

Bishop Damas S. Eloi, Lt. Governor Tregenza A. Roach, Esq., Senate President Donna Frett-Gregory and members of the 34th Legislature; Chief Justice of the Supreme Court of the Virgin Islands the Honorable Rhys S. Hodge and the Honorable Justices of the Supreme Court; Presiding Judge Harold W. L. Willocks and the Honorable Judges of the Superior Court of the Virgin Islands; Chief Judge of the District Court of the Virgin Islands Wilma A. Lewis and the Honorable Judges of the District Court; Cabinet members; invited guests; and my fellow Virgin Islanders; Good Evening.

Just by looking at the audience present; you can tell that this year is far from normal. I extend greetings to my wife, First Lady Yolanda Bryan; the Delegate to Congress Stacey E. Plaskett; members of the judiciary; members of my Cabinet and staff; and other dignitaries who are viewing us remotely this evening.

Congratulations to the senators of the Thirty-Fourth Legislature on your election and, in most instances, your re-election to serve the people of the Virgin Islands. For those of you who are newly elected, I encourage you to hit the ground running. Your veteran colleagues will assure you that two years will pass by rather quickly. Meaningful and impactful legislation requires time, thought, and collaboration. The Bryan-Roach Administration is ready to work with you toward this end.

I behalf of the Virgin Islands people, I have extended congratulations to the new President of the United States, Joseph R. Biden. I consider him our hometown President and we look forward to the U.S. Virgin Islands emerging as his “Port of Solace” for the next eight years. We have much work to do with the federal government and his familiarity with our people and issues bodes well for advancing our causes in Washington, DC. We also congratulate Vice-President Kamala Harris on her election as the first woman and person of color to hold that post in our nation’s history. We look forward to the fast-approaching future when a woman or person of color occupying the highest leadership positions in our country is no longer viewed with such novelty.

Our Delegate to Congress Stacey Plaskett and I have never allowed the fact that we were not of the party in power to prevent us from aggressively pursuing the agenda of the Virgin Islands people in Washington. However, the fact that we are affiliated with the National Democratic Party and now have a Democratic majority in Congress and a Democratic administration in the White House is certainly advantageous to us. We wish the Delegate well in her new role on the powerful House Ways and Means Committee and welcome our continued collaboration.

Last year found us depending on the women and men of the Virgin Islands National Guard in a new role... protecting us from an invisible enemy. The COVID-19 pandemic is an unparalleled threat to our people, and the Guard was on the frontlines from the very beginning. Whether it was patrolling the beaches, conducting screenings at the airports, transporting COVID-positive patients, or the distribution of vaccines, the Guard was there. On behalf of the people of the Virgin Islands, I offer continued gratitude to the members of our Virgin Islands Army and Air National Guard for their commitment to service. Please pray for their safety and for the safety of all Virgin Islanders serving on active duty in our Armed Forces.

I also extend my gratitude to the dedicated and selfless Virgin Islanders who have served at the forefront of this pandemic. The staff at our hospitals, public and private medical centers, and the Department of Health; our law enforcement officers; the administrative teams at the Departments of Labor, VITEMA, Human Services, Education, Finance, Tourism, Licensing, and Consumer Affairs, Agriculture, Internal Revenue Bureau, the Bureau of Motor Vehicles, Office of the Lieutenant Governor, and the Office of Disaster Recovery. All the people who we never see but have done more than their fair share to safeguard this community. This evening, I express sincere appreciation for the part you have played in managing this unprecedented crisis.

Tonight, I am pleased to appear before you for the third time as Governor of the Virgin Islands of the United States to report on the State of the Territory in accordance with the Revised Organic Act of 1954. Lieutenant Governor Tregenza Roach and I want you to know that we are “Bringing Progress to Our People.”

Last year saw the introduction of a deadly virus into the human population, the likes of which has not been seen in a century. The virus quickly spread throughout every corner of the globe, impacting human civilization in unimaginable ways. Our local Department of Health immediately recognized the emerging threat and began its efforts to combat the spread of COVID-19 by activating the Emergency Operations Center on January 27th in partnership with VITEMA. A few days later, the World Health Organization officially declared a “public health emergency of international concern.”

On March 13th we received confirmation of the first COVID-19 case in the Territory. I officially declared a State of Emergency in the U.S. Virgin Islands that very same day. It is important to remember where we were at that precise point in time. The United States had reported 2,204 cases of COVID-19 infections and a total of 49 deaths. In less than a year, the United States has documented over 24 million cases of COVID-19 infections and recorded more than 400,000 deaths.

Since the first case arrived in our Territory, there have been considerable moments of uncertainty, worry, and outright panic. We were amidst a national shortage of personal protective equipment with insufficient surgical or N95 masks. We did not have sufficient life-saving ventilators or therapeutics to treat patients. We were concerned about the number of intensive care beds at our hospitals. We had a minimal number of viral test kits that forced us to be selective in who was eligible to be tested. While we are quite experienced in hurricane preparedness, our preparation for a global pandemic was far less than ideal. The federal authorities seemed to be in a sad state of disarray with the virus ravaging the state of New York. We realized no one was coming to help us, we would have to manage on our own.

At the time that we declared the State of Emergency, our knowledge of the virus and how it was spread was very limited. The list of symptoms we were screening patients for continued to grow. It was weeks before we learned that most carriers of the virus could spread the virus even though

they exhibited no symptoms at all! We now refer to it as asymptomatic spread. Truth be told, our knowledge of the virus is still evolving to this very day.

On March 23rd, recognizing the escalating danger, I issued a Stay-at-Home Order. At the time we announced that Order, I was only the fifth governor in the nation to make such a declaration. It was an unprecedented decision to curtail business activity in the Territory to slow the spread of the virus. That decision needed swift and bold leadership. In truth, it was not an easy decision to make, but it proved to be the right one. Within weeks every other state and territory within the United States had arrived at the same conclusion and issued similar Stay-at-Home orders effectively shutting down the national economy.

But that decision was costly. While we had considered the COVID-19 pandemic a public health crisis, we quickly realized that the response to that crisis had the potential to create great economic calamity. In February 2020, just prior to the emergence of the pandemic, there were 672 Unemployment Insurance claimants. At the peak of the pandemic, that number had risen to 10,669. The loss of cruise ships and airline traffic was felt by our taxi and tour operators, the merchants on Main Street, in Frederiksted, Christiansted, Vendor's Plaza, at Havensight and Crown Bay. It also financially impacted WICO and the Port Authority. Within a mere few months into the year 2020, our entire life had changed. Indeed, life had changed for the nation and the world.

We Virgin Islanders are a tough people, and our spirits are hard to break. We are at our best as a community when facing hardship and adversity. The good Lord knows we have had more than our fair share of adversity. So, notwithstanding the COVID-19 global pandemic and the other hurdles of 2020, **it should be no surprise to you that the State of our Territory is Resurgent!**

Our response to COVID-19 was deliberate, strategic, and purposeful. We focused our attention on four critical parameters. Monitoring and taking efforts to reduce community spread of the

virus; maintaining the capacity of our healthcare system to address the hospitalization of COVID-positive patients; administering sufficient testing; and effective contact tracing.

The COVID-19 crisis struck at a time when our hospitals were still in a compromised state from the storms of 2017. To ensure that we keep adequate capacity in our health facilities, our COVID Taskforce has kept a daily inventory of the number of available intensive care beds, COVID-positive patients requiring hospitalization, and the number of ventilators in use.

