The Virgin Islands Consortium

A Bill With Implications for Generations to Come Will Be Voted on Today. Here's How Senators Plan to Vote.

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33rd Legislature Senators at Thursday's Senate Committee on Finance Hearing **By. VI LEGISLATURE**

Five senators will vote against a bill forwarded to the Senate by Governor Albert Bryan that seeks to dissolve the territory's decades-old reserve fund that currently has stored $150 million. Eight of them intend to vote Yes, paving the way for the bill's passage.

The reserve fund has served as a backup in case of calamity so that the government can meet its debt obligations for up to a year.

The bill seeks to refinance the Internal Revenue Matching Fund to secure a lower interest rate by turning over the IRMF to a special purpose vehicle. The SPV, the administration has argued, will be able to secure a favorable interest rate because it would be an entity separate from the government, the latter whose credit rating won't be able to secure the kind of interest rate that would make such a transaction feasible.

But contrary to the Bryan administration's messaging in the weeks leading up to the session, the bill does not secure $85 million per year for the next three years ($255 million over three years). In fact, the bill was unmasked during a Thursday Finance Committee hearing to be a measure that seeks to use the roughly $150 million in reserve funds that the government has been building for decades as a fail-safe to continue paying the territory's debts in case of calamity.

Simply put, Governor Bryan's plan — widely promoted as a means to find new monies to meet a number of obligations, most pointedly undergirding the Gov't Employees' Retirement System by refinancing the Internal Revenue Matching Fund (IRMF) debt service — does not create $255 million over the next three years.

The bill is expected to pass. Some senators who voted yes, including Donna Frett-Gregory and Marvin Blyden, contended that their Yes vote will be cast only to give the governor a chance to go to market. "My Yes vote today is to allow the governor to go out and do his work. But if the financials and the cashflows do not come back in favor of the Virgin Islands and the future of the Virgin Islands, in my good conscience I'm going to have to walk away from this," she said.

The senators moved an amendment that calls for the governor's team to return to the Legislature after going to market to get final ratification. The amendment, which was forwarded last night to the Senate, had mistakes, Ms. Frett-Gregory said. Senators are expecting to receive a revised amendment from Gov't House today.

"Despite all of the hardships we've had financially, we've never missed a debt payment and that's because we've set aside [the reserve funds]. And we don't know what will happen with the rum companies in the future so we have to secure our reserves. But we want to see; I'm giving them a chance to go to market. I'm giving him a chance to do his job. He's not going to say I'm standing in his way," Ms. Frett-Gregory said, referring to Governor Bryan.

Senators who intend vote Yes include:

- Allison DeGazon
- Stedmann Hodge, Jr.
- Novelle Francis
- Donna Frett-Gregory
- Alicia Barnes
- Myron Jackson
- Marvin Blyden
- Athneil Thomas

Senators who intend to vote against the measure include:

- Kurt Vialet
- Javan James
- Janelle Sarauw
- Dwayne DeGraff
- Oakland Benta

Senators Kenneth Gittens and Steven D. Payne, Sr. were absent. Mr. Gittens is ill with Covid-19. The Consortium could not determine at time of writing Mr. Payne's reason for being absent. This story will be updated as soon as we learn why.

In support of the bill, Ms. DeGazon said, "We have to be brave enough to make tough decisions."

She later added, "I believe in giving time, I believe in creating the opportunities for solutions. We cannot shut the door without knowing all the facts."

Mr. Francis said, "We can't continue to kick the can down the road, it's unfair."