

Memorandum of Understanding
between the
All Faculty Association
and the
Sonoma County Junior College District

regarding

Article 10: Benefits

June 3, 2010

The AFA and the District agree to the modify Article 10 as described in the pages attached.

[signature on file]

Ann Herbst
President, All Faculty Association

[signature on file]

Dr. Robert Agrella
Superintendent/President,
Sonoma County Junior College District

Article 10: Benefits

“BENEFITS” mean the District-provided coverage to faculty members and their eligible dependents, or solely to faculty members, for medical, dental, vision, life insurance, and long-term disability income protection.

10.00 ADJUSTMENTS: Effective July 1, 2007, the District will establish an account in the amount of Fifty Thousand Dollars (\$50,000) to be called: AFA Medical Premium Reserve Fund. The terms for adding money to the fund and using the fund will be negotiated during 2007-08. The funds will roll into the 2008-09 budget if unused or if agreement on the terms for adding money to the fund and using the fund is not reached.

10.01 BASIC BENEFITS: REGULAR, PROBATIONARY, AND TEMPORARY FACULTY MEMBERS AND THEIR ELIGIBLE DEPENDENTS: For regular, probationary, and temporary faculty members working 100 percent who select medical and/or dental coverage, the District will pay the full cost of the premium to the carriers. For regular, probationary, and temporary faculty members working less than 100 percent who select medical and/or dental coverage, the District will pay a pro-rata share of the premium to the carriers, and the faculty member will pay the balance.

A. Medical Coverage: Year Begins October 1 of Each Year

1. SRJC agrees to provide two medical plan options for regular faculty. Currently SRJC has arranged for Blue Shield Plan 100A through Self Insured Schools of California (SISC) and a comparable Kaiser Plan through Kaiser. Information about the medical plan options is available from the Human Resources Department. An open enrollment period occurs once a year, typically in August and/or September. The agreed upon plans will be in effect until at least September 30, 2011. Information about any proposed changes will be published in advance of any change. If the existing health benefit plans change, there will be a new open enrollment period.
2. The District agrees to pay for future medical premium increases at the rate equal to the State COLA adjustment for the year. Payment for the difference between the COLA amount and the premium cost increase will be negotiated and may require greater user participation in the cost of the benefits.
3. Eligible faculty members may open an IRC 125 Plan to accommodate their medical expenses.
4. The District reaffirms its commitment to providing health benefits for eligible employees and their families. The District and AFA agree that, effective July 1, 2003, the existing practice that allows a small group of faculty to have “double coverage” will end. Each employee may make an individual choice of health care provider; however, an employee may not be enrolled concurrently as a subscriber in one District-sponsored plan and as a dependent in a second District-sponsored plan. Likewise, the family of an employee may be enrolled in only one District-sponsored benefit plan.
5. Effective January 1, 2008, the Medicash option will only be available to “grandparented” participants. No newly eligible employees will be offered this option. If a regular employee is working less than a 100 percent load, except when on sabbatical, as part of a preretirement reduction in load, or as part of an Early Retirement Option, the Medicash option will pay a portion of the stipend paid to

employees working a full load. The portion shall be pro-rated according to the percentage of the full-time assignment performed by the faculty member. If a faculty member stops the Medicash option, it will not be reinstated. Unit members who elect the Medicash option will not be eligible to enroll in a District retiree health plan upon retirement. In order to enroll in retiree medical coverage, Medicash participants must disenroll from the Medicash plan and enroll in a District health plan during the open enrollment prior to their retirement.

6. The District will maintain the existing SISC Blue Shield and Kaiser medical plans for Fiscal Year 2009-10. The District and AFA will enter into negotiations for the purpose of modifying the existing medical and dental plans for Benefit Year 2010-11. Because the fiscal year (FY) runs from July 1 through June 30 and the benefit year (BY) runs from October 1 through September 30, negotiations for benefits straddle two fiscal years. Costs are negotiated on a fiscal-year basis and benefit plans are negotiated on a benefit-year basis.
7. AFA and the District agree to discontinue the Employee Assistance Plan (EAP) in exchange for the net ongoing cost reduction of Two Thousand Eight Hundred Dollars (\$2,800) per year as an offset against ongoing increases to regular faculty medical benefits premiums.
8. For FY 2010-11 and thereafter, the District and AFA will share regular faculty medical benefit costs as follows:
 - a) District contributions will be calculated using the FY 2008-09 cost levels as a base. The District will add Two Thousand Eight Hundred Dollars (\$2,800) from the EAP cost savings plus any funded COLA increase for FY 2009-10 plus 50 percent of the FY 2009-10 premium cost increase after the credit for funded COLA.
 - b) AFA contributions will be calculated using the FY 2008-09 cost levels as a base. AFA will contribute 50 percent of the FY 2009-10 premium increase after application of the Two Thousand Eight Hundred Dollars (\$2,800) EAP cost savings and the credit for funded COLA.
 - c) AFA and the District will negotiate and agree upon any excess premium cost above the total amount of items 10.A.8.a and 10.A.8.b.
 - d) AFA's portion of the 2009-10 projected cost increase to Medical Benefit plans is \$88,373. This amount will be transferred from the AHWBA.
9. For FY and BY 2010-11, AFA and the District agree to the following out-of-pocket monthly premium costs-on a ten-month basis.