We learned from the challenges imposed on us during our early attempts to airlift patients to other hospitals that we needed to be self-sufficient. Puerto Rico made it clear that they would not take our patients nor any others from the Caribbean. At the Roy Lester Schneider Hospital, we renovated an entire wing to care for COVID patients. On St. Croix, the Virgin Islands National Guard collaborated with the U.S. Army Corps of Engineers for the temporary conversion of the Regional Training Institute to an alternate care facility to support the Territory's coronavirus surge response. This facility was one of the dozens that the Army Corps and FEMA retrofitted across the country to accept COVID-19 patients when the hospitals reached their full bed capacity. As we watched hospitals on the mainland become overcrowded with patients in the hall and trailers being converted to makeshift morgues, we prepared. Thankfully, we never got to that point in the Territory.

We followed the science and decided that the most effective way to limit the rapid spread of the virus was by implementing a mandatory masking requirement. We were right! While other states and local governments were indecisive on the issue, people died and their hospitals continued to fill with COVID patients. Eventually, most governors in the country concluded that masking was an essential response to this public health crisis. I am proud to say we were among the first to implement a No Mask, No Service campaign. Now, the President of the United States is calling for a national campaign to promote mask-wearing to stop the spread. A long-awaited simple response to a very complex problem.

Our testing capacity has increased immensely since the early weeks of the pandemic. We can now conduct all currently FDA approved tests and have multiple community health partners that conduct COVID tests. We thank them for their contribution to this community-wide effort. To date, we have administered 60,000 tests to 40,000 individuals in the Virgin Islands.

There was a point last year when we became concerned that the Limetree Bay Refinery and Terminal was the source of an increasing number of infections. As the largest private employer in the Virgin Islands, we understood that shutting down that facility would adversely impact hundreds of local households that were sustained partially or fully by income derived from employment there. The management at Limetree Bay was very cooperative in adhering to the protocols that we imposed. In addition to temperature screening, masking, and social distancing requirements, the refinery placed a moratorium on the import of outside workers and began testing all its contractors and employees every two weeks for the COVID-19 virus. We appreciate the measures instituted by Limetree that successfully kept their employees safe and protected the wider St. Croix community. Together, we overcame our first real surge without shutting down the economy.

Every single day since the State of Emergency was declared, the law enforcement arm of our COVID task force has been out enforcing the public health orders. Their work has at times been tiresome and frustrating but remains essential in safeguarding the public from the insensitive behavior of some that endangers us all. The effort of our law enforcement officers has not gone unnoticed and we as a community are eternally grateful to them.

We realized early on that closing our airports was not a viable option for a variety of reasons. Mostly understanding that many of us have health needs and we need to get out, for critical care, as well as the need for help to get in. We ultimately focused our attention on making our ports of entry safe. We deployed our National Guard to conduct airport screenings. Those screenings became more sophisticated over the course of our response. We augmented handheld thermometers with full-body temperature scans. We began requiring a negative COVID result

within five days of travel. We then deployed technology to build a travel portal for travelers to upload negative test results and receive preclearance prior to arriving in the Territory. Most recently, we leveraged our relationships with our airline partners to require proof of COVID testing prior to boarding a flight from the United States into the Virgin Islands. We not only want you to be safe, we want you to feel safe.

We are now in the midst of our vaccine distribution efforts. VITEMA and our Department of Health have been aggressive in ensuring that we were actively engaged by Operation Warp Speed. To the amazement of many Virgin Islanders, we received access to the coronavirus vaccines on the same schedule as the rest of the nation. We are assured by our federal partners that they will supply the quantity of vaccines that we require. It is our sincere hope that the majority of Virgin Islanders will choose to get inoculated against the virus, thereby doing their part to bring about the global herd immunity that will ultimately rid the world of COVID-19.

From the onset of this crisis, we have strived to balance the three-legged stool of COVID management; protecting the public health, sustaining our economy, and respecting our individual freedoms. But of these considerations, protecting the public health has remained our highest priority. We cannot thank enough those Virgin Islanders who understood the gravity of this pandemic and did their part to protect themselves, their families and neighbors. Without your support we would not have been as successful.

We mourn the loss of each of the 24 Virgin Islanders who suffered untimely deaths as a result of the coronavirus. However, we know it could have been worse. Our COVID-19 mortality rate is nowhere near the current mortality rate on the U.S. mainland. While some may debate our decisions and our methods in controlling the spread of the coronavirus, there is no debate regarding the results. We have kept our people safe!

After its initial stumbling, the federal government eventually did a great job of assisting states and local governments with mitigating the economic impact of the pandemic. They provided

significant aid and our Administration worked diligently to place those funds directly in the hands of local businesses and individuals to the greatest extent permissible.

Through the Paycheck Protection Program over 2,000 Virgin Islands businesses received \$126 million to keep employees on the payroll and pay operating expenses. Another 1,748 businesses were able to do the same with the \$93 million they received through the Economic Injury Disaster Loan Program.

Through the tireless efforts of the employees of our local Bureau of Internal Revenue and Department of Finance, CARES Act stimulus payments were paid to 47,395 eligible Virgin Islander households totaling nearly \$79.5 Million. This is the largest check run undertaken by the Government of the Virgin Islands ever.

Utilizing additional CARES act funding, we were able to provide 7,671 local businesses with a \$500 credit and over 44,000 households with a \$250 credit toward their light bills. The YES Funds (Your Energy Stimulus) kept the lights on for many in their time of need.

Thanks to the team at the Department of Human Services, we provided more than \$20 million in food assistance through the Pandemic-EBT program to the families of over 14,000 Virgin Islands students. Also, understanding our students' need for additional tools to meet the demands of virtual learning, we made sufficient funding available to the Board of Education to provide every college-bound graduate of the class of 2020 with a \$1000 scholarship.

The Virgin Islands Department of Labor employees have worked around the clock to assist workers who have been displaced by the economic downturn. They have processed over 17,000 unemployment claims and paid out just under \$110 million in much-needed employment assistance. By comparison, in prior years, the Department of Labor never distributed more than \$30 million in one year and has never had more than 8,000 claims. In fact, there would be only

2,500 claims in a typical year and \$8 million paid out in benefits. Once again, thank you to the hardworking employees at the Department of Labor.

This year we set record after record in service delivery in response to the challenge of the COVID-19 pandemic in the Virgin Islands. In all, more than \$400 million in federal pandemic aid was injected directly into our local economy.

As 2019 concluded, the Administration introduced the “Cradle to Career and Beyond” Initiative scheduled to take shape in 2020 with a focus on curriculum and instruction. The year started with the convening of meetings on early childhood education, career readiness, and workforce development. However, by March we were closing schools, scrambling to salvage the school year, and identifying resources to support remote learning. However, we remain laser-focused on our commitment to expand opportunities to Virgin Islanders for excellence in academic, career and technical education.

COVID disrupted the 2019-2020 school year, but the Department of Education and its students rose to the challenge. Our graduating seniors saw their prom and in-person graduation ceremonies become casualties of coronavirus, but I am impressed by the tenacity of the class of 2020 who graduated from high school during a historical global pandemic. Moreover, we are pleased to report that our high school graduation rate increased from 62.6% in 2019 to 70.9% in 2020.

The Department of Education demonstrated its flexibility and creativity by successfully facilitating its first ever virtual graduations. Each student celebrated his/her accomplishment with family and friends locally as well as those living abroad. On-line viewership was high as many who may have otherwise been unable to attend did so from the comfort of their homes.

As we closed our campuses, losing the connection with at-risk families was of utmost concern; however, the flexibility of the school lunch program and partnerships with non-profit entities

such as My Brother's Workshop, allowed the Department of Education to maintain daily contact with students and their families while continuing to distribute free, healthy and nutritious meals. From March 2020, to date, our food service workers and support staff distributed over 580,000 meals territory-wide to school-aged children as part of their "No V.I. Child Goes Hungry" feeding initiative. They are among the unsung heroes on the COVID frontlines.

While we recognize the current school year has had its expected challenges, the transition to digital spaces expanded our use of technology in the educational system. It increased information accessibility for parents via collaborative platforms. Through Schoology, teachers, parents, and school administrators can monitor grades, attendance, assignments, and overall student performance. This administration remains committed to equipping every child with a device and has already distributed 5,265 Chromebooks/tablets and 2,150 MiFi devices. These technological advancements are now a permanent part of our approach to education.

