PA10-174

HB5424

| Education | 551-552, 603, 753-756 | 7 |
|-----------|-----------------------|----|
| House | 2558-2572 | 15 |
| Senate | 4114, 4125-4127 | 4 |
| | | 26 |

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CONNECTICUT GENERAL ASSEMBLY HOUSE

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Mr. Clerk, 183, please.

THE CLERK:

On page 34, Calendar 183, House Bill Number 5424, AN ACT PERMITTING TWO OR MORE BOARDS OF EDUCATION TO JOINTLY PURCHASE EMPLOYEE HEALTH INSURANCE, favorable report by the Committee on Insurance.

DEPUTY SPEAKER GODFREY:

The distinguished Vice Chairman of the Education Committee, Representative Reynolds.

REP. REYNOLDS (42nd):

Thank you, Mr. Speaker.

I move acceptance of the joint committee's favorable report and passage of the bill.

DEPUTY SPEAKER GODFREY:

The question is on passage. Will you explain the bill, please, sir.

REP. REYNOLDS (42nd):

Thank you, Mr. Speaker.

This amendment would empower more than one board of education to jointly purchase health insurance.

Mr. Speaker, the Clerk has a joint amendment, LCO

3920, which becomes the bill. I ask that the amendment be called and I be granted leave of the chamber to summarize.

DEPUTY SPEAKER GODFREY:

The Clerk is in possession of LCO Number 3920, which will be designated <u>House Amendment Schedule "A."</u>
Mr. Clerk, please call the amendment.

THE CLERK:

LCO 3920, offered by Representatives Fleischmann, Sharkey, Reynolds, Lewis, Gentile, Giuliano, Candelora and Senator Gaffey.

DEPUTY SPEAKER GODFREY:

The gentleman has asked leave of the chamber to summarize.

Is there objection?

Hearing none, please proceed, Representative Reynolds.

REP. REYNOLDS (42nd):

Thank you, Mr. Speaker.

The joint amendment empowers any combination of boards of education or municipal governments to jointly purchase health insurance as a single entity. It is our hope that this legislation will rein in costs for one of the major drivers of municipal and school budgets by increasing pools of insured, sharing risk and reducing administrative cost.

The joint amendment represents a merging of two

bills from the Planning and Development Committee and the Education Committee. And I'd like to thank Representative Fleischmann and Representative Sharkey for their help in merging the provisions of both bills. This concept also emerged from the MORE Commission and I want to thank the Speaker and Representative Sharkey for their leadership.

I also want to thank Representative Lewis and Representative Gentile from who's subcommittees in the MORE Commission, this concept also was contained.

And lastly, I also want to thank Representative Candelora, Chapin and Giuliano for their contributions to the joint amendment.

Mr. Speaker, I move adoption.

DEPUTY SPEAKER GODFREY:

The question is on adoption.

Will you remark on House Amendment Schedule "A?"

The distinguished ranking member of the Education

Committee, Representative Giuliano.

REP. GIULIANO (23rd):

Mr. Speaker, thank you very much for the acknowledgment.

I join with my colleague in saying that this is a good amendment. It will save money for boards and for

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towns. Clearly, in this present fiscal climate, this is the kind of collaborative, bipartisan effort that we should be seeking.

And Mr. Speaker, I am happy to urge the membership to vote for this amendment. Thank you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Thank you, madam.

The chairman of the Planning and Development Committee, Representative Sharkey.

REP. SHARKEY (88th):

Thank you, Mr. Speaker.

I also want to join in my colleagues' comments in favor of this amendment. I also want to thank
Representative Reynolds for his leadership along with
Representative Fleischmann as chair of the Education
Committee.

It happened that both committees were thinking along the same lines and we really wanted to make sure that the MORE Commission's intentions of allowing this kind of joint initiative to take place. What we learned through the MORE commission was that health care, obviously -- I think we all understand this, health care is probably the single biggest driver of

increased costs at our local towns and boards of education.

Health care, in particular, this year is in many towns gone up at a rate of 20 percent or higher. And allowing towns the opportunity to work together to try to bring down those costs by creating the types of pools that will hopefully generate more insurable lives, and therefore bring down the costs; exactly the kind of thing that we need to be doing.

I appreciate the support from the other side of the aisle as well and I urge my colleagues to support this amendment.

Thank you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Thank you, sir.

