

Opinion | A Windfall of Opportunity In Chaotic Times

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Our community has endured withering experiences these past ten-plus years: the recession of 2008, hurricanes in 2017 and now the Covid epidemic. These occurrences test our resilience.

Difficult times, however, require steady leadership along with informed and thoughtful responses and decisive action. What lies ahead is ours to determine.

We stand on a stark landscape. Fortunately today there are green shoots that can revitalize that landscape.

Substantial federal assistance is available to help rebuild critical infrastructure and to navigate the economic dislocation. Before the pandemic is behind us there may yet be additional dollars from a fourth federal stimulus package to fund major infrastructure. The hope is that federal government spending will help get America back to work.

This surprising level of federal assistance goes beyond just rebuilding and recovery. Deployed correctly it can stimulate local business formation, ownership and economic diversification.

For the Virgin Islands, the ability to leverage these dollars to achieve those objectives requires changing the existing paradigm.

First, there is the need to know the full extent of the resources available. Second is the need to qualify for and then secure those funds. Third, plans, systems and best practices need to exist, which ensure that funding when available, is used appropriately and with accountability.

Specific to hurricane recovery, there may be uncertainty around exactly what percentage of the \$5 billion of Public Assistance spending FEMA plans to make available to the Virgin Islands will actually materialize. Whatever that amount is, however, it is substantially more than we would have available were it not for the support of the federal government.

In the case of pandemic support, an unprecedented \$2 trillion of stimulus spending will make hundreds of billions of dollars available to local communities and businesses across the United States. The Virgin Islands should be aggressive in seeking to a share of these dollars for government agencies, community organizations and businesses. In the latter instance partnering or seeking to attract companies to the Territory who qualify for this funding should be a high priority.

- \$127 billion for medical response efforts, including \$100 billion for grants to hospitals, public entities, not-for-profit entities and Medicare and Medicaid enrolled suppliers and institutional providers. These amounts are available to cover unreimbursed health care related expenses or lost revenue attributable to health emergencies resulting from coronavirus. Also available is \$16 billion for critical medical supplies, personal protective equipment, and lifesaving medicines.
- \$45.8 billion to help people, communities and frontline personnel prepare for and recover from Covid 19 including \$100 million for enhanced sanitation at airport security checkpoints.
- \$30.75 billion to support local school systems and higher education institutions for educational services and support.
- \$10 billion for publicly-owned commercial airports to meet ongoing needs and manage current construction projects.
- \$5 billion for the Community Development Block Grant program, to enable states, counties and cities to respond to the economic impact of Covid 19 including the expansion of community health facilities, child care centers, food banks and senior services.
- \$4 billion for individuals and families who are homeless.
- \$3 billion for rental assistance protection for low-income households.
- \$1.5 billion to support economic development in local communities to rebuild impacted industries such as tourism or manufacturing supply chains and support other locally-identified priorities for economic recovery.
- \$1.5 billion to support states, local governments, territories and tribes for public health activities.
- \$850 million to local law enforcement for equipment and needed medical items.
- \$360 million for programs that provide training and supportive services for dislocated workers, seniors, migrant farmworkers and homeless veterans.
- \$185 million to support rural and tribal critical access hospitals in telehealth programs.
- \$125 million to ensure access to broadband in rural medicine and to support Distance Learning and Telemedicine programs.

- \$55 million to assist US Territories and Freely Associated States with needs related to prevention and mitigation of the coronavirus outbreak including medical supplies, equipment, healthcare services and facilities.

The Federal government seeks to reduce the possibility that the national medical systems and local communities will again be as unprepared in successive pandemics.

Can the Virgin Islands obtain some of the funding for manufacturing, service delivery and capacity development? Doing so will contribute to diversifying and growing our local economy, strengthen health and educational services and increase local government revenues that can then be used to help address other chronic local financial challenges.

An approach for achieving this is to offer targeted incentives, provide business and organization support, and structure partnerships to secure available funding. Where we lack indigenous capacity, we can promote new business formation as well as incentivize business relocation. Success will not only expand the economy and grow local government revenue but it will afford economic resilience to future downturns.

These dollars, if made available, can leverage external private investment for new business formation and add footings to the local economic stool that has supported the Virgin Islands economy for the past forty years. Access to these dollars can strengthen and expand our educational and health care institutions insuring a long-term improvement in service delivery to residents.

The Territory has critical needs that cannot be addressed by these monies. However, by expanding the economy and increasing revenue flow, these challenges can be chipped away.

Only by having development strategies in place will the potential these funds make possible be realized. It can happen if we exercise forethought, are financially and economically disciplined and if we have strong leadership.

As a community we have the ability to set a path forward and pursue it. Others have implemented successful development strategies which we can replicate. We can adapt these and in doing so package our resources in a manner that achieves success.

We have had other opportunities before though possibly none of the magnitude and breadth as now exists.

Insanity, as Jane Fulton said in the 1983 novel *Sudden Death*, is doing the same thing over and over again, but expecting a different result.

Isn't this the time to try to do things differently?

Submitted on Monday by: Justin Moorhead, Managing Director, Virgin Islands Capital Resources, Inc.

