

Vermont General Assembly

Compensation & Classification Study

Final Report

April 29, 2026

Public Sector & Higher Education Practice

Compensation & Rewards | Talent

Gallagher Benefit Services, Inc.

Arthur J. Gallagher & Company

hrcc.pshe@ajg.com | ajg.com



Gallagher



Gallagher

Insurance | Risk Management | Consulting

TABLE OF CONTENTS

Executive Summary.....	4
Introduction	6
Classification Study	6
Purpose of Study.....	6
Project Activities	6
Summary of Classification Study Findings	7
Compensation Study and Methodology	13
Purpose of Study.....	13
Project Activities	14
Data Sources	15
Survey Methodology.....	17
Benchmarking	19
Summary of Findings.....	22
Evaluation of Employee Pay to Market.....	22
Evaluation of Current Structure to Market.....	24
Recommendations	25
Recommendation 1.....	25
Recommendation 2.....	26
Recommendation 3.....	26
Recommendation 4.....	26
Recommendation 5.....	27
Recommendation 6.....	27
Recommendation 7.....	28
Cost Estimate	28
Aggregate Data by Office – Total Year-Round and Seasonal Staff.....	30
Summary of Pay Increase Recommendations	30
Proposed Pay Structure	31
Appendix A.....	36



Gallagher

Insurance | Risk Management | Consulting

Policy Revisions	37
Appendix B	41
Compensation Philosophy Development.....	42

Executive Summary

The Vermont General Assembly (VGA) engaged Gallagher Benefit Services, Inc. to conduct a classification and compensation reassessment study to evaluate the alignment of its job structure, pay practices, and policies with internal equity principles and the external labor market. The study was designed to support VGA's operational needs, ensure fair and consistent classification practices, and maintain competitive and sustainable compensation. The Gallagher team partnered with the VGA director team throughout this engagement.

The classification review's key findings were 61 benchmarked titles, 10 unique job families, and 68 unique classifications. Positions were evaluated based on job responsibilities, required qualifications, supervisory scope, and organizational impact, and were organized within a structured career framework incorporating job families, standardized titles, role levels, tracks, contribution types, and contribution levels. The resulting framework emphasizes consistency, transparency, and career progression.

The compensation study evaluated both employee pay and the overall pay structure relative to the competitive market using a combination of custom survey data, datamined peer information, and published compensation sources. Market benchmarking was successfully completed for 98 percent of VGA's benchmark titles, representing 98 percent of employees. On average, employee pay is slightly above market at the median, though individual positions vary above and below market. The existing salary structure is generally aligned with the market at the midpoint, but adjustments are needed to improve consistency, progression, and long-term competitiveness.

Based on these findings, Gallagher recommends adoption of a refined 14-grade, midpoint-based pay structure aligned to market practices, along with updated compensation and classification policies, and a newly developed compensation philosophy that reflect actual practice in recognition of study data, best practice recommendations, and current VGA pay system which is already highly market aware and delivered in a contemporary fashion. Additional recommendations include maintaining strong pay discipline for employees paid above range maximums, continuing a market-based approach to pay planning, integrating stipends into base pay where applicable, and updating accrual practices to support competitive recruitment and retention. The estimated total cost to implement the recommended



Gallagher

Insurance | Risk Management | Consulting

changes is \$72,102, representing .08 percent of payroll, with minimal long-term budget impact and improved pay equity, transparency, and sustainability.



Gallagher

Insurance | Risk Management | Consulting

Introduction

Vermont General Assembly (VGA) contracted with Gallagher Benefit Services, Inc. (GBS) to conduct a comprehensive review of its employee compensation plan. Our Public Sector & Higher Education practice has been in business since 1981, serving clients in the public space with the utmost integrity, customer care, and delivery of strategic services focused on compensation and classification, strategic and operational people centric programs and services, and collaborative partnerships with public sector, non-profit, and higher education organizations.

Classification Study

Purpose of Study

This study was conducted to objectively examine the Vermont General Assembly job classifications to ensure internal equity, and VGA's operational needs. The project included the following processes:

- evaluate the current classification structure to determine accuracy and alignment with job duties;
- identify inconsistencies or discrepancies in job classification across the organization;
- determine appropriate classifications for existing roles based on job responsibilities, complexity, and level of authority; and
- recommend an updated classification system to improve job role clarity and equity.

Project Activities

- **Initial planning and data collection**

Consultants collaborated with the project team which consisted of all of VGA's directors to define the scope, objectives, and key priorities of the study. Comprehensive job data was collected, including job descriptions, organizational charts, and employee feedback, to establish a baseline for analysis.

- **Evaluate job responsibilities and internal alignment**

Job responsibilities, reporting structures, and the complexity of tasks were analyzed to confirm the alignment of positions within the classification structure. Special attention was given to positions with similar titles or duties to address potential discrepancies or inconsistencies.

- **Recommend updated classification system**

Revisions were made to the existing classification system to maintain consistent and logical role categorization. The updated system ensures support of internal equity, and reflects the VGA's operational and strategic goals.

- **Review a draft of findings and recommendations and deliver a final report**

Consultants presented a draft of the findings and recommendations to the VGA project team for feedback.

Summary of Classification Study Findings

The classification structure and career framework were developed by analyzing job descriptions across multiple divisions and programs. Each role was reviewed to determine its responsibilities, required qualifications, supervisory scope, and strategic impact. Roles were then mapped to the most appropriate classification attributes. This process ensures consistency and transparency in role evaluation and supports career progression planning.

In the VGA framework, this structure is built around key dimensions:

- **Job Families and Functions:** Groupings of related roles by function or discipline (e.g., Finance, Information Technology).
- **Classification Titles:** Standardized job titles for consistency and benchmarking.
- **Role Levels:** Defined by scope, complexity, and responsibility (e.g., Foundational to Director).
- **Role Tracks:** Career directions based on contribution type (e.g., Task & Support Expert, Leadership (e.g., Directors)).
- **Contribution Types & Levels:** How roles add value and the scope of their impact (e.g., Individual Contributor to People Manager; Informational to Strategic).
- **Pay Grades:** Compensation ranges aligned with career levels for equity and competitiveness.
- **Career Pathways:** Vertical and lateral movement options to support development and succession planning.



