

The **VGEA** was chartered on **November 30, 1959**, however the origins of the organization, which **represents the Commonwealth's employees' best interests**, can be traced back at least 20 years earlier. On March 7, 1939, "Practically every State department head in Richmond and representatives of State employees appeared before the personnel administration committee of the Virginia Legislative Advisory Council to air their views on some form of merit or civil service system for State employees," according to an article from the *Richmond Times-Dispatch*.

A legislative report prepared in 1938 on a ***Proposed Retirement System for Employees of the State of Virginia***, had stated that the Commonwealth's workforce was divided into two groups: laborers and clerical and administrative employees. The annual salary for a 42-year-old laborer then was \$792, while a 42-year-old clerical or administrative employee made an average of \$1,604 per year. Total state employment was 14,068, with women comprising only 18 percent of the workforce.

The need for a civil service or merit system was not the only issue they discussed at that 1939 legislative meeting. A group called **The State Employees Committee for a Retirement System** also provided testimony that called for the establishment of a "sound retirement program." This dedicated group's efforts led to the establishment of the Virginia Retirement System in 1942. At its inception, the VRS was a program provided in lieu of social security, because public employees were not covered by the Old-Age, Survivors and Disability Health Insurance provisions of the Federal Social Security Act.



Capital Chapter Planning Committee

Further changes to the State Retirement Act were proposed in 1959. In response, a small group of retired State employees, some of who had been involved in the earlier efforts of the State Employees Permanent Committee on Retirement, met in Richmond during the latter part of that year. This group determined that a more a formalized structure was needed for their “growing association.” They obtained a charter on November 30, and at its first meeting on January 18, 1960, by-laws were adopted and **The Association of the Members of the Virginia Supplemental Retirement System, Inc.** was formally organized with the election of a Board of Directors. Officers were: President, Harold J. Neal, Highways (Retired); Vice-President, W.B. Davis, Industrial Commission (Retired); and Secretary, Mrs. E.M. James, ABC Board (Retired).



VGEA, The Early Years

Efforts to improve what was by all accounts a very meager retirement program were continued by a successor group known as the **State Employees Permanent Committee on Retirement**. That group had won the support of Governor John S. Battle during the 1949 gubernatorial campaign and when it became possible for public employees to join Social Security, the Commonwealth entered into the Federal-State Agreement, thereby covering its employees. States could enter such an agreement only if the employees were not covered by an existing retirement system. To meet this requirement, the existing Virginia Retirement System was repealed and the Virginia Supplemental Retirement System was created on March 1, 1952, as a supplement to Social Security. The State Employees Permanent Committee on Retirement efforts resulted in Virginia becoming one of the first states to repeal its retirement system as the primary means of providing for the welfare of its retiring employees and covering its employees under Social Security. None of this would have happened without the sustained efforts of this steadfast group of State employees.



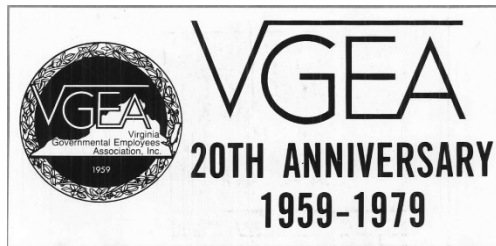
President Mary Merritt with Governor Gerald Baliles

At that time there were 36 members, which increased to 547 from 14 State agencies that first year alone. By the following year, membership had grown to 2,897 members from 21 State agencies. Agencies with the highest membership were the ABC Board (1,186), Highways (1,084), Welfare and Institutions (228) and the Corporation Commission (77). Dues were set at \$1 per calendar year. Eight districts were recognized (coinciding with the boundaries of the Highway Department construction districts) for the purpose of organizing a Chapter in each district.

By 1964, the Association was in full swing. The Board of Directors concluded that a name better reflecting the broader purposes of the organization was needed. On September 19, 1966, the name of the association was changed to **Virginia Governmental Employees Association, Inc. (VGEA)**. The group's focus had expanded from retirement benefits to include the improvement of healthcare benefits for State employees and retirees.

Membership exceeded 5,000, the first Chapter had been established in Suffolk, and the Association appointed Fred W. Gwaltney, a State retiree, as the Executive Director on a part-time basis. Dues were increased to \$2 per year to hire a full-time executive director. The Association's first membership publication, the **BULLETIN** as it was called, was also published that year.

1970 was a banner year, with the VGEA's legislative efforts paying off with the passage of funding for a major one-time cost-of-living adjustment (COLA) for retirees and the State employee group life insurance coverage being increased to two times annual compensation. Prior to this, retiree COLAs had been provided sporadically since the retirement system was established in 1942. This one-time action brought retirement payments in line with current costs, while future COLAs would continue to be given at the discretion of the General Assembly.



By 1971, the VGEA was continuing to work on getting a State Hospital Insurance Plan for State Employees, better sick leave, and incremental improvements to the retirement plan. Paid-up membership had climbed to 14,356 and Mrs. Edna M. James stepped down after serving as Secretary since the organization was first chartered in 1959.

1972 brought the employment of the first full-time staff with the hiring of Mrs. Joan Dixon as Office Manager and Miss Helen Evans as Assistant Office Manager. The Board also expressed the continued need for a full-time Executive Secretary (Director) with financial resources continuing to be an obstacle. The VGEA claimed one of its most important legislative victories to date with passage of legislation that year establishing the **first Hospitalization Insurance program for State employees**.



