

Good afternoon,

My name is Suzanne Dirmaier and I am employed at VT-NEA as a UniServ Director for the Northwest region of Vermont. In that position I represent organized school employees in a variety of ways including bargaining assistance. Prior to coming to VT-NEA I was an elementary teacher and local leader in my Association in southern Vermont and the Mad River Valley. I served on the Act 85 Commission during the fall of 2017 which preceded Act 11 and completed a report on the educator health insurance and comparables. More recently I advised the Employee Commission members negotiating statewide health insurance benefits for school employees.

The Employee Commission team was comprised of five teachers and school support staff: Michael Campbell (chair) from BFA St. Albans, Will Adams from Hardwick Elementary, Barbara Griffin from Rivendell (who was also a member of the Act 85 Commission), Russell Leethe from Montpelier who was the representative of AFSCME and Jon Harris of Mount Mansfield Union High School. I was with Michael last night and I know he would have like to be here himself, but of course he is teaching today.

The Employer and Employee Commissioners formally met six times from April 1, 2019 to July 17, 2019. In addition, we had mediation on August 1 followed by fact finding on August 12. A second mediation was held on October 22. Arbitration hearings were held over three days, November 1, 2 and 5.

The parties were able to come to some relatively quick agreements on issues such as recognition, definitions and the concept of a January 1, 2021 date for actual changes to most terms. Other items that were not agreed to until the arbitration process was completed are not a surprise – more contentious financial and philosophical issues of premium split, eligibility and out of pocket arrangements.

The arbitration process was completed as prescribed under this newly created and unique bargaining law - a selection of one side's last best offer in total over the other side's position. Ultimately the

Employee Commissioners' last best offer was selected by the arbitrator, though the arbitrator stated in his decision that he would have gone issue by issue if given the option to.

The most salient points of the award would be the out of pocket obligations of employees and the premium splits between employers and employees. It should be noted that school employees under the law is split into two groups – licensed and unlicensed. While intended to recognize that unlicensed staff generally are paid less than licensed staff, it does mean that a first-year teacher and a superintendent (licensed educator) would be paying a different amount from a school business manager or paraeducator (unlicensed staff). It is also important to note that this provision of Act 11 is only allowable for the first contract and after that all school employees regardless of license status or salary will have to pay the same amount.

Per the arbitrator's decision, licensed employees will move to an 80-20 split on premium costs (Employer/Employee) beginning on January 1, 2021 and pay either \$400 or \$800 toward out of pocket costs depending on tier of coverage selected. (\$400 single coverage, \$800 for all other tiers)

Support staff or unlicensed employees are making a move toward the 80-20 premium split. The status quo in each district will prevail for for the first eighteen months of the agreement. Beginning January 1, 2022, employees will increase their premium split by 2% not to exceed 20%. These employees pay either a \$300 or \$600 out of pocket toward the out of pocket costs.

Act 11 required all contracts to expire in the summer of 2020 and at this point all school employees in the state are bargaining local agreements at the same time. These local agreements will incorporate the terms of the statewide bargaining for health benefits. The effects of the statewide bargaining will have different impacts on a district by district basis for both school boards and employees. In the districts where the changes to health benefits are more significant for either the employee or employer group, there is a greater probability that bargaining may be prolonged.

Believe it or not, soon the two parties to the statewide bargaining process will begin work on the next round with various pre-bargaining tasks such as data collection and per statute the Commission will have to meet again no later than April 1, 2021.

In this brand-new process we were mindful of the Act 11 intent and the current status of school employees. We sought to achieve a level of equity through some type of income sensitivity. Both parties were mindful of the ability to pay giving particular consideration to our lowest paid employees. There is a great range in both categories – licensed and unlicensed – of the ability to pay. We have school-year paraprofessionals making less than \$20,000, a first-year teacher at \$36,000 or even a business manager making \$100,000 a year. We recognize the ability to pay should not be calculated just on the category of employment - the current “two buckets” – those licensed and those unlicensed, but rather on the actual ability to pay based upon a wage earned. This is something that the Act 85 commission explored deeply and found that systems exist for this at both the University of Vermont and Middlebury College. We hope that the statute can be adjusted to make it allowable for the Commission to put forward proposals based upon ability to pay to achieve equity in the next round of bargaining and beyond.

In terms of our data needs, for this past round the parties began work on the request in October of 2019, making the actual request in the month of November for bargaining that commenced in April 2020. A core foundation for success at the table is an agreed upon set of facts and numbers in which the parties can accurately forecast costs. This kind of data is routinely sought and provided at the local level for normal bargaining. Some school boards and locals make the agreement over the data a first step in bargaining. A statutory backstop to obtain this data from all districts would make the statewide bargaining more productive.

Thank you for this opportunity to address you today and I would be happy to answer any questions.