SCHEDULED TO GRADUATE IN SEPTEMBER 2025.

COHORT FOUR (4), STARTED IN AUGUST 2024, WITH 6 PARTICIPANTS IN ROTATION AT DPP, EDA, DPNR, OMB, DOF, AND ODR. ALL THE FELLOWS ARE PROGRESSING WELL IN THEIR RESPECTIVE ROTATIONS WITH UPCOMING ACTIVITIES TO INCLUDE MENTOR ASSIGNMENTS, PROFESSIONAL HEADSHOTS, RESUMES, AND INTERVIEW WORKSHOPS.

OFFICE OF COLLECTIVE BARGAINING

THERE ARE 15 UNIONS THAT REPRESENT APPROXIMATELY 70% OF THE EMPLOYEES IN THE EXECUTIVE BRANCH. BELOW IS THE CURRENT STATUS OF EACH CBA:

- 12 - CURRENT
- 2 - IN THE FINAL STAGES OF EDITING OR AWAITING SIGNATURES
- 12 - NEGOTIATIONS ARE ONGOING
- 4 - EXPIRED AND ARE EITHER ON A DAY-TO-DAY EXTENSION, NEED TO BE RESCHEDULED, OR SCHEDULED TO BEGIN NEGOTIATIONS THIS YEAR
- 1 - WILL BE HANDLED BY THE HOSPITALS AND OCB WILL ASSIST WHERE REQUIRED BY LAW (ASSOCIATION OF HOSPITAL EMPLOYED PHYSICIANS)

- 1 - WILL NOT BE SCHEDULED BECAUSE THERE ARE NO EMPLOYEES IN THE BARGAINING UNIT SINCE 2012 (PUBLIC HEALTH DENTISTS)

COMPLETED/PENDING NEGOTIATIONS

OCB HAS COMPLETED 25 NEGOTIATIONS OVER THE LAST 5 YEARS, 6 OF WHICH WERE COMPLETED IN THIS FISCAL YEAR THUS FAR. WE WILL CONTINUE TO NEGOTIATE IN GOOD FAITH, WITH THE GOVERNMENT'S CURRENT FINANCIAL CONDITIONS IN MIND. ATTACHED IS A LIST OF ALL CBAS AND THEIR TERMS. ALSO, ATTACHED IS THE LIST OF UNIONS AND THE AGENCIES/ENTITIES THAT THEY REPRESENT.

INTERNAL BUREAU OF REVENUES

INCOME TAX COLLECTIONS/REFUND PAYMENTS

MUCH HAS BEEN SAID ABOUT THE COLLECTION OF REVENUES FOR THE LAST FISCAL YEAR. A DEEP DIVE INTO THE BUREAU'S RECENT COLLECTIONS AND TAX FILINGS SUPPORT SEVERAL KNOWN FACTORS:

1. THERE IS A REDUCTION IN INCOME TAX FILINGS WHICH HAVE BEEN DIRECTLY TRACED TO THE REDUCTION OF ACTIVITY IN THE FOLLOWING INDUSTRIES: CONSTRUCTION, BUSINESS SERVICES AND TECH SERVICES.
2. THERE WERE INSTANCES OF ONE-TIME CAPITAL GAIN SALES THAT WILL NOT BE REPEATED IN SUBSEQUENT YEARS. AS SUCH, WE ARE UNABLE TO PREDICT WHEN TAXPAYERS TAKE ADVANTAGE OF THE RECORD-BREAKING STOCK MARKET.

AS OF TODAY, THE BUREAU HAS FULLY PROCESSED 15,393 UNITS OF TAX RETURNS, TOTALLING \$39,933,795 IN REFUNDS. THESE REFUNDS ARE READY TO BE PAID ONCE THE FUNDING IS PERMITTED.

PLANS FOR TECHNOLOGICAL IMPROVEMENTS

THE 2024 INDIVIDUAL INCOME TAXES CAN BE FILED ELECTRONICALLY. THE VI DIRECT FILE IS UP AND RUNNING AND WILL ALLOW TAXPAYERS TO UPLOAD THEIR 2024 TAX RETURN AT ANY TIME AND FROM ANYWHERE. WE ARE ALSO UPGRADING OUR I.T. INFRASTRUCTURE WITH NEW MUCH-NEEDED HARDWARE AND IS NOW FOCUSING ON UPGRADING OUR TAX DATABASE SYSTEM.

