

TO: Agency and Department Heads, Elected Officials and Board Chairs
FROM: Kristin Clouser, Secretary of Administration
DATE: May 24, 2024
SUBJECT: Fiscal Year 2025 Salary Adjustments

This memo will provide information on salary adjustments for classified, exempt and temporary employees for FY 2025.

CLASSIFIED EMPLOYEES

In accordance with the July 1, 2024 through June 30, 2026 collective bargaining agreements, and FY 2025 Pay Act provisions, the following guidelines will apply to salary increases for classified employees.

Most classified employees will receive a 4.5% salary increase effective July 14, 2024. In addition, many classified employees will also receive a step increase during the fiscal year; the current average value of a step is 1.9%. Salary increases for classified employees will be implemented automatically by the Department of Human Resources.

Any classified employee whose salary is above the maximum for their pay grade on July 14, 2024, shall receive a salary increase and/or a lump sum payment (pro-rated for part-time employment), as specified in Section 3 of the salaries and wages article of the collective bargaining agreements.

Also, in accordance with the collective bargaining agreements, permanent or limited status employees who were classified employees as of July 14, 2024 and whose annualized salary after application of the 4.5% hourly adjustment is less than \$29,120, will be entitled to receive one-quarter of the difference between their annualized salary and \$29,120 at the beginning of each calendar quarter, so long as their annualized salary is still less than \$29,120 at the beginning of each respective quarter.

State Police Lieutenants will receive a 4.5% salary increase on July 14, 2024, and the Vermont Troopers' Association negotiations are not completed at this point in time.

Employees in the Corrections bargaining unit will move to a new pay chart effective July 14, 2024. In addition, classified employees who are in the job classes of Correctional Officer I or Correctional

Officer II on 7/14/24 will receive a lump sum of \$3,000 for those earning a base salary of less than \$75,000 and \$2,000 for those earning a base salary greater than \$75,000 payable on August 8, 2024.

EXEMPT EMPLOYEES

Salary increases for exempt state employees are implemented at the discretion of the Secretary of Administration, subject to the approval of the Governor. This discretion is limited by the funding provisions of the Pay Act. Salary increases for exempt state employees by Pay Act could be as high as the average rate of adjustment for classified employees, which is 6.4% for FY 2025, which represents the bargained 4.5% across the board increase for classified employees plus the estimate of the average value of a step increase of 1.9%. Keep in mind that many classified employees do not receive a step increase every year and so many classified employees will be receiving just the 4.5% increase for the next fiscal year. Employee salary adjustments for FY 2025 are detailed below.

Employees Whose Salaries Are Fixed in Statute: Annual salaries for elected state officials and certain others set by statute will be effective July 14, 2024. Any questions on these salaries should be directed to Commissioner Fastiggi at the Department of Human Resources.

Exempt Employees Not Covered by a Pay Plan: Exempt employees not covered by a pay plan, including agency and department heads, their deputies, executive or principal assistants, and private secretaries will receive a 4.5% salary increase effective July 14, 2024. Exempt employees who are not performing at a minimum satisfactory level may have salary increases withheld or deferred. Also, for exempt employees hired after January 1, 2024, salary increases may be withheld or deferred until the employee has completed any required probationary period or has been employed for six months. If you would like to withhold or defer an increase from an exempt employee in your agency or department, please submit a memo with this request to the attention of Douglas Pine, Deputy Director, HR Operations to DHR.ExemptPay@vermont.gov by close of business on June 21, 2024.

In addition, requests for merit increases of up to 4.5% will be considered by the Secretary of Administration on a limited case-by-case basis for implementation in conjunction with the annual salary increases. Please note that any merit increases must be paid for within your existing budgets. Merits may be requested as a one-time lump sum or as a base salary increase. Where a salary is close to the maximum within the appropriate range, a merit may be awarded as a lump sum, not as an increase to base salary. Merit increase recommendations will be closely reviewed with a high standard for approval and will only be approved in unique circumstances of exceptional performance. A detailed memo of justification must be submitted to the attention of Commissioner Fastiggi at DHR.ExemptPay@vermont.gov no later than close of business on June 21, 2024.

Exempt Employees Covered by a Pay Plan: (Attorney Pay Plan, Defender General's Pay Plan, Executive Director Pay Plan, Public Utilities Commission Pay Plan, VLRB Pay Plan, and Correctional Facility Superintendent Pay Plan): Exempt employees who are covered by an exempt pay plan will receive a 4.5% salary increase effective July 14, 2024. Exempt employees who are either not performing at a minimum satisfactory level or whose current salary is near, at, or above the salary range maximum may have any salary increases withheld or deferred. Also, for exempt employees



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Merit increases consistent with the terms and conditions of the exempt pay plans will be considered during FY 2025 on a case-by-case basis. Ordinarily these merit requests coincide with an incumbent's annual review. These merit increases must be paid from a department's existing budget. Merit increase recommendations must be submitted following the terms and conditions of the applicable plan.

Exempt Judicial and Legislative Employees: Exempt employees in the judicial and legislative branches will have their salaries adjusted by their respective branch.

TEMPORARY EMPLOYEES

Effective July 14, 2024, the temporary pay plan will be increased by 4.5%. The pay plan will be adjusted to reflect the January 1, 2024, statutory minimum wage of \$13.67. All temporary employees in pay grades 5 through 32 who are currently slotted on a step in the temporary pay plan will be increased to the new value of their current pay grade and step. Salary increases for temporary employees in exempt roles such as attorneys and law clerks (not in pay grades 5 through 32) are at the discretion of the appointing authority.

If you have any questions, please contact Beth Fastiggi, Commissioner of Human Resources at beth.fastiggi@vermont.gov or Douglas Pine, Deputy Director, HR Operations at doug.pine@vermont.gov.

Cc: Beth Fastiggi, Commissioner of Human Resources
Nikki Fuller, Deputy Commissioner of Human Resources
Harold Schwartz, HR Director of Operations
Douglas Pine, Deputy Director, HR Operations

