



REGULAR BOARD MEETING - REVISED

Keene-Riverview Elementary, MPR, 832 Park Avenue

Tuesday, November 3, 2015 7:00 p.m.

I. 6:30 p.m. - Call to Order

II. 6:30 - 7:00 p.m. - Study Session: Bilingual Program Options

III. 7:00 p.m. - Resume Regular Board Meeting

1. Pledge of Allegiance

2. Approval of Agenda

3. Communications

Nazarene Church Thank You (p. 3)

AVID Family Night (p. 4)

IV. Information Items:

V. Protocol for Addressing Board:

Welcome to the Board Meeting (p. 5)

VI. Hearing of Visitors:

VII. Reports:

1. Assistant Superintendent's Report

2. Business Manager's Report

Student Enrollment for October 2015 (p. 6)

3. Superintendent's Report

4. Board Members' Reports

5. Student Representatives' Reports

VIII. Consent Items:

1. Certificated Personnel

Cert - November 3, 2015 (p. 10)

2. Classified Personnel

Class - November 3, 2015 (p. 11)

3. Approval of Minutes

Regular Board Meeting - October 13, 2015 (p. 12)
Special Board Meeting - October 27, 2015 (p. 19)

4. Contracts and Personal Service Agreements

Contracts and PSAs (p. 20)

5. Volunteer Coaches

Volunteers (p. 21)

IX. Old Business:

1. Community Forums

2. Honors English Class at PHS

X. Action Items: REVISED

1. Vouchers

To Be Paid November 6, 2015 (p. 22)

2. Heritage University Field Placement Agreement

Heritage University Student Teachers (p. 33)

3. South Dakota State University Student Teacher Agreement

South Dakota State University Student Teachers (p. 38)

4. Agreement with Heritage University to Allow State Work Study Student Placement in PSD

Heritage University Work Study Agreement (p. 40)

5. Resolution No. 09-15: Amendment of Flexible Benefits Plan

Resolution No. 09-15 (p. 44)

PSD Flex Benefits Plan - Amended (p. 46)

Summary Plan Description (p. 74)

6. Boys' Swim Co-op

Swim Co-op Agreement (p. 91)

7. Alternative Route to Teaching Block Grant Memorandum of Agreement - REVISED

Alternative Route to Teaching MOU (p. 93)

XI. Discussion Items:

XII. Adjournment

Future Meetings:

Regular Board Meeting, November 17, 2015, Keene-Riverview Elementary MPR, 7:00 p.m.

WSSDA Annual Conference, November 19-22, 2015, Bellevue, WA

Regular Board Meeting, December 1, 2015, Keene-Riverview Elementary MPR, 7:00 p.m.



Prosser Church of The Nazarene
1939 Highland Drive
P.O. Box 815
Prosser, WA 99350
509-786-1335
prossernaz@hotmail.com

Ray Tolcacher,

Thank you for allowing us to have Good News Club at Heights and Keene-Riverview. We appreciate your generosity in giving us a place to teach children about our wonderful savior, Jesus.

We truly appreciate you, your staff and the administration and teachers at Heights and Keene-Riverview who have helped us promote this club. We will endeavor to follow the rules of the schools as we come together each week.

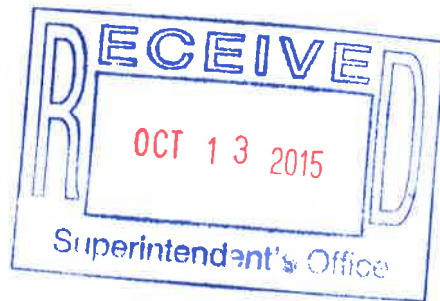
May God continually bless you, your staff and the school this year.

