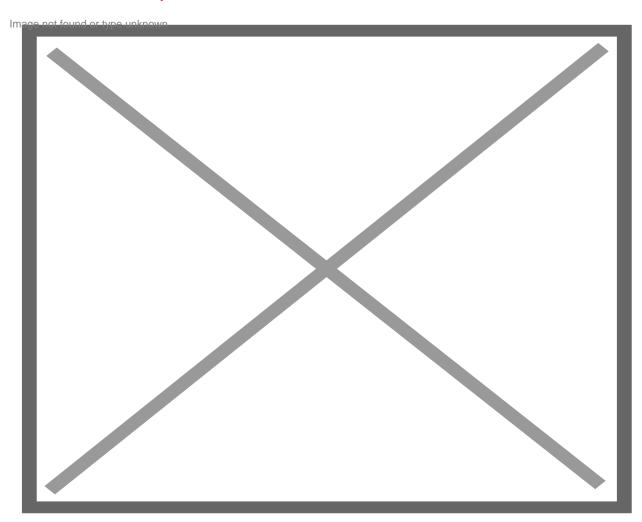
Bryan Delivers Second State of the Territory Address Tonight, Here's What to Expect

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Governor Albert Bryan delivers his first State of the Territory Address in Jan. 2019 By. THE VIRGIN ISLANDS LEGISLATURE

ST. THOMAS — Governor Albert Bryan will deliver his second State of the Territory Address since becoming the territory's leader, tonight at 7:00 p.m., at the Earl B. Ottley Legislative Building.

Mr. Bryan is bound by law to deliver the annual address on the condition of the U.S. Virgin Islands every year in January. The Consortium will carry the event live right here on the website and on our Facebook platform.

Mr. Bryan is expected to highlight his administration's achievements. Among expected mentions is his issuance of tax refunds. In Fiscal Year 2020 to date, which began on October 1, 2019, the Bryan/Roach Administration issued \$34.8 million in income tax refunds and a total of \$63.8 million since Mr. Bryan took office in January. That total surpasses Governor Kenneth Mapp's yearly average of \$50 million. During his four-year tenure, Mr. Mapp issued roughly \$200 million in tax refunds. In September, the Consortium highlighted the disparity between the two governors in issuing tax refunds, at the time making known that Mr. Bryan would have needed to release \$24 million in additional refunds this year to keep on track with his predecessor.

During his first State of the Territory Address, Mr. Bryan <u>described the islands as being</u> "distressed." Since then, however, he has spoken about progress the territory has made. On November 29, 2019, Government House issued a press release titled, "Governor Bryan Cautions Against Wasteful Spending in Light of Positive Revenue Projections". In the release, Mr. Bryan is quoted as stating, "This is going to be one of the brightest revenue projections that we've had in a long time. We're up 40 percent on our Gross Receipts. Collections are way up on personal income tax. We're doing really well in terms of revenue. Things look really good."

It would be strange, then, that after praising the territory in November as having "one of the brightest revenue projections" in years, to then play it down during the State of the Territory Address — unless something has drastically changed. To that end, expect the governor to make mention of projects resulting from FEMA disaster dollars that are set to come online; various projects already started or to commence at the Virgin Islands Port Authority; ongoing projects at the Dept. of Public Works, along with other efforts. Mr. Bryan could also highlight the territory's standing in the bond market, which his administration maintains has improved after it re-engaged the rating agencies and held its first investors meeting in three years in December.

Governors have traditionally used the SoTA to make big announcements to boost their standing, therefore a few major announcements from Mr. Bryan tonight would not be surprising.

Mr. Bryan has struggled, at least amongst constituents, to distinguish his own efforts with FEMA from that of Mr. Mapp, with many contending that a lot of the current governor's successes were actually set in motion by the former governor. Mr. Bryan could try to clearly set his efforts apart from that of his predecessor's.

Crime remains a problem in the U.S. Virgin Islands, with the territory experiencing its first homicide of 2020 Sunday morning on St. Croix. And December 2019 saw five homicides in five days in St. Thomas. Mr. Bryan during his first SoTA described crime as the "bitter fruit of entrenched social and economic woes that have plagued our community for generations." Even so, the administration has failed to contain the incessant violence, and Mr. Bryan may use the address to talk about new initiatives.

Interestingly, the Government Employees' Retirement System has not screamed about its dire situation as it did under the prior administration. Nonetheless the pension system is the biggest problem, along with the Virgin Islands Water and Power Authority facing the U.S. Virgin Islands. At least for WAPA, there is federal help, but the local government is left to come up with solutions for a pension system that is on a road to collapse, needing more than \$4 billion to be saved, and an infusion of cash of no less than \$400 million to last beyond 2023, according to the pension system itself. Mr. Bryan during his campaign spoke of attracting new rum companies to the territory and using the rum cover-over taxes collected through these new factories to undergird G.E.R.S. He had projected \$20 million could be provided annually to G.E.R.S. through one new rum company — but so far the effort has failed: in June 2019, Mr. Bryan told the

Consortium that only boutique outfits were interested.

The governor could minimize any criticism of not securing new rum companies by stating that he has tried another route: legalization of marijuana for recreational use in the territory, which Mr. Bryan said could generate, at its peak, \$20 million (that figure, however, remains in question). The Senate has since rejected the bill, contending that the Virgin Islands Medical Cannabis Patient Care Act, which took a number of years of vetting — from territory-wide town halls, a number of committee meetings and thorough debate — had yet to be implemented even after being signed into law at the beginning of 2019. Yet the administration was looking to go further and legalize marijuana altogether, a move senators contend needs more community input.

Mr. Bryan, however, saw the Senate's action of holding the measure for further vetting as senators lacking urgency to fix the problems facing the Virgin Islands, specifically G.E.R.S, which Mr. Bryan said the bill was geared toward saving.

"People say the G.E.R.S. going broke, we bring the revenue-generating to the Senate, they sent it to committee. There's no urgency. It's like everybody laid back and say okay," Mr. Bryan said outside Government House on St. Croix in December, after meeting with members of the American Federation of Teachers Union, who were protesting for better working — and learning — conditions at the territory's schools.

Lastly, Mr. Bryan is expected to defend his actions relative to WAPA. His advocacy to raise the base rate, which was approved by the Public Services Commission last week, has battered his standing amongst constituents. The governor is expected to stress that WAPA customers' power bills will only see minimal, if any increase at all, from the P.S.C. action, while continuing to promote his initiative that he says will see the power bills of Virgin Islanders decreasing at the end of his first four years in office.

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