

LOS ANGELES UNIFIED SCHOOL DISTRICT

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HUMAN RESOURCES OFFICER**

November 4, 2011

Tom Beatty, Health Benefits Committee Representative c/o
Office of Risk Management
333. S. Beaudry Ave.
Los Angeles, CA 90017

Re: Health and Welfare Benefits Agreement Covering the 2012, 2013 and 2014 Calendar Years

Dear Tom:

Reference is hereby made to the February 10, 2009 Health and Welfare Benefits Agreement between the LAUSD and the Health Benefits Committee comprised of each of the unions and associations that represent District employees. This is to confirm the tentative agreement reached November 2, 2011 between the District and the Health Benefits Committee as to the successor agreement covering the 2012-14 calendar years.

The following estimated contribution amounts will be adjusted for enrollment changes in each of the three categories of participants (active employees, pre-Medicare enrollees, and Medicare enrollees), and the stated percentage amounts will be applied to the prior year's (2011) per-participant contribution amounts (\$9,683.17 for actives; \$14,543.98 for Pre-Medicare eligibles; and \$6,897.08 for Medicare eligibles) to determine the actual total annual contributions. Using those base amounts, the District's estimated contributions will be as follows:

For 2012, the District's estimated aggregate contribution to the Plan will be \$958.1 million, which is the same as for 2011, a 0% increase.

For 2013, the District's estimated aggregate contribution to the Plan will be \$1.0031 billion, which is an increase of \$45 million (4.6968%) over the contribution for 2012.

For 2014, the District's estimated aggregate contribution to the Plan will be \$1.0481 billion, which is an increase of \$45 million (4.4861%) over the contribution for 2013.

The Agreement also requires contributions to be drawn from the HBC reserve account to match each of the above District contribution increases. The Agreement continues to credit to the District any Medicare Part D refunds or any other rebates or refunds.

In addition, there is a contingent extension agreement, which requires that in the event that the HBC reserve funds estimated for 2015 are estimated to be at or above the \$200 million level, the Agreement

will be extended to cover 2015 with increased premium costs (as compared to the 2014 premium costs) to be borne equally by the District and the HBC reserve account, and the parties would then negotiate in Spring of 2015 regarding 2016 and later years. In the event that the HBC reserves estimated for 2015 are

lower than \$200 million, the parties will negotiate in Spring of 2014 regarding 2015 and later years. In either event, the current "Status Quo Upon Expiration of Agreement" language (with appropriate date adjustments) will be applicable upon the Agreement's expiration.

The substance of the 2009-11 Agreement will be extended to cover the above-indicated years, and the parties will promptly be turning to drafting language to implement the above-described changes, and to clarify/update the previous contract language.

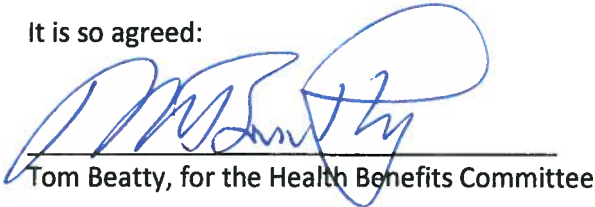
Please sign below to indicate the tentative agreement of the parties to the above terms and conditions. This tentative agreement is subject to ratification by the HBC, and adoption by the District Board of Education.

Very truly yours,



John Bowes, Ed. D., for the Los Angeles Unified School District

It is so agreed:


Tom Beatty, for the Health Benefits Committee

11/7/11
Date

Cc: Dick Fisher
Jesus Quinonez