


MEMORANDUM OF UNDERSTANDING
between
MODESTO CITY SCHOOLS
and
MODESTO TEACHERS ASSOCIATION

RE: Implementation of Health Benefits District Contribution 2024


This Agreement is entered into by and between Modesto City Schools District and the Modesto Teachers Association. The District and Association agree to the following:

1. While negotiations for the 2023-24 school year are ongoing, there is mutual benefit to arriving at agreement on Article X – Health and Welfare Benefits (“Article”) for implementation in the 2023-24 school year.
2. Commencing upon full execution of this Agreement, the shaded provisions in the attached tentatively agreed upon Article shall take effect.
3. The intent is that the increase of \$100 per month in the District contribution toward the purchase of District approved insurance plans (as indicated in item E.1) will be incorporated into benefit selections completed during Open Enrollment in fall 2023 and effective for the 2024 benefit year.
4. The In-Service Participation rate of pay of \$35 per hour (increased from \$30 per hour) is agreed upon and will be incorporated into Article IX – Salary upon the exchange of Article IX during the next negotiation session.
5. The ALD stipend proposal will be withdrawn from Article IX – Salary counterproposals in current negotiations.
6. The provisions of this Agreement shall not be precedent setting for any purpose nor shall they be considered a past practice or evidence of a past practice for any future purpose.



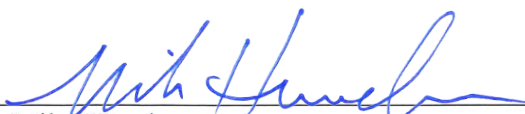
Yaser Herrera, Executive Director
On behalf of Modesto Teachers Association

Dated: 11/15/23



Chris Peterson, President
On behalf of Modesto Teachers Association

Dated: 11-15-23



Mike Henderson
Associate Superintendent, Human Resources
On behalf of Modesto City Schools

Dated: 11/16/2023

ARTICLE X

HEALTH AND WELFARE BENEFITS

1 A. Health Benefit Committee

2
3 ~~Commencing August 1, 2019, a Health Benefits Committee will be established to explore~~
4 ~~potential health benefit cost containments to help reduce employee out-of-pocket costs. The~~
5 ~~Committee may retain the services of a health insurance broker as a resource when needed.~~

6
7 ~~The Committee will provide an end of process summary shared with respective bargaining~~
8 ~~teams prior to February 1, 2020.~~

9
10 Commencing with the 2024-25 school year, the Health Benefits Committee shall meet no
11 later than January 31, 2025 to continue to explore potential health benefits cost
12 containments to help reduce employee out-of-pocket costs. The Committee may retain the
13 services of a health insurance broker as a resource when needed. The Committee shall meet
14 every other year going forward.

15
16 The Committee shall consist of four (4) MTA unit members and four (4) management
17 members.

18
19 There will be two (2) Co-Chairs (one MTA unit member and one management member).

20
21 Each MTA member will receive a ~~two thousand dollar (\$2,000)~~ two-hundred fifty dollar
22 (\$250) stipend for service on the Committee (stipend to be applied and paid during years
23 when the Committee meets to perform its work as described herein).

24
25 The Committee is a recommending body that will meet outside of the school day.

26
27 B. Effective January 1, 2011, the District re-enrolled in the CalPERS health care system in
28 accordance with the timelines prescribed by CalPERS, subject to the recommendation of the
29 Insurance Committee and MCS Board approval. (Any changes were to be cost-neutral to
30 the District.)

31
32 An eligible employee is a unit member that is regularly assigned to 60% or more of a full-
33 time equivalent assignment. Service between 50% and 59.99% will be eligible for a
34 percentage of the District Contribution. Service in a less than 50% position or substitute
35 assignment shall not be included in the determination for eligibility for health and welfare
36 benefits.

37
38 An eligible ~~Child Development~~ Early Childhood Education certificated employee is a unit
39 member that is regularly assigned 4 or more hours a day. Service in less than 4 hours shall
40 not be included in the determination for eligibility for health and welfare benefits.

- 1 C. The Association reserves the right to change carriers for vision and dental insurance with
2 mutual agreement with the District.
3
- 4 D. Effective April 1, 1995, employee health and welfare benefits will be administered through
5 the implementation of a fully qualified, Internal Revenue Service Section 125 Flexible
6 Benefits Plan. Employees will have the option of purchasing health and welfare plans
7 (e.g. medical, dental, vision) with pre-tax District fringe contributions and directing any
8 remaining contribution into a “qualified benefit” as defined by Internal Revenue Code
9 Section 125. The employee will have the further option of taking any or all of the District’s
10 fringe benefit contribution as cash, on which federal and state taxes will be calculated as
11 applicable.
12
- 13 E. 1. Effective January 1, ~~2023~~ 2024, the District shall contribute up to ~~eight~~ nine hundred
14 dollars (~~\$800~~ \$900) per month for full time unit members toward the purchase of District
15 approved insurance plans. The District contribution shall be prorated pursuant to
16 Paragraph B ~~A~~ above.
17
- 18 2. Effective with the Open Enrollment period for coverage in the 2021 benefit year (January
19 1 to December 31), each eligible employee shall be required to enroll in the District-
20 selected medical health and welfare program. However, the District shall permit an
21 eligible employee to opt out of the District’s medical health and welfare program if the
22 eligible employee can provide sufficient proof to the District of other group medical
23 health insurance coverage. The term “other group medical health insurance coverage”
24 shall not include Covered California or a Health Care Sharing Program. An employee
25 who opts out pursuant to this term does not receive cash in lieu.
26
- 27 3. Cash in Lieu - An employee hired on or after July 1, 2020 shall not be eligible to receive
28 a cash in lieu benefit. An employee hired before July 1, 2020 and who currently is
29 enrolled in District-selected medical health and welfare program has until the end of the
30 Open Enrollment period for coverage in the 2021 benefit year to opt out of the District’s
31 medical health and welfare program, and in accordance with this paragraph receive \$250
32 per month cash in lieu. An eligible employee who provides certification of other group
33 medical health insurance coverage may opt to have the District pay \$250.00 per month,
34 cash in lieu. Such amount shall be prorated accordingly.
35