Gallagher

Insurance | Risk Management | Consulting

Key Findings

- Benchmarked Titles: 61
- Unique Job Families: 10
- Unique Classifications: 68

Job Family

A job family is a foundational element of a career framework that groups roles based on shared characteristics such as:

- Similar functions or responsibilities
- Common skill sets or qualifications
- Aligned career paths or progression opportunities

In the VGA classification structure, job families help organize the workforce into meaningful categories that reflect the nature of the work and support strategic workforce planning. Job families serve as a foundational structure for organizing roles within an organization. They provide:

- Clarity by helping employees understand where their role fits within the broader organizational context.
- Consistency by standardizing job evaluation and compensation across similar roles.
- Career Development by enabling clear pathways for advancement within and across families.
- Workforce Planning by supporting strategic efforts in budgeting, recruitment, and succession planning.

The following table identifies 10 job families in the VGA framework. Job families may not directly correlate with individual offices within the General Assembly:

Job Families	
Administrative Services	Information Technology
Communications & Legislative Affairs	Leadership (e.g., Directors)
Facilities & Operations	Legislative Counsel
Fiscal & Budget Analysis	Legislative Leadership Support
Human Resources	Legislative Operations

Each job family contains multiple roles that vary by level, track, and contribution type, but share a common purpose or area of expertise. Job families are the backbone of the VGA career framework, enabling a structured and equitable approach to role classification, compensation, and development.

Role Level Distribution

Role level distribution refers to how job roles are categorized based on their level of responsibility, experience, and organizational impact within a career framework. It helps define career progression and clarifies expectations for each role. In the VGA classification structure, roles are distributed across 8 levels:

- **Level I:** Performs routine tasks with guidance while building foundational skills.
- **Level II:** Works independently on tasks, applies procedures, and may assist others.
- **Level III:** Deep expertise, may mentor others, handles complex tasks.
- **Level IV:** Experienced professional leading complex tasks or mentoring, within a defined scope.
- **Level V:** Recognized authority who leads initiatives and influences practices without formal management duties.
- **Supervisor:** First-line manager overseeing daily operations and guiding team performance.
- **Manager:** Manages teams or functions, allocates resources, and drives operational goals.
- **Director:** Senior leader responsible for strategic planning, cross-functional alignment, and organizational outcomes.

The VGA classification framework is primarily composed of Level I, Level II, and Level III roles, highlighting a strong operational workforce. The presence of Supervisor, Manager, and Director roles ensures opportunities for advancement and leadership, supporting both organizational effectiveness and employee development.

Role Track

Role track refers to the type of work and career pathway a role follows within an organization. It helps define a position's responsibilities, focus area, and how it contributes to organizational goals. In a career framework, role tracks group similar roles and clarify progression paths. In the VGA classification structure, the following role tracks are defined:

- **Task & Support Expert:** Focuses on routine, procedural, or administrative tasks.
- **Subject Matter Professional:** Applies specialized knowledge to solve problems and deliver expertise.
- **Management:** Manages a team or function, responsible for staff and resources.
- **Leadership (e.g., Directors):** Sets direction, drives change, influences organizational strategy.

The VGA classification framework features a broad distribution of role tracks, with the majority of positions classified as Task & Support Expert and Subject Matter Professional. These tracks emphasize operational, technical, and specialized expertise across the workforce. Management and Leadership (e.g., Director) tracks are also represented, providing organizational oversight and strategic direction, and supporting career advancement into supervisory and executive roles. This distribution ensures both effective day-to-day operations and a clear pathway for leadership development within the organization.

Contribution Type

Contribution type describes how a role contributes to the organization's goals and operations. It helps define the scope of influence, responsibility, and leadership expected from a position. In a career framework, contribution type is a key dimension for understanding the nature of work and aligning roles with organizational strategy. In the VGA classification structure, the following contribution types are defined:

- **Individual Contributor:** Performs tasks independently, focuses on expertise and execution.
- **Functional Manager:** Oversees a specific function or process, may not manage people directly.
- **People Manager:** Manages individuals or teams, responsible for performance and development.

The VGA classification framework is predominantly composed of Individual Contributor roles, reflecting a workforce focused on direct operational and technical work. Functional Manager and People Manager roles are also present, supporting oversight of specialized functions and team leadership. This distribution emphasizes strong individual expertise while providing clear pathways for advancement into management and supervisory positions.

Contribution Levels

Contribution level describes the degree of strategic impact and complexity a role has within an organization. It helps differentiate roles based on how they influence operations, decision-making, and long-term goals. In a career framework, contribution level is a key dimension for understanding the scope and depth of a role's influence. In the VGA classification structure, the following contribution levels are defined:

- **Informational/Transactional:** Routine tasks, data entry, basic service delivery.
- **Tactical:** Applies procedures, solves problems, supports operations.
- **Operational:** Manages processes, resources, and teams to achieve goals.
- **Strategic:** Shapes direction, drives innovation, influences long-term outcomes.

The VGA classification framework is primarily composed of roles at the Tactical and Operational contribution levels, reflecting a workforce focused on process management, problem-solving, and supporting core legislative functions. Informational/Transactional roles are also present, handling routine tasks and service delivery, while Strategic-level positions provide organizational direction and long-term planning. This distribution highlights a strong emphasis on operational effectiveness, with opportunities for advancement into strategic leadership roles.



Gallagher

Insurance | Risk Management | Consulting

Compensation Study and Methodology

Purpose of Study

This study was conducted to objectively examine the competitive job market and make recommendations for internally fair and externally competitive pay practices. The project included the following processes:

- evaluate competitive market prices for key benchmark jobs;
- determine whether employees are being paid within an appropriate market range;
- determine whether jobs are placed correctly in the pay structure;
- build or align pay structures with the competitive job market;
- develop an affordable implementation plan with recommended pay adjustments;
- review and recommend administrative guidelines for managing pay systems; and
- review and recommend changes to existing compensation policies.

