# MEMORANDUM OF UNDERSTANDING

## HEALTH AND WELFARE BIDDING FOR 2014-2015 PLAN YEAR

**BETWEEN**

**PALO VERDE COMMUNITY COLLEGE DISTRICT**

**AND**

**CALIFORNIA SCHOOL EMPLOYEES ASSOCIATION, PALO VERDE COLLEGE CHAPTER 180**

This Memorandum of Understanding by and between the Palo Verde Community College District ("District") and the California School Employees Association and its Chapter 180 ("CSEA") (collectively "Parties") is entered into with respect to the following:

**Whereas**, health and welfare benefits, currently purchased though the Riverside Employer Employee Partnership (REEP), are one of the most important, complex, and costly portions of the total wage and benefit package provided to classified employees in the District; and

**Whereas**, the Parties recognize that it is an enormous undertaking to "shop" health and welfare plans and providers, a process that should not be undertaken lightly, haphazardly or without due diligence by the Parties; and

**Whereas**, the Parties desire to properly and systematically bid out (i.e. "shop") during the 2013-14 fiscal year its current health and welfare benefit package for classified employees in the 2014-15 plan year;

**Therefore**, the Parties have reached agreement on the following items:

1. The District agrees to notify REEP as early as possible in the 2013-14 fiscal year, and prior to December 31, 2013, of its intention to consider other providers of medical, dental and vision benefits (including life insurance benefits, if applicable) for the classified bargaining unit represented by CSEA and its Chapter 180.

2. Beginning in September 2013, the CSEA Chapter 180 Negotiations Team, in partnership with the District's Negotiations Team will be solely responsible for the research of plans and providers, and the collection of bids directly from each eligible Blue Shield and Kaiser provider, including, but not limited to insurance brokers, joint power authorities (JPAs), and labor/management trusts.

3. Neither the District's Insurance Committee, nor any other employee group, broker, consultant, or union, paid or unpaid, shall have a role, formal or informal, in conducting the bidding process, interpreting plans or costs, or recommending any changes in health and welfare benefits to either the District or CSEA's negotiating teams, or to classified employees represented by CSEA and its Chapter 180, unless specifically agreed to in

writing between the Parties, and subsequently reviewed and ratified by the CSEA Chapter 180 membership and the Palo Verde CC Board of Trustees. The explicit purpose of this paragraph is to ensure a fair and open bidding process, free from financial and other personal considerations and conflicts of interest, and to ensure that control of the bidding process remains, in whole and in part, with those chosen by CSEA and the District explicitly to represent each's respective interests.

4. In the event that bids from other health insurance providers reflect a cost savings for Blue Shield and Kaiser plans comparable or better than what is offered to classified bargaining unit members through REEP at the time bidding is conducted, CSEA and the District agree to meet prior to February 1, 2014 to negotiate a possible change in health insurance providers, plans, and employer/employee contributions towards the cost of health insurance premiums, and other related matters within the scope of representation.

5. If, as a result of negotiations, the parties sign and ratify an agreement which includes changes to health insurance plans, providers, and/or costs for the 2014-15 plan year, such agreement shall be ratified by the Parties prior to February 28, 2014, and REEP shall be given final notice prior to its February 28, 2014 deadline (the last day when REEP must be informed of the Parties' final decision to switch providers).

6. In the event that the Parties sign and ratify an agreement changing health and welfare providers for the 2014-15 fiscal year, and provide REEP a notice of such ratification prior to February 28, 2014, the Parties agree that such bargaining, ratification, and notification shall satisfy the parties health and welfare negotiations for the 2014-2015 fiscal year as applicable under the collective bargaining agreement then in place.

7. This MOU shall not be considered precedential, nor modify the Parties' collective bargaining agreement, nor create any binding practice beyond what is contemplated in this MOU directly.

8. This MOU is subject to review and ratification by the Palo Verde College Board of Trustees and the CSEA Chapter 180 Membership.

Agreed to this day January 15, 2013, at Blythe, California.

| FOR THE DISTRICT | FOR THE ASSOCIATION |
| --- | --- |
| Denise Whittaker, Superintendent/President<br>Palo Verde Community College | Rich Soto, President<br>CSEA Chapter 180 |

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