The Virgin Islands Consortium

USVI Has Yet to Expend $244 Million of CARES Act Funding, Potentially Jeopardizing Future Federal Allotments

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Senators who make up the 34th Legislature's Committee on Finance held their first hearing Tuesday, summoning government agency and department heads to understand how the government has been utilizing over half a billion dollars in CARES Act funding provided to the territory since the onset of the Covid-19 pandemic in March 2020.

Office of Management and Budget Director, Jenifer O'Neal, revealed that the territory received in total $545.6 million, has expended $300.9 million, and has yet to use the remaining $244.7 million. Asked by freshman Senator Samuel Carrion whether future allotments to the territory could be affected if the USVI fails to spend the money. Ms. O'Neal said it's a possibility.

Mr. Carrion also sought responses on why certain departments had yet to utilize millions of dollars received. The V.I. Housing Finance Authority, he said, had not spent some $5 million it received, and the Dept. of Planning and Natural Resources has only expended $200,000 from an allocation of $1.2 million, he said.

Ms. O'Neal stated she did not know why some departments were slow on spending the money.

Freshman Independent Senator Alma Francis-Heyliger said leaders need to be more sensitive to the needs of hurting Virgin Islanders. “There's a lot of people hurting, and until we get to the mentality that we have to do everything in our power to make sure everyone is ok, we are going to be in this situation. How do we be in a situation that we have over half a billion dollars and we are sitting here trying to figure out how to spend it?" she said.

Meanwhile, the V.I. Dept. of Labor, which has expended $107.1 million of the $124.7 million it has received from the federal government, as of Tuesday was planning to layoff employees critical to the already short-staffed department's operations, a matter brought up by Senate Donna Frett-Gregory.

Labor Commissioner Gary Molloy said D.O.L. would have to lay off certain employees because they were hired as temporary staff and were already serving for about a year. The employees had already received an extension in December, he said, which was set to expire in March.

Ms. Frett-Gregory castigated Mr. Molloy for his response. “We know the situation that we are in, we know that we have a number of temporary employees. Based on our situation, that is a really poor excuse," she said. "Don’t we have a state of emergency colleagues? Why would we be saying that? We are in a state of emergency." Ms. Frett-Gregory was referring to powers under the state of emergency declaration that allows the territory's chief executive to take certain unilateral action — including extending employment of temporary hires.

Senator Kurt Vialet, chairman of the Committee on Finance, also suggested that the governor use his authority under the state of emergency to extend the employment of the temporary employees.

Dept. of Health

D.O.H. Commissioner Justa Encarnacion said the department was using CARES Act funding in a number of ways. D.O.H.'s Epidemiology and Laboratory Capacity (ELC) received $4,668,794 to support seven laboratory positions, among them one epidemiologist, one administrative staff and one financial analyst, along with laboratory supplies.

The department also contracted Pafford Medical Services for $14.65 million from July 1, 2020 to Dec. 30, 2020 to help with emergency response. In addition to personnel, Pafford provided ambulances, equipment and supplies to combat the Covid-19 Pandemic, according to Ms. Encarnacion. The Pafford staff included 45 registered nurses, six respiratory therapists, five paramedics, six EMT basics, one physician assistant (ER/critical care), six dialysis nurses, four licensed practical nurses, and six cardiac monitoring techs, according to D.OH. testimony.

D.O.H. also utilized $345,791 of CARES Act funding to secure the salary and fringe benefits of twenty–seven per diem workers. CARES Act funding employees were paid from August 1, 2020 through the pay period ending January 30, 2021. The per diem employees consisted of site screeners, call center operators and contact tracers, according the health department.

Dept. of Education

Department of Education Commissioner, Racquel Berry-Benjamin, said that the department received $19.9 million. The department has expended 76 percent of public-school obligated funds in the St. Croix District, while only 4 percent of funds for non-public learning institutions had been spent. The numbers were similar in the St. Thomas-St. John District, with 71 percent of the budget for public schools being utilized while only 8 percent of funding for non-public learning facilities had been spent.

The main expenditure for both districts was procurement of technological devices, which cost $4,980,313 in the St. Croix District and $4,960,149 in the St. Thomas-St. John District, according to D.O.E. testimony. The balance to obligate for public schools in the STT-STJ District totals $2,005,092 and includes $554,315 in personnel; $1,212,263 in operating; and $238,514 in indirect costs. On St. Croix, the balance totals $1,660,844, and includes $330,605 in personnel; $1,021,412 in operating; and $308,827 in indirect costs.

Remaining balance for non-public schools on St. Croix totaled $1,580,034 and $2,158,997 in the St. Thomas-St. John District, said Mrs. Berry-Benjamin.

Dept. of Human Services

The V.I. Department of Human Services has received to date a total of $32.9 million, according to D.H.S Commissioner Kimberley Causey-Gomez. The commissioner said her department has spent about 80 percent of its CARES Act allocation.

The D.H.S. Head Start Program was awarded $785,654, of which $298,322.50 was expended on salaries and supplies for employees and operation of the summer program. Ms. Causey-Gomez said the department “is presently procuring devices for each Head Start child, online training and teaching components to a learning system that Head Start has utilized for more than a decade, in the amount of $410,340.”

D.H.S.'s Office of Child Care and Regulatory Services (OCCRS) paid $558,625 to 57 formal child care providers across the territory for full enrollment when the centers were closed in April, May, and June due to the pandemic, the department made known during testimony.

OCCRS paid $321,552 to 42 formal child care providers that received subsides, and 39 to informal friends, families and neighbors across the territory, said the commissioner.

OCCRS plans to use $1,606,313 to recruit a federal grant and program monitor; personal protective equipment (PPE); cleaning and sanitation supplies; non-contact thermometers; 14 portable devices to allow childcare staff to conduct scheduled and unscheduled inspections of formal and informal child care environments; and conduct field work to promote the OCCRS' "Children Are Our Future" campaign. Other uses of the funds include professional development and training activities. Even with the aforementioned, OCCRS will still have a balance of $883,561, which D.H.S. Ms. Causey-Gomez said will need to be obligated by September 20, 2022.

The D.H.S. Commissioner then talked about CARES Act funding for Child Welfare Services in which she expects the total of $22,245 to be spent by the end of 2021. There was an additional $43,594 granted to local agencies specifically for family violence prevention.

The Medicaid portion of the CARES Act provided a total of $4,650,099 for fiscal years 2020 and 2021 to D.H.S., according to D.H.S.

All funds were expended for the Low Income Energy Assistance Program, including $155,248 designed to help prevent, prepare for, and/or respond to home energy needs surrounding the national emergency created by the coronavirus disease, said Mrs. Causey-Gomez.

The commissioner said the Supplemental Nutrition Assistance Program (SNAP, or food stamp), will have issued $14.9 million over 11 months by the end of February.