The Virgin Islands Consortium

Senators Back Johnson’s Phased Minimum Wage Increase, Reject Frederick’s Push to Tie Raises to Public Assistance

The bill seeks to raise the minimum wage from $12 to $16 through a phased schedule, as senators dismissed Hubert Frederick’s call to evaluate workers’ public-assistance benefits. First increase from $10.50 to $12.00 expected to take effect March 2026.

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A renewed push to raise the territory’s minimum wage advanced Monday, with the Committee on Budget, Appropriations, and Finance unanimously approving Bill 36-0030. The action comes after Governor Albert Bryan Jr. [announced last month](#) that he had submitted draft legislation proposing similar increases, though under the Senate's preemption rule, Senator Franklin Johnson's bill—filed first—became the measure considered.

The measure would incrementally increase the minimum hourly wage to $16.00 through a three-year phased approach. Sen. Johnson framed the effort as overdue. "If you work in the Virgin Islands, you should be able to live in the Virgin Islands," he said, pointing to the fact that the minimum wage has been locked at $10.50 since 2018 despite a legally mandated annual wage board review — a board that does not currently exist.

"For seven years, nothing moved. Meanwhile, everything else did," Johnson said, citing significant increases in food, housing, and utilities. "We must face a hard truth, the Virgin Islands now rank among the most expensive place to live in the United States." The bill, he said, corrects a wage structure that has "fallen dangerously out of sync with reality." His message was blunt: "We cannot ask Virgin Islanders to survive 2025 prices on 2018 wages."

Under the proposal, the minimum wage would rise to $12.00 ninety days after enactment, a timeline lawmakers estimate places the first increase around March 2026. Annual incremental increases would continue until the minimum wage reaches $16.00 per hour.

Reaction to the measure was generally supportive, though not without caveats.

Scott Barber, representing the St. Thomas/St. John Chamber of Commerce, said a "slight increase" is "warranted," proposing a raise from $10.50 to $13.00 an hour — but without automatic annual increases. He described the local economy as "tenuous" after shocks from hurricanes and the COVID-19 pandemic, and warned that any increases beyond $13.00 "would definitely have a negative impact on the business community and the economic well being of our entire community."

Labor Commissioner Gary Molloy testified in support of the increase and highlighted that Governor Bryan has backed a similar goal. Last month, the governor announced he had submitted draft legislation raising the base wage from $10.50 to $15 over three years.

Molloy said the bill would bring wages closer to the territory's actual cost of living and added that a phased approach is "essential for balancing the needs of both businesses and workers." He did, however, raise concerns about one portion of the bill: an exemption allowing student workers to be paid below the minimum wage. Students performing the same work as non-student employees could be at risk of "being underpaid or taken advantage of," Molloy warned. Under the bill, employers could legally pay students as little as $7.25, the federal minimum wage.

Haldane Davies, director of the Bureau of Economic Research, supported the measure and cited inflation in groceries, utilities, and housing as key reasons action is needed. He said the proposal moves the territory "in the right direction," outlining benefits such as reduced poverty, increased tax revenue, and decreased reliance on social welfare programs. Although Davies acknowledged possible drawbacks, such as fewer available entry-level positions, he emphasized that the change is about "fairness and economic justice."

Most lawmakers offered strong support, seeing the bill as a win for private-sector constituents.

Senator Hubert Frederick, who owns several businesses, was the lone voice expressing hesitation, questioning the level of input from small business owners and pointing out that many minimum wage earners receive public assistance. He argued for a holistic assessment accounting for all sources of household income, including benefits.

Johnson rejected the implication. “If we don't raise this minimum wage and leave it where it's at, when that Big Beautiful Bill take them off of these benefits, then what are they going to get?” he asked. He urged the public to “pay attention close to what's happening.”

Senator Kurt Vialet also opposed the suggestion that wage increases should be constrained by potential social-program interactions. “We can't have a discussion about raising minimum wages and then say that we're going to impact social programs, so we can't do it,” he said. “Every jurisdiction across the nation trying to wean the population in the next direction, to become middle-income.” He warned lawmakers not to move in the “opposite direction.”

He also reminded the committee of the upcoming SNAP recertification process, described as an effort to eliminate fraud and ensure aid reaches those most in need.

With the bill receiving broad support and its perceived benefits outweighing the concerns raised, lawmakers voted to advance Bill 36-0030 to the Committee on Rules and Judiciary for further consideration.