The Department of Education has become so comfortable with the conduct of virtual events that they also conducted the annual Teacher of the Year ceremonies virtually. The events in both districts were a rousing success!

Tonight, I recognize and am thankful for the exceptional contribution of Mrs. Zahra O'Reilly Bates, State Teacher of the Year 2020-2021. Congratulations also to Ms. Alicia Walters-Ramos, St. Croix's District Teacher of the Year, and Ms. Marie L. Senosa, the St. Thomas-St. John District Teacher of the Year 2020. We offer much appreciation to the entire staff at the Department of Education for their efforts and sacrifices made this challenging year.

All educators have the primary goal of providing high-quality education for each student, and while many successfully infuse creativity and enthusiasm into their teaching; this year, the transition to virtual learning challenged educators to learn new skills. Many discovered that remote teaching required more than introducing new platforms or uploading lessons. It required

frequent active engagement with students and parents, integrated use of collaborative tools, and an investment in professional development.

As such, we are recognizing the instructional staff of all public schools, who have also had to make personal investments to facilitate the virtual learning of their students. We will be issuing over 1300 checks to educators across the Territory this week to offset their expenses as a token of our appreciation.

We faced the challenge of acquiring and distributing digital devices, retrofitting public schools in adherence to CDC guidelines, procuring cleaning services, increasing internet access and bandwidth to underserved students, assisting our graduating seniors, effectively supporting our teachers, and aiding our parochial and private school partners. We have done remarkably well in overcoming our challenges considering the odds were stacked against us.

Undeterred by COVID-19, school repairs and educational planning for the future continues. In the upcoming weeks, we will see the return of K-3, special education and Career and Technical Education students to face-to-face classroom instruction. Every precaution will be taken for their safety. We are asking for the support of this Legislature, as well as the public, as we continue to design and modify our infrastructure to accommodate the return of all students.

Our commitment to stabilizing the finances of the government has begun to pay dividends. Despite the economic challenges introduced by the global response to the virus, Fiscal Year 2020 was record-breaking for revenue generation in the Territory. Our income, gross receipt and property tax collections were at the highest levels ever! Revenues from individual income, corporate income, and gross receipts taxes all increased when compared to our first year in office. The records set in our first year were shattered in our second year. Remarkably, most of this was achieved with the majority of public employees either working staggered schedules or completely remotely as part of the coronavirus protocols.

As an administration, we have worked hard to improve the government's tax collection. In Fiscal Year 2020, the Office of the Lieutenant Governor collected \$37.8 million in current-year property tax revenue—a 52% increase from the prior fiscal year. Perhaps even more importantly, during that same period, the Tax Collector's Office collected an additional \$25.1 million in delinquent property tax revenue.

Disaster recovery activity, consistent employment at the Limetree Bay facility, COVID-related federal funding, and a surge in overnight guests are the major influences currently bolstering our fiscal strength. We have maintained at least 30 days of cash on hand for most of last year. We hope to finally say, gone are the days of measuring cash on hand in the single digits. As promised two years ago, we have brought stability to this government.

As the fiscal strength of our Government continues to improve, so will our capacity to address our longstanding financial obligations. We are intent on paying the people first! This is our number one priority.

We have put a significant dent in the backlog of income tax refunds owed to Virgin Islands taxpayers. In the past fiscal year alone, we issued 24,718 checks to taxpayers totaling almost \$69 million for past-due refunds. This is the most income tax refunds ever paid in a single fiscal year! And we have already paid out more than \$15 million dollars in the current fiscal year, finishing out payments for 2017 and paying tax year 2018. We are making steady progress towards our Administration's goal of paying refunds to taxpayers in the same year that they file.

The Economic Stability Act of 2011 reduced by 8% the salaries of all government employees making more than \$27,000 in the executive and legislative branches for a two-year period in response to the budget crisis during the Great Recession. The legality of that provision of the Act was challenged successfully in court by two labor unions and ultimately 5,221 government workers were affected. In all, a total of \$37.8 million is owed.

It was perhaps a necessary measure then, but we are in a position now to make amends to the workers who endured that sacrifice. As we begin preparation of the Executive Budget for the upcoming fiscal year, it has become clear that we can begin paying down that obligation sooner than originally expected. If we are granted authorization to resume collection of excise taxes by the courts, we will be able to retire the full obligation within one calendar year. The previous measures passed to address this issue would only start to make payments towards the debt in 2022 and will take 20 years to retire it. The people have waited long enough! As such, I am pleased to announce tonight, that we will be committing to the entire payment of the 8% pay cut with the excise taxes collected this and next fiscal year. We have forwarded the effectuating legislation to this body for approval and urge its support

Rest assured that we have not forgotten the \$10 million in retroactive pay for the retirees 65 and older in the 2021 budget. We make every effort possible to satisfy this budget item as well.

Our enthusiasm is only tempered by the reality that the worst of the COVID-19 economic fallout is likely to be felt in the current fiscal year. We expect revenue collections will decrease between now and the income tax filing deadline in April. Furthermore, we expect the impact of the increased unemployment and business closures last year to be evident in reduced tax collections this year. Unfortunately, the recent COVID stimulus package passed by Congress does not include much direct financial support to state and local governments. We will have to maintain the fiscal health of our government through more traditional means, belt-tightening, aggressive collections, and developing new sources of revenue. We must ensure that in the best of times we work hard to make sure in the worst of times we can weather the storm.

We are not only confronting the challenges of the COVID-19 pandemic, but we are also still recovering from Hurricanes Irma and Maria. This year will see the completion of numerous hurricane recovery projects.

The new modular facility, JFL North, at Juan F. Luis Hospital should be opening its doors this May. The completion of that project will pave the way for the demolition and rebuild of the current hospital. This will again increase access to critical healthcare services available to Virgin Islanders in need, allow for renewed access to our people, and keep healthcare dollars in the Territory where they are needed.

The Department of Education completed its territory-wide Educational Facility Master Plan as scheduled on June 30th. This plan will guide the future investment of hundreds of millions of dollars of federal recovery funds earmarked for reconstructing the public school system in the Virgin Islands. Contracts are in place for several projects in furtherance of this plan.

The Gladys Abraham Elementary School will be the first school that is modernized and will become the new home of the Raphael O. Wheatley Skills Center. The building that currently houses the Skills Center is being retrofitted to accommodate the students displaced by the demolition of Building C at Charlotte Amalie High School. The contract for the demolition of the Charlotte Amalie High School has now been awarded and work will begin this year.

On St. Croix, the demolition of the hurricane-ravaged Arthur A. Richards Jr. High School is well underway and will continue for the next eight months. Demolition of the Evelyn M. Williams Elementary School, which was shuttered in 2015, is expected to be completed by December.

Last year also saw the historic signing of the preliminary land swap agreement that takes the Territory one step further to realizing a K-12 school on St. John. After many years of negotiation, the National Park Service has finally agreed to provide the Virgin Islands Government with a portion of Park property for the construction of the new Julius Sprauve School

The Department of Sports, Parks, and Recreation is also driving the completion of several recovery projects. The repairs and restoration of the Emile Griffith Ballpark and the Lionel Roberts Stadium on St. Thomas and the Vincent Mason Coral Pool in Frederiksted, are expected to be completed this year.

The revitalization of St. Croix's Rudolph Schulerbrandt Agricultural Complex, locally known as the Fair Grounds, is scheduled for completion this spring. The renovations of Government House on St. Thomas are progressing well and should be completed in December. The restoration of the territory-wide Tsunami Alert Warning System is expected to be completed this Summer.

