

**SUPREME COURT OF VERMONT
OFFICE OF THE COURT ADMINISTRATOR**

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TO: Donna Sweaney, Chair, House Government Operations Committee
Martha Heath, Chair, House Appropriations Committee
Kathleen Keenan, Member House Appropriations Committee

FROM: Patricia Gabel, State Court Administrator 

RE: Pay Act

DATE: March 24, 2014

I write to identify funding issues related to the Judiciary in the proposed Pay Act recently approved by the House Government Operations Committee. Specifically, in order to fund the statutory salaries and the potential outcome of collective bargaining, the Judiciary respectfully requests that the Pay Act appropriation set forth in the House Government Operations Committee Bill be increased in FY 2015 by a minimum of \$127,000. The following discussion and attached spreadsheet describe our analysis and concerns.

Following the usual Pay Act format, in Sections 4 through 6, the proposal includes revisions to the statutory salaries for the State's judicial officers. In the current proposal, those increases calculate to 3.3%. In Section 9, the proposal appropriates to the Judiciary \$877,897 for FY 2015 and \$1,112,090 for FY 2016 to fund the Pay Act.

By way of background, the Judiciary has 359 positions in FY 2015 that can be grouped into four categories:

- Judicial officers: salaries are set in the Pay Act;
- Fully exempt employees: limited to four employees, these employees are comparable to exempt employees in the Executive Branch (no accrued leave, etc.);
- Exempt employees based on managerial or supervisory responsibilities or other functions: these employees are not part of the bargaining unit but who by statute (see for example Section 9(b)(1) of this Pay Act proposal) and by precedent may receive the same COLA and step increases provided to bargaining unit employees; and,
- Classified employees covered by the bargaining agreement.

The attached spreadsheet identifies the number of employees and the base of salary and salary-driven benefits for each group.

The Executive Branch recently concluded collective bargaining with the non-management unit, supervisory unit and corrections unit, granting a COLA of 2.5% and step increases that have an average value of 1.7%. The Judiciary has just begun its bargaining. The Judiciary intends to bargain vigorously with the goal of identifying personnel cost savings that may be similar – but not identical – to those negotiated by the Executive Branch. It should be noted, however, that the Judiciary has far less leeway to achieve savings in that more than 75% of its costs are driven by specified salaries and benefits, and more than 85% of its funding comes from the General Fund.

Thus, it is reasonable and appropriate at this point in time to appropriate to the Judiciary the funding necessary to enable the Judiciary to bargain in good faith in the context of the 4.2% collective bargaining precedent set in the Executive Branch. When this precedent is applied to the Judiciary, the outcome is \$459,873 for classified employees and \$255,953 for the managerial and supervisory employees who follow the same pay structure. Adding those amounts to the funding at 3.3% for the judicial officers (\$271,905) and fully exempt employees (\$16,854) results in a total need for the Judiciary in FY15 of \$1,004,585. This need exceeds the proposed funding by \$126,688.

It should be noted that our calculation of the Judiciary's need in FY16 is \$1,044,179, or \$67,911 less than the amount set forth in the current bill. We would therefore propose the overage in FY16 be applied toward our FY15 need if that is helpful to the committees in assisting to meet the \$126,688 need in FY15.

The attached spreadsheet lays out our calculation; we are happy to go through our calculations with either committee at your request. I will not be in Montpelier on Tuesday, March 25, or on the morning of Wednesday, March 26, but Matt Riven may be available during that time.

We appreciate your consideration of this issue. With your help, the Judiciary has made significant steps toward financial stability. Given the nature of our operations, however, a fully funded Pay Act is critical to that stability going forward. We look forward to working with you.

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attachment

cc: Stephen Klein, Chief Fiscal Officer

