

MEMORANDUM

TO: Joint Fiscal Committee
FROM: Hardy Merrill, Deputy Commissioner, Department of Finance and Management
RE: Report on FY 2026 Pay Act Allocations (citation: 3 VSA Sec 2281(4))
DATE: November 12, 2025

Please find attached report required pursuant to 3 VSA Sec 2281(4).

The FY 2026 Pay Act appropriations were made in Act 113 of 2024 as follows:

Executive Branch

\$24,644,442	General Fund	Sec.G.109(a)(2)(A)
\$3,000,000	Transportation Fund	Sec.G.109(a)(2)(B)

Judicial Branch

\$2,388,783	General Fund	Sec.G.109(b)(3)
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Legislative Branch

\$758,613	General Fund	Sec.G.109(c)(2)
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The attached report identifies projected allocations by department of the FY2026 Pay Act appropriations listed above, and the report's calculation methodology is described below.

Please note, final Executive Pay Act allocations occur near the end of the fiscal year, are based on each department's actual need at that time, and may differ from the estimated allocations listed in the attached report.

Pay Act Calculation Methodology

The methodology used in developing Pay Act potential need is as follows:

- The General and Transportation Fund share of the required Pay Act are derived from the FY 2026 As Passed budget which reflects an estimated annualized June 30, 2025 payroll base.
- Executive Branch Pay Act need for all departments except Corrections is estimated based on assuming a 3.50% cost of living increase and step increases at an aggregate rate of 1.9%. These increases are applied to salaries and to salary-driven benefit costs (FICA, retirement, life insurance, and long-term disability) for all individual employee positions that are budgeted in FY 2026.

- Legislative Pay Act distribution is estimated by allocating the total Legislative Pay Act amount appropriated in FY26 according to the following percentages: 43% to Legislature, 25.5% to Legislative Counsel, 15.9% to Joint Fiscal Office, 7.9% to Legislative Information Technology, and 7.6% to Sergeant at Arms.
- Judicial Pay Act need is estimated by allocating 100% of the FY26 Judicial Pay Act appropriation to the Judiciary appropriation.
- The costs of various non-salary contract items and other bargained provisions are stipulated in certain articles of the State-VSEA Bargaining Agreement.

cc: House and Senate Committees on Appropriations and on Government Operations

FY 2026 PAY ACT REPORT: 3 VSA SEC 2281(4)**				
	(A)	(B)	(C)	(D)
	Pay Act Potential Need - General Funds	Pay Act Potential Need - General Funds (Legislature)	Pay Act Potential Need - General Funds (Judiciary)	Pay Act Potential Need - Transp. Funds
1100010000 - Secretary of Administration	62,922			-
1100170000 - Secretary of Administration - Office of Racial Equity	27,080			
1100090000 - Secretary of Administration - Financial Services	-			-
1100100000 - Secretary of Administration - Workers Compensation Insurance	-			-
1100110000 - Secretary of Administration - General Liability Insurance	-			-
1100120000 - Secretary of Administration - All Other Insurance	-			-
1105500000 - Agency of Digital Services	4,333			-
1110003000 - Finance and Management - Budget and Management	46,581			-
1115001000 - Finance and Management - Financial Operations	-			-
1120010000 - Human Resources - Operations	74,407			-
1120080000 - Human Resources - VTHR Operations	-			-
1125000000 - Human Resources - Employee Benefits and Wellness	-			-
1130030000 - Libraries	65,155			-
1140010000 - Tax - Administration/Collection	623,231			-
1150100000 - Buildings and General Services - Administration	-			-
1150400000 - Buildings and General Services - Information Centers	15,006			-
1150500000 - Buildings and General Services - Purchasing	48,798			-
1160050000 - Buildings and General Services - Postal Services	3,450			-
1160100000 - Buildings and General Services - Copy Center	-			-
1160150000 - Buildings and General Services - Fleet Management	-			-
1160250000 - Buildings and General Services - State Surplus Property	-			-
1160300000 - Buildings and General Services - Property Management	-			-
1160550000 - Buildings and General Services - Fee for Space	-			-
1180010000 - Buildings and General Services Engineering - Capital Project	138,834			-
1200010000 - Executive Office - Governor's Office	71,060			-
1210002000 - Legislature		328,440		-
1215001000 - Legislative Counsel		193,494		-
1220000000 - Joint Fiscal Office		118,979		-
1225001000 - Legislative Information Technology		59,806		-
1230001000 - Sergeant at Arms		57,894		-
1240001000 - Lieutenant Governor	13,133			-
1250010000 - Auditor of Accounts	11,214			-
1260010000 - State Treasurer	97,573			-
1260160000 - State Treasurer - Unclaimed Property	-			-

