

Memorandum

TO: Senate Education Committee
FROM: Jeff Fannon, Executive Director
DATE: March 9, 2021
RE: H.81

H.81 as Passed by the House makes modest technical adjustments to Act 11 of the 2018 Special Session. Some of you may recall that Act 11 took the complex issue of health care out of the hands of local school boards and local educators and created a statewide educator health care bargaining law. There is no stated purpose in Act 11, but certainly school board members and their association, VSBA, advocated for statewide health care bargaining in 2017 because the health care bargaining was “too complex” and needed to be done at the state level and not by local volunteer school board members. In 2018 we agreed, and that is how statewide educator health care bargaining became law.

Act 11 created the Commission on Public School Employee Health Benefits comprised of ten members, five appointed by the association representing school boards and five appointed by labor. The first round of public school employee statewide health care bargaining began in the spring of 2019 and concluded, pursuant to statute, in December 2019.

The modest technical changes are necessary adjustments to this new collective bargaining process based upon the experience and feedback from both parties involved in the first round of statewide health care bargaining. This bill is not intended to be a vehicle for a complex re-write of a new law, to radically modify the intent of a collective bargaining statute, or to require school employees to pay more for health care, especially during a health pandemic.

Like many ambitious new programs created by the legislature, minor adjustments are often necessary to address unforeseen circumstances when implementing a program. Under current law, the next round of bargaining begins no later than April 1, 2021, which makes passage of this bill one that is time sensitive.

The elements of H.81 were approved last year by the Senate (S.226) by unanimous votes in Senate Education and Senate Appropriations and a unanimous voice vote on the floor.

The House received testimony from various stakeholders over four weeks, including representatives of the Vermont School Board Associations, Vermont-NEA, Vermont Labor Relations Board, school support staff affected by the bargaining.

The main sticking point is found in section 4, it would just strike the language requiring all school employees, administrator, teacher, or a support staff employee to pay the exact same amount for her health insurance. H.81 would merely strike that requirement and allow the parties to discuss, i.e., negotiate over how much school employees pay towards their health insurance, as is the case with every other state bargaining law.

As you consider this bill here are some critical points of information:

- **Collective Bargaining NOT Health Care Policy** – H.81 is not a health care policy bill meant to address out-of-control healthcare costs for all Vermonters. H.81 is a collective bargaining law impacting the lives of tens of thousands of para-educators, bus driver, food services worker and teacher and their families throughout the state.
- **No New Costs** – This technical fix bill, H.81, does NOT mandate anything or cost anything, it merely allows school support staff to have a fair and equal seat at the negotiations table when their health insurance is being bargained.
- **Safeguards are Already in Statute** – The statewide healthcare bargaining law, as passed in 2018, already requires the arbitrator to consider a number of factors when deciding on which last best offer the to implement, including, "*the financial ability of the Education Fund and school districts across the State to pay for the costs of health care benefits and coverage.*" Any additional language is not only unnecessary but would do nothing to moderate the unsustainable increases in health care costs for all Vermonters.
- **Protecting Access to Healthcare for the Lowest Paid Essential School Workers** – H.81 is a technical adjustment bill that will, among other things, ensure that our lowest paid essential school support staff - paraeducators, food service workers, bus drivers, custodians - will be able to have a fair shot at negotiating over their healthcare as we emerge from a global pandemic.
- **The Process Worked in the First Negotiations, Nothing is Broken** – In the first round of statewide teacher health care collective bargaining, after weighing all the statutory factors, the arbitrator chose the teachers' and school employees' last best offer instead of the school employers' last best offer. The parties, however, did not think the decision had enough detail, but indeed, H.81 would fix that problem and would require the arbitrator to "provide a full explication of the basis for the decision."

The VSBA witnesses who testified here earlier today, made arguments about the cost of health care and who should pay for health insurance. These discussions are more appropriate at the bargaining table with the Commissioners, and if needed, to the neutral decision maker agreed to by the parties. In a more global sense, the increasing costs of health care for all Vermonters are the jurisdiction of the Senate Health & Welfare Committee and are not part of this bargaining bill.

Thank you for giving me the time to speak with you, and I am happy to answer any questions.