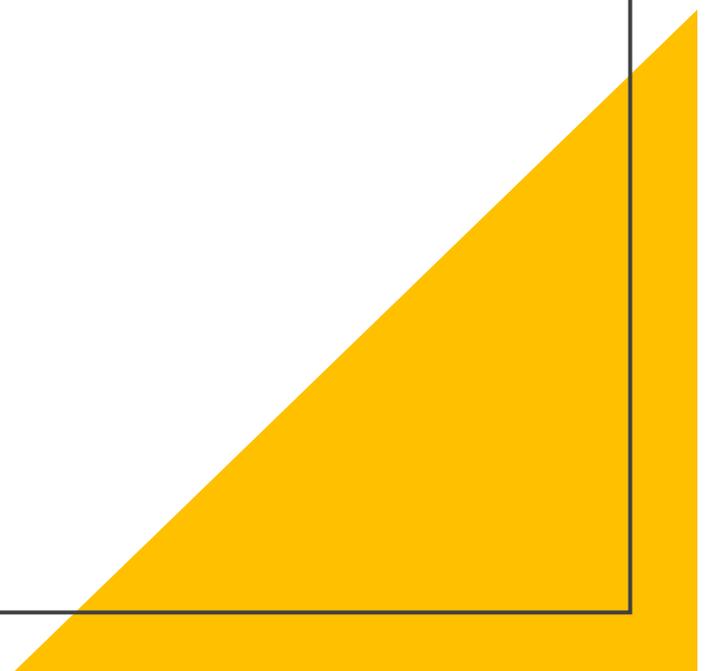


Commission on Public School Employee Health Benefits

Senate Committee on Finance

February 10, 2026

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Overview

- Background
- The Commission on Public School Employee Health Benefits
- Proposed legislative changes





Evolution of healthcare bargaining for public school employees

Prior to 1993 - direct bargaining at the local school district level

1990s - Vermont Education Health Initiative (VEHI) created jointly by VT-NEA & the Vermont School Boards Insurance Trust (VSBIT). VEHI negotiated with Blue Cross/Blue Shield to offer uniform health insurance plans for public school employees. Each school district continued to negotiate with the unions over VEHI plan offerings and the allocation of costs.

2017 – Act 85 – penalized school districts whose employees did not pay at least 20% of the premiums and those districts that did not limit the amount of the district's assistance towards the employees out of pocket costs



Creation of the Commission

Act 11, 2018

- Created new subchapter 61 to Title 16 → statewide process for health insurance
 - Amended the Labor Relations for Teachers and Administrators Act (LRTA) to remove health care benefits and coverage, health reimbursement arrangements, and health savings accounts as subjects for bargaining at the local level. Standalone vision and dental benefits continue to be negotiated at the local level.
 - VEHI continues to work with BlueCross/BlueShield to develop health plans → plans are reviewed by Dept. of Financial Regulation → Commission determines cost-sharing and eligibility requirements
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Commission on Public School Employee Health Benefits

10 members

- Commissioners serve in a partisan capacity
 - 5 representatives of school employees (4 appointed by VT-NEA and 1 by AFSCME)
 - 5 representatives of school employers appointed by the Vermont School Boards Association
 - Appointees shall have “an understanding of health care and employer-employee relations and . . . demonstrate a willingness to work collaboratively”
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Commission on Public School Employee Health Benefits

- **Chairs.** Chaired jointly by one school employee representative and one school employer representative
 - **Removal.** Commissioners can be removed by the appointing authority without cause.
 - **Decisions.** All decisions require the votes of a majority of the school employee commissioners AND a majority of the school employer commissioners
 - **Compensation.** Per diem and expenses for up to 20 meetings a year
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Duties of the Commission

- Determine the percentage of premium paid by the employer and the employee (for individual, 2-person, parent-child, family coverage)
- Determine the amount of an employee's out-of-pocket (OOP) expenses for which the employer and the employee will be responsible
- Determine whether to establish an HRA, HSA, or both
- Determine who will bear the first dollar responsibility for OOP expenses if using an HRA and whether the HRA balance will rollover from year to year
- Negotiate a statewide grievance procedure for disputes concerning employee health benefits

Negotiations

- Contracts shall be for not less than two years in duration
- Information requests are made by October (10/1/26) before negotiations begin and responses must be provided before February (2/1/27)
- Negotiations begin by April (4/1/27) the year before the current contract expires (12/31/28)
- Parties select a fact finder at the start of the process (4/5/27)
- Commissioners shall meet at reasonable times and negotiate in good faith

Dispute Resolution - Factfinding

- If the parties are unable to reach agreement by August 1, any matters remaining in dispute shall go to factfinding. If parties are unable to agree on a factfinder, the American Arbitration Association appoints the factfinder.
- Factfinder attempts to mediate outstanding matters
- Factfinder's written report due by September 15
- Factfinder's report is non-binding.
- If the parties are unable to reach agreement within 30 days after receipt of the FF report → arbitration

Dispute Resolution - Arbitration

- Commissioners mutually agree on an arbitrator or, if unable to do so, either the Vermont Labor Relations Board or an arbitration panel decides all matters remaining in dispute. If a panel:
 - One arbitrator selected by the school employee commissioners
 - One arbitrator selected by the school employer commissioners
 - One arbitrator appointed by the American Arbitration Association
- Parties submit their last best offer to the VLRB/arbitrator/panel on all outstanding issues prior to the hearing
- Arbitration hearing to be held on or before November 15

Dispute Resolution – Last best offer

- VLRB/arbitrator/panel selects one of the last best offers in its entirety without amendment, weighing the following statutory factors:
 - Interests and welfare of the public;
 - Financial ability of the Education Fund and school districts to pay the costs of health care benefits & coverage;
 - Comparisons of health care benefits with similarly situated public and private sector employees in Vermont;
 - Cost of living (average consumer prices for goods and services); and
 - Prior and existing health care benefits and coverage for school employees
- Final and binding written decision issued within 30 days of hearing

Prohibition on strikes or contract imposition in Ch. 61

As compared to the LRTA –
under which employees can
strike, and school boards can
unilaterally impose a contract if
the parties hit impasse in
bargaining following a 30 day
cool down period after issuance
of the factfinder's nonbinding
report

Proposed Legislative Changes – H.480 (2025) v.10.1

1. Allowing VLRB/arbitrator/panel to select between the last best offer of each party on an issue-by-issue basis (rather than a single package without amendment)
2. Adding two additional factors for consideration by the VLRB/arbitrator/panel:
 - a. The value of the health care benefits of school employees as compared to health plans available through Vermont Health Connect; and
 - b. The percentage increase or decrease in education spending that is likely to result from each party's last best offer as compared to overall economic growth for the State of Vermont

Proposed Legislative Changes – H.842 (2026)

1. Changing composition of the Commission (3 reps for school employees, 3 reps for school employers, Secretary of Education/designee, Commissioner of Taxes/designee, and a representative of VSBIT)
2. Secretary of Education/designee to serve as chair
3. Decisions of Commission to be made by majority vote
4. Commission's determination regarding first dollar responsibility for out-of-pocket expenses shall not increase the actuarial value of health benefit plans above 88%

Proposed Legislative Changes – H.842 Continued

5. List of factors for the Commission's consideration
6. VLRB/arbitrator/panel would have the option to select one of the last best offers submitted by the parties, to modify the last best offers, or to design own decision
7. Adding the same 2 additional factors for consideration by VLRB/Arbitrator/panel as in H.480 (v.10.1)
8. The Agency of Education shall contract with a single third-party provider to be used by all school employers to oversee any HRAs or HSAs

Any questions?