Several recovery-funded road projects on St. Croix are slated for completion this year.. The final two segments of the well-travelled Melvin Evans Highway will also be completed. The much-anticipated road repairs and drainage improvements in Gallows Bay will also begin this year. Brand new waterlines have recently been installed in Frederiksted town and the first contract for road repairs and drainage improvements has been executed and is ready to commence. In Christiansted, a contract for the repair of roads is also in place. The only delay in the execution of that contract is the anticipated installation of new sewer lines as part of our "One Dig" policy. We intend to commence the paving of Christiansted town once all the infrastructure impacting the road repairs is installed. Finally, the repairs to Carlton Road have begun. Yes, my student friend Nakai Theodore, and his mother Lenice, will soon have that smooth ride home as promised.

On the island of St. John, the repairs and renovation of the George Simmons Terrace Senior Center are now complete, and the Center reopened. Likewise, the repairs and renovations of the Battery in Cruz Bay are nearly complete and we anticipate a ribbon-cutting next month.

The Envision Tomorrow Homeowner Rehabilitation Program administered by the Virgin Islands Housing Finance Authority is providing grants of up to \$250,000 to rehabilitate homes that were severely damaged by Hurricanes Irma or Maria. To meet demand, we have increased the allocation in the HUD CDBG Disaster Recovery plan from \$60 million to \$150 million. Currently, 689 applicants have been deemed eligible for the program. Of those applicants, 53 have already been awarded grants under the program. Now that the program is fully operational, we look forward to awarding more grants this year and getting people back into their homes.

No image was more iconic of the devastation of the storms in 2017 than the images of Estate Tutu Hi-Rise in their aftermath. Still ingrained in my mind are the missing windows of where

people used to live. Well, the demolition of the first five buildings at Estate Tutu is underway and, in its place, a brand-new \$57 million housing development has broken ground at Estate Donoe. These are just a few of the larger disaster recovery funded projects expected to be completed this year. In fiscal year 2020, we expended approximately \$339 million in federal disaster recovery funds. In all, we are projected to expend over \$621 million in the current fiscal year. This is equivalent to 75% of our current operating budget.

Indeed, it is a pleasure for me to report to this body that our physical recovery from Hurricane Irma and Hurricane Maria is now in full swing!

Last year, the International Economic Development Council recognized the UVI Research and Technology Park as the Economic Development Organization of the Year. While our traditional economic development incentives continue to be effective, the RTPark is paving the way in attracting the types of technology-driven companies that represent the new economy we are building.

The RTPark steadily attracted and activated new technology companies, even as we grappled with the pandemic. Thirteen new firms were reviewed and approved by the Park's Board of Directors in Fiscal Year 2020. Their efforts have resulted in a total of 29 new companies added as RTPark clients since September 2018. They have the potential to add more clients to their pipeline but business development in the Territory is hindered by the absence of financial institutions that are willing to help develop early-stage businesses.

To solve this problem, we will be sending to this body legislation to establish the Catalyst Fund to provide gap financing to high-impact economic development projects. The fund would issue loans to bridge the amount the borrower can obtain from more conventional sources and the amount needed to start or sustain a business. The fund would be administered by the RTPark with an initial capitalization of \$5 million. Providing support to business development in the Territory ensures the creation of more jobs for our people and diversification of our economy.

We are excited about the launch of the Vision 2040 planning initiative. Vision 2040 is a community engagement planning process designed to produce a long-term economic development strategy and action plan that positions the U.S. Virgin Islands to develop a competitive business environment that is aligned with the general interests of its residents. When completed this plan will serve as the framework that guides our economic development, not just this year, but for the next two decades.

This is the first time in the history of the Virgin Islands that we will holistically examine the systemic roadblocks that have impeded our economic growth, with an eye toward identifying diverse, sustainable and successful industries that can create a viable workforce.

It is important that as a people, we adopt a plan that outlives the tenure of any one governor and maintains a consistent course of progress. Upon taking office we continued the good, stopped the wasteful, maintained the employment of the productive, and created stability of the government. We have changed to an approach that values progress and our people over politics!

While we have made tremendous strides over the years in diversifying our economy, tourism is still our largest industry and has the greatest impact on our economy. But as you can imagine, the COVID-19 pandemic has had a negative impact on our tourism.

There have been no ship calls since March and ships are not anticipated to return until at least the spring. When they do return, we anticipate that passenger arrivals will be considerably reduced from the pre-COVID levels. While the industry recovers from the pandemic, we want to be prepared and continue to pursue the permits to dredge Long Bay, Crown Bay, and Gallows Bay. We anticipate getting those approvals later this year.

But we also believe this is the ideal time to pursue the merger of the Virgin Islands Port Authority with the West Indies Company. WICO has been severely impacted by the lack of cruise activity

and has reduced staff, salaries, and hours of operation. They are quickly approaching a financial wall that is catalyzing this need for consolidation. WICO is currently a wholly-owned subsidiary of the Public Finance Authority. We are proposing that this ownership interest be transferred to the Port Authority and that WICO be given full responsibility for the management of all cruise ports in the Territory. This makes sense and would create synergy in our efforts to promote the Virgin Islands as one destination in the cruise industry.

We have begun the discussions about the most efficient way to make the transfer and will be executing this long-awaited merger. The new structure will be efficient and finally allow the Virgin Islands to negotiate all three major cruise ports in both districts from one unified vantage point.

The Virgin Islands has not yet seen a return of the traditional hotel rooms that were lost during Hurricanes Irma and Maria. We had approximately 4,500 rooms prior to the 2017 hurricanes. We currently have about 2,450 rooms. The drop off of the leisure travel market in the midst of the pandemic has encouraged the delay of several hotel renovation projects.

The continued postponement of major properties coming back online, such as the Marriott, have contributed to a delay in our revenue growth, however, there are certainly reasons to be very optimistic. Hotel tax revenues were up year-over-year in Fiscal Year 2020 versus Fiscal Year 2019 until the onset of the pandemic closures in March. We are expecting the reopening of the Divi Carina Bay Resort and the Carambola Beach Resort on St. Croix this year. We are currently evaluating proposals for the redevelopment of Protestant Cay in Christiansted Harbor. The Port Authority is also in active negotiations with Global Solutions, LLC to construct a 120 to 140 room hotel at the Henry E. Rohlsen Airport on St. Croix.

On St. Thomas, both the Limetree Beach Resort and the Club Wyndham Elysian Beach Resort have reopened with newly renovated rooms. Construction of the 68-room boutique resort at The Preserve at Botany Bay is anticipated to start this July. This is a \$25 million capital investment projected to create at least 45 new full-time jobs.

These are all positive initiatives to revive our tourism product.

We understand the tremendous pressure that people in the hospitality industry throughout the Territory are under. For example, in the St. Thomas/St. John district it is well known that extra revenue created by hotels has provided many workers with secondary jobs. Jobs that send their children to school, put food on their tables and pay their rent. We have worked with the hotels to ensure that we do everything within our power to regain these room nights as soon as possible. We have worked to use the economic development tools and our influence to ensure that the Marriott, Caneel and Sugar Bay, all come back online as quickly as possible. Perhaps the best news is that Diamond Rock, the owners of the Marriott Frenchman's Reef, anticipates that construction will restart this summer. The Caneel Bay Resort has resumed negotiations with the park service and now sees a pathway to the reconstruction of this world-famous resort. We know that the private sector is struggling with its recovery and we will continue to bring them along as partners in our territorial recovery.

The new Lovango Resort and Beach Club opened its doors this past December. I visited Lovango Cay in December and was wowed with the beauty of the property, its sensitivity to the environment, and its commitment to employing Virgin Islanders. The Bryan-Roach Administration, the Snider family, the owners of the new resort, and the St. John community have all worked closely together to bring this project to fruition, and I am pleased to say the resort opened on schedule as promised! They now hope to complete the construction of four clusters of cottages and eco-tents by December 2021 and by 2024 they expect to have 70-bedroom units in operation.

