

TESTIMONY OF KEVIN MCCURDY
COMMISSIONER, DEPARTMENT OF FINANCE
TO THE COMMITTEE ON FINANCE
FISCAL YEAR 2026 BUDGET HEARING
JUNE 10, 2025

GOOD MORNING, FINANCE COMMITTEE CHAIRMAN, SENATOR NOVELLE E. FRANCIS; VICE CHAIRMAN, SENATOR MARVIN A. BLYDEN; OTHER COMMITTEE AND NON-COMMITTEE MEMBERS PRESENT AND THE PEOPLE OF THIS TERRITORY LISTENING AND VIEWING TODAY.

I AM CLARINA MODESTE ELLIOTT, EXECUTIVE ASSISTANT COMMISSIONER, TESTIFYING ON BEHALF OF KEVIN MCCURDY, COMMISSIONER OF THE DEPARTMENT OF FINANCE. THANK YOU FOR THE OPPORTUNITY TO PRESENT THE DEPARTMENT OF FINANCE'S FISCAL YEAR 2026 OPERATING BUDGET, AS RECOMMENDED BY THE OFFICE OF MANAGEMENT AND BUDGET.

ACCOMPANYING ME TODAY ARE THE MEMBERS OF THE LEADERSHIP TEAM: NAMELY, MR. MAURICE WELLS, EXECUTIVE ASSISTANT COMMISSIONER, MR. WILFREDO GUZMAN (DEPUTY COMMISSIONER), WITH DIRECT OVERSIGHT OF HUMAN RESOURCES AND THE BUSINESS ADMINISTRATION; MS. BRENDA CARTY (DIRECTOR OF TREASURY); AND MS. KERRY HENRY (DIRECTOR OF MANAGEMENT INFORMATION SYSTEMS). WE WOULD LIKE TO TAKE

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A MOMENT TO RECOGNIZE AND CELEBRATE AN IMPORTANT MILESTONE FOR TWO EXCEPTIONAL YOUNG VIRGIN ISLANDERS. FOR THE FIRST TIME, WE HAVE THE PRIVILEGE OF WELCOMING TWO TALENTED PROFESSIONALS, ELIJAH SAMUEL, ACCOUNTING OPERATIONS MANAGER, AND BRANDON WYNTER, PAYROLL SPECIAL PROJECTS COORDINATOR, TO SHARE THEIR VALUABLE INSIGHTS ON BEHALF OF THEIR RESPECTIVE DIVISIONS: ACCOUNTING AND FINANCIAL REPORTING AND PAYROLL. WE ARE IMMENSELY PROUD OF THEIR DEDICATION AND THE VIBRANT ENERGY THEY BRING TO THEIR WORK. THESE YOUNG LEADERS EMBODY THE SPIRIT OF OUR COMMUNITY AND HAVE SEIZED THE OPPORTUNITY TO CREATE A MEANINGFUL IMPACT. WE ENCOURAGE YOU TO EXTEND YOUR SUPPORT AND UNDERSTANDING, AS THEY MAY FEEL A BIT SHY AND UNDERSTANDABLY NERVOUS IN THIS MOMENT. THIS EXPERIENCE SERVES NOT JUST AS A MILESTONE FOR THEM, BUT ALSO AS A BEACON FOR OTHER YOUNG PROFESSIONALS IN OUR COMMUNITY. THROUGH ELIJAH AND BRANDON, MAY YOU FIND INSPIRATION TO

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EMBRACE YOUR OWN LEADERSHIP JOURNEY. THANK YOU FOR BEING PART OF THIS SPECIAL OCCASION.

