



1 H.509

2 Senator Degree moves that the Senate propose to the House that the bill be  
3 amended as follows:

4 First: By inserting a reader assistance heading and six new sections to read  
5 as follows:

6 \* \* \* Statewide Education Health Care \* \* \*

7 Sec. 6a. FINDINGS

8 (a) Vermont's school employees receive health insurance through the  
9 Vermont Education Health Initiative (VEHI). Actuarial analysis of current  
10 VEHI plans indicates they have among the highest actuarial values of any  
11 health insurance plan offered in the State of Vermont. Premiums for VEHI  
12 plans are up to nine percent higher than the BCBS platinum plan offered  
13 through Vermont Health Connect.

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

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

19 (d) The new health plans cover the same health services and networks, but  
20 they have lower premium costs. The savings associated with lower premiums  
21 is estimated at \$75 million.

1       (e) The new plans also have higher out-of-pocket costs through deductibles  
2       and copays. However, because the premiums for these plans are markedly  
3       lower, there are opportunities to keep employees' out-of-pocket costs at current  
4       levels while also realizing up to \$26 million in savings.

5       (f) These new plans mean health insurance negotiations have become more  
6       complex. In at least 12 supervisory unions, the parties have declared impasse  
7       over the inability to negotiate the transition to new health insurance plans.

8       (g) The State of Vermont is uniquely positioned to bargain health insurance  
9       benefits with school employees in a manner that ensures fairness and equity for  
10       school employees, delivers savings for property taxpayers, and contributes to  
11       the sustainability of the Vermont Teachers Retirement system.

12       Sec. 6b. 16 V.S.A. § 2004 is amended to read:

13       § 2004. AGENDA

14       (a) The school board, through its negotiations council, shall, upon request,  
15       negotiate with representatives of the teachers' or administrators' organization  
16       negotiations council on matters of salary, related economic conditions of  
17       employment, the manner in which it will enforce an employee's obligation to  
18       pay the agency service fee, procedures for processing complaints and  
19       grievances relating to employment, and any mutually agreed upon matters not  
20       in conflict with the statutes and laws of the State of Vermont.

1        (b) The Secretary of Administration, on behalf of all school boards  
2        statewide, shall negotiate health insurance benefits, including Health  
3        Reimbursement and Health Savings Accounts, with representatives of the  
4        teachers' or administrators' organization negotiations council. The school  
5        board, through its negotiations council, shall not negotiate health insurance  
6        benefits, including Health Reimbursement and Health Savings Accounts, with  
7        representatives of the teachers' or administrators' organization negotiations  
8        council. Solely for the purposes of representation in, and prevention of, unfair  
9        labor practices in connection with these negotiations, teachers and  
10       administrators shall be deemed to be State employees, the representatives of  
11       the teachers' or administrators' organization negotiations council shall be  
12       deemed to be an employee organization, and the provisions of 3 V.S.A. chapter  
13       27, subchapters 2 and 4 shall apply. Ratification of an agreement reached in  
14       accordance with this section shall require a vote of all teachers and  
15       administrators.

16       Sec. 6c. 21 V.S.A. § 1725 is amended to read:

17       § 1725. COLLECTIVE BARGAINING PROCEDURE

18       (a) For the purpose of collective bargaining, the representatives of the  
19       municipal employer and the bargaining unit shall meet at any reasonable time  
20       and shall bargain in good faith with respect to wages, hours, and conditions of  
21       employment, and shall execute a written contract incorporating any agreement

1 reached; provided, however, neither party shall be compelled to agree to a  
2 proposal nor to make a concession, nor to bargain over any issue of managerial  
3 prerogative.

4 (b) The municipal employer shall be represented in the bargaining by its  
5 legislative body or its designated representative or representatives. If the  
6 municipal employer is a supervisory district or supervisory union, it shall be  
7 represented by the school board negotiations council, and the bargaining unit  
8 shall be represented by the school employees' negotiations council.

9 (c) In the event that any part or provision of a collective bargaining  
10 agreement is in conflict with any State law, charter, or special act, such law  
11 shall prevail so long as the conflict remains except as provided to the contrary  
12 in subsection 1734(b) of this title. In the event any part or provision of a  
13 collective bargaining agreement is in conflict with any ordinance, bylaw, rule,  
14 or regulation adopted by the municipal employer or its agents, the lawful vote  
15 of the legislative body approving the written agreement shall validate the  
16 collective bargaining agreement and shall supersede such ordinance, bylaw,  
17 rule, or regulation.

