

Agency of Administration Testimony for House Government Operations & Military Affairs

S.96 – Privatization Contracts

S.96 – Proposed study:

- S.96 as passed the Senate is now a study that will allow time to understand the fiscal and operational impacts of the policy proposals included in the version of the bill that passed out of the Senate Government Operations Committee. We are supportive of this approach.
- It is important to note that this study will be a significant amount of work, but it is critical to understanding the impact of these policy proposals.
- The study was the result of a Senate Appropriations Committee amendment to the bill that reflects the Senate as Passed version. This was based on the unknown fiscal and operational impacts posed by the bill.
- The Joint Fiscal Office created a fiscal note that illustrates some of the potential impacts of the policy proposals in the bill. We provided input to JFO to help understand the various fiscal and operational issues. See the links below.

[As recommended by Senate Gov Ops](#)

[As recommended by Senate Appropriations](#)

Current State:

- Vermont State government administers privatization contracts in alignment with statute. [3 VSA Chapter 14.](#)
 - Current statute defines privatization as not only the elimination of a filled position, but elimination of a vacant position covered by a collective bargaining agreement (CBA).
 - CBA requires notification to the Vermont State Employees' Association (VSEA) any time bargaining unit work is being contracted out regardless of privatization.
- [Bulletin 3.5](#) establishes general policy and standards for soliciting, awarding, processing, executing and overseeing contracts as well as managing contract compliance. This includes processes for the Attorney General and the Commissioner of Human Resources to review and approve several items including privatization contracts.
 - Page 28 of Bulletin 3.5 – AGO Certification for Compliance with Bargaining Agreements
- We believe that our current system is working and there is no “loophole” to close. We are not reducing our workforce to supplant it with private business contracts. We supplement services when necessary – not supplant. Key examples of this are for emergency response (like for the July flood) or for traveling nurses at VVH or VPCH.
- Vermont state government has oversight over contractual relationships. Contracts include performance measures that provide state contract monitor mechanisms to ensure quality service delivery. This is also detailed in Bulletin 3.5.

Department of Human Resources:

- In addition to this information specific to S.96. I understand the committee has some questions specific to DHR related to our classification system and our workforce and current vacancies. Towards that end, there are a few members from DHR here today to provide that information.