The Virgin Islands Consortium

Dept. of Health Between Rock and Hard Place as FEMA Deducts $2.8 Million From Insurance Allocation to Build Temporary Offices

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ST. THOMAS -- Senators learned Wednesday that plans for temporary workspaces within the V.I. Department of Health are underway, but the Federal Emergency Management Agency will take all $2.8 million of the department's insurance money allocation to do so.

The news came during a Committee on Finance hearing at the Capitol Building where the D.O.H. was one of several entities to present budget appropriations for the 2019 fiscal year.

According to D.O.H Commissioner Michelle Davis's (seen above) testimony, damage to the department's structures following Hurricanes Irma and Maria are significant. Among the issues described are unusable workspaces at Knud Hansen and Kongens Gade and the need to either renovate or rebuild a water-damaged Charles Harwood Memorial Complex.

Temporary workspaces is a solution that the department and FEMA have decided to pursue. It will cost more than $10 million to build and furnish these modular buildings.

Who will pay?

Ms. Davis initially said that it would cost the territory nothing, but later explained that it will cost the D.O.H. all of its insurance replacement monies. She said she was unsure of which facilities originally qualified for repairs with the insurance funds and that she was also unsure of exactly how FEMA would deduct it from the $10 million budget for the temporary buildings.

Sen. Kurt Vialet, the Finance chair, expressed disappointment in the payment process for the temporary facilities. He said the insurance money wasn't even enough to repair the Charles Harwood facility so using it to build a temporary facility would hinder long-term progress.

D.O.H. Deputy Commissioner Reuben Molloy explained that it is FEMA's policy to only give an economic arm after the local government's ability to pay.

"If FEMA is offering assistance, it is after your capability to pay," Mr. Molloy said.

In other words, FEMA would be paying the balance of what is left over from the $10 million after the $2.8 million and "rightfully so" from Mr. Molloy's view. But Mr. Vialet disagreed.

"Ain' no 'rightfully so'. Maybe that's what they doing, but don't say 'rightfully so'," the senator responded. "The $2.8 million is not sufficient to repair Charles Harwood so when we need a temporary facility, and they're going to take the entire $2.8 million that was not sufficient to fix the building, you're decreasing the ability of the government to move forward."

Other Finance Committee members, including Sen. Nereida Rivera-O'Reilly and Sen. Marvin Blyden, inquired about the wellbeing of the Virgin Islanders who had to be evacuated for medical purposes in the aftermath of the hurricanes.

According to the D.O.H. testimony, 805 Virgin Islanders had to be evacuated within and out of the territory since September of last year. Ms. Davis testified that 96 people remained off island as of June 17. Mrs. Rivera-O'Reilly requested a report on those individuals.

During the hearing, senators also received a breakdown of the department's budget appropriations for the upcoming fiscal year.

The department is slated to receive a total of $57,686,960. The breakdown is as follows:

- $31,987,584 or 56% from the General Fund
    - $12,898.972 (40%) for personnel services
    - $5,544,173 (17%) for associated fringe benefits
    - $1,080,939 (4%) for supplies
    - $11,042,896 (35%) for other services and charges
    - $1,055,604 (3%) for utilities
    - $365,000 (1%) for capital projects
- $2,554,707 or 4% from the Health Revolving Fund
    - $700,385 (27%) in supplies
    - $1,728,572 (68%) in other services
    - $63,000 (3%) in utilities
    - $62,750 (2%) in capital outlays
- $2,170,339 or 4% from Non-Appropriated Funds
    - Indirect Cost Fund - $1,389,225 (64%)
        - $468,823 in personnel services
        - $191,771 in associated fringe benefits
        - $100,000 in supplies at
        - $528,631 in other services
        - $100,000 in utilities
    - Emergency Services Fund - $781,114 (36%)
        - The Emergency Services Fund consists of all the proceeds from the emergency surcharges added to any telephone, electrical, sewage, or other utility bill or tax schedule; grants, donations, gifts and all sums appropriated specifically for this fund.
    - $20,974,330 or 36% in Federal Funds
        - $7,521,038 (36%) in personnel services
        - $3,240,446 (15%) in fringe benefits
        - $5,837,230 (28%) in supplies
        - $2,611,527 (13%) in other services and charges
        - $1,654,940 (8%) in indirect costs
        - $15,000 (<1%) in utilities
        - $94,149 (<1%) in capital outlay