

From: Spellman, Maribeth [Maribeth.Spellman@vermont.gov]
Sent: Tuesday, October 13, 2015 8:01 PM
To: Johnson, Justin; Springer, Darren
CC: Spellman, Maribeth; Coriell, Scott; Cheney, Thomas S
Subject: Re: Confidential Bargaining Data

Scott, Darren,

To bring you up to speed, the VSEA non-management bargaining unit made a unilateral declaration of "impasse" at bargaining today - essentially, walking away from bargaining. Normally, both parties must mutually agree negotiations are at impasse and jointly go to the labor board. The Administration does not believe we are at impasse and we are prepared to continue to bargain with VSEA in good faith - the VSEA has made NO movement off their initial bargaining position regarding pay, meaning they are asking for a 5% increase to base pay for each year of the 2-year contract, plus the regular steps (which are worth 1.7% increase per year). The cost of their proposed increase, including the increase to steps and benefits is approximately 70.6 million over the two years - clearly unsustainable. A 13.4% pay increase over two years. WOW. It is hard to see how failure to move off your initial bargaining position on the most crucial issues is bargaining in good faith.

VSEA may well go to the media - no prohibition on doing so. I talked with Justin and as you can see below, he would like to put out a statement. Agree should have a quote from him, but believe press should be directed to me/Tom for anything more detailed than the bigger picture outlined above.

The Gov should be brought up to speed as once it hits the press he will likely get questions - he should stick to the above and can rightly demur on getting into more detail as he is "still hopeful that the parties can come back to the table and continue negotiations" and he wouldn't want to do anything that might influence that

Scott, Tom, would be great if you could coordinate on statement. Feel free to call if you have questions - 595-3109.

Many thanks, Maribeth

Sent from my iPad

On Oct 13, 2015, at 6:54 PM, "Johnson, Justin" <Justin.Johnson@vermont.gov> wrote:

I think we should put out a release laying this out. Talk to Scott, but if say. " we are bargaining in good faith, but we simply cannot agree to a n increase in pay that is way above inflation and could nearly double the budget gap. Vermonter taxpayers, and many Vermont state employees Will be shocked at the demands the no management bargaining unit are making"

Justin Johnson
Secretary of Administration
State of Vermont

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Montpelier, VT 05609

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On Oct 13, 2015, at 5:06 PM, Spellman, Maribeth <Maribeth.Spellman@vermont.gov> wrote:

See below for reference. Two year cost of 5%+5%= 70.6 million
(including steps & benefits increases)

1% increase is about 6 million

Sent from my iPhone

Begin forwarded message:

From: "Schwartz, Harold"
<Harold.Schwartz@vermont.gov>
Date: September 16, 2015 at 12:20:28 PM EDT
To: "Spellman, Maribeth"
<Maribeth.Spellman@vermont.gov>
Cc: "Schwartz, Harold"
<Harold.Schwartz@vermont.gov>
Subject: Confidential Bargaining Data

5% ABI increase, + steps in FY17, costs \$22.0 million more than if there were a 0% ABI increase in FY17. That's not factoring the increase over FY16, just due to steps alone, and benefits which is another \$8.4 million. Net, in FY17, if there were a 5% ABI, with steps, total increase in cost would be about \$30.4 million including benefits over FY16 estimated costs.

Assuming another 5% ABI increase, +steps in FY18, the total increase in cost costs over FY17 is another \$40.2 million including steps and benefits. So the two year increase over FY16 would be about \$70.6 million