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Susanne R. Young, Secretary

To: All Agency and Department Heads and Board Chairs
From: Susanne Young – Secretary, Agency of Administration
Date: May 21, 2020 – Updated June 1, 2020
Subject: FY Salary Changes for Exempt Employees

During this unprecedented time, I want you to know how proud I am of the hard work, tenacity and focus on the emergency response work by State of Vermont employees, in general, and agency and department leaders in particular. Further, I am buoyed by your can-do attitudes as we transition from emergency response to restarting stalled operations and recovery planning to get Vermonters and our communities back on their feet.

All Vermonters have been impacted in some way by the pandemic - many have suffered profound losses in their lives, families and to their livelihoods. These losses are, in part, reflected in the decline in revenues that support the state budget, with estimated reductions in revenue totaling \$375 million across the General Fund, Education Fund and Transportation Fund in FY21 alone. This has necessitated a supplemental general budget adjustment for FY20 and consideration of an unprecedented single quarter general fund budget for FY21. The Legislature is meeting well into June to conclude its work on bills and appropriations to get us through to September 30.

One of the bills still under consideration is the FY21 Pay Act which typically funds salary increases for classified and temporary employees consistent with collective bargaining agreements for July 1, 2020 through June 30, 2022. The first increase under the current negotiated contract is effective on July 1, 2020. The decision to extend these increases to exempt employees is at the discretion of the Secretary of Administration, subject to the approval of the Governor. It is difficult to justify an extension of the pay increases on July 1 in light of not only our own budget challenges, but also the current environment of loss and suffering being felt so deeply by Vermonters, our communities and local businesses across the State.

For these reasons, the Administration will not be extending salary increases in the Pay Act effective July 1, 2020 to exempt employees in the Executive Branch appointed by or under the direction of the Governor, including those covered by an exempt pay plan. Please know that this is no reflection on your work and the high regard with which I hold each of you, but simply mirrors the extraordinary financial challenges facing our state.

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Increases for exempt employees under the direction of an elected official other than the Governor and for exempt employees in the judicial and legislative branches will be implemented, if authorized in Pay Act, as recommended by those appointing authorities.

If you have any questions, please contact Beth Fastiggi, Commissioner of Human Resources at beth.fastiggi@vermont.gov.

cc: Beth Fastiggi, Commissioner of Human Resources
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