*VGEA bumper sticker from the 1970s.*

George Thompson was hired in August of the following year as the VGEA's first full-time Executive Director. A contest chaired by Janice Ramsey of the Highway Department in Staunton was held in 1974 to rename the membership publication. Jo Gibson, also a

Staunton area Highway Department employee was the winner, and the publication was renamed the ***Spectrum*** with the first issue published in August.



**Governor Godwin Addresses Annual Conference, 1976**

Membership exceeded 20,000 the following year with chapters covering the Northern Virginia, Shenandoah, Blue Ridge, Southwest, Capitol and Tidewater regions.

Despite record high membership and 13 chapters across the state, the inflationary ravages of the 1970s and early 1980s on the state and national economies necessitated several dues increases, first to \$5 annually, then to \$12. Even with these increases, VGEA dues remained the lowest among comparable State employee organizations. Legislative successes that improved State employee benefits and working conditions continued, reducing the employee retirement contribution, increasing the interest paid on employee retirement contributions, initiating a payment plan for accumulated sick leave, and establishing an employee grievance program.





Lt. Governor Charles Robb at 1978 Annual Meeting

Joan Dixon, now Joan Dent, was named Executive Director when George Thompson retired in 1982. In 1987, after considerable debate, the dues were increased from \$12 to \$18 to cover the increased operating costs of the association. The name of the membership publication changed again the following year and the first ***Commonwealth Connection*** was published in November.

The 1990s saw the advent of the VGEA's first ***Action Newsletter*** to provide members with details, updates, and suggestions about what members should be doing regarding proposed legislation and personnel proposals. Members were again asked for a name change to the general membership publication and the first ***ForeSight*** was published soon after. Beth Graham was a staff employee with a graphic design background and selected the ***ForeSight*** name from those submitted. Political action increased and with a major economic recession and inflation combining to put pressure on the buying power of State employee paychecks, much attention focused on improved salaries.



Cake from 40 Anniversary of VGEA

Signature accomplishments included a pre-funded annual COLA that all retirees begin to receive one year following their retirement, and the Workforce Transition Act.

The Workforce Transition Act still ensures that employees who are laid off receive a severance benefit that includes transitional health insurance coverage, a lump-sum salary severance payment based on years of service or in lieu of these, the ability to convert severance benefits to retirement credits, thereby allowing them to meet retirement eligibility requirements. Also during this time, the VGEA was finally successful in having the Governor authorize the payment of membership dues through payroll deduction, a practice that continues to this day.

The new century has brought continued success, changes and challenges to the VGEA. Joan Dent, now married to long-time VGEA lobbyist Glen Pond, retired in 2005 and was succeeded by William P. Elwood under a contractual arrangement for the staff operation of the VGEA to continue with Advantus Strategies. Executive Director R. Ronald Jordan followed him in 2009. State salaries still continued to lag and this became the centerpiece of legislative efforts, with progress continuing until the most severe and longest national



economic downturn since the Great Depression beginning in 2006, known widely as the Great Recession.

Suddenly everything the VGEA had worked to accomplish over the past 50 years was at risk, as the General Assembly and two Governors attempted to manage the effects of this multi-year economic meltdown. But the VGEA proved its worth. With deft management and salaries that were protected from reduction, furlough proposals were defeated, bonuses were provided when base salary increases were unaffordable and the Workforce Transition Act protected thousands of state employees, allowing them to retire rather than be laid-off.



Legislative Day 2012

The recession also exposed the fragile financial state of the Virginia Retirement System. Underfunded for decades by Governors and the General Assembly – combined with huge investment losses during the recession and an accounting change by the VRS' Board of Trustees – it had billions in unfunded pension liabilities. Proposals by the Governor and various legislators in both the 2011 and 2012 General Assembly sessions would have rolled back and fundamentally changed the employee pension plan for both current and new employees. The VGEA took the lead then, among all the affected State and local employee groups, to strive to turn back these proposals. The Association effectively worked with General Assembly allies to develop alternative proposals that were subsequently adopted.



Legislative Day 2014

VGEA was successful in protecting the defined benefit retirement plan for existing employees while continuing efforts to improve a hybrid plan that was adopted for newly hired employees. More importantly, **these efforts resulted in a commitment by the General Assembly to fully fund its share of pension plan costs every year**, a commitment that continues to be honored.

In September 2016, under the leadership of the Board of Director, the membership at Large approved the VGEA to a self-governing association, thereby ending the contractual agreement with Advantus Strategies. Marshal Terry was hired to serve as Executive Director replacing R. Ronald Jordan. VGEA hired a part-time lobbyist, Rick Fowler and entered into a contractual agreement with KVCF Solutions to lobby the General Assembly on behalf of the State's employees and retirees. As we enter the year, 2021 we will continue to press for the issues that matter to the employees and retirees of the Commonwealth. Events in the 21<sup>st</sup> century will further challenge the VGEA as pressures continue to mount that threaten to curtail State employee retirement benefits and reduce or eliminate health insurance coverage and workplace rights, all the while limiting the Commonwealth's abilities

to provide market-based salaries. Without the VGEA, these hard-won employee benefits would never have happened – and without the VGEA they can quickly disappear. When issues arise that affect State employees, and legislators and the media want to know how ***you*** feel about it or what the ***State employees*** think about a certain issue that affects them, ***they call us – the VGEA***. We have been and will remain ***the Voice for State Employees***.