

FISCAL YEAR 2021

PROPOSED BUDGET IN BRIEF



**“Budgeting for a
Better USVI”**



INTRODUCTION



Welcome Message

I am pleased to present to you, the United States Virgin Islands' first Budget in Brief! The Budget in Brief is designed to give all citizens a brief overview of the Fiscal Year 2021 Proposed Budget and is provided to highlight the Government's operating budget, revenue projections, and Federal grant budgets as well. This Budget in Brief continues Governor Bryan's and Lt. Governor Roach's commitment to transparency for the residents of the territory.

This proposed budget has been developed by considering the mandatory costs for the Government's day to day operations, the reduced revenues related to the COVID-19 Pandemic, and a commitment to providing efficient and effective services to the People of the Virgin Islands. The proposed total General Fund expenditures and reserves are \$742.8 Million and is being supplemented by Non-Disaster Federal grants funding of \$290.9 Million. In total however, the territory has access to over \$5 Billion in Federal Funds to continue to address disaster related projects. The Government is committed to continuing to provide you with the services required and ensuring Public Safety and Capital Projects continue.

Regards,

Jennifer C. O'Neal



Governor's Cabinet

Joss Springette

Chief Negotiator Office of Collective Bargaining

Denise George

Attorney General Department of Justice

Steven G. Van Beverhoudt

Inspector General, Office of The Inspector General

Col. Kodjo Knox-Limbacker

Adjutant General National Guard

Directors

Jennifer O'Neal

Director, Office of Management and Budget

Commissioners

Kirk Callwood

Commissioner, Department of Finance

Rupert Ross

Director, Bureau of Information Technology

Anthony D. Thomas

Commissioner, Department of Property & Procurement

Kyle Fleming

Director, Energy Office

Joseph Boschulte

Commissioner, Department of Tourism

Daryl Jaschen

Director, Virgin Islands Territorial Emergency Management Agency

Gary Molloy

Commissioner, Department of Labor

Patrick Farrell

Director, Office of Veterans Affairs

Kimberly Causey-Gomez

Commissioner, Department of Human Services

Barbara McIntosh

Director, Bureau of Motor Vehicles

Justa Encarnacion

Commissioner, Department of Health

Wynnie Testamark

Director Bureau of Corrections

Calvert White

Commissioner, Department of Sports, Parks & Recreation

Daryl George Sr.

Director Virgin Islands Fire Department

Trevor Velinor

Commissioner, Virgin Islands Police Department

Joel Lee

Director, Bureau of Internal Revenue

Nelson Petty, Jr.

Commissioner, Department of Public Works

Dayna Clendinen

Director, Division of Personnel

Racquel Berry Benjamin

Commissioner, Department of Education

Raymond Williams

Director, Virgin Islands Lottery

Richard Evangelista

Commissioner, Dept. Of Licensing & Consumer Affairs

Ray Martinez

Director, Law Enforcement & Planning Commission

Positive T.A. Nelson

Commissioner, Department of Agriculture

Jean Pierre Oriol

Commissioner, Department of Planning & Natural Resources

U.S. Virgin Islands Fast Facts

An unincorporated Territory of the United States.

Governed by the Honorable Albert Bryan Jr., Governor and the Honorable Tregenza Roach, Esq., Lt. Governor

The Territory is 133.6 square miles.

