

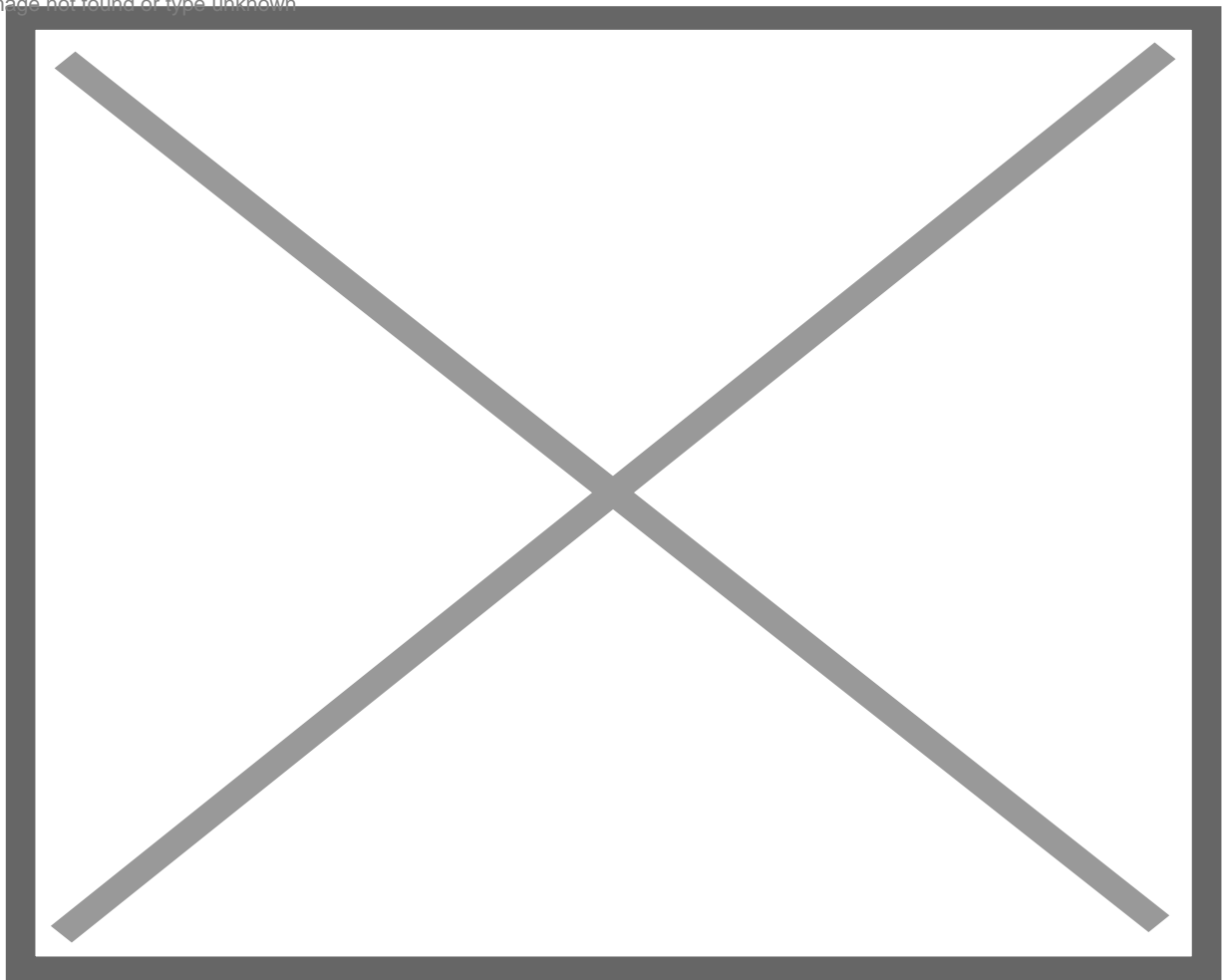
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This is How the Bryan Administration Plans to Spend \$547 Million Provided to Territory Through the American Rescue Plan Act

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The Bryan administration sent top officials from a number of government departments and agencies to face questions from lawmakers during a Committee on Disaster Recovery and Infrastructure hearing Wednesday. The goal of the hearing was to learn of the administration's plans for \$547 million allocated to the USVI as part of the \$1.9 trillion coronavirus-aid relief package, known as the American Rescue Plan Act, or ARPA, signed into law by President Biden on March 11, 2021.