Project Activities

The following tasks were completed during the study:

- **Initial planning and data collection**
Consultants met with the VGA project team bi-weekly during the initial project phases to ensure a clear understanding of the concerns and objectives for the study. Pay data collected on personnel employed at the start of the project was used for modeling proposed pay plans and costs. As an additional note, VGA has provided the Gallagher team additional updates to the originally received employee data throughout the project.
- **Assess competitive pay levels for common jobs**
The competitive job market group was discussed and agreed upon by VGA. Consultants analyzed market data to determine where VGA is at risk and identified jobs that may need to be adjusted to stay competitive with the external market.
- **Evaluate the design and effectiveness of the current pay structure**
Consultants assessed the alignment between current pay ranges and market benchmarks, analyzed internal equity, and evaluated pay progression logic.
- **Develop new proposed pay structures aligned to market and organizational needs**
Proposed structures were designed to improve market competitiveness, support consistent and transparent pay practices, and ensure sustainable administration.
- **Review a draft of findings and recommendations and deliver a final report**
Consultants met with the VGA project team to review the initial draft of findings and recommendations.



Insurance | Risk Management | Consulting

Data Sources

Custom Survey

Gallagher met regularly with the project team to create the custom survey and to identify comparable peer organizations. Directors weighed in on the appropriate questions within the custom survey. 21 organizations were identified as comparable peer organizations. Gallagher sent a custom survey to the identified peer organizations inviting them to participate and respond to various pay related questions as well as specific job queries. Gallagher and the Directors followed up with the respective contacts regularly to encourage participation. In total, 5 comparable organizations finished the requested survey. Gallagher also datamined data from 3 additional comparator organizations. That data was utilized to make market comparisons for like jobs at VGA. For this compensation study, *data mining* refers to the identification, extraction, and validation of compensation-related information from multiple credible sources, such as public salary disclosures, employer documents, and proprietary databases. The process focuses on gathering comparable, job-relevant data and organizing it in a consistent manner to support accurate market pricing in addition to custom survey information.



Gallagher

Insurance | Risk Management | Consulting

Custom Survey Comparators

Peer Organizations	
Agency of Administration, VT**	Department of Finance & Management, VT
Agency of Human Services, VT ⁺	Department of Financial Regulation, VT
Agency of Natural Resources, VT*	Department of Taxes, VT
City of Barre, VT	Maine State Legislature ⁺
City of Burlington, VT	Montana Legislative Branch*
City of Essex Junction, VT	New Hampshire General Court**
City of Hartford, VT	New Mexico State Legislature**
City of Montpelier, VT	North Carolina General Assembly ⁺
City of Rutland, VT	University of Vermont
City of Stowe, VT	Utah State Legislature
City of Winooski, VT	

*Completed survey and **participated in the previous compensation study in 2022

+ Datamined

Published Sources

- CompData
- Mercer
- Economic Research Institute (ERI)

Survey Methodology

Data Collection

Various data cuts were collected from the above survey sources based on type of organization, size, geographic location, and services provided. Gallagher consultants matched only those jobs that reflected at least 80 percent of the duties as outlined in the benchmark summaries. Once peer data was collected, if there were any questions about job matching, Gallagher referenced job descriptions, organizational charts and other information to verify that the match was valid. Gallagher conducted quality assurance on the data collected for additional position matches for all peer organizations. Data leveraged was the most recently available information through published survey sources. Gallagher follows the U.S. Department of Justice and Federal Trade Commission guidelines that state five job matches should exist to conduct statistical analyses or drawing conclusions.

Quality Assurance

Gallagher performed several reviews of the data to identify any outlier data and to ensure validity and reliability of the data. Through a statistical analysis, any salary figures that were considered extreme in relation to all other salary figures were excluded. Various statistics were calculated (25th, 50th, and 75th percentiles) in analyzing the data. Once the analysis and report was completed, it was submitted internally through Gallagher's quality control process for review before it was submitted to VGA.

Aging

All data was trended forward to July 1, 2025, to be more effective for a current point in time. All data was aged using salary budget and salary structure trending factors from the *WorldatWork* salary trend survey:

- **3.0 percent** base salary increase
- **2.7 percent** salary structure adjustment



Insurance | Risk Management | Consulting

Geographic Differentials

Applying geographic differentials is a sound compensation practice to normalize data obtained from various locations. This results in more precise figures for use in analyzing and setting pay. Just as data are trended forward to be more effective for a current point in time, data should be adjusted to reflect cost of labor differences between geographic areas. Gallagher used geographic differential data, obtained from Economic Research Institute, to normalize salary data to the equivalent cost of labor for Montpelier, Vermont.

Cost of Labor

In compensation analysis, the cost of labor directly reflects the market rates for hiring and retaining employees in a specific geographic location. The cost of labor is determined by the supply and demand for labor across various industries and occupations, making it an accurate measure of what employers need to pay to attract and retain talent. This ensures that compensation packages are competitive and aligned with the external labor market's pay practices.



Gallagher

Insurance | Risk Management | Consulting

Benchmarking

When benchmarking jobs to the market, it's important to distinguish between **benchmarking actual pay** and **benchmarking your organization's structure** because they serve different purposes and provide unique insights that inform compensation strategies and decision-making. Gallagher performed both of these actions on behalf of the Vermont General Assembly.

Benchmarking Actual Pay

This process involves comparing the organization's current pay levels for specific roles to market data for similar positions. The primary goal is to understand how competitive the organization's salaries are in relation to the external labor market.

- **Purpose:** To ensure individual pay rates are aligned with market standards and support talent attraction and retention efforts.
- **Why Do This?** It helps identify whether employees are paid fairly and competitively, preventing underpayment (which could lead to turnover) or overpayment (which could strain financial resources).
- **Use Case:** Adjusting pay for specific roles, addressing pay equity issues, or making targeted market adjustments.

Benchmarking the Structure

This approach involves analyzing the design and alignment of the organization's pay structure (e.g., pay grades, bands, ranges) relative to the market. It focuses on whether the organization's overall compensation framework supports its pay philosophy, career progression, and internal equity while staying competitive externally.

- **Purpose:** To evaluate how well the pay structure aligns with market practices and organizational goals, beyond individual roles.
- **Why Do This?** It ensures that the pay structure is broad enough to support growth and flexibility but not so rigid or outdated that it hampers competitiveness or fairness.
- **Use Case:** Developing or updating pay ranges, ensuring pay progression opportunities, or aligning the structure with market trends for better workforce planning.

Why Do Both?

Focusing solely on actual pay can result in short-term fixes that address individual inequities but fail to address systemic issues. Conversely, benchmarking the structure without examining actual pay can lead to a disconnect between policy and practice, leaving critical inequities unresolved.

- **Holistic Perspective:** Combining both approaches ensures that the organization's pay practices align with its structure and philosophy while remaining competitive in the market.
- **Strategic Alignment:** It allows the organization to attract and retain talent effectively, promote internal equity, and remain fiscally responsible.