FY 2026 PAY ACT REPORT: 3 VSA SEC 2281(4)**				
	(A)	(B)	(C)	(D)
	Pay Act Potential Need - General Funds	Pay Act Potential Need - General Funds (Legislature)	Pay Act Potential Need - General Funds (Judiciary)	Pay Act Potential Need - Transp. Funds
1266001000 - Vermont Pension Investment Commission	-			-
1270000000 - State Labor Relations Board	9,932			-
1280000000 - VOSHA Review Board	1,383			-
1300001000 - State Ethics Commission	-			-
2100001000 - Attorney General	311,502			-
2110000100 - Defender General - Public Defense	528,979			-
2120000000 - Judiciary			2,388,783	-
2130100000 - State's Attorneys	807,372			-
2130200000 - Sheriffs	243,734			-
2130400000 - Special Investigative Units	6,671			-
2130500000 - Crime Victims Advocates	142,842			-
2140010000 - Public Safety - State Police	2,651,731			-
2140020000 - Public Safety - Criminal Justice Services	34,564			-
2140030000 - Public Safety - Emergency Management	36,521			-
2140040000 - Public Safety - Fire Safety	60,514			-
2140060000 - Public Safety - Administration	131,701			-
2140090000 - Public Safety - Forensic Laboratory	122,149			-
2150010000 - Military - Administration	52,627			-
2150020000 - Military - Air Service Contract	21,611			-
2150030000 - Military - Army Service Contract	-			-
2150040000 - Military - Building Maintenance	27,548			-
2150050000 - Military - Veterans' Affairs	43,461			-
2160010000 - Center for Crime Victims' Services	5,282			-
2170010000 - Criminal Justice Council	85,528			-
2200010000 - Agriculture - Administration	61,609			-
2200020000 - Agriculture - Food Safety and Consumer Protection	132,220			-
2200030000 - Agriculture - Agricultural Development	20,999			-
2200040000 - Agriculture - Labs, Resources Management, and Environmental	23,201			-
2200150000 - Agriculture - Vermont Agricultural and Environmental Lab	45,025			-
2200160000 - Agriculture - Clean Water Initiative	43,013			-
2210001000 - Financial Regulation - Banking	-			-
2210011000 - Financial Regulation - Insurance	-			-
2210020000 - Financial Regulation - Captive Insurance	-			-
2210031000 - Financial Regulation - Securities	-			-
2210080000 - Financial Regulation - Administration	-			-

FY 2026 PAY ACT REPORT: 3 VSA SEC 2281(4)**				
	(A)	(B)	(C)	(D)
	Pay Act Potential Need - General Funds	Pay Act Potential Need - General Funds (Legislature)	Pay Act Potential Need - General Funds (Judiciary)	Pay Act Potential Need - Transp. Funds
2230010000 - Secretary of State	-			-
2240000000 - Public Service - Regulation and Energy	-			-
2240020000 - PSD-VCBB	-			-
2250000000 - Public Utility Commission	-			-
2260001000 - Enhanced 9-1-1 Board	-			-
2280001000 - Human Rights Commission	40,866			-
2320010000 - Liquor and Lottery - Commissioner's Office	-			-
2330001000 - Cannabis Control Board	-			-
3150070000 - Mental Health	156,636			-
3150100000 - DMH - Mental Health Facilities	529,998			-
3300010000 - Vermont Veterans' Home - Care and Support Services	317,255			-
3310000000 - Commission on Women	17,581			-
3330010000 - Green Mountain Care Board	96,737			-
3340010000 - Office of the Child, Youth, and Family Advocate	14,770			-
3400001000 - Agency of Human Services - Secretary's Office	245,752			-
3400009000 - Developmental Disabilities Council	-			-
3400010000 - Human Services Board	18,795			-
3410010000 - DVHA - Administration	547,560			-
3420010000 - Health - Administration and Support	75,793			-
3420021000 - Health - Public Health	504,846			-
3420060000 - Health - Substance Use Programs	42,245			-
3440010000 - DCF - Administration and Support Services	1,369,471			-
3440020000 - DCF - Family Services	1,095,298			-
3440030000 - DCF - Child Development	219,626			-
3440040000 - DCF - Office of Child Support	190,287			-
3440100000 - DCF - Office of Economic Opportunity	31,053			-
3440110000 - DCF - OEO Weatherization Assistance	-			-
3440130000 - DCF - Disability Determination Services	3,483			-
3460010000 - DAIL - Administration and Support	907,552			-
3480001000 - Corrections - Administration	253,123			-
3480002000 - Corrections - Parole Board	17,530			-
3480003000 - Corrections - Education	196,832			-
3480004000 - Corrections - Correctional Services	4,882,293			-
3480005000 - Corrections - Correctional Facilities - Recreation	-			-
3675001000 - Corrections - Vermont Offender Work Program	-			-

