



Government of the Virgin Islands of the United States
Department of Human Services

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March 18, 2009

Honorable Adlah “Foncie” Donastorg
Senate President
Legislature of the Virgin Islands
Capitol Building
P.O. box 1690
Charlotte Amalie, St. Thomas
USVI 00804

Dear Senate President Donastorg;

Please accept this response to your letter of March 10, 2009 requesting Human Services plans for the \$1.8 million expected under the ARRA for the Consolidated Block Grant program. I have also included additional ARRA updates.

Regarding the Consolidated Block Grant, CBG, the US Department of Health and Human Services, HHS, indicated to me during a telephone call this week that an information memorandum describing the allowable uses of these funds will be issued on March 20 or 21 with an informational webinar to follow in early April. At approximately the same time frame, HHS will confirm the exact amount of funds that will be made available for the Virgin Islands. We will be happy to update the Legislature following the release of this information.

Human Services uses the annual CBG funds to combine with general fund dollars to assist in the funding of the following services:

- Congregate meals
- Day care for adults
- Homemaker services
- Home delivered meals
- Protective services for adults
- Recreation services for seniors
- Transportation
- Case management in child welfare services
- Foster care
- Protective care in child welfare services
- Licensing of child care facilities
- Special services for the disabled

It is our intent, to the extent allowed, to use the funds to replace GVI general fund dollars for these functions. In particular, we hope to use funds to cover the costs of creating a "Quality Rating System" for licensing child care centers and to provide funding for the enhancements in child welfare services that we are planning through a multi-agency public-private partnership. If we receive the \$1.8 million that was projected, it will amount to an approximate \$900,000 dollar per year additional for two years to the \$6 million dollars received for the CBG.

The majority of funds Human Services expects to receive under the ARRA will be for additional SNAP benefits. Under the USDA, SNAP (Supplemental Nutrition Assistance Program, formerly food stamps) is increasing monthly benefits by 13.6%. DHS has updated the computer files for the 14,000 beneficiaries who will receive the increased allotments beginning April 1, 2009. Over the ARRA period, this benefit could amount to \$13 million dollars.

Human Services expects to receive \$1.8 million for the Child Care Development fund which provides child care subsidies for low income working parents. As with the CBG, the federal guidance has not been released. The funds received under the ARRA will be used to expand child care slots and possibly increase provider payments. Particular use for the quality improvement set-aside will be to provide funding with the CBG to implement a "Quality Rating System" to assist and encourage child care centers to meet higher quality care standards by providing enhanced subsidies for those who achieve higher ratings.

The DHS Head Start program may receive \$907,000 under the ARRA. As with the programs mentioned above, federal guidance has not been released. Head Start requires a 20% match and will likely require that stimulus funds are matched to this level. Currently, DHS overmatches the federal Head Start fund as our minimum salaries cause us to exceed the level of cost per child the federal government will fund. We have requested guidance on whether the amount of our over match on our annual grant can be applied as a match to the stimulus funds. Once we receive an answer, we will have a better concept of how best to use the additional funds. It is likely the funds will be used for playground construction and Head Start Center renovations.

Additional information by the federal government on the ARRA is being released each week. We monitor this daily for updates. Next week we will host a meeting for non-profits to provide them with information on possible opportunities under the ARRA.

Thank you for your interest.

Sincerely



Christopher E. Finch
Commissioner