



School Administrative Unit 70

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March 8, 2021

Dear Chair Campion, Vice Chair Hooker, and all other Members of the Senate Education Committee,

I wrote previously to members of the House Committee on General, Housing and Military Affairs to express preference for House Bill 63 over House Bill 81 (please see the attached letter). Despite this preference, it is H.81 that is before your committee this week and I write another request as this bill will significantly impact the education fund and each town's citizens' ability to pay.

H.81, as passed by the House, eliminates the requirement that premium responsibility percentages and out-of-pocket expenses for each plan tier must be the same for all participating employees. The Joint Fiscal Office estimated the cost of only the premium responsibility change in this memo (likely understated because it relies on 2019 data). In order to understand the full financial impacts of the changes proposed in H.81, the Committee should require a formal fiscal note based on the most recent data.

The fiscal impacts of the above major change were not considered by the Senate last year and should be counterbalanced with language requiring statewide bargaining to balance appropriate access to health care benefits with reasonable cost containment to ensure the financial sustainability of the plan.

Please amend Section 6 of H.81 by adding the following language to 16 V.S.A. Section 2015(b)(3)(B) (new language is in bold):

*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. The arbitrator or arbitrators shall also** give weight to the evidence, documents, written material and arguments presented, as well as the following factors:*

* * *

*(vi) 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
(vii) 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.*

In the attached document, we provide an overview of the Norwich School District's healthcare funding over the past three years as exemplary of the effect of the last round of negotiations. When you take into consideration that our number of enrollee plans have been declining, the numbers clearly demonstrate an upward trend, one that we fear is not sustainable, in Norwich, or statewide.

Please enter this letter into the written testimony of the Senate Education Committee for H.81 and post it on the Committee's website.

Thank you for your consideration.

A handwritten signature in black ink that reads "Thomas K. Candon".

Thomas Candon
Norwich School Board, Chair