



**AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009 (ARRA)
PRESENTATION TO THE COMMITTEE OF THE WHOLE**

THE TWENTY-NINTH LEGISLATURE OF THE VIRGIN ISLANDS
FRITZ LAWAETZ LEGISLATIVE HALL

Providing a Review of the ARRA Program Through January 31, 2011

Prepared and Presented by the Office of Economic Opportunity
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INTRODUCTION

Good morning, President Ronald Russell, members of the 29th Legislature, fellow testifiers, ladies and gentlemen in the chambers and in the listening and viewing audience. I am Angel E. Dawson, Jr, Executive Director of the Public Finance Authority. I come before you in response to your request for information on the performance of investments made in the Territory by the American Recovery and Reinvestment Act of 2009 (ARRA). Thank you for the invitation.

The *ARRA Performance Report Through December 2010*, was delivered to the Legislature on Friday, February 25, 2010, pursuant to the requirements of Act No. 7063, the Virgin Islands Economic Stimulus Funds Accountability and Transparency Act of 2009, as amended (the Act). My testimony today will focus on the activities and performance of ARRA investments through January 31, 2011, with specific focus on the central Government agencies.

Accompanying me are the representatives of the semi-autonomous agencies also invited to testify - the University of the Virgin Islands, The Water and Power Authority and the VI Housing Finance Authority. I will present the performance report for the central government agencies and the semi-autonomous agencies will speak to the performance of their respective entities.

Role of the OEO and ARRA

The PFA, through its Office of Economic Opportunity, acts as a support agency that assists all ARRA fund recipients in the Territory in submitting and, in some cases, directly developing grant applications for those entities applying for grant funds under the ARRA. The OEO has also been designated by the Governor as the lead agency for

monitoring, oversight, reporting integrity, and managing compliance with the regulations for all ARRA spending in the territory, a requirement of the Act.

The OEO is also the recipient of four awards under the ARRA for the Broadband Technology Opportunities Program (BTOP). They are the State Broadband Data Development Program, the Comprehensive Community Infrastructure Program, the Public Computing Centers, and the Sustainable Broadband Adoption Program. The Virgin Islands received one of the largest awards of any recipient under the US flag.

Overall Summary of ARRA Performance

The Summary Chart included in this testimony is similar to the Summary Table provided in the Legislature's ARRA Performance Report Through December 2010. As indicated earlier, this chart has been updated to reflect activity through January 2011. This chart describes the projects funded by ARRA awards, the actual expenditure against these awards, the obligated and unspent funds, jobs created and retained, and the completion status of the respective projects. All information presented here today, and a rich set of reports and details are available on the OEO website at <http://oeo.usvipfa.com>.

The Virgin Islands ARRA Program comprises over one hundred and fifty projects awarded as follows:

- **Government Agencies** – The Department of Human Services, the Department of Health, the Department of Labor, the Department of Planning and Natural Resources, the Department of Public Works, the Law Enforcement Planning Commission, the Office of the Governor, and the VI Energy Office.
- **Semi-Autonomous Instrumentalities** – The Office of Economic Opportunity, the University of the Virgin Islands, the VI Housing Finance Authority, the West Indian Company Limited, and the Waste Management Authority.

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- **Not for Profit Organizations** – The East End Medical Center Corp, the Frederiksted Health Clinic, the Lutheran Social Services, VI, the VI Council on the Arts, the VI Resource Conservation and Development Council and the Women's Coalition of St. Croix.
 - **Business and Industry** – Crowley Liner Services.
 - **Federal Agencies:** VI National Parks, VI Housing Authority.
 - **Direct Federal Recipients** – Small Business Loans, Food Stamps increases, Unemployment Compensation, Pell Grants, Payments to Veterans and Social Security recipients, Family Loans, and Tax Refunds.

The awards were allocated across fourteen categories identified as follows:

CATEGORY	AMOUNT AWARDED BY CATEGORY
Agriculture and Food Development	\$ 404,000
Arts and Entertainment	\$ 50,000
Broadband	\$ 67,454,925
Education	\$ 86,379,031
Energy and Water Development	\$ 35,752,627
Fiscal Relief for Individuals and Businesses	\$ 54,994,823
Fiscal Stabilization (Government Services)	\$ 12,915,583

AWARD CATEGORY	AMOUNT AWARDED BY CATEGORY
Health and Human Services	\$ 9,298,207
Homeland Security (FEMA)	\$ 1,877,126
Housing and Urban Development	\$ 33,327,249
Interior and Environmental Protection	\$ 4,709,282
Labor & Workforce	\$ 3,279,085
Law Enforcement	\$ 6,117,890
Transportation	\$ 22,284,112

Performance on the awards made in these categories are reflected in the following profile:

As of January 31, 2011, the Virgin Islands received \$ **\$364,843,940** and spent **\$172,557,431.69**. This represents 44% of the ARRA funds received. It also includes the payments made by the federal government directly to VI residents to include payments to veterans, social security recipients, tax refunds and perhaps the largest beneficiaries are the recipients of Temporary Assistance to Needy Families (TANF) and Supplemental Nutrition Assistance Programs (SNAP) on the order of as much as \$ 8.5 million. Government agencies, semi-autonomous instrumentalities and non-government agencies received **\$272,745,309**, and spent **\$83,940,869.68**, **31%** of funds awarded. When we separate the government agencies' awards from all awards, government agencies received **\$265,465,963** and has spent **30%** with currently as much as **60%** obligated to be spent by the third quarter of 2011.

This ensuing portion of my testimony focuses on the performance of government agencies and the semi-autonomous instrumentalities. I respectfully propose the following as the format for our presentation. I will present a comprehensive overview for the central government agencies and representatives of the semi-autonomous instrumentalities will present as well.