Annual Budget Process

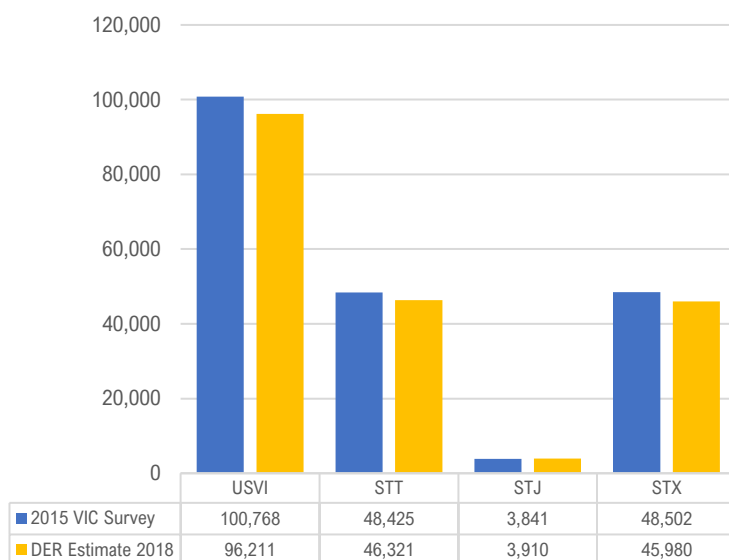
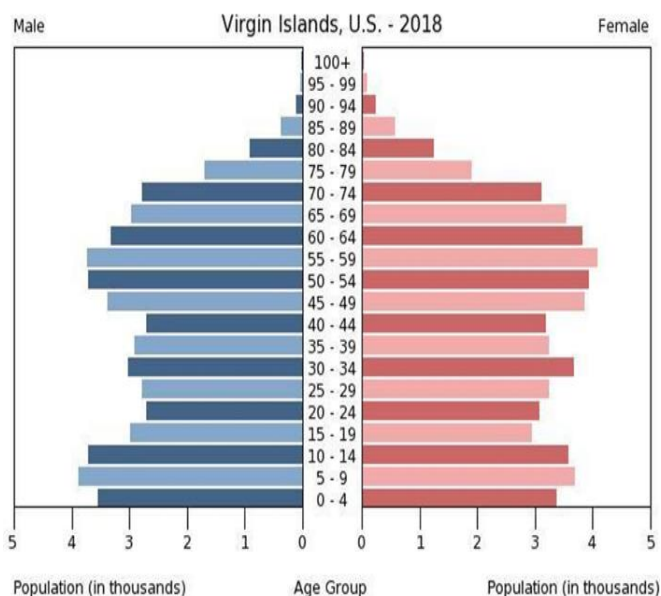
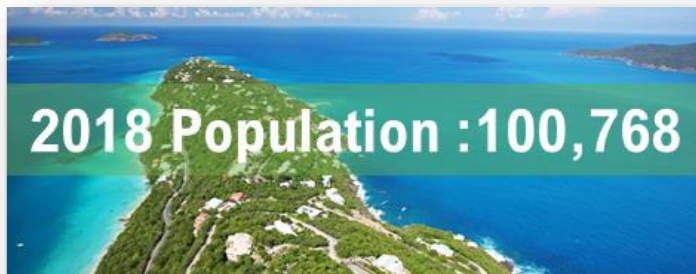


DEMOGRAPHICS



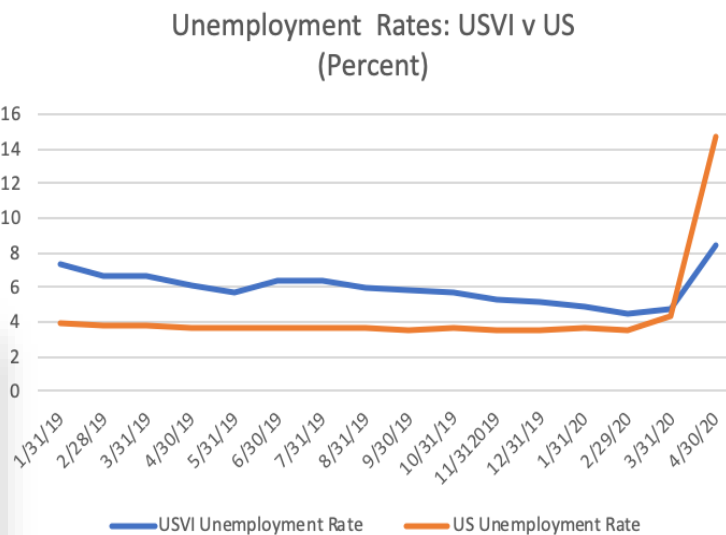
POPULATION

Population's age structure is becoming more barrel-shaped than the typical pyramid shape in most societies, implying higher dependence ratios. According to 2018 estimates, 31% of the population is aged between 0 and 24, 32% of the population are in the cohort of 55 years and above, and only 36.87% is in the 24-54 years old cohort, the prime work-life group. The median age of the Territory, at 42.6 years, is one of the highest in the Caribbean, surpassed only by Puerto Rico.