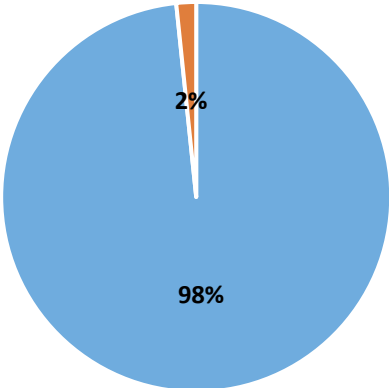
By addressing both actual pay and structural alignment, organizations can create a robust compensation strategy that meets immediate needs and supports long-term goals.

Benchmarking Success

On December 17, 2025, VGA had 61 unique job titles and 113 employees. The Gallagher project team set out to benchmark all of these roles. Of the 61 original benchmark jobs, 60 were successfully priced, representing 110 employees. 98 percent of all unique job titles were successfully benchmarked, and 98 percent of all employees are represented across the benchmarked jobs. 5 of the identified benchmark jobs were vacant at the time of data collection, so while market data was collected, no comparison was made to VGA. For benchmark positions where market data was not available, Gallagher applied a slotting methodology. In a compensation study, *slotting* is the process of placing jobs into the appropriate pay grade or salary range based on their relative level of responsibility, complexity, and skill requirements. It is used to align both benchmarked and non-benchmarked roles to the compensation structure in a consistent, internally equitable way.

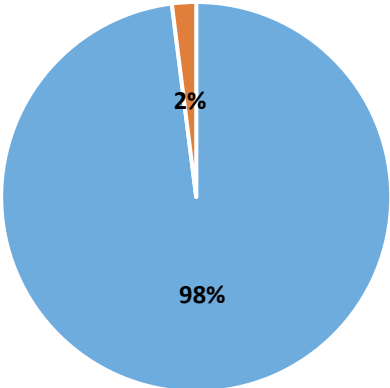
Executive Summary

Unique Job Titles



■ Benchmarked ■ Not Benchmarked

Employees

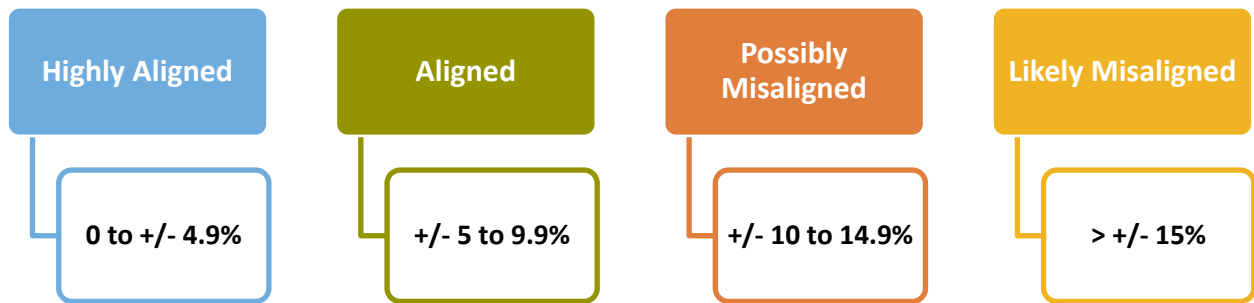


■ Benchmarked ■ Not Benchmarked

Summary of Findings

Evaluation of Employee Pay to Market

The following guidelines are used to determine the competitive nature of current compensation. To evaluate how competitive employee pay is relative to the labor market, we group results into highly aligned, aligned, possibly misaligned, and likely misaligned categories based on each employee’s pay compared to market benchmarks. This approach helps distinguish normal, acceptable variation from meaningful gaps that may affect attraction, retention, equity, or fiscal sustainability. Understanding where pay falls along this spectrum allows VGA to prioritize adjustments strategically rather than reacting uniformly or anecdotally.

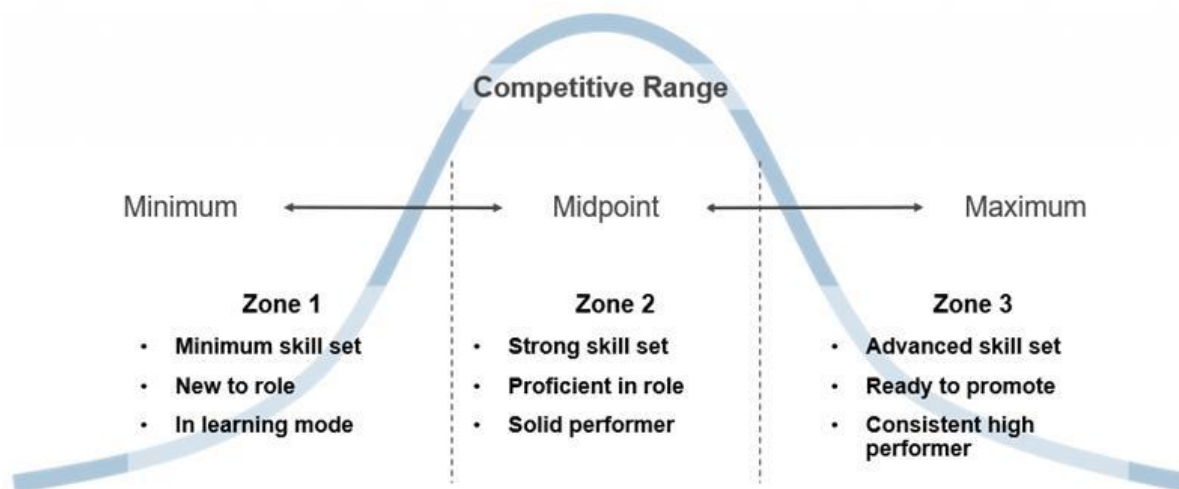


The table below provides a comprehensive summary of the comparison between the VGA’s actual salary information and market data for all benchmark positions. As expected, the results reflect a mix of jobs that are below market, aligned with market levels, and above market, illustrating the natural variation in how specific roles compare to external benchmarks.

On average, VGA’s benchmark positions are paid 12 percent above market 25th percentile, 3 percent above market median, and 5 percent below market 75th percentile.

