



VERMONT LEGISLATIVE  
**Joint Fiscal Office**

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## Fiscal Note

January 9, 2024

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### **S.224 – An act relating to compensation and benefits for members of the Vermont General Assembly**

#### **As Introduced**

#### **Bill Summary**

**T**his bill proposes changes to compensation and benefits for legislators. Provisions in the bill include updates to the annual wage and weekly session wage for the Speaker of the House and President Pro Tempore of the Senate, a new annual wage for chairs of regular session standing committees, a new annual wage for majority and minority leaders, and a new weekly session wage for members of the General Assembly. The bill also makes changes to daily stipend amounts and reimbursements for meals, mileage, and lodging.

The bill creates a Legislative Service Working Group to study and report on legislative compensation and benefits, staffing, administrative support, the length of the legislative session, the number of members in the General Assembly, and the number of members per district.

#### **Fiscal Impact**

In fiscal year 2025, this bill would create estimated new one-time General Fund costs of \$10,000 to cover costs associated with the Legislative Service Working Group. The bill does not include an appropriation; the costs would be absorbed by the General Assembly's budget.

If the changes in S.224 were enacted for fiscal year 2024, costs would total approximately \$2.5 million.

**In fiscal year 2025, based on estimated inflationary changes, the fiscal impact would be between \$2.5 and \$3.0 million.**

#### **Background and Details**

The following sections have a fiscal impact.

##### **Section 1**

Section 1 proposes to make members of the General Assembly eligible for the same employee assistance program (EAP) benefits and flexible spending account program benefits that are available to State employees. This provision would be effective on January 1, 2025.

##### *Employee Assistance Program (EAP)*

Costs for members of the General Assembly to participate in the EAP program are estimated to be approximately \$5,940 per year.

### *Flexible Spending Account Program*

Costs to participate in a health or dependent care flexible spending account program are borne by employees. There are no estimated new costs to the State.

## **Section 2**

This section proposes to adjust the annual and weekly session salaries for the Speaker of the House and President Pro Tempore of the Senate.

This section also proposes an annual salary for the chairs of the regular standing committees and the majority and minority leaders.

The statutory compensation rates in the bill would be tied to the annual mean Vermont wage. The annual mean Vermont wage would be determined on the first day of each November using the U.S. Bureau of Labor Statistics' most recent Occupational Employment and Wage Survey.

This section would also entitle the Speaker of the House and President Pro Tempore of the Senate to compensation for the week of Town Meeting Day.

In total, all else equal the fiscal impact of the section is approximately \$1.1 million when compared with FY 2024 legislative budget.

## **Section 3**

This section proposes to adjust compensation for members of the General Assembly. Using the latest data, updated session compensation rates would result in increased annual costs of approximately \$1.4 million, all else equal compared to FY 2024 legislative budget.

### *Session Compensation*

The statutory compensation rates in this bill would be tied to the mean Vermont wage. The mean Vermont wage would be determined on the first day of each November using the U.S. Bureau of Labor Statistics' most recent Occupational Employment and Wage Survey.

### *Off-session Compensation*

This section proposes to establish off-session compensation for members of the General Assembly (not including the Speaker of the House and President Pro Tempore of the Senate) in an amount equal to one-fifth of the weekly session compensation rate. This compensation provision would be for a maximum of 20 days of work in a legislator's official capacity. This provision would be effective on January 1, 2025.

This section would also entitle members of the General Assembly to compensation for the week of Town Meeting Day.

### *Member-elect Stipend*

Section 3 also proposes to compensate members-elect at a rate equal to one-fifth of the weekly session compensation rate for each day of attendance at new member orientation. This provision would be effective on January 1, 2025.

## **Section 5**

This section establishes a Legislative Service Working Group made up of three current House members, one former member of the House of Representatives, three current Senate members, and one former member of the Senate, that would convene during the 2024 off-session and make recommendations on legislative compensation and benefits, staffing, administrative support, and the length of the legislative session. On or before January 15, 2025, the Group must report its findings and recommendations to the Speaker of the House, the President Pro Tempore of the Senate, the House Committee on Government Operations and

Military Affairs, and the Senate Committee on Government Operations. Members of the Group would be entitled to compensation and expense reimbursement for not more than four meetings. Total estimated costs are \$10,000 in fiscal year 2025. This section does not include an appropriation; the cost would be absorbed in the General Assembly's fiscal year 2025 budget.

