

Image not found or type unknown

ODR Pushes to Meet 2035 FEMA Deadline as Labor Shortages, Costs Threaten Progress

The territory must complete 428 fixed-cost projects within 10 years under a FEMA agreement. ODR Director Adrienne Williams-Octalien warned lawmakers of construction cost increases, limited labor, and supply chain delays, but said contractors are prepared.

Disaster Recovery / **Published On September 15, 2025 05:00 AM /**

Nelcia Charlemagne **September 15, 2025**

Image not found or type unknown



Eight years after Hurricanes Irma and Maria, authorities in the U.S. Virgin Islands are ramping up the recovery effort.

That's because a lower-cost share agreement, brokered between the local government and the Federal Emergency Management Agency in [February 2024](#), states that all fixed-cost projects must be completed by 2035, 10 years from now. Under the current cost-share arrangement, the territory

only has to offer two percent in matching funds for 428 fixed-cap projects, and five percent for other disaster recovery projects — down from 10 percent in both instances.

Failure to meet the 2035 timeline will result in a reversion to a 10 percent cost share for both classes of projects, a bill that the government will undoubtedly find difficult to grapple with. The Rebuild USVI initiative, with its project bundles and Super Project Management Office (PMO), is the territory's chosen strategy to attract competent contractors and expedite the recovery process. There has been some success in this regard, including local contractors entering joint ventures with stateside companies to secure the award of contract bundles.

Still, the Office of Disaster Recovery is acutely aware of the challenges that lie ahead. ODR director Adrienne Williams-Octalien appeared before the Committee on Disaster Recovery, Infrastructure, and Planning recently and outlined potential stumbling blocks. Among them are “rising construction costs, limited pool of project laborers and professional support staff, a lack of workforce housing, and supply chain issues,” she told lawmakers.

Her remarks — issues she's repeated at various Senate hearings — prompted Senator Milton Potter to wonder “what contingency plans exist if there are further supply chain or labor disruptions.” Ms. Williams-Octalien seemed confident that these are manageable hurdles. “A lot of what the contractors are sharing with us is that they understand that the supply chain is an issue, and they have plans to procure,” she explained. “A lot of these larger contractors are way more sophisticated and they also have national networks that they rely upon. Some of them, you know, can ship in their own resources, and those are the strategies that they've outlined to us,” Ms. Williams-Octalien assured.

Still, Mr. Potter attempted to assess her “level of confidence that all projects will meet this deadline time.” He questioned what would happen if delays pushed projects past the 2035 deadline.

Ms. Williams-Octalien is sure that the Rebuild USVI initiative, attracting experienced contractors, is the best course of action. “I feel that is the best strategy that we can employ,” she told Mr. Potter. The ODR director believes that come 2035, if a few projects are “halfway through,” the powers that be will “continue to push on behalf of the Virgin Islands for what we need, because we are unique.”

Labor shortages may be one of the biggest drawbacks to the timely completion of recovery projects. “The RAND Report said that if every able-bodied Virgin Islander was working, we would need 7,000 more workers,” Ms. Williams-Octalien said. A promised technical college, funded through a grant from the U.S. Department of Education, is expected to provide unique skills to the local population. The construction industry, however, needs more immediate solutions.

The Office of Disaster Recovery will host its second Workforce Day in October. The 2-day event will allow ODR to “share information and facilitate engagement for potential subcontractors and suppliers to become aware of all available opportunities related to the reconstruction efforts.” ODR, Ms. Williams-Octalien said, wants to “ensure that all our local contractors are involved.” She has encouraged contractors to “please come out.” However, when speaking about another ODR recovery program, EnVIision Tomorrow, the ODR director acknowledged that “[contractor capacity](#)” to get the needed work done was insufficient.

The USVI has been granted \$23.9 billion in recovery funds, an unprecedented amount. The recovery efforts are expected to be a massive economic boost. In FY2026, ODR anticipates that

\$643.5 million will be spent on disaster recovery projects, resulting in \$139.2 million in revenue, \$78.5 million in gross receipt taxes, \$48.97 million in withholding and \$11.6 million in excise taxes.” The Legislature is depending on this influx into government coffers to prop up the FY2026 budget as well.

© Viconsortium 2025