Comparison	Comparison to Market 25 th	Comparison to Market 50 th (Median)	Comparison to Market 75 th
Actual Employee Pay	12%	3%	-5%

When focusing on pay compared to market median, 8 positions are earning more than 15 percent above market median, 42 positions are earning within 15 percent of market median, and 5 positions are earning more than 15 percent below market median. It should be noted that for single incumbent, or very low incumbent positions, individual experience, performance, skills, and unique job responsibilities impact market matches more significantly than for multi-incumbent job titles. Of the 5 positions earning more than 15 percent below market median, all 5 positions have 2 or fewer current incumbents. Of the 8 positions earning more than 15 percent above market median, all 8 positions have 1 incumbent.



*Above is the typical rationale used when placing someone within a pay range.



Gallagher

Insurance | Risk Management | Consulting

Summary of Pay Comparisons to Market Median (Unique Titles)	Above (Over 115%)	8
	At market (85% - 115%)	42
	Below (Less than 85%)	5

*The above chart displays positions that currently have an incumbent.

Evaluation of Current Structure to Market

The following table shows a summary comparison between market data and the VGA salary structures for all benchmark positions.

Comparison	Comparison to Market 25 th %	Comparison to Market 50 th % (Median)	Comparison to Market 75 th %
Salary Structure	-16%	-2%	9%

Recommendations

Gallagher has developed the following recommendations to provide a clear, defensible path toward compensation practices that are competitive, equitable, and sustainable over time. They are grounded in objective market data, internal alignment considerations, and the organization's practical ability to implement change, with the goal of addressing meaningful gaps while preserving flexibility and fiscal responsibility. Taken together, the recommendations are designed to help VGA make informed decisions that balance talent attraction and retention, internal equity, and long-term program management rather than reacting to individual data points in isolation.

Recommendation 1

Adopt the proposed pay structure, including associated grade and pay changes, to improve market competitiveness.

- Gallagher recommends a refined 14-grade midpoint-based pay structure.
- The midpoint-based structure groups jobs of similar market value, skill, effort, and responsibility into proposed pay grades with minimum, midpoint, and maximum values.
- The proposed structure was designed with the following priorities in mind:
 - Adjust the lowest midpoint by 2.70% market trend with midpoints aligned at 106% of market median and at 103% of market 75th%, on average.
 - **Base Pay / Grade Change / Promotion Adjustment:** 3.00% where applicable.
 - **Raise to Minimum:** To ensure all employees are paid within the refreshed pay ranges, reflective of the market. This number, when applied, represents the gap between the employee's current pay and the minimum of the pay range.
 - **Years of Service Credit:** 1.25% for every year of credit (following the current practice of weighting applicable experience).
 - **Recognition of Current Stipend Pay:** Incorporating current stipends for lead and lead-adjacent positions into base pay. These adjustments represent a budget-neutral impact.

Recommendation 2

Adopt Policy Revisions: *Position Reclassification and Allocation Policy #00012*, in line with actual practice and refreshed compensation and classification structures. Refer to Appendix A to review the policy revisions.

Recommendation 3

Ensure pay equity and budget management by implementing strong pay discipline for employees paid above the maximum of their assigned pay grade.

- Maintain salaries for employees paid at or above the base salary maximum. Do not continue to increase base pay beyond the maximum of the employees assigned pay range.
- Modify how staff are affected when they reach the maximum of their assigned pay range. Should an employee be less than the maximum at the time of an adjustment, they would be eligible for the full adjustment. If an employee is over the current maximum at the time of an adjustment, they would be eligible for a lump sum adjustment.
- Providing one-time payments in lieu of base pay adjustments for employees at or over the maximum of the range without advanced warning can lead to employee morale issues and turnover. Consider providing written notification to affected employees in advance.

Recommendation 4

Continue to adopt a market-based approach to pay planning and review the compensation plan and update as needed to maintain market competitiveness.

- Grant pay raises based on available budget each year and appropriate approvals.
- Review the existing pay structure and grades annually and adjust them as needed to maintain a competitive position in the local market. A typical approach is to adjust the salary structure by 1.0% less of the pay increase granted annually to allow employee pay to move at a faster rate than the pay range movement while complying with budget constraints.
- Following this recommendation allows VGA to be more selective in its compensation study cadence moving to an every 5 year or as market necessitates.



Gallagher

Insurance | Risk Management | Consulting

Recommendation 5

Adherence to and recognition of the Gallagher developed, and VGA directorship revised, Compensation Philosophy to inform decision making. Refer to Appendix B to review the proposed Compensation Philosophy.

Recommendation 6

Integrate existing stipend pay scenarios into base pay, ongoing, for those employees currently compensated in this manner.

Recommendation 7

Gallagher, in its review of total compensation, including accruals, has determined the current accrual process is inconsistent with best practice and with other legislative bodies, with the exception of attorneys within the Office of Legislative Counsel, which accrue time differently than the rest of the VGA staff. Generally, best practice is a minimum of three (3) weeks of time off (e.g., vacation) in the first five (5) years of employment. Therefore, it is recommended that Legislative Human Resources review and implement a practice change, in coordination with HR systems and policy. There will need to be flexibility built within the implementation timeline.

- During the first five years of employment, VGA lags market practice relative to other legislative bodies, which typically provide a combined three weeks of paid time off annually.
- The VGA should adapt the personal time plan, with the following practices in place:
 - provide 40 hours of personal leave, on a front-loaded basis (prorated based on each employee's full-time equivalent (FTE) status),
 - prorate personal leave for new hires, based on start date,
 - reset 40 hours of personal leave at the beginning of each fiscal year (forfeited annually on a rolling basis),
 - continue to administer annual and sick leave separately, and
 - applicable for all employees eligible for personal time.
- For accruals beyond fifteen (15) years, any increases to accrual rates should remain as they are currently.
- In the event that accrued time off is required to offset additional benefits (e.g., exchange of 8 hours of time for long term disability bank), it is recommended that the FY accrual front-load be modified to accommodate this time (i.e., 48 hours) to offset this cost.

Any practice change should continue to provide VGA flexibility to 1) address market conditions at time of hire that may require additional negotiated time off; and 2) the flexibility to maintain parity with other branches of Vermont government that would inform adjustments to the accrual process.

Cost Estimate

The following tables present estimated costs to implement the proposed recommendations.

