

H.842

Introduced by Representatives Pinsonault of Dorset, Bishop of Colchester,
Bosch of Clarendon, Boutin of Barre City, Branagan of
Georgia, Canfield of Fair Haven, Charlton of Chester, Coffin of
Cavendish, Cooper of Pownal, Critchlow of Colchester, Demar
of Enosburgh, Dobrovich of Williamstown, Duke of Burlington,
Galfetti of Barre Town, Graning of Jericho, Greer of
Bennington, Harvey of Castleton, Higley of Lowell, Howland
of Rutland Town, Hunter of Manchester, Keyser of Rutland
City, Kimbell of Woodstock, Labor of Morgan, Laroche of
Franklin, Lipsky of Stowe, Luneau of St. Albans City, Malay of
Pittsford, Marcotte of Coventry, Morgan, L. of Milton, Oliver
of Sheldon, Olson of Starksboro, Page of Newport City, Powers
of Waterford, Pritchard of Pawlet, Southworth of Walden,
Tagliavia of Corinth, and Taylor of Milton

Referred to Committee on

Date:

Subject: Education; Commission on Public School Employee Health Benefits

Statement of purpose of bill as introduced: This bill proposes to change the
number and composition of the members of the Commission on Public School
Employee Health Benefits, provide that the Secretary of Education serves as

1 chair of the Commission, and limit the number of alternate members. This bill
2 also proposes to place a cap on the actuarial value of health benefit plans and
3 to include a list of factors for the Commission's consideration in making its
4 determinations. This bill also proposes to give the final arbiter of a dispute the
5 option to modify the parties' last best offers or to draft an award of the
6 arbitrator's design, in addition to selecting one of the parties' last best offers.
7 This bill also proposes that the Secretary of Education contract with a single
8 third-party provider to oversee any health reimbursement arrangement or
9 health savings account for school employees.

10 An act relating to the Commission on Public School Employee Health
11 Benefits

12 It is hereby enacted by the General Assembly of the State of Vermont:

13 Sec. 1. 16 V.S.A. § 2102 is amended to read:

14 § 2102. COMMISSION ON PUBLIC SCHOOL EMPLOYEE HEALTH

15 BENEFITS CREATED

16 * * *

17 (b) Composition and appointment.

18 (1) The Commission shall have ~~10~~ nine members, of whom ~~five~~ three
19 shall be representatives of school employees and ~~five~~ three shall be
20 representatives of school employers. The remaining members shall be:

1 (A) the Secretary of Education or designee;
2 (B) the Commissioner of Taxes or designee; and
3 (C) one representative from the Vermont School Boards Insurance
4 Trust, appointed by the Chair of the Board of Directors of the Vermont School
5 Boards Insurance Trust.

6 (2)(A) The representatives of school employees shall be appointed as
7 follows:

8 (i) ~~four~~ two members appointed by the labor organization
9 representing the greatest number of school employees in this State; and
10 (ii) one member appointed by the labor organization representing
11 the second-greatest number of school employees in this State.

12 (B) The ~~five~~ three representatives of school employers shall be
13 appointed by the organization representing the majority of the public school
14 boards in this State.

15 (C) The appointing authorities shall select appointees who have an
16 understanding of health care and employer-employee relations and who
17 demonstrate a willingness to work collaboratively.

18 (D) The term of each member of the Commission shall be six years,
19 provided that of the members first appointed by the labor organization
20 described in subdivision (A)(i) of this subdivision (2), one appointee shall
21 serve a term of two years and one appointee shall serve a term of four years,

1 and of the members first appointed by the organization representing the
2 majority of the public school boards in this State, one appointee shall serve a
3 term of two years and one appointee shall serve a term of four years.

4 (3) In the event of a vacancy, the appointing authority of the member
5 whose seat becomes vacant shall appoint a successor to serve out the
6 remainder of the member's term.

7 (c) Chairs. The Commission shall be chaired ~~jointly by one member~~
8 ~~selected biennially by the representatives of school employees and one~~
9 ~~member selected biennially by the representatives of school employers~~ the
10 Secretary of Education or designee.

11 (d) Removal of Commission members. Members of the Commission may
12 be removed by the appointing authority of the member without cause.

13 (e) Decisions. All decisions of the Commission shall require the votes of a
14 majority of the ~~representatives of school employees and a majority of the~~
15 ~~representatives of school employers~~ members present at the meeting, in person
16 or virtually.

17 * * *

18 (j) Alternate members.

19 (1) ~~Four alternate members may be appointed~~ Any appointing authority
20 may appoint one alternate member to the Commission.

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1 (2) Each school employer shall be responsible for paying, on behalf of
2 all ~~of~~ its participating employees, the applicable percentages of premium costs
3 as determined by the Commission.

4 (3) [Repealed.]

5 (b)(1) The Commission shall determine the amount of participating
6 employees' calendar year out-of-pocket expenses for which the school
7 employer and the participating employees shall be responsible, and whether
8 school employers shall establish a health reimbursement arrangement, a health
9 savings account, both, or neither, for their participating employees.

10 (2) The Commission also shall determine the extent to which the
11 employer or employee shall bear first dollar responsibility for out-of-pocket
12 expenses if using a health reimbursement arrangement and whether the balance
13 in a participating employee's health reimbursement arrangement shall roll over
14 from year to year.

