



# Addison Northwest

SCHOOL DISTRICT

ADDISON | FERRISBURGH | PANTON | VERGENNES | WALTHAM

February 1, 2021

Dear Legislators,

We understand that the House Committee on General, Housing and Military Affairs is making decisions this week regarding two bills proposing changes to the process for statewide collective bargaining for public school employees' health benefits. We request this letter be submitted as testimony on H.81. We are writing in support of 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 absolutely essential to avoid further jeopardizing educational opportunities for our students as we face the fiscal challenges associated with a sharp decline in enrollment over the next four years.

Our budgeted amounts and actual costs are listed below

Fiscal Year	Total Budget	% Increase or decrease from prior year	Health Care Budget	% of Overall Budget
FY18	\$21,116,289	1.68%	\$2,461,708	11.66%
FY19	\$21,106,261	-0.48%	\$2,107,590	9.99%
FY20	\$22,139,341	1.04%	\$2,147,665	9.7%
FY21	\$21,842,594	-1.01%	\$2,480,615	11.36%
FY22	\$21,604,213	-1.09%	\$2,347,617	10.87%

Cost reductions in other areas have had to occur in order to level fund our budget while managing the healthcare increases. This is not sustainable without continuing to drastically impact programming and positions. Additionally, health insurance is projected to become nearly 50% of the overall compensation expenditure for an employee by 2026 at its current rate of increase (cost of CDHP family plan compared to average teacher compensation for the district).

Thank you for your consideration. Please feel free to contact us with any questions.

Sincerely,

Sheila Soule, Superintendent  
Elizabeth Jennings, Director of Finance and Operations  
John Stroup, ANWSD Board Chair