

JFC Proposal (addendum) offered by Representative Ancel, 8/18/09

Administration Proposal:

GF Labor Cost Reductions

Personnel Savings - \$7,400,000

The administration will seek \$7,400,000 in labor cost savings for FY2010 through agreement with the state employees' union. If the administration is unable to reach agreement by September 15, 2009, the Committee will begin the process of determining savings through attrition, vacancies and/or, as a last resort, reductions-in-force. While the administration has already taken vacancy savings and taken some reductions-in-force, classified employees have not agreed to reductions in salaries or benefits or to a pay freeze. As stipulated in the contract, classified employees received across-the-board yearly salary adjustments and step increases on July 1, 2009. It should be noted that most elected, exempt, and temporary employees have seen no across the board increases for the second year in a row and those making over \$60,000 have taken a 5% cut in pay. As a matter of equity, no bargaining units will be held harmless from any of these cost saving measures.

Committee Statement on VSEA represented employee savings

As part of the rescission plan, state employees are being asked to absorb \$7.4 million in general fund savings in FY 2010. It is the committee's position that this can and should be accomplished without the use of RIF's.

These savings can be institutionalized for future years through the FY 2011 and FY 2012 bargaining process that is underway.

State employees play a critical role in service delivery to Vermonters. The Committee appreciates all they are doing to serve Vermont. They have shown a commitment to service and excellence in an increasingly challenging environment, and the Committee is grateful for the work they do for Vermonters.

The Committee recognizes that effective staff reductions need to be accompanied by system changes and other actions to maintain service delivery. It is hoped that the Joint Legislative Government Accountability Committee consultant assistance will help develop these system changes.

The Committee recognizes that personnel reductions have created a workforce of just under the FY 2004 staffing levels with little reductions in program management and operational responsibilities. Barring program and system changes, further staffing reductions could create serious program operation issues.