IT IS MY HONOR TO COME BEFORE YOU TODAY ON BEHALF OF THE DEPARTMENT COMMITTED TO SOUND FINANCIAL STEWARDSHIP, TRANSPARENCY, AND SERVICE TO THE PEOPLE OF OUR TERRITORY. I WOULD LIKE TO TAKE THIS OPPORTUNITY TO EXPRESS SINCERE GRATITUDE TO THE ENTIRE STAFF OF THE DEPARTMENT. THEIR CONTINUED DEDICATION, PROFESSIONALISM, AND HARD WORK, OFTEN UNDER INTENSE PRESSURE AND TIGHT DEADLINES, ARE THE BACKBONE OF OUR SUCCESS. YOUR RESILIENCE AND COMMITMENT DO NOT GO UNNOTICED AS WE CONTINUE TO WORK TIRESLESSLY AND COLLABORATIVELY TO FULFILL THE DEPARTMENT'S MANDATE OUTLINED IN THE VIRGIN ISLANDS CODE TITLE 3 SECTION 177.

CURRENTLY, OUR DEDICATED TEAM AT THE DEPARTMENT OF FINANCE IS COMPRISED OF FIFTY (50) FULL TIME PROFESSIONALS: THIRTY-EIGHT (38) STATIONED ON ST. THOMAS AND TWELVE (12) ON ST. CROIX, OF WHICH, TWENTY-ONE (21) ARE CLASSIFIED, TWENTY-FOUR (24) UNCLASSIFIED, ONE (1) NON-UNION AND FOUR (4) ARE

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FULLY FEDERALLY FUNDED THROUGH VITEMA. WE ALSO HAVE FOUR (4) ACTIVE VACANCIES FOR WHICH INTERVIEWS ARE UNDERWAY. WE ANTICIPATE FILLING THESE POSITIONS BY THE END OF THE MONTH. OUR TEAM EXECUTES THE DEPARTMENT'S STATUTORY RESPONSIBILITIES THROUGH FIVE (5) KEY DIVISIONS. TOGETHER, WE HAVE ESTABLISHED STRATEGIC GOALS AND ACHIEVED SIGNIFICANT ACCOMPLISHMENTS, INCLUDING:

- TO PROMOTE CULTURE OF CONTINUOUS IMPROVEMENT AND EMPLOYEE ENGAGEMENT, WE HAVE LAUNCHED A COMPREHENSIVE EMPLOYEE SURVEY INITIATIVE. WE HAVE FULLY DIGITIZED THE ONBOARDING PROCESS TO STREAMLINE THE INTEGRATION OF NEW HIRES AND IMPROVE DATA ACCURACY. THIS TRANSFORMATION ENHANCES THE OVERALL ONBOARDING EXPERIENCE FOR BOTH THE DEPARTMENT AND INCOMING STAFF.
- A ROBUST TRAINING PROGRAM HAS BEEN IMPLEMENTED, TARGETING BOTH LEADERSHIP AND STAFF, WITH A FOCUS ON

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STRENGTHENING ESSENTIAL COMPETENCIES AND ADVANCING PROFESSIONAL DEVELOPMENT.

- A COMPREHENSIVE DESK AUDIT IS UNDERWAY TO EVALUATE OUR CURRENT COMPENSATION STRUCTURE. THE OBJECTIVE IS TO ENSURE APPROPRIATE ALIGNMENT BETWEEN JOB FUNCTIONS AND COMPENSATION, THEREBY SUPPORTING TALENT RETENTION AND EQUITY.
- TO REDUCE EXPOSURE TO CYBER THREATS AND STRENGTHEN INCIDENT RESPONSE, THE MIS DIVISION HAS INSTALLED NEW SERVERS WITH UPGRADED OPERATING SYSTEMS.
- THE MIS AND PAYROLL DIVISIONS HAVE BEGUN IMPLEMENTING TYLER TECHNOLOGIES' TIME AND ATTENDANCE SYSTEM ACROSS THE GVI. TO DATE, FIVE AGENCIES HAVE GONE LIVE WITH THE NEW PLATFORM.
- IN PARTNERSHIP WITH BIT AND OMB, WE ARE FINALIZING THE DEVELOPMENT OF THE GVI TRANSPARENCY WEBSITE.
- THE ACCOUNTING DIVISION CONTINUES TO IMPROVE FISCAL ACCOUNTABILITY THROUGH UPDATED POLICIES AND

