

three members:

(1) the Executive Director of the Vermont-NEA or designee;

(2) the Executive Director of the School Boards' Association or designee; and

(3) the Executive Director of the Vermont Superintendents Association or designee.

(c) Report. On or before November 15, 2017, the Working Group shall submit a written report to the House and Senate Committees on Education and on Appropriations, the House Committee on Ways and Means, and the Senate Committee on Finance with its findings and any recommendations.

Sixth: By striking out Sec. 7 (effective dates) in its entirety and inserting in lieu thereof the following:

**Sec. 8. EFFECTIVE DATES**

This act shall take effect July 1, 2017 and apply to fiscal year 2018 and after, except Sec. 6a (calculation of rates in certain districts), which shall take effect on passage and shall apply to all budgets voted on by the electorate after the date of passage.

(For text see House Journal MARCH 28, 29, 2017 )

**Amendment to be offered by Rep. Turner of Milton to H. 509**

That the House concur in the Senate Proposal of Amendment with further amendment by striking out Sec. 7, working group, and its reader assistance in their entirety and inserting in lieu thereof a new Sec. 7 to read:

Sec. 7. [Deleted.]

**Amendment to be offered by Reps. Beck of St. Johnsbury, Greshin of Warren, Baser of Bristol, Browning of Arlington, Brumsted of Shelburne, Christensen of Weathersfield, Condon of Colchester, Conlon of Cornwall, Cupoli of Rutland City, Hooper of Brookfield, Jickling of Brookfield, Gannon of Wilmington, Juskiewicz of Cambridge, Murphy of Fairfax, Olsen of Londonderry, Scheuermann of Stowe, Shaw of Pittsford, Sibia of Dover, Sullivan of Dorset and Wright of Burlington to H. 509**

Move to substitute an amendment for the amendment offered by Representative Turner of Milton as follows:

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

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

“\$1.555”

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

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

Sec. 7. FINDINGS

(a) Vermont’s school employees receive health coverage through the Vermont Education Health Initiative (VEHI). Actuarial analysis of current VEHI plans indicates they have among the highest actuarial values of any health insurance plan offered in the State of Vermont. Premiums for VEHI plans are up to nine percent higher than those for a BlueCross BlueShield platinum plan offered through Vermont Health Connect.

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

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

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

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

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

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

Sec. 8. 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 section, but shall be determined on a statewide basis pursuant to section 2031 of this chapter.

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

Subchapter 5: Negotiations for Health Care Benefits and Coverage

§ 2031. HEALTH CARE BENEFITS AND COVERAGE FOR SCHOOL EMPLOYEES; NEGOTIATION

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

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

(b) Notwithstanding any provision of this chapter to the contrary, negotiations pursuant to this section shall be subject to the provisions of 3 V.S.A. chapter 27, subchapters 2 and 4 for the purposes of impasse resolution and the prevention and adjudication of unfair labor practices.

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

Relations Board for tabulation of the statewide results.

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

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

Sec. 10. 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. 11. 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, 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 purposes 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 pursuant to this section, but shall be determined on a statewide basis pursuant to 16 V.S.A. § 2031.

\* \* \*

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

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

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

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

(3) other terms and conditions of health coverage.

#### Sec. 13. SAVINGS FROM HEALTH CARE TRANSITION

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

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

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

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

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

#### Sec. 14. EFFECTIVE DATES

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

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

### H. 516

An act relating to miscellaneous tax changes

The Senate proposes to the House to amend the bill as follows:

First: By striking out the reader assistance heading before Sec. 1, and inserting in lieu thereof a new reader assistance heading to read as follows:

\* \* \* Administrative and Technical Provisions \* \* \*

And by striking the reader assistance heading between Sec. 1 and Sec. 2

Second: By striking out Sec. 11 in its entirety and inserting in lieu thereof a new Sec. 11 to read as follows:

Sec. 11. 3 V.S.A. chapter 10 is added to read:

#### CHAPTER 10. FEDERAL TAX INFORMATION

##### § 241. BACKGROUND INVESTIGATIONS

(a) “Federal tax information” or “FTI” means returns and return information as defined in 26 U.S.C. § 6103(b) that are received directly from the Internal Revenue Service or obtained through an IRS-authorized secondary source, that are in the Recipient’s possession or control, and that are subject to the confidentiality protections and safeguarding requirements of the Internal Revenue Code and corresponding federal regulations and guidance.

(b) As used in this chapter, “Recipient” means the following authorities of