The Virgin Islands Consortium

# Bryan Tells Congress USVI Has Bright Financial Future, But Federal Gov't Is Holding Disaster Funding Hostage

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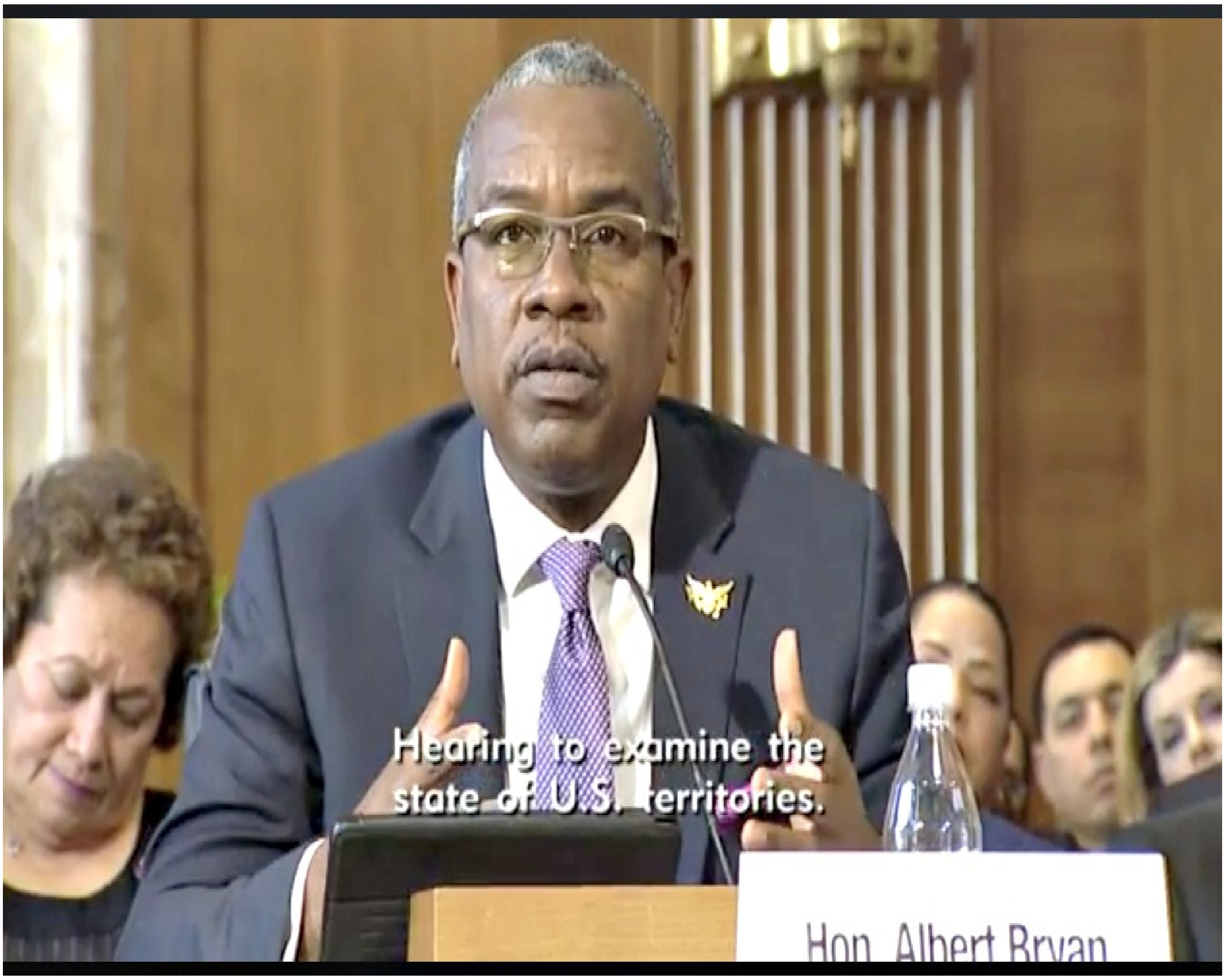


Governor Albert Bryan on Tuesday testified before the U.S. Senate Committee on Energy and Natural Resources, chaired by Senator Lisa Murkowski from Alaska, where he told lawmakers that the U.S. Virgin Islands has a bright financial future. Even so, the recently elected governor added that the federal government, which Mr. Bryan said was responsible for this bright future because of the monies they've already provided, was holding back the territory because of a number of barriers that prevent allocated disaster funds from being put to use.

Mr. Bryan was responding to a question posed to all the territory's governors present at yesterday's hearing, among the Puerto Rico's and Guam's. Ms. Murkowski, stating that depending on federal funding to indefinitely keep the local government operational was not a tenable solution, asked what plans did the governors have in place to address their territories' financial problems.

"For us I would like to say I'm happy to report that we're looking at a bright financial future because of the help of the federal government," Mr. Bryan said. "But it's like they've erected this gigantic, beautiful vault of money and then put a 12-inch thick glass in front of it and created all types of obstacles in order for us to get that money from the federal government to the kitchen table of our residents." Mr. Bryan said while the disaster response from the Federal Emergency Management Agency (FEMA) has been rapid, the recovery response lacked the same level of urgency. "There is no emergency process that is activated or implemented by the federal government to make those funds become available urgent," he said.

The governor said the territories don't have the luxury of time that the federal government's process takes relative to disaster recovery funding. "June starts the hurricane season again, we still don't have our hospitals up, our schools are still in temporary units. We've finally been seeing some road repairs and our stoplights are going back up; our hotels won't open until 2020, so we won't be getting any real tourism economy until the following year," he said.

The governor also asked that the federal government trust that the U.S. Virgin Islands has been putting the funding to the intended purposes. "The money that you are spending to rebuild our islands, our territories, are being used wisely and are creating resiliency," he said.

In his testimony, the governor asked Congress to extend the 100 percent match for Medicaid, which was awarded under the Mapp administration and is set to expire on September 30. "The territory’s severe disaster-related revenue losses are projected to extend well beyond that date—for at least another two years. Consequently, the Virgin Islands simply cannot afford to meet local match requirements for Medicaid (generally 45 percent) after September 30, 2019," Mr. Bryan said. "We urge Congress to extend the disaster-related Medicaid relief in the Bipartisan Budget Act —the local match waiver and the additional Medicaid allotment of 100 percent federal funding—by one year and thereby allow the USVI’s Medicaid program to continue to operate through the end of FY 2020. I would also like to bring to your attention that our citizens have only one hospital that they can access for healthcare on each island."

He asked that FEMA waive the local funding match required to secure federal funding for recovery projects, citing the Insular Areas Act that gives all federal agencies the discretion to do so.

"In recognition of the severity of Hurricanes Irma and Maria, FEMA has already invoked the Insular Areas Act to waive the 25 percent non-federal matching requirement for the Hazard Mitigation Grant Program in the territory, for which we are grateful," Mr. Bryan testified. "However, FEMA has prematurely ended the 100 percent federal funding for Public Assistance Categories A and B projects, even though the territory had a reasonable expectation—because FEMA had issued mission assignments to the U.S.

Army Corps of Engineers to undertake this work—that many of the projects would have been completed by the 100% federal share deadline."

Because of this, Mr. Bryan said mission assignments for temporary medical clinics and debris removal are more than a year behind schedule. "We have administratively appealed FEMA’s decision, and are hopeful that these issues can be resolved in a cooperative manner," the governor said.

Read Mr. Bryan's full testimony *here*.