

BRYAN ROACH

FOR GOVERNOR AND LT. GOVERNOR 2018

THE OFFICIAL
CAMPAIGN PLATFORM

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TABLE OF CONTENTS

I. STABILIZE AND MODERNIZE OUR GOVERNMENT TO RESTORE TRUST AND TRANSPARENCY.....	3
A. Addressing the Government’s Structural Fiscal Deficit.....	3
1. Establish conservative and realistic budget practices.....	3
2. Establish cash reserves for future rainy days.....	3
3. Reconsider our tax policy.....	3
4. Take action to salvage GERS.....	3
5. Reduce energy costs for government.....	4
B. Restructure Government to Promote Efficiency, Accountability, and Transparency.....	4
1. Invest in worker productivity.....	4
2. Improve federal grant management.....	4
3. Launch publicly accessible budget transparency website.....	4
4. Build a true performance-based management culture in government.....	5
5. Maximize our port activities.....	5
II. TAKE THAT TRUST AND RECRUIT PRIVATE AND PUBLIC INVESTMENT.....	5
A. Attract New Revenues to the Territory.....	5
1. Promote investment opportunities.....	5
2. Collaborate regionally.....	5
3. Utilize federal economic development programs.....	6
4. Develop reliable and affordable power.....	6
5. Modernize and maintain our infrastructure.....	6
B. Leverage Existing Resources.....	6
1. Capitalize on the prior investments in broadband infrastructure.....	6
2. Re-engineer our tourism experience.....	6
3. Establish a Free Trade Zone to promote manufacturing on St. Croix.....	7
III. MAKE SURE THOSE DOLLARS SUPPORT THE LOCAL ECONOMY.....	7
A. Improve the circulation of revenues in the local economy.....	7
1. Actively support local entrepreneurs.....	7
2. Actively promote and support the development of microenterprises.....	7

3.	Require EDC companies to provide quality jobs.....	7
4.	Embrace Asset-Based Community Development.....	8
B.	Close the loopholes that allow revenues to leave the territory.....	8
1.	Reduce our dependence on imported energy	8
2.	Support local food production.....	8
3.	Improve the quality of healthcare in the territory	8
4.	Protect local workers and businesses.....	9
IV.	UTILIZE THE TAX REVENUES GENERATED TO REINVEST IN OUR PEOPLE AND INFRASTRUCTURE.....	9
A.	Help low-income families increase their household income and rise out of poverty	9
1.	Develop mechanisms to enhance access to jobs that pay “livable wages”	9
2.	Develop programs to encourage financial literacy education.....	9
B.	Support the training and education necessary for individuals to secure good jobs, retain employment, or advance their careers.....	10
1.	Increase access to postsecondary education and training opportunities	10
2.	Improve participation in adult education, literacy, and skills training opportunities.....	10
3.	Develop programs to encourage employment retention	10
4.	Focus our prison system on rehabilitation.....	10
C.	Support the development of affordable housing opportunities.....	11
1.	Increase access to rental subsidy programs.....	11
2.	Expand availability of affordable homes	11
3.	Address our chronically homeless population	11
D.	Invest in the education of our children	11
1.	Focus on early childhood care and early learning.....	11
2.	Develop an adequate preventative maintenance program for school facilities	11
3.	Properly compensate and equip our teachers.....	12
4.	Develop programs to reengage detached youth	12
5.	Free college tuition for interested high school graduates	12
V.	RESOLVE THE QUESTION OF POLITICAL STATUS.....	13

BRYAN ROACH 2018 PLATFORM

“A Strategic Plan for Making a Better Virgin Islands for All of Us.”

I. STABILIZE AND MODERNIZE OUR GOVERNMENT TO RESTORE TRUST AND TRANSPARENCY

A. Addressing the Government’s Structural Fiscal Deficit

1. Establish conservative and realistic budget practices

The Government can no longer continue to spend more than we have. Budgets that are based on overly optimistic forecasts of revenues only set us up for failure and disappointment. The law requires that budgets be based on the verified revenue collections of prior years. This prevents an escalation of government spending during an economic downturn. We must also end the politically expedient practice of long-term borrowing for short-term gains. We should gradually reduce spending until we get to a sustainable level that does not require us to borrow to make ends meet. It is politically difficult, but the financially prudent thing to do.

