



State Of The Territory Address

JANUARY 13, 2020





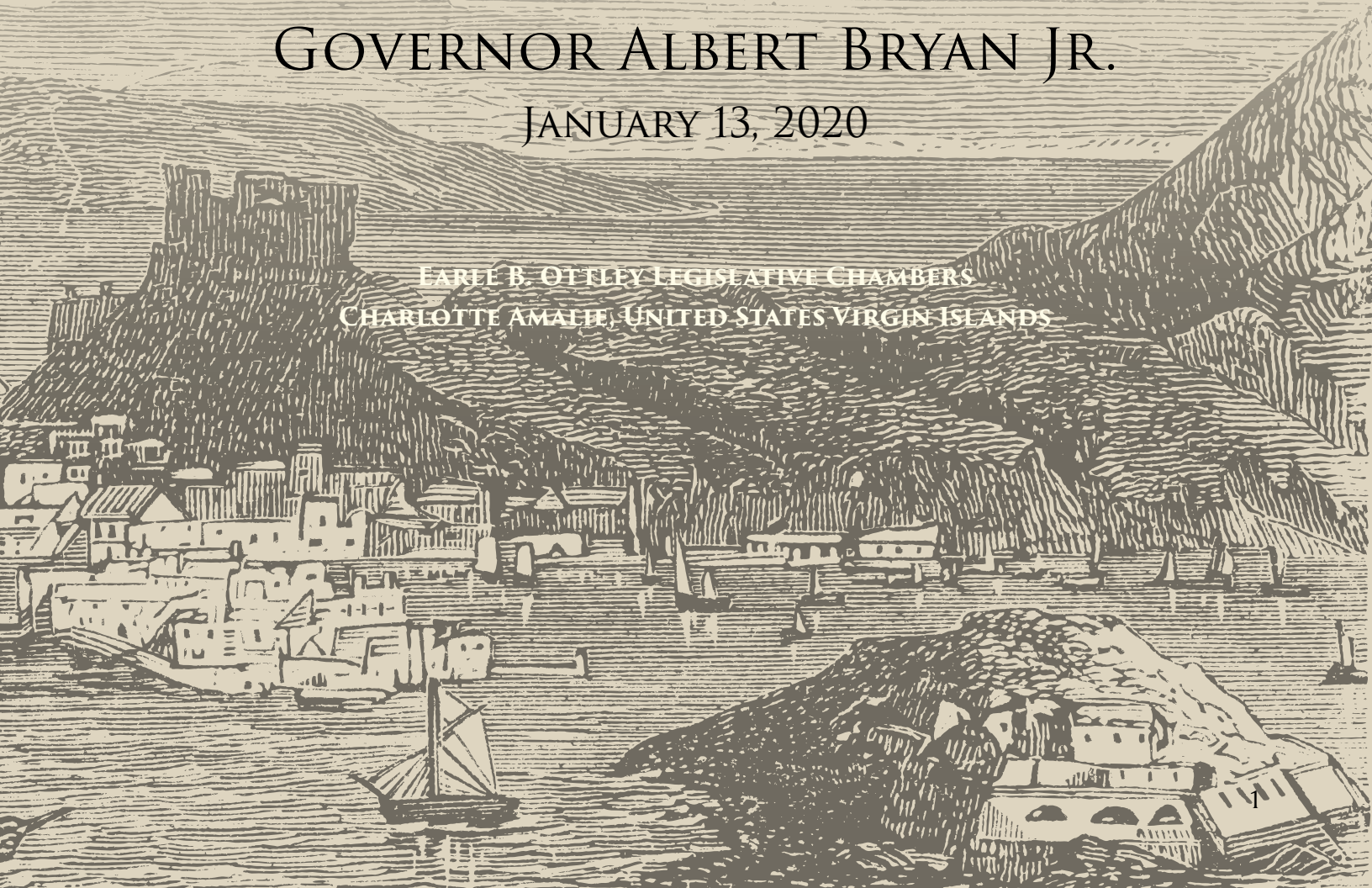


State Of The Territory Address

GOVERNOR ALBERT BRYAN JR.

JANUARY 13, 2020

EARLE B. OTTLEY LEGISLATIVE CHAMBERS
CHARLOTTE AMALIE, UNITED STATES VIRGIN ISLANDS



Reverend Leroy Luke, the Honorable Lt. Governor Tregenza A. Roach, the Honorable Senate President Novelle E. Francis, Jr. and members of the 33rd Legislature, the Honorable Delegate to Congress Stacey E. Plaskett, Chief Justice of the Supreme Court of the Virgin Islands the Honorable Rhys Hodge and the Honorable Justice Ive Arlington Swan of the Supreme Court of the Virgin Islands, the Honorable Harold W. L. Willocks, Presiding Judge, and other Honorable Judges of the Superior Court of the Virgin Islands, Chief Judge of the District Court of the Virgin Islands, the Honorable Wilma A. Lewis and the Honorable Judges of the District Court, The Honorable Gretchen Shappert, U.S. Attorney for the District of the Virgin Islands, members of the Cabinet and other agency heads, my wife Yolanda Bryan, invited guests, and my fellow Virgin Islanders; good evening.

I begin by expressing gratitude to the servicemen and women of our Virgin Islands Army and Air National Guard. Tonight, as I speak to you, airmen of our 285th Combat Engineer Squadron and soldiers of the 661st Military Police Unit are deployed to Africa and the Middle East.

We thank them and their families for their selfless service to our nation. As we are now in a time of great uncertainty in the Middle East, please keep them and the other Virgin Islanders serving in active duty across the globe in your thoughts and prayers.

This evening, our thoughts and prayers are also with the people of Puerto Rico as they suffer through the repeated earthquakes of the last few weeks. Our familial, social and commercial ties to the people of Puerto Rico are undeniable. Therefore, when they suffer, it affects us deeply. We pray for their speedy recovery from this most recent set of disasters and ask our residents to remain vigilant and stay prepared.

Tonight, I appear before you for the second time as Governor of the Virgin Islands of the United States to report on the State of the Territory as mandated in the Revised Organic Act of 1954. Informed by the knowledge of the true state of the government after having served a full year in office, we have laid a foundation for moving forward based on our assessments. This past year has been one of trials and triumphs.

Last January, the Lieutenant Governor and I took the helm of a government that was in a state

of distress. The Government of the Virgin Islands had less than a few days of cash on hand. The outgoing financial team warned of potential cash shortfalls and the prospect of a missed payroll last March.

Our government was attempting to balance the budget with revenues from a refinery that had not yet received its federal environmental permits to open and begin refining. Our government was attempting to balance the budget with excise tax revenues that the federal courts had expressly barred us from collecting.

Our hotel industry and tourism product, which is the largest contributor to our economy, was devastated by Hurricanes Irma and Maria. We were staring down the Medicaid fiscal cliff that threatened to take thousands of Virgin Islanders off their sole source of health insurance and increase the government healthcare costs.

While the promise of billions of dollars in federal recovery aid existed, we quickly recognized the Government of the Virgin Islands did not yet have the capacity required to navigate the vast bureaucracy necessary to access those funds.

The roofing program administered by the Housing Finance Authority hung in limbo with a deadline that would leave 2,000 Virgin Islanders roofless. We had not yet received the necessary approvals from FEMA to fully compensate the contractors who were doing the work much less to move forward with an extension of the program that would make Virgin Islanders whole.

This time last year, many of our instrumentalities were also in distress. The Federal Aviation Administration or (FAA) was threatening to close the Cyril E. King Airport for failure to properly maintain the runway and to institute adequate safety measures. The FAA also continued its warnings of the possible closure of the Henry E. Rohlsen Airport as a result of the failure to cease operations at the Anguilla landfill. Our hospitals were in dire straits trying to provide critical healthcare to patients in storm-ravaged facilities.

The Department of Labor was on the brink of federal receivership, and the HeadStart program was also in fiscal trouble; boards and commissions were without quorums or were

depending on members whose terms had long since expired. Our schools were disrupted with some campuses and buildings slated for demolition, and the countdown clock to the insolvency of the Government Employees Retirement System continued ticking.

The Bryan-Roach Administration knew that fully solving each one of these issues would not be possible within the first twelve months of taking office. However, I can confidently report this evening that the state of our territory is on the mend.

