HUMAN RESOURCES **Bellflower Unified School Board**
November 13, 2025

TO: Board President and Board Members

FROM: Ryan Smith, Ed.D., Deputy Superintendent

SUBJECT: APPROVAL OF MEMORANDUM OF UNDERSTANDING (MOU) BETWEEN BELLFLOWER UNIFIED SCHOOL DISTRICT AND THE CALIFORNIA SCHOOL EMPLOYEES ASSOCIATION (CSEA), BELLFLOWER CHAPTER #32 – HEALTH AND WELFARE CONTRIBUTIONS & EARLY RETIREE BENEFITS

SUMMARY:

It is proposed that the Board of Education approve the Memorandum of Understanding (MOU) between Bellflower Unified School District and the California School Employees Association (CSEA), Bellflower Chapter #32 – Health and Welfare Contributions & Early Retiree Benefits.

RATIONALE:

The District and the California School Employees Association (CSEA), Bellflower Chapter #32, have reached a Memorandum of Understanding regarding health and welfare contributions and early retiree benefits. The agreement outlines updated contribution levels for the 2026 plan year, establishes waiver stipends for employees who maintain alternative coverage, and clarifies eligibility and verification procedures for early retiree benefits. It also provides options for retirees to continue District coverage or waive benefits in exchange for a stipend or lump-sum payment.

This agreement provides a clear, consistent, and sustainable framework for administering employee and retiree health benefits. It supports the District's efforts to maintain equitable benefit structures, align with collective bargaining provisions, and ensure fiscal responsibility in the management of health and welfare programs. Upon ratification by both parties, the MOU will be incorporated into the collective bargaining agreement and remain in effect through December 30, 2026, unless extended by mutual agreement.

FISCAL IMPACT:

Costs associated with this agreement are within the District's projected health and welfare benefits budget for the 2026 plan year.

RECOMMENDED ACTION:

That the Board of Education approve the Memorandum of Understanding (MOU) between Bellflower Unified School District and the California School Employees Association (CSEA), Bellflower Chapter #32 – Health and Welfare Contributions & Early Retiree Benefits.

Memorandum of Understanding (MOU)

By and Between
Bellflower Unified School District
and
California School Employees Association
and its Bellflower Chapter #32

Re: Health and Welfare Contributions & Early Retiree Benefits

October 28, 2025

This MOU is entered into this October 28, 2025 by and between the District and CSEA, (collectively referred to as the "parties") regarding health and welfare contributions and early retiree benefits.

Background:

In recent benefit years, the District and the Association mutually agreed not to increase employee contributions, resulting in the District's actual contribution exceeding the contractual amount. The parties desire to re-align contributions in a manner consistent with the CBA while establishing a tiered contribution structure that aligns with the structure in place for classified employees. The parties intend that these provisions be administered with clear rules for eligibility and verification, and in a manner that is fiscally sound and sustainable for the District.

Section A – District Contributions for 2026

Effective January 1, 2026, the District's annual contribution toward health and welfare benefits shall be provided according to the following tiers:

- Employee Only: $8,724
- Employee + One Dependent: $18,333
- Employee + Family: $26,454

These figures represent a 6% percent increase over the District's actual 2025 contribution levels.

The corresponding contributions for employees shall be reduced by 1% of the unit member's base salary.

Section B – Waiver Stipends for Active Employees

Active bargaining unit members who provide proof of alternative health coverage and annually waive District-provided health and welfare benefits shall be eligible for a monthly cash stipend as follows (paid tenthly):

- Waive medical only: $250 per month ($2,500 annually)
- Waive medical, dental, and vision: $280 per month ($2,800 annually)

Proof of Alternative Coverage: Employees must submit proof of alternative health coverage annually to the District by November 30 for the applicable benefit year. Failure to provide proof by the deadline will result in forfeiture of the stipend for that year.

Duration: The stipend shall be payable only during the period in which the employee remains actively employed by the District and otherwise eligible for District health and welfare benefits.

Section C – Early Retiree Health & Welfare Benefits

1. Eligibility

Eligibility for all early-retiree options shall be the same as eligibility for early retiree health and welfare benefits under the CBA (i.e., at least ten [10] consecutive years of active service in the District immediately preceding early retirement).

