

Subject: December VGEA eNews

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To: Johnna Cossaboon



December 2016

eNews

An electronic newsletter for members and friends of
The Virginia Governmental Employees Association

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Apply for a \$2,500 VGEA Scholarship!

The new 2017 VGEA Scholarship applications are now available on the website at vgea.org!

If you've been a VGEA member for one year, you are eligible, as well as your spouse, children and grandchildren.

This year's deadline is February 3, 2017. Do not miss this opportunity to boost your education! There are four \$2,500 scholarships available.

You're Invited To VGEA's Legislative Day!

As a state employee, you know that our **legislators decide when and IF you get a salary increase.** They also have a say in your benefits and retirement. In order for you to effectively influence their decisions, you need to communicate with your state representatives. They are in tune to you because **they NEED YOUR VOTE to keep their jobs!**

Governor proposes 1.5 percent bonus for state employees

Virginia Governor Terry McAuliffe unveiled his proposed **amendments** to the 2016-2018 biennium budget at a joint meeting of the General Assembly's money committees last Friday. For state employees, the Governor proposed a **1.5 percent bonus to be awarded on December 1, 2017.** This would replace the 3 percent across-the-board base pay raise for state employees that was approved by the 2016 General Assembly but was contingent upon the state meeting specified revenue collection goals.



Governor Terry McAuliffe proposed his budget amendments last Friday.

As every state employee well knows, that raise didn't go into effect because state revenues fell short of the threshold amount required to trigger the raise. The Governor's proposed bonus would be funded from several identified *one-time revenue sources* and therefore would not be contingent on meeting regular revenue collection projections.

Employees who would be eligible to receive the bonus must have been employed on July 1, 2017 and remain employed until at least November 1, 2017. Eligible classified employees must also have attained a rating of at least "Contributor" on their most recent performance evaluation and have no active written Standards of Conduct notices for the previous review period.



This year the **VGEA has moved Legislative Day to the Martin Luther King holiday, Monday, January 16.** This will enable participants to make their voices heard early in the short (45-day) session that begins January 11.

Contact your local VGEA Chapter officers as some are running buses and carpools to Richmond. No matter where you live in Virginia, please **add this date to your calendar and plan to attend!**

VGEA 2017 Legislative Priorities

Earlier this month, the VGEA Board of Directors met in Newport News to review and accept a new [2017 Legislative Agenda](#). Visit our website vgea.org to read all the priorities for the upcoming General Assembly session. If you want details about the recommendations of the Commission on Employee Retirement Security and Pension Reform or the VGEA Legislative Agenda, email Ron Jordan: rjordan@vgea.org.

Help the VGEA Get 'Stronger With YOU!'

The VGEA is running another Recruitment Campaign. This **"Stronger with YOU!"** runs from October 1 through December 31. Simply keep a list of all the folks you get to join the association, then turn it in to the VGEA Office. Once

In an interview with the *Richmond Times-Dispatch* following last Friday's meeting, VGEA Executive Director Ron Jordan panned the proposed bonus. "State employee morale is in the toilet," he said, adding, "A bonus sends a signal that we're not really committed to fixing salary disparities." Jordan is a member of a commission led by House Speaker William J. Howell (R-Stafford) that earlier last week **strongly endorsed restoration of the 3 percent pay raise for state employees.** This is an essential step toward boosting public compensation that **lags the private labor market by an average of 27 percent.** Jordan also said the proposed budget amendments set out spending priorities that would fail to address the state workforce's needs. "It is clear that state pay raises are not a priority," Jordan said.

Brian Coy, the governor's spokesman, said the bonus is based on projected one-time collections from a proposed tax amnesty, expanding the number of businesses that would pay accelerated sales taxes, and requiring Internet retailers with Virginia distribution centers to collect sales taxes. "It would be fiscally irresponsible for us to include a pay raise and pay for it with one-time money," he said. Coy also said the governor would support pay raises if revenues continue to improve, but, "at this point, we're debating between pay raises and education cuts." If legislators want to restore the pay raise, as Howell's commission has proposed, Coy added, "the question for them is what will you cut or what will you tax?"

M. Wayne Huggins, executive director of the Virginia State Police Association, said the governor's proposal will not stop the escalating departure of sworn troopers and other state police employees because of low entry-level pay. "Unless this issue is addressed significantly and immediately, we can expect to see that exodus continue," said Huggins, a former superintendent of state police. "People are disappointed."

Huggins and Jordan said they are now counting on the General Assembly to do what the Governor did not. "Our people are hoping that the General Assembly will address these issues in a significant way," Huggins said.

McAuliffe's proposed bonus also was greeted coolly by Republican budget leaders. "A bonus is not something I'm interested in at this point," House Appropriations Chairman S. Chris Jones (R-Suffolk) said after the governor's speech.

We Need YOU to ACT NOW!

