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Government Failure Leads to Severe Underfunding of Catholic Charities, Impacting Vulnerable Virgin Islanders

Catholic Charities receives only 18% of promised funding for FY2024, forcing the organization to dip into reserves and halt critical outreach services. Dept. of Human Services apologizes, but blames bureaucratic delays at the Dept. of Finance

Community Center / **Published On October 02, 2024 05:41 AM /**

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Of the \$449,000 appropriated by the Legislature to Catholic Charities of the Virgin Islands in FY2024, the organization reports only receiving \$82,000. That figure accounts for approximately eighteen percent of funding promised to the entity.

The startling update was provided to members of the Senate Committee on Housing, Transportation and Telecommunications on Monday by Richard Bourne-Vanneck, chair of the board of Catholic Charities of the Virgin Islands. Describing it as an “eighty-two per cent de facto reduction in our anticipated revenues from public sector financing,” Mr. Bourne-Vanneck told lawmakers that it has become “impossible for Catholic Charities to continue providing the daily relief needed by the less fortunate in this community.” Relying solely on private donors, he said, is not enough to bridge the gap, as public funding accounts for approximately half of the organization’s annual budget.

To continue its work, Catholic Charities of the Virgin Islands has been forced to “draw down our prudent reserves and appeal repeatedly to Catholic Charities USA for assistance.” It’s a temporary solution that could result in challenges when it comes to accessing funding in the event of future natural disasters. Referencing the ongoing destruction caused by Hurricane Helene in the southern United States, Mr. Bourne-Vanneck warned that “this time next week, we could be one of them turning to Catholic Charities USA for assistance that’s no longer in our reserves because we used it to provide food and shelter to our people.”

“Chronic underfunding” has also affected Catholic Charities’ ability to deliver mobile outreach services. “None of the funding appropriated for our street mobile outreach program has been received,” testified Mr. Bourne-Vanneck, hours before the close of the current fiscal year.

He reminded lawmakers that the entity recently acquired a mobile shower and laundry to serve those in need across the St. Thomas/St. John District. However, “we can’t put it on the road because it needs a truck that costs \$75,000 which we would have been able to draw down from, but we’ve used that money to supplement and to replace the money we did not get that was appropriated.” Not receiving funds earmarked to them has placed the organization in a precarious situation, he noted.

The absence of most of the anticipated funding from central government has impacted programs such as their mobile outreach including the soup kitchen, as well as operational costs at the homeless shelters in each district. Catholic Charities also received no public funding for the distribution of toiletries.

A portion of their budget - \$129,000 - should have come from federal funds received by the Department of Human Services, however of this sum, only \$32,250 was disbursed. That figure is included in the \$82,000 received as of September 30th. Committee chair Senator Marvin Blyden demanded an explanation from DHS Commissioner Averil George.

“We do have some fiscal administrative barriers,” she responded. “We have delays in funding disbursement and bureaucratic hurdles that continue to hinder the effectiveness of our programs.” According to Ms. George, DHS has been working with the Department of Finance to release the remaining funding for the third and fourth quarters. Catholic Charities of the Virgin Islands is not the only affected nonprofit, she made known; others have not received any quarterly tranches at all for FY2024.

Upon further questioning by Senator Marise James, Ms. George reiterated that the delays lay with the Department of Finance. “When the funding was released from OMB, DHS did what was necessary to process their payment,” she contended. “Their payments are sitting in Finance, first and second quarter and third and fourth quarter for some of the appropriations that were made,” she asserted.

However, Ms. George assured lawmakers – and the charities awaiting desperately needed funding – that all is not lost. “I apologize sincerely to the nonprofits that have been affected by our delays, but we're trying to put the corrective action in place,” promised Ms. George. Affected organizations can expect to receive funds in “the next couple of weeks,” and the department is currently looking to fill the vacant position of nonprofit director. The absence of someone to fulfill those duties, Ms. George acknowledged, was no excuse.

“Moving forward, I'm going to pay very close attention to the not-for-profits, in respect to funding,” said Senator Blyden, responding to a request that was made by Mr. Bourne-Vanneck in his testimony. The senator has expressed the need for a “back door meeting to assure that processes are put in place,” to eliminate these kinds of major delays in funding disbursement.

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