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Governor Bryan Thanks 34th Legislature for Authorizing Refinance of Government Debt to Stabilize the GERS

U.S. VIRGIN ISLANDS — Governor Albert Bryan Jr. issued a statement on Monday thanking the 34th Legislature for passing the Securitization Bill that will allow the Government of the Virgin Islands (GVI) to refinance Rum Cover-Over Matching Fund Bonds and use the savings to provide a steady revenue stream for the Government Employees' Retirement System (GERS) and return it to solvency.

The legislation, which was a collaborative effort between the Governor's Executive Team, the Senate, the GERS board and the GERS actuary, Segal and Company, passed unanimously 14-0. Senator Janelle Sarauw was absent.

"The Fourth time is a charm. Today we took a historic step for the people of the Virgin Islands," Governor Bryan said. "At the end of the day, I am determined to get things done for the people of the Virgin Islands no matter what it takes. I thank Senate President Donna Frett-Gregory and the entire body of lawmakers for their work on this. Together, we will always make it happen."

The Governor thanked his executive team, the attorneys, bond counsels and underwriters for their determination and perseverance in working to come up with a solution to stabilize the GERS. He said that the Senate's approval of the bill now allows the GVI to begin the work of securing the bonds from the Rum Cover-Over funds.

"We have worked long and hard to get this legislation to this point. We have more work to do to bring this across the finish line, but we have to celebrate this amazing achievement," Governor Bryan said.

Governor Bryan first proposed his plan in December 2019 to refinance the GVI debt at a lower interest rate and use the resulting savings from that transaction to provide a revenue stream for the GERS for 30 years. That legislation and two more amended versions of the measure failed to pass the Senate until Monday's historic bill, which removes the impending threat of the retirement system going bankrupt.

Segal and Company, the GERS actuary, projected the retirement system would be insolvent by October 2024 or sooner, and the GERS Board of Trustees warned that the insolvency of the GERS would necessitate substantial reductions in retiree benefits.

The Bryan-Roach Administration is investing in the Territory's people, infrastructure and future through transparency, stabilizing the economy, restoring trust in the government and ensuring that recovery projects are completed as quickly as possible. Visit transparency.vi.gov

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