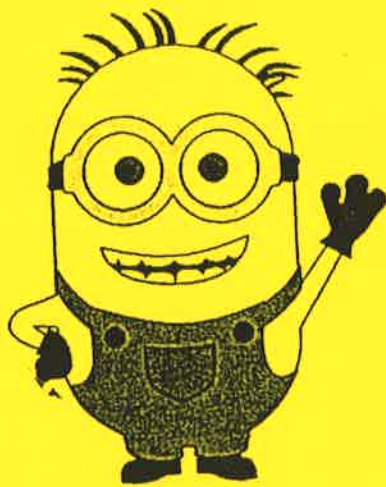
Sincerely,

Pastor James Bramson

Prosser Church of the Nazarene

509-832-3289





**A minion reasons to join the
AVID family night
Career Carnival**



When: November 5, 2015

Where: HMS

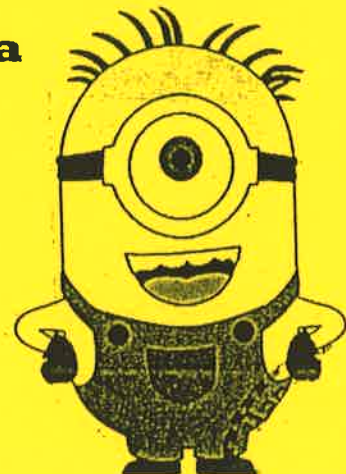


Time: 5:00 - 7:00 pm



**Dinner: hot dogs, potato salad, chips and a
cookie**

***Bring the entire family**



SCHOOL BOARD MEETINGS

Prosser School District No. 116 * 1126 Meade Avenue, Suite A * Prosser, WA 99350

Welcome to a meeting of Prosser School District Board of Directors!

Your views and interest in education are important to us and to your schools. Whether your visit is for the purpose of bringing information to the board's attention, solving a problem, or simply to see what's going on, we hope you'll feel welcome and comfortable at this meeting. We also hope that you will leave with a better understanding of your school district and its board of directors.

How the Board Operates

As the board meeting progresses, you may notice that there is quick action on some items. This is because the board generally considers an issue for several meetings before taking action, and also because background materials on the various items are sent to members for their careful study prior to the meeting. Sometimes the board will approve a motion that encompasses many items. These items, grouped under the "consent" portion of the agenda, are considered routine. You'll be able to follow the action more carefully if you pick up a copy of the agenda that is available.

Board members are: Bill Jenkin, President; Dr. Warren Barmore, Vice-President; Bruce Matsumura, Peggy Douglas and Andy Howe, WIAA representative. Student representatives: Tye Taylor, Taylor Beightol, Zebbie Castilleja & Juan Guerra

About Board Meetings

Business meetings are held twice each month, usually on the 1st and 3rd Tuesdays. The first meeting of the month is also a time for the various educational programs of the district to provide an educational presentation to the Board. These meetings begin at 7:00 p.m.

The board encourages input on all issues under discussion at the business meetings.

About Executive Sessions

The board may occasionally go into executive session, thus excluding the public and the news media from witnessing the discussion. You should know though, that the board will only discuss issues in executive session. It must, by law, take all actions in an open meeting. The law also limits what the board can legally discuss in executive session. These closed discussions may only concern litigation, personnel selection or evaluation, negotiations, complaints against an officer or staff member or real estate transactions where public disclosure would be damaging to individuals or the general welfare of the district. Before going into executive session, the board president must estimate the time the board will return to open session.

Study Sessions

Board Study Sessions are held by the board to address specific issues and to give the board an opportunity to have staff make presentations regarding specific areas of instruction or operation. Study sessions are open meetings and offer the community an opportunity to hear the issues being discussed. Study sessions follow the same protocols as regular board meetings for addressing the board with questions or concerns.

Addressing the Board

You may present a concern to the board during the time reserved for hearing public comment. If this is the case we ask that you:

- Prior to the start of the meeting, sign in, noting the topic you intend to address to the board.
- Come to the microphone and state your name.
- Do not reflect adversely on the political or economic view, ethnic background, character or motives of any individual.
- Do keep your comments concise, non-emotional and brief.

