

Lawmakers Noncommittal on Executive's Request for \$50 Million in Additional Credit

As the USVI faces mounting financial obligations and delayed tax revenues, the Senate remains cautious, offering no clear stance on Governor Bryan's urgent request for a \$50 million credit extension

Senate / **Published On September 04, 2024 06:36 AM /**

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While Governor Albert Bryan Jr. was expressing hope that the 35th Legislature would grant the executive branch access to an additional [\\$50 million line of credit](#) to “ensure the Government of the Virgin Islands can meet its immediate financial obligations,” his finance team was before the Senate Committee on Budget, Appropriations and Finance to flesh out the governor's request.

Finance Commissioner Kevin McCurdy told lawmakers on Tuesday that the line of credit would “provide necessary financial support to navigate a period of reduced revenue and stimulate economic growth.” The Government of the Virgin Islands remains embattled by financial

constraints, with knock-on effects on vendor payments, tax refunds and retroactive wage payments owed to Virgin Islanders.?

Outstanding vendor payments total \$44 million, lawmakers learned, while unpaid retroactive wage obligations are approximately \$141 million. In the face of these enormous obligations, expanded access to credit “is more imperative than ever,” Mr. Bryan said in his press statement.

Although in mid-August the governor shrugged off questions from the Consortium about whether the territory was currently [experiencing a structural deficit](#), and [doubled down during his interview](#) with the Consortium's Ernice Gilbert, on Tuesday both Mr. McCurdy and Director of Finance and Administration at the Public Finance Authority, Nathan Simmonds, characterized the territory's financial predicament thusly. The GVI “continues to grapple with a structural deficit, compounded by revenue deficiencies,” Mr. McCurdy told lawmakers, despite expressing some hope for marginal revenue increases before the fiscal year ends on September 30th.?

After the passage of then-tropical storm Ernesto, [the U.S. Internal Revenue Service offered tax relief](#) to affected individuals and businesses, extending tax filing payment deadlines to February 2025. “While the IRS extension is crucial, it will strain our general fund, affecting cash flow and liquidity management,” said Mr. McCurdy. The extension will limit the influx of funds the GVI normally accrues in October, making access to credit to cover expenses even more urgent.

“This credit will help sustain local businesses and services, fostering broader economic recovery and instilling hope for a brighter financial future,” Mr. McCurdy told lawmakers. “Our vendors and residents are depending on us,” said Mr. Bryan in the Government House press release. The matter, he contended, is one of “fairness and trust.”

Adrienne Williams-Octalien, director of the Office of Disaster Recovery, also supported granting the government an increased line of credit. The existing \$100 million facility, established in 2022 to allow the GVI to contribute matching funds for federally funded disaster recovery projects, was most recently used to cover a \$45 million payment to Vitol on behalf of the Water and Power Authority. According to Ms. Williams-Octalien, additional credit should be extended to ensure ODR can still access funding for reconstruction projects so as to not “hamper the recovery efforts.”

The finance team has also tasked the Legislature to be more conservative with its spending. “I urge this body to limit any additional appropriations throughout the fiscal year as traditionally done,” cautioned Mr. McCurdy. “Such practice often leads to unfunded mandates when the operating budget aligns with projected revenue,” he noted. According to the commissioner, these actions place the GVI in a “precarious situation.” Mr. McCurdy alerted lawmakers that the Department of Finance has been slow to make vendor payments, tax refunds, and retroactive payments because “we don't have the cash to support them.” However the line of credit, he said, would help.

Senator Javan James, who is not seeking reelection, was the first to comment on Mr. McCurdy's plea for the lawmaking arm to limit additional appropriations. “I just want to urge my colleagues to [not] bring any surprises in the next session... I know it's an election year, but we have to be responsible with the funds,” the outgoing senator said. “Pay attention to what's really going on here when it comes to appropriations.”

Senator Donna Frett-Gregory, also not seeking reelection, agreed. “I am very displeased that we would be doing that in this institution because I'm not sure how we are going to cover those expenses.” Forecasts still show that the GVI will fail to meet revenue projections, with collections

“down across all categories, except for real property.”

Others, like Senator Franklin Johnson, were instead interested in learning about any austerity measures under consideration by the executive branch to curb spending. “What are you guys putting in place to make sure that you all don't come up with any additional appropriation?” Mr. Johnson asked. Though Mr. McCurdy argued that “we can only spend money that is appropriated by the Legislature,” Sen. Johnson reminded him of the ability to circumvent that process through executive orders.?

The additional \$50 million in credit requested by the executive branch was described by Mr. McCurdy as “gap financing,” intended to hold the GVI over until the Bureau of Internal Revenue collects the “bulk” of government's tax dollars traditionally in April and October. “Our problem is those times in between that stretch.” Despite the extensive lobbying from central government officials, lawmakers offered no definitive statements during Tuesday’s meeting on whether they were minded to grant the executive’s request.

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