2. Establish cash reserves for future rainy days

We should never spend every dollar we expect to receive. Many states were able to weather the Great Recession with minimal fiscal challenges because of the rainy-day funds and cash reserves they had built up during more prosperous times. As the national economy improves, those states are once again replenishing their coffers. We too must set aside funds for the purpose of stabilizing the budget during economic downturns. The laws for maintaining cash reserves are already on the books in the Virgin Islands, we just need to adhere to them.

3. Reconsider our tax policy

A study of our tax structure needs to be conducted to ensure that our tax structure is fair, efficient, and effective in raising sufficient revenues to support our government. There remain large areas of economic activity occurring within the Virgin Islands that our tax system fails to capture revenue from. We also need to analyse the potential impact of the federal income tax cuts on the local treasury and what mitigating measures we may need to take. We need to resolve the disproportional tax treatment of property owners on the island of St. John. We need to revisit the sin tax. Finally, we must determine if the time has come to move away from the regressive gross receipts tax and transition to a consumption tax. If we want to become self-sufficient in our generation of revenues, these fundamental policy issues must be answered by the next governor.

4. Take action to salvage GERS

We are nearly out of time to save the pensions of public employees. The Government Employee Retirement System (GERS) requires a large infusion of cash, approximately

\$2.5 billion, very soon to have sufficient funds to continue paying full retirement benefits after 2023. Further increasing active employee contributions and the age of retirement will not save the system. All the analysts have already confirmed this. Unfortunately, without access to the bond market, our government currently does not have the financial capacity to resolve this liability. It will take a windfall of revenues from a new source such as the development of the internet gambling industry or establishment of medicinal marijuana licensure. In the interim, we should close the current plan to new entrants and establish a more sustainable plan for incoming government workers. Specifically, a hybrid plan that is part defined benefit and part defined contribution.

5. Reduce energy costs for government

Utility costs continue to be a significant portion of the Executive Budget and the failure to make timely payments to the Water and Power Authority greatly compromises its financial cash flow. The Government of the Virgin Islands can significantly reduce its expenditures on water and electricity by investing in energy conservation measures and adopting energy efficient practices. The necessary building retrofits can be procured at no upfront cost to the government through energy-saving performance contracts. The federal government has a very successful program for federal facilities and offers useful guidance to local governments to implement similar programs. This includes standards for the purchase of energy-efficient appliances and fuel-efficient vehicles.

B. Restructure Government to Promote Efficiency, Accountability, and Transparency

1. Invest in worker productivity

Instead of trying to add hundreds of new employees to the government payroll, we should focus instead on properly compensating our current workers, investing in their training, and providing them with the tools necessary to do their jobs efficiently. The tuition reimbursement program should be restored for those seeking accredited degrees within their field, professional certification, or trade licensure. Encouraging a focus on professional development and improving morale will boost productivity.

2. Improve federal grant management

As our local economy continues to stagnate, we must ensure that we are maximizing our receipt and utilization of federal funds. It is important for the Office of Management and Budget and the Department of Finance to develop a proactive federal grant policy that clearly describes the processes and procedures that all agencies within the government must use to account for and report on federal grant award activities. It is even more important to continuously train the relevant staff in how to adhere to that policy to ensure that all money is spent appropriately.

3. Launch publicly accessible budget transparency website

Demonstrate transparency in public affairs by creating a searchable budget website that provides one point of access to all information about the Executive Budget and how tax dollars are being spent.

4. Build a true performance-based management culture in government

The next governor must work diligently to instill a performance-based management culture within the Government of the Virgin Islands. The government must focus on producing results that benefit the public. Department and agency staff should receive training to clearly understand how to develop relevant goals and targets and devote necessary resources to achieving them. The public should know what measures of performance the government is using and what progress is being made towards meeting targets. Establishment of a performance-based culture would go a long way to overcoming the public's lack of trust in the functioning of government.