Guided by our three mandates, we have set the territory on a new course to a brighter Virgin Islands for all of us. We are stabilizing our government to restore public trust. We are continuing the recovery and rebuilding effort. And we are laying a solid foundation in which to grow our Virgin Islands economy.

Our strategy for achieving stability for the Government of the Virgin Islands is perhaps best illustrated in the Fiscal Year 2020 budget. That budget plan, submitted last May, was substantially approved and went into effect on October 1st. The budget reflects the Bryan-Roach Administration's core beliefs that we must live within our means, pay what is owed and prepare for an uncertain future. I thank you for your support in embracing that approach.

The Fiscal Year 2020 budget is a conservative spending plan based on realistic projections of revenue collections. It is not a wish list of things we would like to do; it is a plan of action based on what we can afford to do.

It addresses the need to adequately compensate workers in the public sector to attract and retain talented employees. The budget includes full funding for the pay increases promised by the previous administration during the 2018 campaign to gain reelection. This added 41 million dollars to the payroll of the central government.

It also includes additional funding in anticipation of concluding contract negotiations with the bargaining units. Perhaps most significant is that we managed to balance our first year's budget with no additional borrowing, no presumption of collecting back taxes and without the collection of the excise taxes.

Always mindful that we must be prudent, we have included a \$5 million dollar appropriation to the Budget Stabilization Fund as a cash reserve for rainy days, which we know are sure to come. Thank you, Director Jenifer O'Neal and the staff at the Office of Management and Budget for your leadership in carefully crafting our Administration's first budget.

In stabilizing the government, we are not only seeking the public's trust, but also the trust of our investors. We are progressing in our goal to rebuild the confidence of all financial investors in the Virgin Islands. Tonight, I am pleased to announce that we have seen the first significant bond rating improvement in a very long time. Standard and Poor's Global Ratings raised the Territory's outlook from negative to stable and affirmed its "A" rating on the USVI Garvee bonds.

Likewise, our formerly "unstable" Caa3 bonds and the ratings on the territory's four liens of Public Finance Authority's matching fund revenue bonds were confirmed as "stable" by Moody's Investor Service.

The upgraded bond ratings are due to recent improvements in the government's liquidity and near-term financial position driven by the receipt of federal disaster assistance, a surge in tax revenues from reconstruction and an increase in concession fees from the Limetree refinery facility. This puts the territory in a much-improved position to secure financing for major capital improvement and other projects at lower, more favorable rates.

In our goal to rebuild the confidence of all financial investors, we hosted an investor conference in December. This effort, led by the PFA board and Director of Finance and Administration Nathan Simmonds, is a first step towards improving our standing with all credit rating agencies, which has declined over the last six years. We have no immediate need for central government borrowing but have begun the work on restoring access to the municipal bond markets.

But an important part of stabilizing our government and restoring public trust is to be open. Lt. Governor Roach and I have committed to leading an Administration that is honest, transparent and accountable. In keeping with that commitment, we launched an official

government transparency website in April 2019, the first of its kind in the territory. The website, transparency.vi.gov, contains a comprehensive real-time database of revenues and expenditures of the territory's funds and is accessible to all. As we demonstrate our commitment to be the best stewards of the government's dollars, all Virgin Islanders are encouraged to visit the site regularly for updates on our fiscal position.

The pending insolvency of the Government Employees Retirement System remains a looming threat to the economic and fiscal well-being of the territory. Our approach to addressing this has not changed from our presentations during the campaign. To preserve the pensions of existing retirees, we must approach this from two directions. We must provide a cash infusion to increase the investment portfolio of the System before it liquidates its assets to the point of insolvency. Then we must restructure the existing benefits package to make the plan for current and future employees more sustainable.

We have been actively pursuing sustainable revenue streams that are large enough to support a bond issuance to provide the necessary cash infusion. We are in active discussions with rum distillers that are interested in starting operations in the Virgin Islands. We have begun lobbying efforts on increasing the Virgin Islands share of the Caribbean Basin Initiative funding and support the efforts of this body in pursuing the capture of the gasoline excise taxes.

This past December, I called the Senate into special session to consider the passage of an amendment to the Medicinal Cannabis Patient Care Act. The existing law legalized medical cannabis cultivation, manufacturing, dispensing and consumption. The proposed amendment submitted to this body amends the law to restrict locations in which cannabis-related activities can take place; it facilitates access to this emerging market for small commercial farmers; and it establishes preferences for participation in the industry by local businesses. It provides automatic expungement of criminal records for previous minor cannabis-related infractions.

Most importantly, it creates a taxing regime for the local industry that will generate higher revenues than the current law allows. We have proposed that 75 percent of those revenues be dedicated to the Government Employees Retirement System. Twenty percent would

support the regulation of the industry, and the other five percent would fund programs for our senior citizens. The revenues generated from this industry can benefit the System as a direct contribution. However, the goal is to create a funding stream that is reliable enough to ultimately support a revenue bond that can provide a needed cash infusion to the system.

This is by no means the panacea or final solution for the GERS crisis, but a small part of a larger solution. It begins the process of generating the new revenues required to stave off the insolvency of the System. It takes existing policy, approved by this body, and leverages it to support this critical area of need. We must acknowledge the opportunities that regulated expansion of this industry can bring to the territory and the potential benefits to the GERS. I urge this body to take the necessary action to approve the amending legislation we have proposed.

At this time in our history, with so much riding on federal recovery funds, we have to be ever vigilant. Many in our community are quick to raise the specter of overwhelming public corruption within the government. And while there have been prominent cases of public corruption, it has been our experience thus far that it is more speculation than truth. However, this pervasive belief undermines the fundamental trust that we are striving to rebuild in our residents towards our government.

Attorney General Denise George and the staff at the Department of Justice recently led a successful prosecution of a long-standing case within the past administration of the Roy Lester Schneider Hospital. I want to applaud her and her staff for finally bringing that case to a conclusion after eight years and successfully pursuing justice on behalf of the people of the Virgin Islands.

We must continue prosecuting these cases and win back the public's trust, which is why we included in the Fiscal Year 2020 budget funding to reinstate the white-collar crime unit. It is also why, even after the Legislature's rejection, we have requested a supplement to the budget to reconstitute this unit within the Department of Justice.

I call on this body again to appropriate the funding necessary for the creation of this unit.

We must be serious about weeding out corruption and the perception of corruption from our government and safeguarding our taxpayer dollars.

Restoring the public's trust is more than just committing to transparency and accountability, it is also about providing the services the public deserves — the services that ensure the safety and security of our residents, especially the most vulnerable among us.

We can no longer accept untimely responses to critical emergencies. We can no longer afford to place our citizens in the position of having to render immediate emergency care or drive themselves or a loved one to the hospital in an emergency. We can no longer accept people dying waiting on an ambulance, and so we are placing the help where it is needed.

We have created a clear pathway for the full integration of Emergency Medical Services into the Virgin Islands Fire Service. We have developed and presented to this body a thorough plan for the operational management and proper regulation of the combined entity to be known as the Virgin Islands Fire and Emergency Medical Service, or "FEMS."

With the passage of this legislation, we will soon have a full cadre of cross-trained/multi-role firefighters trained at the minimum to the Emergency Medical Responder level.

While change is often met with hesitation, we can all agree that the community needs and deserves reduced ambulance response times to medical emergencies. Moving ambulances closer to our neighborhoods and having emergency response personnel available to respond to medical emergencies from our fire stations can mean the difference between life and death.

I assure the dedicated emergency medical technicians and paramedics who are making the transition from the Department of Health will be met with respect and professional management. I join the residents of this territory in thanking you for your willingness to make this change. Thank you to Fire Service Director Daryl George Sr. and Health Commissioner Justa Encarnacion for your steadfast support of this initiative.

I trust I will have the support of this body to approve this legislation within the first quarter of this year so that we can make excessive waiting on an ambulance by the residents in Frederiksted,

Fortuna or Coral Bay a thing of the past.

This Fire-EMS integration, along with the Street Addressing Initiative currently underway in the Lieutenant Governor's office, will rebuild the confidence of our residents that first responders will quickly get to them in their most desperate times of need. The Street Addressing Initiative may be the most important infrastructure project in modern Virgin Islands history. Ensuring that every street in this Territory has an address is going to be life-changing for the members of this Virgin Islands community. I commend Chris George, Director of the Geospatial Information Systems Division within the Office of the Lieutenant Governor, for the work being done on this initiative.

