E.100(b) (Labor Relations Manager position), E.100(c) (Security Guard positions), E.100(d) (transfer of vacant positions), E.100.1(d)(7) (position pilot program), E.100.2 (repeal), E.300.1–E.300.7 (transfer Director of Health Care Reform to the Agency of Human Services), E.300.14 (repeals), E.308.1 (Choices for Care), E.327 (Woodside Global Commitment funding), and F.1-F.10 (miscellaneous technical statute corrections), shall take effect on passage.

(b) All remaining sections shall take effect on July 1, 2017.

* * * Yields and Nonresidential Tax Rate * * *

Sec. H.1 PROPERTY DOLLAR EQUIVALENT YIELD AND INCOME DOLLAR EQUIVALENT YIELD FOR FISCAL YEAR 2018

(a) Pursuant to 32 V.S.A. § 5402b(b), for fiscal year 2018 only:

(1) the property dollar equivalent yield is $10,160.00; and

(2) the income dollar equivalent yield is $11,990.00.

Sec. H.2 NONRESIDENTIAL PROPERTY TAX RATE FOR FISCAL YEAR 2018

(a) For fiscal year 2018 only, the nonresidential education property tax imposed under 32 V.S.A. § 5402(a)(1) shall be reduced from the rate of $1.59 and instead be $1.535 per $100.00.

* * * Education Fund Allocation; Sales and Use Tax * * *

Sec. H.3 16 V.S.A. § 4025 is amended to read:

§ 4025. EDUCATION FUND

(a) ~~An~~ The Education Fund is established to comprise the following:

* * *

(6) ~~Thirty-five~~ Thirty-six percent of the revenues raised from the sales and use tax imposed by 32 V.S.A. chapter 233.

* * *

Sec. H.4 32 V.S.A. § 435(b) is amended to read:

(b) The General Fund shall be composed of revenues from the following sources:

* * *

(11) ~~65~~ 64 percent of the revenue from sales and use taxes levied pursuant to chapter 233 of this title;

* * *

* * * Health Care Transition * * *

Sec. H.5 SAVINGS FROM HEALTH CARE TRANSITION

(a) As a result of the Affordable Care Act, as of January 1, 2018, all school employees will be on new health care plans. The new health plans cover similar 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 substantial savings, including savings for the second half of fiscal year 2018.

(b) All supervisory unions and school districts should be able to achieve savings to their budgets as a result of the transition to the new health care plans.

(c) This act establishes a mechanism to return savings to property taxpayers.

Sec. H.6 RECAPTURING SAVINGS FROM HEALTH CARE TRANSITION

(a)(1) On or before August 15, 2017, the Agency of Education, in consultation with the Department of Taxes and the Vermont Education Health Initiative (VEHI), shall determine the amount by which each supervisory union's or school district's education payment shall be reduced. These reductions shall be made during the second half of fiscal year 2018 and during fiscal year 2019 based on the difference between:

(A) the supervisory union's or school district's actual total fiscal year 2017 health care expenditure; and

(B) a calculation of the supervisory union's or school district's projected fiscal year 2018 health care expenditure for individual, two-person, and family plans for all covered school employees based on the assumptions described in subdivision (2) of this subsection (a) plus five percent.

(2) The calculation of a supervisory union's or school district's projected fiscal year 2018 health care expenditure shall be based on the supervisory union's or school district's 2017 plan tier distribution for all covered school employees as of April 1, 2017 and on the following assumptions for the second half of fiscal year 2018:

(A) a premium contribution by the supervisory union or school district 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;

(B) contributions by the supervisory union or school district toward the school employees' out-of-pocket expenses in the amounts of $2,100.00 per individual plan, $4,200.00 per two-person or parent-child plan, and $3,800.00 per family plan in a health reimbursement arrangement (HRA) or health savings account (HSA);

(C) approximately 75 percent of collective bargaining agreements using an HRA and 25 percent using an HSA; and

(D) if using an HRA, school employees bearing first-dollar responsibility for the full amount of the out-of-pocket expenses for which they are responsible.

(b)(1) Notwithstanding any other provision of law to the contrary, the State shall reduce the amount of the education payment authorized by 16 V.S.A. chapter 133 to each supervisory union and school district for the second half of fiscal year 2018 by subtracting from the final fiscal year 2018 payment due to each supervisory union or school district 65 percent of the amount attributed to that supervisory union or school district pursuant to subsection (a) of this section.

(2) Notwithstanding any other provision of law to the contrary, the State shall reduce the amount of education payments authorized by 16 V.S.A. chapter 133 to supervisory unions and school districts for fiscal year 2019 by subtracting from the total amount of the fiscal year 2019 payments due to each supervisory union or school district 35 percent of the amount attributed to that supervisory union or school district pursuant to subsection (a) of this section.

(c) The health care benefit and coverage provisions of a collective bargaining agreement between a supervisory union or school district and school employees shall expire between July 1, 2019 and September 1, 2019; provided, however, that this subsection (c) shall not apply to collective bargaining agreements that were, prior to the effective date of this section, either executed by a school board negotiations council and employee organization negotiations council or tentatively agreed to by these councils pending final ratification by the school board and by the bargaining unit or members of the employee organization.

