

Senate Education - School employee health benefits draft for discussion

1 Sec. 1. 16 V.S.A. chapter 61 is added to read:

2 CHAPTER 61. COMMISSION ON PUBLIC SCHOOL EMPLOYEE HEALTH BENEFITS

3 § 2101. DEFINITIONS

4 As used in this chapter:

5 (1) “Participating employee” means a school employee who is eligible for and has elected
6 to receive health benefit coverage through a school employer.

7 (2) “School employee” means:

8 (A) an individual employed by a supervisory union or school district as a teacher or
9 administrator as defined in section 1981 of this title; or

10 (B) a municipal school employee as defined in 21 V.S.A. § 1722.

11 (3) “School employer” means a supervisory union or school district as those terms are
12 defined in section 11 of this title.

13 § 2102. COMMISSION ON PUBLIC SCHOOL EMPLOYEE HEALTH BENEFITS

14 CREATED

15 (a) Commission created. There is created an independent commission to be called the
16 Commission on Public School Employee Health Benefits (Commission) to determine, in
17 accordance with section 2103 of this chapter, the amounts of the premiums and out-of-pocket
18 expenses for school employee health benefits that shall be borne by school employers and by
19 participating employees.

20 (b) Composition and appointment.

21 (1) The Commission shall have 10 members, of whom five shall be representatives of
22 school employees and five shall be representatives of school employers.

1 (2)(A) The representatives of school employees shall be appointed as follows:

2 (i) four members appointed by the labor organization representing the greatest
3 number of teachers, administrators, and municipal school employees in this State; and

4 (ii) one member appointed by the labor organization representing the second-
5 greatest number of teachers, administrators, and municipal school employees in this State.

6 (B) The five representatives of school employers shall be appointed by the Vermont
7 School Boards Association.

8 (C) The appointing authorities shall select appointees who have an understanding of
9 health care and employer-employee relations and who demonstrate a willingness to work
10 collaboratively.

11 (D) The term of each member of the Commission shall be six years, provided that of
12 the members first appointed by the labor organization described in subdivision (A)(i) of this
13 subdivision (2), one appointee shall serve a term of two years and one appointee shall serve a
14 term of four years, and of the members first appointed by the Vermont School Boards
15 Association, one appointee shall serve a term of two years and one appointee shall serve a term
16 of four years.

17 (3) In the event of a vacancy, the appointing authority of the member whose seat becomes
18 vacant shall appoint a successor to serve out the remainder of the member's term.

19 (c) Chairs. The Commission shall be chaired jointly by one member selected biennially by
20 the representatives of school employees and one member selected biennially by the
21 representatives of school employers.

1 (d) Removal of Commission members. Members of the Commission may be removed only
2 for cause. The Commission shall adopt rules pursuant to 3 V.S.A. chapter 25 to define the basis
3 and process for removal.

4 (e) Decisions. All decisions of the Commission shall require the votes of a majority of the
5 representatives of school employees and a majority of the representatives of school employers.

6 (f) Compensation. Commission members shall be entitled to receive per diem compensation
7 and reimbursement of expenses pursuant to 32 V.S.A. § 1010.

8 **(g) Staffing. The Commission may hire an Executive Director and such other staff as**
9 **the Commission deems necessary to carry out its duties under this chapter. Compensation**
10 **for Commission staff shall be supported by . . . ?**

11 (h) Rulemaking. The Commission may adopt rules or procedures, or both, pursuant to
12 3 V.S.A. chapter 25 as needed to carry out its duties under this chapter.

13 § 2103. DUTIES OF THE COMMISSION

14 (a) The Commission shall determine the percentage of the premium for individual, two-
15 person, parent-child, and family coverage that shall be borne by each school employer and the
16 percentage that shall be borne by participating employees.

17 (1) The premium responsibility percentages shall remain in effect for the entire plan year.

18 (2) Each school employer shall be responsible for paying the percentage of the premium
19 cost determined by the Commission on behalf of all of its participating school employees.

20 (b)(1) The Commission shall determine the amount of school employees' out-of-pocket
21 expenses for which the school employer and the school employees shall be responsible, and
22 whether school employers shall establish a health reimbursement arrangement or a health savings
23 account, or neither, for their participating employees.

