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As Vendor Debts Mount, Bryan Assures Payments Are Coming

Amid ongoing financial upheavals, Governor Bryan assures that vendor payments are underway, addressing the \$80 million backlog

Government / **Published On April 29, 2024 06:19 AM /**

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Amidst the flurry of activity this week to stabilize the finances of the Water and Power Authority sufficiently to stave off immediate threats to St. Croix's power supply, it was noted that sluggish payments from central government continue to underpin a vicious cycle of unpaid invoices among government-controlled and semi-autonomous agencies.

Those unpaid bills also extend to vendors in the private sector. At a press conference last Tuesday, Senate President Novelle Francis disclosed that the government owes over \$80 million to various vendors, and said that "the needs of the authority are prioritized over the needs of small business owners and vendors who are continually asked to wait for payments while cash is funneled to the

WAPA.”

Governor Albert Bryan in response told the Consortium that vendors are being paid, while making note of the government's over \$1 billion annual budget, arguing that "it's not unusual for a business" as large as the V.I. government "to have a similarly large payable." Mr. Bryan said the government has at least \$40-\$50 million "on order or in the pay."

Mr. Francis detailed all the financial support given to WAPA over the past 5 years or so, from the \$6 million loan received in 2019 to the \$15 million in CARES Act funding to subsidize WAPA bills in 2020. He noted the \$45 million provided for the Vitol buyout last April, and the ARPA funds given to WAPA to subsidize fuel purchases during the pandemic. He concluded by noting the \$4 million pledged last week by the governor.

Within that timeframe, the Consortium has reported on vendors being owed by the [Department of Public Works](#), the [Department of Tourism](#), the [Waste Management Agency](#), [VITEMA](#), and [FEMS](#), among other agencies supported by government funds.

Mr. Francis also made mention of the millions owed in retroactive wage payments to current and retired government workers. In January, lawmakers discovered that only 10% of the \$25 million allocated that was legally required to have been handed out by the end of 2023 [had actually been disbursed](#) to recipients. The rest had been “used for other purposes” including regular payroll and other obligations, according to Kevin McCurdy, Department of Finance commissioner.

During last Tuesday’s press conference, chair of the Senate Committee on Budget, Appropriations and Finance Committee, Senator Donna Frett-Gregory, noted that in meetings of the National Conference of State Legislators, of which she is a member, she hears from her colleagues abroad that their states are experiencing budget surpluses as a result of the influx of federal dollars as a result of the pandemic. “We should be no different,” she asserted. “We have to do a better job of managing our resources.”

Ms. Frett-Gregory has [long complained](#) that the Legislature’s difficulty in receiving timely, accurate information from the executive branch’s financial team has been a major stumbling block in being able to plan and budget the territory’s cash effectively.

Just last week, invited testifiers Jenifer O’Neal and Kevin McCurdy, the director of the Office of Management and Budget and the commissioner of Finance respectively, declined to appear before the budget committee to answer questions relating to WAPA’s finances, citing the state of emergency declared by Governor Bryan. Ahead of last Wednesday’s and Thursday’s emergency Senate meetings, Ms. Frett-Gregory predicted that the absence of the pair would “significantly impact our ability to make decisions.”

Earlier this year, Governor Bryan was optimistic that the government’s cash crunch would ease once tax season was over and funds had been remitted to the Bureau of Internal Revenue. Last week, he made known that collections were meeting expectations.