EMPLOYMENT STATISTICS

The Territory had a labor force of 45,570 as of March 31, 2020, with 43,409 employed and 2,161 unemployed. In the month of April, unemployment applications soared due to the COVID induced shutdown of the economy starting in the latter part of March. The estimated number of unemployed in April is approximately 3,664. As can be seen, rates in both jurisdictions spiked in April. The US rate jumped to 14.7 percent, up from 4.4% in March, and the USVI rate increased from 4.7% to 8.4%.



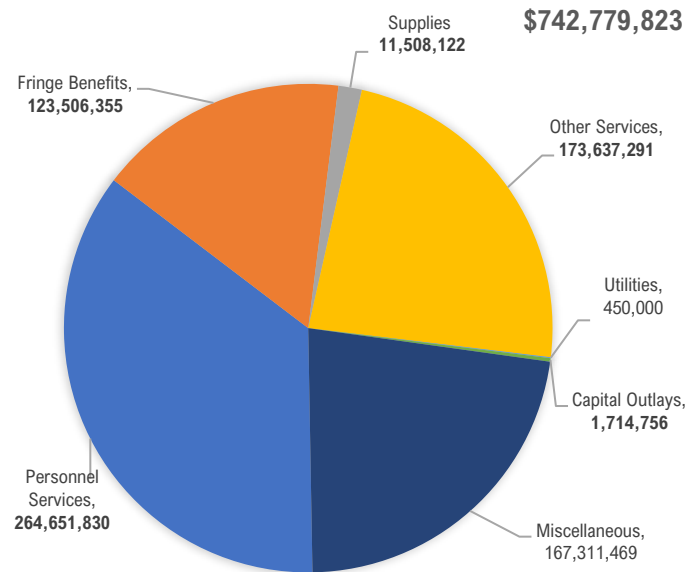
BUDGET OVERVIEW



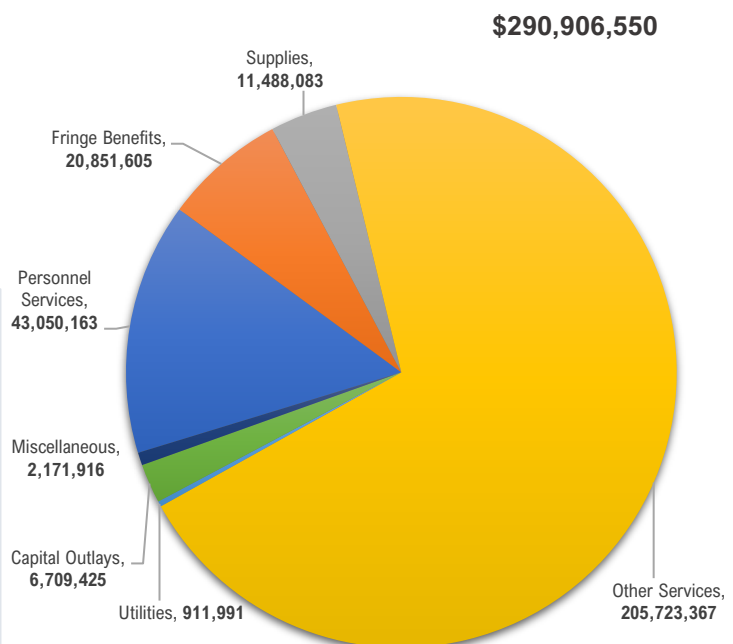
Within Fiscal Year 2021, even in light of significantly reduced revenue projections, highlights of the budget include the following:

