

1 S.96

2 An act relating to privatization contracts

3 It is hereby enacted by the General Assembly of the State of Vermont:

4 Sec. 1. FISCAL AND OPERATIONAL IMPACT OF PRIVATIZATION

5 CONTRACT CHANGES

6 (a) The Agency of Administration, in consultation with the Joint Fiscal
7 Office, the State Auditor, the Vermont State Employees' Association, and the
8 Office of the Attorney General, shall assess the fiscal and operational impacts
9 of:

10 (1) modifying the definition of "privatization contract" as set forth in 3
11 V.S.A. § 341, to:

12 (A) require that grants be included in privatization contracts; and

13 (B) remove the requirement that a privatization contract result in:

14 (i) the reduction in force of at least one permanent, classified
15 employee; or

16 (ii) the elimination of a vacant position of an employee covered by
17 a collective bargaining agreement;

18 (2) increasing the required cost savings of a privatization contract from
19 10 percent to 20 percent;

20 (3) requiring that contractors subject to a privatized contract pay their
21 employees performing work pursuant to a privatized contract either the

1 prevailing wage rate for such work as set by the U.S. Department of Labor, or
2 the same wage rate as a State employee performing a substantially similar task
3 would receive;

4 (4) requiring that contractors subject to a privatized contract offer their
5 employees performing work pursuant to a privatized contract health benefits
6 that are substantially similar to health benefits provided to State employees;
7 and

8 (5) removing exceptions set forth in 3 V.S.A. § 342(4) that, after review,
9 are used excessively or arbitrarily to certify privatized contracts by the Office
10 of the Attorney General.

11 (b) The Agency shall submit a written report to the General Assembly with
12 its analysis conducted pursuant to this section on or before February 1, 2025.

13 Sec. 2. 3 V.S.A. § 342 is amended to read:

14 § 342. CONTRACTING STANDARDS; CONTRACTS FOR SERVICES

15 Each contract for services valued at \$25,000.00 or more per year shall
16 require certification by the Office of the Attorney General to the Secretary of
17 Administration that such contract for services is not contrary to the ~~spirit and~~
18 intent of the classification plan and merit system and standards of this title. A
19 contract for services is contrary to the ~~spirit and~~ intent of the classification plan
20 and merit system and standards of this title, and shall not be certified by the
21 Office of the Attorney General as provided in this section, unless the

1 provisions of subdivisions (1), (2), and (3) of this section are met, or one or
2 more of the exceptions described in subdivision (4) of this section apply.

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4 Sec. 3. EFFECTIVE DATE

5 This act shall take effect on July 1, 2024.