On two occasions last year we had to order the temporary halt on the booking of leisure guests. While this significantly helped to keep our COVID19 numbers low, it had the anticipated impact of quickly and dramatically reducing airlift to the Territory. The incoming passenger loads significantly declined beginning in mid-March at both airports. Daily passenger arrivals into St.

Thomas dropped from nearly 2,400 on March 14th to less than 100 passengers per day by the end of March.

However, when the pandemic restrictions on leisure travel were relaxed following the second shutdown in August, airlift increased exponentially. St. Thomas winter capacity is approaching pre-hurricane levels of 2017. St. Croix capacity has long surpassed the 2017 levels. Airlines continue to bring back service with increased frequency and additional carriers are introducing service from the mainland. We continue to receive calls and commitments for new flights and just last week added another direct flight from Miami courtesy of Frontier Airlines.

The already burgeoning commercial flights are complemented by the expansion of our jet services in the Territory. Last October, the Port Authority welcomed fixed-base operator Standard Aviation and their world-class 28,000 square-foot hangar and aviation facility to the Cyril E. King Airport. This hangar is the largest free-span building in the Caribbean and can accommodate some of the largest luxury business jets on the market. Standard Aviation is providing concierge to the private jets, their crews, and their high-end guests.

A drive past the Henry Rohlsen Airport will reveal the steel skeleton of yet another FBO flight center on St. Croix. Eagle Aviation will complete its hangar by the end of June and will be open for jet services. We support the expansion of the private jet industry, as we ultimately gain from the aviation fees, the purchase of fuel, and the benefit of additional overnight guests in the Territory adding dollars to our economy.

Albert Einstein said, “in the midst of every crisis, lies great opportunity”. And in the midst of the pandemic, we seized the opportunity to revitalize our marine industry. We welcomed Caribbean sailors to the safe haven of our shores when they were denied access by other countries. We managed the safe integration of those sailors and registered over 200 new vessels in the process.

The BVI is closed to marine traffic and it has created an unprecedented amount of activity for the marine industry in the Territory. The Moorings, one of the larger charter companies, recently announced its St. Thomas opening and for the first time in recent memory, charter vessel activity has increased on St. Croix.

In our efforts to see the rise of the blue economy we forwarded our Administration's mooring project permit to the legislature earlier this month. This project will add over 200 new moorings to the Territory. As soon as approved we can start the project which will take boats out of Magens and other Bays and into appropriate mooring areas.

Additionally, we have sent legislation to shore up our fishing and leisure boating industry. On St. Croix, we have included funding provisions for the repair of the Kings Alley pier, the Gallows Bay Fisherman's Dock in front of the world-famous "Panchi's" and the repair of the boat ramp located in Krause Lagoon. Repairs at Altona Lagoon will also be underway this year.

The \$1.75 million for the Ann Abramson Pier – South Tender landing will be allocated this year from the Diageo Community Facilities. The addition to this pier will not only assist our scuba shops and dive enthusiasts but will now provide access to our economy for charter vessels that are visiting Frederiksted with increased frequency.

We are especially proud of the completion of the La Reine fish market and will be having a ribbon-cutting next month. We will continue to invest in leisure, recreational and commercial marine infrastructure.

On St. John, we have finally completed the approval for the Summers End Marina project, a permit that is over six years old. I thank the Legislature for their vote of confidence to bring financial, social and job opportunities to Coral Bay. We recognize that this is a controversial project for some St. Johnians, but we will continue to work with all our residents, landowners and developers to ensure that this is a successful project.

To demonstrate the success and appeal of our destination, the Virgin Islands has received the “Destination of the Year” award from Caribbean Journal. The demand for our destination is greater than ever and as “normalcy” returns, the Department of Tourism is prepared to reignite its marketing campaigns to further encourage the return of leisure travel to the Territory. A \$2million contract has been executed to resume both the “Reconnect with Paradise” territory-wide campaign and the St. Croix-specific “Vibe Like No Other” campaign. Coupled with our addition of luxury travel services and marine infrastructure will pay dividends and tourism dollars for years to come. Without a doubt, the Virgin Islands is poised to rebound from the pandemic stronger than any of our neighbors in the region.

After considerable delay, Limetree Bay is finally on the verge of restarting the refinery. The refinery has been idle since 2012 and works to restart it began in 2018. In October, Limetree received a shipment of crude oil and started commissioning equipment in preparation for a restart of refining. Once the refinery has restarted, the Government will be entitled to an annual payment of at least \$7 million.

We have carefully monitored the progress of the restart as Limetree Bay, the EPA, DPNR, and the U.S. Department of Justice worked meticulously through the Clean Air Act Permits to ensure that federal air quality standards were met. As refining begins, that monitoring will continue to ensure that the public health of St. Croix’s residents is protected.

This past year saw the emergence of industrial hemp as a new industry within the agricultural sector. My Administration has successfully established the Hemp Commission and implemented the industrial hemp laws that have been dormant on the books since 2016. The members of the Commission worked diligently with my office to establish the parameters for the proper regulation of the industry. On May 27th, the United States Department of Agriculture approved the Virgin Islands Hemp Production Program, thereby authorizing the local Department of Agriculture and the Hemp Commission to issue licenses for hemp cultivation. On December 23rd,

the Commission approved the first Commercial Hemp Grower License and the first Hemp Seed Distributor License in the Virgin Islands. Crucian Hemp Farms, LLLP intends to cultivate and harvest 100 acres of CBD rich industrial hemp. It is anticipated that the Virgin Islands' hemp industry will ultimately create hundreds of jobs and the diversity of economy that provides resilience for our people.

In Estate Bethlehem, we are adding a vital component to our efforts to resuscitate our agricultural industry. The Fresh Ministries Aquaponics Center is poised to be the model for the future of affordable and sustainable agriculture in the Territory. Founder and CEO of Fresh Ministries Reverend Dr. Robert Lee III, through the “Desmond Tutu Program to End Global Hunger” and a \$2 million grant from the U.S. Economic Development Administration, broke ground in June of 2020. This project, in partnership with Farmers in Action, was provided \$300,000 in local matching funds by the Government of the Virgin Islands. It boasts over 50,000 square feet of greenhouse space and will be used as a training center to teach Virgin Islanders the business of aquaponics.

Aquaponics does not require an excessive amount of energy to facilitate success. A 2,000 square foot greenhouse can generate upwards of \$100,000 annually in produce and fresh fish. We are extremely excited to be a part of this initiative and thank Rev. Dr. Lee and the Farmers in Action for their leadership.

Food safety and food security continue to be a priority and our Administration's support of agriculture demonstrates this. We continue to support food production while putting underutilized agricultural lands to use and creating jobs while diversifying our economy.

As our economic development initiatives continue to create job opportunities and our larger hurricane recovery projects begin to break ground there is a growing need for skilled workers throughout the Virgin Islands. The jobs are there, but they will not fully benefit Virgin Islanders unless we are able to produce trained and prepared workers to meet employment needs.

We recognize the coming crisis and we are prepared to address it. With the support of the Department of Labor, this year I will be rolling out the \$10 million Skills for Today on-the-job training program. This program will train a total of 625 individuals over the next twenty-four months. The Skills for Today program complements our ongoing registered apprenticeship program. Last year, the Bryan/Roach administration introduced our first registered apprenticeship sponsor in the Territory, Gold Coast Yachts. Today, we have registered apprenticeship sponsors in healthcare, hospitality and the marine industry. I am thankful to the employers that are participating and I encourage all employers in the Territory to partner with the Department of Labor as a registered apprenticeship sponsor.

Workforce development creates resilient people and leads to sustainable economic growth. Our workforce development efforts will be in overdrive in 2021!