<b>Table 1: S.224 Estimated new costs from compensation and benefits changes</b>			
<b>Change from Current Law</b>	<b>Current Law</b>	<b>Proposed</b>	<i>For Reference:</i> <b>S.39 (2023)<sup>1</sup></b>
Sec. 1: Legislator EAP cost	\$0	\$5,940	\$5,940
Sec. 2: Speaker, Pro Tem, Chairs, Majority and Minority Leaders Compensation - Salaries and FICA	\$115,009	\$1,241,852	\$145,516
Sec. 3-4: Legislator Compensation – Salaries and FICA	\$3,079,780	\$4,445,904	\$6,596,443
Sec. 6: Legislative Service Working Group (effective on passage)		\$10,000	\$10,000
<b>Subtotal Costs</b>	<b>\$3,194,789</b>	<b>\$5,693,696</b>	<b>\$6,757,899</b>
Estimated Mileage, Meals, Lodging	\$2,541,146	\$2,541,146	\$2,541,146
Estimated Health Care Costs	N/A	N/A	\$1,940,843
<b>Total Costs Including Estimated Mileage, Meals, Lodging and Health Care Costs</b>	<b>\$5,735,934</b>	<b>\$8,234,842</b>	<b>\$11,229,888</b>

<sup>1</sup> This table includes the cost estimates presented in S.39 during the 2023 legislative session. These numbers are only presented for reference to show the changes from the first legislative compensation bill of this biennium.

Table 2: S.224 Proposed Compensation Rate Comparison – Sections 2 &amp; 3

Compensation Detail	2024 Compensation per Individual – Current Law	2024 Compensation per Individual – If S.224 Was Under Effect	Notes
<b>Section 2</b>			
Speaker and Pro Tem Compensation (annual)	\$14,433	\$17,757	30% of the annual mean Vermont wage
Speaker and Pro Tem Session Compensation (weekly)	\$934	\$1,480	one-fifty-second portion of 130% of the annual mean Vermont wage
Speaker and Pro Tem Session Compensation (daily)	\$187	\$296	one-fifth of weekly compensation
Speaker and Pro Tem – Off-session Compensation (daily, maximum of 20 days)	\$0	\$296	one-fifth of weekly compensation
Chair of Regular Session Standing Committee (annual)	\$0	\$5,919	one-tenth of the annual mean Vermont wage
Chair of Regular Session Standing Committee (weekly)	\$843	\$1,252	one-fifty-second portion of 110% of the annual mean Vermont wage
Chair of Regular Session Standing Committee (daily)	\$169	\$251	one-fifth of weekly compensation
Chair of Regular Session Standing Committee – Off Session Compensation (daily, current law maximum of 10 days, proposed maximum of 20 days)	\$169	\$251	one-fifth of weekly compensation
Majority and Minority Leader (annual)	\$0	\$5,919	one-tenth of the annual mean Vermont wage
Majority and Minority Leader (weekly)	\$843	\$1,252	one-fifty-second portion of 110% of the annual mean Vermont wage
Majority and Minority Leader (daily)	\$169	\$251	one-fifth of weekly compensation
Majority and Minority Leader – Off-session Compensation (daily, maximum of 20 days)	\$0	\$251	one-fifth of weekly compensation
<b>Section 3</b>			
Member Session Compensation (weekly)	\$843	\$1,138	one-fifty-second portion of the annual mean Vermont wage
Member Session Compensation (daily)	\$169	\$228	one-fifth of weekly compensation
Member – Off-session Compensation (daily, maximum of 20 days)	\$0	\$228	one-fifth of weekly compensation
Member-elect Stipend	\$0	\$228	one-fifth of weekly compensation
Members will have an option for either an allowance or reimbursement for mileage, meals, and lodging			
Special Session compensation paid at regular session daily rates			