Description of Itemized Costs:

Structure adjustment included adjusting the lowest midpoint by 2.70% market trend with midpoints aligned at 106% of market median and at 103% of market 75th, on average.

- **Base Pay / Grade Change / Promotion Adjustment:** 3.00% where applicable.
- **Raise to Minimum:** To ensure all employees are paid within the refreshed pay ranges, reflective of the market. This number, when applied, represents the gap between the employee's current pay and the minimum of the pay range.
- **Years of Service Credit:** 1.25% for every year of credit (following the current practice of weighting applicable experience).
- **Recognition of Current Stipend Pay:** Incorporating current stipends for lead and lead-adjacent positions into base pay. These adjustments represent a budget-neutral impact.

Any changes in staffing during the engagement period would result in cost variations.

Itemized Costs	Count	Cost (\$)	% of Payroll
Total Current Payroll Costs	113	\$8,357,910	
Total Increase in Payroll Costs	51	\$72,102	0.08%
Total Proposed Payroll Costs		\$8,460,512	

Summary of Cost Based on Current Staff

Summary of Cost Based on Current Staff	
Year-Round Staff Cost Impact:	\$51,673
Seasonal Staff Cost Impact (estimated):	\$20,429
Total Estimated Cost:	\$72,102
<i>Salary Absorption*:</i>	<i>\$30,500</i>

*As part of this study, stipends currently paid due to restructuring will now be incorporated into employee base pay

Aggregate Data by Office – Total Year-Round and Seasonal Staff

Office	Increase Amount	Staff Increase Percentage of Total Cost Impact
Total Stipends (LC and JFO)	\$30,500.00	-
	*\$30,500.00	
LC – Drafting Operations	\$13,570.84	18.8%
Clerk of the House	\$10,779.34	15.0%
Sergeant at Arms	\$8,467.79	11.7%
LC – Committee Services	\$8,340.75	11.6%
Leadership Offices	\$7,032.90	9.8%
Capitol Police	\$5,521.15	7.6%
Secretary of the Senate	\$5,391.50	7.5%
Joint Fiscal	\$4,977.22	6.9%
Legislative HR	\$4,626.34	6.4%
Legislative IT	\$3,394.56	4.7%
TOTAL	\$72,102.39	100.0%

*As part of this study, stipends currently paid due to restructuring will now be incorporated into employee base pay

Summary of Pay Increase Recommendations

- Number of staff changing grades (year-round and seasonal): 23
- Number of staff recommended to receive an increase to base pay (market change, promotions/stipends, market adjustments, alignment): 23 year-round staff, 28 seasonal staff

Amount (annualized)	Number of Year-Round Staff Receiving Increases	Number of Seasonal Staff Receiving Increases
\$0 - \$1,000	3	24
\$1,000 - \$2,500	5	2
\$2,500 – \$5,000	9	2
\$5,000+	6*	-
TOTAL	23	28

*5 out of the 6 are conversions of stipends

Proposed Pay Structure

Pay Grade	Range Minimum (Annual)	Range Midpoint (Annual)	Range Maximum (Annual)	Range Minimum (Hourly)	Range Midpoint (Hourly)	Range Maximum (Hourly)	Midpoint Progression	Range Spread
1								
2	\$37,377.60	\$46,726.81	\$56,076.80	\$17.97	\$22.46	\$26.96	-	50.0%
3	\$41,496.00	\$51,875.20	\$62,254.40	\$19.95	\$24.94	\$29.93	11.0%	50.0%
4	\$46,051.20	\$57,574.40	\$69,097.60	\$22.14	\$27.68	\$33.22	11.0%	50.0%
5	\$51,126.40	\$63,897.60	\$76,668.80	\$24.58	\$30.72	\$36.86	11.0%	50.0%
6	\$56,742.40	\$70,928.00	\$85,113.60	\$27.28	\$34.10	\$40.92	11.0%	50.0%
7	\$62,982.40	\$78,728.00	\$94,473.60	\$30.28	\$37.85	\$45.42	11.0%	50.0%
8	\$69,908.80	\$87,380.80	\$104,852.80	\$33.61	\$42.01	\$50.41	11.0%	50.0%
9	\$77,584.00	\$96,990.40	\$116,396.80	\$37.30	\$46.63	\$55.96	11.0%	50.0%
10	\$82,908.80	\$107,660.80	\$132,412.80	\$39.86	\$51.76	\$63.66	11.0%	60.0%
11	\$87,651.20	\$118,435.20	\$149,219.20	\$42.14	\$56.94	\$71.74	10.0%	70.0%
11b	\$93,787.20	\$126,734.40	\$159,681.60	\$45.09	\$60.93	\$76.77	7.0%	70.0%
12	\$96,408.00	\$130,270.40	\$164,132.80	\$46.35	\$62.63	\$78.91	10.0%	70.0%
13	\$106,038.40	\$143,291.20	\$180,544.00	\$50.98	\$68.89	\$86.80	10.0%	70.0%



Gallagher

Insurance | Risk Management | Consulting

Grade	Titles	Minimum (annualized)	Midpoint (annualized)	Maximum (annualized)
2	Office Assistant – Seasonal (SAA) Head Tour Guide (SAA)	\$37,377.60	\$46,726.81	\$56,076.80
3		\$41,496.00	\$51,875.20	\$62,254.40
4	Leg Counsel Support Specialist (LC) Drafting Coordinator (LC) Drafting Coordinator – Seasonal (LC) Resolutions Editor and Coordinator – Seasonal (LC) Visitor Services Coordinator (SAA) Doorkeeper – Seasonal (SAA) Police Trainee (CPD) Clerk Associate (House) Senior Office Assistant – Seasonal (Senate) Copy Room Technician (Leg IT) User Support Specialist – Seasonal (Leg IT)	\$46,051.20	\$57,574.40	\$69,097.60
5	Legislative Editor (LC) Committee Assistants – Seasonal (LC and JFO) Assistant to the Sergeant at Arms (SAA) HR Associate (Leg HR)	\$51,126.40	\$63,897.60	\$76,097.60