In total, the USVI has been allocated \$746 million since the onset of the Covid-19 pandemic, including funding from two Covid-aid packages signed into law under former President Donald Trump (the \$2.2 trillion CARES Act in March 2020 and \$900 billion through another measure in

December 2020). Additional funding came from two measures under President Biden in March 2021: ARPA and the \$900 billion Infrastructure Investment and Jobs Act signed into law on Nov. 15, 2021.

Relative to ARPA, Office of Management and Budget Director, Jenifer O'Neal, said the USVI has been allocated \$547,176,884 and is in receipt of \$531,260,477. Importantly, the territory only received the 437-page rules from the U.S. Treasury Department regarding how to spend the funds on January 6. "OMB and the Office of the Governor are currently reviewing the final rule document with an eye on ensuring compliance of GVI's plan," she said.

The ARPA funds consist of:

- \$515,344,070 for the territory allocation under the Coronavirus State Fiscal Recovery Fund (CSFRF)
- \$10,333,962 - 50% of the county allocations under the Coronavirus Local Fiscal Recovery Funds (CLFRF)
- \$5,582,445 - 50% of the Non-Entitlement Unit (NEU) allocation.

There is an additional \$15,916,407 to be received for the balance of the county and NEU allocations. Of the funding received, \$17,186,521.16 has been expended as of December 31, 2021, Ms. O'Neal stated.

She said OMB compiled and submitted the "2021 Recovery Plan Performance Report" to the U.S. Treasury at the end of October 2021 as required by the then "Interim Final Rule", which outlines the territory's plans for the ARPA funds. A revised plan was submitted in December 2021 and is accessible at OMB's [website](#), she said, though a direct link to the plan was not provided.

Ms. O'Neal said the administration intends to achieve the following goals with the \$547 million provided to the territory:

- Create economically stable households through affordable housing developments, subsidized housing programs, workforce development, increased employment, and targeted economic support programs
- Increase the safety of Virgin Islands residents by mitigating the threat of COVID-19, reducing crime, and increasing the conviction of violent criminals within the territory
- Provide educational, economic, and emotional support for children, adolescents, and other vulnerable populations; and
- Improve the quality of life for all U.S. Virgin Islanders.

The OMB director also listed seven "major expenditure categories" allowed by ARPA. They are:

1. Public Health: \$81,750,000
2. Negative Economic Impacts: \$33,667,070
3. Services to Disproportionately Impacted Communities: \$46,000,000
4. Premium Pay: \$40,000,000
5. Infrastructure: \$163,227,000
6. Revenue Replacement: \$180,700,000
7. Administrative: \$1,832,814

The categories include total funding of \$547,176,884, of which \$531 million has already been released to the USVI, according to Ms. O'Neal. The funds are sitting in the territory's two major banks, First Bank and Banco Popular, split equally, according to Governor Bryan.

Of the \$547 million, the intended uses are as follows:

1. **Public Health** - \$81,750,000 The Public Health sector will receive roughly \$81,750,000. This includes:

- a. Vaccination Programs - \$7,000,000 has been targeted towards vaccination administration and incentive programs. As of 12/31/21, \$5,020,175 has been expended.
- b. Covid-19 Testing and Contact Tracing – The plan allocates \$4,000,000 for this purpose.
- c. Medical Expenses - The recovery plan includes \$6,000,000 for medical care expenses and \$21,000,000 for enhancing healthcare capacity. This funding will also assist with the treatment of Long Covid, the post-acute long-term effects of having Covid-19.
- d. Payroll Costs for Public Health, Safety and Other Public Sector Staff - The recovery plan includes \$25,000,000 in funding for government agencies to offset the cost of payroll expenses for those working directly to mitigate the pandemic.
- e. Other Public Health Services - The recovery plan includes \$5,000,000 for associated technology infrastructure, \$1,000,000 for public health data systems, \$250,000 to monitor case trends and genomic sequencing for variants and \$500,000 for support of vulnerable populations to access medical or public health services.

