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Governor Bryan Requests Waiver from President Biden From Local Match for FEMA Hurricane Funding

Waiver could free up hundreds of millions for critical disaster-related recovery projects

U.S. VIRGIN ISLANDS — Governor Albert Bryan Jr. on Monday sent a letter to President Joseph Biden requesting that the president waive the local match provision regarding the remaining federal funding from the 2017 hurricanes.

In his request, Governor Bryan said freeing up CDBG-Disaster (Community Development Block Grant-Disaster) funding set aside to pay the territory's local match requirements is sorely needed as the USVI continues to mitigate the economic impact of the COVID-19 pandemic, which struck while the territory was still in the recovery of the economy and infrastructure devastation from Hurricanes Irma and Maria.

Congress appropriated more than \$8 billion in disaster aid to fund the territory's disaster recovery after hurricanes Irma and Maria in 2017. Much of that funding was appropriated through FEMA's Public Assistance Program.

Currently, the Virgin Islands Government has to pay a 10 percent local match on FEMA public assistance funding. In his letter, the governor explained the unavailability of hundreds of millions in local funds is impeding the territory's ability to access an estimated \$4 billion to \$5 billion in funding for approved recovery projects.

The Government of the Virgin Islands was approved to utilize CDBG-Disaster funding to satisfy the 10 percent cost-share. However, using those funds to match cost-share requirements would take away more than \$600 million, or approximately one-third, of the CDBG-Disaster funding appropriated to the territory from other approved critical disaster-recovery projects.

Freeing up those CDBG-Disaster funds to redirect them into hurricane-related economic revitalization programs would immediately benefit local businesses that are now suffering even more from the hurricanes and the pandemic.

"The resulting infusion of money and development into the Territory would materially improve our difficult financial situation and the health, safety and welfare of our people and permit us to immediately redirect the HUD funds to more than a half-billion dollars of other desperately needed economic revitalization, infrastructure resilience, and affordable housing projects," Governor Bryan wrote. "And because the dollars that would be released by the cost-share waiver have already been appropriated, this massive economic stimulus would have a federal budgetary cost of zero."

Among his actions last week, President Biden signed an executive order that removed the requirement for local matching monies associated with National Guard resources to combat the pandemic and instructing FEMA (Federal Emergency Management Agency) to fully fund National Guard activity and FEMA public assistance without a local funding obligation.

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