18 (d) The Secretary of Administration, on behalf of all school boards  
19 statewide, shall negotiate health insurance benefits, including Health  
20 Reimbursement and Health Savings Accounts, with representatives of the  
21 teachers' or administrators' organization negotiations council. The school

1 board, through its negotiations council, shall not negotiate health insurance  
2 benefits, including Health Reimbursement and Health Savings Accounts, with  
3 representatives of the teachers' or administrators' organization negotiations  
4 council. Solely for the purposes of representation in, and prevention of, unfair  
5 labor practices in connection with these negotiations, teachers and  
6 administrators shall be deemed to be State employees, the representatives of  
7 the teachers' or administrators' organization negotiations council shall be  
8 deemed to be an employee organization, and the provisions of 3 V.S.A. chapter  
9 27, subchapters 2 and 4 shall apply. Ratification of an agreement reached in  
10 accordance with this section shall require a vote of all teachers and  
11 administrators.

12 Sec. 6d. 16 V.S.A. § 2029 is added to read:

13 § 2029. GROUP HEALTH INSURANCE FOR EDUCATION PERSONNEL

14 (a)(1) Beginning with the 2018 plan year, the Secretary of Administration  
15 shall contract on behalf of State school boards with any insurance company or  
16 nonprofit association doing business in this State to secure the benefits of  
17 franchise or group health insurance. The terms of coverage under the policy  
18 may include:

19 (A) health insurance benefits for education employees;

1           (B) hospital, surgical, and medical benefits for education employees  
2           or for those education employees and any class or classes of their  
3           dependents; and

4           (C) Health Reimbursement and Health Saving Accounts for  
5           education employees.

6           (2)(A) The term “education employee” as used in this section shall  
7           include all teachers and administrators as defined in this chapter and all other  
8           certified employees of school districts.

9           (B) The term “dependents” shall include only an education  
10           employee’s spouse, or an education employee’s unmarried child. However, no  
11           person may be covered both as an education employee and as a dependent, and  
12           no person may be considered as a dependent of more than one education  
13           employee. The term “child” shall, in addition to an education employee’s own  
14           or lawfully adopted children, include such stepchildren, foster children,  
15           children under adoptive supervisory placement, and other children as depend  
16           upon the education employee for support and maintenance.

17           (3) The provisions for this section shall include all education employees  
18           in any or all school districts in the State.

19           (b) The Commissioner of Finance and Management shall offset against the  
20           next State payment to the school district the amount certified by the school  
21           district to be necessary to pay the school district’s share of the cost of

1 assessments for health insurance benefits for education employees and any  
2 class or classes of their dependents.

3 (c) At least every five years, the Secretary of Administration shall advertise  
4 for bids on the insurance contracts and shall award the contract to the person  
5 whose bid or quotation is in the best interest of the State. The Secretary of  
6 Administration may reject any bids or quotations and may request additional  
7 bids. Upon publication of the request for proposals, health care professional  
8 and trade associations may register with the Secretary of Administration to be  
9 provided a list of bidders. Such associations may then submit information  
10 about the business practices of the bidders for the Secretary of Administration  
11 to consider in the course of evaluating bids.

12 Sec. 6e. SAVINGS FROM HEALTH CARE TRANSITION

13 (a) After negotiations between the State and the school employee's  
14 representatives establish a statewide health insurance benefit for school  
15 employees, the State shall notify school district of the required employee  
16 contributions for single, two-person, parent-child, and family plans.

17 (b) School districts shall document calendar years 2016, 2017, and 2018  
18 health insurance costs to the Secretary of Education and the Commissioner of  
19 Finance and Management on or before December 30, 2017. This report shall  
20 be on a form prescribed by the Commissioner of Finance and Management and

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

3 (c) School districts shall not use savings associated with the health care  
4 transition to increase salary or related employee compensation or other  
5 otherwise increase school district expenditures.

6 (d) For FY 2018 only, the State shall offset the amount of savings between  
7 budgeted and actual costs for health insurance against the FY 2018 payment to  
8 the school district; provided, however, the State shall withhold any such  
9 payment until it has received the reporting required in subsection (b) of this  
10 section.

11 (1) One-third of the savings shall be allocated to the Vermont State  
12 Teachers Retirement Health Insurance Program.

13 (2) One-third of the savings shall be allocated to the General Fund.

14 (3) One-third of the savings shall be allocated to reduce residential and  
15 nonresidential property tax rates.

16 (e) Beginning in FY 2019, the State shall document health insurance  
17 savings that have been achieved through negotiations with school employees.  
18 Any statewide savings realized through negotiations between the State and the  
19 school employees' representatives shall be allocated as set forth in subsection  
20 (d) of this section.