Other areas targeted within this category are as follows:

- \$2 million for prevention in congregate settings
- \$2 million for Personal Protective Equipment (PPE) • \$1M to support Quarantine and Isolation efforts • \$2 million for enforcement of Public Health orders
- \$1 million for Public Communication Efforts
- \$2 million for capital investments and physical changes to public facilities to mitigate the spread of COVID-19
- \$1.5 million for Community-based Mental Health programs to include school based and social-emotional support services as well as support for trauma recovery services
- \$500,000 for substance abuse programs

2. **Negative Economic Impacts** – \$33,667,070 \$33,667,070 is budgeted to assist with the negative economic impact being experienced by households and businesses alike, Ms. O'Neal revealed. This includes job training, assistance to the tourism, travel, and hospitality industries, and any other negatively impacted industry that can be demonstrated.

The recovery plan has earmarked:

- a. Household Assistance: Utility Aid - \$5,000,000 for utility assistance for households negatively impacted by the pandemic
- b. Internet Access Programs- \$250,000 for digital literacy training to help residents learn to navigate digital access to public services.

- c. Eviction Prevention - \$250,000 for counseling and legal aid to prevent eviction or homelessness.
- d. Job Training Assistance- \$2,000,000 for subsidized employment programs, \$7,000,000 for apprenticeships, skills development, and workforce training, \$500,000 for training programs for formerly incarcerated individuals, and \$500,000 for workers negatively impacted by the pandemic due to their occupation or training level.
- e. Small Business Economic Assistance - \$667,070 for small business economic assistance due to any fallout from the pandemic.
- f. Aid to Tourism, Travel, or Hospitality- \$17,000,000 for travel, tourism, hospitality or other demonstrated industries impacted by the pandemic. \$12,000,000.00 has been expended thus far to assist the West Indies Corporation (WICO) and the Virgin Islands Port Authority (VIPA) with experienced revenue loss due to COVID-19 and to support the rejuvenation of the cruise industry.
- g. Other Economic Support - \$500,000 for childcare assistance for unemployed individuals pursuing job training assistance

3. Services to Disproportionately Impacted Communities - \$46,000,000

"As the American Rescue Plan Act focuses on the promotion of equitable outcomes with special attention on disproportionately impacted communities, \$46,000,000 has been allocated to address vulnerable populations within our community," stated Ms. O'Neal.

The allocations are as follows:

- a. Healthy Childhood Environments- \$1,000,000 for the temporary expansion of the existing Department of Health Division of Maternal and Child Health's home visitation program for infants.
- b. Services to Foster Youth or Families- \$1,000,000 for additional support to the Department of Human Services – Division of Children, Youth, and Families for enhanced services for youth requiring foster care.
- c. Affordable Housing- \$20,000,000 to be offered by the V. I. Housing Finance Authority to offset the pre-development expenses of affordable housing construction and programs for individuals pursuing first-time homeownership.
- d. Services for Unhoused Persons - \$5,000,000 to provide supportive housing and other services for individuals experiencing homelessness.
- e. Housing Support - \$6,000,000 for supplemental housing vouchers for qualified renters.
- f. Community Violence Interventions – \$13,000,000 for crime response and community violence interventions. \$3,000,000 is allocated for technology improvements such as expanding the ShotSpotter network and installing surveillance cameras. \$2,000,000 has been earmarked to deploy a community violence intervention strategy which will be largely facilitated by the newly created Office of Gun Violence Prevention, \$1,000,000 to fund the prosecution of gun crimes and \$2,000,000 to address federal-territorial partnership initiatives. The recovery plan also includes \$3,000,000 to address Covid-related court backlogs and an additional \$2,000,000 has been earmarked for the hiring of law enforcement officials and the paying of overtime.

