TOWN OF SOUTHBOROUGH

OFFICE OF THE TOWN ADMINISTRATOR
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TO: Select Board
FROM: Mark J. Purple, Town Administrator
DATE: August 4, 2026
SUBJECT: Adopting MGL c.32B, Sections 21-23

At the August 11, 2026, Select Board Meeting, the Board will take up the topic of voting to adopt the Massachusetts General Laws (M.G.L) Chapter 32B, Sections 21 through 23. The purpose of this memorandum is to provide background information regarding the proposed action and explain its potential impact on the Town and its employees.

Background
Chapter 32B governs municipal employee health insurance benefits in Massachusetts. Sections 21 through 23 establish a process that allows governmental entities, including school districts, to negotiate changes to health insurance plan design and, if desired, participate in the Group Insurance Commission (GIC) through a structured process involving employee representatives and retirees.

Importantly, adoption of these provisions does not, by itself, change employee benefits, alter premium contribution ratios, or require participation in the GIC. Rather, it provides the Town with an additional mechanism that may be used in the future if such changes are determined to be in the best interests of employees, retirees, taxpayers, and the Town.

What Adoption Allows
If adopted, the Town would have the authority to:

- Establish a Public Employee Committee (PEC) consisting of representatives of employee bargaining units and retirees;
- Engage in a formal process to evaluate changes to the health insurance plan design;
- Explore potential opportunities to manage rising health insurance costs while maintaining high-quality coverage;
- Consider participation in the Group Insurance Commission (GIC) if doing so is determined to be beneficial.

Potential Benefits
The Board's consideration of these provisions is driven primarily by the continued growth in health insurance costs and the need to identify strategies to support the Town's long-term financial sustainability. Adoption of Sections 21 through 23 may provide:

- Greater flexibility in managing health insurance costs;
- Additional tools to address increasing budgetary pressures;
- Opportunities to align plan designs with those offered by other governmental entities;
- A formal and transparent process for engaging employee groups and retirees in discussions regarding future changes.

Important Considerations
The proposed vote represents the adoption of an enabling statute rather than the approval of a specific change to health insurance coverage. Any future modifications would require additional analysis, discussions with employee groups, review of projected savings and costs, and further action by the Select Board.

As the Town begins planning for FY2028 and beyond, preserving high-quality benefits while ensuring fiscal sustainability will remain an important priority. This vote provides the Town with an additional tool to help balance those objectives.

Proposed Motion
Motion to Adopt M.G.L. c. 32B, §§ 21–23

I move that the Select Board, acting as the appropriate public authority under Massachusetts General Laws, Chapter 32B, hereby votes to accept and engage in the process to change health insurance benefits under the provisions of Sections 21 through 23 of Chapter 32B; I further move that the Select Board authorizes the Town Administrator and other appropriate officials to take all actions necessary to comply with the requirements of those sections, including:

- Conducting the required analysis of projected savings;
- Providing notice to the Insurance Advisory Committee and Public Employee Committee as required by law;
- Engaging in negotiations with the Public Employee Committee;
- If necessary, participating in the Municipal Health Insurance Review Panel process; and
- Executing any other actions required to implement health insurance plan design changes or transfer to the Group Insurance Commission in accordance with Chapter 32B.

This vote shall take effect immediately upon adoption, subject to compliance with all procedural requirements of Massachusetts General Laws, Chapter 32B.