



February 24, 2021

Dear Senate Education Committee Members,

We understand that the Senate Education Committee is making decisions this week regarding H. 81, which proposes changes to the process for statewide collective bargaining for public school employees' health benefits.

We are requesting that this letter be entered into the written testimony of the Senate Education Committee and posted on the Committee's website.

We ask that you amend Section 6 of H. 81 by adding the following language:

(1) 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.

(2) Adding to the factors the arbitrator or arbitrators must consider:

(a) 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

(b) 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.

We strongly support the additions in italics above, as cost containment is needed in order to avoid further jeopardizing educational opportunities for students and maintenance of facilities. We do note that the fiscal impacts of this concept were not considered by the Senate last year.

Local examples of the importance of cost containment in health care include:

For FY22, we have dedicated \$2,760,008 to healthcare expenses in our budget, representing 14.61% of our budget.

That percentage in FY21 is currently 13.66%.

FY20 was 12.66%.

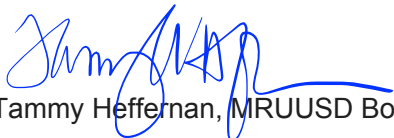
FY19 was 11.57%. As you can see, that percentage increases annually.

Healthcare costs for us are up 7.07% for FY22, while the budget we have developed is up only 0.12%. Cost reductions in other areas have had to occur in order to level fund our budget while managing the healthcare increases. This is not sustainable without eventually impacting programming and positions.

The cost of healthcare as a percentage of the average cost of compensation of our teachers is 18.38%. For our support staff the average cost of healthcare as a percentage of the average cost of compensation is 23.01%.

Please feel free to contact us with any questions you may have.

Sincerely,



Tammy Heffernan, MRUUSD Board Chair



Dave Younce, MRUUSD Superintendent