My Administration inherited a utility that was suffering from years of deferred maintenance and the ill-effects of having its largest customer, the Government of the Virgin Islands, continually delinquent on making payments. As our sole public power provider, the Virgin Islands Water and Power Authority was in imminent danger of financial collapse and would have surely taken the rest of the Government with it. This was particularly tragic considering the hundreds of millions of dollars earmarked by the federal government since 2017 to be invested into WAPA's infrastructure.

WAPA has entered into a \$75 million contract with Wartsila, a global leader in smart technologies, for the engineering, procurement, and construction of four new generators, and a battery storage system at St. Thomas' Randolph Harley Power Plant. These units will be onsite by June of this year.

This project is a critical milestone in WAPA's transformation and utilizes 100% federal monies provided by HUD. It will replace the aging generators and the rented equipment that WAPA has

relied on for decades. The new generators will greatly increase reliability and efficiency of the Harley power plant, and reduce maintenance and fuel costs.

The 18 megawatt-hour battery storage is an evolution in technology for WAPA, providing instantaneous standby capacity in case a generator trips. It also allows for better integration of renewable energy systems onto the power grid.

WAPA's \$742 million of mitigation projects include backup generators and the installation of composite poles across the Territory. Projects to place electrical lines underground in both St. Croix and St. John will begin in February. Phase I of the restoration of the St. Thomas' East End Substation was completed in July 2020 and Phase II is expected to be completed this year. These investments will undoubtedly increase the reliability of our power system.

Waterline projects in Estates Clifton Hill, Hannah's Rest, and Campo Rico will replace the corroded iron pipes currently providing water to these communities with new PVC piping. This will help solve the issues of "brown" water customers experience and prevent the loss of revenues from leaks.

Yes, this is progress, but regrettably WAPA is still plagued with management inefficiencies. WAPA has a tremendous opportunity to transform itself if it can only overcome its immediate challenges. Most glaring is the failures within the billing system. Despite the installation of smart meters and automated metering infrastructure several years ago, we are still faced with delayed and estimated billing and billing errors.

This Administration has given the Authority stability, and the support necessary to make the changes. We are encouraged by the improvements to date, but customers deserve better. I have called on WAPA's Board to fully investigate the lingering issues, demonstrate accountability, and give ratepayers reasonable rates. Customers must feel confident that what is billed is what is owed.

Maintenance of our roadways is a constant effort. On St. Thomas, critical road repairs have been completed at Fortuna Bay, Bovoni, Eastern Cemetery, Estate Peterborg, Mannassah Hill Road, and Frenchtown. Road improvements are currently underway at Crown Bay. The Estate Thomas Infrastructure Project - Phase 1 is scheduled to start and additional paving will be done on the Bolongo Bay Drainage Infrastructure Project.

This year will also see the completion, years in the making, of two longstanding road projects, the Main Street Enhancement Project, and the Veterans Drive – Phase One. Both will enhance the traffic flow and aesthetics of downtown Charlotte Amalie. We already see how the expansion of the waterfront project has improved the quality of life for citizens in its district, as it is now utilized for walking, cycling, and running.

Repairs to Estate Adrian Road are in progress on St. John as well as a \$2.8 million repair to Centerline Road. Extensive road repairs on St. Croix were completed in Estates Hermon Hill, Rattan, Richmond, Tipperary, Union-Mount Washington, Sally's Fancy, and Sion Farm, on Hess Road, West Airport Road, and the Scenic Road. In the upcoming year, work will begin on the new Clifton Hill Road - Route 75, and over five miles of Mahogany Road will be paved. I also thank the members of the 33rd Legislature for making \$4.5 million available from the St. Croix Capital Improvement Fund to pave roads in Estates La Reine, Bugby Hole, Herman Hill, and St. George. We are intent on providing traffic and pavement relief to our residents in both districts. We are dedicating \$20 million from the Internal Revenue Matching Fund debt service reserve to fix these problems. The traffic along the Weymouth Rhymer Highway leading into Ft. Mylner has become increasingly unbearable. As such we are dedicating \$4 million to the completion of the Leonardo "Nardo" Trotman Drive, which should ease the traffic congestion in this area. I have consulted with Senate President Donna Frett-Gregory and we are also allotting another \$14 million to repair various local roads on all three islands. An additional \$2 million will be set aside for the revitalization of the boat ramp in Hull Bay and a new parking lot for the boat trailers and storage.

These are not hasty patching jobs. These are carefully planned and properly executed road repairs as we make a concerted effort to raise the standards for paving projects in the Territory. The Virgin Islands Port Authority continues to make major investments in our port infrastructure. Not talk, not plans, but completed projects.

2021 promises to be another busy year for the Port Authority. Construction has begun on a \$24 million cargo terminal and dock improvements at St. Croix's Gordon A. Finch Molasses Pier. When the project is completed later this year, all cargo operations will move from Gallows Bay to the Molasses Pier. Gallows Bay port will then realize its full potential as a premium passenger facility catering to mini-cruise ships and luxury yachts.

An \$8.6 million terminal expansion and modernization at the Henry E. Rohlsen Airport is underway. I thank the Senate for supporting this project by appropriating the \$1.6 million in local matching funds. This project will upgrade the overall décor of the departure terminal and add modern amenities.

Additionally, the National Defense Authorization Act, signed into law this past December, includes \$11 million for the construction of an administrative building and \$28 million for the construction of an army aviation support facility at the Rohlsen Airport. This facility will support the maintenance and refueling of visiting military aircraft conducting military operations, disaster relief, and humanitarian efforts in the region.

Within the next month, the Port Authority will begin work on the \$26.8 million transportation center at Cyril E. King Airport with more than 600 parking spaces and a dedicated location for ground transportation and car rental operations.

Construction also begins this year on a new U.S. Customs and Border Protection Facility at the Urman V. Fredericks Marine Terminal in Red Hook. Travelers will clear Customs in St. Thomas without having to first stop in St. John.

Persistence always pays off. In 2019 we visited the U.S Department of Commerce along with Tropical Shipping and Crowley and briefed them on the importance of our cargo infrastructure. Our efforts were not in vain as we won two federal grants for the same project! We were advised that we had to decline one and the Port Authority was awarded a U.S. Department of Transportation infrastructure grant for \$21.9 million to rebuild and expand cargo handling and storage infrastructure at the Crown Bay Cargo Terminal. Crown Bay serves as a major trans-shipment port for cargo being shipped to many of the other Caribbean islands. We expect construction to begin this year.

This expansion will be complemented by the redevelopment of the Addelita Cancryn and adjacent properties for port expansion. Rents generated by these properties will be reinvested in the Department of Education's school maintenance program making this a win-win for the Virgin Islands.

My Administration continues to clear a pathway to prosperity by making significant investments to modernize our infrastructure.

For our car racing enthusiasts, we have good news. We appropriated \$500,000 last year to restore the racing surface and secured a generous donation of an additional 2.57 acres of property from the adjacent Renaissance Park to expand the facility. I will submit to the Senate President a request for approval to use the Community Facilities Trust Account at Diageo for an additional \$675,000 to make necessary track improvements. With that appropriation, car racing will officially return to the U.S. Virgin Islands.

The contract for the operation of our racetracks between the Government and VIGL Operations that was ratified by the 31st Legislature in 2016 has been plagued with legal problems from the very beginning. Firstly, the former operator on St. Croix, TRAXCO, had their agreement prematurely terminated and sued to reinforce their rights. The settlement of that lawsuit granted

TRAXCO authority to run the racino on St. Croix for two years after the VIGL agreement goes into effect. Then the FAA questioned the use of the property at the Randall “Doc” James Track for non-aviation purposes. The construction permits were held up until the Port Authority could resolve that matter. After the Coastal Zone Management permits were issued, the permit for the Clinton Phipps racetrack was appealed to the Board of Land Use Appeals. Southland Gaming then filed a suit against the Government for violating their contract for the exclusive rights to operate video lottery terminals on St. Thomas.

