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Lynn Cota, Superintendent

February 26, 2021

To the Members of the Senate Education Committee:

We are writing to you, as members of the Senate Education Committee, to ask you to consider an amendment to Section 6 of H.81.

Proposed amendment:

(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.

We ask that the Senate consider the fiscal impacts of this significant change. Access to health care benefits for school employees is essential and must be balanced with reasonable cost containment to ensure the financial sustainability of the plan.

In order to sustain this plan, arbiters must be able to **consider** costs in their deliberations when the two sides can't agree. When benefits were negotiated at the local level, boards and administration always had to consider costs, and weigh increases in healthcare costs against other budget priorities.

After teacher salaries and high school tuition, healthcare costs are the biggest single piece of our budgets, between 8-13% of our total budget across our districts. For every four dollars we spend on staff salary, we spend one dollar on healthcare costs.

As these costs continue to rise, our School Boards are faced with difficult decisions involving programming and opportunities for students. These healthcare increases have a significant impact on the spending plan that is ultimately presented to voters each year.

If the arbitration process is not allowed to consider cost as a significant factor in comparing proposals, there will never be an incentive for the employee commissioners to come to a negotiated agreement, and healthcare will continue to push education costs higher.

We respectfully request that this letter be entered into the written testimony of the Senate Education Committee and posted on the Committee's website.

Sincerely,

Polly Rico
Board Chair
Enosburg-Richford UUSD

Jean Marie Clark
Board Chair
Northern Mountain Valley UUSD

Mary Niles
Board Chair
Franklin Northeast SU

Lynn Cota
Superintendent

Morgan Daybell
Business Manager

cc: Senator Randy Brock
Senator Russ Ingalls
Senator Corey Parent
Senator Robert Starr