

Written Testimony of Dr. Betsy M. Webb
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Before the U.S. Senate Committee on Health, Employment, Labor and Pensions

Examining Job-Based Health Insurance and Defining Full-Time Work

January 22, 2015

Chairman Alexander, Ranking Member Murray, Senator Collins, distinguished members of the Committee – My name is Betsy Webb, and I am the Superintendent of Schools in Bangor, Maine, our state’s third largest city. I have had the privilege of serving in this position since 2008.

Thank you for providing me the opportunity to testify today on the impact on our public school system of the Affordable Care Act’s definition of “full-time” work. Before I describe that impact, allow me to set the stage with some background information: the Bangor school system educates 3,800 students in seven elementary schools, two middle schools, and one high school. Our system employs 644 individuals – including 337 teachers, 28 administrators, 110 ed techs, and nearly 300 additional workers in various capacities who are critical to our educational mission, such as food service workers and lunch aides, secretaries, IT workers, custodians, and coaches. In addition, we have about 30 tutors and 70 substitute teachers who are not included in the numbers I just listed.

All of our employees work together to provide an outstanding education to the students in our system. We are fortunate to come from a community that places a high value on quality education for every child, and contributes to our efforts both financially and through the countless volunteer hours of hundreds of parents and dedicated school supporters. We have an incredible Parent-Teacher Organization and Parent Boosters network.

I am proud of the work we do together, and the results we have achieved. Our students consistently score above average on standardized tests, while our cost per-pupil is \$1000 lower than the state average. Two of our ten schools have been named National Blue Ribbon Schools of Excellence. One of these, the James F. Doughty Middle School – earned this distinction despite the fact that roughly 60 percent of its students are eligible for free or reduced lunch. The other – Bangor High School -- has graduated more National Merit and Semifinalists than any other high school in Maine, public or private, and has been recognized by

Newsweek with a top five percent high school rating. The academic excellence for which Bangor High is noted has carried over to state and national championships in Speech & Debate, JETS, JROTC and Poetry Out Loud competitions, while teams from the school have also won state championships in Basketball, Baseball, Football, Soccer, Swimming, and Track.

We do all of this on a budget of about \$43.3 million a year, an amount that has grown by just over three percent during my tenure – less than one-third the rate of inflation. This is truly a bare-bones-budget. In fact, in 2011 and 2012, funding for the school system was cut, in absolute terms, and this past August I was forced to freeze all non-essential spending due to an unanticipated spike in the price of natural gas. We manage to make ends meet by being as efficient as possible, staying flexible, and by pursuing what I like to call “Bangor solutions.” Suffice it to say we watch our pennies very carefully.

Which brings me to the topic of today’s hearing. The fact is, by setting the definition of “full-time” work at just 30 hours a week, the Affordable Care Act deprives us of the flexibility we need to stay within our budget while continuing to achieve excellence in education. For example, we have about 70 people on our substitute teacher list who can be called-in on an as-needed basis. We value each and every one of these teachers, but we especially rely on a core group who teach more than 30 hours a week and will be considered “full-time” under the Affordable Care Act. This core-group of substitutes allows us to maintain continuity and excellence in the classroom by taking the place of full-time teachers who are out for extended periods, often on maternity leave. The district cannot afford to offer health coverage to these substitutes – which would cost us \$6000 each – nor can we afford the \$2,000 employer mandate penalty for failing to do so. Unfortunately, unless something is done to fix the 30-hour rule, we will have little choice but to reduce the hours of these substitute teachers.

We should not be forced into this no-win situation by the 30-hour rule. The district doesn’t win – we want these substitute teachers in the classroom. The substitutes don’t win – they want to work more than 30-hours. And our students don’t win – they deserve to learn in classrooms that aren’t disrupted by the comings and goings of different substitutes every few days.

Another example of how the 30-hour rule forces us into no-win choices is how it affects the 110 ed techs who work in our schools. These ed techs work more than 30 hours a week, at rates of pay ranging from \$14 per hour to \$18 per hour. The

school district pays 77 percent of the cost of coverage for these ed techs, leaving them with 23 percent as their employee share. Yet even this amount exceeds the “affordability” limits in the Affordable Care Act, triggering a \$3,000 penalty on the district for each ed tech who rejects our plan and gets subsidized coverage in the exchange instead. The district cannot afford this \$3,000 penalty, nor can we afford to pay the additional \$700 to \$1000 per employee that we would need to pay to make our plan “affordable” to these employees, since doing so could cost us \$110,000 annually. Once again, as a consequence of the ACA’s 30-hour rule, we will be forced to cut back the hours of employees who want and deserve to work more.

Another group of employees that I am worried about aren’t provided benefits under our plan today, but could be affected by the 30-hour rule. For example, “hall monitors” often work another part-time job for the district, such as serving as the assistant coach for one of our athletic teams. Taken together, these two part-time jobs will put some of these individuals over the 30-hour a week threshold. Since we won’t be able to afford to extend health coverage to these part-time workers, the 30-hour rule will force them to choose to drop one job entirely, just to stay under an arbitrary limit that no one truly believes is “full-time.”

I am hopeful that my testimony will help highlight why it is so important to fix the 30-hour rule and restore 40-hours as the threshold for “full-time” work under the ACA. I know that Senator Collins and Senator Donnelly have proposed doing exactly that with the “Forty Hours is Full-Time Act,” and I am hopeful the members of the committee will support that bipartisan legislation.

Again, I thank you for the opportunity to testify on this important issue, and I look forward to answering your questions.