The gentleman from North Branford, Representative Candelora.

REP. CANDELORA (86th):

Thank you, Mr. Speaker. Good evening.

DEPUTY SPEAKER GODFREY:

Good evening, sir.

REP. CANDELORA (86th):

Thank you.

I also rise in support of this amendment. And if

I may, just pose a question to the proponent of the amendment.

DEPUTY SPEAKER GODFREY:

Please proceed, sir.

REP. CANDELORA (86th):

In Section B, we have created some situations where a joint agreement would require some -- would require potentially legislative approval.

And just for the purpose of legislative intent to clarify it, if the gentleman could -- could speak to those two sections that explain when a board of education would need legislative approval? Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Reynolds, do you care to respond?

REP. REYNOLDS (42nd):

Thank you, Mr. Speaker.

Yes, the amendment before us envisions two scenarios in which the approval of the local legislative body is required.

The first scenario would be a situation in which there is already an existing joint health insurance plan between a general government and a board of education. And in that case, the board of education

would not be allowed to unilaterally commit their municipality to a joint or regional health insurance arrangement.

The second scenario would be in a town in which the health insurance plans are indeed separate between the general government and the board of ed. However, all costs associated with that plan and all premiums are paid solely by the general government budget and not from the board of education budget. And again, in that scenario, the board of education, under this amendment, would not have the authority to commit the municipality to any joint health insurance arrangement.

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Candelora.

REP. CANDELORA (86th):

Thank you, Mr. Speaker.

And Mr. Speaker, through you, in lines 23 there is reference to this existing agreement between a municipality and a board of education. The bill is silent, as to whether that agreement may be in writing or it could be a verbal agreement, something that's committed to practice.

Am I correct in reading that, that a municipality doesn't necessarily have to have a written agreement with the board of education? That the agreement could just be common practice, where the two are sharing its health care insurance, and by virtue of that sharing, would trigger the requirement that legislative approval would be needed? Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Reynolds.

REP. REYNOLDS (42nd):

Thank you, Mr. Speaker.

That's an excellent question. The amendment does not envision that there would have to be a separate written agreement. All that would be required to fulfill this provision is that there is a signed health insurance agreement contract between the municipality and a health insurance provider. Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Candelora.

REP. CANDELORA (86th):

Thank you, Mr. Speaker.

And then finally, I know there was some discussion and I think implicitly, while we may need

legislative approval in some circumstances, in some circumstances not, that certainly if there are collective bargaining agreements involved when a municipal body may want to pool, they certainly would need — these provisions certainly would be subject to collective bargaining as well?

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Reynolds.

REP. REYNOLDS (42nd):

Thank you, Mr. Speaker. I would anticipate it would depend on the situation. Clearly, a joint purchase of health insurance between more than one board of ed or municipal government could not supersede a collective bargaining agreement.

However, some collective bargaining agreements are written such that the town is empowered to change providers as long as the benefits are equivalent in nature.

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Candelora.

REP. CANDELORA (86th):

Thank you, Mr. Speaker.

And I appreciate those answers. I want to thank Representative Reynolds for all his work in this effort and for taking our concerns on the side of the aisle into consideration.

I think this is a very important measure that we're putting forth here tonight. It certainly is going to add another tool for our municipalities to come up with some good common sense savings for all of them and I support the amendment. Thank you.

DEPUTY SPEAKER GODFREY:

Thank you, sir.

The distinguished Chairman of the Insurance and Real Estate Committee, Representative Fontana.

REP. FONTANA (87th):

Thank you, Mr. Speaker.

I'd like to rise also to support the amendment and to give credit where credit is due. I believe the Insurance and Real Estate Committee has contained language supporting this concept in bills that it has passed over the last couple of years. I am pleased that Representative Reynolds, Fleischmann, and Sharkey and Candelora were able to get it across the finish line. And it's a definite step in the right direction. So thank you.

DEPUTY SPEAKER GODFREY:

Thank you, sir.

The distinguished ranking member of the Planning and Development Committee, Representative Aman.

REP. AMAN (14th):

Thank you. Thank you, Mr. Speaker.

I, too, also rise to support the bill and the amendment, which will remain part of the bill.

However, I do have one quick question for the proponent of the bill.

DEPUTY SPEAKER GODFREY:

Please proceed, sir.