4. Premium Pay for Public and Private Sector Employees - \$40,000,000. "We are currently developing a retroactive premium pay program for public and private sector workers who were deemed essential and unable to telework during the first 12 months of the local State of Emergency. The recovery plan earmarks \$40,000,000 for this purpose," Ms. O'Neal said.

5. Water, Sewer and Broadband Infrastructure- \$163,227,000

The OMB director said a total of \$163,227,000 has been allocated for Water, Sewer and Broadband Infrastructure. The categories for all water and sewer projects are prescribed by Treasury and align with the US Environmental Protection Agency Clean Water and Drinking Water Revolving Funds.

The breakdown is as follows:

- a. Clean Water: Centralized Wastewater Collection and Conveyance - \$19,000,000 for the upgrade of pump stations, the relocation of force mains, and the rehabilitation of sewer lines.
- b. Clean Water: Stormwater - \$30,000,000 for the modernization of stormwater systems and drainage projects in the four (4) main historic towns.
- c. Drinking water: Transmission & Distribution - \$880,000 for water production and distribution system upgrades, \$58,200,000 for waterline expansion to unserved areas and another \$4,000,000 for rehabilitation of existing water lines that are past their useful life.
- d. Drinking water: Storage - \$18,000,000 for the rehabilitation of existing storage tanks and the construction of new storage capacity to facilitate system expansion.
- e. Drinking water: Other water infrastructure - \$3,147,000 for pump station upgrades, and booster pumps to improve water pressure in some areas of the distribution system.
- f. Broadband: Other projects - \$30,000,000 to support viNGN's efforts to develop partnerships and launch programs, harden the territory's Broadband Infrastructure, and develop a robust technology training program.

6. Revenue Replacement- \$180,700,000. "Like many other jurisdictions, the USVI has seen a revenue shortfall since the inception of Covid, primarily due to the reduction of tourism and the closure of businesses," Ms. O'Neal said. "These funds may only be used for the provision of government services to the extent of experienced revenue loss and is to be calculated at the end of each calendar or fiscal year from 2020 through 2023. We have conservatively earmarked \$180,700,000 spread over the next 4 years for revenue replacement."

7. Administrative - \$1,832,814.00

"To ensure sound fiscal management and oversight of these funds \$1,832,814 has been allocated to address necessary administrative costs incurred by the GVI," Ms. O'Neal stated. "While the ARPA funding provides wide latitude for governments to address recovery after the pandemic, I take this opportunity to remind everyone that there are some explicit ineligible uses of these funds.

They include the following, according to Ms. O'Neal:

- To fund reductions in net tax revenue due to any tax cuts
- To provide an extraordinary contribution to a pension fund for the purpose of reducing an accrued, unfunded liability.
- To fund debt service, legal settlements or judgments

- To provide deposits to rainy day funds or financial reserves.
- To fund general infrastructure spending outside of water, sewer, and broadband investments or above the amount allocated under the revenue loss provision.

In closing Ms. O'Neal delivered a message to lawmakers that she said came from Governor Bryan: "Governor Bryan has asked that this committee be further reminded that this is a preliminary plan and that he still trusts that this legislative body will partner with the administration to provide the people of the Virgin Islands with a collaborative spending plan. While it is the responsibility and jurisdiction of the executive branch to plan for and utilize federal funds received by the territory, we remain steadfast in providing transparency to all Virgin Islanders on the usage of these funds."

Senator Novelle Francis pounced: "That should have been the preamble," he said. "That should have been [Governor Bryan's] response [when the media posed that question to him in regards to the ARPA funds legislation.](#)"

Governor Bryan warned lawmakers during an interview with the Consortium on Monday that any attempt — be it through [legislation](#) — to control how his administration spends the ARPA funds would be met with forceful pushback. "We've beaten the Senate several times already in court and if they move to control this money that is what we will do," the governor told the Consortium. "It just kills me that we have so much money on the table and with the difficulty of getting money spent, they are creating another roadblock. This money needs to get out into the streets and we don't need to spend our time going to the Senate to justify how we're going to spend money."