

## 2020 Pay Act

### *I. General Overview of Pay Acts*

A Pay Act usually occurs once every two years after the State and bargaining units representing classified State employees negotiate new employment contract provisions,<sup>1</sup> including wages and salaries.<sup>2,3</sup> While the State budget covers existing compensation for State employees and officers, a Pay Act covers *increases* in that compensation. A Pay Act normally covers two fiscal years.

In a Pay Act, the General Assembly generally determines whether to fully fund the compensation increases for classified State employees that are provided in the collective bargaining agreements and whether to provide compensation increases to exempt employees and officers in the Executive, Judicial, and Legislative Branches. The General Assembly normally fully funds the collective bargaining agreements and provides the same increases to exempt employees and officers in the three branches,<sup>4</sup> but it is not required to do so.<sup>5</sup>

A Pay Act is normally structured to provide:

- the salary increases that exempt employees in the Executive Branch may receive, including any permitted annual salary adjustments, special salary increases, and bonuses the Governor may give to agency and department heads pursuant to [32 V.S.A. § 1003\(b\)](#) and to deputies or executive assistants to agency and department heads pursuant to [32 V.S.A. § 1020\(b\)](#);
- the compensation of Executive Branch, Judicial Branch, and county officers that is set forth in statute; and
- the appropriations to fund any pay increases for employees and officers in the Executive, Judicial, and Legislative Branches, and the sources from which those appropriations are derived.

### *II. 2020 Collective Bargaining Agreement*

The 2020 collective bargaining agreement between the State and the Vermont State Employees' Association for classified employees in the Executive Branch provides in Fiscal Year 2021 an average 1.9 percent step increase and \$1,400 one-time payment to individuals employed as of July 1, 2020, and provides in Fiscal Year 2022 an average 1.9 percent step increase and 2.25 percent across-the-board increase for a total of 4.15 percent increase.

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<sup>1</sup> State collective bargaining agreements, except those affecting VSC and UVM, are for a maximum of two years. [3 V.S.A. § 982\(a\)](#).

<sup>2</sup> A list of the subjects for bargaining is set forth in [3 V.S.A. § 904\(a\)](#).

<sup>3</sup> The collective bargaining agreement ("CBA") usually provides classified employees with an across-the-board increase (a.k.a. cost of living adjustment or "COLA") and steps. A Pay Act can provide funding for an average step increase and exempt employees' step equivalent.

<sup>4</sup> The exception is for legislators: By the terms of [32 V.S.A. § 1051\(a\)](#) and [§ 1052\(a\)](#), legislators are only entitled to receive the across-the-board increase classified employees receive under the CBA, whereas all other exempt employees and officers in all three branches normally receive both the classified employees' COLA and step equivalent.

<sup>5</sup> [3 V.S.A. § 982\(c\) and \(d\)](#) provide that if the General Assembly appropriates a lesser amount, the affected terms of the collective bargaining agreement shall be renegotiated based on the amount of funds actually appropriated.