OFFICE OF DISASTER RECOVERY

DISASTER RECOVERY FUNDING UPDATE

RECOVERY PROJECTS CONTINUE TO PLAY A KEY ROLE IN PROVIDING NECESSARY REVENUES TO THE TERRITORY'S ECONOMY. THE RECOVERY FROM THE 2017 STORMS WAS ORIGINALLY VALUED AT \$8 BILLION. TODAY, OVER \$23.9 BILLION DOLLARS IN RECOVERY DOLLARS ARE AVAILABLE, WHICH IS AN INCREASED VALUE OF \$15.9 BILLION ACROSS ALL RECOVERY FUNDING PROGRAMS. OVER THE PAST 4 YEARS OBLIGATIONS HAVE INCREASED FROM \$4.8 BILLION DOLLARS IN 2021 TO \$18.1 BILLION IN 2024. 75% OF THE TOTAL AVAILABLE FUNDS WERE OBLIGATED IN 2024 ALONE. FEMA'S PUBLIC ASSISTANCE PROGRAM IS THE PRINCIPAL SOURCE OF FUNDING FOR OUR RECOVERY EFFORTS WITH OBLIGATIONS OF \$21.4 BILLION TO REBUILD CRITICAL INFRASTRUCTURE TO INCLUDE SCHOOLS, HOSPITALS AND UTILITIES. INITIALLY, THE TERRITORY WAS

REQUIRED TO MATCH THESE FUNDS AT 10 PERCENT. HOWEVER, IN EARLY 2024, THE BIDEN-HARRIS ADMINISTRATION GRANTED A REDUCTION IN THE LOCAL MATCH REQUIREMENT FROM 10 PERCENT TO AS LOW AS 2 PERCENT, WHICH MADE THE MONUMENTAL TASK OF EXECUTING THESE PROJECTS MORE ATTAINABLE.

TO DATE \$3.7 BILLION, HALF OF THE ORIGINAL OBLIGATION AMOUNT, HAS BEEN EXPENDED ON PROJECTS TO INCLUDE EMERGENCY REPAIRS, ARCHITECTURAL AND ENGINEERING SERVICES, AND PERMANENT REPAIRS TO VARIOUS FACILITIES, ROADS AND UTILITY INFRASTRUCTURE ACROSS THE TERRITORY.

GROSS RECEIPT TAXES

THE IMPACT OF RECOVERY DOLLARS IS TRACKED AT THE FIRST LAYER THROUGH GROSS RECEIPT TAXES (GRT). FOR FISCAL YEAR 2024 RECOVERY PROJECTS EXPENDITURES GENERATED OVER \$17.7 MILLION IN GRT AS A RESULT OF \$355.4 MILLION OF EXPENDITURES. CONSTRUCTION OF THE ARTHUR RICHARDS PRE-K-8, DEMOLITION OF THE CHARLES HARWOOD MEDICAL COMPLEX, COMPLETION OF SEVERAL RECREATIONAL FACILITIES TERRITORY-WIDE AND CONTINUED IMPROVEMENTS IN THE INFRASTRUCTURE AT WAPA THROUGH COMPOSITE POLES AND UNDERGROUNDING PROJECTS, WERE KEY DRIVERS TO THE EXPENDITURES THROUGHOUT THE FISCAL YEAR.

FOR FISCAL YEAR 2025, EXPENDITURES ARE EXPECTED TO INCREASE AS WORK IS IN FULL GEAR AT THE CHARLOTTE KIMELMAN CANCER INSTITUTE,

SIGNIFICANT SCHOOL PROJECTS KICK OFF SUCH AS THE CHARLOTTE AMALIE HIGH SCHOOL, AND THE CDBG-DR PROGRAM PROJECTS GAIN MOMENTUM.

OVER \$441 MILLION IN RECOVERY EXPENDITURES IS EXPECTED IN FY 2025. YTD, \$144.4 MILLION HAS BEEN EXPENDED GENERATING \$7.2M IN GRT. ODR EXPECTS TO REALIZE ITS EXPENDITURES AS THE SUPER PROJECT MANAGEMENT OFFICE AWARDS AND CONTINUES TO SOLICIT SERVICES FOR CRITICAL INFRASTRUCTURE PROJECTS IN THE HEALTHCARE, EDUCATION AND UTILITIES SECTOR FOR THE DURATION OF THE FISCAL YEAR.