1 (2) The Commission also shall determine the extent to which the employer or employee
2 shall bear first dollar responsibility for out-of-pocket expenses if using a health reimbursement
3 arrangement.

4 (c) The Commission may make recommendations regarding health benefit plan design to any
5 intermunicipal insurance association that offers health benefit plans to entities providing
6 educational services pursuant to 24 V.S.A. chapter 121, subchapter 6.

7 § 2104. NEGOTIATION; TIME TO BEGIN; GOOD FAITH; WRITTEN AGREEMENT

8 (a)(1) The Commission shall commence negotiation of the matters set forth in subsections
9 2103(a) and (b) of this chapter not later than April 1 of the year before the existing agreement
10 pursuant to this section is set to expire.

11 (2) The Commission shall meet together at reasonable times at the call of the Chairs and
12 shall negotiate in good faith on all matters set forth in subsections 2103(a) and (b) of this chapter.

13 (3) The Commission shall, at the commencement of negotiations, select a person to serve
14 as a fact finder to assist it in resolving any matters remaining in dispute in the event that the
15 Commission is unable to reach an agreement by August 1. The fact finder shall be selected by a
16 vote of a majority of the representatives of school employees and of the representatives of school
17 employers. If the Commission cannot agree on a fact finder by April 5, the American Arbitration
18 Association shall be asked to appoint the fact finder.

19 (b)(1) The Commission shall enter into a written agreement incorporating all matters agreed
20 to in negotiation.

21 (2) The terms of the agreement shall be incorporated by reference into all collective
22 bargaining agreements for school employees.

1 (c) ~~Each~~ **The term of each** agreement shall be **negotiated by the Commission but shall not**
2 **be less than for a term of** two years.

3 § 2105. DISPUTE RESOLUTION

4 (a)(1) If the Commission is unable to reach agreement by August 1, the Commission shall
5 meet with the fact finder selected pursuant to section 2104 of this chapter not later than
6 August 15.

7 (2) The fact finder may schedule and hold additional meetings with the Commission as
8 necessary. The Commission shall furnish the fact finder with all records, papers, and
9 information in its possession pertaining to any matter remaining in dispute.

10 (3) The fact finder may, at any time before issuing his or her decision, seek to mediate any
11 or all matters remaining in dispute.

12 (4) On or before September 15, the fact finder shall submit a written report to the
13 Commission recommending a reasonable basis for the settlement of the matters remaining in
14 dispute.

15 (b)(1) If the Commission is unable to resolve all matters remaining in dispute within 30 days
16 after receiving the fact finder's report, the Commission shall ~~request that the American~~
17 ~~Arbitration Association appoint an arbitrator form a three-member panel of arbitrators~~ to
18 decide all matters remaining in dispute. **The panel of arbitrators shall be selected as follows:**

19 **(A) one arbitrator selected by the representatives of school employees from a list**
20 **prepared by the American Arbitration Association;**

21 **(B) one arbitrator selected by the representatives of school employers from a list**
22 **prepared by the American Arbitration Association; and**

1 **(C) one arbitrator selected jointly by the representatives of school employees and**
2 **the representatives of school employers. If the parties are unable to agree on a third**
3 **arbitrator within five days after selection of the other members of the panel, they shall**
4 **request the services of the American Arbitration Association for the appointment of the**
5 **third arbitrator.**

6 (2) The arbitrators shall be limited to selecting one of the proposals put forward by the
7 members of the Commission with respect to each undecided issue.

8 (3)(A) The arbitrators shall hold a hearing on or before November 15 at which the
9 Commission members shall submit all relevant evidence, documents, and written material, and
10 each member may argue on behalf of his or her position on any undecided issue that is subject to
11 arbitration.

12 (B) In reaching a decision, the arbitrators shall give weight to the evidence, documents,
13 and written material, and arguments presented, as well as the following factors:

14 (i) the interests and welfare of the public;

15 (ii) the financial ability of the Education Fund and school districts across the State to
16 pay for the costs of health care benefits and coverage;

17 (iii) comparisons of the health care benefits of school employees with the health
18 care benefits of similar employees in the public and private sectors in Vermont;

19 (iv) the average consumer prices for goods and services commonly known as the
20 cost of living; and

21 (v) prior and existing health care benefits and coverage for school employees.

