



VERMONT LEGISLATIVE
Joint Fiscal Office

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Fiscal Note

March 25, 2024

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S.96 – An act relating to privatizing contracts

As recommended by the Senate Committee on Appropriations, Draft 1.3

Bill Summary

The bill would require a report to the General Assembly by the Agency of Administration in consultation with the Joint Fiscal Office, the State Auditor, and the Office of the Attorney General on or before February 1, 2025. The report would assess the fiscal and operational impacts of

- 1) Modifying the definition of “privatization contract” as follows:
 - a. Require that grants are included in privatization contracts
 - b. Remove the requirement that a privatization contract results in the reduction in force of at least one permanent, classified employee or the elimination of a vacant position of an employee covered by a collective bargaining agreement
- 2) Increasing the required cost savings of a privatization contract from 10 percent to 20 percent
- 3) Requiring that contractors pay their employees under a privatized contract either the prevailing wage rate for such work as set by the U.S. Department of Labor or the same wage rate as a State employee performing a substantially similar task
- 4) Requiring that contractors offer their employees health benefits that are substantially similar to health benefits provided to State employees
- 5) Removing current-law exemptions that, after review, are used excessively or arbitrarily to certify privatized contracts by the Office of the Attorney General

Fiscal Impact

The bill as recommended by the Senate Committee on Appropriations would have no direct or indirect fiscal impact on State government.