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Unfunded Scholarships, \$1.28M in Delinquent Loans and Facility Needs Dominate Board of Education Budget Hearing

Board of Education says no funds were appropriated for the Maritime Scholarship Program in FY2025 or FY2026, while delinquent student loans total \$1.28 million and the Board seeks support for Blake-Guirty House repairs and a possible STX relocation plan.

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Dr. Kyza Callwood told lawmakers that VIBE faces unfunded scholarship programs, \$1.28 million in delinquent student loans, and major facility needs during the Board's FY2027 budget hearing. By. V.I. LEGISLATURE.

The V.I. Board of Education told lawmakers that several scholarship programs remain underfunded or unfunded, including the Virgin Islands Maritime Scholarship Program, while the Board also faces more than \$1.28 million in delinquent student loan debt and major facility needs on both St. Thomas and St. Croix.

The issues were discussed during VIBE's budget hearing, where Board Chair Dr. Kyza Callwood outlined challenges tied to student financial aid, loan repayment collections, capital needs and the Board's proposed Fiscal Year 2027 budget.

According to Dr. Callwood, VIBE did not receive the \$100,000 that should have been appropriated to the Virgin Islands Maritime Scholarship Program in the 2024 academic year. Still, the Board used resources from a territorial scholarship fund to "award \$5,000 each to two qualified recipients."

In 2025, no maritime scholarships were offered "because funding for the program was not included in the board's FY 2025 budget appropriation," Dr. Callwood said. However, VIBE was able to provide a loan/grant award valued at \$3,000 to sixteen individuals.

In FY 2026, eight individuals applied for the Maritime Scholarship Program, but again, "no funding was appropriated or otherwise made available to support these awards." Those applicants also received the \$3,000 loan and grant award.

Senator Angel Bolques Jr. objected strongly to the lack of funding. "I am very disgruntled this afternoon," he declared.

Senator Bolques said the Legislature passes laws to "exponentially propel and support our people," but legislative mandates are not being carried out. "I'm not happy about what I'm hearing, and I really hope that we can do something about this when this budget market comes up," he said.

He also suggested that a discussion with the Office of Management and Budget should take place.

Dr. Callwood warned that VIBE continues to experience "growing demand for post-secondary financial assistance..." That growth, he said, "reinforces the need for continued legislative investment in financial aid programs..."

Dr. Callwood also told Senator Bolques that many of the legislated scholarships may require a "cost of living adjustment."

The discussion on financial aid also turned to delinquent student loan payments. Dr. Callwood testified that loan repayments have remained "relatively stable over the past three fiscal years," but older debts remain uncollected.

As of June 30, 2026, the outstanding delinquent student loan portfolio totaled \$1,280,613.91. "A significant portion of these accounts has remained delinquent for more than twenty years," Dr. Callwood said.

VIBE believes many borrowers have relocated outside the Virgin Islands or changed their contact information. Some may be elderly or deceased, Dr. Callwood said. He also shared that some individuals have blocked calls from the Board.

The Board is continuing to update its records and is “evaluating additional recovery strategies, including partnership with professional collection agencies, credit reporting organizations, and legal counsel...”

During an exchange with Senator Kurt Vialet, Dr. Callwood said another option would be publishing the names of delinquent borrowers, but the Board remains “very sensitive and empathetic.” He said VIBE is cautious because such a step may be “embarrassing” for families.

Senator Vialet urged Dr. Callwood to act in the best interest of the Board. “It’s right to be an embarrassment, because when you get your money back, you could expand your loan portfolio...When you owe Sallie Mae, they call you every week. They find you any place where you are...We need to treat the Virgin Islands loan portfolio like Sallie Mae,” he stated.

Collecting repayments is critical to sustaining the loan program and VIBE’s financial stability.

Senator Marise James agreed that individuals should repay their loans, but suggested that Economic Development Commission beneficiaries be required to contribute more to territorial scholarship programs. The current minimum donation is \$3,000.

The Board’s proposed FY 2027 budget is \$2.13 million. It includes recommended grade and salary step adjustments, as well as increases for supplies and utility services.

Although VIBE did not use any of its capital outlay funds in FY 2026, Dr. Callwood asked that the \$90,000 allocation remain in the new budget “to address long-destroyed capital investment and infrastructure needs.” VIBE plans to use some of that funding for computer software and equipment.

Among the Board’s capital priorities is the rehabilitation of the Blake-Guirty House, a one-story structure that previously served as VIBE’s primary conference and meeting facility on St. Thomas. The building was substantially damaged by the 2017 hurricanes.

The phased restoration includes roof improvements, courtyard rehabilitation, driveway repairs and “other structural enhancements.”

Working with the Departments of Public Works and Property and Procurement, VIBE has secured a purchase order worth \$53,994 for “critical infrastructure improvements.”

The Blake-Guirty House “remains one of the Board’s highest capital priorities,” Dr. Callwood said. Additional funds will be needed to complete the project, and the Board is looking to the Legislature for support.

VIBE is requesting an additional \$352,393.20 to complete the restoration. That funding would support a \$200,000 grant from the Department of Planning and Natural Resources.

Dr. Callwood also asked the Legislature to “support” VIBE’s efforts to find a new home on St. Croix. The building that currently houses the Board’s operations is listed for sale, “creating a potential future relocation and reinforcing important long-term facility planning for St. Croix.”

VIBE has identified a potential location: the old Gertrude’s building. Associate Executive Director Kimberly Gereau said the property is “a little bit upwards of a million dollars.”

Senator Novelle Francis Jr., chair of the Committee on Budget, Appropriations, and Finance, appeared open to the idea. “That is a pretty good one, and something that we could probably look

at. We'll work on that," he promised.

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