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METTAWEE SCHOOL DISTRICT •• TACONIC AND GREEN REGIONAL SCHOOL DISTRICT •• WINHALL SCHOOL DISTRICT

February 2, 2021

Dear Legislators,

The Taconic and Green Regional School District (T&G) provides education for residents of nine Towns in southwestern Vermont. T&G is the largest operating district of the Bennington-Rutland Supervisory Union (BRSU), providing education for over 1,700 of the more than 2,200 students of the BRSU.

The T&G and BRSU would like to provide input to the House Committee on General, Housing and Military Affairs, and other interested members of the Vermont General Assembly, to inform deliberations on bills H.63 and H.81 which are currently being considered - to make changes to the process for statewide collective bargaining for public school employees' health benefits. We request that this letter be entered into written testimony on H.81 and posted on the Committee's website.

We will elaborate below, but, in summary – our Districts feel strongly that, consistent with the intent stated in Act 11:

Healthcare Negotiations should be balanced by striving to achieve optimal medical benefits that meet the healthcare needs of our teachers and staff, while at the same time being cost effective and affordable by taxpayers.

The first round of state-wide healthcare negotiations made it clear that changes to the law are required if we hope to achieve a balance between optimal benefits and affordability / sustainability. The T&G Board believes that the changes proposed in H.63 are important steps to move us closer that goal.

Act 11 of 2018 marked the beginning of a very major change in the process of negotiating teacher and staff contracts for our PK-12 public schools in Vermont. We have no doubt that the legislature worked hard to develop a fair and reasonable way to shift healthcare negotiations from the local level to the State level. However, with any such significant change it is reasonable to expect that there will be much to be learned once the change is implemented for the first time. Our Districts believe strongly that the first round of state-wide negotiations did indeed highlight elements of the state-wide negotiation process that require change.

A key change for which we are advocating for is greater recognition that, as with any negotiation process, there must be a degree of balance between the benefits being provided (i.e. – what we would ideally like to spend on benefits for educators) and the cost of those benefits.

This sort of balancing is familiar territory for our school boards – as we face that need every year when developing the next year's school budgets.

People costs are by far our largest cost, and our people are our greatest resource. School boards fully recognize the importance of treating our people well financially (and otherwise) to help maintain a high

quality and motivated staff. But, school boards also recognize the obligation to be efficient in our use of limited taxpayer dollars, and that property taxes are a consistent concern of most Vermonters.

The first round of state-wide healthcare negotiations resulted in a large increase in costs for our district – and the need to compensate for this in our latest budget. Healthcare costs have put pressure on district finances in many recent years. Yet, this year’s healthcare increase was a big hit. From FY2019 to our new budget for FY2022, health benefit costs have grown more than twice as fast as our overall budget (with a stable FTE headcount). And in these several years, health benefit costs have grown from 14.8% of total operating costs to 16.3%. The result of healthcare’s growing burden on our budget is the annual need to focus on reducing expenditures elsewhere to compensate.

While we fully understand that healthcare costs are tough to tame, we feel that the new state-wide negotiation process focused on benefits provided to our people, but largely ignored the cost side of the equation. We strongly believe that there needs to be a balanced approach – examining both the specific benefits provided to our staff and the cost to taxpayers.

We are aware that the House Committee on General, Housing and Military Affairs has been discussing whether the changes that need to be made are merely technical corrections or should be more substantive in nature. We believe that the experience gained in the first negotiations under the framework set up in Act 11 has shown that some significant changes are necessary to ensure that all key stakeholders are well served. We also believe that the changes proposed in H.63 would be a significant step toward achieving that goal of serving all stakeholders, while we fear that changes proposed in H.81 will likely exacerbate the financial pressures of healthcare costs and the burden of administering health benefits.

Therefore, as you work on new legislation to address the lessons learned in the first round of state-wide healthcare negotiations, we request that you recognize and address the need for the negotiation process to fully address both the benefits to be provided and the cost of providing those benefits. H.63 addresses many of the key elements required to make this negotiation process more fair for all parties involved, as stated in Act 11 of 2018, Section H.23:

- Legislative Intent: “it is the intent of the General Assembly that the Commission on Public School Employee Health Benefits endeavor to transition school employees and school employers to more equitable health care coverage statewide in a manner that is fair and practicable for all parties involved.”

Thank you for allowing us to provide our input to your deliberations.

Respectfully submitted,

Herb Ogden, Chair, Taconic and Green Regional School District
Jim Salsgiver, Chair, Bennington-Rutland Supervisory Union
Randi Lowe, Superintendent, Bennington-Rutland Supervisory Union