

Date: May 7, 2025

To: Senate Education Committee

From: Chelsea Myers, Executive Director, Vermont Superintendents Association

Legislative Testimony in Support of H.480 Arbitration Process Changes

Thank you for the opportunity to offer testimony in support of proposed changes in H.480 related to the arbitration process for school employee healthcare negotiations.

As we all know, rising healthcare costs remain one of the most significant and persistent cost drivers in public education. Given that approximately 80 percent of education spending is related to personnel, the costs associated with providing health insurance to school employees weigh heavily on local education budgets. This is especially true in Vermont, where healthcare costs continue to rise at rates that outpace overall economic growth, placing increasing pressure on school districts and taxpayers alike.

It remains important to ensure that education employees continue to receive strong, comprehensive healthcare benefits that support their well-being and the stability of the workforce. At the same time, some superintendents note that having healthcare negotiated through a separate statewide process limits the ability for the full value of the total compensation package to be on the table during local bargaining.

The proposed modifications in H.480 represent thoughtful, targeted updates to the arbitration process. Allowing the Vermont Labor Relations Board (VLRB) or arbitrators to select between the last best offers on an issue-by-issue basis—rather than only accepting one party's full proposal in its entirety—introduces needed flexibility and supports more balanced, informed decision-making. It increases the likelihood of outcomes that reflect both fairness to employees and fiscal responsibility to communities.

Additionally, requiring arbitrators to consider the value of the healthcare benefits being offered compared to plans available through Vermont Health Connect, and to evaluate how proposed changes align with overall economic growth, brings critical context into the process. These additions will provide arbitrators with a clearer picture of affordability and sustainability.

These are modest but meaningful improvements that enhance the integrity of the process, support informed outcomes, and help ensure that Vermont can continue to provide high-quality healthcare benefits to educators while responsibly managing costs.

We urge you to support these changes in H.480. Thank you.