One year ago, as I stood here before you, our community was reeling from a scourge of gun violence, which had claimed the lives of five people in January alone.

I vowed, then, that our Administration would work double-time to ensure we do something about it. And while we have seen slightly fewer gun-related deaths this year than in 2018, the 36 men and women, mostly young people whose lives were tragically cut short, is 36 too many.

Last year, the VIPD, through its Virgin Islands Crime Initiative, removed 150 illegal firearms from our streets and made 75 related arrests. The VIPD has also made 17 arrests in open homicide cases in 2019 alone.

To the families and loved ones of the victims, I stand here today to tell you that we will not stop until we bring those responsible to justice and until we rid our territory once and of all of these illegal weapons.

We will not stop until we keep illegal firearms out of the hands of our young people and convince them to embrace alternatives to a life of crime. We will not stop until they understand that disputes or disagreements don't have to end in taking the life of their brother or sister.

The dedicated men and women of our Virgin Islands Police Department are on the front line of this effort. In 2019, we welcomed 26 new officers to the ranks of our law enforcement community and have an additional 48 recruits entering the academy this week. We continue to

work closely with our federal partners to supplement the ranks of our local law enforcement and with U.S. Attorney Gretchen Shappert to ensure our best efforts to remove violent offenders from our streets.

But reducing crime in the Territory involves more than law enforcement. It involves empowering our young people and creating disincentives to a life of crime. It involves enriching our families and building up our communities and continuing our commitment to targeted prevention and behavioral support programs.

There is no stability without assuring that our people have access and the means to pay for health care. In the last four years alone, the number of Medicaid participants grew from 14,000 to 29,000.

The Administration testified before Congress three times last year, in our effort to rectify the Medicaid Fiscal Cliff. I also met with White House Administration officials and both Speaker of the House Nancy Pelosi and Senate Minority Leader Chuck Schumer to impress on them the urgency of this matter.

Not doing so would have resulted in the loss of healthcare services for many of the 29,000 Medicaid members. The proposed legislation will provide the Territory with \$126 million for Fiscal Years 2020 and 2021 and increase the federal match rate from 55 percent to 83 percent. This is truly a historical moment, given that the Medicaid match rate has remained unchanged for more than a decade.

Thanks to the collaborative efforts of my office, the Delegate to Congress Stacey Plaskett and United States Senators Mike Crapo, Joe Manchin and Lisa Murkowski, we were successful in averting the Medicaid Fiscal Cliff for us and our sister territories in the Union.

Just weeks into our Administration, I issued an Executive Order declaring a mental health emergency in our community from the lingering effects of the 2017 hurricanes and the scarcity of behavioral health resources.

The Executive Order called on the Department of Health to expedite the recruitment of

behavioral health professionals and called for the immediate deployment of providers from the Public Health Services Commissioner Corps and other federal programs.

Since then, we have taken several definitive steps to address our mental health challenges. The Department of Health has re-established the Behavioral Health Alcoholism and Drug Dependency Services Council.

We hired Vernita Bicette as the Territorial Director of Mental Health and Deputy Commissioner Renan Steele, who is a Mental Health Specialist, returning home from abroad. We re-opened the behavioral health “Clubhouse” on St. Croix as a facility to provide wrap-around services for individuals with behavioral health issues. The “Clubhouse” currently provides group and individual assessments, therapeutic sessions, career coaching and art therapy. Outpatient services are provided in both districts at the Behavioral Health Alcoholism and Drug Dependency clinics.

We have reopened the Eldra Schulerbrandt Long Term Care Residential Behavioral Health Facility on St. Thomas and are currently providing residential services for several patients from St. Croix.

Earlier today, we submitted for the consideration of this body, The Virgin Islands Mental Health, and Disabilities Act. It is the first comprehensive bill that addresses behavioral health challenges and mental health disorders experienced by people in our community.

Thank you, Judge Willocks, Health Commissioner Justa Encarnacion and your team for partnering with us to address the crisis of mental health in the territory.

But as we address this crisis, we must also confront the very real nexus between mental health and homelessness. As of January 2018, there were almost 500 people in the Virgin Islands experiencing homelessness on any given day.

This past year, our Administration began placing the homeless from our streets into care facilities. The Bryan-Roach Administration also re-established the Interagency Council on Homelessness, led by Human Services Commissioner Kimberley Causey Gomez and Virgin

Islands Housing Finance Authority Executive Director Daryl Griffith.

Through this collaboration, we have begun removing homeless individuals from our streets and connecting them to the health and social services that they deserve. We have begun to identify locations for temporary supportive housing for those experiencing homelessness and have recently finalized the purchase of the Villa Morales property on St. Croix. This acquisition follows the purchase of the former Kronegade Inn in Christiansted, and we are currently looking at properties for locations in this district.

Housing and mental health services are the keys to addressing the needs of people experiencing homelessness, and for the first time, we are putting significant resources to work to address these basic needs.

Our Administration is dedicated not only to eradicating homelessness in our community, but also to giving every opportunity to people living in poverty who have far too few options. President Barack Obama understood that and raised the amount of compensation for the Earned Income Tax Credit to give folks that chance. Over 40 percent of tax returns are a result of that benefit, and withholding the payment is a travesty and an impediment to their progress. It is that simple.

The Bryan-Roach Administration wants to ensure that refunds are issued on time as a routine course of business. We have committed to ending the longstanding backlog of refunds owed to taxpayers. Taxpayers should be as confident that their government will pay them when they are owed as they are that we will collect from those who owe the government.

In 2019, the Department of Finance issued 25,227 refund checks totaling approximately \$64 million. We reduced our spending to pay your tax refunds. This completes the payout of eligible 2016 refunds for those taxpayers who filed on time. Included in this sum was \$22.7 million owed in eligible refunds for Tax Year 2017.

We are committed to meeting our mandate and adding another \$40 million in payouts. If we are diligent in this effort, we can finally get caught up on tax refunds by the end of this calendar

year. And once we have done that, we will make sure we pay the \$10 million set-aside for retroactive wages owed to retirees.

We look forward to the cooperation of this body in helping us get there and your continued support in helping the Government stay current in its obligations owed to tax filers. Thank you to Finance Commissioner Kirk Callwood and BIR Director Joel Lee and both of their staffs for their assistance in making 2019 financially brighter for taxpayers and local businesses as more money circulating in our community results in a boost to our local economy.

The priorities for our recovery and emergence into a new Virgin Islands are hospitals, schools, roads, housing, and most certainly, WAPA. In the last three weeks alone, the Bryan-Roach Administration has secured over \$1 billion toward that end. Our government's progress in recovering from the devastation of Hurricanes Irma and Maria, although admittedly slower than I would like and frustratingly complicated with federal bureaucratic red tape, remains on track.

We have built the capacity within the Office of Disaster Recovery to manage the funding and associated projects through internal staff and third-party project managers. We have also put in place the appropriate controls to avoid expending funds without the necessary documentation, because we do not want to have to pay back a dime.

We have identified our top 100 priority projects. You may ask how it is that we can have 100 projects, and they all still be priorities. The reality is that this is less than 10 percent of the 1,500 project worksheets that we have for FEMA. Our mandate requires that we deliver on at least \$400 million in capital projects every year for the next 10 years just to keep pace. In the history of the Virgin Islands, this level of capital investment is unprecedented.

The Government of the Virgin Islands is working to secure more than \$8 billion in federal recovery aid through various programs over the next few years. This funding is not sitting in the local government's coffers; we are required to justify the need for every dollar.

Most of these resources are being delivered through four main federal programs – FEMA

Public Assistance, FEMA Hazard Mitigation, the Federal Highway Emergency Relief Program and the HUD Community Development Block Grant for Disaster Recovery.

We have not wavered in our commitment to ensure that this funding comes to the territory.

Through consistent lobbying efforts and meeting with Delegate Plaskett and officials from FEMA, HUD, other federal agencies and congressional representatives, we have been able to secure tremendous opportunities to maximize funds to rebuild our beloved Virgin Islands.

The Territory has been awarded \$1.9 billion of the CDBG-DR grant funds, which has been divided into four tranches. We have received \$242 million of Tranche 1 funds, which will be used for housing programs, the electrical system and various economic revitalization projects, such as workforce training and port dredging.

