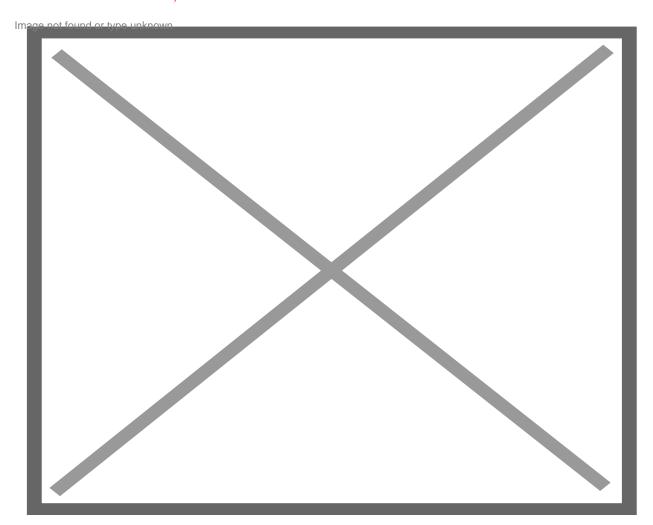
Bryan to Challenge Legislature in Court Over Minimum Wage Law, Calling Override Unconstitutional and Fiscally Reckless

Governor Bryan will take legal action against the Legislature's override of his veto on the \$35K wage bill, saying the law is unconstitutional, violates union contracts, and could trigger hiring freezes, stalled negotiations, and service cuts.

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Ernice Gilbert June 30, 2025



Governor Albert Bryan Jr.

Governor Albert Bryan Jr. announced on Monday that his administration will take legal action against the <u>Legislature's override</u> of his <u>veto</u> on Bill No. 36-0053, a measure that raises the minimum salary for government employees from \$27,000 to \$35,000 beginning October 2025.

The governor argues that the law is unconstitutional and violates existing union contracts.

Bryan called the override "fiscally irresponsible" and said it disregards the principles of collective bargaining and the separation of powers between the legislative and executive branches. "We will be challenging the constitutionality of this measure, its overreach into the executive branch, and its effects on contracts already in place by this government in court," he said during a press briefing.

The governor has stressed that enacting the measure without stakeholder input and financial analysis undermines contractual stability and jeopardizes the government's ability to negotiate fairly with public sector unions. He warned that the law could lead to unintended consequences, including hiring freezes, suspension of union negotiations, and cuts to government services such as road maintenance, tax refunds, and vendor payments.

The measure became law after all 15 senators voted to override the governor's veto on June 28. Yet, just days before the vote, Senate President Milton Potter <u>had requested</u> a fiscal impact analysis from Personnel Director Cindy Richardson—data that had not yet been provided at the time of the override.

Despite the lack of finalized figures, bill sponsor Senator Kurt Vialet defended the legislation, saying the Senate's Post Audit Division estimated the total cost—including fringe benefits—for just under 1,000 central government and semi-autonomous employees at slightly over \$10 million. Vialet laid out the math: "If you do 1,000 employees at \$8,000, that's \$8 million. Fringe brings you a little over \$10 million," he said, adding, "You need to bring the numbers. You need to show it. If you're saying that it's such an impact, why are you not having your financial team release that analysis?"

In contrast, Governor Bryan's <u>own analysis</u>, issued on June 17, projected a much higher fiscal burden—about \$40 million annually in payroll and fringe costs.

Vialet argued that savings could be found by cutting wasteful spending, particularly in the Virgin Islands Police Department's overtime budget, which he said exceeds \$20 million annually. "Just put GPS in... overtime will decrease automatically." He also identified other savings areas such as unfilled government vacancies and long-vacant buildings still racking up lease costs.

Vialet also pushed back on what he called inconsistent standards, pointing out that the governor received a \$51,000 raise during a previous round of salary adjustments. "Why are you making such a justification as to why you can't pay them [low-wage workers], and the next time you're making a justification as to why you are going to put in a \$51,000 raise?" he asked.

He stressed that the same government that approved raises for commissioners without any analysis is now claiming that a modest wage floor increase for its lowest-paid employees is unaffordable. "You know who goes to work every day? The food service workers and the custodians," Vialet said. "Continue for them to have two jobs and they still can't take care of their families."

Despite the override and ensuing legal threat, Vialet remained confident the funding could be secured. "The budget is never a static number," he said, pointing to expected economic activity from federal projects like school and hospital construction, improved tax enforcement, and reallocating unspent funds. "If there is a will, there is a way," he added.

Still, Governor Bryan remains concerned about the long-term fiscal fallout, noting the cumulative effect of the wage increase, rising health insurance costs, and a proposed 3% increase in the

government's contribution to the Government Employees Retirement System (GERS). He warned that these combined obligations could add at least \$70 million to the government's budget.

"This is not my problem—it is our collective problem," Bryan said, adding that while he could easily leave the issue for the next administration, he refuses to "act in such an irresponsible manner." The governor cited the territory's progress in stabilizing its finances—reducing debt by \$500 million, paying off retroactive wages, and securing billions in federal funding—and warned that this new law threatens to reverse that trajectory.

Governor Bryan said the legal challenge is not personal, but about preserving democratic checks and balances. "It's about the process. People have a right to disagree. They have the right to challenge things in court. There's no animosity behind it," he said. "It's called democracy.

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