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The State of the Territory: Bryan Extols Successes of His First Year, Proclaims Territory on the Right Track

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Senator Marvin Blyden, left, shakes the hand of Governor Albert Bryan while Senator Kurt Viallet looks on By. VI LEGISLATURE

In the two hours between the interminable introductions of Virgin Islands' political power players and his parting words, Gov. Albert Bryan Jr. on Monday delivered his second State of the Territory address, a speech leaning heavily on the past year's successes – many of which he can rightfully claim – but treading lightly on solutions to intractable problems, such as the near-insolvent Government Employees Retirement System, gun violence and the territory's high-cost, unreliable electric utility provider.

By the big-picture metrics of fiscal responsibility, sound public policy and government transparency, the Virgin Islands has regained its footing since the 2017 storms, the governor told lawmakers and dignitaries assembled for his speech at the Legislative Building on St. Thomas.

“We are stabilizing our government to restore public trust. We are continuing the recovery and rebuilding effort. And we are laying a solid foundation in which to grow our Virgin Islands community.”

But to truly understand the administration’s progress in 2019, one must also understand the dire circumstances Mr. Bryan and Lt. Gov. Tregenza Roach faced when they took office, the governor said. “Last January, the Lieutenant Governor and I took the helm of a government that was in a state of distress.”

Consider:

The Virgin Islands had a few days of cash on hand, and the prospect of missing a payroll was very real. The previous administration was struggling to balance fiscal year budgets on revenues from a St. Croix refinery that had not, at that point, received federal environmental permits to open, and on excise tax revenues that the federal courts had expressly barred the territory from collecting, Mr. Bryan said.

“We were staring down the Medicaid fiscal cliff that threatened to take thousands of Virgin Islanders off their sole source of health insurance and increase the government healthcare costs. ... While the promise of billions of dollars in federal recovery aid existed, we quickly recognized the Government of the Virgin Islands did not yet have the capacity required to navigate the vast bureaucracy necessary to access those funds.”

“The Department of Labor was on the brink of federal receivership, and the HeadStart program was also in fiscal trouble; boards and commissions were without quorums or were depending on members whose terms had long since expired. Our schools were disrupted with some campuses and buildings slated for demolition, and the countdown clock to the insolvency of the Government Employees Retirement System continued ticking.”

For his part, Senate President Novelle Francis thought Mr. Bryan's speech did not provide sufficient, concrete details on a plan for healthcare and gun violence. And he castigated the governor for supporting the idea of Soccer stadium on St. Thomas, when St. Croix's FIFA-sanctioned facility, Mr. Francis said, could serve the entire territory.

"I was encouraged to hear Gov. Albert Bryan, Jr. say that the state of the territory is on the mend, but had hoped to hear him speak more definitively about healthcare, our hospitals and crime fighting initiatives. While he touts sports tourism, it's discouraging to hear about a FIFA sanctioned soccer field on St. Thomas, especially when there is already a field on St. Croix. Why can't this field serve the entire territory and support inter island, regional and national play instead of stretching our resources to build another field? Every St. Croix success does not need to be duplicated on St. Thomas, especially not when our resources are stretched thin. Let St. Croix shine!" said Mr. Francis.

During the address, Mr. Bryan sought to draw a clear line between his successes and what some may have perceived as rollover wins initiated by the prior administration. To that end, he spoke of the territory's reestablishing of its relationship with the U.S. rating agencies, which former Governor Kenneth Mapp had [so famously severed](#).

On the Upside

“Tonight,” Mr. Byran told lawmakers and others viewing the address remotely, “I am pleased to announce that we have seen the first significant bond rating improvement in a very long time. Standard and Poor’s Global Ratings raised the Territory’s outlook from negative to stable and affirmed its “A” rating on the USVI Garvee bonds.”

The formerly “unstable” Caa3 bonds and the ratings on the territory's four liens of Public Finance Authority’s matching fund revenue bonds were reviewed by Moody’s Investor Service and now deemed to be “stable.”

According to the governor, the improved ratings are a result of the improved near-term financial position that comes part and parcel with the promise of billions of dollars in federal disaster assistance and accompanying surge in tax revenues from storm reconstruction. “This puts the territory in a much-improved position to secure financing for major capital improvement and other projects at lower, more favorable rates.”