While the VIHFA's Tranche 2 Action Plan was approved by HUD since March of 2019, the \$779 million in funding was only made available to the Territory on December 31st. Despite the abundance of concern, we were successful in not being lumped in with Puerto Rico. We met with HUD Secretary Ben Carson and HUD Undersecretary David Woll on several occasions to expedite the approvals, and after careful review, we have signed it.

Tranche 3's Action Plan is due to HUD on April 6, 2020. We continue our track record of excellence and expect to receive HUD approval of the Action Plan after submission.

Through our continuing efforts, we have secured an estimated 549 million dollars of other disaster-related funds for the territory. In total, out of the \$8 billion that the territory is expected to receive, \$3.6 billion or 45 percent, has been made available for spending.

We will continue to work with our federal partners and local agencies to ensure that all additional eligible funding becomes available in a timely manner. This will result in modernized schools, well-equipped hospitals, resilient roadways and a reliable electrical grid.

Thank you to Office of Disaster Recovery Director Adrienne Williams-Octalien and her staff for the diligence they have demonstrated in overseeing the progress of our recovery.

The repair and reconstruction of our healthcare facilities are of utmost importance to our Administration. Most pressing is the completion of the temporary facility at the Governor Juan F. Luis Hospital. Conditions at the Luis Hospital were less than ideal before the storms and have only been exacerbated since then. Unfortunately, the construction of the temporary facility has experienced significant delays, caused in large part by poor decisions made by the previous administration in the immediate aftermath of the storms.

While the temporary modular structures have been built at the Luis Hospital, the required furnishings and equipment were excluded. The good news is that through the hard work of Acting Chief Executive Officer Dyma Williams and her team, we have secured \$26 million, and a supplemental contract was awarded for completing the temporary facility.

While pursuing the opening of the temporary hospital, we have begun our efforts to construct the new permanent hospital. In May of last year, FEMA officially determined that the damages to Juan F. Luis Hospital were significant enough to meet the threshold for complete demolition and replacement of the existing structure. Just last month, we secured \$10 million from FEMA to design the rebuild of the permanent hospital. The Luis Hospital staff is currently drafting the solicitation for architectural and engineering services to initiate the design process.

Currently, we are awaiting approval from FEMA to proceed with a phased reconstruction process for the Roy Lester Schneider Hospital on St. Thomas. A plan has also been developed to expand the facility to incorporate the Department of Health and the Department of Human Services as a temporary location for their operations.

Comprehensive damage assessments of the Charlotte Kimelman Cancer Institute and the Myrah Keating Smith Community Health Center have been completed and submitted to FEMA for approval. The staff will issue a Request for Proposals to begin architectural design on both facilities.

The Charlotte Kimelman Cancer Institute is a top priority for our Administration. Virgin Islanders diagnosed with cancer should not have the added burden of traveling overseas to receive proper medical attention. Our Administration intends to approach the rebuild of these

healthcare facilities comprehensively and synchronize the rebuilding efforts across the districts and ensure that best practices are implemented across the board.

Join me in thanking Dr. Bernard Wheatley for his many years of dedicated service to the Schneider Regional Medical Center, and we bid him a fond farewell and best wishes on his retirement.

The hurricanes of 2017 destroyed Julius E. Sprauve School on St. John, Arthur A. Richards Junior High School on St. Croix, as well as the Addelita Cancryn Junior High School and the Curriculum Center right here on St. Thomas. Every other educational facility sustained some form of damage, and several campuses contained buildings that were so severely damaged that they needed to be shuttered.

We are currently developing an educational facilities master plan with community input and the assistance of the New Schools Construction Advisory Board. The first round of public open houses was held in October on all three islands to garner the support and the input of both internal and external stakeholders. The advisory board has proposed industry standards that have been endorsed by the American Institute of Architects. The targeted goal for completion of the master plan is June of this year.

Funding has been identified to begin the demolition of several sites and start the design process for the new structures, starting with Charlotte Amalie High School. I want to thank this body for approving the line of credit for the demolition of this school and ask that they make the necessary amendments to the legislation so that we have access to these funds.

Preparations will be made to relocate the Raphael O. Wheatley Skills Center to a portion of the Gladys Abraham School site, thereby allowing students from Building C at Charlotte Amalie High School to move into a renovated Wheatley Skills Center site. Structurally compromised buildings at Charlotte Amalie High School will be demolished. As a student who attended Charlotte Amalie High School in the 1980s, I am sad to see its current state, but under this Administration, it will be returned to its full glory.

In addition to that campus, the existing Arthur A. Richards Junior High School is also slated for demolition. The current campus of the Evelyn Williams School in Estate Paradise has been identified as the future location of the Arthur Richards K through 8 school and, therefore, will require demolition as well.

Design will begin later this year for the modernization of several schools to include St. Croix's Claude O. Markoe School and Yvonne E. Milliner Bowsky on St. Thomas. Design will also begin on the much-anticipated new Julius E. Sprauve K through 12 campus on St. John. This new facility will eliminate high school students residing on St. John having to travel by ferry to St. Thomas to attend school. Both the federal and local governments have finally agreed on a site for the new school and are in negotiations for a land swap.

As we manage these transitions and rebuild the physical footprint of the Virgin Islands public school system, the safety and comfort of our students and faculty remain our utmost concern. We continue to plan and execute projects to maintain our existing school sites and the temporary modular facilities. With the help of the Legislature, we have set aside over \$5 million to help maintain and temporarily repair our ailing education infrastructure. We thank Commissioner of Education Racquel Berry Benjamin, Dr. Dionne Wells-Hedrington and their very capable staff for their support as these transitions occur.

In the first year of our Administration, the Department of Public Works successfully completed many federally and locally funded road projects and began work on a significant number of others.

On St. Thomas, repairs have been completed to Scott Free Road to include the demolition of the structurally unsound bridge. The repair of the hurricane-damaged Pilgrim Terrace Bypass has also been completed.

Last year, repairs were also completed to the collapsed Perimeter Road adjacent to the Schneider Regional Medical Center and the approaches to the Turpentine Run Bridge. Numerous areas in Old and New Tutu have been repaired as well.

The St. Thomas Veterans Drive Waterfront Project-Phase 1 is currently ahead of schedule and expected to be completed in the summer of 2021. Phase II of the Waterfront Project is currently being designed and is expected to be completed late this summer. Likewise, the Main Street Revitalization Project is now nearing completion.

We are pleased that the contractor was able to complete the installation of the brick pavers and reopen Main Street to vehicular traffic before Christmas. To Main Street's business community, I thank you for your leadership and your patience as we work to complete this project.

Road repairs in Crown Bay are about 50 percent complete, as they are in Frenchtown. Repairs to Fortuna Bay Road are beginning this month, and on St. John, a \$25 million reconstruction project for Centerline Road is now being scoped.

On St. Croix, the West Airport Road has been repaired. Approximately 5 miles of road was resurfaced and striped along the Queen Mary Highway, from Hannah's Rest to the Paradise traffic signal. Repairs were also completed to the neighborhood roads in Estate Anna's Hope, one of our largest veteran communities on St. Croix, and repairs to other neighborhoods are on the way.

The Melvin H. Evans Highway project was broken into six segments for bidding purposes. Three of those segments are now complete, two additional segments began construction last month and the final segment is currently being designed.

Road repairs in the Sion Valley/Sion Farm area are about 50 percent complete, including sidewalks and drainage. Repairs to Scenic Road-East are nearing completion, and we have resurfaced the Beach at Carambola. Repairs to several streets in downtown Frederiksted, as well as the Mahogany Road, are being prepared for bid.

Additionally, in September of last year through our hard work, FEMA granted the territory permission to repair all federal and local damaged roads funded by the Public Assistance program to rigorous federal highway standards. This will ensure that these repairs are sturdy and

long-lasting, with the necessary attention being paid to the design and workmanship.

And just a note to Nakai Theodore, the Claude O. Markoe Elementary School student who handed me my first constituent letter last year. Please let your Mom know that last year the design of the repairs to the Estate Carlton Road was completed; the bids have been received; a contractor has been selected; the contracts are being drafted; and that road is about to be repaired. As you requested, the ride definitely will be easier on her car.

