

1 H.509

2 Representatives Beck of St. Johnsbury, Greshin of Warren, Baser of Bristol,  
3 Browning of Arlington, Brumsted of Shelburne, Christensen of Weathersfield,  
4 Condon of Colchester, Conlon of Cornwall, Cupoli of Rutland City, Hooper of  
5 Brookfield, Jickling of Brookfield, Juskiewicz of Cambridge, Murphy of  
6 Fairfax, Olsen of Londonderry, Scheuermann of Stowe, Shaw of Pittsford,  
7 Sibilia of Dover, Sullivan of Dorset, and Wright of Burlington move to  
8 substitute an amendment for the amendment offered by Representative Turner  
9 of Milton as follows:

10 First: In Sec. 1, subdivision (1), by striking out “\$10,015.00” and inserting  
11 in lieu thereof “\$10,077.00”, and in subdivision (2), by striking out  
12 “\$11,820.00” and inserting in lieu thereof “\$11,851.00”

13 Second: In Sec. 2, by striking out “\$1.563” and inserting in lieu thereof  
14 “\$1.555”

15 Third: By striking out Sec. 7, working group, and its reader assistance, and  
16 Sec. 8, effective date, and its reader assistance, in their entirety and inserting in  
17 lieu thereof reader assistance headings and Secs. 7–14 to read:

18 \* \* \* Health Care Benefits and Coverage for School Employees \* \* \*

19 Sec. 7. FINDINGS

20 (a) Vermont’s school employees receive health coverage through the  
21 Vermont Education Health Initiative (VEHI). Actuarial analysis of current

1 VEHI plans indicates they have among the highest actuarial values of any  
2 health insurance plan offered in the State of Vermont. Premiums for VEHI  
3 plans are up to nine percent higher than those for a BlueCross BlueShield  
4 platinum plan offered through Vermont Health Connect.

5 (b) In response, the VEHI is replacing existing school employee health  
6 insurance plans with plans designed to be competitive with Vermont Health  
7 Connect.

8 (c) This change means that, as of January 1, 2018, all school employees  
9 will be on new health care plans.

10 (d) The new health plans cover the same health care services and networks,  
11 but they have lower premium costs. The savings associated with lower  
12 premiums is estimated to be as high as \$75 million.

13 (e) The new plans also create higher out-of-pocket exposure through  
14 deductibles and co-payment requirements. However, because the premiums  
15 for these plans are markedly lower, there are opportunities to keep employees'  
16 out-of-pocket costs at current levels while also realizing up to \$26 million in  
17 savings.

18 (f) These new plans have made health insurance negotiations more  
19 complex. In at least 20 supervisory unions, the parties have declared impasse  
20 over the inability to negotiate the transition to new health insurance plans.

1        (g) The State of Vermont is uniquely positioned to bargain health care  
2        benefits and coverage with school employees in a manner that ensures fairness  
3        and equity for school employees and delivers savings for property taxpayers.

4        Sec. 8. 16 V.S.A. § 2004 is amended to read:

5        § 2004. AGENDA

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

13       (b) As used in this section, the terms “salary” and “related economic  
14       conditions of employment” shall not include health care benefits or coverage.  
15       Health care benefits and health coverage, including health reimbursement and  
16       health savings accounts, shall not be subject to collective bargaining pursuant  
17       to this section, but shall be determined on a statewide basis pursuant to section  
18       2031 of this chapter.

19       Sec. 9. 16 V.S.A. chapter 57, subchapter 5 is added to read:

20        Subchapter 5: Negotiations for Health Care Benefits and Coverage

1     § 2031. HEALTH CARE BENEFITS AND COVERAGE FOR SCHOOL

2             EMPLOYEES; NEGOTIATION

3             (a)(1) The statewide labor organizations that represent teachers,  
4             administrators, and municipal school employees, as defined in 21 V.S.A.  
5             § 1722, shall jointly negotiate with the Governor or designee to determine the  
6             health care benefits and coverage, including contributions to health  
7             reimbursement and health savings accounts, the percentage of the premium to  
8             be paid by school employees and by the supervisory district, supervisory  
9             union, or school district, and other terms and conditions of health coverage that  
10            shall be available to school employees in Vermont.

11            (2) The labor organizations and the Governor or designee shall enter  
12            into a written agreement applicable to all teachers, administrators, and  
13            municipal school employees statewide that sets forth the health care benefits  
14            and coverage, including contributions to health reimbursement and health  
15            savings accounts, if any, the percentage of the premium to be paid by school  
16            employees and by the supervisory district, supervisory union, or school  
17            district, and all other terms and conditions of health coverage that are  
18            agreed to.

19            (b) Notwithstanding any provision of this chapter to the contrary,  
20            negotiations pursuant to this section shall be subject to the provisions of

1 3 V.S.A. chapter 27, subchapters 2 and 4 for the purposes of impasse  
2 resolution and the prevention and adjudication of unfair labor practices.