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PROCEDURES, DETAILED CHECKLISTS, ONE-ON-ONE AGENCY TRAINING, AND AUDIT SUPPORT. DESPITE BEING STAFFED BY ONLY THREE ACCOUNTING ANALYSTS, THE DIVISION HAS PROCESSED OVER 50,000 TRANSACTIONS, INCLUDING VENDOR PAYMENTS, ALLOTMENTS, AND TAX DISBURSEMENTS, TOTALING APPROXIMATELY \$900 MILLION FOR THIS FISCAL YEAR TO DATE.

- RESPONSIBILITY FOR BUDGET ENTRIES RELATED TO NON-APPROPRIATED FUNDS HAS BEEN TRANSFERRED TO THE OFFICE OF MANAGEMENT AND BUDGET, AND PURCHASE ORDER MANAGEMENT HAS BEEN REASSIGNED TO THE DEPT. OF PROPERTY AND PROCUREMENT. THIS REALLOCATION ALLOWS THE ACCOUNTING UNIT TO CONCENTRATE ON DAILY OPERATIONS.
- WE RECENTLY ENGAGED A CONTRACTED FIRM TO CONDUCT A THOROUGH REVIEW OF FUND BALANCE TRANSACTIONS. THEIR WORK WILL SUPPORT THE DEVELOPMENT OF A CENTRALIZED MASTER FILE, ENABLING THE GENERAL

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LEDGER UNIT TO COLLABORATE WITH TREASURY FOR ACCURATE REVENUE POSTINGS, AGENCY ADJUSTMENTS AND COMPLIANCE WITH TITLE 33 OF THE VI CODE.

- THE PAYROLL DIVISION MAINTAINS RIGOROUS STANDARDS IN EXECUTING BIWEEKLY PAYROLLS, FILING 941 FORMS, MANAGING W-2S, AND ENSURING ACCURATE POSTING OF PAYROLL TRANSACTIONS. BY MAINTAINING A DISCIPLINED APPROACH TO CASH FLOW AND EXPENDITURE TRACKING, THE DIVISION HELPS TO AVOID OVERDRAFTS, PRESERVE PUBLIC TRUST, AND SUPPORT THE OVERALL STABILITY OF GOVERNMENT FINANCIAL SYSTEMS.
- TO ENHANCE THE TIMELINESS AND ACCURACY OF MONTHLY REVENUE REPORTING, THE ACCOUNTING AND TREASURY DIVISION WILL IMPLEMENT AND ENFORCE A STRUCTURED MONTH-END CLOSING SCHEDULE. THE TREASURY DIVISION IS CURRENTLY WORKING ON THE IMPLEMENTATION OF A MONTHLY SPECIAL FUND REVENUE REPORT. THIS REPORT WILL

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PROVIDE GREATER VISIBILITY INTO SPECIAL FUND ACTIVITY AND WILL SERVE AS A TOOL.

- WE MAINTAIN ONGOING ENGAGEMENT WITH AGENCIES TO ENHANCE THE EFFICIENCY OF FEDERAL DRAWDOWNS AND RECONCILIATION OF FEDERAL GRANTS RECEIVABLES. WEEKLY COMMUNICATION ENSURES TIMELY REIMBURSEMENT REQUESTS, ACCURATE RECORDING OF RECEIVABLES, AND IMPROVED COMPLIANCE WITH FEDERAL REQUIREMENTS.
- WE ARE COLLABORATING WITH OMB AND THIRD-PARTY STAKEHOLDERS TO FACILITATE OUR EXIT FROM RECEIVERSHIP. AS PART OF THIS PROCESS, WE ARE UPDATING OUR FINANCIAL POLICIES AND AIM TO FINALIZE THESE UPDATES BY THE CONCLUSION OF THIS FISCAL YEAR, 2025.
- THE DEPARTMENT IS CURRENTLY IN PHASE 2 OF THE PUBLIC FINANCE MANAGEMENT ACT (PFMA) IMPLEMENTATION, WITH THE FOLLOWING KEY ACTIVITIES IN PROGRESS;
- **PHASE 1:** DEVELOPMENT OF FINAL POLICIES WITH SUPPORTING VISUALS