Gallagher

Insurance | Risk Management | Consulting

Grade	Titles	Minimum (annualized)	Midpoint (annualized)	Maximum (annualized)
6	Senior Staff Associate (JFO) Financial Operations Coordinator (JFO) Senior Legislative Editor (LC) Committee Services Support – Seasonal (LC) Capital Police Officer: Level II (CPD) Second Assistant – Seasonal (House) Calendar Clerk – Seasonal (Senate) User Support Specialist (Leg IT)	\$56,742.40	\$70,928.00	\$85,113.60
7	Systems Analyst (JFO) Fiscal Editor and Bill Coordinator (JFO) Supervisor of Committee Services (LC) Capitol Police Officer Level III (CPD) Audio-Visual Specialist (Leg IT) User Support Specialist-Trainer (Leg IT) HR Generalist (Leg HR) Deputy Director of Communications and Leg Affairs (Speaker of the House)	\$62,982.40	\$78,728.00	\$94,473.60
8	Fiscal Analyst (JFO) Supervisor of Drafting Operations (LC) Capitol Police Sergeant Level II (CPD) Journal Clerk (House) Operations Manager/Journal Clerk (Senate) Systems Administrator (Leg IT)	\$69,908.80	\$87,380.80	\$104,852.80



Gallagher

Insurance | Risk Management | Consulting

Grade	Titles	Minimum (annualized)	Midpoint (annualized)	Maximum (annualized)
9	Senior Fiscal Analyst (JFO) Capitol Police Sergeant Level III (CPD) Systems Analyst/Business Manager (Leg IT) Web Developer (Leg IT)	\$77,584.00	\$96,990.40	\$116,396.80
10	Principal Fiscal Analyst (JFO) First Assistant (House) Assistant Secretary (Senate) Chiefs of Staff (Speaker of the House and President Pro Tempore of the Senate)	\$82,908.80	\$107,660.80	\$132,412.80
11	Financial Operations Manager (JFO) Associate Fiscal Officer (JFO) Legislative Counsel (LC) Legislative Counsel-Resolutions Drafter (LC) In-House Counsel (LC)	\$87,651.20	\$118,435.20	\$149,219.20
11b	Legislative Counsel Team Lead (LC) Statutory Revision Counsel Lead (LC) Network Security Administrator (Leg IT)	\$93,787.20	\$126,734.40	\$159,681.60
12	Deputy Fiscal Officer (JFO) Deputy Chief Counsel (LC) Chief of Police (CPD)	\$96,408.00	\$130,270.40	\$164,132.80



Gallagher

Insurance | Risk Management | Consulting

Grade	Titles	Minimum (annualized)	Midpoint (annualized)	Maximum (annualized)
13	Chief Fiscal Officer (JFO) Director and Chief Counsel (LC) Sergeant at Arms (SAA) Clerk of the House (House) Secretary of the Senate (Senate) Director of IT (Leg IT) Director of HR (Leg HR)	\$106,038.40	\$143,291.20	\$180,544.00



Gallagher

Insurance | Risk Management | Consulting

Appendix A

Policy Revisions

Gallagher reviewed and made revisions to the *Position Reclassification and Allocation* policy (Policy No. 00012) to improve clarity and alignment with current classification and compensation practices. The updates refine guidance on when and how positions should be reclassified or allocated, ensuring greater consistency and transparency in application across the organization.



Subject: Position Reclassification and Allocation	Policy/Procedure Number: 00012
Effective: 10/10/22	Review Date:
Applicable To: Chiefs of Staff, VT State Legislative Employees except House and Senate staff	Revision Date:
Issued By: Legislative Office of Human Resources	Approved By: Legislative Office of Human Resources; Joint Legislative Management Committee

PURPOSE AND POLICY STATEMENT

Each Vermont General Assembly staff position is assigned to an appropriate job grade as outlined in the applicable pay structure, determined through an extensive evaluation of position duties and responsibilities. Reclassification of a position or a position's existing grade may be considered when it is determined that a necessary, significant change in the position has taken place.

Staff directors may request, through the Legislative Office of Human Resources, the allocation of a new position or the reclassification of a filled or vacant position, when the duties and responsibilities of the position have significantly changed as outlined in this policy.

DEFINITIONS

Reclassification—a change to an existing filled or vacant position when there is evidence of necessary, significant, inherent and permanent change in factors of a position such as position requirements, degree of responsibility, office restructuring, and/or other factors.

Allocation—the process used to assign newly created positions to a job grade.

GENERAL GUIDELINES

Reclassification Requests for a Filled or Vacant Position

A filled or vacant position is eligible for a reclassification review when there has been a necessary, significant change in factors of that position, such as the scope, impact, complexity, responsibilities, demands, independence, decision making, required education, and accountability.



When reclassifying positions, significant changes to the position should account for greater than 50 percent of the existing duties and responsibilities. An increase in workload does not typically justify a change in classification. There may be times when a position is reclassified due to a reduction in factors.

A staff member must have at least six months of continuous service in the current position for the position to be eligible for a reclassification review unless there is an urgent business need.

It is the responsibility of the office director to identify significant changes in job responsibilities and to initiate a reclassification review request with the Legislative Office of Human Resources by submitting a completed "Position Reclassification/Allocation Form." Requests must include a comparison of the current job description with an updated job description and any changes to responsibilities. It must also include an up-to-date resume and current organizational chart if the reporting structure has changed.

As a part of the review, the Legislative Office of Human Resources may request additional information and may consult with the supervisor and/or incumbent (if applicable) to clarify duties, reporting relationships, and organizational context. The reclassification review and determination must be completed before any salary adjustment is processed.

Factors considered when reclassifying a position:

- Nature or type of work performed
- Level of responsibility
- Impact of position on the office, legislative staff, and/or General Assembly
- Reporting relationships
- Scope of duties and goals
- Complexity of work
- Creativity/innovation required
- Supervision received
- Supervision exercised
- Knowledge and skills required to perform the duties

Factors that are not grounds for reclassifying a position:

- Outstanding work performance
- Years of service
- Change in volume of work
- Qualifications of the incumbent that are not required by the position
- Personality



- Retention concerns
- Financial needs
- Temporary, intermittent, and project-based work

Reclassification Determinations

The Legislative Office of Human Resources and the office director will review the details of the request to determine if a reclassification is appropriate. The Legislative Director of Human Resources will consult with the Chief Fiscal Officer on budgetary implications. If a reclassification is appropriate, the Legislative Office of Human Resources will determine a grade and, if necessary, compensation, that aligns with the applicable pay structure. If a new grade is required and needs to be created in the pay structure, external consulting may be used to assist with this process. Decisions are based solely on the position and not the incumbent in the position. In all cases, the incumbent must meet the minimum qualifications of the reclassified position.

