

BILL TO INCREASE LIVING WAGE FOR GOV. EMPLOYEES MOVES FORWARD

Date : August 27, 2018

St. Thomas- Members of the Committee on Finance chaired by Sen. Kurt Vialet, held a meeting at the Capitol Building on Monday, and voted to approve several measures including Bill No. 32-0237-An Act amending title 3 Virgin Islands Code, chapter 25, subchapter V, section 555b to provide for minimum wage for employees of the Government of the Virgin Islands (GVI), its semi-autonomous agencies and independent instrumentalities.

“This bill was originally introduced at the beginning of this term when the economic state of the Virgin Islands was declining,” said Sen. Forde. “Since then, we have seen the improvements in corporate investments and businesses that now afford us the opportunity to enact these wage increases.”

Bill No. 32-0237 was initially proposed in February 2017 by senators Jean Forde, Kurt Vialet, and Marvin Blyden. On July 30, 2018, Governor Kenneth E. Mapp released the Executive Order 437-2018 and 438-2018 with the intent to provide a living wage to government employees. However, the Executive Order wasn’t implemented until August 1, 2018. Explicitly, the Executive Order states that all annual salaries of Executive Branch employees will increase to \$13/hr. or \$27,040 annum. The base salaries of social workers, teachers, and other vital government workers will also rise.

“We know the realities of the financial state of the Territory. Was an analysis conducted before issuing the Executive Order?” asked Sen. Nereida Rivera O’Reilly. Julio Rhymer, Director of Office and Management and Budget stated that the cost of living in the Territory is significantly higher than the mainland, but there is a reduction of salaries in the same positions on the mainland. The \$27,040 salary gives employees an ability to qualify for homeownership programs. “How will

GVI finance the living wage increase?” inquired Sen. O’Reilly. Director Rhymer stated that supplemental income totaling \$11 million would cover the raises. Based on a five-year projection of the economy, GVI can sustain the increase.” However, Sen. Positive Nelson stated that this is “unreal, unrealistic, and unsustainable.”

The breakdown of the \$11 million is as follows: the raises for government employees is an estimated \$4 million to \$6 million and the wage increase for unionized employees is \$5 million. “How much money was set aside for non-unionized employees?” asked Sen. Tregenza Roach. Director Rhymer stated that separately, approximately \$15 million for non-unionized employees and \$10 million for the Department of Education.

Sen. Dwayne DeGraff inquired, “Will monies from the Property Tax and Sin Tax be used to support the living wage increase?” Director Rhymer stated that there are other funds set aside such as the ArcLight Deal. The wage increases are not financed by either tax. “The last minimum wage increase was in 2005,” added Sen. Violet. “The Sin Tax and Property Tax has nothing to do with the increase of today.”

Separately, policymakers voted and approved the following bills below. All measures adopted will be forwarded to the Committee on Rules and Judiciary for further consideration.

- Bill No. 32-0229 - An Act amending Title 23 Virgin Islands Code, Chapter 10, Subchapter I, Section 1004 requiring the Government of the Virgin Islands to enter into contracts before June 1 of each year in preparedness for hurricane season or any emergency or major disaster
- Quitclaim Deed from the Commissioner of the Department of Property and Procurement on behalf of the Government of the Virgin Islands to Cyril LaPlace as Trustee of the Cyril A. La Place Trust for the following property: Parcel No. 11-B Estate Dorothea, No. 6 Little Northside Quarter St. Thomas, Virgin Islands consisting of approximately 230 square feet as illustrated on OLG NO. D9-9141-T016 dated March 14, 2016.

However, the following was held in committee:

- Bill No. 32-0101 - An Act appropriating \$100,000 from the Tourism Advertising Revolving Fund to Calypso, Inc. for continuing musical education for the youth of the Virgin Islands and;
- Bill No. 32-0076 - An Act to amend title 33, chapter 3, by adding section 43k allowing for the reduction of the gross receipts tax of one percentage point for established businesses that show 12% year over year revenue growth
- Bill No. 32-0256 - To amend VIC Title 9 by adding a new Chapter 14 to address Consumer and Commercial Loan activities and to add a new chapter related to Consumer and Commercial Loans

Senators present are Kurt Vialet, Dwayne DeGraff, Tregenza Roach, Brian Smith, Alicia “Chucky” Hansen, Janelle Sarauw, Neville James, and Nereida Rivera O’Reilly, Jean Forde, Janette Millin Young.

Photos: <http://www.legvi.org/committeemeetings/Media>

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