- \$5 Million contribution to the budget Stabilization Fund
- \$1.5 Million in scholarships to local students pursuing secondary education
- \$1.475 Million in General Fund Capital Projects for the Department of Education
- \$7.2 Million in funding for Mental Health Services in the Department of Health for individuals with mental illness and those who are in, or at risk of entering, the justice system
- \$1.4 Million for VIPD for consent decree monitoring, use of force analysis, and other related expenses
- \$180,000 for Grove Place Weed & Seed Program (STX) and Bovoni Weed and Seed Program (STT) aimed at reduced gang activity in targeted communities
- \$400,000 to provide relief for veterans for medical expenses and death benefits payments
- \$290 Million in Non-disaster Federal Funds

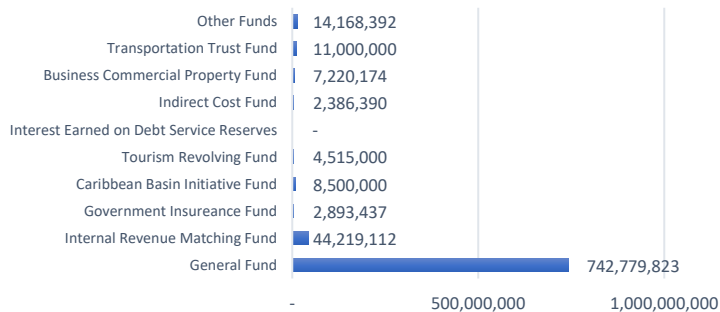
FY2021 General Fund by Budget Category



FY2021 Proposed Federal Budget by Category



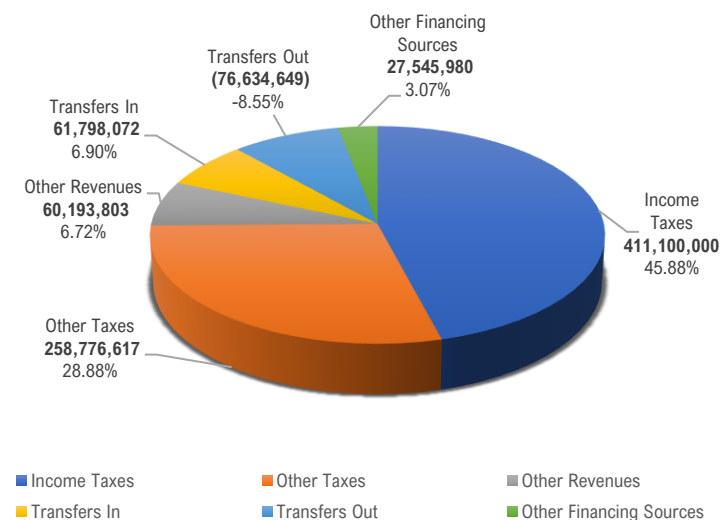
Summary of Appropriations



REVENUES



REVENUE



Top Five Revenue Categories
(in millions)

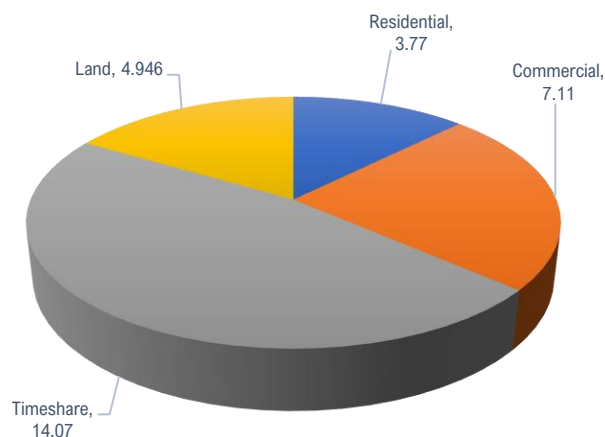


PROPERTY MILLAGE RATE



In accordance with Title 33 Virgin Islands Code, chapter 81, section 2301, All real property of the Virgin Islands subject to taxation must be assessed at 100 percent of its fair market value as calculated by using the assessment methods. The Tax Assessor shall levy and collect on real property a tax at the mill rates for each classification of real property specified:

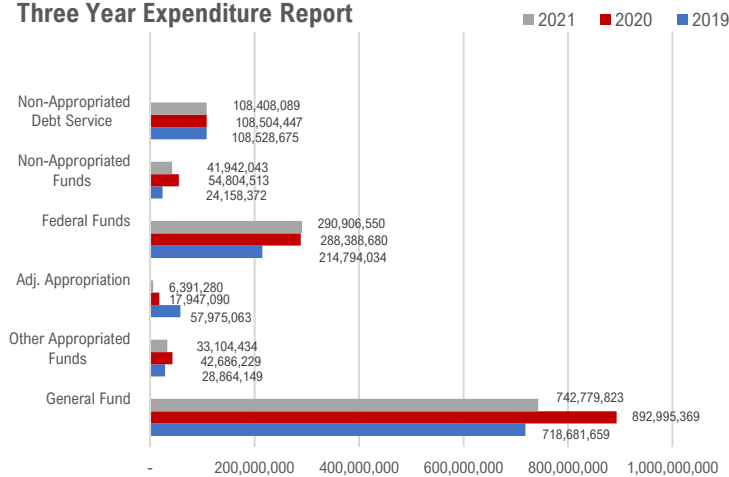
Unimproved Non-Commercial Real Property (Land)	4.946
Residential Real Property	3.77
Commercial Real Property	7.11
Timeshare Real Property	14.07



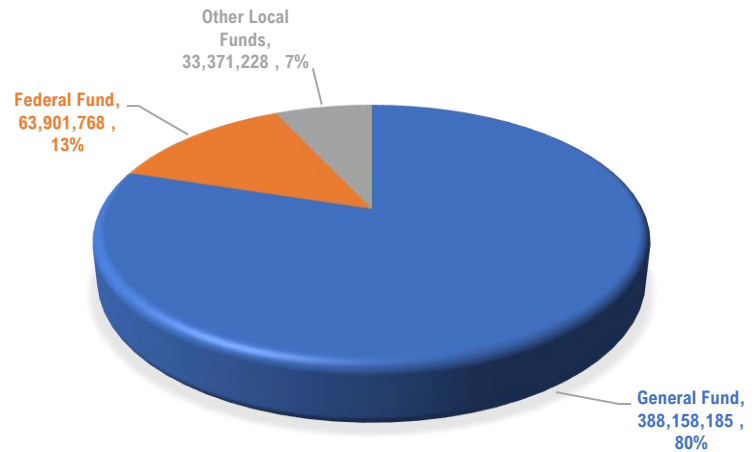
EXPENDITURES



Three Year Expenditure Report



PERSONNEL COST BY FUND



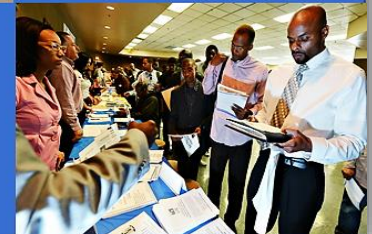
No vacancies have been budgeted on the General Fund, effectively maintaining the GVI's limited hiring for the foreseeable future. All personnel have been transferred from the Indirect Cost Fund and placed on the General Fund, with other Operating Expenses now being funded on the Indirect Cost Fund for relevant departments.

205 Federally Funded Vacant Positions

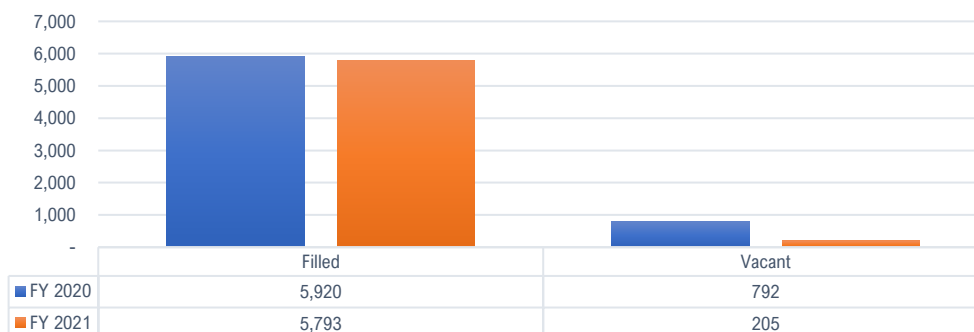


As of December 2019, 35,066 persons were employed in non-agricultural payroll positions.