Let it be known, I have done my best to enforce this agreement as negotiated, even as it has become apparent that all parties and affected stakeholders are dissatisfied. I have fought at every turn to resume live horse racing in the Virgin Islands. In fact, I share the vision of the former administration in having a unified racing industry on St. Thomas and St. Croix with world-class venues and an attractive purse structure to match. We appreciate VIGL’s contributions to the community thus far, but If you know me, then you know I cannot be bullied. I will not be bullied into breaching a still legally binding agreement to the benefit of one party and the detriment of Virgin Islands taxpayers to the tune of \$8 million.

Nor will I negotiate modifications to that agreement through the media. If the agreement is to be modified, then that is to be done at the negotiating table and I certainly will be seeking to protect the interests of the Virgin Islands. This matter is currently in mediation and I hope that process resolves the current disputes so that horse racing can return to the Virgin Islands in the near future.

Likewise, we continue our efforts to reconstruct the Paul E. Joseph Stadium. While at times I have expressed concerns about the rising cost of the project over the last six years, I have never wavered from a commitment to see it finished. Last year, we purchased six acres in Estate La Grange to facilitate the completion of the project. Prior to FEMA’s halt to the project, we installed the foundation. Unfortunately, from the original design, a part of the stadium is to be constructed within a flood plain. This has added complexity to the project. We anticipate FEMA will approve

the Conditional Letter of Map Revision for construction to continue by May. We will also seek an additional \$3 million to restore some of the value-added amenities not included in the current budget. This is the third administration that has grappled with this project but trust me, we will get it done!

We have invested in our sporting infrastructure and resurrected the law that creates the Sports Commission. That legislation remained unenacted since 2014 but I have fully constituted the Commission. It is tasked with the development of a plan to develop sports tourism, as well as a specific plan for the utilization of the Paul E Joseph Stadium.

Providing opportunities for Virgin Islanders to become homeowners is ultimately what the Virgin Islands Housing Finance Authority does best. After a brief hiatus, they were back at it in 2020. The Authority broke ground in October on a 57 single-family home subdivision in Estate Fortuna called "Wild Pineapple". With its beautiful vistas of St. Thomas, Wild Pineapple is VIHFA's newest subdivision since the completion of the Whispering Hills subdivision in Estate Donoe in 2015.

The Authority will also be constructing 16 additional homes in the Whispering Hills community and additional homes in its Mount Pleasant West and Estate Bonne Esperance subdivisions on St. Croix.

Magens Junction II will consist of 60 new, low-income tax credit rental apartments that are contained in a nine-story building on St. Thomas. The \$35M development is slated to be complete by June.

Meanwhile, the Virgin Islands Housing Authority has begun to implement its asset repositioning plan and revamp its stock of low-income housing. It completed Phase III of the Louis E. Brown Villas last year. This phase included 90 multi-family apartments and completes the redevelopment of the beautiful Louis E. Brown community on St. Croix.

This year work is scheduled to begin on the renovation of the Walter I.M. Hodge Pavilion in Frederiksted. The project will include an exterior facelift of the buildings and overall site beautification. With the commitment to this project, 250 units will be rehabilitated, and the future of this community and its rich history are no longer in doubt. Adding to the good news is that the Authority is also preparing to commence roof repairs in the Michael J. Kirwan Terrace, Paul M. Pearson Garden, and the Contant Knolls communities in St. Thomas.

We launched our Healthier Horizons initiative last year in an effort to drive changes in public health policy that would facilitate better healthcare outcomes for our people. The cornerstone of that effort was our comprehensive legislative proposal to address the needs of adults and children in the Virgin Islands who suffer from behavioral health challenges. We refer to that legislation as the Behavioral Health and Developmental Disabilities Act.

The bill clarifies the role of the departments of Health, Human Services, VIPD, the Bureau of Corrections, and other agencies that work with persons with behavioral health issues. It facilitates the expansion of behavioral health services in the Territory and addresses the collaboration of public and private partners. This important bill helps us to get a grip on not only behavioral health issues but on the chronic homelessness and danger to the community that often results.

We sent that legislation to the 33rd Legislature on January 19, 2020. An entire year went by without the bill being afforded a hearing. Many stakeholders have contributed to this effort and support its implementation. As such, we have resubmitted this legislation. I remain hopeful that the members of the 34th Legislature are sufficiently concerned about the matter of behavioral health to finally give this bill a hearing and proper consideration.

We continue to advocate for Senate action to integrate Emergency Medical Services with the Virgin Islands Fire Service. Action on this legislation is critical to the health and well-being of our residents. Having Fire and EMS respond from strategically positioned stations will enable our first

responders to reach those in critical needs in a shorter time and may save lives. It also augments the staffing available to provide emergency medical response. This model is successfully in effect on St. John. Year after year we continue to witness instances that had this been done, those same Virgin Islanders would still be alive today.

Governor Juan Luis signed Executive Order No. 233 in 1979 providing for the licensure of emergency medical technicians in the Virgin Islands by the Department of Health. To this day, this executive order remains the sole legal authority of emergency medical services in the Virgin Islands. My office, the Department of Health, and the Division of Fire Services have spent considerable time leading a multi-agency effort to plan and coordinate the Fire-EMS integration. We have thought through the budgetary concerns, operational concerns, collective bargaining impacts, and the legal framework necessary to do this successfully. That coordination is embodied in the bills we have drafted to both effectuate the merger and to create a system to regulate the conduct of Emergency Medical Services. In the absence of legislative action on those bills, I will be issuing an Executive Order to amend Executive Order 233-1979 and create the new, integrated Virgin Islands Fire and Emergency Medical Services. Too many people have died, the time has come to make the change.

We began our efforts to modernize the telemedicine provisions in the Virgin Islands Code prior to the COVID-19 outbreak last year. Since then, the benefit of telemedicine has become evident. We have drafted the Telehealth Act, establishing licensing rules, standards of practice for telehealth providers, and authorizing telehealth providers to use telehealth to treat patients. This provides Virgin Islanders with increased access to healthcare options from remote providers. We will be submitting that legislation for consideration by this body.

The Associations Health Plan is a new path for hardworking Virgin Islanders to access health care coverage by giving choice and competition in the Territory and strengthening the negotiating power with providers from larger risk pools. The plans allow small employers to band together

to purchase the types of coverage available to large employers yet less expensive and better tailored to their needs. Business owners without employees can also join the plan.

The Office of the Governor has been working to vet health insurance carriers to provide coverage to the Associations Health Plan members. Five organizations have opted in as members – the St. Thomas-St. John and the St. Croix Chambers of Commerce, the USVI Hotel and Tourism Association, the VI Bar Association, and the VI Realtors Association.

These are just four of the eleven measures that we are championing as part of the Healthier Horizons initiative.

The Virgin Islands Police Department continues to improve its performance in addressing violent crime. Last year, VIPD arrested 21 homicide suspects. That is progress when compared to prior years. Sadly, many homicide suspects are themselves murdered before they can be brought to justice, leaving friends and family of their victims with no closure. Through traffic stops and other initiatives, we took 175 illegal firearms off the streets. More importantly, those stops flagged numerous individuals who are engaged in the irresponsible act of purchasing and carrying unregistered firearms. Also, we are pleased to say that VIPD demonstrated its resolve by arresting eight individuals and confiscating 17 unlicensed firearms on New Year's Eve. We have zero-tolerance for the celebratory gunfire that unnerves and endangers our residents each year on that day.

We continue to employ technology to augment our limited human resources. This past year we restored the ShotSpotter gunshot detection system and the first phase of our public surveillance camera system will be operational this summer, in both districts. Additionally, our federal partners have also provided resources to assist our investigators in ballistic and firearms identification.