In addition to the road repairs, we are addressing drainage concerns through several flood control projects. Funding has been approved by Congress for improvements to the La Grange Gut on St. Croix and the Turpentine Run and Savan guts on St. Thomas. These projects will be managed directly by the U.S. Army Corps of Engineers, and they require no local match. We continue to work with our Washington D.C. team to ensure that we get our other flood control projects funded.

The Department of Public Works has replaced all traffic signals on St. Croix damaged by the 2017 hurricanes. Traffic signals on the island of St. Thomas are partially completed, but all signalized intersections are at a minimum operational as of this month. The final shipment of permanent signals will arrive in February, and the estimated completion of new St. Thomas traffic signals is the end of March. Contracts have been awarded for the installation of road signs. Additionally, task orders have been issued for the striping of roads Territory-wide.

We are making steady progress daily on the reconditioning and repair of our roads. For every road project in progress, there is another one out for bid and two more being designed. We are ensuring that we only dig once, and that is before we pave the road — not after.

The Department of Public Works will be very busy for the foreseeable future, and we congratulate Commissioner Nelson Petty Jr. and his small but hardworking staff for pushing these projects through.

From the beginning of the Bryan-Roach Administration, our plan for housing was straightforward. We sought to immediately restore hurricane-damaged homes and ensure

safe and secure rental units within our housing communities and the private sector. Our goal is to now address the long-term needs of our Virgin Islands residents and communities through services and programs designed to help everyone — the homeowners, tenants and landlords. In FY 2020, a total of \$60 million is earmarked for housing development. This includes funding for Permanent Supportive Housing and shelters to provide the facilities to assist our homeless population.

The Virgin Islands Housing Finance Authority's Emergency Home Repair program concluded on April 15, 2019. This is after we secured two hard-fought extensions from FEMA. Our team worked with the Delegate, contractors and consultants to ensure these services were available. Phase 1 of the program conducted temporary repairs for 6,560 homeowners. Phase 2 of the program provided permanent roof repairs to 1,648 homeowners. In total, the program allowed over 24,000 residents to shelter safely in their own homes this past hurricane season.

I must mention that the roofing program was the first of its kind and a tremendous success, even though, as I mentioned earlier tonight, the challenge of this program was the failure to fully compensate the contractors who performed the work. I am pleased to report that after numerous meetings and a lot of hard work with the leadership at FEMA, on December 31, 2019, FEMA obligated \$233 million to pay the contractors. That will generate \$12 million in Gross Receipts Taxes.

The VIHFA has launched the Envision Tomorrow Program to restore hurricane-damaged homes. This past October, the Authority selected a construction management firm, and that work has commenced. To date, 42 contractors, the majority of which are local, have been pre-qualified to perform repairs and construction services as part of the program. There are over 1,500 homeowners currently registered. They should expect to receive award letters in the next few weeks.

Knowing that even these efforts are not enough, we have decided to raise the full amount of the roofing program under VIHFA from \$60 million to \$240 million. We understand the plight of our homeowners most impacted by the hurricanes, and we are dedicated to ensuring zero blue

roofs in this Territory.

Executive Director Daryl Griffith has been on the front lines of this recovery effort from the very beginning, caring for individuals who lack the basic necessity of a safe and secure place to shelter and call home. I congratulate him and his team for their hard work.

In addition to the Envision Program, we have laid the foundation for the complete renewal of our inventory of affordable housing. Our Public and Affordable Housing Program comprises projects within the Virgin Islands Housing Authority as well as the Virgin Islands Housing Finance Authority. I look forward with great anticipation to changing the face of what public housing looks like throughout the Virgin Islands. We will achieve this through the rehabilitation and development of affordable and mixed-use rental housing and with the development of new subsidized, project-based affordable housing units for low to moderate-income individuals.

Specifically, priority is being given to the redevelopment of the Tutu Housing Community. In 2019, VIHA completed the master planning of the Tutu properties. In 2020, the first phase of a 3-phase redevelopment and repositioning project will begin with the construction of 40 senior housing units.

On St. Croix, 100 dormant apartment units in the Walter I.M. Hodge Pavilion Housing Community in Frederiksted are being rehabilitated to allow them to be rented. The first 20 units were completed last year, and the remainder are expected to be completed this year. An estimated 100 single-family units in Williams Delight that are currently unoccupied will be rehabilitated for the purpose of homeownership.

This Administration will continue to invest in the services and programs necessary to help Virgin Islanders evolve economically, thus giving families the ability to succeed in becoming self-sufficient and to achieve their personal goals for homeownership.

We thank the staff of the Virgin Islands Housing Authority and Executive Director Robert Graham for their hard work and diligence in ensuring that families still recovering from the storms will have a safe and secure shelter.

To achieve a complete recovery for our territory, we must have reliable and affordable energy, which is the absolute foundation for sustaining a strong economy and a decent standard of living. Last year for the first time in a long time, this government paid its debt in full to WAPA, which enabled the utility to keep the lights on and the water flowing. Now we must focus our efforts on transforming our utility by financially stabilizing the Authority, improving storm resiliency, and increasing the use of renewable energy. Upgrading the generation systems at both islands' power plants must also be a priority.

WAPA is slated to receive over \$2 billion in funding to renew its generation and power distribution systems. One billion dollars of this funding will provide underground circuits for over 50 percent of WAPA customers.

These grants will now enable WAPA to build its own solar and wind generation systems, along with battery storage for the island of St. Croix. On St. Thomas, a private partner is positioned to rebuild the Donoe Solar Farm, and an Emergency Generation-Hazard Mitigation Project for St. John is underway that will outfit St. John with two standby 4-megawatt generating units and up to 2 megawatts of battery storage. The transformation of WAPA is underway.

We thank the Virgin Islands Public Services Commission for the recent decision to afford the Authority the requested base rate adjustment. While the adjustment will not increase the kilowatt-per-hour cost for customers, nothing about the rate adjustment request and process has been easy.

As ratepayers, we have grown frustrated with the cost and reliability of water and power provided by WAPA; and we all can agree the billing system is a complete mess that must be addressed. We must all now hold WAPA accountable to its plan.

We endeavor to do the things necessary to reduce rates and to create a more sustainable operating environment for WAPA. In this vein, we commit to hiring a project monitor in the Office of Disaster Recover with the requisite experience to keep WAPA honest and on track with their commitment to the people. This Administration believes in the hard-working employees at the Virgin Islands Water and Power Authority but recognizes that change is needed in

perspective, management and personnel. We will be working with the Board towards that end.

For those employees who put our grid back together and continue to work on our behalf to keep the lights on, we will continue to support you in your efforts. As a government, we pledge to stay current in paying WAPA while holding it accountable to implement a renewable generation plan that will transform the Authority.

This past year was a baptism by fire for VITEMA and our disaster response apparatus. We experienced direct hits from Hurricane Dorian and Tropical Storm Karen. Dorian passed through the territory as a Category 1 hurricane, and Karen struck us a month later as a strong tropical storm. These storms provided the first test of our hurricane preparedness and resiliency, and two years after Hurricanes Irma and Maria, we were able to bounce back and get people back to work less than two days after the storms.

When Lt. Governor Roach and I entered office last January, we found the leadership ranks of VITEMA to have been depleted. We have replenished those management positions with a strong group of qualified and dedicated individuals led by VITEMA Director Daryl Jaschen. We have recently completed an update to the Territorial Emergency Operations Plan, and VITEMA is continuing to conduct training and preparedness exercises to maintain readiness in response to all potential disasters.

Our geographical location and the challenges inherent with the effects of global climate change require us to be nothing less than excellent at disaster preparedness and response. Therefore, we have set a goal of having VITEMA earn certification by the Emergency Management Accreditation Program. In doing so, we will join dozens of other states and many cities that have attained the highest standard in the field of emergency management. We have set the mark, and we know we can count on Director Jaschen and his team to get us there.

Across this government, we are striving to raise our standards of performance.

Thanks to Lieutenant Governor Roach and the meticulous efforts of his staff, the U.S. Virgin Islands is now accredited under the National Association of Insurance Commissioners

Financial Regulation Standards for the very first time. The NAIC accreditation, which required a comprehensive assessment by an independent review team, will enable the Division of Banking, Insurance and Financial Regulation to establish and maintain NAIC standards to promote sound financial solvency oversight and regulation of insurance companies. What this means is that the Territory will be able to attract new insurance companies to offer more insurance products to our people. More importantly, new insurance companies doing business in the territory means more competition, which could lower the cost of insurance for the people of the Virgin Islands. We thank this body for adopting the NAIC model laws that were required to secure this achievement.