Transparency and Accountability

In April, the territory launched an official government transparency website – www.transparency.vi.gov — that posts real-time data on revenues and expenditures. The site is open and free for public use. “As we demonstrate our commitment to be the best stewards of the government’s dollars, all Virgin Islanders are encouraged to visit the site regularly for updates on our fiscal position.”

The Old and Intractable

While the governor recounted a litany of accomplishments, the speech lacked detailed solutions to major deficiencies plaguing the territory.

Mr. Bryan called the pending bankruptcy of the Government Employees Retirement System (GERS) a “looming threat to the economic and fiscal well-being of the territory.”

“We have been actively pursuing sustainable revenue streams that are large enough to support a bond issuance to provide the necessary cash infusion.” The administration, he said, is also in discussions with rum distillers that are interested in starting operations in the Virgin Islands. In 2019, the governor told the Consortium that [only boutique outfits were interested](#). Additionally, “we have begun lobbying efforts on increasing the Virgin Islands share of the Caribbean Basin Initiative funding and support the efforts of this body in pursuing the capture of the gasoline excise taxes,” he said.

Cannabis Policy and the GERS

In December Mr. Bryan called the Legislature into special session to consider an amendment to the newly enacted Medicinal Cannabis Patient Care Act. The existing law legalized medical marijuana. The latest proposal would, among other things, create a pathway toward legal, non-medicinal use by cruise ship tourists, rastafarians and, potentially, others in the territory.

“Most importantly, it creates a taxing regime for the local industry that will generate higher revenues than the current law allows. We have proposed that 75 percent of those revenues be dedicated to the Government Employees Retirement System. Twenty percent would support the regulation of the industry, and the other five percent would fund programs for our senior citizens.

The revenues generated from this industry can benefit the System as a direct contribution. However, the goal is to create a funding stream that is reliable enough to ultimately support a revenue bond that can provide a needed cash infusion to the system,” Mr. Bryan said.

“This is by no means the panacea or final solution for the GERS crisis, but a small part of a larger solution. It begins the process of generating the new revenues required to stave off the insolvency of the System.”

Many of the governor’s new ideas touched on important issues. Below are a few of the issues mentioned in his speech.

Gov. Bryan: Prominence of Public Corruption is ‘More Speculation Than Truth’

While down-playing the amount of public corruption in the territory, Gov. Bryan again pushed his call for a special unit within the Department of Justice to combat white collar crime.

“ ... while there have been prominent cases of public corruption, it has been our experience thus far that it is more speculation than truth. However, this pervasive belief undermines the fundamental trust that we are striving to rebuild in our residents towards our government,” Mr. Bryan said.

The governor, however, pointed to Attorney General Denise George and the staff at the Department of Justice’s successful prosecution of an [eight-year-old case of corruption within the Roy Lester Schneider Hospital](#).

“We must continue prosecuting these cases and win back the public’s trust, which is why we included in the Fiscal Year 2020 budget funding to reinstate the white-collar crime unit. It is also why, even after the Legislature’s rejection, we have requested a supplement to the budget to reconstitute this unit within the Department of Justice,” Mr. Bryan said. “I call on this body again to appropriate the funding necessary for the creation of this unit. We must be serious about weeding out corruption and the perception of corruption from our government and safeguarding our taxpayer dollars.”

First Responders

The administration’s move to merge the Emergency Medical Services into the V.I. Fire Services will further “...ensure the safety and security of our residents, especially the most vulnerable among us,” the governor said. The combined entity will be known as the Virgin Islands Fire and Emergency Medical Service, or “FEMS”

“We will soon have a full cadre of cross-trained/multi-role firefighters trained at the minimum to the Emergency Medical Responder level. ... Moving ambulances closer to our neighborhoods and having emergency response personnel available to respond to medical emergencies from our fire stations can mean the difference between life and death.

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

‘Trials and Triumphs’

Gov. Bryan described 2019 as a year of “... trials and certainly of triumphs.” But, that said, the administration knew that fully resolving every issue with year-one was a non-starter. “However, I can confidently report this evening that the state of our territory is on the mend.”

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