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- **PHASE 2: IMPLEMENTATION PLAN & TRAINING**

COMMISSIONER'S OFFICE

THE OFFICE OF THE COMMISSIONER CONTINUES TO STRENGTHEN ITS LEADERSHIP AND OPERATIONAL OVERSIGHT ACROSS ALL DIVISIONS, DRIVING IMPROVEMENTS IN EFFICIENCY AND SERVICE DELIVERY. WE HAVE ENHANCED COORDINATION AMONG THE BUSINESS OFFICE, THE BOARD OF TAX APPEALS, AND FACILITIES MANAGEMENT TO BETTER RESPOND TO AGENCY NEEDS AND STREAMLINE INTERNAL PROCESSES. OUR COLLABORATION WITH EXTERNAL AUDITORS, ACTUARIES, AND CONSULTANTS IN MANAGING THE GVI AUDIT REFLECTS OUR GROWING EMPHASIS ON ACCURACY, ACCOUNTABILITY AND CONTINUOUS IMPROVEMENT. WE ARE MAKING NOTABLE PROGRESS IN IMPROVING COMMUNICATION WITH OUR FEDERAL PARTNERS TO PROACTIVELY ADDRESS ISSUES AFFECTING THE GVI. OUR REGULAR AND TIMELY REPORTING TO FEMA DEMONSTRATES OUR INCREASED RESPONSIVENESS AND SUSTAINED ENGAGEMENT IN DISASTER RECOVERY INITIATIVES. THE

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ADVANCEMENT OF PROJECT DESIGNS ON BOTH ST. THOMAS AND ST. CROIX FURTHER UNDERSCORES OUR ONGOING COMMITMENT TO INFRASTRUCTURE DEVELOPMENTS AND OPERATIONAL EXCELLENCE. LOOKING AHEAD, WE AIM TO BE FULLY CAUGHT UP WITH ALL OUTSTANDING AUDITS BY JUNE 2026. ACHIEVING THIS WILL REQUIRE SUSTAINED FOCUS AND COORDINATION ACROSS DEPARTMENTS TO ENSURE THAT ALL PRIOR-YEAR AUDITS ARE COMPLETED, DOCUMENTED AND FULLY BROUGHT UP TO DATE. CONCURRENTLY, WE ARE PLACING A STRONG EMPHASIS ON DEVELOPING AND IMPLEMENTING CORRECTIVE ACTIONS PLANS DESIGNED TO DIRECTLY ADDRESS THE DEFICIENCIES AND FINDINGS IDENTIFIED IN THESE AUDITS. THESE EFFORTS ARE PART OF OUR BROADER STRATEGY TO STRENGTHEN INTERNAL CONTROLS, ENHANCE ACCOUNTABILITY AND MODERNIZE OUR FINANCIAL MANAGEMENT PRACTICES ACROSS ALL AGENCIES. THROUGH THIS WORK, WE AIM TO BUILD A STRONGER FOUNDATION OF FISCAL INTEGRITY, ONE THAT WILL SUPPORT MORE TIMELY AND ACCURATE FINANCIAL REPORTING AND BETTER STEWARDSHIP OF PUBLIC RESOURCES. OUR

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ULTIMATE OBJECTIVE IS TO ACHIEVE IMPROVED (MODIFIED) AUDIT OPINIONS BEGINNING WITH THE FISCAL YEAR 2025 AUDIT AND CONTINUING IN THE YEARS AHEAD.

