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In Major Development, Biden Approves \$1.1 Billion Boost in Federal Cost Share Aid for U.S. Virgin Islands

Substantial increase in federal funding aims to accelerate recovery from hurricanes Irma and Maria, easing financial burden on the territory

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In a significant move to aid the U.S. Virgin Islands in its long-term recovery from the devastation of hurricanes Irma and Maria in September 2017, FEMA Administrator Deanne Criswell announced today that President Joe Biden has authorized a \$1.1 billion increase in the level of federal funding for disaster assistance in the territory.

This crucial decision marks a substantial shift in the federal cost share for eligible disaster costs, which will now be funded at a 95 percent rate. Furthermore, the funding for permanent work projects under Section 428 Alternative Procedures has been elevated to a 98 percent federal cost

share for a specified duration. This adjustment is particularly noteworthy as it includes projects that are essential for the repair and replacement of critical services throughout the islands.

Before Mr. Biden's decision, the territory was obligated to provide a 10 percent match for the federally-funded projects essential to the territory's recovery. That would mean \$1.5 billion for federal funds estimated to be up to \$15 billion. The combined cost was seen as insurmountable by Governor Albert Bryan. "That means if we don't find the 10 percent, then the projects can't get done," [he said in October](#).

Delegate to Congress Stacey Plaskett thanked the Biden administration for the huge increase in financial support, remarking that the move has cut the cost share requirement to just 2 percent for critical rebuilding projects approved over the next 6 months, and completed over the next 2 years, and 5 percent otherwise. "This will allow the Virgin Islands more federal financial assistance to push through the most critical projects so that the territory is given the best opportunity to see our hurricane recovery through to completion in a timely fashion," she said.

Ms. Plaskett recently discussed with Ms. Criswell key aspects that led to a significant decision. She noted three decisive factors: the applicability of the Insular Areas Act for waiving federal cost shares in specific regions (excluding Puerto Rico), the in-depth analysis by the Bryan administration revealing the substantial per capita impact of recent disasters on the Virgin Islands, and the persistent efforts of her office along with the Bryan administration. The congresswoman also extended her gratitude to Mr. Biden for his crucial role in amending the FEMA disaster declaration to benefit the Virgin Islands.

With Mr. Biden's decision to lower the territory's cost share obligation by raising the federal government's percentage of the funding, restoring the territory's infrastructure with federal dollars post-Irma and Maria is much more feasible.

The increase in federal funding is part of the Mr. Biden's and FEMA's ongoing efforts to support the U.S. Virgin Islands' recovery and bolster their resilience against future storms, said Ms. Criswell, the FEMA administrator. The move is in line with the Insular Area Act, which acknowledges the unique challenges faced by the territory and offers increased flexibility to optimize rebuilding initiatives.

Along with being better equipped to expedite necessary recovery projects as a result of the increase in federal funding, the adjustment will enable the territory to utilize existing Community Development Block Grant Disaster Recovery funds more effectively, the Biden administration said. These funds are now available to address other vital aspects of disaster recovery, such as resilient and affordable housing, economic revitalization, and various projects aimed at investing in the territory's future.

The funding increase is a response to the challenges posed by the cost share requirement previously in place. With Mr. Biden's authorization, the U.S. Virgin Islands are set to receive over \$1.1 billion in additional funding. This substantial financial boost is expected to significantly accelerate the holistic and resilient recovery process across the territory.