REP. AMAN (14th):

Yes. Is there anything in these arrangements that we're talking about the towns doing that if a town or a municipality or a school board wanted to go with a self-funded program, with a high deductible override type policy or if they wanted to go with a health savings account type of system, with, again, a higher risk policy to cover that; is there anything in this bill that would prevent a town or the board of educations, when they combine from using those two popular ways of funding the health insurance?

Through you, Mr. Speaker.

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DEPUTY SPEAKER GODFREY:

Representative Reynolds.

REP. REYNOLDS (42nd):

Through you, Mr. Speaker, no.

DEPUTY SPEAKER GODFREY:

Representative Aman.

REP. AMAN (14th):

I thank him and I urge my colleagues also to join with me to vote for this, as this is one of the many pieces of legislation we're working on this year to help reduce the cost to the towns and cities of Connecticut.

DEPUTY SPEAKER GODFREY:

Thank you, sir.

The distinguished chairman of the Education Committee, Representative Fleischmann.

REP. FLEISCHMANN (18th):

Thank you, Mr. Speaker.

I, too, rise in support of this measure. And may I say, success has many fathers; failure is an orphan. We've heard that many times from all of the good folks from both sides of the aisle who stood in support. I think it's evident what a successful measure we have before us.

I just want to add a couple of quick observations. First, I think Representative Reynolds did an outstanding job of stitching together some disparate ideas into a piece of legislation that could work. This was easier said than done. And as some of our good colleagues from the other side of the aisle pointed out, there are some unusual circumstances that arise, where the municipal side and the board side are working together and may want to head in different directions or may want to head in the same direction.

This measure before us handles every contingency, even the one that the distinguished member from the Planning and Development Committee, the ranking member of that committee just raised. So I think it's excellent.

It's unfortunate that we had to pass new legislation to do this. A lot of people came to us in Education thought that it already could be done. It wasn't clear that there was impediment in our statutes, but, in fact, there were impediments.

And so kudos to all those who were involved in getting this together and to Representative Sharkey and his MORE Commission for drawing more attention to it and helping it get past the finish line. I hope

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everyone will join in supporting this bill before us.

Thank you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Thank you, sir.

Remark further on House Amendment Schedule "A?"

If not, let me try your minds.

All those in favor, signify by saying, aye.

REPRESENTATIVES:

Aye.

DEPUTY SPEAKER GODFREY:

Opposed, nay.

The ayes have it. The amendment is adopted.

Will you remark further on the bill as amended? Will you remark further on the bill as amended?

If not, staff and guests please come to the well of the House. Members take your seats. The machine will be open.

THE CLERK:

The House of Representatives is voting by roll call. Members to the chamber. The House is taking a roll call vote. Members to the chamber, please.

DEPUTY SPEAKER GODFREY:

Have all the members voted? Have all the members voted? If so, the machine will be locked.

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Representative Bye, for what purpose do you rise.

REP. BYE (19th):

Mr. Speaker, I wish to cast my vote in the affirmative.

DEPUTY SPEAKER GODFREY:

Representative Bye in the affirmative.

Mr. Clerk, would you please announce the tally.
THE CLERK:

House Bill Number 5424 as amended by House "A."

Total Number voting 137

Necessary for adoption 69

Those voting Yea 137

Those voting Nay 0

Those absent and not voting 14

DEPUTY SPEAKER GODFREY:

The bill as amended is passed. Will the Clerk please call Calendar 371.

THE CLERK:

On page 39, Calendar 371, Substitute for House

Bill Number 5483, AN ACT CONCERNING A REGIONAL HOTEL

TAX, favorable report by the Committee on Finance.

DEPUTY SPEAKER GODFREY:

Representative Sharkey.

REP. SHARKEY (88th):

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CONNECTICUT GENERAL ASSEMBLY SENATE

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THE CHAIR:

Without objection, so ordered.

SENATOR LOONEY:

Thank you, Mr. President.

Calendar page 15, Calendar 521, House Bill 5424, move to place on the consent calendar.

THE CHAIR:

Without objection, so ordered.

SENATOR LOONEY:

Thank you, Mr. President.

Calendar page 15, Calendar 523, House Bill 5223,

move to place on the consent calendar.

THE CHAIR:

Without objection, so ordered.

SENATOR LOONEY:

Thank you, Mr. President.