ACCOUNTING OPERATIONS & FINANCIAL REPORTING

THIS DIVISION IS UNDER THE LEADERSHIP OF THE DIRECTOR AND THE OPERATIONS ACCOUNTING MANAGER, WHO IS SUPPORTED BY A TEAM OF TEN (10) EXTREMELY DEVOTED EMPLOYEES. THE INDIVIDUALS WHO MAKE UP THIS TEAM ARE COMMITTED TO EXCELLENT CUSTOMER SERVICE, APPROVING INVOICES AND EXECUTING CHECK RUNS, POSTING AND RECONCILING FINANCIAL DATA, AND MEETING REPORTING REQUIREMENTS THAT SUPPORT CRITICAL DECISION MAKING. THIS YEAR'S, EMPLOYEE OF THE YEAR ON ST. THOMAS CAME FROM THIS UNIT AND IS PART OF A TEAM THAT WORKS TIRELESSLY TO ENSURE THAT VENDORS ARE PAID EVERY TUESDAY AND THURSDAY, SUPPORTING THE LEADERSHIP IN ITS VISION. TIMELY PAYMENTS TO VENDORS ARE ONE OF THE MAIN RESPONSIBILITIES OF THE ACCOUNTING UNIT. THIS KEY FUNCTION CONSUMES MOST OF THE TEAM'S TIME

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ENSURING THAT INVOICES ARE APPROVED TIMELY AND THAT ALL VENDORS ARE RECEIVING PAYMENT TO SUPPORT THEIR OPERATIONS, KEEPING BUSINESSES IN BUSINESS. THIS TEAM WORKS EFFORTLESSLY TO ENSURE THAT NOT JUST A SUBSET OF VENDORS RECEIVE PAYMENT, BUT THAT A FAIR AND EQUITABLE DISTRIBUTION OF OUR RESOURCES IMPACTS ALL VENDORS BASED ON THE INVOICE AND DUE DATE. SOME EXPENSE AREAS LIKE RENT, UTILITY, AND OTHER IMPORTANT CATEGORIES ARE PRIORITIZED TO ENSURE THE AVAILABLE CASH IS UTILIZED WISELY BEFORE WE ENTERTAIN OTHER COSTS. WHILE WE STILL HAVE WORK TO DO BY ADDRESSING AGENCIES THAT ENTER INVOICES LATE, WE ARE ALSO SEEING THOSE AGENCIES THAT ARE MAKING GREAT IMPROVEMENTS.

MANAGEMENT INFORMATION SYSTEMS

THE MANAGEMENT INFORMATION SYSTEMS DIVISION MANAGES AND MAINTAINS THE DOF INFORMATION TECHNOLOGY

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RESOURCES, DATA PROCESSING AND TECHNICAL SUPPORT SERVICES OF THE GOVERNMENT'S ERP SYSTEM AND THE TIME AND ATTENDANCE SYSTEMS (TIMEFORCE & TYLER'S TIME AND ATTENDANCE).

TECHNICAL SUPPORT FOR ERP AND STATS INCLUDES RESOLVING DAILY CALLS AND EMAILS SENT TO HELP DESK BY USERS (EMPLOYEES AND VENDORS)-ACROSS THE TERRITORY, ENROLLING EMPLOYEES ON TIME CLOCKS, AND IMPLEMENTING RECOMMENDED SYSTEMS UPGRADES TO ENSURE THE GOVERNMENT OF THE VIRGIN ISLANDS HAS BUSINESS CONTINUITY 24 – 7 AND IN TIMES OF DISASTER. DATA PROCESSING SUPPORT SERVICES INCLUDES PROCESSING CHECK RUNS FOR PAYROLL AND VENDORS AND TAX DOCUMENTS FOR EMPLOYEES AND VENDORS.

