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Deadline Looms for USVI to Secure Reduced Matching Funds for Recovery

Reduced matching funds offer hinges on meeting 2024 project obligation deadline

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The news that President Joe Biden has [authorized a \\$1.1 billion increase](#) in the level of federal funding for disaster assistance in the territory “could not come at a better time,” according to Adrienne Williams-Octalien, director of the Office of Disaster Recovery.

She joined an elated Governor Albert Bryan at a press conference on Friday morning to discuss the aforementioned announcement by FEMA Administrator Deanne Criswell. For Governor Bryan, it presented a “tremendous opportunity.”

Finding the money to underwrite the customary 10% match of federal dollars allocated for disaster recovery has proven to be a [mammoth challenge](#) for the Government of the Virgin Islands, which would have had to come up with approximately \$1.5 billion to receive all the disaster recovery grant funding available.

Successive attempts at lobbying for additional support from FEMA were [all denied](#) until this week's announcement. Mr. Bryan credited the development to a series of discussions in September, despite at the time having no positive responses. The new cost-sharing arrangement means that the territory will only have to offer 2 percent in matching funds for 428 fixed cap projects, and 5 percent for other disaster recovery projects — down from 10 percent in both instances.

The extra support, the governor explained, comes with strings attached. To take advantage of the new cost share, GVI must have all projects obligated by September 2024. Crucially, there is now just an 11-year timeline to complete every project, including the rebuilding of multiple schools and hospitals across the territory. If the GVI goes beyond the deadline, the matching funds requirement will revert to 10 percent.

Notwithstanding, Mr. Byran is positive about the chances for success. “That is why it's so crucial that everyone cooperates and works with us to get rebuild USVI done,” he said. [Rebuild USVI](#) intends to group recovery projects into billion-dollar bundles to ensure that work is completed on time. The effort seeks to attract major contracting firms with the capacity needed in every category to expedite the territory's rebuild — from workforce to bonding and equipment, among other priorities. During his State of the Territory address in January, Mr. Bryan referred to the initiative as a way to “supercharge the territory’s disaster recovery.”

“In order to get that \$8 billion in projects launched, we needed \$800 million and we only have 500 million allotted by CDBG,” Governor Byran explained. “We really didn't have an answer on how we were going to do this.” The newly announced support means the GVI only now needs to identify \$160 million in matching funds. While the USVI has received approval to utilize CDBG funds to meet federal match requirements, those funds also have their disaster recovery obligations. However, with Mr. Biden's announcement, any use of CDBG monies will be significantly less costly.

With much of the financial challenge solved, success in the rush to rebuild now hinges largely on being able to satisfy the territory’s enormous need for skilled manpower. Rebuild USVI plays a key role here as well, as the Office of Disaster Recovery remains confident that inviting international contractors with their team of builders will play a part in filling the gap. “Visa waivers” and “other mechanisms... to attract a workforce” are also being pursued, Governor Bryan said, indicating that those measures would supplement ongoing skills training efforts in the territory.

The success of a visa waiver program appears doomed for now, with Delegate to Congress Stacey Plaskett [blaming the the impasse](#) on Republican intransigence. Regarding “other mechanisms,” it remains to be seen what the administration introduces.

With the recovery process now likely to recognize significant savings, Mrs. Williams-Octalien, the ODR director, is hopeful that resources can be reallocated to “address a lot of unmet needs.” She maintained that it is “a phenomenal opportunity for us.” The GVI must now work with FEMA to ensure funds are obligated “so that we can have access to it and move our projects forward,” she emphasized.

For Mr. Bryan, the recovery effort following hurricanes Irma and Maria “has been a long, hard road.” He noted that several FEMA-funded projects are being worked on in tandem with a host of other construction activity, including the airports, housing and energy projects.

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