10,583 were in the public sector and 24,483 in the private sector.



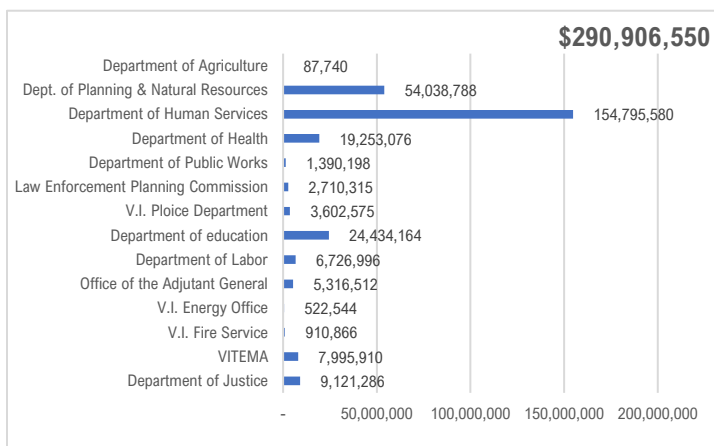
Total Personnel for Central Government Departments



FEDERAL GRANTS SUMMARY



FEDERAL GRANTS



COVID RELIEF

- CORONA VIRUS RELIEF FUNDS: Received \$74,809,978
- Continued distribution of \$84 million in Stimulus Checks.
- \$270 Million in federal funds to battle the COVID-19 Pandemic to be expended by the end of the first quarter.
- The Virgin Islands Department of Education received \$19.9 million dollars from the CARES Act to address distance learning and other needs due to COVID-19.

COVID-19 RESPONSE

COVID - 19 Funding Matrix

Federal Agency	Amount Allocated
Department of Interior - Office of Insular Affairs (DOI-OIA)	\$7,863,776
FEMA Public Assistance	\$75,000,000
FEMA DFA	\$0
US Treasury	\$74,809,978
Donations	\$1,100,000
US Department of Homeland Security	\$269,282
US Department of Health & Human Services (HHS)	\$15,997,929
US Department of Justice	\$2,932,867
Housing and Urban Development (HUD)	\$2,265,370
Health Related Funding	\$180,239,201

Federal Agency	Amount Allocated
US Department of Health & Human Services (HHS)	\$9,045,889
US Department of Labor (DOL)	\$1,822,007
US Department of Education (USD OE)	\$28,868,750
US Department of Homeland Security	\$275,913
US Department of Agriculture (USDA)	\$1,017,660
US Department of Transportation (DOT)	\$43,018,681
Independent Agencies	\$971,599
Housing and Urban Development (HUD)	\$3,958,937
US Department of Commerce	\$1,000,000
Non-Health Related Funding	\$90,025,438

