

## H. 22

A Bill to Amend the Vermont Public Records Act to Ensure Severance Payments and Extended Benefits are Accessible in Public Records Requests

### Rationale:

#### 1. Transparency and Accountability in Government Spending

- **Public right to know:** Severance packages and benefit extensions involve taxpayer dollars. Keeping these records public ensures that citizens have the ability to monitor how public funds are being spent, particularly when it comes to large payouts for public officials or employees.
- **Prevent misuse of funds:** Public records can help deter excessive or unjustified severance agreements. Transparency holds decision-makers accountable for ensuring that these agreements are reasonable and in the public's best interest.

#### 2. Promoting Ethical Governance

- **Reduce corruption risk:** By maintaining severance pay and benefit extensions as public records, the risk of backroom deals or improper agreements is minimized. Without public scrutiny, these contracts could be abused for personal or political gain.
- **Strengthen public trust:** Transparency fosters trust between government bodies and the public. People are more likely to trust the institutions if they know decisions about severance are conducted openly and fairly.

#### 3. Precedent in Public Sector Compensation

- **Consistency with other compensation records:** Salaries of public employees are already public records in most states, including Vermont. It is logical to extend this to severance pay, as it is a form of compensation.
- **Set a precedent for future agreements:** Making severance and benefit agreements public helps set a standard for reasonable compensation practices, making it easier for future boards or officials to follow responsible guidelines.

#### 4. Discouraging Excessive or Unwarranted Payouts

- **Curb wasteful spending:** Public scrutiny may help limit severance pay that is disproportionately high, especially when the departing employee is leaving under less-than-ideal circumstances, such as poor performance or misconduct.
- **Public oversight as a deterrent:** If officials know that severance terms will be made public, they are more likely to negotiate reasonable terms that withstand public scrutiny, avoiding large payouts that could be politically controversial.

## 5. Consistency with Open Records Law

- **Align with Vermont's tradition of transparency:** Vermont has a strong commitment to open records through its Public Records Act. Keeping severance pay and benefit extensions public would be a logical extension of this tradition.
- **Legal precedent:** Several states and courts have affirmed that severance packages of public employees are subject to public records laws. Amending Vermont statutes would bring state law in line with best practices elsewhere.

## 6. Public Interest in High-Level Officials' Compensation

- **Greater public interest in leadership positions:** Severance agreements for top officials, such as school superintendents or state agency heads, are often of significant public interest. Public access ensures these decisions are made in the open, rather than behind closed doors.
- **Informed citizenry:** Vermont citizens have a vested interest in knowing the details surrounding the departure of high-ranking officials, particularly when it involves substantial continued compensation funded by taxpayers.

## 7. Fiscal Responsibility

- **Encourage prudent fiscal management:** Public access to severance agreements promotes responsible fiscal management by ensuring that public officials are making cost-effective decisions in severance negotiations.
- **Avoiding hidden liabilities:** When severance agreements are not public, they can result in hidden liabilities for future budgets. Transparent reporting allows for better long-term financial planning.

## 8. Equity

- **Encourage Informed Negotiation for Low Wage Employees Facing Termination:** When any employee is facing the termination of their position, public knowledge of trends in recent severance packages informs any potential agreements. Historically marginalized identities continue to be over-represented in lower wage positions. Transparency in severance package trends will increase fair and equitable treatment of all employees and decrease the need for resolution/arbitration with the Vermont Labor Relations Board.