TREASURY

CURRENTLY, THE DIVISION COMPRISES TEN TEAM MEMBERS LED BY THE DIRECTOR OF TREASURY. THE STAFF REVIEWS AN AVERAGE OF

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19,000 CASH RECEIPT ENTRIES IN THE TYLER MUNIS ERP SYSTEM MONTHLY. DELAYED REPORTING BY GVI AGENCIES HINDERS THE TREASURY STAFF'S ABILITY TO MAKE CONSISTENT MONTH-END ADJUSTMENTS AND COMPLETE ACCURATE BANK RECONCILIATIONS. THE TEAM IS RESPONSIBLE FOR MAKING INTERBANK TRANSFERS AND ENSURING APPROPRIATE POSTINGS REQUIRED TO SUSTAIN GOVERNMENT-WIDE OPERATIONS. THE TREASURY DIVISION IS PROGRESSIVELY TRANSITIONING TOWARD AUTOMATED AND STREAMLINED PROCESSES THAT WILL ENHANCE THE EFFICIENCY, SPEED, AND EFFECTIVENESS OF TREASURY OPERATIONS. THIS INITIATIVE INCLUDES THE AUTOMATION OF CRITICAL FUNCTIONS SUCH AS RECONCILIATIONS, WHICH WILL SIGNIFICANTLY REDUCE MANUAL EFFORTS AND IMPROVE DATA ACCURACY. UPON FULL DEPLOYMENT, THESE ENHANCED CAPABILITIES WILL GREATLY STRENGTHEN REPORTING STANDARDS BY DELIVERING MORE PRECISE AND TIMELY INFORMATION TO SUPPORT DECISION-MAKING. TO ACHIEVE THESE OBJECTIVES, WE ARE ACTIVELY COLLABORATING WITH KEY PARTNERS, INCLUDING ERNST & YOUNG, TYLER MUNIS,

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AND OUR BANKING PARTNERS, TO ENSURE A SEAMLESS INTEGRATION OF TECHNOLOGY, BEST PRACTICES, AND INDUSTRY EXPERTISE THROUGHOUT THE TRANSFORMATION PROCESS. FURTHERMORE, AS A COLLABORATIVE EFFORT, THE TREASURY, ACCOUNTING, AND PAYROLL DIVISIONS ARE WORKING WITH GOVERNMENT AGENCIES, BOARDS, AND SEMI-AUTONOMOUS ENTITIES TO ENSURE COMPLETE FUND BALANCES.

WITH REGARD TO FEDERAL EXPENDITURES AND DRAWDOWN RECONCILIATIONS, THE TREASURY DIVISION ENSURES THAT ALL AGENCIES BENEFITING FROM FEDERAL GRANTS STRICTLY ADHERE TO STANDARD OPERATING POLICES AND PROCEDURES 710, 711, AND 712. THESE GUIDELINES COLLECTIVELY ESTABLISH THAT ONCE A FEDERAL EXPENDITURE IS INCURRED AND THE ASSOCIATED OBLIGATION IS FULFILLED, THE CORRESPONDING FEDERAL DRAWDOWN, OR RECEIVABLE, MUST BE EXECUTED IMMEDIATELY. THIS DISCIPLINED APPROACH IS CRITICAL IN MINIMIZING RELIANCE ON LOCAL FUNDS BY PROMOTING TIMELY REIMBURSEMENT OF FEDERAL DOLLARS, THEREBY ENSURING OPTIMAL CASH FLOW

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MANAGEMENT AND FINANCIAL STEWARDSHIP ACROSS THE ORGANIZATION. AS A RESULT, THE FEDERAL RECONCILIATION TEAM IS WORKING WITH THE OMB COMPLIANCE UNIT TO ALIGN THESE STANDARDS TO THE CODES OF FEDERAL REGULATIONS.

