

The Virgin Islands Consortium

With US Government On The Brink Of Shutdown, Disaster Aid Funding For USVI And PR Lingers In Limbo

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ST. CROIX -- While House Republicans in the U.S. Congress approved a stopgap spending bill on Thursday night aimed at keeping the U.S. government from shutting down, the measure's fate was less certain in the Senate, where Senate Democrats -- infuriated with President Donald Trump's vulgarity during a recent White House meeting, where the president referred to African nations as "[shithole countries](#)," and with little progress being made on an immigration deal -- appeared ready to block the government spending bill.

If a spending bill is not approved by midnight tonight, the government will start furloughing federal employees.

The issues Democrats are seeking concessions on include increased domestic spending, funding to better the government's response to the opioid crisis, protection from deportation for young immigrants brought into the U.S. illegally as children, and funding to aid Puerto Rico and the U.S. Virgin Islands, after both territories were ravaged by Hurricanes Irma and Maria -- the latter storm affecting St. Croix and Puerto Rico more acutely.

The last disaster funding bill that the USVI and Puerto Rico received funding from was [the \\$36 billion measure that Mr. Trump signed late October](#). Out of that sum, \$4.9 billion in low-interest loans was set aside for the affected U.S. territories, with \$500 million being made available to the USVI, and the remaining \$4 billion for P.R. (While the USVI is in the process of receiving its first drawdown of about \$300 million, Puerto Rico's funding [was withheld by FEMA](#). The federal agency stated in a letter that the island commonwealth's central government had about \$1.7 billion in cash, while the PR government as a whole had over \$7 billion in cash. Federal officials said the U.S. government will create a cash balance policy to determine when the funds will be released through the community disaster loan program.)

With Democrats adamant on shutting down the government if an immigration deal is not reached, the territories continue to wait in limbo -- and as many of their people suffer -- for an agreement between the two parties.

The Mapp administration has [assessed the territory's total damage](#) from the storms to be \$7.5 billion, and Mr. Mapp has lobbied in Congress for the funding to be made available. Yet, in light of the difficulty the USVI faced before it could secure the \$500 million low-interest loan from the federal government ([the federal government demanded that it receive payment priority over the USVI's current bondholders](#)), and with Congress struggling to pass an \$81 billion disaster aid measure that seeks to provide funding to not only the USVI and PR, but U.S. states like Texas and Florida that were also affected by the storms, it remains an open question how much of the \$7.5 billion request will be made available to the U.S. Virgin Islands.

The impasse in Congress and the lack of appetite for spending could not come at a worse time for the USVI. The Mapp administration has abandoned about 11 schools in wake of the storms, after those facilities suffered immense damage; the government has a budget shortfall of near \$300 million; and the territory's main product, tourism, while recouping, is still far from its prime.

Now, more than ever, the USVI needs Congress's help.

The governor is expected to speak to Virgin Islanders on Monday at 7:00 p.m. for his third State of the Territory Address. There, Mr. Mapp will make his most consequential speech since taking office; and it will be his last SoTA before seeking reelection. He will be expected to give clear indications on how the government intends to move forward on education, healthcare, infrastructure and other critical areas. Importantly, the Mapp administration's lobbying efforts in Congress will be watched closely, because the USVI's recovery will be a protracted process if Washington isn't willing to fully support the effort.