The strength of our regulatory structure was tested by the insolvency of Real Legacy insurance company in the wake of the 2017 hurricanes. Many of the company's policyholders were placed in financial jeopardy, as it found itself unable to pay all of its claims. Lt. Governor Roach intervened as the court-appointed Ancillary Receiver and administered the utilization of the Virgin Islands Insurance Guaranty Fund to bring relief to those policyholders. It was only prudent that we included an increase in the FY 2020 budget to the minimum requirement of the Insurance Guarantee Fund from \$10 million to \$20 million. The claims from Real Legacy policies totaled \$18 million, and it would be negligent not to ensure we have at least this amount set aside in the rare instance that a company should become insolvent. We commend Gwendolyn Hall-Brady and the entire team in the Division of Banking, Insurance and Financial Regulation for their hard work this past year.

Our economy continues to rebound from the fiscal shocks of the last decade that saw the global recession in 2009, the energy crisis of 2010 that carried rates to 52 cents a kilowatt-hour, the closure of the HOVENSA refinery in 2012 and the catastrophic devastation of the 2017 hurricanes. According to the U.S. Department of Commerce's Bureau of Economic Analysis, the Virgin Islands' economy grew by 1.5 percent in 2018. However, they attribute this growth primarily to the federal grants received by the territory for the hurricanes. Private-sector economic indicators, such as tourism and related industries, have declined during the same period. The economy is being propped up by a significant amount of public sector spending. While we work to put those dollars to effective and efficient use, it is crucial that we also use this period to build a foundation

for private-sector growth.

In this regard, we have great news to report related to airline traffic into our territory. Our most recent analysis shows that air arrivals increased by approximately 43 percent during 2019 as compared to the same period in 2018.

American Airlines has recently launched weekly direct flights from Dallas and Chicago to St. Thomas. Meanwhile, United Airlines has increased its flights from Chicago to St. Thomas to three times per week. JetBlue will begin operating a daily nonstop service from Boston, and American Airlines added a third daily flight from Miami.

St. Croix has also seen tremendous growth in airlift. American Airlines extended a daily flight from Charlotte, North Carolina, to St. Croix during the Christmas season. American has also pledged to increase its Miami-to-St. Croix service to three flights daily, starting this summer.

St. Thomas finished last year within 94 percent of its pre-storm airlift capacity. St. Croix has now exceeded its pre-storm airlift capacity. It is worth noting that this growth is being achieved despite several of our largest hotel properties remaining closed since 2017. Tourism Commissioner Joseph Boschulte and his team have done a wonderful job in demonstrating that the Virgin Islands are once again open for business.

Immediately before the storms in 2017, there were more than 4,500 hotel rooms available Territory-wide. As of September 2018, only 2,500 were still available. However, as our large hotels complete their repair and renovation projects, we anticipate the number of rooms available to grow to 3,550.

St. Thomas' Ritz Carlton reopened for business in 2019, and later this year it will be joined by the reopening of the Frenchman's Reef and the rebranded Noni Beach resort. St. Croix's Carambola and Divi Carina Bay resorts are also scheduled to reopen this year, giving a significant boost to the St. Croix tourist economy.

The property lease on Hotel on the Cay in the Christiansted Harbor expires at the end

of the year, and with that expiration comes an opportunity to redevelop that property with new development partners. We are currently in discussion with developers on several hotel projects on the island of St. Croix but will refrain from making any announcements until those negotiations are complete.

We are actively facilitating the potential change in ownership at the Sugar Bay resort on St. Thomas with the hope that there will be a positive outcome in the very near future. The Island Beachcomber has been cleared for demolition, and we anticipate that work and the commencement of a new hotel to begin this month. The new hotel on Lovango on St. Thomas has been approved for EDC benefits, and their permit is nearly completed for the construction of an eco-hotel. Unfortunately, the Caneel Bay Resort on St. John remains mired in a dispute between the property owners and the National Park and will likely remain closed for the foreseeable future.

While we work to restore our inventory of traditional hotel rooms, the shared economy has filled the void. There are now approximately 2,100 Airbnb rooms being advertised for rent in the Virgin Islands. This is in addition to the nearly 900 villas that are also available for vacation rentals.

The Department of Tourism has just successfully concluded its first major festival event since the creation of the Division of Festivals and Cultural Heritage. A new paradigm has been formed, and the Crucian Christmas Festival was a well-managed affair and a rousing success. It is a great example of what happens when we allow young people to lead. Promotions for Carnival on St. Thomas have begun, and I am excited about what this new energy can bring to our traditional celebrations. There will only be one carnival in St. Thomas in April, and the Division of Festivals will run it. Kudos to the Department of Tourism and the Division of Festivals and Cultural Heritage for their creativity and initiative.

The Bryan-Roach Administration intends to make an earnest effort to utilize sports tourism to diversify our tourism industry and attract more overnight guests. This past November, we arranged a friendly exhibition match between D.C. United of Major League Soccer and

the Bermuda Men's National Team at the brand-new Bethlehem Soccer Complex on St. Croix. The game was a tremendous success, thanks in large measure to our Washington Representative Teri Helenese, who led the effort from our D.C. office. I also want to thank the U.S.V.I. Soccer Association and the many private sector donors for collaborating with us in hosting a wonderful evening of professional soccer. We look forward to attracting many more international caliber matches on that field.

We would also like to congratulate Nels Hawkinson and Paradise Jam for celebrating their 20th anniversary on St. Thomas. Producing what is now the premier sporting event in the territory requires consistent support and dedication.

To attract quality sporting events, we must build and maintain quality sporting venues. Without question, our Administration remains committed to the renovation of the Paul E. Joseph Stadium in Frederiksted, and we anticipate its long-awaited completion within the next 12 months. We look to this body to fund the completion of the stadium with \$7 million from the Internal Revenue Matching fund this fiscal year and another \$3 million next fiscal year. We also look forward to the construction of a \$30 million multipurpose indoor sports arena on the St. Croix campus of the University of the Virgin Islands.

In addition to these major projects, we also have several other important projects that we are working on. We are pursuing the expressed interest of FIFA, the international governing body for soccer, in building a soccer stadium on St. Thomas. We have also begun conversations with the West Indies Cricket Board about collaborating on the development of a cricket pitch in Estate Nazareth on St. Thomas.

VIGL continues to enjoy the full support of my Administration in transforming the Clinton Phipps and Randall "Doc" James racetracks. I am also pleased to announce that the FAA has approved the lease for the St. Croix racetrack and construction can now proceed.

Along with Senators Novelle Francis Jr. and Javan James, we have pledged \$500,000 to the Caribbean Drag Racing Association to make capital improvements to the drag racing facility on St. Croix. We can transform the sporting landscape in the Virgin Islands and we intend to do

so. Sports, Parks, and Recreation Commissioner Calvert White and his team are already hard at work, ensuring that the local sports industry achieves its fullest potential as a contributor to our economy.

During my hiatus from government in the previous four years, I watched as the status and the prominence of the V.I. Port Authority deteriorated. As an 8-year board member, I was dismayed by the projects that were either deferred or delayed. Stabilizing this entity was of utmost importance for our Administration.

This past year, the Virgin Islands Port Authority has made great strides in developing our port infrastructure. As the gateways to our economy, we must continue to modernize these facilities. In this current fiscal year, the Port Authority intends to make an investment of \$35 million in the Cyril E. King Airport to include a new transportation center and another \$20 million at the Henry E. Rohlsen Airport, which will include expansion of the terminal and development of an air cargo facility.

In the marine division for Fiscal Year 2020, the Port Authority intends to invest over \$110 million in infrastructure projects. This includes \$24 million on the marine facilities on St. Thomas and St. John. The new Customs Building at the Red Hook Ferry Terminal is one of those projects. Through this effort, passengers will no longer have to clear customs on St. John, thereby eliminating the bottleneck caused by travelers to and from the BVI.