CENTRAL PAYROLL

ON A BI-WEEKLY BASIS, THE PAYROLL DIVISION IS RESPONSIBLE FOR PROCESSING APPROXIMATELY 6,400 CHECKS. THEY ALSO UPDATE THE TYLER MUNIS ERP WITH LEAVE ADJUSTMENTS TO INCLUDE DONATED LEAVE, WITHHOLDING ENTITIES DEDUCTIONS [CREDIT UNIONS, BANKS, MASA, AFLAC, GARNISHMENTS] AND DIRECT DEPOSITS. FEDERAL AND LOCAL TAXES ARE PAID TO THE IRS AND IRB BI-WEEKLY, TO MEET THE MANDATES OF REPORTING AND PAYMENT.

IN ADDITION, OVER 300 MISCELLANEOUS PAYMENTS MUST BE ENTERED INTO THE SYSTEM MANUALLY BY THIS UNIT. THESE PAYMENTS CONSIST LARGELY OF (RETROS) BASED ON CBA RATIFICATIONS, MISSED PAYMENTS OWED TO EMPLOYEES, DOE

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AFTER SCHOOL PAYMENTS, AND OT FOR SPECIAL ASSIGNMENTS SUCH AS COURT, CARNIVAL, TOURISM ACTIVITIES, ETC., NOT INCLUDING SPECIAL PAYS SUCH AS RETRO PAYMENT, 8% REINSTATEMENT, AND PREMIUM PAYMENTS.

THE BOARD OF TAX REVIEW

THE OFFICE CURRENTLY HAS FIFTEEN (15) PROPERTY TAX APPEALS PENDING COURT DETERMINATION.

- 2025 - ST. THOMAS (14), ST. JOHN (1), ST. CROIX (0)

THE BOARD CONTINUES TO WORK DILIGENTLY TO ADDRESS REAL PROPERTY TAX APPEALS IN A TIMELY MANNER.

THE DEPARTMENT OF FINANCE'S FISCAL YEAR 2026 BUDGET RECOMMENDATION OF **\$13,918,102.00** INCLUDES FUNDING FROM THE

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GENERAL FUND AND THE INDIRECT COST FUND. THE BUDGET BREAKDOWN IS AS FOLLOWS:

GENERAL FUND	\$13,809,602
INDIRECT COST FUND	\$108,500
TOTAL	\$13,918,102

THE PROPOSED APPROPRIATION IS BROKEN DOWN AS FOLLOWS:

PERSONNEL SERVICES AND FRINGE BENEFITS

THE FISCAL YEAR 2026 TOTAL BUDGET UNDER THIS CATEGORY IS **5,078,841**, OF WHICH \$3,552,570 IS PERSONNEL, TO FUND FIFTY (50) FULL-TIME POSITIONS (INCLUDING FOUR VACANCIES): AGAINST THE GENERAL FUND:

PERSONNEL SERVICES	\$3,552,570
FRINGE BENEFITS	\$1,526,271

FRINGE BENEFITS

PROJECTED FRINGE BENEFITS FOR FISCAL YEAR 2026 ARE AT **\$1,526,271**. THIS AMOUNT COVERS THE EMPLOYER PORTION OF

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SOCIAL SECURITY, MEDICARE, CONTRIBUTIONS TO THE GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM, AND CONTRIBUTIONS TO THE GROUP HEALTH INSURANCE.

SUPPLIES

WITHIN THE SUPPLIES CATEGORY, FUNDING IS FOR OFFICE AND OPERATING SUPPLIES, REPAIR AND MAINTENANCE SUPPLIES.

PROJECTED EXPENDITURES ARE \$300,094.00.

FUND BREAKDOWN:

GENERAL FUND \$300,094

TOTAL - \$300,094

OTHER SERVICES AND CHARGES

THE TOTAL PROJECTED COST IN THIS CATEGORY IS \$7,970,667. IN WHICH \$1,511,647.00 OF EXPENDITURES INCLUDE PROFESSIONAL SERVICES, SECURITY GUARD SERVICES, TRAINING INITIATIVES, TRAVEL, COMMUNICATION SERVICES AND REPAIR AND MAINTENANCE SERVICES. FOR FISCAL YEAR 2025, THE

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MISCELLANEOUS BUDGET REQUEST IN THE AMOUNT OF \$6,459,020 WAS MERGED WITHIN THIS BUDGET CATEGORY, RESULTING IN THE EVIDENT INCREASE IN THE GENERAL FUND REQUEST.