TOTAL COVID - 19 FUNDING MATRIX \$270,264,639

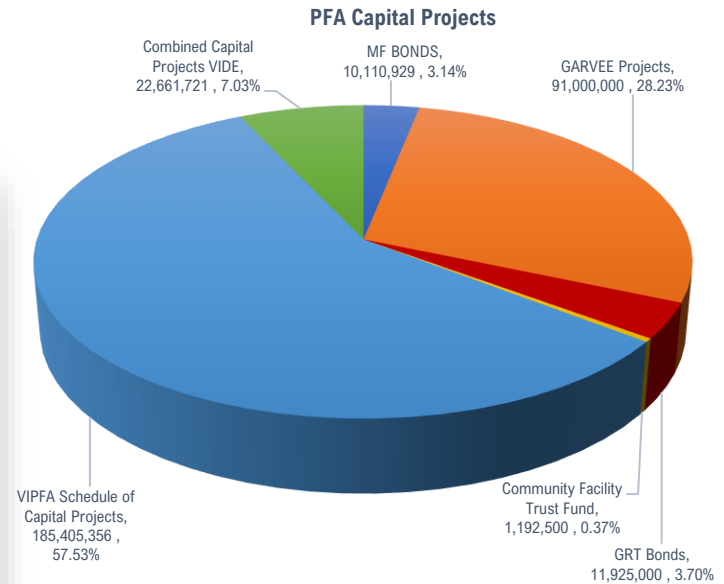


CAPITAL PROJECTS



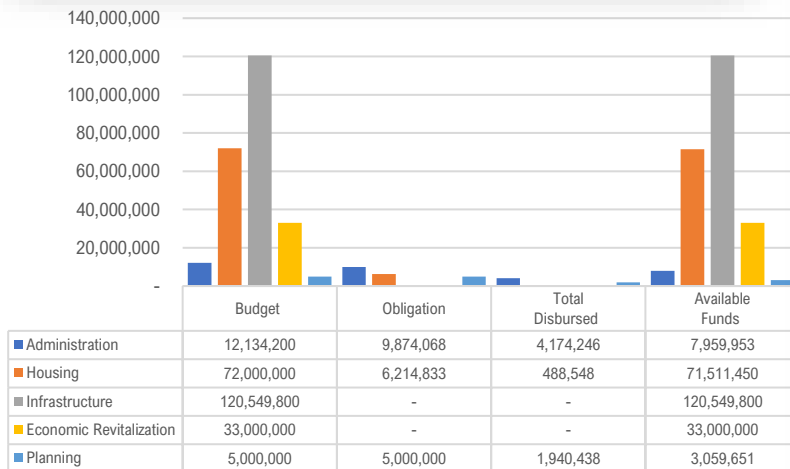
WHAT IS A CAPITAL IMPROVEMENT PROJECT?

A capital improvement project is a physical asset that is constructed or purchased to provide, improve, or replace a public facility which is typically large in size and cost. The requirement for a project to be classified as a capital project is \$100,000 or more.



\$42.7 Million in Garvee Bonds projects for the following highways: Mahogany Road, Hams Bluff Road, Melvin Evans Highway, and Veterans Drive

Community Development Block Grant-Disaster Recovery



DEBT SERVICE

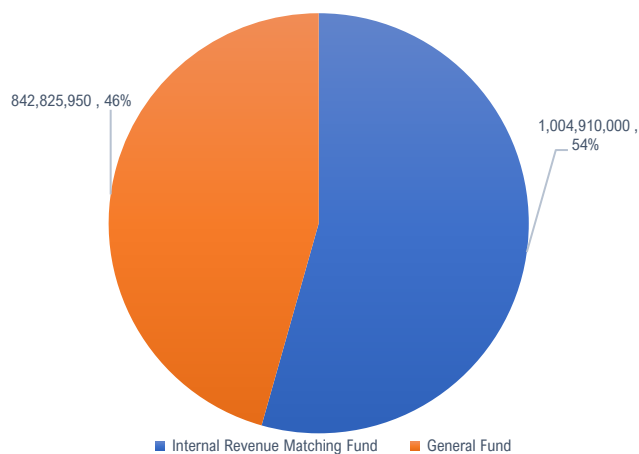


PRINCIPAL ON DEBT SERVICE

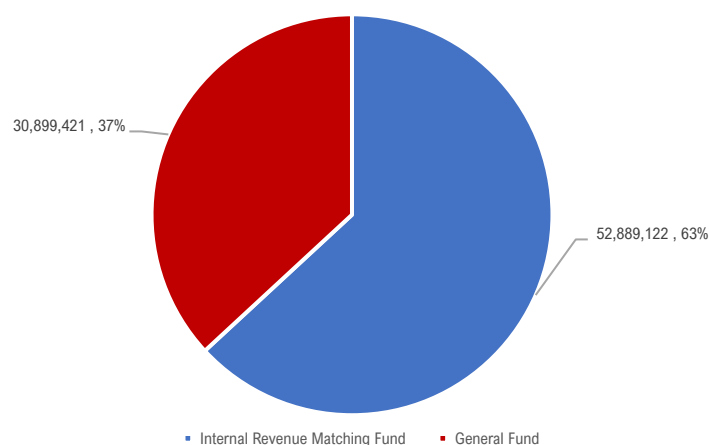
The Virgin Islands Public Finance Authority, on behalf of the Government of the United States Virgin Islands, through authorization from the Legislature of the United States Virgin Islands, has secured funding for the following working capital and long-term projects.