Calendar page 16, Calendar 531, House Bill 5004,

move to place on the consent calendar.

THE CHAIR:

Without objection, so ordered.

SENATOR LOONEY:

Thank you, Mr. President.

Calendar page 17, Calendar 533, House Bill 5436, move to place on the consent calendar.

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Calendar page 10, Calendar 461, <u>House Bill 5207;</u>
Calendar 483, House Bill 5244.

Calendar 484, on page 11, House Bill 5383; Calendar 487, House Bill 5220; Calendar 488, House Bill 5297; Calendar 490, 5425 -- House; Calendar 496, House Bill 5497; Calendar 509, House Bill 5126.

Calendar page 14, Calendar 511, House Bill 5527;
Calendar 514, House Bill 5426; Calendar 516, House Bill 5393.

Calendar page 15, Calendar 520, House Bill 5336;
Calendar 521, House Bill 5424; Calendar 523, House Bill 5223; Calendar 525, House Bill 5255.

Calendar page 16, Calendar 531, House Bill 5004.

Calendar page 17, Calendar 533, House Bill 5436;
Calendar 540, House Bill 5494; Calendar 543, House Bill 5399.

Calendar page 18, Calendar 544, House Bill 5434;
Calendar 547, House Bill 5196; Calendar 548, House Bill
5533; Calendar 549, House Bill 5387; Calendar 550, House
Bill 5471; Calendar 551, House Bill 5413; Calendar 552,
House Bill 5163; Calendar 553, House Bill 5159.

Calendar page 19, Calendar 554, House Bill 5164.

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Calendar page 20, Calendar 556, House Bill 5498;
Calendar 557, House Bill 5270; 559, House Bill 5407; 562,
House Bill 5253; and House Bill -- Calendar 563, House
Bill 5340; Calendar 567, House Bill 5371; and Calendar
573, House Bill 5371.

Mr. President, I believe that completes the items

THE CHAIR:

Mr. Clerk, could you please give me on Calendar 567, do you have 5516, sir?

THE CLERK:

What -- what calendar?

THE CHAIR:

567 on page 22.

THE CLERK:

It's 5516.

THE CHAIR:

Yes, sir. Okay.

Machine's open.

THE CLERK:

An immediate roll call vote has been ordered in the Senate on the consent calendar. Will all Senators please return to the chamber. Immediate roll call has been ordered in the Senate on the consent calendar. Will all Senators please return to the chamber.

THE CHAIR:

Have all Senators voted? Please check your vote. The machine will be locked. The Clerk will call the tally.

THE CLERK:

Motion is on adoption of Consent Calendar Number 2.

| | Total number voting | 35 |
|-----|-----------------------------|-----|
| | Necessary for Adoption | 18: |
| ٠. | Those voting Yea | 35 |
| | Those voting Nay | . 0 |
| • | Those absent and not voting | 1. |
| THE | CHAIR: | - |

Consent Calendar Number 2 passes.

Senator Looney.

SENATOR LOONEY:

Yes, Mr. President.

Mr. President -- Mr. President, before moving to adjourn, I would like to ensure the entire chamber will wish Laura Stefon, Senator McDonald's aide, my former intern, a happy birthday.

And with that -- and with that, Mr.

President, I would move the Senate stand adjourn

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March 8, 2010 3:30 P.M.

relationships really goes down the tubes. And that's one of the key indicators is building that relationship and that trust between the family and the school, and once litigation happens, that does not exist anymore.

SENATOR GAFFEY: Thank you very much, gentlemen, for your testimony.

DAVE SCATA: And thank you for your time.

SENATOR GAFFEY: Thank you.

Timothy Connellan? Timothy here? No?

Joseph Cirasuolo.

Good evening.

JOSEPH CIRASUOLO: Good evening, Senator --Senator Gaffey, members of the Committee.

I'm Joe Cirasuolo. I'm the executive director of the Connecticut Association of Public School Superintendents.

And I'd like to, very briefly, give you the perspective of superintendents of schools, assistant superintendents, central office people on three bills that are before you. And I'll be quite brief.

The first is <u>HB 5421</u>, the ACT CONCERNING EDUCATORS AND ADMNISTRATORS. We are in favor of an alternate route to certification for superintendents and for other school administrators, if for no other reason than if enacted and put in place, it would give boards of education more options when it comes to hiring superintendents and superintendents more options when it comes to hiring administrators.

