



**STATE OF VERMONT**  
JOINT FISCAL OFFICE

**MEMORANDUM**

To: Joint Legislative Management Committee  
From: Daniel Dickerson, Joint Fiscal Office  
Cc: Legislative Branch Department Heads  
Date: October 10, 2022  
Subject: Legislative branch budgets – FY24 Big Bill

2 V.S.A. §42(a)(1), as established in Act 144, 2020, states that the Joint Legislative Management Committee shall: “*prepare a proposed budget for the Legislative Branch that includes a budget for each legislative office.*”

This memo, and the attached budget numbers, contains the proposed legislative branch appropriations for FY2024. These budgets have been prepared by the Joint Fiscal Office in collaboration with legislative branch departments. Summary budget figures are shown below.

<b>Legislative Branch FY24 Appropriation Request</b>		
	<b>FY23 Big Bill (Act 185 of 2022)</b>	<b>FY24 Big Bill <i>request</i></b>
FY23 Legislative Branch appropriations	\$19,558,459	
<b>FY24 Legislative Branch appropriation request</b>		<b>\$20,145,334</b>
<i>Dollar Change (FY23 to FY24)</i>		<i>\$586,875</i>
<i>Percent Change (FY23 to FY24)</i>		<i>3.0%</i>

The growth in legislative budgets from FY23 to FY24 primarily reflects increased costs to provide base services. Two thirds of budget growth will be driven by annualizing the costs of the most recent pay act, which gave 4.9% salary increases to legislators and some staff, annualizing the increase in the state-share rate for retirement plans, and building in remaining unfunded costs from the compensation study implementation. Some of this growth will be offset by savings from staffing transitions that resulted in lower costs than originally budgeted for some positions, especially new positions.

Approximately one third of the overall budget growth is associated with inflation-driven increases to legislator expense reimbursement rates and IT operating expenses, such as hardware, software, and supplies. A small amount of growth is driven by minimal new costs associated with Human Resources (HR) position requests, detailed below, additional support for committee staff, and

additional funding for staff professional development. These items account for roughly a tenth of overall budget growth.

The legislative branch budget request for FY24 is 3.0% above the appropriations that were enacted for FY23, which is in-line with the budget guidance put out by the executive branch. Additionally, the Legislative Department of Human Resources has two position requests that are detailed below. These position requests will have a limited net budget impact.

**FY24 Staffing requests:**

1. **Convert limited-service position to permanent in HR:** Staffing within the Department of Legislative Human Resources currently consists of a permanent HR Director and a limited-service HR Generalist. These individuals began working for the General Assembly in spring/summer of 2021 and have determined that there will be sufficient ongoing workload for the department to necessitate two permanent positions. No new General Fund dollars will be needed for this conversion.
2. **Transfer vacant limited-service position from JFO to HR:** The Director of Human Resources is requesting a limited-service position to fortify the two existing positions. The JFO has a vacant limited-service position that is no longer needed and can be transferred. The original intent of the limited-service position at JFO was to focus on unallocated ARPA federal funds. Given existing JFO staff and the status of ARPA funding, this is no longer anticipated as an ongoing need at JFO.

This HR entry- to mid-level limited-service position would perform HR-focused, administrative tasks to include supporting recruitment efforts, processing and maintaining HR files, and other tasks as needed. This would allow the two senior positions to continue strategic, HR work to include implementing policies, forms, handbooks, orientation and continue collaboration with staff and legislators on HR issues.

**Budget Pressures:**

1. **Compensation and Benefits changes:** Legislators and some legislative staff received 4.9% salary increases in July 2022 through the annual pay act. Additionally, some of the compensation changes that went into effect after the adoption of the pay scale recommended by the National Conference of State Legislatures (NCSL) were not funded in the FY23 big bill, and funding is being requested in FY24. Finally, the state-share cost for employees participating in the defined benefit plan increased from 25.5% to 26.7% in FY23, while the state-share cost for the defined contribution plan rose from 11.0% to 11.75%.

As of the date of this memo, no information has yet been released on growth in health and dental premiums, or other benefit rates. The executive branch has indicated that if benefits rates are determined to increase in FY24 that additional general funds could be provided beyond the 3% target. The proposed motion for the budgets in this memo will allow for some budget flexibility if benefit costs or other costs increase after action is taken by JLMC. Taken alone, the pay act and benefits changes represent two-thirds of branch-wide budget growth from FY23 to FY24.

2. **Operating cost changes:** The two main drivers in this category are legislator expense reimbursements, which are driven by federal reimbursement rates, as well as IT operating

- costs. The IRS mileage reimbursement rate was increased significantly (\$0.585/mile to \$0.625/mile) over the summer due to the dramatic rise in motor fuel costs. The federal lodging reimbursement rate, which is put out by the General Services Administration (GSA), increased as well on October 1, 2022 from \$127/night to \$134/night. The IT Department has dealt with varying levels of inflation on all goods and services, in addition to supply chain challenges, and the budget for FY24 includes additional funding to address ongoing inflationary pressures.
3. **Personnel changes:** As noted in the prior year's budget memo, several legislative offices have gone through staffing changes due to retirements and departures, or the addition of new positions. Last year, these transitions were anticipated to have an upward pressure on budgets. However, as new staff have been brought on, some of these position costs have not been at the levels that were originally anticipated. This has resulted in FY24 budget savings in the category of "personnel changes," which also includes changes to health care elections.
  4. **New Investments:** FY24 budgets for the branch include significant new funding to support training and professional development for staff. The legislative budget includes funding for one new "floating" committee assistant that would be able to fill in for other committee assistants as needed. The legislative budget also includes \$25,000 of new funding to support the limited-service position that would be transferred from JFO. Remaining funding to support the position would come from shifting funding from the JFO budget to the Legislature. IT will also provide additional Zoom licenses for staff to allow for greater access to the Zoom platform.

**Proposed Motions:**

Convert Limited-Service to Permanent HR Position: *Move to support the conversion of the existing limited-service HR Generalist position in the HR Department to a permanent position.*

Transfer Limited-service JFO Position to HR: *Move to support the transfer of an existing vacant limited-service position within the Joint Fiscal Office to the HR Department.*

FY24 Budgets: *Move to support the proposed fiscal year 2024 legislative branch appropriations as presented to the Joint Legislative Management Committee on October 10, 2022 and require that the Chair and Vice-Chair be notified of any substantial changes prior to the executive branch budget recommendation to determine whether formal review by the committee is necessary.*

<b>Legislative Branch budgets – department breakdown</b>				
	<b>FY23</b>	<b>FY24</b>	<b>Change</b>	<b>Change</b>
<b>Department</b>	<b>Appropriation</b>	<b>Request</b>	<b>\$</b>	<b>%</b>
Legislature <sup>1</sup>	\$9,922,747	\$10,459,471	\$536,724	5.4%
Legislative Counsel	\$3,809,731	\$3,799,614	(\$10,117)	-0.3%
Legislative IT	\$1,755,296	\$1,911,165	\$155,869	8.9%
Joint Fiscal Office	\$2,765,924	\$2,690,664	(\$75,260)	-2.7%
Sgt. At Arms	\$1,304,761	\$1,284,420	(\$20,341)	-1.6%
<b>Total</b>	<b>\$19,558,459</b>	<b>\$20,145,334</b>	<b>\$586,875</b>	<b>3.0%</b>

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<sup>1</sup> The Legislature budget includes funding for the General Assembly, House Clerk, Senate Secretary, Leadership positions, Office of Legislative Operations, and the Office of Human Resources.