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Territory May Not See Additional Funding From Congress As Trump, Republicans Push Back

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Governor Albert Bryan has said he expects Congress to provide funding directly to states and U.S. territories to help the local governments recover from losses resulting from the coronavirus — funding the governor said the administration would need in the coming months when the government's already strained coffers could no longer bear the weight of the economic fallout.

But it might be time for the administration to start looking at other ways to stay afloat — including the possible furloughing of some government employees as an option — as President Donald Trump and Congressional Republicans start to express skepticisms in providing a third batch of funding specifically for struggling states.

“Why should the people and taxpayers of America be bailing out poorly run states (like Illinois, as example) and cities, in all cases Democrat run and managed when most of the other states aren’t looking for bailout help?” Mr. Trump tweeted last Monday. “I am open to discussing anything, but just asking?”

Mid-April, Mr. Bryan told this publication that the territory's finances were better than his administration had expected. "We were thinking our liquidity wouldn't be as good as it is but it's been coming and I don't see no furloughs right now, but I don't know how long this is going to last. So we're just holding tight and see, we might be in a position where we could keep everybody on — it just depends on what happens in Congress with the loan forgiveness that we're working on right now," the governor said. "People pay their taxes all day and we still have good liquidity coming in. We're not spending any money so that's what saving us."

[On April 21](#), Mr. Bryan penned a letter to Congress seeking \$1.1 billion in federal aid through a myriad of mechanisms — from a direct infusion of cash, to loan forgiveness, along with suspension of policies that block the U.S. Virgin Islands from receiving selfsame benefits as its mainland counterparts.

Last week Mr. Bryan told the Consortium that the government had secured half of the \$120 million it sought in revenue anticipation notes, and was reviewing the term sheet. According to Senator Kurt VIALET, who chairs the Senate Committee of Finance, it costs the government around \$19 million every two weeks to pay its employees. This means the government needs roughly \$38 million a month for employee salaries. If the administration were to receive the full \$120 million, the government would have three full months of payments to employees covered. Factoring other sources of revenue, including taxes — though dwindling — the government could well meet its obligations to its employees for a number of months before running out of funds. And if economic activity stabilizes by then, government operations could continue without interruption, a good outcome as more help from Congress — which has already provided the USVI government \$75 million in direct funding, \$15.1 million of which is being used by the Bryan administration to pay WAPA for one-month residential and commercial rebate payments — looks less likely.

Senate Majority Leader Mitch McConnell (R., Ky.) has termed any potential aid a “blue state bailout” for the troubled pension funds of large Democratic-controlled states. The U.S. Virgin Islands has one of the most troubled pension systems in America, with a total collapse of the system predicted by 2023 if a rescue to the tune of hundreds of millions is not provided.

“We do want to help [states] with expenses that are directly related to the coronavirus outbreak,” Mr. McConnell said in a Fox News Radio interview on Monday. “But we’re not interested in helping them fix age-old problems that they haven’t had the courage to fix in the past.”

Last month, Congress passed a \$2.2 trillion aid package with \$150 billion for state and local governments, but the money can be used only for coronavirus-related expenses. Another round of stimulus spending that Mr. Trump signed into law two weeks ago included more money for small businesses and hospitals, but no additional state and local funding.