3 (c) An agreement pursuant to subsection (a) of this section shall be ratified  
4 by a statewide majority vote of the teachers, administrators, and municipal  
5 school employees who are represented for purposes of collective bargaining  
6 pursuant to this chapter or 21 V.S.A. chapter 22. A referendum on the  
7 agreement shall be conducted by secret ballot by each represented bargaining  
8 unit, and the results of the referendum shall be submitted to the Vermont Labor  
9 Relations Board for tabulation of the statewide results.

10 (d) All supervisory districts, supervisory unions, and school districts shall  
11 provide health care benefits and coverage to their teachers, administrators, and  
12 municipal school employees in accordance with the terms of the agreement  
13 between the State and the labor organizations entered into pursuant to  
14 subsection (a) of this section.

15 (e) A teacher, administrator, or municipal school employee shall not be  
16 permitted to strike in relation to negotiations between the labor organizations  
17 and the Governor pursuant to this section. Nothing in this subsection shall be  
18 construed to modify a teacher's, administrator's, or municipal school  
19 employee's right to strike in relation to negotiations occurring pursuant to  
20 subchapter 3 of this chapter or 21 V.S.A. chapter 22.

21 Sec. 10. 21 V.S.A. § 1722 is amended to read:

1 § 1722. DEFINITIONS

2 As used in this chapter:

3 \* \* \*

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

7 \* \* \*

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

14 \* \* \*

15 (21) “Municipal school employee” means an employee of a supervisory  
16 district, supervisory union, or school district that is not otherwise subject to  
17 16 V.S.A. chapter 57 (labor relations for teachers and administrators).

18 Sec. 11. 21 V.S.A. § 1725 is amended to read:

19 § 1725. COLLECTIVE BARGAINING PROCEDURE

20 (a)(1) For the purpose of collective bargaining, the representatives of the  
21 municipal employer and the bargaining unit shall meet at any reasonable time

1 and shall bargain in good faith with respect to wages, hours, and conditions of  
2 employment, and shall execute a written contract incorporating any agreement  
3 reached; provided, however, neither party shall be compelled to agree to a  
4 proposal nor to make a concession, nor to bargain over any issue of managerial  
5 prerogative.

6 (2) For purposes of collective bargaining related to municipal school  
7 employees, “wages, hours, and conditions of employment” shall not include  
8 health care benefits or coverage. Health care benefits and coverage, including  
9 health reimbursement and health savings accounts, shall not be subject to  
10 collective bargaining pursuant to this section, but shall be determined on a  
11 statewide basis pursuant to 16 V.S.A. § 2031.

12 \* \* \*

13 Sec. 12. TRANSITIONAL PROVISIONS APPLICABLE TO PLAN YEARS  
14 2018, 2019, AND 2020

15 Notwithstanding any provision of 16 V.S.A. chapter 57, subchapter 5 to the  
16 contrary, for plan years 2018, 2019, and 2020, the negotiations between the  
17 Governor or designee and the statewide labor organizations that represent  
18 teachers, administrators, and municipal school employees, as defined in  
19 21 V.S.A. § 1722, to establish the terms of health care benefits and coverage  
20 for all school employees shall be limited to:

1           (1) the percentage of the premium to be paid by school employees and  
2           by the supervisory district, supervisory union, or school district for one or  
3           more of the health benefit plans offered by the Vermont Education Health  
4           Initiative for plan year 2018;

5           (2) the amounts of the supervisory districts', supervisory unions', and  
6           school districts' contributions to school employees' health reimbursement  
7           accounts, health savings accounts, or both; and

8           (3) other terms and conditions of health coverage.

9           Sec. 13. SAVINGS FROM HEALTH CARE TRANSITION

10           (a) After entering into an agreement for health care benefits and coverage  
11           pursuant to 16 V.S.A. § 2031, the Governor or designee shall notify each  
12           supervisory district, supervisory union, and school district of the required  
13           employer and employee contributions for single, two-person, parent-child, and  
14           family plans and for any health reimbursement or health savings account.

15           (b) On or before June 30, 2017 or 30 days after the adoption of its annual  
16           budget, whichever is later, each supervisory district, supervisory union, and  
17           school district shall submit to the Secretary of Education and the  
18           Commissioner of Finance and Management a report documenting its actual  
19           health care costs for calendar years 2016 and 2017 and its budgeted health care  
20           costs for 2018. This report shall be on a form prescribed by the Commissioner



1 of Finance and Management and shall specify the employee contribution and  
2 employer contribution totals for each calendar year.

3 (c) Notwithstanding any other provision of law, for fiscal year 2018 only,  
4 the State shall offset the amount of savings between budgeted and actual costs  
5 for health care benefits and coverage against the fiscal year 2018 payment to  
6 each supervisory district, supervisory union, or school district; provided,  
7 however, the State shall withhold any such payment until it has received the  
8 report required pursuant to subsection (b) of this section. The savings offset  
9 under this subsection shall be allocated to the Education Fund.

10 \* \* \* Effective Dates \* \* \*

11 Sec. 14. EFFECTIVE DATES

12 (a) This section and Secs. 7–13 shall take effect on passage and shall apply  
13 to negotiations for collective bargaining agreements that are entered into after  
14 the effective date of this act.

15 (b) The remaining sections of this act shall take effect on July 1, 2017 and  
16 apply to fiscal year 2018 and after.