1 (4) The arbitrators shall issue ~~his or her~~ their decision within 30 days after the hearing.
2 The decision of the arbitrators shall be final and binding upon the Commission and all school
3 employees and school employers. **The decision shall not be subject to ratification.**

4 (5) Upon the petition of a Commission member within not more than 30 days following
5 the arbitrator's decision, a Superior Court shall vacate the decision if:

6 (A) it was procured by corruption, fraud, or other undue means;

7 (B) there was evident partiality or prejudicial misconduct by the arbitrators;

8 (C) the arbitrators exceeded ~~his or her~~ their power or rendered a decision requiring a
9 person to commit an act or engage in conduct prohibited by law; or

10 (D) there is an absence of substantial evidence on the record as a whole to support the
11 decision.

12 (6) At any time prior to the issuance of a decision by the arbitrator, the Commission may
13 notify the arbitrator of any additional issues on which a majority of the representatives of school
14 employees and of the representatives of school employers have reached agreement.

15 (7) If any provision of this subsection is inconsistent with any other provision of law
16 governing arbitration, this subsection shall govern.

17 § 2106. RATIFICATION OF **CONTRACT AGREEMENT**

18 **(a) The representatives of school employers and the representatives of school employees**
19 **shall each develop procedures by which their members shall ratify the agreement entered**
20 **into by the Commission pursuant to this chapter; provided however, that if the agreement**
21 **is determined by arbitration pursuant to subsection 2105(b) of this chapter, the agreement**
22 **shall not be subject to ratification.**

1 **(b) In the event that either the school employers or school employees, or both, fail to**
2 **ratify the agreement, the following provisions shall apply:**

3 **(1) If the Commission has not engaged in mediated fact finding during the current**
4 **negotiation cycle, the Commission shall meet with the fact finder pursuant to the provisions**
5 **of subsection 2105(a) of this chapter to settle all matters remaining in dispute. If the**
6 **Commission is able to reach a new agreement, that agreement shall be submitted to the**
7 **bargaining units for ratification. If, after mediated fact finding, the Commission is unable**
8 **to reach a new agreement, the Commission shall proceed to arbitration pursuant to**
9 **subsection 2105(b) of this chapter.**

10 **(2) If the Commission has already engaged in mediated fact finding pursuant to**
11 **subsection 2105(a) of this chapter during the current negotiation cycle, the Commission**
12 **shall proceed to arbitration pursuant to subsection 2105(b) of this chapter.**

13 § 2107. DUTIES OF SCHOOL EMPLOYERS

14 Each school employer shall:

15 (1) deduct from the gross wages of each participating employee a sum equal to the
16 percentage of the premium determined by the Commission to be the employee's responsibility
17 for the applicable tier of coverage;

18 (2) remit to the administrator of the health benefit plan the amount determined by the
19 Commission to be the employers' premium responsibility for each participating employee, along
20 with the amount deducted from the employee's wages for the employee's premium share;

21 (3) contribute toward the out-of-pocket expenses of each participating employee in the
22 amounts and manner determined by the Commission to be the employer's responsibility; and

1 (4) participate in any health reimbursement arrangement or health savings account, or
2 both, in the amounts and to the extent determined by the Commission.

3 Sec. 2. 16 V.S.A. § 2004 is amended to read:

4 § 2004. AGENDA

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

11 (b) As used in this section, the terms "salary" and "related economic conditions of
12 employment" shall not include health care benefits or coverage. Health care benefits and health
13 coverage, including health reimbursement arrangements and health savings accounts, shall not be
14 subject to collective bargaining pursuant to this chapter, but shall be determined by the
15 Commission on Public School Employee Health Benefits pursuant to chapter 61 of this title.

