



Committee on Budget, Appropriations and Finance

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Led by Director Nominee Julio A. Rhymer

Director Nominee of the Office of Management and Budget

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Fritz E Lawaetz Building

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Good morning, the Honorable Senator Diane Capehart and members of the Rules and Judiciary Budget Committee. I am Julio A. Rhymer Sr., Director Nominee for the Office of Management. It is both an honor and a privilege to present my qualifications, vision, and strategic plan for the effective management of our territory's financial resources.

Senators, my career spans over thirty years within the financial industry with over twenty years in public administration and financial management, with a proven track record of enhancing operational efficiency and accountability. During my public service, I have served as a Chief Financial Officer for the Virgin Islands Housing Finance Authority and the Water and Power Authority.

First, in my role as Chief Financial Officer, Virgin Islands Housing Finance Authority, I successfully led a comprehensive financial restructuring initiative that resulted in a 20% reduction in operational costs while improving service delivery. I also implemented a new financial reporting system that increased transparency and accountability within VIHFA.

Second, as the Chief Financial Officer of the Virgin Islands Water and Power Authority, I enhanced the internal controls and compliance measures which led to a significant reduction in audit findings and improved the overall integrity of financial reporting. I also guided the Authority's financial team to complete the 2013 Financial Audits on time for the first time in over ten years. This allowed the Authority to obtain a rating increase by the bond rating agencies.

Finally, in my last public service role, I served as the Director of Office of Management and Budget where I played a pivotal role developing the territory's annual budget, collaborating with various agencies to align their financial needs with the strategic goals of the government. I spearheaded a project that introduced performance-based budgeting, linking funding to measurable outcomes.

As I seek to lead the OMB for the second time, my vision is to revamp and restructure the Office of Management and Budget to ensure it functions efficiently and effectively. The following key initiatives will guide my approach:

- 1. Streamlining Budget Processes:** I will work to simplify and standardize the budget preparation process across agencies. This will involve the adoption of analytical solutions to enhance data collection, analysis, and reporting capabilities. In essence, we will be building the budget from the bottom up.
- 2. Fostering Interagency Collaboration:** By fostering a collaborative environment among departments and agencies, we can better align our financial strategies with the territory's long-term goals. We have already established regular weekly interagency meetings to complete a revenue and expenditure forecast.
- 3. Establishing Performance Metrics:** I will implement a robust framework for measuring the performance of government programs and services. By linking funding to performance outcomes, we can ensure that taxpayer dollars are spent effectively and yield tangible results for our citizens.

For this vision to materialize the following actions will be taken:

1. Comprehensive Spending Review: Conduct a thorough review of all government expenditures to identify areas where costs can be reduced or covered by federal grants without compromising essential services. This will involve engaging with agency heads to prioritize spending based on critical needs and determine if expenditures are grant eligible. There is also a need to comprehensive review of all autonomous and semi-autonomous agencies that receive general fund appropriations annually. There is a need to assist these instrumentalities to a path of autonomy. This will ultimately reduce the burden on the general fund.

2. Federal Grants Review: Conduct a thorough review of all federal grants to identify areas where grants are not being fully utilized and not in compliance. This will involve engaging with agency heads to review spending plans and grant status. This will ensure that all federal grants are spent timely and in compliance with the grant requirements. There is also a need for Asset Management and Inventory Compliance Unit within the Federal Grants Management Unit within OMB. This unit will be responsible for the review and compliance of the management of assets bought with federal funds. The review of all federal grants will include the establishment of a plan to remove the Third-Party Fiduciary out of the Government of the Virgin Islands by December 2025.

3. Training and Capacity Building: Implement training programs for the Office and Management and Budget staff to enhance their budgeting and financial management skills. This will empower them to make informed decisions and manage Department and Agency budgets more effectively. Also create a succession plan within the Office of Management and Budget that groom future leaders of the organization.

In conclusion, I hold a Master of Business Administration and Master of Accounting and Financial Management from Devry University Keller School of Management, where I focused on Accounting, Financial Management and Sustainability. My academic and professional journey has equipped me with a deep understanding of budgeting processes, economic analysis, and organizational behavior. Additionally, I earned a Bachelor of Business Administration in Finance, which provided me with a solid foundation in financial management and strategic planning.

I am committed to leading The Office of Management and Budget with integrity, transparency, and a focus on results. My extensive educational background and professional experience have prepared me to tackle the challenges facing our territory today. With your support, I am confident that we can implement meaningful reforms that will enhance the efficiency and effectiveness of our government.

Thank you for considering my nomination. I look forward to serving the people of the Virgin Islands.

Madam Chair, this concludes my testimony. I am ready to answer the questions of this committee.