We have divided the agencies invited into four "**Blocks**" and the presentation will be delivered by these Blocks:

- **The Law Enforcement Block**, which includes the Law Enforcement Planning Commission (LEPC), the VI Police Department, the Bureau of Corrections, and the VI Department of Justice.
- **The Health, Human Services, Housing and Urban Development Block**, which includes the Department of Health, the Department of Human Services, the VI Housing Finance Authority.
- **The Labor and Education Block** which includes, the Department of Labor, the Department of Education and the University of the Virgin Islands,
- **The Energy, Water Development, Environmental Protection and Transportation Block**, which will include, the VI Energy Office, The Department of Planning and Natural Resources, the Department of Public Works, and the Water and Power Authority.

Law Enforcement Block

The Law Enforcement Block which includes the Law Enforcement Planning Commission (LEPC), the VI Police Department, the Bureau of Corrections, and the VI Department of Justice, has received \$6,117,890.00 and expended \$2,102,505.80. The awards in this category were made to government agencies. LEPC was awarded the Edward Byrne Memorial Justice Grant

(JAG) for \$4,972,500 as the prime recipient and in turn sub-awarded these grants to the VI Police Department, the Bureau of Corrections and the Department of Justice.

The VI Police Department (VIPD)

The VIPD was awarded \$2,500,000 for the projects identified and spent \$859,433; obligated \$180,991, and has \$1,459,576 to be obligated.

Bureau of Corrections (BOC)

The BOC was awarded \$1,000,000 for the projects listed and spent \$275,317; obligated \$258,457 and has \$466,226 to be obligated.

The Department of Justice (DOJ)

The DOJ received \$1,200,000; spent \$275,316.72, and has obligated its remaining funds - \$924,683.28.

The LEPC was also granted the Victims of Crime award of \$507,000, the majority of which was sub-awarded to Not-for-Profit community organizations as seen here. \$342,900.55, have been expended, and \$164,099.45 obligated.

The Violence Against Women (STOP) Program received \$638,390, spent \$136,644.90 and obligated \$501,745.10.

The Health, Human Services, Housing and Urban Development Block, which includes the Department of Health, the Department of Human Services, the VI Housing Finance Authority received \$ 42,625,456.00 and expended \$ 21,717,214.01.

The Department of Human Services received \$5,588,999, primarily for social programs as described. Approximately \$4 million has been expended, \$1,628,708.12 have been obligated and \$108,038.68 are unobligated. Several of these projects are complete.

The Department of Health was awarded \$1,451,003, expended \$47,377.00, obligated \$201,937.50, and has \$1,201,688.50 to be obligated or released by its grantor. The VI Housing Finance Authority received \$23,412,542 primarily for housing projects. The Authority has spent \$9,043,112, and obligated \$14,369,703.

The Labor and Education Block which includes, the Department of Labor, the Department of Education and the University of the Virgin Islands, was awarded \$101,692,616 and spent \$43,693,270.69. The Department of Labor directly received \$ 3,279,085, which was put to use as indicated. Most of the Department's funds are expended - \$2,708,864.41. The department has also obligated \$554,652.59. Only \$15,568 are left to be obligated. The VI Department of Education is one of the largest recipients of ARRA funds in the Territory. Of the \$85,147,381, received, \$36,601,842.98 were spent, \$15,243,700.02 have been obligated and \$33,301,838 are left to be obligated. The University of the Virgin Islands received \$8,797,800, of which \$3,842,197.3 has been spent, \$1,618,894.70 are obligated and \$3,336,708 are left to be obligated.

The Energy, Water Development, Environmental Protection and Transportation Block, which will include, the VI Energy Office, The Department of Planning and Natural Resources, the Department of Public Works, and the Water and Power Authority received awards totaling \$62,746,021. \$20,870,125.81 have been spent. The Energy Office received \$9,593,500, expended \$1,179,615 and has obligated \$8,413,885 for its Energy Efficiency Conservation Block Grant. The funds have been used for the programs as described. The State Energy Program received \$20,678,000.00, has spent \$4,333,904.88 and has obligated \$2,487,742. The Weatherization Program was funded \$1,415,429, spent \$696,324 and has

\$367,492 available for obligation. The final award received by the VI Energy Office was for the State Energy Efficient Appliance Rebate Program. The program was awarded \$104,000, and has spent \$663. The remaining funds are to be obligated.

The DPNR received \$1,999,999 for Drinking Water Capital Improvement and has spent \$1,460,760.67. \$538,239.43 have also been obligated. \$100,000 was made available for Technical Assistance from the federal government. These funds can be drawn on by the Federal government to provide assistance to the DPNR. The Leaking Underground Storage Tanks (LUST) Fund spent \$41,415 of its award and has obligated the remaining \$38,676.00.

The Department of Transportation received \$18,000,000 for the Territorial Highways Program. \$10,551,150.26 have already been spent on the programs shown with the remaining \$7,448,849.74 obligated to be spent. \$3,000,000 were set aside for Ferry Boat purchase. The DPW is awaiting release of the obligated funds by the federal government before it can access these funds. The Transit Capital Assistance project is specifically for Bus Shelters. \$500,058.00 have been spent and \$784,054.00 obligated. The DPW is the recipient of this award; however, the work is performed by the Waste Management Authority. \$601,155 have been spent and the remaining \$1,361,543 are obligated.

The Water and Power Authority (WAPA), like the Waste Management Authority is the recipient of awards from both the DPNR and VIEO totaling \$3,719,015, as indicated. \$1,701,568.03 are already spent and \$2,095,446 are obligated to be spent.

Mr. President, this concludes my testimony. I appreciate the opportunity to have shared these details on the ARRA program and I remain available for any questions or discussion