We are stepping up our efforts to intercept firearms that are being illegally smuggled through our ports of entry. To achieve this, we are forging partnerships with our airline partners and solidifying coordination among relevant enforcement agencies. We look forward to submitting legislation to complement our efforts. The proposed legislation seeks to clarify licensing requirements and declaration processes for transporting firearms, ammunition and accessories into the Territory. Further, we will seek to require 24-hour notice of intent to import firearms into the Territory to facilitate VIPD search and declaration.

The Virgin Islands Police Department is chronically understaffed. We are simply unable to recruit and train officers fast enough to replace those who are leaving the force. However, we have developed strategies to augment VIPD's law enforcement presence while we pursue more long-term recruiting strategies. Last year saw the active return of the Police Auxiliary. The Auxiliary has already onboarded its first six officers and has twenty-one more on the way. This year we are introducing the Community Service Officer program. This program will give individuals interested in law enforcement careers an opportunity to serve in entry-level patrolling positions without first going through the peace officer training regimen. We are hiring – Police Officers, Police Auxiliary and Community Service Officers.

Additionally, we will soon implement a mandate requiring peace officers throughout the executive branch to serve at least sixteen regular, non-overtime hours per calendar month on patrol with VIPD. This will drastically increase VIPD's presence, manpower and policing capabilities. Our police officers need support and we are working hard to get them the resources and manpower they need.

But as we work to increase our law enforcement capacity, we recognize that the causes of violent crime are rooted in socio-economic challenges confronting our community. As such, a purely law enforcement approach to violent crime is reactionary and ultimately ineffective. We know it is a small minority of individuals who drive the majority of violent criminal activity in our Territory.

Therefore, we must and will tackle this problem with a targeted, community-based approach that strategically provides resources and support for at-risk neighborhoods and individuals.

The 33rd Legislature took up consideration of the creation of an Office of Gun Violence Prevention and passed the measure during their final session. I signed this legislation last week and it is now law. This Office will lead a community-based partnership between law enforcement, social service providers, community leaders, the clergy, and others in an effort to interrupt violence before it leads to bloodshed on our streets.

We have aggressively been pursuing solutions to violent crime in our community. But as Virgin Islanders, we must also be willing to hold each other accountable. This past year saw increased use of Crime Stoppers; which led to apprehending criminals and solving crimes. “If you see something, say something.” It’s more than a catchy slogan, it’s a call to action. It can begin with simply calling 911 to report gunshots fired in your location. You are a critical resource to combating criminal activity in our community.

We must stop accepting and embracing the criminal element living amongst us. We must let them know that their chosen lifestyle is destructive to the culture and values that Virgin Islanders pride themselves on and it will not be tolerated. We must commit to making life as uncomfortable for them as much as they make it for us. Those residents harboring, enabling and benefiting from persons participating in illicit activities will also be sought out and prosecuted to the fullest extent of the law. As leaders in this community, Senators, I urge you to join me in making that as clear as possible to your constituents at every opportunity you are given to do so. We have to stand as one community against crime.

We must also remember that not all criminals carry guns and create mayhem in public spaces. Some criminals conduct their business very quietly by embezzling money, defrauding government systems, or receiving kickbacks on government contracts. Under the Bryan-Roach Administration, all crime and especially public corruption is put on notice. We only received

funding for the Medicaid Fraud Prevention unit last year and already we are uncovering perpetrators and making arrests. This year you will see even more arrests as we start to conclude our investigations. I continue to urge the Legislature to fund the white-collar crime unit. Corruption in any form erodes the trust of the people and their faith in us as public servants.

Last year, the Government Employees Retirement System sold off \$120 million in assets, there is now less than \$455 million remaining in the portfolio. This year we will likely sell off even more. The system is in an accelerating death spiral. And for every day that goes by without taking definitive action to reverse the failing of the Government Retirement System, the decisions that ultimately need to be made become more painful and more costly. We all know this. We should also know that if the pension system fails it will affect far more than just the annuities of the retirees, the entire Virgin Islands economy will suffer the loss of over \$200 million annually.

Last year I went to the Legislature three times in an effort to reduce our debt and contribute over \$400 million in cash to our ailing retirement system. The refinancing of our debt would have given us the opportunity to take a significant step towards solving this problem. The original two measures would have allowed us to realign our debt for more reasonable payments in the first ten years. Yes, we would have to repay more in the final 10 but realize that there is no way out of this problem that is not a painful one.

It should be noted that we have been out of the market for over 10 years and the offering of the previous administration failed to get any traction just four years ago. Although we were hamstrung by the deadlines of the first authorization it is important to note that we were securing a bond that was 25% less than the interest rate the last time we had a decent bond rating, which is a huge accomplishment. The adage “try, try and try again,” is a mainstay of the Bryan/Roach Administration and we will not stop trying to identify financially prudent initiatives if it is of benefit to the people of the Virgin Islands.

While it might give some small comfort to dismiss these warnings as scare tactics and question “what’s the rush?”, every day that we wait, it costs the GERS \$329,000 and the System moves steadily towards insolvency. The GERS Board of Trustees has made it clear; they do not have the authority to avert this reality, nor do I. Only this body can grant us the necessary authorization to take the actions necessary to infuse cash in the system and restructure its benefits package for the long-term.

It is why I sent this for consideration by the body three times; each time making significant amendments to satisfy the concerns of the Senate. Our neighbors in Puerto Rico were able to refinance their bonds, while this same opportunity sadly was not afforded to benefit Virgin Islanders.

We have some additional solutions we will present to the Senate this year. But none of these will be as straightforward or as immediate as the refunding of the Internal Revenue Matching Fund bonds would have been. When we failed to act on that we lost \$285 million in savings, the opportunity to access another \$155 million in cash currently held in reserve at the request of our current investors, the chance to re-access the credit market and to get the positive attention of the larger rating agencies.

What a year, what a tribulation! Thank God 2020 is over. Over the last year we have seen a global pandemic, national instability, riots in our cities--because black lives do matter, civil unrest as radicals attempted to kidnap governors and even stormed the Capitol, economies shut down and hospitals overrun, death tolls of over 4,000 Americans dying in a single day. Volcanoes in the Caribbean, devastating hurricanes in the southern United States and the coronavirus is raging on.

Last year the cabinet and I started the year in prayer on the day preceding the State of the Territory. We have been truly blessed in the face of life-changing adversity to be in quarantine surrounded by awesome people, beautiful weather, and the gentle and iridescent Caribbean Sea.

Thank you so much to each cabinet member and all staff members in the Offices of the Governor and Lt. Governor for your valiant efforts in meeting the many challenges of 2020.

All our fears about our coffers running out, payless paydays, government layoffs and four-day work weeks were dismissed as we saw this Administration's conservative money management techniques, diligent tax collection, and the support of our people pay off. As many in this great nation wonder and ponder how they will make it through the year, in the Virgin Islands we have a real plan, and we are confident that we can execute on it. With the help of this body and the support of our people we will continue to be successful. As we lead the Caribbean and the nation in pandemic management, we will become leaders in our other endeavors.

It is contrary to our culture to acknowledge that we are indeed doing well. Ask any Virgin Islander how are you doing today, and you are likely to hear, "I so, so", "I hanging on", "I deh yah", "Not as good as you", "Asi Asi, ni bien, ni mal".

But the reality is, we must start to acknowledge that in most instances we are better off than most. That our cup is half full as often as it is half empty. We must recognize that today is a great day and tomorrow promises to be even better. We must not hesitate to acknowledge that we are a blessed people with a long legacy of overcoming great challenges.

During the January 20th inauguration of Biden/Harris, we watched with great pride National Youth Poet Laureate Amanda Gordon recite her poem "The Hill We Climb." Her words ring true for Virgin Islanders--" There is always light, if only we're brave to see it. If only we're brave enough to be it."

We are resilient and our Territory is resurgent, succeeding against the odds and preparing for the next 20 years of progress!

God Bless you all and God bless the Virgin Islands!