

(c) A claimant whose household income does not exceed \$47,000.00 shall also be entitled to an additional adjustment amount from the claimant's municipal taxes for the upcoming fiscal year that is equal to the municipal property taxes for the municipal fiscal year that began in the taxable year upon the eligible housesite minus (if less) three percent of the household income for the taxable year.

Sec. 14b. 32 V.S.A. § 6067 is amended to read:

§ 6067. CREDIT LIMITATIONS

Only one individual per household per taxable year shall be entitled to a benefit under this chapter. An individual who received a homestead exemption or adjustment with respect to property taxes assessed by another state for the taxable year shall not be entitled to receive an adjustment under this chapter. No taxpayer shall receive an adjustment under subsection 6066(b) of this title in excess of \$3,000.00. No taxpayer shall receive ~~total adjustments under this chapter in excess of \$8,000.00 related to any one property tax year~~ an adjustment under 6066(a)(3) of this title greater than \$2,400.00 or cumulative adjustment under 6066(a)(1)-(2) and (4) of this title greater than \$5,600.00.

* * * Statewide Healthcare Benefit * * *

Sec. 17a. STATEMENT OF PURPOSE; STATEWIDE HEALTHCARE BENEFIT

(a) On December 18, 2017, the Vermont Educational Health Benefits Commission recommended that the State establish a statewide health care benefit to be negotiated between school employees and the State in order to improve consistency and predictability in developing health care plans and rates and offer parity of benefits among all school employees. However, the Commission noted the need for additional work in developing the parameters of negotiations and issues of income sensitization.

(b) The General Assembly deems it to be in the best interests of the State to establish transitional health care benefit terms for collective bargaining agreements with school employees that take effect on or after July 1, 2019 for calendar years 2020 and 2021 in order to ensure consistent school employee health care plans in advance of statewide negotiations of health care benefits in calendar year 2022 and beyond.

Sec. 17b. 16 V.S.A. § 2004 is amended to read:

§ 2004. AGENDA

(a) The school board, through its negotiations council, shall, upon request, negotiate with representatives of the teachers' or administrators' organization negotiations council on matters of salary, related economic conditions of employment, the manner in which it will enforce an employee's obligation to pay the agency service fee, procedures for processing complaints and grievances relating to employment, and any mutually agreed-upon matters not in conflict with the statutes and laws of the State of Vermont.

(b) As used in this section, the terms "salary" and "related economic conditions of employment" shall not include health care benefits or coverage. Health care benefits and health coverage, including health reimbursement and health savings accounts, shall not be subject to collective bargaining pursuant to this chapter.

Sec. 17c. 21 V.S.A. § 1722 is amended to read:

§ 1722. DEFINITIONS

As used in this chapter:

* * *

(12) "Municipal employee" means any employee of a municipal employer, including a municipal school employee or a professional employee as defined in subdivision 1502(11) of this title, except:

* * *

(17) "Wages, hours, and other conditions of employment" means any condition of employment directly affecting the economic circumstances, health, safety, or convenience of employees but excluding matters of managerial prerogative as defined in this section. For collective bargaining related to municipal school employees, "wages, hours, and other conditions of employment" shall not include health care benefits or coverage.

* * *

(21) "Municipal school employee" means an employee of a supervisory district, supervisory union, or school district that is not otherwise subject to 16 V.S.A. chapter 57 (labor relations for teachers and administrators).

Sec. 17d. 21 V.S.A. § 1725 is amended to read:

§ 1725. COLLECTIVE BARGAINING PROCEDURE

(a)(1) For the purpose of collective bargaining, the representatives of the municipal employer and the bargaining unit shall meet at any reasonable time and shall bargain in good faith with respect to wages, hours, and conditions of employment, and shall execute a written contract incorporating any agreement reached; provided, however, that neither party shall be compelled to agree to a proposal nor to make a concession, nor to bargain over any issue of managerial prerogative.

(2) For the purpose of collective bargaining related to municipal school employees, "wages, hours, and conditions of employment" shall not include health care benefits

or coverage. Health care benefits and coverage, including health reimbursement and health savings accounts, shall not be subject to collective bargaining by municipal school employees pursuant to this chapter.