The VGEA's top priority for the 2017 General Assembly session is restoring the 3 percent pay raise. State employees should contact their local Delegate and Senator to ask them to support this 3 percent pay raise for all state employees.

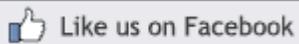
In addition, the VGEA asks **every state employee to send a personal letter to info@vgea.org. We want you to tell your family's story about how you've coped with the cost of living increasing while your salary has stayed the same. Health benefit costs have also risen, while your pay has not!**

We will collect all your letters and **hope to deliver a huge pile of them to Senators and Delegates when they come to Richmond on January 11.** We want to remind them that **our state employees need a raise. Many state workers currently rely on public assistance, are working extra jobs to keep up with their bills and/or are having financial difficulties because family health issues have exceeded their resources.**

We urge you to click on this [email link](#) and send your letter to info@vgea.org now. We will include your name or email only if you give us permission to do so. Act now and ask your co-workers to write letters too. *Refuse to be ignored!*

your new members are confirmed you will receive up to \$5,000 cash for recruiting them (100 or more new members). You can earn \$100 for getting just five new members!

This is the third time we've run similar successful campaigns, providing cash incentives to current VGEA members for recruiting new members. For more information please call the VGEA Office at 877-302-7146.



VGEA eNews is published by the Virginia Governmental Employees Association for members and friends.

Questions & Comments Welcome!

Please contact:

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Speaker's Commission Recommends 3 Percent Pay Raise

Restoring a state employee pay raise is the top priority of a commission led by House Speaker William J. Howell. The Commission on Employee Retirement Security and Pension Reform voted early last week to make its top priority the restoration of state employee pay raises lost this year because of a projected \$1.5 billion shortfall in state revenues over the biennium. This shortfall triggered a provision that canceled a proposed compensation package totaling \$346.3 million over two years, with raises scheduled to take effect December 1, 2016 for state employees, college faculty, teachers, and state-supported local employees.

"The 3 percent salary increase for (fiscal 2017-18) should be fully funded by the General Assembly," states the first of 14 recommendations the commission endorsed. Senate Finance Co-Chairman Emmett W. Hanger Jr. (R-Augusta) hedged on the commission recommendation: "I would say, yes, we should but that has to be subject, obviously, to available revenue." That drew objections from several commission members who said the state should put employee compensation at the front of the budget process, not "what's left" at the end. **"It's time to put the state employees first,"** said VGEA Executive Director Ron Jordan who also serves as a commission member. "They're an afterthought. ... That's what needs to change."

The top priority for Howell (R-Stafford) would give newly hired state employees the option of choosing between the existing hybrid pension plan put into effect almost three years ago or a newly established 401(k)-style retirement plan. College faculty and political appointees in so called "at-will" positions have had this choice available to them for decades.

"If we don't get the retirement system right, we won't have the money for compensation," the speaker warned the commission. The commission endorsed the retirement subgroup's recommendation that the assembly "should consider" creating a defined contribution plan as an option for new employees, but five members voted against it, including Hanger and Senate Finance Co-Chairman Thomas K. Norment Jr. (R-James City). Opponents also included former Sen. John Watkins (R-Powhatan) who was a leader of 2012 pension reforms that led to adoption of the hybrid that combines a traditional pension benefit with a defined contribution retirement savings plan. John A. Vithoukaskas, county manager of Henrico County (representing Virginia local governments on the panel) and Virginia Education Association representative Kathy Burcher also voted against the proposal.

Vithoukaskas said the larger immediate concern is improving compensation for public employees, including "teachers, constitutional officers and other quasi-state government employees" who had also been scheduled to receive a state raise this year.

Howell argued that the proposed defined contribution plan would be an option, just as it is for faculty at public colleges and universities. "It's not saying that in 2018 you have to do it - it's saying in 2018, you'd have a choice," he said.

Jordan said he supported the proposal as an option, with the hybrid plan as the default for new hires. "State employees are not children," he said. "They're adults and having options would be attractive to employees choosing state service as a second career."

House Appropriations Chairman S. Chris Jones, R-Suffolk, said the idea is worth serious consideration but requires a better grasp of what the costs could be in light of a long-term unfunded liability of \$23 billion for the \$69.5 billion Virginia Retirement System. "I'm supportive of pursuing a defined contribution plan, but I think we have to fully understand the costs to us as a commonwealth," Jones said. Jones, who chaired the retirement work group, is expected to seek to revive

legislation he proposed this year to revise the hybrid plan to allocate more of the employee contribution to the defined contribution side of the plan and less to the traditional pension. The proposal, tabled by the legislature this year, is one of the recommendations the commission adopted Monday.

Click here <http://retirementcommission.virginia.gov/121216-Full-Commission-Recommendations.pdf> to review the Commission on Employee Retirement Security and Pension Reform's entire set of recommendations for the 2017 General Assembly.

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