OFFICE OF TAX COLLECTOR

IN JUNE OF FY2024, THE REAL PROPERTY TAX DIVISION OF THE OFFICE OF THE LIEUTENANT GOVERNOR (“OLG”) CALCULATED REAL PROPERTY TAXES IN THE AMOUNT OF \$80,331,304.75 FOR 88,352 PARCELS. OF THAT AMOUNT, THE AMOUNT OF \$24,582,454.79, REPRESENTING EXEMPTIONS, WAS DEDUCTED. THIS RESULTED IN THE ISSUANCE OF TAX BILLS IN THE TOTAL AMOUNT OF \$58,158,266.57 FOR FY2024. BASED ON THAT BILLING, \$39,137,504.93 WAS PAID IN FULL AND \$693,949.39 IN PARTIAL PAYMENTS WERE COLLECTED, LEAVING AN UNCOLLECTED BALANCE OF \$18,326,812.25.

THE DELINQUENT BALANCE WAS ADDED TO THE EXISTING AMOUNT OF REAL PROPERTY TAX DELINQUENCIES OWED TO GVI, FOR A TOTAL DELINQUENCY AMOUNT OF \$125,209,915.19. SINCE OCTOBER 1, OF FY2025, THE OFFICE OF THE TAX COLLECTOR (“OTC”) HAS COLLECTED THE AMOUNT OF \$5,751,267.49, TO DATE. WHILE THE AMOUNT COLLECTED REFLECTS COLLECTIONS FOR THE FIRST FOUR

MONTHS OF FY2025 AND REPRESENTS ABOUT 9% OF THE TOTAL PROJECTED REVENUE OF \$64,000,000 FOR FY25, OTC INTENDS TO MEET THE PROJECTED REVENUE AMOUNT FOR FY2025.

OUR OFFICE IS IN THE FINAL PLANNING STAGES FOR FINAL COLLECTION ACTIVITIES. IN FY24, WE HAD TWO FINAL COLLECTIONS ACTIVITY EVENTS, ONE IN EACH DISTRICT, SCHEDULED FOR JUNE OF 2024, BUT THEY WERE BOTH CANCELLED, DUE TO SIGNIFICANT PAYMENTS MADE BY DELINQUENT TAXPAYERS DURING THE PERIOD LEADING UP TO THE EVENTS.

OTC HAS 1,078 ACTIVE PAYMENT PLANS AS OF 2/7/2025, VALUED AT \$9,699,264.58. OF THESE ACTIVE PAYMENT PLANS, THE AMOUNT OF \$6,309,640.25 HAS ALREADY BEEN COLLECTED. WE ARE ENCOURAGING TAXPAYERS TO TAKE ADVANTAGE OF THE PAYMENT PLAN PROCESS, BEFORE THEIR PARCEL IS MARKED FOR FINAL COLLECTION ACTIVITY.

AS OF THE BEGINNING OF THIS FISCAL YEAR, OTC HAS ISSUED 470 TAX CLEARANCE CERTIFICATES; 331 CERTIFICATES WERE ISSUED IN THE ST. THOMAS/ ST. JOHN DISTRICT AND 199 CERTIFICATES WERE ISSUED IN THE ST. CROIX DISTRICT. THESE TAX CLEARANCE CERTIFICATES CAN BE USED AS AN INDICATOR OF PROPERTIES SOLD, THUS FAR, IN FY2025.

OTC HAS BEEN HAVING DISCUSSIONS WITH THE REAL PROPERTY TAX SYSTEM VENDOR REGARDING THE PROVISION OF ADDITIONAL CREDIT CARD PAYMENT OPTIONS FOR CUSTOMERS.

IN OCTOBER OF 2024, ACT NUMBER 8915 WAS ENACTED BY THE 35TH LEGISLATURE OF THE VIRGIN ISLANDS. THIS ACT MANDATED THAT “THE VIRGIN ISLANDS BUREAU OF INTERNAL REVENUE AND THE OFFICE OF THE LIEUTENANT GOVERNOR, OFFICE OF THE TAX [COLLECTOR], SHALL DEVELOP AN ACTION PLAN TO COLLECT ALL OUTSTANDING TAXES AND FEES DUE [TO] THE GOVERNMENT OF THE VIRGIN ISLANDS.” THIS, HOWEVER, WAS AN UNFUNDED MANDATE. OLG SUBMITTED THE REQUESTED ACTION PLAN DURING THE FIRST QUARTER OF FY2025 DESPITE THE FACT THAT NO FUNDING WAS APPROPRIATED TO EFFECTUATE THE PLAN. WITHOUT FUNDING, OLG IS UNABLE TO FULLY IMPLEMENT THE PLAN.

MISTER CHAIR, THIS CONCLUDES MY TESTIMONY. I AM AVAILABLE TO RESPOND TO QUESTIONS FROM THE MEMBERS OF THE COMMITTEE, AND OTHER SENATORS PRESENT

THANK YOU