

4/14/26

Senate Appropriations

Pay Act Testimony

Beth Fastigi – Commissioner, Department of Human Resources

Purpose:

The purpose of **Pay Act** is to provide funding for the pay and benefits in the Collective Bargaining Agreements (CBA) for FY 27 and FY 28 including funding and parameters and treatment for employees not covered by CBAs.

- In the past Pay Act has been either its own standalone bill or incorporated into the Bill Big.
- In 2024, Pay Act was a part of the Big Bill, drafted separately and incorporated into the Big Bill.
- Finance and Management reserve funding as part of the budgeting process, however, the appropriation and funding sources are generally included in Pay Act.
- Pay Act is generally based on the biennium as we have negotiated two year contracts in recent history.

On behalf of the Administration and the Department of Human Resources, I encourage this committee to support Pay Act to fund the terms of our collective bargaining agreements and fund increases for fiscal years 2027 and 2028 for employees not covered by the collective bargaining agreements.

Status:

- The State has completed negotiations with the Non-Management & Supervisory bargaining units of the Vermont State Employees Union (VSEA)
- An agreement in principle has been reached with the Vermont Troopers Association (VTA) but the language has not yet been finalized or sent to the membership for ratification.
- Negotiations are not completed for the VSEA Corrections Bargaining Unit.
- Judiciary and State's Attorney's and Sheriffs conduct bargaining with their VSEA units separately, but the funding for these contracts is also generally included in Pay Act.

Collective Bargaining Highlights Non-Management & Supervisory Highlights:

Term:

- Two (2) year term July 1, 2026 – June 30, 2028

Salaries and Wages:

- July 2026: 2% Across the Board Increase plus Continuation of Step Increases

- January 2027: 2% Across the Board Increase plus Continuation of Step Increases
- July 2027: 3% Across the Board Increase plus Continuation of Step Increases

Holidays:

- Juneteenth and Indigenous Peoples Day become official premium pay holidays (beginning 7/1/2026)
- Bennington Battle Day will be eliminated from the list of paid State holidays.
- Note: this will now match the Corrections Bargaining Unit and the VTA holiday schedule that was agreed to in the current collective bargaining agreements

Benefits:

- Effective January 1, 2027, the maximum **non-medical vision benefit** shall be increased to \$200 annually
- Effective July 1, 2026, there shall be no deductible for any **dental services**
- Effective July 1, 2026, maximum lifetime **orthodontia benefits** (Class IV Dental Services) increase to \$3750.
- Effective July 1, 2026, maximum amount for individual Class I, II and III **Dental Services during a plan year increase to \$2,000.**
- Raised the cap on **annual leave** by 20 hours

References:

Current Collective Bargaining Agreements can be found here:

<https://humanresources.vermont.gov/labor-relations/labor-relations-policies/collective-bargaining-agreements>

Workforce Report:

https://humanresources.vermont.gov/sites/humanresources/files/documents/DHR-Workforce_Report_0.pdf