5. Maximize our port activities

As St. Thomas struggles to maintain its position as the busiest cruise port in the Caribbean, it is represented by two different government agencies who are often in competition for the same cruise traffic. The Virgin Islands Port Authority and the West Indian Company Limited (WICO) unnecessarily duplicate efforts and resources to attract the same clientele. Meanwhile, the Ann E. Abramson pier in Frederiksted remains woefully underutilized. WICO is also plagued with matters of transparency and public disclosure of their decision-making. WICO is currently a wholly-owned subsidiary of the Public Finance Authority. This ownership interest should be transferred to the Port Authority. WICO could then be given responsibility for the management of all cruise ports in the territory. This would create synergy in our efforts to promote the Virgin Islands to the cruise industry.

II. TAKE THAT TRUST AND RECRUIT PRIVATE AND PUBLIC INVESTMENT

A. Attract New Revenues to the Territory

1. Promote investment opportunities

Retool the Economic Development Authority to more vigorously focus on attracting off-island direct investment. Do so by increasing the investment promotion budget so that the Virgin Islands can be properly represented at tradeshows and other events where potential business investors gather. The Virgin Islands has great business incentive programs, but we cannot sit back and wait, we must be proactive. We must target the industries we want to attract, industries that would complement our economy, and pursue them aggressively.

2. Collaborate regionally

The Virgin Islands should take a seat at the table with the other nations in our region that have similar challenges in developing their economies. We must seek participation with the Organization of Eastern Caribbean States and the Caribbean Association of Investment Promotion Agencies. If we collaborate with our neighbours, with whom we have more in common economically than the mainland United States, we position ourselves to benefit from regional initiatives in the areas of transportation, trade, agriculture, tourism, and more.

3. Utilize federal economic development programs

There is a myriad of economic development tools made available to the Virgin Islands that we have failed to effectively utilize. Programs such as New Market Tax Credits, Choice Neighborhood Planning Grants, the U.S. Government's Citizen-by-Investment (EB-5) Program, Rural Development Economic Opportunity Programs, etc. Other rural and economically-disadvantaged communities utilize these and similar programs to support their economies. We must position ourselves to harness these resources.

4. Develop reliable and affordable power

The biggest hindrance to a strong, striving economy in the Virgin Islands is the high cost of energy and the frequency of power outages. Manufacturers are also concerned with the quality of the power and its effect on sensitive equipment. The time has come for the Water and Power Authority to embrace the future and support the trends that are emerging in the utility industry. That means decentralizing power production and supporting customers that wish to generate power onsite with renewable energy or by other means. It means installing batteries and other devices to improve power quality and supporting the development of micro-grids that can allow critical infrastructure to be operated off-grid when necessary.

5. Modernize and maintain our infrastructure

To attract foreign direct investment, the Virgin Islands must modernize its infrastructure. We can no longer afford to neglect our power production, water distribution, sewage treatment, roads, ports, and school facilities. We must make strategic capital improvements to improve these areas. Most importantly, the annual budget of the relevant government agencies must allocate adequate resources to maintain these facilities. It is nice to build new things, but they must be properly and routinely maintained.

B. Leverage Existing Resources

1. Capitalize on the prior investments in broadband infrastructure

The Virgin Islands has made considerable investment in the development of high-speed broadband infrastructure. These investments have been made by the federal government, the local government, and the private sector. The time has come to leverage those investments to benefit our community. We must pursue the e-commerce, information, and communication industries that can utilize our broadband infrastructure to create economic opportunities. The Economic Development Authority, the UVI Research and Technology Park, and the Virgin Islands Next Generation Network (VINGN) must collaborate to attract these opportunities to our shores.

2. Re-engineer our tourism experience

The tourism industry remains the main contributor of economic activity in the territory. We cannot afford for the growth of this industry to stagnate. We should secure our tourism product by offering incentives to encourage our hotel owners and tour operators to invest in the growth and expansion of their businesses. The government should also recruit local entrepreneurs who are willing to develop tourist-related tours and attractions by issuing simple Request for Qualifications. For those entities that appear to have the capacity to

succeed, we can offer a business development package through a collaboration of the Small Business Development Center, the Economic Development Authority, and the Department of Tourism. Finally, we should pursue hotel developers, not through extravagant means, but through conventional methods like attending industry trade meetings and making direct contacts with hotel industry players. We have extensive financial incentives for hotel development and should promote these more effectively.

