

## **LAWMAKERS UPDATED ON THE STATUS OF THE TERRITORY AFTER HURRICANE IRMA AND HURRICANE MARIA**

**Date :** October 13, 2017

St. Thomas – The Committee of the Whole led by Senate President Myron Jackson, held a meeting at the Capitol Building on Friday, to receive testimony on the Territory’s status and the aftermath of Hurricane Irma and Maria from Governor’s Financial Team, the Government Health Insurance, Hospitals & Medical Centers and the Virgin Islands Department of Labor.

“Given the fact of two hurricanes, we have been out of commission for a month. May God continue to bless us through these trying times. We are known for our strength and resilience. Today, the first branch of government will add to the recovery,” said Sen. Jackson.

Before the hurricanes, the Committee on Finance held meetings in regards to the Governor’s FY 2018 Budget recommendation for all government departments and agencies. However, once the natural disasters occurred, members of the 32nd Legislature were unable to complete the process by passing the appropriation of bills that would determine the budget for FY 2018. As a result, effective October 1, 2017, the funds for the fiscal year 2017 will be re-appropriated for FY 2018.

“Considering that originally there was a ten percent reduction for FY 2018, and now the budget is based on FY 2017, will there be payless paydays for government employees?” inquired Sen. Dwayne DeGraff. Director of the Office of Management and Budget Nellon Bowry said, “That is a cash issue. However, I do not anticipate any at this point.”

Sen. Brian Smith shared his concern about the government fairly compensating first responders in

the Territory for their post-hurricane overtime hours. “Many of the first responders such as the Virgin Islands Police Department and the Water and Power Authority have made extraordinary sacrifices. Do not pay them retroactive monies that can happen two years from now. Get those men and women paid fast for their time.”

In response, Clarina Elliot, Executive Assistant Commissioner of the Department of Finance stated that an assessment has begun. “We have requested per department the submission of total work hours of first responders for post-hurricane.”

The total FY 2018 General Fund expenditure budget, including debt service and tax refunds, is \$914.8 million. The General Fund revenues and resources estimate, for the FY 2018 budget, totalled at \$833.9 million, stated Director Bowry. He added, “The indicated \$80.9 million gaps would obviously be widened significantly by the expected revenue loss and additional unreimbursed expenditures resulting from the Hurricanes. The FY 2018 budget gap could widen to as much as \$325 million. Disaster-induced budget gaps will continue into FY 2019 and FY 2020.”

Sen. Forde inquired about the cost or estimate of the damage in the Territory by both hurricanes. Director Bowry said, “The figures are still unknown. The cost will be determined based on the collaboration of the federal and local governments.”

Despite the budget gap, Excise Taxes should increase due to an exponential of items/products that imported to the Territory for hurricane relief efforts stated Donnie Dorsett, Senior Policy Analyst for the Bureau of Economic Research. “However, individual income may decline due to job losses, and Hotel Revenues will decrease because of the loss of rooms available,” he added.

In addition to the Governor’s Financial Team, the Government Health Insurance, Hospitals & Medical Centers and the V.I. Department of Labor shared their post-hurricane updates.

In comparison to FY 2017, annualized premium projections for the Government Health Insurance will increase by five percent for FY 2018. Beverly Joseph, Chairperson of the Government Employee Service Commission said, “All health insurance coverages combined will increase from \$155.4 million in FY 2017 to \$165 million in FY 2018. Comparatively, this is an increase of \$9.6 million of which the employer share will be 65%/35% for all participants.” The Government Health Insurance coverage does not include Vision Care Insurance because members are wholly responsible for this.

Bernard Wheatley, Chief Executive Officer of Roy Lester Schneider Regional Medical Center (RLSH) stated that the RLSH, the Charlotte Kimelman Cancer Institute, and Myrah Keating damaged as a result of the hurricanes. However, despite the structural challenges some of the services that are available are Emergency Services, Cardiology, Hemodialysis, Intensive Care Unit, Maternal Child Health Services, and Laboratory Services. Due to the steady decline of patients, SRMC needs a cash influx to keep the doors open, he stated.

Richard Evangelista, Acting Chief Executive Officer of the Governor Juan Francisco Luis Hospital and Medical Center (JFL) shared similar sentiments. The roof and the infrastructure of the hospital were severely damaged. Over a hundred patients were evacuated and relocated to the United States. JFL is collaborating with Federal Agencies to assist with the disaster response and recovery efforts.

Lastly, updates from the Virgin Islands Department of Labor (VIDOL) include a report of severe damage to the St. Thomas office building, according to Catherine Hendry, Esq., Commissioner of VIDOL. As a result, some operations were moved to the St. Croix offices including processing of unemployment insurance for claimants, and printed and distributed unemployment Insurance Checks. VIDOL is also collaborating with the local and federal governments for recovery efforts.

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