

CLASSIFIED EARLY RETIREMENT/SEPARATION BENEFIT
INCENTIVE PROGRAM
MEMORANDUM OF UNDERSTANDING

The District is facing significant challenges as we plan and develop our budget and staffing needs for the 2026-2027 school year. Due to continuing enrollment decline and increasing costs, we may be faced with potential staffing reductions. It is the District's desire to keep potential Reductions in Force (RIF) to a minimum through attrition by means of voluntary retirements and separations.

Qualified employees who submit their intent to retire or separate from the Hillsboro School District effective June 30, 2026, shall be eligible to apply for a one-time Early Retirement/Separation Benefit as outlined below:

1. Qualifications: In order to qualify for the benefit, the employee must have completed five (5) years of continuous service and currently be placed at Step 9 on the Classified Salary Schedule for the majority of their daily contract hours.
2. Timeline: To qualify, the eligible employee must submit their signed Notice of Retirement/Separation so that it is received by Human Resources no later than 4:00 pm on March 30, 2026;
 - a. Submissions of signed Notices of Early Retirement/Separation must be submitted in the application window that opens on March 18, 2026 at 8:00 am and closes at 4:00 pm on March 30, 2026.
3. Limitations: This offer will be capped at ten (10) less than 12 month classified eligible employees and ten (10) 12 month classified eligible employees who submit their Notice of Retirement/Separation using the electronic form provided via your Hillsboro School District email. If less than ten (10) employees apply in either employee category, the unfilled quota shall not be applied to the other category. The District has the discretion to increase the cap by no more than 10 additional eligible employees.
 - a. Applications will be granted in seniority order per Article 6.B.1 of the Classified Collective Bargaining Agreement.
 - b. Of the ten (10) less than 12 month classified eligible employees, up to but no more than two (2) transportation bus drivers and up to but no more than two (2) nutrition services employees shall be granted this Early Retirement/Separation Benefit.
4. Benefit Options: Employees who apply may choose from one of the following three options:
 - a. Group Health Insurance Option #1: Enrollment in a group health insurance plan equivalent to their current coverage in the 2025-26 school year. This would not be taxable income.
 - i. Employees may elect to continue their current coverage, and the District will cover the employee COBRA premiums through December 31, 2026.

- b. Individual Health Insurance Option #2: Enrollment in an individual health insurance plan equivalent to their current coverage in the 2025-26 school year. This would not be taxable income.
 - i. 12 month employees shall be provided with individual coverage up to June 30th, 2027. Less than 12 month employees shall be provided with individual coverage up to September 30th, 2027. If an employee wishes to extend coverage to additional dependents for the full year of the benefit agreement, they shall be able to do so at their own expense.
 - c. Lump Sum Payout: For less than 12 month classified employees, a one-time payment of \$8,500. For 12 month classified employees, a one-time payment of \$10,000. Both would be subject to all required payroll withholdings. Payment will occur on July 20, 2026. This would be taxable income.
5. Proration of Benefit: Early Retirement/Separation Benefit will be prorated in the same manner as Article 12 Section B of the Collective Bargaining Agreement. For the purpose of this proration, FTE will be calculated using an average of their highest three (3) years during the following school years: 2021-22, 2022-23, 2023-24, 2024-25, 2025-26.
6. Ineligibility Period to Rehire with HSD: Retirees/Resignees who received this incentive will not be eligible to be rehired by the Hillsboro School District for 2026-27, 2027-28, 2028-29, 2029-30, and 2030-31 school years. Employees who receive this incentive will be eligible to serve as substitutes for the District.

This is a one-time offer for the 2025-26 school year and shall not be considered evidence of past practice.

FOR THE UNION:

Date: 02/25/2026

David Eggleston

David Eggleston (Feb 25, 2026 10:36:24 PST)

David Eggleston
HCU President

FOR THE DISTRICT:

Date: 02/25/2026

Kona Lew Williams

Kona Lew Williams (Feb 25, 2026 12:13:51 PST)

Kona Lew Williams
Human Resources Officer