

From: Johnson, Justin [Justin.Johnson@vermont.gov]
Sent: Thursday, May 26, 2016 12:54 PM
To: Springer, Darren; GPS
Subject: Fwd: Exempt pay memo
Attachments: Draft AOA memo on FY 16 ABI V2.docx; ATT00001.htm

Gov., Darren:

It is my recommendation that we give exempt employees the 3.7% pay increase that is allowed based on the contract that was just given to the union. (It covers 2% plus the value of a step). Exempts are also entitled to up to 3.7% for merit. As you can see from the draft memo, these have to be approved by me on a case-by-case basis, and I'm unlikely to approve many, if any.

Let me know your thoughts.

Justin Johnson
Secretary of Administration
State of Vermont

ph. 802 828 3322
email. Justin.Johnson@vermont.gov

Begin forwarded message:

From: "Spellman, Maribeth" <Maribeth.Spellman@vermont.gov>
Date: May 26, 2016 at 4:52:42 PM GMT+2
To: "Johnson, Justin" <Justin.Johnson@vermont.gov>
Cc: "Johnson, Harriet" <Harriet.Johnson@vermont.gov>
Subject: Exempt pay memo

Justin,

Attached please find the draft exempt pay memo. If you approve, I would ask that Harriet set up for your signature. We would like to get this out as soon as possible. Please let me know if you have any questions. Thank you, Maribeth

Maribeth Spellman | Commissioner | Vermont Department of Human Resources
120 State Street, 5th Floor | Montpelier, VT 05620-2505 | Ph: 802-828-3491 | Fax: 802-828-3409

TO: Appointing Authorities

FROM: Justin Johnson, Secretary of Administration

DATE: May X, 2016

SUBJECT: Fiscal Year 2017 Salary Adjustments

It is the time of year for salary adjustments. This memo will provide information on salary adjustments for classified, exempt and temporary employees for FY 2017.

CLASSIFIED EMPLOYEES

In accordance and consistent with the July 1, 2016 through June 30, 2018 collective bargaining agreements, and FY 2017 Pay Act provisions, the following guidelines will apply to salary increases for classified employees.

Most classified employees will receive a 2.0% salary increase, with the caveats explained below. In addition, many classified employees will also receive a step increase during the fiscal year; the current average value of a step is 1.7%. 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 the pay grade on July 10, 2016 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 9, 2016, and whose salary after application of the 2.0% hourly adjustment is less than \$12.48 per hour, will be entitled to receive one-quarter of the difference between their annualized salary and \$25,958 at the beginning of each calendar quarter, so long as their annualized salary is still less than \$25,958 at the beginning of each respective quarter.

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. The Governor has accepted my recommendations as specified below.

Employees whose salaries are fixed in statute: Annual salaries for elected state officials and certain others are set by statute. Any questions on these salaries should be directed to Commissioner Spellman 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 3.7% salary increase. Exempt employees who are not performing at a minimum satisfactory level may have salary increases withheld or deferred. For exempt employees hired after January 1, 2016, 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, Staffing & Compensation to DHR-ExemptPay@vermont.gov by close of business on June 17, 2016.

In addition, requests for merit increases of up to 3.7% will be considered by the Secretary of Administration on a 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. 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 and must be based on outstanding performance and overall contribution. A detailed memo of justification must be submitted to the attention of Commissioner Spellman at DHR-ExemptPay@vermont.gov no later than close of business on June 17, 2016.

Exempt Employees Covered by a Pay Plan: Exempt employees who are covered by an exempt pay plan will receive a 3.7% salary increase. 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. For exempt employees hired after January 1, 2016, 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, Staffing & Compensation to DHR-ExemptPay@vermont.gov by close of business on June 17, 2016.

Merit increases consistent with the conditions of the exempt pay plans will be considered during FY 2017 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 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 10, 2016, the temporary pay plan will be increased by 2.0%, and adjusted to reflect the January 1, 2017 statutory minimum wage of \$10.00. 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 Maribeth Spellman, Commissioner of Human Resources at maribeth.spellman@vermont.gov or Douglas Pine, Deputy Director, Staffing & Compensation at doug.pine@vermont.gov.

cc: Maribeth Spellman, Commissioner of Human Resources
Harold Schwartz, HR Director of Operations
Douglas Pine, Deputy Director, Staffing & Compensation

DRAFT