15 (3) [Repealed.]

16 (4) The Commission's determinations regarding first dollar
17 responsibility for out-of-pocket expenses shall not increase the actuarial value
18 of the health benefit plans above 88 percent.

19 (c) The Commission may make recommendations regarding health benefit
20 plan design to any intermunicipal insurance association that offers health

1 benefit plans to entities providing educational services pursuant to 24 V.S.A.
2 chapter 121, subchapter 6.

3 (d) Pursuant to subsections (a)–(c) of this section, the Commission shall
4 consider the following factors:

5 (1) the interests and welfare of the public;

6 (2) the financial ability of the Education Fund and school districts across
7 the State to pay the costs of the health benefit plan;

8 (3) comparisons of the health benefit plans for school employees with
9 the health benefit plans of employees in the public and private sector in
10 Vermont;

11 (4) the average consumer prices for goods and services commonly
12 known as the cost of living;

13 (5) prior and existing health care benefits and coverage for school
14 employees;

15 (6) the value and costs of the health benefit plans as compared to the
16 health benefit plans available through Vermont Health Connect; and

17 (7) the percentage increase or decrease in education spending that is
18 likely to occur if the negotiated health benefit plans are implemented as
19 compared to overall economic growth for the State of Vermont.

1 (e) The Commission shall not make any determinations regarding school
2 employer or participating employee responsibilities with respect to stand-alone
3 vision or dental benefits.

4 ~~(e)~~(f) The Commission may negotiate a statewide grievance procedure for
5 disputes concerning public school employee health benefits.

6 ~~(f)~~(g) In no case shall a school employee receive cash in lieu of receipt of
7 health care benefits from one school employer while simultaneously receiving
8 health care benefits from the same or another school employer.

9 ~~(g)~~(h) Accommodations shall be made for school employees whose
10 workload is shared between more than one school employer, and who may not
11 otherwise qualify for health care benefits from only one school employer. The
12 affected school employers shall determine the proportionate portion of the
13 shared costs of the health benefits.

14 Sec. 3. 16 V.S.A. § 2105 is amended to read:

15 § 2105. DISPUTE RESOLUTION

16 (a)(1) If the Commission is unable to reach agreement by August 1, the
17 Commission shall meet with the fact finder selected pursuant to section 2104
18 of this chapter not later than August 15.

19 (2) The fact finder may schedule and hold additional meetings with the
20 Commission as necessary. The Commission shall furnish the fact finder with

1 all records, papers, and information in its possession pertaining to any matter
2 remaining in dispute.

3 (3) The fact finder shall, before issuing ~~his or her~~ the decision, attempt
4 to mediate the matters remaining in dispute.

5 (4) If the mediation fails to produce an agreement, the fact finder shall,
6 on or before September 15, submit a written report to the Commission
7 recommending a reasonable basis for the settlement of the matters remaining in
8 dispute.

9 (b)(1) If the Commission is unable to resolve all matters remaining in
10 dispute within 30 days after receiving the fact finder's report, the Commission
11 shall submit the matters remaining in dispute to the VLRB, arbitrator, or
12 arbitrators selected pursuant to section 2104 of this chapter for resolution.

13 (2)(A) The representatives of school employees and the representatives
14 of school employers shall submit to the VLRB, arbitrator, or arbitrators their
15 last best offer on all issues remaining in dispute prior to the VLRB or
16 arbitration hearing. The VLRB, arbitrator, or arbitrators shall ~~select one of the~~
17 ~~last best offers without amendment, submitted by the parties prior to the VLRB~~
18 ~~or arbitration hearing in its entirety without amendment~~ have the option to:

19 (i) select one of the last best offers submitted by the parties;

20 (ii) modify one or both of the last best offers; or

1 (iii) draft an award of the arbitrator's own design based on the
2 information presented at the arbitration hearing.

3 (B) The parties shall not be permitted to modify their last best offers
4 post hearing. Prior to the issuance of the decision of the VLRB, arbitrator, or
5 arbitrators, nothing shall prohibit the parties from settling the matters in
6 dispute.

7 (3)(A) The VLRB, arbitrator, or arbitrators shall hold a hearing on or
8 before November 15 at which the Commission members shall submit all
9 relevant evidence, documents, and written material, including a cost estimate
10 for the term of the proposal with a breakdown of costs borne by employers and
11 costs borne by employees, and each member may submit oral or written
12 testimony in support of ~~his or her~~ the member's position on any undecided
13 issue that is subject to arbitration.

14 (B) In reaching a decision, the VLRB, arbitrator, or arbitrators shall
15 give weight to:

16 (i) the evidence, documents, written material, and arguments
17 presented, as well as the following factors:

18 ~~(i)~~ (ii) the interests and welfare of the public;

19 ~~(ii)~~ (iii) the financial ability of the Education Fund and school
20 districts across the State to pay for the costs of health care benefits and
21 coverage;

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(b) The Agency of Education shall contract with a single third-party

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provider to be used by all school employers to oversee any health

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reimbursement arrangement or health savings account.

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Sec. 5. EFFECTIVE DATE

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This act shall take effect on July 1, 2026.