a.		
	Kaiser Single	\$17.00
	Kaiser Double	\$36.00
	Kaiser Family	\$50.00
	Blue Shield Single	\$22.00
	Blue Shield Double	\$48.00
	Blue Shield Family	\$66.00

- b. AFA and the District agree that these levels of monthly out-of-pocket premium costs, will not increase until October 1, 2013; or three (3) Benefit Years.
10. AFA agrees to transfer \$100,000 from the AHWBA to further defray the cost increases to the medical benefit plans and to avoid further reductions to the salary

schedules. AFA and the District agree to waive the annual \$200,000 limit for Benefit Year 2010-11. (See below.)

11. The total “credit” given in this proposal (Eight Hundred Five Thousand Dollars [\$805,000]) is “one-time” money that is to be held in a rolling account called the “AFA Health and Welfare Benefits Account” (AHWBA). This credit can be directed by AFA towards health and welfare benefits and/or the Adjunct Faculty District Activities Fund (AFDAF). The maximum amount available for use or redirection in 2009-10 will be Two Hundred Thousand Dollars (\$200,000), and in subsequent years the amount available for use or redirection will be Two Hundred Thousand Dollars (\$200,000) plus the unused portion of any of the previous years’ credit. For FY 2010-11 AFA and the District agree to at drawdown of \$202,873. The projected drawdown schedule would be revised as follows:

Fiscal Year	Beginning Balance	Ending Balance
2009-10	\$805,000	\$678,255
2010-11	\$678,255	\$475,382
2011-12	\$475,382	\$275,382
2011-13	\$275,382	\$ 75,382
2013-14	\$ 75,382	\$0

10.01. B. Dental Coverage: Year Begins October 1 of Each Year

1. The District shall offer self-insured dental coverage administered by Shirrell Consulting Services, Inc.
2. A brief description of coverage follows. Note: Use of the plan and the change in level of provided benefits is based on the premise that yearly preventive care will be maintained by the participant. Breaks of longer than one year will result in beginning coverage as a Year 1 user.
 - a. Maximum benefit per person for any year is One Thousand Seven Hundred Fifty Dollars (\$1,750.00).
 - b. In Year 1 of use, the plan covers 60 percent of basic and major work and 80% percent of preventive work to the maximum allowable.
 - c. In Year 2 of continuous use, the plan covers 70 percent of basic and major work and 90 percent of preventive work to the maximum allowable.
 - d. In Year 3 of continuous use, the plan covers 90 percent of basic and major work and 100 percent of preventive work to the maximum allowable.
 - e. A brochure outlining the full coverage provided is available from the Human Resources Department.
3. For FY and BY 2010-11 AFA will use \$14,500 from the AHWBA (AFA Health and Welfare Benefits Account) to cover the increases to the cost of the Dental Plan.

C. Life Insurance and Accidental Death Benefit Coverage: Year Begins July 1 of Each Year

1. The District agrees to provide life insurance and accidental death benefits coverage as insured by Provident Life and Accident Insurance Company.
2. Amount of coverage varies according to age of employee; through age 69 amount of coverage in each category is Fifty Thousand Dollars (\$50,000). After age 69 the coverage is Twenty-five Thousand Dollars (\$25,000) in each category.

3. Spouse and or domestic partner and eligible dependent children are also provided coverage of Five Thousand Dollars (\$5,000) in each category, except children under the age of 6 months are covered at the rate of Five Hundred Dollars (\$500) in each category.
4. Supplemental life insurance coverage is available at the employee's cost through payroll deduction.
5. A brochure outlining the full coverage provided is available from the Human Resources Department.

10.02 VISION BENEFITS: REGULAR, PROBATIONARY, AND TEMPORARY

FACULTY – EMPLOYEE ONLY: For regular, probationary, and temporary faculty members working 100 percent who select vision coverage, the District will pay the full cost of the premium for the employee only to the carriers. For regular, probationary, and temporary faculty members working less than 100 percent who select vision coverage, the District will pay a pro-rata share of the premium for the employee only to the carriers, and the faculty member will pay the balance.

