logo Image not found or type unknown

Senate Funds $35K Minimum Wage in Budget, Vialet’s Cost Estimate at Odds With Governor’s Projections

Vialet said $5 million will raise all government workers to $35,000, but Bryan warned that ripple effects, inflation, and wage pressure at higher salary levels could push expenses toward $200 million in added debt over five years.

Government / **Published On September 12, 2025 05:10 AM /**

Nelcia Charlemagne September 12, 2025

Image not found or type unknown

The debate over raising government employees’ minimum salaries to $35,000 remains unsettled, as Governor Albert Bryan Jr.’s warning about hidden costs went unaddressed by Senator Kurt Vialet.

The governor had cautioned that a true financial picture must include ripple effects—such as salary and fringe benefit adjustments for higher-paid workers seeking to maintain wage separation. Vialet, however, focused only on a direct line item of $5 million in the FY2025/2026 budget. Just last month, Mr. Bryan warned of a looming fiscal storm, urging lawmakers to reconsider unfunded raises and adopt a phased approach to protect stability.

The issue dates back to the 34th Legislature, when Vialet first introduced minimum wage legislation that aimed to raise workers earning $27,040 annually to $32,000. That proposal was vetoed by Bryan. In May 2025, Vialet reintroduced the measure as Bill 36-0053, and Senator Dwayne DeGraff pushed to raise the floor further, to $35,000. By June, Senator Novelle Francis amended the draft to reflect the higher figure. At the time, Senator Alma Francis Heyliger emphasized "the importance of giving people a helping hand, trying to move them upwards when it comes to finances and really assisting them where it's necessary."

Just weeks later, the governor vetoed the revised bill, citing risks to financial sustainability. "We agree that workers in the Virgin Islands should be paid more," Bryan said. "And just last year, I expressed my support for raising the minimum wage. But a nearly $40 million increase in annual payroll expenses—without a plan to pay for it—is not something we can responsibly implement."

The administration's fiscal analysis estimated that the increase could dramatically raise operational costs and add as much as $200 million in territorial debt over five years. Inflation and weakened purchasing power were also raised as concerns. Despite the veto, the Legislature overrode Bryan's decision.

On Thursday, Vialet pointed to the budget's inclusion of the wage increase as proof that the matter was manageable. "We took special consideration to make sure that the minimum average salary was raised to $35,000," he said. He went on to describe the estimated cost: "$3.9 million in personnel costs to raise every employee in this government to $35,000. [That's] $3.9 million and $1.1 in fringe. Five million takes care of this initiative."

By limiting his calculation to those currently below the new threshold, Vialet directly contradicted the administration's projections. Yet he did not address Bryan's contention that ripple effects—inevitable pressure from higher-salaried workers for upward adjustments—would add significantly to long-term costs.

Still, Vialet said he understood the excitement among workers. "The employees are very excited about going to $35,000," he noted, urging them to "continue to give us 100% because we need all government employees to give us 100% to make this government function."