

Windham Southwest Supervisory Union
Office of the Superintendent of Schools
1 School Street, Wilmington, VT 05363
www.windhamsw.k12.vt.us

Stamford Searsburg Southern Valley Unified Union SD Twin Valley Unified Union SD

March 5, 2021

Dear Senators,

H.81, a bill addressing statewide bargaining for public school employees' health care benefits is being considered by the Senate.

[H.81 as passed by the House](#) eliminates the requirement that premium responsibility percentages and out-of-pocket expenses for each plan tier must be the same for all participating employees. The [Joint Fiscal Office estimated the cost of only the premium responsibility change in this memo](#) (likely understated because it relies on 2019 data). In order to understand the full financial impacts of the changes proposed in H.81, the Committee should require a formal fiscal note based on the most recent data.

The fiscal impacts of the above major change were not considered by the Senate last year and must be counterbalanced with language requiring statewide bargaining to balance appropriate access to health care benefits with reasonable cost containment to ensure the financial sustainability of the plan.

While our districts were able to reduce budgets this year with a minimal reduction to student programming or workforce, we had to work extremely hard to reduce expenditures. The healthcare increases made this especially challenging. Without healthcare cost containment, this will prove impossible in future years.

It is critical that the impact of healthcare costs be addressed in a more sustainable way. It is essential to take into account not only the cost of the benefits themselves but the ability of our taxpayers and school districts to afford them. The overall impact on our schools and student learning will be significant if the cost of benefits continues to increase at this level. An example of the importance of cost containment in health care is evident in that our WSWSU budget total dedicated to healthcare in 2020 was 9.06% and for 2022 will be \$13.17%.

Please amend Section 6 of H.81 by adding the following language to 16 V.S.A. Section 2015(b)(3)(B) (new language is in bold):

*In reaching a decision, the arbitrator or arbitrators shall **determine which of the two submissions most appropriately balances appropriate access to health care benefits and reasonable cost containment to ensure the financial sustainability of the plan.** The arbitrator or arbitrators shall also give weight to the evidence, documents, written material and arguments presented, as well as the following factors:*

* * *

(vi) the actuarial value of the health benefits for the full term of the award proposed by each party as compared to health plans available through Vermont Health Connect; and (vii) the percentage increase or decrease in education spending that is likely to occur under either party's proposal for the full term of the award as compared to overall economic growth for the State of Vermont.

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Please enter this letter into the written testimony of the Senate Education Committee and post it on the Committee's website.

Thank you for your consideration.

Sincerely,

Barbara Anne Komons-Montroll, Superintendent

Homer Sumner, WSWSU Board Chair

Kathy Larsen, TVUUSD Board Chair