2. Continuation of District Health Benefits

Eligible early retirees may continue District health and welfare coverage until Medicare eligibility (age 65), subject to the following District contribution schedule:

- 15–19 years of service: District contributes 50% of the Employee Only (EO) contribution.
- 20–24 years of service: District contributes 75% of the EO contribution.
- 25+ years of service: District contributes 100% of the EO contribution.

3. Opt-Out Stipend (Re-enrollment Rights Retained)

Stipend Amounts (paid annually by December 31):

- Waive medical only: $2,500 annually.
- Waive medical, dental, and vision: $2,800 annually.

Election & Re-Enrollment:

May be elected annually at open enrollment. Retirees may re-enroll in District benefits at open enrollment (or per plan rules for qualifying events). Interaction with Opt-Out: A retiree who later elects the Permanent Opt-Out (Section D.4) becomes ineligible to re-enroll thereafter.

Duration:

The stipend is payable only until the retiree reaches age 65, or the maximum period of early-retiree eligibility under the CBA, whichever comes first.

Verification

To receive the stipend, retirees must submit proof of enrollment in alternative health insurance coverage for the applicable calendar year by November 30. If proof is timely received, payment will be issued on December 31 of that year. If proof is not received by November 30, payment is suspended. If proof is submitted by March 31 of the following year, the suspended payment will

be released. If proof is not submitted by March 31, the payment for that year is permanently forfeited.

Termination

Payments cease upon death; no survivor benefit applies.

4. Permanent Opt-Out with Lump Sum Cash-Out (Irrevocable)

Availability

This option shall remain available only through December 31, 2029. On and after January 1, 2030, this option shall no longer be offered; retirees may instead utilize the Opt-Out Stipend in Section D.3 (which allows re-enrollment).

Payment Amount (through December 31, 2029 only)

Retirees permanently waiving District-provided health and welfare benefits shall receive a one-time lump sum payment equal to the District's Employee Only (EO) contribution in effect at the time of retirement, multiplied by the number of years (or partial years) remaining until the retiree reaches age 65.

> *Illustrative example: For the 2026 benefit year, the EO contribution is $8,724 annually. A retiree who retires at age 55 would receive $87,240 (10 × $8,724). A retiree who retires at age 60 would receive $43,620 (5 × $8,724).*

Payment shall be issued in a single lump sum within 90 days of retirement, subject to verification requirements.

Verification Requirements

At the time of retirement, the retiree must provide proof of enrollment in alternative health insurance coverage. Failure to provide such proof shall result in forfeiture of this option. Retirees electing this option are not subject to the ongoing annual verification process in Section D.3.

Irrevocable Election

Once elected, this option is permanent and irrevocable. The retiree shall not be eligible to re-enroll in District benefits.

Non-Transferability

This benefit is not transferable to any spouse, dependent, or beneficiary.

5. Administration & Definitions

"District's Employee Only (EO) contribution" means the annual contribution toward health and welfare benefits at the EO tier as established under the CBA at the effective date of retirement.

Tax Treatment: All stipends/cash-out amounts are subject to applicable tax withholdings and reporting.

Section D – Package Agreement

The provisions of this MOU are expressly contingent upon one another and are intended to be ratified and implemented as a package. Neither party shall seek to ratify, implement, or enforce any provision of this Agreement separately from the others.

Section E – Incorporation into CBA

After ratification by CSEA and the Board of Education, this MOU shall be attached to and incorporated into the parties' current CBA and shall have full force and effect during its term. The parties further agree that, at the next round of successor negotiations, the relevant CBA articles shall be revised as necessary to conform to and reflect the provisions of this MOU.

This MOU shall expire in full without precedent on December 30, 2026, unless extended by mutual written agreement.

This MOU is non-precedent setting and is subject to CSEA's internal Policy 610 review, member ratification and Board approval.

Executed this twenty-eighth day of October, 2025

For the District:

10/28/25

Ryan D. Smith, Ed.D.
Deputy Superintendent

For CSEA, Bellflower Chapter #32:

10/28/25

10/28/25

Michelle Cuellar
President