

MEMORANDUM OF UNDERSTANDING

BETWEEN THE ALBANY FEDERATION OF TEACHERS AND ISD #745 REGARDING

HEALTH INSURANCE

This Memorandum of Understanding (MOU) is entered into by and between the Albany Federation of Teachers (Union), and Independent School District No. 745, Albany Area Schools (District).

WHEREAS, the Union and the District are parties to a Master Agreement from July 1, 2023 to June 30, 2025, which is continuing in effect and governs the terms and conditions of employment for teachers employed by the District; and

WHEREAS, the District is governed by Minnesota Statutes § 471.6161 (the Health Insurance Transparency and Accountability Act), which among other things requires the District to meet with the Union regarding health insurance bids;

NOW, THEREFORE IN CONSIDERATION OF the mutual promises and agreements contained in this MOU, the parties hereby agree as follows:

1. The District will follow its obligations under HITA and the Master Agreement for future insurance bids and will include the Union in reviewing these bids.
2. The District acknowledges that broker commissions for the 2025-2026 and 2026-2027 plan years have been eliminated as part of the negotiated premium reduction reflected in this MOU. This provision applies only to the duration of this MOU and shall not establish a past practice or binding obligation beyond its term.
3. For bargaining unit members who were enrolled in the \$1,000 Achieve plan during the 2025–26 plan year and who remain continuously enrolled in that plan during the term of this MOU, the District will adjust its premium contribution as necessary to ensure that these employees experience no net increase in out-of-pocket premium costs compared to the Bid Opening premium amounts as presented at the June 2025 bid opening.

For the 2026–27 plan year, any premium increases will be calculated using the original Bid Opening amounts of \$662.01 (single) and \$1,942.27 (family) as the base. The District will adjust its premium contribution as necessary to ensure that eligible employees experience no net increase in out-of-pocket premium costs relative to the applicable Bid Opening premium amounts. The District's obligation under this provision

is limited to adjustments necessary to preserve this no-net-increase standard and does not require subsidization beyond that amount.

This provision applies only for the duration of this MOU and does not apply to employees who newly enroll in the \$1,000 Achieve plan during the 2026–27 open enrollment period.

Single			Family	
\$1,000 ACHIEVE (Hold Harmless)			\$1,000 ACHIEVE (Hold Harmless)	
CURRENT Bid Premium	\$749.61		CURRENT Bid Premium	\$2,199.27
CURRENT Employee Contribution	\$333.61		CURRENT Employee Contribution	\$1,399.27
REDUCED Cost	\$662.01		REDUCED Cost	\$1,942.27
REDUCED Employee Contribution	\$246.01		REDUCED Employee Contribution	\$1,142.27
Monthly Savings	\$87.60		Monthly Savings	\$257.00

- For the 2025–26 and 2026–27 plan years, the District shall provide an overall 3% effective rate reduction across all health insurance plans except as noted in #3 above for the \$1,000 Achieve plan.

This overall rate reduction shall be achieved through a combination of (1) a 1.73% reduction in plan premiums secured from HealthPartners and (2) an increase in District premium contributions of 1.27%, as reflected in the revised payroll deduction amounts implemented pursuant to this MOU.

Single					
	\$,1000 Open	\$1,000 Achieve	\$3,300 HDHP Open	\$3,300 HDHP Achieve	\$7,000 HDHP
CURRENT Bid Premium	\$804.60		\$704.26	\$662.01	\$586.32
CURRENT Employee Contribution	\$388.60		\$288.26	\$246.01	\$170.32
REDUCED RATE	\$780.46		\$683.13	\$642.15	\$568.73
REDUCED Employee Contribution	\$364.46		\$267.13	\$226.15	\$152.73
Monthly Savings	\$24.14		\$21.13	\$19.86	\$17.59

Family					
	\$,1000 Open	\$1,000 Achieve	\$3,300 HDHP Open	\$3,300 HDHP Achieve	\$7,000 HDHP
CURRENT Bid Premium	\$2,360.60		\$2,066.24	\$1,942.27	\$1,720.19
CURRENT Employee Contribution	\$1,560.60		\$1,266.24	\$1,142.27	\$920.19
REDUCED RATE	\$2,289.78		\$2,004.25	\$1,884.00	\$1,668.58
REDUCED Employee Contribution	\$1,489.78		\$1,204.25	\$1,084.00	\$868.58
Monthly Savings	\$70.82		\$61.99	\$58.27	\$51.61

5. For the 2026–27 plan year, HealthPartners will calculate future rate increases based on its official premium rates. Employee contributions will be determined as though those increases were applied to the 2025-2026 fully adjusted 3% reduced rates. The District will increase its contribution amounts as needed to ensure employees experience the rate increase based on 2025-2026 fully adjusted 3% reduced rates. (Note: The 26-27 plan year rate cap from the bidding process is a maximum of 15%.)
6. Those employees who are due retroactive compensation under this agreement will have the amount of any over-deducted premium contributions calculated by the District communicated individually. Such amounts shall be applied as a credit toward future premium payroll deductions until fully exhausted. Revised payroll deductions shall thereafter reflect the reduced employee costs described in this MOU.
7. This MOU shall apply to the 2025–26 and 2026–27 health insurance plan years only and shall expire at the conclusion of the 2026–27 plan year, which is September 30th, 2027. In the event of any inconsistency between this MOU and the Master Agreement, the terms of this MOU shall control for the duration of its term. This MOU constitutes a full resolution of the pending health insurance grievance and shall not establish precedent or past practice beyond its stated term.

All terms and conditions, rights and provisions of the Master Agreement shall be applicable except as expressly modified herein.

This MOU constitutes the full and complete agreement between the parties regarding the matters addressed herein and supersedes all prior discussions, proposals, communications, and understandings, whether written or oral, relating to the subject matter of this MOU. No representations, statements, or agreements not expressly set forth in this MOU shall be binding on either party. Any modification to this MOU must be in writing and signed by both parties.

IN WITNESS WHEREOF, the parties have entered into this MOU on the dates shown below.

ALBANY FEDERATION OF TEACHERS

Union President

Date

INDEPENDENT SCHOOL DISTRICT NO. 745, ALBANY AREA SCHOOLS

School Board Chairperson

Date

2025-2026 3% Effective Premium Reduction Agreement

SINGLE

	\$1,000		\$3,300 HDHP		\$7,00 HDHP
	Open Access	Achieve	Open Access	Achieve	Open Access
Current Premium Single	804.60	749.61	704.26	662.01	586.32
3% Savings	23.77		20.81	19.56	17.32
Premium Reduction	13.68		11.98	11.26	9.97
Increased District Contribution	10.09		8.83	8.30	7.35
Yearly Savings	285.24	897.24	249.72	234.72	207.84

FAMILY

	\$1,000		\$3,300 HDHP		\$7,00 HDHP
	Open Access	Achieve	Open Access	Achieve	Open Access
Current Premium Single	2,360.60	2,199.27	2,066.24	1,942.27	1,720.19
3% Savings	69.74		61.05	57.38	50.82
Premium Reduction	40.14		35.14	33.03	29.25
Increased District Contribution	29.60		25.91	24.35	21.57
Yearly Savings	836.88	2,635.44	732.6	688.56	609.84

