

The Virgin Islands Consortium

Mapp Says Virgin Islands On Road To Recovery

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ST. THOMAS -- Governor Kenneth Mapp's posture exuded confidence last night, giving a strong expression of someone who had good news to share. From the moment he walked into the chambers of the Earl B. Ottley Legislative building here, and when he stepped to the podium, the territory's eighth governor spoke assertively from start to finish, commencing his nearly 40-page-long State of the Territory Address with a reminder of where the islands were when he took office a year ago, and where --through the efforts waged by his administration -- they are now, and the trajectory forward.

"When I stood here a year ago I reported to you that the Government of the Virgin Islands was "nearing the brink of financial collapse". That the fiscal year budget shortfall I inherited amounted to approximately \$91.2 million dollars. That in addition to this

shortfall, the government owed \$10.3 million to the Juan F. Luis Hospital, \$26 million to the Workers Compensation Fund, over \$41 million to the Government Employees Retirement System for employer contributions and over \$40 million owed to banks on our use of working capital loans.

"Let me also note that we also inherited a growing debt to the Water & Power Authority of over \$42 million owed by our hospitals and millions more owed to taxpayers in income tax refunds. Yes a year ago, this was the financial condition of the government we inherited.

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"Tonight, my fellow Virgin Islanders, I'm heartened to report to you that the Government of the United States Virgin Islands is receding from the brink of financial collapse; that our territory is surely entering into a state of economic and financial recovery. That, albeit slowly, we are poised with many opportunities coming before us that I can stand here and say with confidence, if we are prepared and continue doing the hard work, all of our lives and the condition of the territory will vastly improve," the governor said.

Mr. Mapp underlined the gains his administration has made since taking office, and he spoke of the 590 new employees that the government has already hired, and another 876 funded vacant positions that are currently available in a myriad of government agencies and departments -- teachers, police officers, firefighters, EMTs, correction officers, DPNR enforcement officers, revenue agents, school lunch workers, environmental enforcement officers, doctors, nurses, administrative personnel and recreation leaders, among others.

He then mentioned GARVEE bonds in the amount of \$91 million that was deposited into the government's treasury to be used for major road improvement projects in the territory -- \$4-\$5 million on St. John; \$46 - \$48 million on St. Croix and \$40 million on St. Thomas -- all beginning early 2016, and that's aside from work that has commenced on the Main Street Revitalization project, funded at \$10 million.

"When I stood before you one year ago the Virgin Islands Government had only \$32 million dollars of cash on hand -- enough to run this Government for just 17 days without any new collections. Well today, the Commissioner of Finance reports that the treasury of the government of the Virgin Islands holds more than \$207 million of cash on hand. Not \$207 million dollars to spend without fully realizing that we are not out of the woods yet," Governor Mapp said.

But while the influx of cash from the GARVEE bonds, some \$39.5 million in tax collection (\$7 million above the Bureau of Internal Revenue's estimates), and the ArcLight/GVI agreement \$220 million windfall will help buy the government some time, new monies must be attracted to maintain the momentum, the governor said, stating that investments must be made in the territory's infrastructure, and new, private enterprise must be lured.

Nonetheless, the frustration and despair that had snatched the ambition of residents has been replaced with aspiration, Mr. Mapp said, cautioning that now wasn't the time to relax, but rather work even harder and commit to change, imperfect as it may be.

"Our sense of hopelessness and the dire times we have been experiencing is abated, but we must realize that full recovery will require continued hard work, cooperation and a new strategy on how we conduct the affairs of state," he said. "Tonight, we must commit to each other that we will not let perfection become the enemy of good. That we will give everyone who wishes to be heard an opportunity to speak, and that we will incorporate those suggestions that advance the common good of all. But at the end of the day, we must act and my administration will act, because faith without work is futile."

The governor, visibly suffering from the flu, won the audience's applause on numerous occasions, including when he announced pay raises for the Department of Education, the Bureau of Corrections and the Office of the Lieutenant Governor. He also won praise when he mentioned that his administration had paid some \$78 million in tax refunds to residents in 2015 alone, when he spoke of the administration's plan to better the 13 percent literacy rate among third grade students, after [a daunting assessment](#) revealed how far behind students in the territory remained even after the government had expended \$1 billion between 2007-20012 on education.

"I have authorized Commissioner McCollum to move forward with a formal partnership with the Center on Teaching and Learning based at the University of Oregon. This partnership will provide evidence based intervention programs and practices for students in grades K thru 3 to address the deficiencies in student's reading levels," said the chief executive.

And the governor, while committing to continue helping the private sector, pointed at a recent banking surge that he said signaled rebounding confidence from both local business owners and the banks, the latter now more willing to lend and the former taking more risks.

"This past year nearly \$5 million dollars in loan guarantees resulted in 29 businesses, receiving over \$13.7 million dollars in loans from local banks. These new loans are projected to create 115 new jobs and preserve 422 more. This wave of lending activity is signaling confidence by Virgin Islands business owners as they look toward a more robust economy," Mr. Mapp said.

He highlighted strides made at the Virgin Islands Police Department, and stressed that efforts must continue to quell crime. The governor also pinpointed improvements at the Department of Justice with Attorney General Claude Walker, especially the department's initiative that sought to collect child support funds from delinquent parents. The governor revealed that \$1.8 million had been collected since Mr. Walker [announced the initiative](#). "This is unprecedented," Governor Mapp said while encouraging Mr. Walker to press forward.

The governor made mention of projects already underway, including the development project of the Paul E. Joseph Stadium, and revealed other revitalization work to be done in the vicinity.

"We have approved a contract where residents will soon see major improvements and repairs taking place along Strand St. Waterfront Park, the Verne I. Richards Veteran's Memorial, the McBean Clock Tower, the Vincent Mason Sr. Coral Resort, Budhoe Park and the apron at the Abramson Marine Terminal," Mr. Mapp said.

"We are also looking at five facilities with a plan to completely rebuild with modern and up to date amenities. These facilities are the Lionel Roberts Stadium, Cramers Park Beach and recreation ground, the park at Altona Lagoon in Christiansted and the Winston Wells ball park including the Department of Sports, Parks & Recreation facilities and offices on St. John. We will host a series of community charettes on each island to garner input from the public," he later added.

Lastly, the governor recognized his own shortcomings if not recounting them, giving a sense that he had learned from mistakes made and intended to correct those errors moving forward.

"I am human, not perfect," he said. "Each day I hope to learn more and become a better governor. With your patience, guidance and prayers, I will continue to move this territory forward. Each of us in this administration will do so.

"I thank my fellow Virgin Islanders for your support, good wishes, prayers and your continued generosity of good will that so characterizes the people of the Virgin Islands. Thank you, may God bless the United States Virgin Islands and the United States of America."