FY 2026 PAY ACT REPORT: 3 VSA SEC 2281(4)**				
	(A)	(B)	(C)	(D)
	Pay Act Potential Need - General Funds	Pay Act Potential Need - General Funds (Legislature)	Pay Act Potential Need - General Funds (Judiciary)	Pay Act Potential Need - Transp. Funds
4100500000 - Labor - Programs	289,468			-
5100010000 - Education - Finance and Administration	178,681			-
5100070000 - Education - Education Services	128,283			-
5100500000 - Education - Afterschool Grant Program	-			-
6100010000 - Natural Resources - Administration	194,974			-
6120000000 - Fish and Wildlife - Support and Field Services	287,778			-
6130010000 - Forests, Parks, and Recreation - Administration	64,197			-
6130020000 - Forests, Parks, and Recreation - Forestry	200,693			-
6130030000 - Forests, Parks, and Recreation - State Parks	46,121			-
6130040000 - Forests, Parks, and Recreation - Lands Administration	9,484			-
6140020000 - Environmental Conservation - Management and Support Services	53,424			-
6140030000 - Environmental Conservation - Air and Waste Management	3,841			-
6140040000 - Environmental Conservation - Office of Water Programs	287,063			-
6215000000 - Land Use Review Board	165,596			-
7100000000 - Agency of Commerce and Community Development Administration	112,107			-
7110010000 - Housing and Community Development	150,584			-
7120010000 - Economic Development	67,350			-
7130000000 - Tourism and Marketing	37,159			-
8100000100 - Transportation - Finance and Administration	-			889,125
8100000200 - Transportation - Aviation	-			115,385
8100000400 - Transportation - Environmental Policy and Sustainability	-			30,972
8100000800 - Transportation Board	-			6,702
8100001100 - Transportation - Program Development	-			2,077,992
8100002000 - Transportation - Maintenance State System	-			2,171,903
8100002100 - Department of Motor Vehicles	-			1,141,903
8100002200 - Transportation - Policy and Planning	-			199,775
8100002300 - Transportation - Rail	-			113,223
8100005700 - Transportation - Public Transit	-			38,822
8110000200 - Transportation - Central Garage	-			258,309
ALL_ORGS - All State Organizations	21,006,681	758,613	2,388,783	7,044,111
Executive Branch General Fund Salary Costs	21,006,681	(A)		
Legislative Branch General Fund Salary Costs	758,613	(B)		
Judicial Branch General Fund Salary Costs	2,388,783	(C)		
Total General Fund Salary Costs	24,154,077	(A) + (B) + (C)		

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	(A)	(B)	(C)	(D)
	Pay Act Potential Need - General Funds	Pay Act Potential Need - General Funds (Legislature)	Pay Act Potential Need - General Funds (Judiciary)	Pay Act Potential Need - Transp. Funds
Available Executive Pay Act Appropriation - General Funds	24,644,442	(E)		
Executive Branch Salary Increase - General Funds	21,006,681	(A)		
HR Non-Salary Pay Act Items	679,250	(F)		
Other Bargained Provisions	-	(G)		
Vermont Historical Society - Pay Increase per 22 VSA Sec. 285	76,919	(H)		
Total Executive Branch Pay Act Need - General Funds	21,762,850	(A) + (F) + (G) + (H) = (I)		
Net Exec. Pay Act Balance - General Funds	2,881,592	(E) - (I) = (J)		
Executive Branch Salary Increase - Transportation Funds	7,044,111	(D)		
Appropriated Executive Branch Pay Act - Transportation Funds	3,000,000			
Net Exec. Pay Act Balance - Transportation Funds	(4,044,111)			
Legislative Branch Salary Increase Costs	758,613	(B)		
Appropriated Legislative Branch Pay Act	758,613			
Net Leg. Pay Act Balance	-			
Judicial Branch Salary Increase Costs	2,388,783	(C)		
Appropriated Judicial Branch Pay Act	2,388,783			
Net Jud. Pay Act Balance	-			
Pay Act appropriations are found in 2024 Act 113				
**Final Pay Act transfers occur near the end of the fiscal year and may differ from transfers listed above.				