3. Establish a Free Trade Zone to promote manufacturing on St. Croix

Rebuilding the manufacturing base of St. Croix will be difficult but could be greatly aided by establishing a Free Trade Zone on St. Croix's south shore. This industrial area has a deep-water port, access to energy and water utilities, and plenty of real estate for warehousing and factories. The Free Trade Zone would allow raw materials to enter the territory duty-free provided they are to be used in the manufacture of products for export. Creating strategic partnerships with the current property owners in the area could create immense economic opportunity for St. Croix.

III. MAKE SURE THOSE DOLLARS SUPPORT THE LOCAL ECONOMY

A. Improve the circulation of revenues in the local economy

1. Actively support local entrepreneurs.

The local Small Business Development Agency must be empowered and staffed to provide active and ongoing support to our home-grown entrepreneurs and local start-ups. This includes support for companies that want to expand themselves within the Virgin Islands or regionally. True support for local small businesses includes addressing workforce concerns, expanding access to capital, reducing operating expenses resulting from burdensome fees and taxes, and improving the effectiveness of economic incentives. The establishment of business one-stop centers would also go far in breaking down the silos that currently hinder entrepreneurial success.

2. Actively promote and support the development of microenterprises

The Economic Development Authority must do more to assist low-income individuals and those who want to supplement their income by robustly promoting the development of microenterprises. This means, not only providing microloans for start-up, but also eliminating the bureaucracy and other barriers for those seeking to engage in small entrepreneurial ventures. It also requires technical assistance with bookkeeping, marketing, and other similar services.

3. Require EDC companies to provide quality jobs.

The compliance rules for companies seeking new Economic Development Commission benefits should be amended to only count full-time jobs that pay a liveable wage, offer health insurance, retirement benefits, and paid sick leave towards meeting the employment requirements.

4. Embrace Asset-Based Community Development

The economic development strategy for the Virgin Islands must be based on strengthening and expanding the industries already present in the Virgin Islands in a way that uses the resources and institutions already at our disposal. We should capitalize on our staunch preservation of culture and history to refresh our attractiveness as a cruise destination as the industry has repeatedly requested. We should explore ways to expand the global market share of our local rum producers to increase the rum cover revenues generated by that industry. We should leverage our prior investments in broadband technology, green energy, education, and health facilities to create economic opportunities in those industries for Virgin Islanders.

B. Close the loopholes that allow revenues to leave the territory

1. Reduce our dependence on imported energy

The Water and Power Authority (WAPA) routinely spends more than \$200 million annually to purchase fuel oil and propane to produce electricity. These funds are collected directly from WAPA's customers through the Fuel Surcharge (LEAC) and paid out to international fuel vendors. The U.S. Department of Energy developed a Clean Energy Roadmap specifically for the Virgin Islands. However, the implementation of that plan has been abandoned during the current administration. We can reduce our dependence on imported fuels by continuing the work of developing indigenous sources of energy such as wind, solar, biomass, etc. This not only keeps those funds in the economy, but also reduces the cost of energy to WAPA's customers.

2. Support local food production

Food production is a recession-proof industry that represents tremendous economic opportunity. Increasing local food production curtails the import of certain foods and places those revenues in the hands of local farmers and their employees. We can achieve greater success in this regard by actively facilitating the marketing and promotion of local agricultural products to consumers. We should encourage the creation of an entity that serves as a repository and wholesaler of local meat, fish, produce, and value-added agricultural products. By strategically filling this gap in the supply chain, those food producers that want to focus solely on production can do so without also having to dedicate resources to marketing activities.

3. Improve the quality of healthcare in the territory

Hundreds of Virgin Islanders seek healthcare services off-island each year. In many of those instances, it is a direct reflection of the lack of confidence in the quality of our healthcare system. We must re-examine the business model of the hospital system in the territory and determine how to improve the quality of services offered by working cooperatively between our various healthcare facilities. As a unified hospital system, we should be able to offer a high standard of care to all Virgin Islanders. We must also engage our public health clinics and private providers in a robust discussion about improving our healthcare offerings and positively shaping the public's perception. A comprehensive

health needs analysis for the Virgin Islands must be conducted and we should aspire to be known for excellence in the treatment of those ailments that are most prevalent in our community.

