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H.509

Representatives Webb of Shelburne, Houghton of Essex, Noyes of Wolcott, and Scheu of Middlebury move that the House concur in the Senate Proposal of Amendment with further amendment 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. 7–8 to read:

* * * Health Care Transition * * *

Sec. 7. SAVINGS FROM HEALTH CARE TRANSITION

(a) As of January 1, 2018, all school employees will be on new health care plans. The new health plans cover the same health care services and networks, but they have lower premium costs. 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 annual savings. Based on the data from

1 finalized contracts to date, these savings may result in substantially fewer
2 health care costs than districts have budgeted for fiscal year 2018.

3 (b) On or before June 30, 2017 or 30 days after the adoption of its annual
4 budget, whichever is later, each supervisory district, supervisory union, and
5 school district shall submit to the Secretary of Education and the
6 Commissioner of Finance and Management a report documenting its actual
7 health care costs for calendar years 2016 and 2017 and its budgeted health care
8 costs for 2018. This report shall be on a form prescribed by the Commissioner
9 of Finance and Management and shall specify the employee contribution and
10 employer contribution totals for each calendar year.

11 (c) Not later than 60 days after the adoption of all collective bargaining
12 agreements covering health care benefits for school employees for plan year
13 2018, each supervisory district, supervisory union, and school district shall
14 submit to the Secretary of Education and the Commissioner of Finance and
15 Management, a report documenting its anticipated health care costs for fiscal
16 year 2018, based on the new collective bargaining agreements covering plan
17 year 2018. This report shall be on a form prescribed by the Commissioner of
18 Finance and Management and shall specify the actual employee contribution
19 and employer contribution totals for plan year 2018.

20 (d) Notwithstanding any other provision of law, for fiscal year 2018 only,
21 the State shall offset the amount of savings between budgeted and actual costs

1 for health care benefits and coverage against the fiscal year 2018 payment to
2 each supervisory district, supervisory union, or school district; provided,
3 however, the State shall withhold any payment due to a supervisory district,
4 supervisory union, or school district after January 1, 2018, until it has received
5 the report required pursuant to subsections (b) and (c) of this section. The
6 savings offset under this subsection shall remain in the Education Fund in an
7 effort to lower property tax rates in fiscal year 2019.

8 (e) The Agency of Education shall develop a system for tracking the
9 amount of savings offset for each school district under subsection (d) in fiscal
10 year 2018. Notwithstanding any other provision of law, for each school
11 district for which savings were offset under subsection (d), the Agency of
12 Education shall pay a grant to that district in fiscal year 2019, in an amount
13 equal to the offset savings. The grant shall be paid after the school district
14 budget for fiscal year 2019 is approved by voters and reported to the Agency
15 of Education, and the grant shall be reflected in the homestead property tax
16 rate and income percentage used for that school district in fiscal year 2019.

17 * * * Effective Dates * * *

18 Sec. 8. EFFECTIVE DATES

19 (a) This section and Sec. 7 (healthcare transition) shall take effect on
20 passage.

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

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