



February 5, 2021

Dear Legislators:

The Lamoille North Supervisory Union and its School District Boards of Directors support H.63. We believe this bill helps to balance appropriate access to health care benefits while also proposing reasonable cost containment to ensure the financial sustainability of the benefits. We are requesting that this letter be entered into the written testimony of the Committee on General, Housing and Military Affairs on H.81 and posted on the Committee's website.

Health care increases continue to jeopardize educational opportunities for students and are causing the district to defer necessary maintenance and safety upgrades to our buildings. In addition, future cost reductions in other areas will have to occur in order to level fund our budget in the coming years while managing the healthcare increases. This is not sustainable without eventually impacting programming and positions. Schools must be able to provide equity, access and robust opportunities to all students and health care premium increases that do not have anything to do with educating our students are not at all in line with the mandate to address their academic and social emotional needs.

The following information regarding Lamoille North's health care benefits illustrates the need for cost containment: For FY22, we have dedicated \$4,991,995 to healthcare expenses in our budget. This includes the district's contribution to monthly premiums, Health Reimbursement Accounts (HRA), and Health Savings Accounts (HSA) and represents 10.42% of our total FY22 budget, and 26.85% of the total budget increase over FY21. Health care benefits are 10.12% of the current year's budget, and accounted for 8.52% in FY20. Healthcare costs for us are up 4.70% for FY22, while the total budget we have developed is up only 1.77%. Cost reductions in other areas have had to occur in order to propose a budget that our community could and would accept. These increases are not sustainable and have and will impact programming and positions, which will eventually impact student opportunities. The cost of healthcare as a percentage of the average cost of compensation (salary) of our instructional personnel is 16.59%. For our non-instructional personnel the cost of healthcare as a percentage of the average cost of compensation is 17.95%.

Sincerely,

Catherine Gallagher, M.Ed.
Superintendent
Lamoille North Supervisory Union

Mark Nielsen
Board Chair
Lamoille North Supervisory Union