

The Virgin Islands Consortium

USVI Stands To Receive Billions Of Dollars From \$89 Billion Disaster Aid Package

Government / **Published On February 09, 2018 10:54 PM /**

Ernice Gilbert **February 09, 2018**



ST. CROIX -- A hastily organized Government House press conference gave scant details about its purpose: "To update the public on recent Congressional actions and other developments."

But once the media and administration officials were gathered at the 1:00 p.m. event, Governor Kenneth Mapp -- looking optimistic and occasionally wearing a smile -- announced billions of dollars in federal aid to the U.S. Virgin Islands, which was passed through a U.S. government spending bill that President Donald Trump had only hours earlier signed into law.

"The people of the Virgin Islands had a huge night in the U.S. Congress this morning," the governor began. "I am pleased to report to you and all Virgin Islanders that the \$89 billion disaster recovery bill which the House and Senate passed into law in the wee hours of this morning, and which was signed by President Trump just a few hours ago, provides and includes several billion dollars for the recovery and the rebuilding of the Virgin Islands."

Included in the \$89 billion disaster recovery measure is \$11 billion for Community Development Block Grant Disaster Recovery (CDBG-DR) funding for the governments of Puerto Rico and the U.S. Virgin Islands, and \$142 million in additional Medicaid funding for the U.S.V.I.'s health care system, according to the governor.

"Included in the 650-page bill are resources that will allow the Virgin Islands to rebuild our schools, hospitals, power system, roads and port facilities," the governor said. "The bill also provides hundreds of millions of dollars to help the Virgin Islands rebuild our economy and to assist local farmers and small businesses."

The package extends the territory's temporary rum tax cover-over rate for five years, which Mr. Mapp said will solidify some \$250 million in cover-over revenues during that period -- the difference between \$10.50 and \$13.25. Until now, the U.S. Virgin Islands often had to make the request for this extension on an annual basis.

The bill includes billions of dollars in new federal assistance for areas hit hard by the 2017 disasters, including new funding for a wide range of federal agencies charged with assisting in disaster recovery.

And in addition to replenishing the Federal Emergency Management Agency (FEMA) disaster recovery fund with an additional \$23.5 billion, the bill provides \$28 billion in Housing and Urban Development CDBG funds, of which \$11 billion is primarily intended for the U.S. Virgin Islands and Puerto Rico, Mr. Mapp said. Of that amount, the bill targets \$2 billion for the repair and reconstruction of the electricity systems in Puerto Rico and the Virgin Islands. The governor noted that these funds can be used to supplement other FEMA funds for which the U.S. territories would qualify, enabling each jurisdiction to rebuild a stronger and more resilient power system.

"I am delighted that this bill provides substantial funding for hardening of our electrical system," Mr. Mapp said. "I testified in support of these changes to our disaster policy last November before both the Senate Energy Committee and the House Natural Resources Committee. It just doesn't make sense to rebuild something back to its pre-disaster condition, then experience another hurricane and have to do it all over again."

The disaster bill also extends the period for which the local government will qualify for community disaster loans (C.D.L.) and includes a waiver, requested by Mr. Mapp, of the local match for accessing federal Medicaid funds for two years. The waiver of the local Medicaid match will save the territory \$142 million in scarce local funds, which can now be redeployed to other critical recovery functions.

The bill also provides \$1.3 billion in emergency transportation funds to repair roads damaged by disasters while removing the \$20 million cap on such funds for small territories. The U.S. Virgin Islands is expected to receive more than \$30 million in

emergency transportation funds during the next year, the governor said. In addition, the spending package includes \$14 million for the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) to help repair and replace equipment in WIC clinics.

While the \$89 billion disaster aid bill presents a once-in-a-lifetime opportunity for the territory, the results will be determined by the administration's ability to collect these funds. For his part, the governor believes his team is well-suited to do the job. "For me it's to take this opportunity and demonstrate to the people of the Virgin Islands that they are solid Americans, and they are part of the America family, and they have every access to the resources that every American across this nation has," Mr. Mapp said.

The territory's leader praised this morning's Congressional action, commending in particular Senate Majority Leader Mitch McConnell and Senate Minority Leader Chuck Schumer for reaching agreement on the disaster funding measure and he thanked the president for signing the measure.

"This bipartisan agreement reflects Congress's recognition of the unprecedented severity and extent of the natural disasters and our country's commitment to helping fellow Americans," he said.

The governor commended Delegate Stacey Plaskett for her leadership in advocating for the territory's recovery in the Congress. He also thanked Speaker Paul Ryan, Minority Leader Nancy Pelosi, members of the 32nd Legislature who worked and lobbied Congress and the Bloomberg Foundation.

Feature Image: A gas station adjacent to Kmart West on St. Croix following Hurricane Maria. (Credit: Irene Ali Photography)