



# Health Care Costs & Vermont School Budgets

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# The Core Issue

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- Health care costs are rising rapidly
- Pressure on Education Fund and local budgets
- Direct trade-off with student resources

# Not Abstract

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- Faced every budget cycle
- Real, immediate trade-offs
- Already impacting districts

# Key Misconception

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## **Costs are absorbed, not added**

- Not simply layered onto budgets
- Impact on taxes is often hidden

# What That Means

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- Reduce staff
- Scale back programs
- Defer maintenance

# The Hidden Shift

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- Modest budget increases can mask change
- More dollars to health care
- Fewer to classrooms

# Why It Matters

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- Limits responsiveness to student needs
- Reduces flexibility
- Gradual erosion of program quality

# The Goal

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## **Make informed decisions**

- Fiscal sustainability
- Workforce stability
- Student outcomes

# The Proposal

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**Joint Fiscal Office Study – December 2026**

# Affordability

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- What can be sustained long-term?
- Includes HRA and HSA contributions

# Regional Comparison

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- Compare to New England & New York
- Full plan design, not just premiums

# True Value

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- Actuarial value of plans
- Include HRA/HSA
- Compare to Vermont Health Connect

# Why This Matters

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- Shared factual foundation
- Better policy decisions

# Risks Without It

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- Cost-shifting
- Workforce disruption
- Inequities

# Complexity

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- Intersects with bargaining, tax policy, planning

# Path Forward

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- Study in 2026
- Action in 2027

# Closing

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- Shared goal: sustainability + student focus
- Ask: data, transparency, care

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Thank You