



February 2, 2021

Dear Legislators,

We understand that the House Committee on General, Housing and Military Affairs is making decisions this week concerning two bills that propose changes to the process for statewide collective bargaining for public school employees' health benefits.

We are requesting that this letter be entered into the written testimony of the Committee on General, Housing and Military Affairs on H.81 and posted on the Committee's website.

Rather than H. 81, we support H.63 because it balances appropriate access to health care benefits and reasonable cost containment to ensure the financial sustainability of the benefits. Cost containment is needed in order to avoid further jeopardizing educational opportunities for students and maintenance of facilities.

Local examples of the importance of cost containment in health care include:

For FY22, we have dedicated \$507,360 to healthcare expenses in our budget, representing 13.2% of our budget.

That percentage in FY21 is currently 12.5%.

FY20 was 10.74%.

As you can see, that percentage of our budget spent on health care costs is increasing annually.

Healthcare costs for us are up 14.01% for FY22, while the budget we have developed is down by 0.92%. Cost reductions in other areas have had to occur in order to achieve a substantially level funded budget while managing the healthcare increases. This is not sustainable without eventually impacting programming and positions.

The cost of healthcare as a percentage of the average cost of compensation of our teachers is 17.12%. For our support staff the average cost of healthcare as a percentage of the average cost of compensation is 21.42%.

Please feel free to contact us with any questions you may have.

Sincerely,

Suzanne Buck, PAHRTSD Board Chair

Dana Peterson, PAHRTSD Superintendent