

Marijuana Legalization as Savior of G.E.R.S. Thrown in Doubt at Hearing

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Governor Albert Bryan has sold the legalization of marijuana for restricted recreational use — for tourists visiting the territory — as one of his main efforts to undergird the near-insolvent Government Employees' Retirement System. He has repeatedly criticized senators for moving slow on passing amendments he proposed to the V.I. Medical Cannabis Patient Care Act that would allow for recreational and sacramental use of the drug, and has suggested that if the amended measure does not pass, the death of G.E.R.S. would be on senators' hands.

But during a Committee of the Whole hearing on Friday, where the amended bill received a cool reception from senators, many skeptical about its language, G.E.R.S.'s representative cast doubt on the prospect of funds generated by the legalization of marijuana being even remotely sufficient to save the beleaguered system.

At most it would provide \$15 million or less at its peak annually for G.E.R.S., and the pension system needs \$150 million annually to survive, said G.E.R.S.'s representative speaking during testimony Friday. He told senators, "It's a step in the right direction. It's 10 percent of the problem but we need a lot more than that."

G.E.R.S. said recently if it does not receive \$195 million immediately it would be forced to [cut retirees' annuities by 42 percent in January 2021](#).

The representative said another problem is that G.E.R.S.'s time is limited, as the system is projected to collapse in 2023. "This project is going to happen in the next three to four years," he said, referring to the implementation of the recreational marijuana industry, if the amended bill passes. "And if we don't do any other measures, even if we get that \$15 million starting today, really what we're talking about is forestalling the insolvency by two or three months. So we need extra measures in addition to this."

Governor Bryan has said the funds allocated to G.E.R.S. through the recreational industry would be used to secure a bond. However, the G.E.R.S. representative said the terms of the bond would first have to be favorable.

"If we can get a bond where the terms of that bond are going to be in benefit and in favor for us, it can amplify the \$15 million impact. For example, if the interest on that bond is more than 7 percent — and we're not going to be able to earn 7 percent on that money — then that bond would not provide any additional impact. If anything it just adds more risk to the fund because whatever money we get from the bond that we can invest for the system, there is no guarantee that you're going to get 7 percent. However, you have to pay the 7 percent interest on it so that's the issue. But if we can get a bond [where] the cost of that is much less than 7 percent, then we are able to generate additional money in addition to the \$15 million," the representative testified.

Generally, senators had a number of concerns with the amended measure — from the speed in which the administration is looking to approve the changes, to language senators contended needs to change.

"I always remember my elders saying crawl before you walk, and I'm noticing that we're trying to hastily move things and playing on the emotions of the people. And in this case playing on the emotions of those that are attached to the G.E.R.S. to say that this is the savior for G.E.R.S.," Senator Kenneth Gittens said.

"I am not convinced. And there is nothing that's showing us today that this is the answer to our G.E.R.S. problem," he added.

Senator Janelle Sarauw said when the 32nd Legislature voted for the original medical marijuana law, "There was no urgency on the executive branch's part to even push the Medicinal Cannabis Act forward."

Senator Kurt Vialet pointed out the same issue. Mr. Bryan [signed the medicinal marijuana bill](#) upon taking office in January 2019. As part of the legislation, the cannabis board had 12 months to come up with rules and regulations that would govern the industry. Then in December 2019, the board asked for an extension, Mr. Vialet said.

"Covid-19 occurred 15 months after signing medicinal marijuana legislation, and nothing took place. The rules and regulations, the cultivation, dispensaries could have already been up. And at that point the focus was individuals that were ill that had medical issues that needed medicinal

marijuana, yet there was no rush," Mr. Vialet said.

Mr. Vialet also pointed to language in the bill that legalizes marijuana for tourists but not residents. "So what you're saying is that a tourist could come to the Virgin Islands and have legalization, but the people of the Virgin Islands can't have legalization?" he inquired.

In the Virgin Islands, under the bill, if you are 21 and up and can prove there is medicinal benefit of the drug to you, you could apply for a permit to smoke marijuana. This category is labeled non-certified user. Mr. Vialet suggested the measure should give Virgin Islanders the same freedom to smoke as it does tourists.

The senator also warned that not having provisions for persons currently selling marijuana, whose operations would be put at risk by the new, government-regulated industry, could spell problems.

"What's going to happen to the little man selling right now?" Mr. Vialet asked. "I hope we have a plan for that little man. Those that won't go for a license or apply for anything, but are making a living off of marijuana. I hope you have a plan. Because if you think the streets stirring up now, you're going to see what's going to happen then."

For Senator Donna Frett-Gregory, it was time that the Senate acted upon approving marijuana legalization, stating that the territory was lagging behind.

"The world has changed and we have to move with the changing tide," she said. "We're late in moving, but we have to move. It's time to move."