16 Sec. 3. 16 V.S.A. § 2005 is amended to read:

17 § 2005. WRITTEN AGREEMENT

18 The negotiations councils for the school board and the teachers' or administrators'
19 organization shall enter into a written agreement or agreements incorporating therein matters
20 agreed to in negotiation. The written agreement shall incorporate by reference the terms of the
21 agreement entered into by the Commission on Public School Employee Health Benefits pursuant
22 to chapter 61 of this title.

23 Sec. 4. 21 V.S.A. § 1722 is amended to read:

1 § 1722. DEFINITIONS

2 As used in this chapter:

3 * * *

4 (12) “Municipal employee” means any employee of a municipal employer, including a
5 municipal school employee or a professional employee as defined in subdivision 1502(11) of this
6 title, except:

7 * * *

8 (17) “Wages, hours, and other conditions of employment” means any condition of
9 employment directly affecting the economic circumstances, health, safety, or convenience of
10 employees but excluding matters of managerial prerogative as defined in this section. For
11 collective bargaining related to municipal school employees, “wages, hours, and other conditions
12 of employment” shall not include health care benefits or coverage.

13 * * *

14 (21) “Municipal school employee” means an employee of a supervisory union or school
15 district that is not otherwise subject to 16 V.S.A. chapter 57 (labor relations for teachers and
16 administrators).

17 Sec. 5. 21 V.S.A. § 1725 is amended to read:

18 § 1725. COLLECTIVE BARGAINING PROCEDURE

19 (a)(1) For the purpose of collective bargaining, the representatives of the municipal employer
20 and the bargaining unit shall meet at any reasonable time and shall bargain in good faith with
21 respect to wages, hours, and conditions of employment; and shall execute a written contract
22 incorporating any agreement reached; provided, however, that neither party shall be compelled to

1 agree to a proposal nor to make a concession, nor to bargain over any issue of managerial
2 prerogative.

3 (2)(A) For the purpose of collective bargaining related to municipal school employees,
4 “wages, hours, and conditions of employment” shall not include health care benefits or coverage.
5 Health care benefits and coverage, including health reimbursement arrangements and health
6 savings accounts, shall not be subject to collective bargaining by municipal school employees
7 pursuant to this chapter, but shall be determined by the Commission on Public School Employee
8 Health Benefits pursuant to 16 V.S.A. chapter 61.

9 (B) All written contracts executed in relation to municipal school employees shall
10 incorporate by reference the terms of the agreement entered into by the Commission on Public
11 School Employee Health Benefits pursuant to 16 V.S.A. chapter 61.

12 * * *

13 Sec. 6. HEALTH CARE BENEFIT TRANSITION; LEGISLATIVE INTENT

14 In recognition of the existing disparities in health care benefits between different supervisory
15 unions and school districts and between different categories of employees within the same
16 supervisory unions and school districts, it is the intent of the General Assembly that the
17 Commission on Public School Employee Health Benefits endeavor to transition school
18 employees and school employers to more equitable health care coverage statewide in a manner
19 that is fair and practicable for all parties involved.

20 Sec. 7. 24 V.S.A. § 4947 is amended to read:

21 § 4947. ~~INDEPENDENT SCHOOLS; ELIGIBLE TO PARTICIPATE~~ HEALTH BENEFIT
22 PLANS OFFERED TO ENTITIES PROVIDING EDUCATIONAL SERVICES

23 (a) As used in this section:

1 (1) “Health benefit association” means an association that offers a health benefit plan to
2 school employers for coverage of their school employees.

3 (2) “School employee” shall have the same meaning as in 16 V.S.A. § 2101.

4 (3) “School employer” shall have the same meaning as in 16 V.S.A. § 2101.

5 (b) A health benefit association shall offer no more than one health benefit plan to school
6 employers and shall offer the same plan to all school employers.

7 (c) A health benefit association shall solicit the input of the Commission on Public School
8 Employee Health Benefits established in 16 V.S.A. § 2102 regarding the design of the health
9 benefit plan to be offered to school employers for coverage of their school employees.