4B5424 4B5020 The only caveat we would present is that any program that is put together has to have high standards. Running a school system or running a school isn't something you can do unless you have some understanding of organizational dynamics and teaching and learning and things of that type. And if the program that is put in place does not produce people who have that understandings and that knowledge and those requisite skills to lead organizations, people might be certified but they're simply not going to get hired. So we urge you to make sure the standards are high there.

The second bill I want to talk about to you is HB 5424, and that's the act that would allow boards of education to partner with other boards to purchase health insurance. We think this is -- we support this bill. We think this is an example of the kind of regional cooperation that's going to have to take place if we're going to reduce the cost of schooling and at the same time maintain the quality of schooling so we'd urge you to support that.

And the final act, that I'd like to just discuss with you briefly is <u>HB 5020</u>, which is the Governor's education relaged -- related budget recommendations. We're concerned about three aspects of that bill.

The first is the recommendation to reduce the cap on the excess cost. That, obviously, would be a reduction in the State support for a mandated program. We have a lot of talk being -- a lot of effort, actually, more than talk, being put into mandate relief but the pace towards mandate relief would be a lot slower than the pace towards lack of support for mandates if this bill were to be enacted -- or this recommendation were to be enacted.



TESTIMONY SHARON M. PALMER

EDUCATION COMMITTEE

March 8, 2010

Good afternoon, Senator Gaffey, Representative Fleischman and members of the Education Committee. Thank you for providing this hearing.

I am Sharon Palmer, President of AFT Connecticut, a diverse 28,000 member AFL-CIO union. I am here today to state our position regarding several bills before you.

I would like today to remark briefly on several bills and put AFT Connecticut on record regarding our positions.

<u>H.B. 5421 An Act Concerning Educators and Administrators</u> – We oppose accepting non-public school teaching for certification. The teaching experiences are not equivalent or comparable.

H.B. 5422 An Act Concerning Minor Revisions to the Education Statutes

- We support annual charter school reports, not biennial. Charters remain
controversial and need close examination and analysis.

H.B. 5424 An Act Permitting Two or More Boards of Education to Jointly Purchase Employee Health Insurance - We conceptually support this bill and look forward to reviewing and commenting on additional proposed language. We would be more than willing to work with you on this issue.

AFT Connecticut

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Allifiated with the National Education Association

Written Testimony of Mark Waxenberg, Director Government Relations Connecticut Education Association

Before the

Education Committee

March 8, 2010

Re: Raised Bill 5424 'An Act Permitting Two or More Boards of Education to Jointly Purchase Employee Health Insurance'

The Connecticut Education Association has been a strong proponent of reducing healthcare costs by creating larger "pools" of members. The simple reality is that the biggest cost drivers of Board of Education budgets, are healthcare costs and any method to reduce these costs should be explored.

Our studies over the past two years show healthcare costs increasing at an alarming rate. The M.O.R.E. Committee has recognized this and this legislation is in keeping with their recommendation as well.

It is for these reasons that the Connecticut Education Association strongly supports Raised Bill 5424 'An Act Permitting Two or More Boards of Education to Jointly Purchase Employee Health Insurance'.



STEVEN J. ADAMOWSKI SUPERINTENDENT OF SCHOOLS

Testimony of: Paula Altieri
In support of: H.B. No. 5424
AN ACT PERMITTING TWO OR MORE BOARDS OF EDUCATION TO JOINTLY PURCHASE EMPLOYEE HEALTH INSURANCE

EDUCATION COMMITTEE

Honorable Chairmen, Representative Andrew Fleischmann and Senator Thomas Gaffey, and distinguished members of the Education Committee:

My name is Paula Altieri, Chief Financial Officer for Hartford Public Schools. I am testifying before you today in support of BILL NUMBER H.B. 5424, AN ACT PERMITTING TWO OR MORE BOARDS OF EDUCATION TO JOINTLY PURCHASE EMPLOYEE HEALTH INSURANCE.

The cost of employee health insurance has far outpaced the rate of inflation and workers' earnings.

As a result, health care spending is draining a greater share of fiscal resources and diverting critical funding away from schools, classrooms, and students.

In Hartford, and in districts across Connecticut, every dollar driven out of our classrooms jeopardizes our progress in strengthening student achievement and robs our children of their right to the high-quality public education afforded them by the state Constitution.