On St. Croix, the Port Authority will be investing \$35 million to include improvements to the Gordon Finch Molasses Pier, improvements at the Container Port and the dredging of Schooner Bay Channel in Christiansted. The Port Authority recently unveiled the new Welcome Center at the Gallows Bay Marine Facility, which now positions it to accommodate passenger ferries as well as luxury vessels. While this project was funded by bond proceeds in 2014, while I was a board member, it was finally completed in the first year of our Administration.

Likewise, the long-anticipated improvements at the Gordon Finch Molasses Pier will finally allow the relocation of cargo operations from Gallows Bay to the south shore of St. Croix. This project is now more than 10 years old.

We are grateful for the leadership of Executive Director Carlton Dowe, Assistant Executive Director Damien Cartwright and the Board for their aggressive posture in ensuring that our port facilities remain modern and competitive.

During the last year, we held many meetings concerning the marine industry, but recently we held the first meeting of the newly formed Marine Industry Development Task Force. The purpose of the task force is to strengthen the marine industry's contribution to the territory's economy.

The marine industry has been neglected over the years, nevertheless, charter yacht reservations for the upcoming year on all islands are over 90 percent. Imagine if we put some effort into it. A concerted, focused effort is warranted if we want to reposition the territory as the premiere boating and yachting location in the region. This past year we approved the permits for the expansion of the Gold Coast Yachts boat-building operation at the Christiansted Harbor. This clears the way for a \$4 million marine manufacturing facility for St. Croix.

The 2017 hurricanes damaged the Charlotte Amalie waterfront. In so doing, our marine industry was adversely impacted. The Port Authority has been diligent in its efforts to increase berthing capacity and ultimately increase revenues to the territory. The installation of cleats and bumpers on the Waterfront is a major step towards our commitment to rejuvenate this industry and bring the boats back to the territory. Once again, million-dollar yachts will line the Charlotte Amalie Waterfront. As soon as the Waterfront installation is complete, the Crown Bay excursion dock will be next, followed by Red Hook and ending in Cruz Bay St. John.

We continue to promote the expansion of the cargo industry in both districts. The former Addelita Cancryn School is now being leased to the Port Authority for the expansion of cargo operations. This will facilitate the trans-Caribbean movement of cargo that passes through St. Thomas. We are also working with the shipping companies to enhance cargo operations on St. Croix. Tropical Shipping has agreed to install a new gantry crane to improve the speed and safety of the cargo operations at the Container Port.

To further underscore the importance of this industry, it is estimated that 40 percent of all

the U.S. exports to the Caribbean and \$26 billion in merchandise passed through this territory last year.

Even though we have increased cruise ship arrivals year over year by 3.8 percent, we still fall short of the nearly 2 million tourists that visited previously. The marine industry represents a lifeline of commerce to the territory. Our dependence on the industry, and even more so the cruise lines, are paramount to our success. In order to keep our competitive standing, we have to expand our capacity to berth more Oasis-class ships. I expressed to you last year that the Long Bay Landing pier project was a top priority for our Administration.

Since that time, we have tried our best to work with partners toward this end. The one thing that we will not allow is for any entity, or person or modern-day pirate to hold our territory hostage in developing our economy. We have been threatened and sued in an attempt to strong-arm us into a deal that does not favor or benefit the people of the Virgin Islands. Today, I say to you, the people of the Virgin Islands, that we will get this project completed. No one will stand in our way. We will get this done even if we must resort to eminent domain. We will protect the interest of the people of this territory by any means necessary. The enthusiasm is there from our investors, and we have the political will to get it done.

Our economic development programs have benefited us for years, and we continue to strengthen and enhance them at every juncture. The staff at the Research and Technology Park led by Executive Director Peter Chapman have been equally aggressive in their efforts to attract technology-based entrepreneurs and investors to the territory. Their efforts have produced record-setting business development outcomes resulting in 22 new companies activated. This is double the organization's previous single-year business attraction record of 11 new companies from 2017.

They have generated and collected over \$1.3 million for the University of the Virgin Islands from RT Park client companies. This is up over 35 percent from FY 2018 and more than 500 percent from FY 2017. Their measurable success in this area is a direct result of increased business attraction and stepped-up compliance monitoring.

In our zeal to attract offshore investors, we cannot forget our local entrepreneurs. This effort is being realized when the Park made itself more accessible to local Virgin Islands firms by launching an Accelerator Program. It is the first of its kind in the territory. It currently has approved nine companies in the first group, most of which are local firms. To assist in their success, mentorship and curriculum include top tier tech firm founders and investors from the U.S. It is important to note that most of these firms do not get any tax benefits.

Through the diligent efforts of the leadership and staff at the Economic Development Authority, we continue to attract steady interest from off-island investors. In Fiscal Year 2019, there were five certificates issued for new applicants to the Economic Development Commission program. The program currently has 72 beneficiaries enrolled that contribute \$500 million to our economy annually.

In 2020, through effective and measurable marketing efforts, the program is poised to attract more high net-worth individuals to our shores. I have often said that less than 1 percent, or 89, of our taxpayers pay 66 percent of our income tax. That is out of 34,000 tax filers. This new initiative seeks to attract high net-worth individuals, including ex-pat Virgin Islanders, who can add to our tax rolls and contribute to paving roads, maintaining schools and paying tax returns.

As I noted in my last veto of the bill aimed at reforming a small part of the EDC program, greater flexibility and relaxed regulation that mirrors the RT Park program should be considered to increase attraction to the EDC. The success of the methodology at the RT Park is clear, and we will be submitting legislation for comprehensive reform in the law, rules and structure of the EDA.

Last year, I introduced the Vision 2040 concept with a timeline that we would be able to unveil it at the beginning of 2020. Despite our best effort, we were unable to secure the funding on time. We did not meet our deadlines but continue to work to meet our goal. The Federal EDA approved a \$1.6 million grant for Vision 2040, and that funding will pave the way to pay for a global brand marketing campaign and an economic development strategy.

I wish to take this time to acknowledge Commissioner Richard Evangelista of the

Department of Licensing and Consumer Affairs for the work he has done in streamlining the business license process. While we have talked about this goal for several administrations now, I am proud to announce that Commissioner Evangelista has gotten it done, and the business license process now takes less than five working days. This is a clear demonstration of our commitment to facilitating commerce and business development.

As we move rapidly forward to the closing date for both the Anguilla and Bovoni landfills, the V.I. Waste Management Authority will announce in the coming weeks the award for a municipal solid waste reduction and treatment system that will reduce, and render inert, at least 70 percent of the waste currently presented at the landfills. This is a solution we have been waiting for over 30 years. The goal for FY 2020 is to satisfy the federal agency mandates, FAA regulations, and the court requirements and steady the Waste Management's tub on its own financial bottom.

I often say I am the first digital governor in the Virgin Islands. The embrace of technology and its ability to improve service delivery in the Government of the Virgin Islands is core to my approach to governance. I have urged the members of my Administration to pursue the use of technology in the management of their agencies, and they have responded positively.

VITRAN successfully implemented the first phase of the new Route Match software on St. Croix this fall, with VITRAN Plus riders being the first to experience the automated dispatching and scheduling system. Buses are now equipped with tablets for automated vehicle location and real-time communication with drivers. Route Match will be implemented on St. Thomas and St. John in the upcoming months.

As of November 2019, the majority of contracts within the central government are managed electronically. The Department of Property and Procurement, in collaboration with the Bureau of Information Technology, has developed a contract module to process contracts. That means contracts are signed digitally and are advanced through the entire process electronically.

This year the Department of Property and Procurement will also roll out its Vehicle Fleet Tracking system. Once implemented, the system will provide managers with real-time visibility

and historical activity of vehicles assigned to them. Commissioner Anthony Thomas continues to push the envelope on modernization efforts within the government.

This past October, the Virgin Islands Medicaid Assistance Program received \$13 million in funding for the implementation of a Health Information Exchange and associated systems. The Health Information Exchange is designed to track and securely share patients' complete medical histories with their health providers. The Department of Health's Division of Vital Records and Statistics will also be fully automated this year for birth and death record reporting.

After 80 years of using a manual draw system, the oldest lottery system in the United States, the Virgin Islands Lottery, has upgraded to a Random Number Generator digital draw system. It means drawings will now take minutes, not hours. With this new equipment and process, the Virgin Islands Lottery will now be in line with the process used by other state lotteries across the country. We congratulate Executive Director Raymond Williams and his staff on the planned rollout of the new Digital Draw system this February.