10 (d) The governing board of a health benefit association shall be composed of the following
11 six members:

12 (1) three members **representing school employers, who shall be employees of school**
13 **employers and who shall be** appointed by the **Vermont School Boards’ Association**
14 **organization representing the majority of the school employers in this State;** provided
15 however, that at the discretion of the **Vermont School Boards’ Association organization,** one
16 of these members may be a representative of the **Vermont School Boards’ Association**
17 **organization;** and

18 (2) three members appointed by the labor organization representing the greatest number of
19 school employees in the State.

20 (e) ~~An A~~ health benefit association ~~that offers hospital, surgical and medical benefits~~
21 insurance to entities that are providing educational services under this subchapter, **may shall**
22 make ~~such insurance~~ its health benefit plan available to approved or recognized independent
23 schools operating in Vermont. Participation shall ~~be on the same terms and conditions that apply~~

1 ~~to municipalities and shall~~ not create joint and several liability as a result of any act or omission
 2 of any other school, municipality, or association. Schools Approved or recognized independent
 3 schools that participate under this section shall be provided with copies of the annual audit. The
 4 provisions of ~~section 16 V.S.A. § 166 of Title 16~~ shall apply for purposes of determining
 5 whether a school qualifies as an “approved or recognized independent school.”

6 Sec. 8. **VERMONT EDUCATION HEALTH INITIATIVE; BOARD TRANSITION;**
 7 DEPARTMENT OF FINANCIAL REGULATION; RULEMAKING

8 ~~(a)(1) The composition of the board of a health benefit association, as defined in 24~~
 9 ~~V.S.A. § 4947(a), that is in place on the date of passage of this act may continue in the same~~
 10 ~~form until July 1, 2018. On July 1, 2018, the terms of all board members then serving shall~~
 11 ~~expire.~~

12 ~~(2) Beginning on July 1, 2018, the board of a health benefit association shall conform~~
 13 ~~to the composition specified in 24 V.S.A. § 4947(d) and the terms of all new board members~~
 14 ~~shall begin on that date. Board members serving immediately prior to July 1, 2018 shall be~~
 15 ~~eligible for reappointment to the extent permitted by the board’s bylaws.~~

16 ~~(b) The Department of Financial Regulation shall amend its rules pursuant to 3 V.S.A.~~
 17 ~~chapter 25 as needed to conform to the provisions of 24 V.S.A. § 4947 as amended by this act.~~

18 Sec. 9. SCHEDULE FOR NEGOTIATIONS DURING 2018; **VERMONT EDUCATION**
 19 **HEALTH INITIATIVE BOARD TRANSITION;**

20 ~~(a) Notwithstanding any provision of 16 V.S.A. chapter 61 to the contrary, the Commission~~
 21 ~~on Public School Employee Health Benefits shall negotiate the **contract agreement** for school~~
 22 ~~employee health benefits to take effect on July 1, 2019 pursuant to the following schedule:~~

23 (1) Negotiations shall commence on or before August 1, 2018.

1 (2) If the Commission has not reached an agreement by October 1, 2018, the Commission
2 shall proceed to fact finding and the fact finder shall meet with the Commission on or before
3 October 15, 2018.

4 (3) The fact finder shall, on or before November 1, 2018, submit a written report to the
5 Commission recommending a reasonable basis for the settlement of the matters remaining in
6 dispute.

7 (4) If the Commission is unable to reach an agreement by November 30, 2018, it shall
8 submit all matters remaining in dispute to arbitration at the earliest possible opportunity.

9 (5) On or before December 21, 2018, the arbitrator shall render a decision on all matters
10 remaining in dispute.

11 **(6) Ratification . . . ?**

12 **(b)(1) The composition of the board of a health benefit association, as defined in 24**
13 **V.S.A. § 4947(a), that is in place on the date of passage of this act may continue in the same**
14 **form until July 1, 2018. On July 1, 2018, the terms of all board members then serving shall**
15 **expire.**

16 **(2) Beginning on July 1, 2018, the board of a health benefit association shall conform**
17 **to the composition specified in 24 V.S.A. § 4947(d) and the terms of all new board members**
18 **shall begin on that date. Board members serving immediately prior to July 1, 2018 shall be**
19 **eligible for reappointment to the extent permitted by the board's bylaws.**

20 Sec. 10. EFFECTIVE DATE

21 This act shall take effect on passage.