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To: House Committee on General, Housing and Military Affairs
From: Sue Ceglowski, Executive Director, Vermont School Boards Association
Re: H.63 and H.81 – Response to Testimony
Date: February 3, 2021

Response to Testimony of Tim Noonan on January 29, 2021

After hearing Mr. Tim Noonan's thoughtful testimony to your Committee last Friday, VSBA and the Employer Commissioners are supportive of the Last Best Offer Arbitration panel being either the entirety of the VLRB or a balanced three member panel thereof (one labor background, one management background and one neutral background VLRB member) rather than a single arbitrator agreed to by the parties or either of the proposed panel selection methods set forth in H.63 and H.81 respectively.

On reflection, the approach the VLRB would prefer makes sense, as the VLRB is well experienced in conducting LBO proceedings involving the state and the unions representing state employees, and typically issues decisions that are fully developed and transparent as to the reasons why one of the two competing submissions is being adopted. We recommend that this approach be used and that there should be the right of appeal to the Vermont Supreme Court.

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Correction to Misrepresentation By Committee Member After Testimony of Joyce Manchester on February 2, 2021

After listening to the Committee's February 2 discussion regarding the testimony of Joyce Manchester, Senior Economist, we feel it is important to correct one misrepresentation by a committee member who connected VSBA's testimony regarding \$25 million to the information being presented by Ms. Manchester.

Ms. Manchester's testimony related to the costs associated with one aspect of H.81: the removal of the language requiring the premium responsibility percentages for each plan tier to be the same for all participating employees.

VSBA's testimony regarding the \$25 million figure was related to the impact of the arbitrator's decision to select the employee Commissioner proposal in the first round of statewide bargaining, as opposed to the cost if the employer Commissioner proposal had been selected. That impact was estimated to be as high as \$25 million in additional dollars based on the following factors:

1. The increased number of employees eligible for health coverage, since eligibility is now only based on a minimum of 17.5 hours worked.
2. The access to at least 80% of employer premium coverage for all tiers of health benefits (single, 2-person, parent/child or family).
3. Employer covering first dollar out of pocket costs via an HRA or the annual upfront funding of an HSA.
4. The HRA and HSA dollar values are \$2,100/\$2,200 or \$4,200/\$4,400.
5. All employees, regardless of part-time or full-time status, are eligible for the full HRA value without proration.

Finally, it is important to note that Ms. Manchester's analysis was based on two year old information and did not cover the costs associated with the removal (in H.81) of the language requiring school employees' responsibilities for out-of-pocket expenses for each plan tier to be the same for all participating employees. This is also a cost driver.

Thank you to the Committee for its consideration.