



Milton Town School District

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To: Members of Senate Education Committee

It is our understanding that the Senate Education Committee is considering H81 this week which proposes making 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 Senate Education Committee for H.81 and posted on the Committee's website.

We would like you to know that we supported H.63 because it balanced appropriate access to health care benefits and cost containment that provides for the financial sustainability of the benefits. In the Milton Town School District educational opportunities for students and the maintenance of our facilities continue to be adversely impacted in the absence of cost containment of benefits beyond our local control.

Fiscal impacts were not considered in the development of H.81 last year, despite ongoing criticism of school budget increases. Therefore, we ask that the Senate to add the following language from H. 63, which amends Section 6 of H. 81:

(1) In reaching a decision, the arbitrator or arbitrators shall determine which of the two submissions most appropriately balances appropriate access to health care benefits and reasonable cost containment to ensure the financial sustainability of the plan.

(2) Adding to the factors the arbitrator or arbitrators must consider: (a) the actuarial value of the health benefits for the full term of the award proposed by each party as compared to health plans available through Vermont Health Connect; and (b) the percentage increase or decrease in education spending that is likely to occur under either party's proposal for the full term of the award as compared to overall economic growth for the State of Vermont. These additions are important because they balance 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.

In our FY22 proposed budget, we had to dedicate \$3,467,506 to health care expenses, this represents 10.9% of our total budget. Each year, we have experienced a year over year increase: FY21 - 10.7%; FY20 - 10.0%; FY19 - 9.0%.

Healthcare for FY22 attributes for 99.6% of our General Fund budget increase (other funds were excluded as they are not presented to the voters). It is important to note that for the General Fund, healthcare cost increases totaling \$189,437 were offset by \$109,841 in HRA costs due to a change in the assumed percent of HRAs that would be used. In total for all funds, these amounts are \$225,902 and \$112,568, respectively.

Most importantly to note though is the impact on educational programming and facilities. In order to reach a budget increase palatable to our voters (.26%), we had to reduce programming by \$250,000.

Please feel free to contact us if you have any questions.

Amy Rex, Superintendent

Rick Dooley, Board Chair

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