It also gives me pleasure this evening to announce that effective January 31, the Bureau of Motor Vehicles will provide Virgin Islanders with the option of online vehicle registration. As many will recall, we made a campaign promise to enable a timesaving and efficient alternative to what has proven to be a tedious task for vehicle owners. Waiting in line each year will be a thing of the past for those who choose this option. Services will still be available for customers who need to visit BMV offices. Thank you, Director Barbara Jackson McIntosh, and staff, for implementing this long-awaited initiative.

No matter how much technology we have, the development of our workforce is critical to our success.

This year will see the launch of our Cradle to Career initiative. This initiative begins the strategic effort to prepare Virgin Islanders for the economic opportunities we are creating. It is a recognition that a truly strategic approach to the sustainable development of these islands and improved quality of life for all its residents requires a generational approach. It requires

our government to align itself across departments through recognition that the services we provide to our young people are part of a continuum that prepares them for a successful future. It also requires that the government engage with the other community institutions to achieve our desired outcomes. If done correctly, we can place every child residing in the Virgin Islands on a path to prosperity.

Our cradle to career initiative has five overarching goals — Ensure that our children are ready to learn by the time they are school-aged; provide them with a strong academic foundation; foster post-secondary education; connect jobseekers to jobs that pay a living wage; and align our workforce development programs with our economic development strategies.

The first step in the Cradle to Career progression is to ensure that our children are ready to learn by the time they are of school age. That means our government must recommit to a focus on early childhood care and education. We will be doing so by reconvening a formal partnership of community organizations that will focus on developing early childhood resources in the territory.

As we have learned, school readiness begins with proper prenatal care and attention to child health in infancy. It requires that we ensure all children are exposed to a high-quality preschool environment. Good health and an environment that supports the child's development are essential for the transition into school.

The public pre-kindergarten programs on St. Croix, known as Granny Pre-School at Pearl B. Larsen and Claude O. Markoe elementary schools, have been successful. We are looking forward now to expanding the program to the Yvonne E. Milliner Bowsky's campus on St. Thomas, Ricardo Richards Elementary School on St. Croix and Julius E. Sprauve campus on St. John in the 2020-2021 school year.

The goal of the Department of Education is to make sure students leave the 12th grade both college and career ready. While students may choose different post-secondary paths, it is important that they are afforded a solid Kindergarten through 12th-grade education that provides as many options to them as possible for their future.

To achieve this, we must begin to improve student proficiency in every subject. We must ensure that our children are reading at grade-level by the third grade. We must reduce dropout rates by keeping young people engaged in learning. We must eliminate or reduce those external elements that are negatively impacting academic success. These are the resources this program will put together to ensure a pipeline of success for our children.

The key component in maintaining a pipeline of college and career-ready high school graduates are effective teachers, teachers who are skilled in imparting knowledge, teachers who are passionate about their craft and teachers who are committed to student achievement. This evening, I have the distinct pleasure of acknowledging two such teachers who epitomize the very best of the professional men and women that take up the charge of preparing young Virgin Islanders for the world.

Teacher of the Year for the St. Thomas-St. John District, from the Ivanna Eudora Kean High School, Ms. Michealrose Ravalier. Teacher of the Year for the St. Croix District, from the Ricardo Richards Elementary School, Ms. Zahra O'Reilly-Bates.

Thank you very much for all you do to prepare our children. We will continue to support you and all of our teachers with the resources and compensation you all deserve.

In today's modern economy, a high school diploma is an increasingly inadequate preparation for most career opportunities. The development of a competitive local workforce requires that every high school graduate continue their education through college or technical training. Thanks to Lt. Governor Roach and the members of the 32nd Legislature, access and affordability to the University of the Virgin Islands has been addressed through the free tuition program, and last Fall we saw our first class entered into UVI.

The next step in the Cradle to Career progression is aligning the pipeline of skilled employees with the needs of local employers. This requires an increase in training, apprenticeship and education programs. Following through with our commitment to prioritize and strengthen the workforce pipeline, I have implemented Executive Order 490-2019, establishing a new Workforce Development Board as a policy-making entity under the Office of

the Governor.

I have appointed 27 leaders who represent various government agencies, labor unions and private sector partners. This team represents movement towards the modernization of workforce development policies in the Virgin Islands.

The mission of the board is to prepare people for employment, to help existing workers advance in their careers and to maintain a skilled workforce that we will need in the upcoming years. If done correctly, we should produce employees who are engaged in careers that can support their families.

We have made great strides towards incorporating registered apprenticeships into our workforce development offerings. In 2019, we brought the Department of Labor from the cusp of receivership to becoming a Registered State Apprenticeship Agency, and we convened the first Workforce Development Summit this past November.

As a result of the summit, partnerships are currently underway to establish registered apprenticeships in healthcare and cybersecurity. We are proud today to announce that we have the first nationally recognized registered apprenticeship program in the marine industry. Congratulations to Mr. Richard Difede and the team at Gold Coast Yachts for their commitment to enhancing work-based learning in the Territory.

This year, we will be funding two specific workforce development programs for low to middle-income individuals: Skills for Today and On-The-Job Training. These two programs will impact 840 young people, exposing them to opportunities in the Virgin Islands. We are committed to preparing our residents to take full advantage of the economic opportunities that we are working diligently to create. Thank you Commissioner Gary Molloy and the wonderful staff at the Department of Labor for your focus on developing our workforce.

It is safe to say that over the past few years, we experienced many changes to the demographics of the Virgin Islands. Population and employment shifts resulted when HOVENSA closed, when Limetree opened, and particularly after the destructive hurricanes in 2017. Tonight,

I am appealing to the members of the 33rd Legislature and you to join me in supporting the efforts of the Census teams that will begin their public outreach efforts. By helping us, you are helping yourselves to ensure that federal funding for the territory is allocated on accurate numbers, that our schools and hospitals are right-sized for the neighborhoods in which you live and that services your children and parents require are properly anticipated and provided for. Any shortfall on the count can underfund us for a decade.

We began this journey together one year ago, collectively moving beyond politics, as a new generation of leaders, to change the course, and I want to thank those of you who joined the crusade towards a better government by accepting a nomination to a board or commission.

In one year, we sent 86 board nominations for consideration. This body confirmed 56 individuals, 14 nominations are pending and 16 persons withdrew their names from consideration. Thank you to Senate Rules and Judiciary Committee chairperson Senator Janelle Sarauw and former Committee chair Senator Alicia Barnes for driving through those nominations and for helping us to make history as one of the first administrations to have a 100 percent approval of its Cabinet. Tonight, I urge those Virgin Islanders who have the desire to help set policy and guide decision-making in the areas of interest to you, to offer your name for consideration to one of the 114 positions still vacant on a variety of boards and commissions that need your knowledge, your Virgin Islands expertise and your guidance to maintain course in a new more powerful direction.

We did not come to make incremental change; we came to make transformative change in the way our government approaches its duty. While we understand that kind of change makes us initially uncomfortable, I believe you will agree that we cannot do the same things the same way and expect different results. That will not benefit our people.

From the time Lt. Governor Roach and I took office last year, we have made a concerted effort to change the politics here in the Virgin Islands. We have offered to work collectively and collaboratively with this body and with all Virgin Islanders who are serious and committed to improving our quality of life.

We have avoided the vindictive partisan terminations of prior administrations. We have instead focused on finding and keeping qualified Virgin Islanders willing and capable of delivering quality public service. We will continue to reach out to those who are willing to work with us to advance these islands. We will not be hindered by those who wish to selfishly obstruct progress. There is simply too much at stake for us and for the generations of Virgin Islanders to come.

With any assessment of any Government and general community well-being, there is a mixture of good news and bad news. However, our good news is starting to outweigh the bad news. We have laid a strong foundation in our first year. I fully expect to realize continued dividends in the upcoming months from those efforts. We are now on the road to recovery with a pathway to prosperity that is clearly defined. And although that pathway is narrow, we can make our way down it if we act swiftly, if we act boldly, and certainly if we act bravely, to seize the opportunities before us.

God bless you, and God bless the Virgin Islands of the United States.









Government of the
United States Virgin Islands

1105 King Street, Christiansted,
St. Croix, Virgin Islands 00820

21-22 Kongens Gade, Charlotte Amalie,
St Thomas, Virgin Islands 00804

