

H.542 - Section by section summary of yield/teacher health care amendment

Sec. H.1. FY18 Yields for homestead tax

- \$10,160 for property dollar equivalent
- \$11,990 for income dollar equivalent

Sec. H.2. FY18 Nonresidential property tax rate

- \$1.535 per \$100

Secs. H.3–H.4. Allocation of additional sales and use tax revenue to Education Fund

- Increases amount of the sales and use tax revenue going to the Education Fund from 35% to 36% and reduces amount going to General Fund from 65% to 64%
- Applies beginning in FY19

Sec. H.5. Savings from health care transition

- Identifies opportunity for savings in transition to new school employee health care plans beginning on January 1, 2018
- States that all supervisory unions (SUs) and school districts (SDs) should be able to achieve savings to their budgets and that the act establishes a mechanism to return savings to property taxpayers

Sec. H.6. Recapturing savings from health care transition

- By August 15, 2017, Agency of Education, in consultation with Department of Taxes and VEHI, must calculate the amount by which each SU's/SD's education payments will be reduced
 - Reduction is based on difference between the SU's/SD's total FY17 health care spending and the SU's/SD's projected FY18 health care spending, which is based on 105% of the value of a target plan
- Target plan and SU/SD education payment reduction calculation assume:
 - 80/20 premium split based on premium for VEHI's Gold CDHP plan
 - SU/SD contributes \$400/\$800/\$1200 toward out-of-pocket expenses in a health reimbursement arrangement (HRA) or health savings account (HSA)
 - Approximately 75% of collective bargaining agreements in the State use an HRA and 25% use an HSA
 - If using an HRA, school employees pay first dollar for out-of-pocket expenses
- Directs the State to reduce the final FY18 education payment to each SU/SD by 65% the SU's/SD's calculated amount and to reduce the total FY19 education payments to each SU/SD by 35% of the SU's/SD's calculated amount
- Health care provisions of a collective bargaining agreement between an SU/SD and school employees must expire between July 1, 2019 and September 1, 2019
 - Excludes collective bargaining agreements executed or tentatively settled prior to the date of passage of this act

Sec. H.7. Vermont Educational Health Benefits Commission

- Establishes a 9-member commission to determine whether and how to establish a single statewide health benefit plan for all school employees and consider related issues
- Report due by November 15, 2017

Sec. H.8. Reopening of negotiations at impasse

- For contract negotiations engaged in impasse resolution on date this act passes, if employee health care benefits are still an unresolved issue, then within 30 days either party can ask to stop impasse resolution and reopen negotiations
 - Negotiations must resume within 10 days of the request
- If the parties are still unable to reach agreement on specific issues, they can go back into impasse resolution