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Thousands of Virgin Islanders at Risk of Falling Into Poverty When ARPA Funds and Covid Support Ends

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The impending withdrawal of the American Rescue Plan Act (ARPA) that provided the cushion that thousands of families in the Virgin Islands needed to survive the Covid-19 pandemic, could push up to nine thousand people into poverty as the territory would no longer benefit from targeted federal subsidies.

According to Kimberly Causey-Gomez, commissioner at the V.I. Department of Human Services, between 8,000 to 9,000 people may no longer be eligible for Medicaid because of federal guidelines which are based on their monthly income. “We go specifically with the poverty rates that were given to us through the federal mandates,” she said.

The pandemic as well as the war in Ukraine has increased food and consumer prices and the cost of fuel. And so with no assistance to take care of their health, these individuals will need to find other ways to supplement their incomes.

The U.S. Food and Nutrition Service (FNS) guidelines restrict the net monthly income of a household based on a state-wide procedure of the poverty rate. As of February 2023, 37,637 people received Medicaid inclusive of 380 newly eligible, while 11,031 people receive Supplemental Nutrition Assistance Program, called SNAP or food stamps, at a cost of approximately \$7.7 million.

The federal cap under SNAP to receive food assistance in the territory is also seen as a deterrent of economic prosperity. The cap depends on the size of a household and estimates, whether collectively, a family makes enough money to stop receiving federal assistance like Medicaid and SNAP.

Currently for a household of eight, the maximum amount represented in the federal guidelines has to be making less than \$4,000 monthly to qualify for SNAP. Similarly, a household of one is limited to making \$1,133 before they are no longer eligible to qualify for food assistance. When a family's income increases past the threshold, they are removed from SNAP within 30 days.

Ms. Causey-Gomez described the situation as "a fight against poverty."

"We have our own data on the Virgin Islands and we've been fighting and I think our delegate to Congress has helped us with especially the Medicaid aspect of things, but the poverty guidelines around it are going to be crucial especial when it comes to the eligibility for Medicaid," she said.

A reduction in the population of the territory also means a reduction in the amount of money allocated for federal assistance and without stimulus checks, Premium Pay and the like, similarly more families will have less income to live on. "If we can somehow raise that poverty threshold a little bit more, then what that does is that it allows for us to at least be eligible for the programs that are there to really be a supplement," she said.

"We went into all waivers and flexibilities and now they're just starting to end, what that impact will be on the Virgin Islands I'm not exactly sure, but we're going to have to look and see what we can find," the commissioner added.

Ms. Causey-Gomez was expected to meet with the U.S. Food and Nutrition Service this week to discuss the possibility of reviewing the poverty income threshold for the U.S. Virgin Islands so that it reflects the realities of the territory — a suggestion that Senator Donna Frett-Gregory, who spoke at the Committee on Housing, Transportation and Telecommunications hearing this week, strongly recommended.

"I really think it's something that needs to be revisited," the veteran lawmaker said... "The landscape has changed and Covid has changed a lot of things and based on where we are now, we can clearly see that, if that's the case, folks are going to be interested in not working and receiving assistance if the threshold is as low as this."

Both the senator and the commissioner agreed that a collective conversation as to how the matter would be approached is needed.