Hartford Public Schools has made a variety of adjustments to deal with increasing employee health care costs. These adjustments include greater individual cost-sharing, reduction in benefits, higher deductibles and multi-tiered co-payments for prescription drugs. Although these strategies have had some positive effect, they have not been able to reduce or even stabilize the continually increasing burden of employee health care costs.

As a nation, we are charged with finding solutions to address the health care crisis. This bill, <u>H.B. 5424</u>, represents a step in the right direction. It will enable the sharing and pooling of risk categories, provide a united voice and, by extension, a stronger negotiating presence with insurance providers. It will also stimulate regional standards and co-efficiencies resulting in reduction in health care costs for participating districts.

Thank you for the opportunity to testify before you today on this important issue. Your prompt action in support of <u>BILL NUMBER H.B. 5424</u> will be greatly appreciated – not only in Hartford Public Schools, but in districts statewide.

Office of the Superintendent 960 Main Street, Hartford, CT 06103 Phone: (860) 695-8401 • Fax: (860) 722-8502 www.hartfordschools.org



900 Chapel St., 9th Roor, New Haven, Connecticut 06510-2807 Phone (203) 498-3000 • Fax (203) 582-6314 • www.ccm-ct.org

THE VOICE OF LOCAL GOVERNMENT

TESTIMONY

of the

CONNECTICUT CONFERENCE OF MUNICIPALITIES

to the

EDUCATION COMMITTEE

March 8, 2010

CCM is Connecticut's statewide association of towns and cities and the voice of local government - your partners in governing Connecticut. Our members represent over 93% of Connecticut's population. We appreciate this opportunity to provide testimony to you on issues of concern to towns and cities.

CCM <u>supports</u> <u>Raised Bill 5424</u> "An Act Permitting Two or More Boards of Education to Jointly Purchase Employee Health Insurance".

This bill would allow local and regional boards of education to join together for the purpose of procuring health insurance for their employees.

The high cost of providing health care to municipal employees is hurting towns and cities across Connecticut. Two years ago CCM formed an Ad Hoc Committee on Municipal Health Care Costs to discuss the present cost-related problems, and to generate ideas for assisting municipalities in coping with them. The Committee's report — endorsed by CCM's Board of Directors and Legislative Committee discusses the problems municipalities face in finding affordable health insurance, steps they have taken to address those costs, and makes recommendations for State action that can help local governments.

One important aspect of those recommendations is to provide local governments with options of which they can voluntarily avail themselves, including joint purchasing with other municipalities. This bill provides such an option. CCM asks that this bill be (1) expanded to incorporate all facets of municipal government and (2) require the consent of the municipal fiscal authority, which is ultimately responsible for any costs incurred.

CCM urges the committee to amend this bill as suggested above and favorably report it.

##

If you have any questions, please contact Kachina Walsh-Weaver, Senior Legislative Associate of CCM via email <u>kwcavcr@ccm-ct.org</u> or via phone (203) 498-3026.



Testimony Bart Russell Connecticut Council of Small Towns (COST) Before the Education Committee March 8, 2010 Legislative Office Building

RE: H. B. No. 5424 (RAISED) AN ACT PERMITTING TWO OR MORE BOARDS OF EDUCATION TO JOINTLY PURCHASE EMPLOYEE HEALTH INSURANCE.

The Connecticut Council of Small Towns (COST) supports <u>HB-5424</u> which will allow boards of education to jointly purchase health insurance and give them the opportunity to negotiate lower health insurance costs by leveraging greater buying power.

The skyrocketing costs for local employee and retiree health insurance represent one of the most serious fiscal challenges facing small towns. Double digit increases in health insurance costs have begun to dominate budget growth in many communities resulting in fewer resources available for other critical services, including education. Prescription drugs are one of the most significant drivers of rising health care costs.

However, towns have very few options in trying to manage health care costs. The need to negotiate employee health coverage makes it difficult for municipalities to respond to changing budgetary constraints or new plan offerings in a timely manner.

As a result, we welcome opportunities to address health care costs through legislation which would provide more affordable opportunities for towns to provide health insurance to their employees. By authorizing local Boards of Education to join together, <u>HB-5424</u> will provide our communities with a valuable mechanism for better controlling escalating health care costs.