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Plaskett Gets Congress to Forgive \$300 Million in USVI Community Disaster Loans Provided Through FEMA

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Delegate to Congress Stacey Plaskett, who served as an impeachment manager in the Trump trial, presented a strong case for conviction on Wednesday, Feb. 10, 2021. By. TOM WILLIAMS/CQ ROLL CALL/ZUMA PRESS

Legislation sponsored by Delegate to Congress Stacey Plaskett that calls on Congress to forgive \$300 million in Community Disaster Loans (CDL) provided to the U.S. Virgin Islands following the storms of 2017, has been approved as part of Congress's continuing resolution (C.R.) to fund the government through Dec. 3. This victory represents a milestone not only for Ms. Plaskett's efforts in Congress, but also for the USVI, as it increases the territory's odds on the bond market. The government has been contemplating another shot at financing as local leaders look for ways to stave off collapse of the Gov't Employees' Retirement System.

During an interview with the Consortium Tuesday, Ms. Plaskett expressed confidence that the measure would be approved. "That looks very good. If disaster forgiveness stays in there, which the Speaker [Nancy Pelosi] will probably keep so that members will be willing to pass it, then we will have our disaster loans forgiven," [she said Tuesday](#).

In a statement Thursday the congresswoman said, "This will save the Virgin Islands more than \$300 million in much needed revenue. It will also remove restrictions imposed on the territory's ability to obtain financing to mitigate massive revenue losses caused by the pandemic and preceding, severe hurricane disasters. The territory's continuing financial difficulties have been exacerbated by the CDLs—not only because of their repayment obligations, but also because of their impact on the territory's ability to access other forms of needed financing. The terms of the CDL promissory notes give FEMA and the U.S. Treasury the ability to preempt any further borrowing by the Virgin Islands and encumbers a major revenue stream."

Ms. Plaskett said the continuing resolution also extends the current enhanced rate of federal matching funds (89.2 percent) for Medicaid in the Virgin Islands through December 3, 2021 (the life of the continued federal government funding), which she said averts a sharp decline in the rate of federal Medicaid funding to the Virgin Islands.

"My office, working with the local government and other members of Congress representing the territories, was able to change the rate of federal matching funds in 2017 on a temporary basis which we have been able to continue. That change in the federal match for Medicaid, along with raising the amount paid by Medicaid has allowed the Government of the Virgin Islands to enroll over 20,000 additional Virgin Islanders in Medicaid, providing vital healthcare to our community," Ms. Plaskett said.

She added, "I am proud of the work done by the House Democratic Caucus to meet our country's responsibilities and advance the interest of all Americans. I am grateful to the House Leadership for including the forgiveness of the Virgin Islands' outstanding Community Disaster Loans in this CR. Working families count on the federal government to help provide the vital services they need. That's why I am proud to support this bill to continue investments in housing, public education and childcare."

Another important Plaskett item is a measure included in the National Defense Authorization Act of Fiscal Year 2022 that was approved in the House. The measure, part of Ms. Plaskett's original campaign promise, provides nonimmigrant visitor visa waivers for entry into the U.S. Virgin Islands for up to 45 days (primarily for residents of neighboring Caribbean countries).

"This limited visa waiver program would better enable the Virgin Islands to compete economically with other islands and nations in the Caribbean community," Ms. Plaskett said in a recent statement. "A nationwide U.S. Visa Waiver Program already allows nationals of certain countries to travel to the United States for up to 90 days without obtaining a visa. This amendment would apply solely to the U.S. Virgin Islands and, because the Virgin Islands is outside the U.S. customs zone, it would not allow entry into any other part of the United States."

On the measure's potential passage, the congresswoman said, "Quite often members like myself, if you can find some relevance you try and put your bill in a must-pass bill, and the National Defense Authorization Act is a must-pass piece of legislation. We have been talking with several senators about either sponsoring similar legislation in the Senate version, or ensuring that when the two bills are reconciled that our legislation is not stripped out."

In the House, Ms. Plaskett secured 18 Republicans to support her amendment, and she expects selfsame or stronger support in the Senate, which is considered to be a more moderate body. "We figured that the Senate is much more moderate so the likelihood of finding agreement is even more so over there," she said.

"That was something that I talked about when I first ran, so to be able to get that in would be tremendous to me," she added, referring to the visa waiver item.

Ms. Plaskett's ability to put in simple terms her accomplishments in Congress has the effect of concealing the gargantuan effort that goes into securing support in a polarized Washington. This work has become even more difficult as Congress grew more partisan over the years — amplified following the election of former President Donald Trump.

Part of her influence grew from Ms. Plaskett's placement on the Ways and Means Committee, but her high marks and ubiquity as an impeachment manager during the second Trump impeachment trial meant that movers and shakers in Washington now take her calls.

Ms. Plaskett also has some measures included in the \$3.5 trillion spending bill that is being advanced through budget reconciliation. However, because the final version of the reconciliation bill remains uncertain, the fate of the Plaskett measures included therein have not been determined.

Some of the items include language that would see the territory being placed back into the federal highways formula which would increase annual funding from the current \$16 million to \$40 million for the territory's roads. There's also a measure named the College Access Law, which would put Virgin Islands high school graduates seeking higher education on the mainland on equal footing with their counterparts.

"If you are a Virgin Islands resident and graduate from high school, when you apply to a state university you will be treated as in-state for tuition purposes," Ms. Plaskett explained. "If a Virgin Islands student graduates from Central High School and applies to UCLA or UVA, or Florida State, they will pay in-state tuition in those areas. This is something that I have been trying to do for a while and we have this for all of the territories [except] Puerto Rico."

The argument relative to why Puerto Rico wasn't included is that "Puerto Rico has multiple universities, but for places like the Virgin Islands, our students can't get every [college] major on the island," she said.