



February 24, 2021

Dear Members of the Senate Education Committee,

It is our understanding that bill H.81 has recently passed the House and has been referred to your Committee for consideration. We would like to strongly express our concern about the potential for H.81 to increase the impact of health benefits on our local school budgets (beyond the significant impacts of health benefits on our budgets that we are currently experiencing).

Rather than H.81, the Greater Rutland County Supervisory Union and its local districts (Rutland Town, Quarry Valley, and Wells Springs) support H.63 because it balances appropriate access to health care benefits and reasonable cost containment to ensure the financial sustainability of the benefits. Cost containment is needed in order to avoid further jeopardizing the educational opportunities for our children and maintenance of our facilities. We would also like to express our concern that the fiscal impacts of this piece of legislation were not considered by the Senate last year and must be equalized with language making it clear that statewide bargaining must balance appropriate access to health care benefits with reasonable cost containment to ensure the financial sustainability of the plan.

In addition, we support the VSBA's recommendation that section 6 of H.81 is amended by adding the following from H.63:

1. *In reaching a decision, the arbitrator or arbitrators shall determine which of the two submissions most appropriately balances appropriate access to health care benefits and reasonable cost containment to ensure the financial sustainability of the plan.*
2. *Adding to the factors the arbitrator or arbitrators must consider:*
 - a. *the actuarial value of the health benefits for the full term of the award proposed by each party as compared to health plans available through Vermont Health Connect; and*
 - b. *the percentage increase or decrease in education spending that is likely to occur under either party's proposal for the full term of the award as compared to overall economic growth for the State of Vermont.*

Local examples of the importance of cost containment in health care include the following:

For FY22, we have dedicated \$4,083,152 to healthcare expenses in our budget, representing 12.4% of our budget.

That percentage in FY21 is currently 11.7%.

FY20 was 10.6%. FY19 was 8.8%. As you can see, that percentage increases annually.

Healthcare costs for us are up 7.2% for FY22, while the budget we have developed is up only 1.3%. Cost reductions in other areas have had to occur in order to level fund our budget while managing the healthcare increases. This is not sustainable without eventually impacting programming and positions.

The cost of healthcare as a percentage of the average cost of compensation of our teachers is 28.9%. For our support staff, the average cost of healthcare as a percentage of the average cost of compensation is 72%.

On behalf of our boards, staff members, students, and citizens of the GRCSU, we thank you for your time and attention to this matter. Please feel free to contact us with any questions you may have.

Sincerely,

Lisa Miser, GRCSU and Quarry Valley Board Chair
Clarence Haynes, Wells Springs Board Chair
Lynette Gallipo, Rutland Town Board Chair
Chris Sell, GRCSU Superintendent.