FUND BREAKDOWN:

GENERAL FUND	\$7,350,582
GENERAL FUND MISC.-	\$6,459,020
INDIRECT COST FUND	\$108,500

UTILITIES

PROPOSED UTILITY COST IS \$300,000 –THE ESTIMATED COST IS INCLUSIVE OF THE UTILITY (ELECTRICAL AND WATER) COSTS FOR THE LEROY A. QUINN COMPLEX ON ST. CROIX.

FUND BREAKDOWN:

SINGLE PAYER UTILITY/GENERAL FUND	\$300,000
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CAPITAL OUTLAY

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THE ANTICIPATED EXPENDITURES FOR THIS CATEGORY IS \$160,000. THE DEPARTMENT CONTINUES ITS EFFORTS TO UPGRADE ITS AGING TECHNICAL RESOURCES AND BUILDING INFRASTRUCTURE IN BOTH DISTRICTS. FIFTY-FOUR THOUSAND DOLLARS WOULD BE USED TO UPGRADE OUTDATED WIRELESS NETWORK AND PURCHASE NEW UPS (UNINTERRUPTED POWER SUPPLY) FOR THE SERVER ROOMS TO MINIMIZE EQUIPMENT DAMAGE DUE TO POWER OUTAGES.

CAPITAL	\$160,000
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THE DEPARTMENT OF FINANCE EXERCISES CUSTODIAL MANAGEMENT OVER SEVERAL OTHER FUNDS. THE PROJECTED TRANSFERS AS CONTRIBUTIONS FOR THOSE FUNDS FOR FISCAL YEAR 2026 ARE:

CARIBBEAN BASIN INITIATIVE	\$8,500,000
VI LOTTERY FUND	\$950,000
<i>TOTAL APPROPRIATED FUND TOTAL</i>	<i>\$9,450,000</i>

TRANSPORTATION TRUST FUND	\$8,000,000
INSURANCE GUARANTY FUND	\$20,000,000
<i>NON-APPROPRIATED FUND TOTAL</i>	<i>\$28,000,000</i>

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<i>TOTAL TRANSFERS OF APPROPRIATED AND NON-APPROPRIATED FUNDS</i>	\$37,450,000
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AS I CONCLUDE MY PRESENTATION HONORABLE SENATORS, DESPITE THE HURDLES OUTLINED, MANAGING LIMITED AMOUNTS OF RESOURCES TO MEET OUR MANDATES ARE TOUGH. OUR PASSION FOR PUBLIC SERVICE FUELS OUR RESOLVE, AND WE REMAIN GROUNDED IN BELIEF THAT EVERY DOLLAR MUST BE ACCOUNTED FOR WITH INTEGRITY AND FAIRNESS. WE APPRECIATE YOUR FAVORABLE CONSIDERATION OF THE PROPOSED FISCAL YEAR 2026 BUDGET AS RECOMMENDED. TO THE PUBLIC, I WANT TO REASSURE YOU THAT WHILE FINANCIAL CHALLENGES PERSIST, WE STRIVE EVERY DAY TO MANAGE THE PEOPLE’S MONEY WITH FAIRNESS, EQUITY, AND TRANSPARENCY. WE TAKE OUR STEWARDSHIP SERIOUSLY, AND WE THANK YOU FOR YOUR TRUST. WE RESPECTFULLY ASK FOR YOUR SUPPORT SO WE MAY CONTINUE TO SERVE YOU WITH EXCELLENCE AND INTEGRITY.

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THIS CONCLUDES MY PRESENTATION. MY TEAM AND I STAND
READY TO ADDRESS ANY INQUIRIES. THANK YOU!