36 Such payment shall be in lieu of medical health and welfare program coverage paid by the
37 District and shall be initiated only following the employee’s certification, on a form
38 prescribed by the District, of alternative other group medical health insurance coverage.
39 An eligible employee receiving cash in lieu must submit a cash in lieu request annually
40 during open enrollment to renew and certify medical health benefit coverage under a
41 group plan. The District may grant on a case by case basis, extensions to complete the
42 certification process if additional information is needed to satisfy the requirements. ~~An~~
43 ~~employee hired on or after July 1, 2020 shall not be eligible to receive a cash in lieu~~
44 ~~benefit. An employee hired before July 1, 2020 and who currently is enrolled in District-~~
45 ~~selected medical health and welfare program has until the end of the Open Enrollment~~
46 ~~period for coverage in the 2021 benefit year to opt out of the District’s medical health and~~

1 welfare program, and in accordance with this paragraph receive \$250 per month cash in
2 lieu.

3
4 Effective July 1, 2023, an employee eligible for cash in lieu is defined as an employee
5 hired before July 1, 2020 and who is receiving cash in lieu during the 2023 benefit year.
6 Going forward, an employee receiving cash in lieu may, during the open enrollment
7 period, elect to enroll in the District's medical health and welfare program. However, an
8 employee enrolled in the District's medical health and welfare program shall not be
9 allowed to receive cash in lieu if electing to opt out of the program. The intent is to not
10 allow additional employees to receive cash in lieu beyond those already receiving cash in
11 lieu during the 2023 benefit year. With each open enrollment, employees shall continue
12 to be able to opt out pursuant to meeting the requirements in item E.2 above.

- 13
14 4. The District's contribution amount shall be applied first to Medical, second to dental and
15 third to vision. Dental and vision are optional coverage. In the event the cost of the
16 health and welfare benefit coverage (medical, dental, or vision) exceeds the District's
17 contributions, each eligible employee shall be responsible for the additional cost which
18 shall be made by mandatory monthly deductions.
19
- 20 5. Notwithstanding Paragraph ~~E.5~~ E.2, above, an employee hired on or after January 1,
21 2021, may not opt out of medical coverage if required by the District's healthcare plan
22 provider.
23
- 24 6. The District recognizes that Health & Welfare premium rates may change mid-year and
25 will increase the additional contribution to the minimum amount necessary to be
26 compliant with the Affordable Care Act laws based on a calculation of Range 1/Step 1 of
27 Salary Schedule A. The additional cost will be calculated, applied, and recognized
28 towards the amount eligible for the following year's negotiations.
29
- 30 7. District employees who are married (or domestic partners) may combine monthly health
31 and welfare benefit contributions to purchase a family coverage plan in a District
32 approved medical health and welfare program.
33
- 34 8. Effective January 1, 2021, the District shall pay for whole group term life insurance with
35 a benefit of \$50,000 to employees as part of the employee benefit package. The District
36 shall have the authority to select the insurer for this benefit in consultation with the
37 Association. The Association agrees that this benefit shall resolve any dispute, including a
38 claim for back pay related to prior contributions by members.
39
- 40 F. Open enrollment period shall be scheduled as determined by the District's insurance
41 provider within the calendar year.
42
- 43 G. Effective January 1, 2011, the following will comprise the medical insurance program:
44
45 The following are criteria for administering the program:
46

1. Active employees must retire in a Modesto City Schools' health plan to be eligible for coverage.
2. Retired employees who leave MCS' health program may return only during open enrollment.
3. Early retirees, retirees >65 without Medicare, and retirees with Medicare, shall be included in the program.
4. Early retirees and retirees without Medicare will be charged the same rate as the active employees.
5. Retired employees' spouses with coverage at the time of death shall have the right to continue coverage for his/her life at their own expense.

H. Retired Teachers

1. As of July 1, 2022, the District's funding of the MTA Medical Benefits Trust in the current year shall be based on .50% of the certificated salaries (unrestricted resources only (1000-1999) excludes object code 1300-1399 (certificated management) and benefits) as calculated on the unaudited actuals for the prior fiscal year. The funding shall be paid as follows:

Jul-Sep quarterly payment	-	October 31 st
Oct-Dec quarterly payment	-	January 31 st
Jan-Mar quarterly payment	-	April 30 th
Apr-Jun quarterly payment	-	July 31 st

2. Each year month, a list of retiree participant names will be provided to MTA for review to ensure that only former MTA members are included in the retiree participant pool.
3. The District shall continue current plan for reimbursement of medical premium with retirees and MTA Medical Benefits Trust. This plan may be changed by mutual agreement.

I. Hourly Employees – Purchase of Health Insurance

Substitute teachers who meet eligibility criteria or hourly employees, including independent study hourly teachers, may purchase health insurance which is covered by the District program in accordance with federal laws:

1. Pre-payment arrangements acceptable to the District Business Office are executed in writing.
2. Bargaining unit members under contract with the District 20% or more may purchase dental insurance subject to prior arrangements satisfactory to the District Business Office.
3. If purchasing Modesto City Schools insurance, all Child Development Early Childhood Education groups shall receive the health and welfare premium

1 contribution referenced in Paragraph E 1 and 2 (employees who work 60-100%) and
2 shall be subject to the same requirements set forth in Paragraph E. Service between
3 25-59% will be eligible for a percentage of the District Contribution.