- A. **Coverage Year:** The vision coverage year begins January 1 of each year.
- B. **Vision Services Plan.** The District agrees to provide Vision Services Plan vision coverage for all eligible employees.
- C. **Family Coverage.** Effective January 1, 2004, family coverage will be available through the District, but paid for by the individual.
- D. **IRC 125 Plan.** Eligible employees may use the IRC 125 Plan to set aside money to pay for this family coverage.

10.03 LONG-TERM DISABILITY (LTD): REGULAR, PROBATIONARY, AND

TEMPORARY FACULTY ONLY: The District agrees to provide long-term disability (LTD) income protection for each eligible regular, probationary, and temporary faculty member.

- A. **Upon Disability:** Should an eligible employee become disabled while employed by the District he/she is eligible to apply for (LTD) income protection upon verification of the disability.
 1. If the employee has fewer than five (5) years of service in the California State Teachers' Retirement System (CalSTRS), he/she is entitled to (LTD) benefits from the carrier, if approved, until normal retirement age. Normal retirement age is defined in the (LTD) contract with the District.
 2. If the employee has five (5) or more years of service in CalSTRS (LTD) coverage applies for up to one (1) year, if approved, while the employee applies for and qualifies for the CalSTRS disability program.
- B. **Questions:** Questions related to the District program should be addressed to the Human Resources Department. Questions related to the CalSTRS program should be addressed to CalSTRS.

10.04 RETIREMENT BENEFITS: See Article 24: Retirement for a description of all retirement benefits and plans available to regular, probationary, temporary, and adjunct faculty. Article 24 also includes a description of existing retirement benefit levels.

10.05 HOURLY ASSIGNMENT SERVICE CREDITS: See Article 24: Retirement.

10.06 ADJUNCT FACULTY BENEFITS

A. **Adjunct Faculty Eligibility for Pro-rata Benefits:** Some adjunct faculty members may be eligible for pro-rata benefits explained in Appendix 1: Adjunct Faculty (“Y”-rated and Pro-rated).

B. **Part-Time Community College Faculty Health Insurance Program**

Implementation: For Fiscal Year 2010-11 the District will continue to participate in the State Adjunct Medical Benefits Program

1. AFA and the District will continue to offer the program under the same terms of District eligibility as in 2009-10, , and will publish procedures and forms for application and implementation of this coverage.
2. Adjunct faculty members must demonstrate that they meet the State and District requirements for eligibility.
3. AFA will assist the District in the implementation of this program by providing administrative support.
4. This program will continue for as long as state funds are provided for this purpose.
5. The medical plan options offered to regular faculty are also offered to eligible adjunct faculty, see paragraph 10.01.A.1. Eligible adjunct faculty members are required to pay 50 percent of the premium cost for the plan they select, and any premium cost above the established cap. Information about the Adjunct Medical Benefits Program is available from the Human Resources Department. The existing Adjunct Medical Benefits Program will continue, with funding provided through the State and AFA, unless additional funds are made available from the State, until at least September 30, 2011. Adjustments to the plans may be considered for implementation at that time that requires greater user participation in the cost of the benefits. Information about proposed changes will be published in advance of any change. If the existing health benefit plans change, there will be a new open-enrollment period.
6. In the absence of sufficient State funding for the program, beginning in Summer 2010, the Hourly Salary Schedules will be reduced by an additional 2 percent that is separate of, and additional to, any other reductions made to the Hourly Salary Schedules.
 - a. The District will credit the Adjunct Medical Benefits Account (AMBA) an amount equivalent to the actual 2 percent reduction in salary savings, plus employer-paid payroll expenses (estimated as an additional 6.62 percent of hourly rate pay). An estimate of the total amount will be credited at the beginning of the year, with a true-up to the year’s actual amount made in the subsequent year.
 - b. The amount contributed by the State through the District’s participation in the Part-Time Community College Faculty Health Insurance Program will be deposited in the AMBA.
 - c. AFA College Service & Technology Training (ACSTT) funds may be credited as designated by AFA into the AMBA as described in Article 3: Association Rights, paragraph 3.18.B.

- d. The AMBP (also known as the Part-Time Community College Faculty Health Insurance Program in paragraph 10.06.B) will be funded with the credits and deposits described in items a through c. listed above, and these will accrue over the course of each fiscal year. In the event of a shortfall in the AMBA, AFA will agree to offsetting conciliations or concessions.
 - e. The balance of funds in the AMBA at the end of the fiscal year will be brought forward to the next year. In the event of the termination of the District's participation in the AMBP, AFA will designate the use of any positive balance in the AMBA.
 - f. Should AFA and the District agree to terminate the program, the aforementioned 2 percent in salary reductions will be restored to the Hourly Salary Schedules.
7. AFA and the District agree to continue to investigate practical methods to achieve health benefits cost containment and to attempt to address any funding gaps that may arise between the funding available from the District/State and the cost of the programs for both regular and adjunct faculty.