* * *

Sec. 17c. TRANSITIONAL HEALTH CARE BENEFIT TERMS

(a) The health care benefit and coverage provisions of a collective bargaining agreement between a supervisory union or school district and school employees that take effect on or after July 1, 2019 and July 1, 2020 shall contain the following:

(1) a requirement that the supervisory union or school district provide a premium contribution in an amount equal to 80 percent of the premium for the VEHI Gold Consumer-Driven Health Plan (CDHP), with school employees responsible for the balance of the premium for the VEHI plan they select; and

(2) requirements that the supervisory union or school district contribute toward school employees' out-of-pocket expenses as follows:

(A) for each enrollee selecting a high-deductible VEHI plan that is eligible for a health savings account pursuant to 26 U.S.C. § 223, a requirement that the supervisory union or school district establish a health savings account to which it shall contribute an amount intended to equalize average out of pocket school employee costs at calendar year 2017 levels; and

(B) for each enrollee selecting a VEHI plan that is not eligible for health savings account pursuant to 26 U.S.C. § 223, a requirement that the supervisory union or school district establish a health reimbursement arrangement to which it shall contribute \$2,100.00 for an individual plan, \$4,200.00 for a two-person or parent-child plan, or \$3,800.00 for a family

plan and for which the school employee shall bear first dollar responsibility for the full amount of the out-of-pocket expenses for which he or she is responsible.

(b) As used in this section:

(1) "School employee" means a teacher or administrator as defined in 16 V.S.A. § 1981 and a municipal school employee as defined in 21 V.S.A. § 1722 who was participating in a VEHI plan during calendar year 2018.

(2) "Supervisory union" and "school district" shall have the same meanings as set forth in 16 V.S.A. § 11.

Sec. 17f. STUDY COMMITTEE ON STATEWIDE NEGOTIATION OF HEALTH CARE
BENEFITS FOR SCHOOL EMPLOYEES

(a) The Study Committee on Statewide Negotiation of Health Care Benefits for School Employee (Committee) is created to determine how to transition to a single statewide health benefit plan for all school employees of supervisory unions and school districts.

(b)(1) The Committee shall comprise the following ten members:

(A) four members appointed by the labor organization representing the greatest number of teachers, administrators, and municipal school employees in this State;

(B) one member appointed by the labor organization representing the second-greatest number of teachers, administrators, and municipal school employees in this State; and

(C) five members appointed by the Vermont School Boards Association.

(2) If a member of the Committee ceases to serve, a replacement appointee shall be appointed in the same manner as the initial appointment.

(c) The Committee shall propose draft legislation that addresses the following matters concerning the transition to a single statewide health benefit plan for all school employees of supervisory unions and school districts:

(1) the structure and composition of parties to a statewide negotiation;

(2) a timeline for negotiations and impasse procedures;

(3) incorporation into agreements;

(4) a process for statewide ratification of the agreement resulting from the statewide negotiation;

(5) how income sensitization will be decided as part of the negotiations; and

(6) a process for adjudication of unfair labor practice complaints.

(d) The Committee's draft legislation shall include a requirement that any fact-finding required for impasse resolution shall give weight to:

(1) the financial capacity of the school district;

(2) the interest and welfare of the public and the financial ability of the school board to pay for increased costs of public services, including the cost of labor;

(3) comparisons of the wages, hours, and conditions of employment of the employees involved in the dispute with the wages, hours, and conditions of employment of State and municipal employees who are not employed by supervisory unions or school districts;

(4) the overall compensation currently received by the employees, including direct wages, fringe benefits, and continuity conditions and stability of employment, and all other benefits received; and

(5) the rate of growth of the economy of the State of Vermont for the year of negotiation as well as during the prior three-year period.

(e)(1) The Committee shall consult with the Secretary of Education and the Vermont Education Health Initiative as necessary.

(2) The Committee shall have the administrative, technical, and legal assistance of the Agency of Education and the Departments of Tax and Financial Regulation.

(f) On or before November 15, 2019, the Committee shall provide its proposed legislation to the House Committees on Education, on General, Housing, and Military Affairs, and on Ways and Means and the Senate Committees on Education, on Economic Development, Housing and General Affairs, and on Finance.

(g) The Committee's first meeting shall occur on or before August 1, 2018. The Committee shall select a chair from among its members at the first meeting. A majority of the membership shall constitute a quorum. The Committee shall cease to exist on November 16, 2019.

(h) As used in this section, "supervisory union" and "school district" shall have the same meanings as set forth in 16 V.S.A. § 11.

Sec. 17g. BENEFITS ADVISORY GROUP

The Committee shall include in its proposed legislation provisions creating a benefits advisory group made up of VSEA appointees and other stakeholders, to provide input to VEHI concerning plan design, implementation, and the experience of insureds under VEHI-administered plans.

Sec. 18. EFFECTIVE DATES AND TRANSITION

This act shall take effect on passage, except:

(1) Notwithstanding 1 V.S.A. § 214, Secs. 1–6 (income tax changes) shall take effect retroactively on January 1, 2018 and apply to taxable year 2018 and after.