4. Protect local workers and businesses

We must make the investment in developing a trained and skilled local workforce which includes mentoring and apprenticeship programs. In competing in this global market, we must always ensure that first preference is given to our local workers. This is especially true for those industries that we give a priority to for economic development. Likewise, we must continue to strengthen the preferences for local vendors and contractors to participate in lucrative contracts, especially those that are publicly funded. When equipment and services are brought in to our ports, we must verify that there was a need that could not be otherwise fulfilled in the territory at a reasonable cost.

IV. UTILIZE THE TAX REVENUES GENERATED TO REINVEST IN OUR PEOPLE AND INFRASTRUCTURE.

A. Help low-income families increase their household income and rise out of poverty

1. Develop mechanisms to enhance access to jobs that pay “livable wages”

In the Virgin Islands, full-time workers should earn wages sufficient to take care of the basic necessities of an average household; food, shelter, clothing, etc. The Bureau of Economic Research should be tasked with periodically updating the study of what constitutes a “livable wage” in the Virgin Islands. Companies seeking Economic Development Commission benefits or other financial incentives should be required to offer a minimum number of jobs that pay a livable wage to bonafide Virgin Islands residents. Similarly, a wage standard should be established for individuals employed to work on government contracts.

2. Develop programs to encourage financial literacy education

The Virgin Islands would benefit tremendously if we could collectively increase our understanding of money management and asset building. The government should seek partnerships with community organizations to promote financial literacy where possible. A financial literacy workshop should be offered as part of an employee orientation training for new government employees. The Department of Education needs to adopt curriculum standards and the necessary lesson plans to provide financial literacy instruction for K-12 as required by 17 V.I.C. §41. Existing programs such as the Virgin Islands Housing Authority’s “Family Self Sufficiency” program need to be expanded and better promoted.

B. Support the training and education necessary for individuals to secure good jobs, retain employment, or advance their careers

1. Increase access to postsecondary education and training opportunities

In today's rapidly evolving job market, a high school education is insufficient for workers wishing to compete for jobs that pay decent wages. The Department of Labor can provide subsidized on-the-job training for individuals with little or no work experience by implementing an organized and functional Registered Apprenticeship program. Need-based college scholarship opportunities should be made available to graduates of adult education programs, so they can continue their academic pursuits. We support and expand the YouthBuild program as a viable means of teaching the construction trades. We should also investigate the establishment of a local Job Corps Center here within the territory to strengthen our vocational training options. Most importantly we should coordinate these efforts as part of a clear and purposeful strategy.

2. Improve participation in adult education, literacy, and skills training opportunities

We should be more assertive in the promotion and marketing of adult education and skills training opportunities. We can incentivize participation in adult literacy programs by offering tuition reimbursement for successful graduation. We should also recognize the unique challenges of adult learners by providing solutions for childcare and transportation needs while they are participating in training and education programs.

3. Develop programs to encourage employment retention

Finding gainful employment is an important pathway out of poverty but staying employed can often be a challenge. The government can encourage employment retention by offering partial reimbursement to businesses that provide customized training for existing employees to remain competitive in their industry. We can also provide "wrap around" services and job coaches for low-income employees to guide them in developing their careers.

4. Focus our prison system on rehabilitation

Throughout the United States there is a general acceptance that the era of mass incarceration has not served us well. Criminals become more hardened in prison and often return as repeat offenders. We must rethink the role of our local prison system and emphasize rehabilitation instead of simply punishment. The Golden Grove Correctional Facility should be thought of as an institution where individuals who have run afoul of the law can get back on track. Greater effort should be made to enroll prisoners into adult education courses, online college courses, career and technical training, substance abuse counselling, and similar programs. The goal is to leave them better prepared to succeed in life than when they went in and to end recidivism.

C. Support the development of affordable housing opportunities.

1. Increase access to rental subsidy programs

The federal Housing Choice Voucher (Section 8) program has proven to be an effective alternative to concentrating impoverished families in public housing communities. The program needs the participation of more landlords with suitable apartments. The Government should increase the promotion of the program and the opportunity it presents for property owners. We must also supplement the federal efforts by offering local incentives for development of affordable rental units and offering our own rental assistance subsidies.

2. Expand availability of affordable homes

Homeownership should be an attainable life goal for all young Virgin Islanders. We need to reduce the cost of home construction by investigating lower-cost construction methods for affordable housing. The Housing Finance Authority should showcase these methods in its new housing developments. The Housing Trust Fund also needs to be provided with a sustainable and adequate source of funding so that it can fulfill its purpose of supporting affordable housing development in the territory.