(d) As used in this section:

(1) "School employees" means all employees of supervisory unions and school districts who are permitted to collectively bargain under 16 V.S.A. chapter 57 or 21 V.S.A. chapter 22.

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

* * * Health Benefits Commission * * *

Sec. H.7 VERMONT EDUCATIONAL HEALTH BENEFITS COMMISSION

(a) The Vermont Educational Health Benefits Commission is created to determine whether and how to establish a single statewide health benefit plan for all teachers, administrators, and other employees of supervisory unions and school districts.

(b) The Commission shall comprise the following nine members:

(1) the Commissioner of Financial Regulation or designee;

(2) the Commissioner of Taxes or designee;

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

(4) one representative of all other labor organizations representing school employees for purposes of collective bargaining pursuant to 16 V.S.A. chapter 57 or 21 V.S.A. chapter 22, or both, jointly appointed by their membership;

(5) the Executive Director of the Vermont School Boards Association or designee;

(6) the Executive Director of the Vermont Superintendents Association or designee;

(7) one non-legislator member appointed by the Speaker of the House of Representatives;

(8) one non-legislator member appointed by the Senate Committee on Committees; and

(9) one member appointed by the Governor, which member shall serve as the Commission's Chair.

(c) The Commission shall determine the advantages and disadvantages of establishing a single statewide health benefit plan for all teachers, administrators, and other employees of supervisory unions and school districts, including considering:

(1) transition issues;

(2) potential savings from avoided negotiation expenses;

(3) whether to use income-sensitized premiums;

(4) ways to address benefit disparities among bargaining units;

(5) ways to address disparities among districts, including examining the role of and potential changes to fact finding standards;

(6) property tax implications;

(7) issues related to uninsured school employees; and

(8) the structure and composition of the Vermont Education Health Initiative's (VEHI) governing board.

(d)(1) The Commission shall consult with the Secretary of Education and VEHI as necessary.

(2) The Commission shall be attached to the Department of Financial Regulation for administrative support.

(e) On or before November 15, 2017, the Commission shall provide its findings and recommendations, along with any necessary proposed legislation regarding the establishment of a statewide health benefit plan for all teachers, administrators, and other employees of supervisory unions and school districts, 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.

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

* * * Collective Bargaining Negotiations * * *

Sec. H.8 REOPENING OF NEGOTIATIONS AT IMPASSE

(a)(1) For contract negotiations that are engaged in impasse resolution pursuant to 16 V.S.A. § 2006 or 2007 or 21 V.S.A. § 1731 or 1732 on the date of passage of this act, if employees' health care benefits are an issue that remains in dispute between the parties, then either the negotiations council for the school board or for the school employees may, within 30 days of the date of passage of this act, request that the parties discontinue the impasse resolution process and reopen negotiations to permit the parties to engage in bargaining in light of the provisions of Sec. H.6 of this act. The parties shall reopen negotiations within 10 days of the request.

(2) If, following the reopened contract negotiations, the parties continue to be unable to reach agreement on specific negotiable items, the parties may engage in impasse resolution as provided pursuant to 16 V.S.A. chapter 57 or 21 V.S.A. chapter 22, as appropriate.

(b) Notwithstanding any provision of law to the contrary, it shall not constitute an unfair labor practice or a failure to bargain in good faith if, pursuant to this section, a party requests to discontinue the impasse resolution process or during reopened negotiations revises a prior bargaining position related to employees' health care benefits in light of the provisions of Sec. H.6 of this act.

* * * Effective Dates for Secs. H.1–H.9 * * *

Sec. H.9 EFFECTIVE DATES

(a) This section and Secs. H.5–H.6 (health care transition) and H.8 (reopening negotiations) shall take effect on passage.

(b) Sec. H.7 (health benefits commission) shall take effect on July 1, 2017.

(c) Secs. H.1 (yields) and H.2 (nonresidential rate) shall take effect on July 1, 2017 and apply to fiscal year 2018.

(d) Secs. H.3 and H.4 (sales tax allocation) shall take effect on July 1, 2018 and apply to fiscal year 2019 and after.

* * * Vermont Housing and Conservation Board;
Housing Bond Proceeds for Affordable Housing * * *

Sec. I.1 FINDINGS AND PURPOSE; AFFORDABLE HOUSING BOND

(a) Findings.

(1) The General Assembly finds that investments are needed to help house the most vulnerable Vermonters as well as creating more homes for workers.

(2) The shortage of affordable and available homes has been highlighted recently by:

(A) the Vermont Futures Project of the Vermont Chamber of Commerce, which set a growth target of 5,000 new and improved housing units annually;

(B) a national consultant's recommendations for a Roadmap to End Homelessness, which calls for, over the next five years, 368 new units for permanent supportive housing and 1,251 new homes affordable to families with income that is not more than 30 percent of the median; and

(C) the 2015 statewide housing needs assessment by Bowen National Research, which found the largest gaps in housing affordable to households with income below 30 percent of median and households with income between