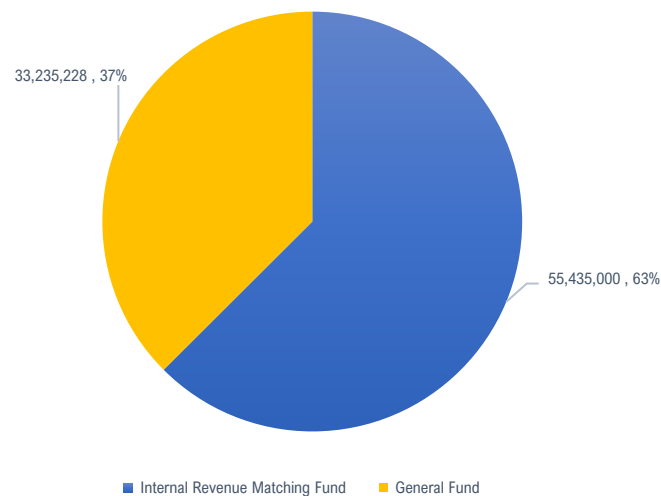
Outstanding as of 4/30/2020



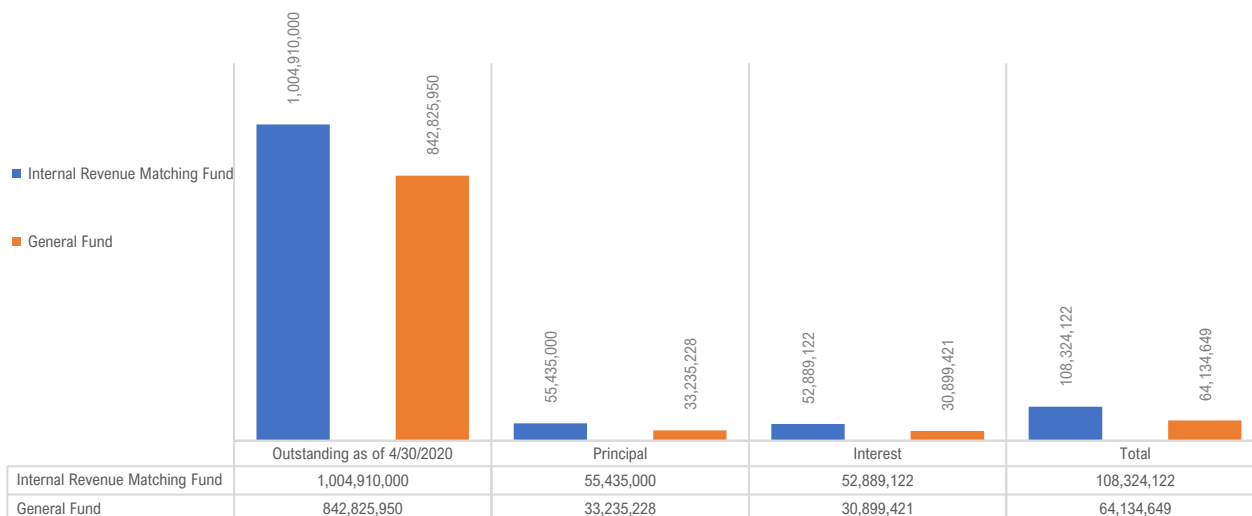
Interest



Principal



Schedule Of Principal On Long-term Debt



Acknowledgement

Honorable Albert Bryan Jr.
Governor

Honorable Tregenza Roach, Esq.
Lt. Governor

Jenifer C. O'Neal
Director, Office of Management and Budget

The Office of Management and Budget Staff