3. Address our chronically homeless population

It is time to aggressively pursue the end of homelessness in the Virgin Islands. Permanent Supportive Housing programs are a proven strategy being deployed by cities throughout the United States to address their homeless population. That approach provides housing for the chronically homeless along with on-site access to supportive services such as mental healthcare and substance abuse counselling. The Virgin Islands needs to invest in the establishment of purpose-built Permanent Supportive Housing facilities on each island.

D. Invest in the education of our children

1. Focus on early childhood care and early learning

It has been well established that the care and education that a child receives in the first eight years of life is critical to their lifelong success. For that reason, we must promote high quality childcare and learning environments during those formative years. Childcare providers should be properly incentivized to participate in a quality rating program and to make the investments in training and staff development. The Government should also take steps towards universal pre-kindergarten by establishing model pre-kindergarten programs for parents who do not qualify for the federal Head Start program. The next governor must establish an ongoing dialogue with the relevant stakeholders to better establish a community-wide focus in this area.

2. Develop an adequate preventative maintenance program for school facilities

We have allowed our school campuses to experience too much neglect. The ongoing consolidation of schools should make facilities management a more manageable task. However, a stronger commitment to preventative maintenance needs to be made by the

Department of Education. The Department's budget should clearly delineate the anticipated maintenance cost for each school campus in the upcoming fiscal year. Maintenance should be proactive with personnel properly trained to recognize the early signs of building systems failing and how to keep records of the useful life and maintenance requirements of building equipment.

3. Properly compensate and equip our teachers

School buildings are important, but they are not what make educated students, teachers are! We must retain the teachers we have by offering adequate incentives and salaries to keep and secure their services. We must also find ways to motivate our best and brightest to pursue the teaching profession locally. Making sure that the starting salary for teaching positions remains competitive is critical. We also should ensure that teachers feel adequately equipped with the resources they require.

4. Develop programs to reengage detached youth

Young people who are not enrolled in school and not employed are very likely to become involved in crime or to make other poor life decisions. When they become detached from the social systems that we have put in place to help them become productive citizens there is a need for quick intervention. The government should take an assertive approach in establishing an outreach team that initiates contact with these individuals and offers to connect them with the safety net and work support programs that can help turn their lives around. That means dispatching social workers and counsellors to the street corners and hangout spots to sign young men and women up for SNAP benefits, child care subsidies, adult education programs, Medicaid, etc. We can also promote "opportunity" fairs for detached youth to learn about job training and education programs and other opportunities available to them. The business community should be encouraged to provide real-life work experience through apprenticeships. Our community is too small to allow young people to slip through the cracks.

5. Free college tuition for interested high school graduates

To truly transition to a more educated community, we can and should offer free college tuition at the University of the Virgin Islands for local high school graduates that maintain a 3.0 grade point average. When former President Barrack Obama and Senator Bernie Sanders proposed free higher education, they were ridiculed by stateside conservatives, but it makes good policy sense. The Government of the Virgin Islands' fiscal year 2017 executive budget appropriated \$32.2 million for the university and \$36 million for the Bureau of Corrections. By reducing expenditures of one agency, while increasing spending on the other, we can make a college education more attractive and accessible to our young people. It is time to end the era of mass incarceration and initiate the era of mass education in the Virgin Islands.

V. RESOLVE THE QUESTION OF POLITICAL STATUS

After 100 years of American rule, the time has come for Virgin Islanders to demonstrate political maturity and properly exercise our right of self-determination. Our relationship with the federal government has a great impact on the resources available to our Government. Issues such as the mirror tax system, the cap on Medicaid allotments, and the international designation as it relates to customs, to name a few, have a profound effect on our quality of life. The inability to have a direct voice, no matter how small, on the decisions of our federal government is unacceptable. The next four years gives us a chance to develop a proper community-wide education process on the issue of political status. We can educate the public on a binary choice: (1) do we wish to pursue greater integration with the United States, or (2) do we wish to pursue greater autonomy and independence. There are potential opportunities and drawbacks to both decisions. But we have a chance to lead our community through the discussion and put it to a vote at the General Election in 2022.

