From: Joseph McNeil
Date: January 25, 2021 at 11:46:32 AM EST
To: Tom Stevens
Subject: FW: E Mail to Chair Stevens

Happy Monday Mr. Chairman. Hope the weekend was WAY more relaxing then your last legislative week! I listened to the Committee discussion on Friday regarding Bills 81 and 63, and wanted to make a couple of follow up points if I could, as follows:

1. I fully recognize in retrospect that I tried to cover too much in the last half hour time slot. Obviously, neither you, the Committee nor I knew when I was asked by the Employer Commissioners and VSBA to prepare testimony as to the rationale for the changes to Act 11 they desire, and I did so, that the schedule would have me proceeding with but a half hour left in a clearly long legislative day and Zoom session. I consequently apologize for not limiting my testimony to 2 or 3 points at that time, and offering to "return" if desired. As a result of trying to cover too much, I believe I rushed, and gave you and your members too heavy a bombardment for the late hour. I apologize! Although I did not intend to come across as angry or "Teed off", I certainly feel bad that I gave any member that impression. Will make every effort to communicate better in the future.
2. As to Rep. Murphy's continued question, will try to be even more clear: We are obligated by Act 11 and by both Bills 63 and 81 to bargain about the percent of premium and the amount of out-of-pocket costs to be borne by employers and by employees. Currently, Act 11 requires that when the results of the second round of bargaining take effect, there must be an equal percentage contribution from all covered employees electing the same tier of coverage (e.g. single, two-person, family). If this requirement is eliminated per H. 81, either party may then make proposals across the spectrum of possible contribution percentages, and the other party will then be legally obligated to "bargain in good faith" concerning such proposals. This does not mean the parties would be obligated to reach agreement on any proposal made, but if no agreement is reached either party would then be legally entitled to advance their position through the established impasse procedures of mediation and fact-finding, and finally to last best offer binding arbitration. Consequently, permitting "a conversation" in the manner requested would make any such proposal a "mandatory subject of bargaining" which is ultimately subject to LBO arbitration. Please do verify this with Tim Noonan of VLRB or Legislative Counsel.
3. Act 11 and both Bills provide that if no agreement is reached to use a single LBO arbitrator (we agreed to use a single arbitrator in the first round), a 3 person panel will be convened, all via the American Arbitration Association process. This process is geared to making a selection when two parties can't agree on a decision maker, not when each party has the right to make their own selection. It is also an expensive process, as AAA arbitrators typically charge between $1200 to $3000 per day. We believe the more efficient and less expensive method would be to allow each party to select their preferred panel representative. As to the Chair of the panel, our side would prefer this individual to be one of the neutral members of the VLRB. The VLRB is comprised of Labor, Management and neutral members. We believe this would allow for a better understanding of the Vermont scene. To clarify, we are not asking the VLRB member to take a side in the dispute in advance of becoming a decision maker, just like to VLRB does as a body when state employee negotiations reach the LBO stage with no agreement. If the Committee chooses not to support this recommendation, we could continue to live with the Chair of the panel being appointed via the AAA process.

I further apologize for interrupting your Monday, but am hopeful that the above is helpful. You may certainly share this with your Committee members. All the best. Joe

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