Requests, subject to the applicable legislative process(es), will be processed upon agreement between the office director and the Legislative Director of Human Resources. If agreement is not reached, the office director and the Legislative Director of Human Resources will jointly bring the request before the director's applicable oversight committee.

Processing Reclassifications

In coordination with the Joint Fiscal Office to review the budget and upon approval by the Legislative Office of Human Resources, a reclassified incumbent may receive a change in pay rate. Any change to the incumbent's pay rate must fall appropriately within the assigned pay range.

The Legislative Office of Human Resources will process any approved reclassification changes with the Department of Human Resources. Approved wage adjustments will be effective at the start of the next pay period following the final date of approval.

Allocation of New Positions

When a new position is requested to be established, subject to the applicable legislative process(es), the office director shall submit a proposed justification, job description, and organization chart to the Legislative Office of Human Resources. The Legislative Director of Human Resources will consult with the Chief Fiscal Officer on budgetary implications. The Legislative Director of Human Resources shall evaluate the duties and responsibilities of the new



position and, if justified, assign an appropriate grade and salary to the position that aligns with the applicable pay structure. If a new grade is required and needs to be created in the pay structure, external consulting may be used to assist with this process.

Subject to the applicable legislative process(es), requests will be processed upon agreement between the office director and the Legislative Director of Human Resources. If agreement is not reached, the office director and the Legislative Director of Human Resources will jointly bring the request before the director's applicable oversight committee.

Processing Allocations

The Legislative Office of Human Resources will process any approved allocation changes with the Department of Human Resources. Approved wage adjustments will be effective at the start of the next pay period following the final date of approval.

Ongoing Review of the Pay Structure

Internal and external influences such as office reorganizations and job market demand can shift from year to year. These internal and external influences may impact the existing position classification structure, requiring a review of specific positions to maintain pay plan equity and to remain competitive in the job market across the General Assembly's entire pay plan. ~~Therefore, a formal~~ A review of the pay structure and the placement of positions within that structure will take place approximately every three to five years.

This document is subject to change and is not intended to establish a contract of employment or any contractual rights.

Employees with questions, concerns, or disputes with the content of this policy must notify their direct supervisor/director or the Legislative Office of Human Resources at the Vermont General Assembly, Montpelier, VT, in writing, which may include e-mail.



Gallagher

Insurance | Risk Management | Consulting

Appendix B

Compensation Philosophy Development

Gallagher developed a compensation philosophy that guides pay practices, approach to market, and considerations when establishing new and updated pay actions in line with organizational needs and in compliance with applicable laws, orders, and regulations. The compensation philosophy was reviewed and edited by the Directorship.

Vermont General Assembly Compensation Philosophy

The Vermont General Assembly has its own classification and compensation system, separate from those of the executive and judicial branches. This arrangement acknowledges the unique nature of legislative work and the necessity of a system tailored to the General Assembly's functioning.

This philosophy establishes the principles that guide the Vermont General Assembly's employee compensation. The goals of which are clear:

- to pay people fairly,
- to maintain transparency in our decision-making processes,
- and to use taxpayer dollars responsibly.

Foundational Commitments

1. **Equity.** Employees doing comparable work should be paid comparably with distinctions based on applicable years of relevant experience. Achieving that requires consistent decision-making, clear documentation, and a willingness to explain the rationale behind the component parts of the compensation and classification system.
2. **Transparency.** Employees should understand how compensation decisions are made, what factors influence pay, and how roles are classified. Transparency builds trust and fosters confidence in the system by ensuring employees have access to clear information about compensation structures, decision-making criteria, and the processes that guide pay actions. While individual employee information remains confidential, the

framework, methodology, and rationale for compensation decisions will be communicated openly and consistently.

3. **Legal Compliance.** Compensation decisions will comply with State and Federal employment regulations, the Vermont Pay Act, and any statutory requirements specific to the legislative branch. Where policies dictate specific pay actions, we follow them consistently and on schedule.
4. **Market Competitiveness.** Compensation should typically be competitive enough to attract and retain qualified employees. That means paying attention to what comparable roles may pay elsewhere: in Vermont, in the public sector more broadly, and in the specialized field of legislative operations. This includes maintaining market alignment.

Compensation Administration

The General Assembly will conduct a review of the pay structure and the placement of positions within that structure periodically. These studies compare the workforce of the General Assembly's compensation to relevant benchmarks, assess internal equity across classifications, and identify compression or structural issues that may have developed. Findings inform potential adjustments to pay ranges or classification frameworks.

Base pay is managed through the General Assembly's job classification system, established in 2022 by NCSL and reviewed in 2025/2026 by Gallagher Benefit Services. Pay ranges and grade structures are designed around the specific roles that support legislative operations. When

adjustments fall outside routine processes, market corrections, equity adjustments, and similar actions, they follow a documented approval process.

Pay actions are implemented consistently, and changes are communicated clearly so employees understand when and how their compensation may be affected.

Total Rewards Context

Compensation is one component of a broader value proposition. The General Assembly also provides health and wellness benefits, retirement benefits, paid leave, professional development opportunities, and, where and when appropriate, flexible work arrangements.

Governance and Accountability

General Assembly leadership, office directors, and human resources staff who work with compensation share accountability for effectively administering this philosophy. That means applying compensation practices consistently, documenting processes and adjustments when they occur, and reviewing periodically to confirm we are operating in alignment with these principles.

This report has been prepared by Gallagher based on information and direction provided by the client. The analysis, observations, and recommendations reflect Gallagher’s understanding of that information as of the date of this report and are subject to change if underlying data, assumptions, or circumstances change. Gallagher does not undertake any obligation to update this report after its issuance, and the content should not be interpreted as a guarantee of future conditions or outcomes.

The material is intended for informational purposes only and is not intended to provide and should not be relied upon for legal or tax advice. Clients should consult appropriate professional advisors regarding their specific situation. Consulting and insurance brokerage services are provided by Gallagher Benefit Services, Inc. and/or its affiliate Gallagher Benefit Services (Canada) Group Inc. Gallagher Benefit Services, Inc., a non-investment firm and subsidiary of Arthur J. Gallagher & Co., is a licensed insurance agency that does business in California as “Gallagher Benefit Services of California Insurance Services” and in Massachusetts as “Gallagher Benefit Insurance Services.”

