



STATE OF VERMONT
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OPERATIONS

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MEMORANDUM

To: House Appropriations
From: House Government Operations *sl*
Date: March 20, 2015
Subject: Labor component of budget

House Government Operations heard a presentation on March 13, 2015 from Steve Klein of JFO regarding suggestions received on the Labor component of the state budget. Following substantial discussion on March 13 and March 20, the majority of House Government Operations came to the conclusions outlined below.

1. We support the below-listed recommendations that the Governor consider in reducing labor and personnel expenses by \$10.8 million.

- If elimination of positions is considered, it should be proportional across exempt, management, supervisory, and line positions.
- No increases or limited increases for exempts, based on actual salary
- Reduce travel
- Increase video- and tele-conferencing
- Reductions in allowed overtime
- Eliminate state-purchased bottled water
- Review use of outsourcing

2. a) We support inclusion of the below-listed recommendations for the Administration's next contract negotiations with the purpose to bend the curve of growth of the State payroll.

- Attempt to reduce mileage amount reimbursement
- Attempt to establish parameters/limits within which to discuss wages and benefits
- Attempt to use the Fair Labor Standards Act parameters for overtime
- Attempt to establish a sliding scale, dependent upon salary, for health care payments
- Attempt to make any salary increase a flat pay increase rather than a percentage increase

b) We support, as a statement of law, that there be an automatic reopener on the Cadillac tax if it is still in place in 12 months, unless otherwise mutually agreed to by the parties.

3. We support changes to the use of overtime in the calculation of pensions. We also support a provision permitting State employees, whose salary is set by statute, to voluntarily forego a raise or to temporarily reduce their salary during a budget crisis.

4. We support studies of the topics listed below.

- Reform of the classification system
- Negotiations strategies to ensure no bias
- Health care through VT Health Connect, with flat state assistance
- Strategies for reducing/consolidating top-level positions