The board is interested in hearing your concerns and your compliments too. It's best to call the superintendent's office a

couple of days before the meeting. If this isn't possible, you can ask the board president to recognize you during the hearing section.

Board Hearings

The school board can be compared to a "court of last resort." If a concern cannot be solved by first talking with the teacher, principal, or appropriate district personnel, it may be forwarded to the board for hearing. Sometimes this hearing may be conducted in "executive session," meaning the public and the media are not in attendance.

About Your Board

Public schools are especially close to the communities they serve because they are governed by men and women selected from the community. These men and women - your school board; are volunteers who spend a great deal of time on the many details involved in providing quality education.

Board members serve four-year terms. They are required to file financial disclosure statements with the Washington State Public Disclosure Commission and must be registered voters of the school district

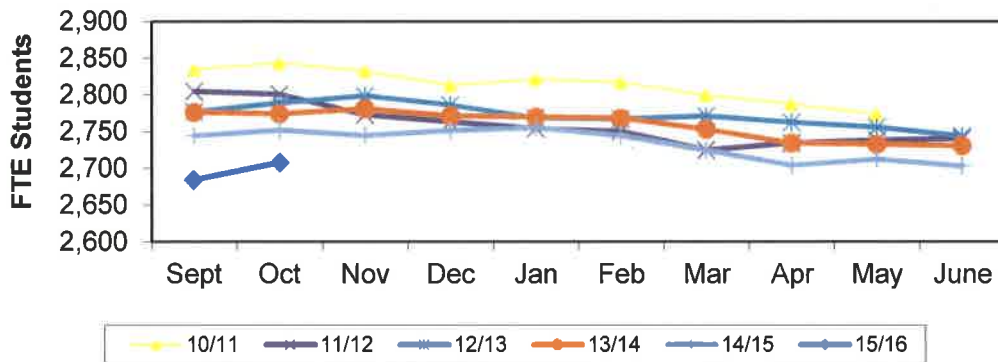
School board members attend meetings, keep communications open with other members of the community and represent the needs of the district before local, state and national representatives. They make critical decisions that have a direct impact on what children learn and how they learn it. However, a school board is a legal body and can only make decisions as a body.

You may notice that many of the decisions the board must make are not directly related to instruction. School board members are also responsible for keeping the buildings and grounds in good shape, balancing the budget, protecting the district's legal interests, and providing for long-range planning.

Student Enrollment for October 2015

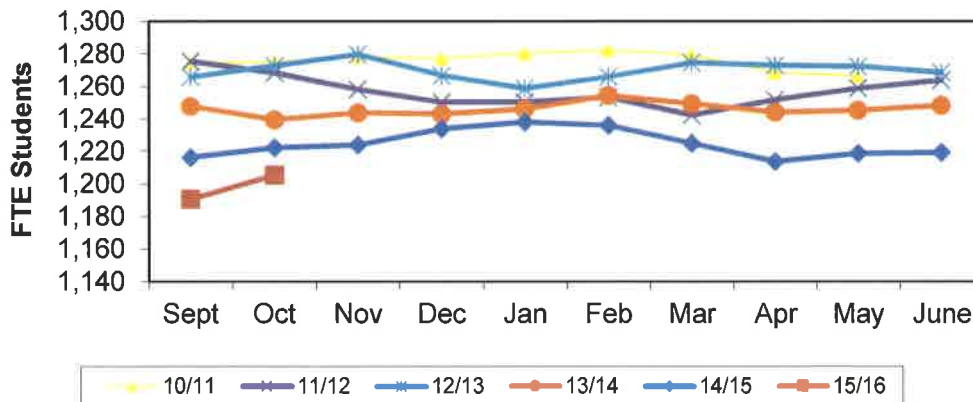


Monthly Enrollment from 10/11 to 15/16



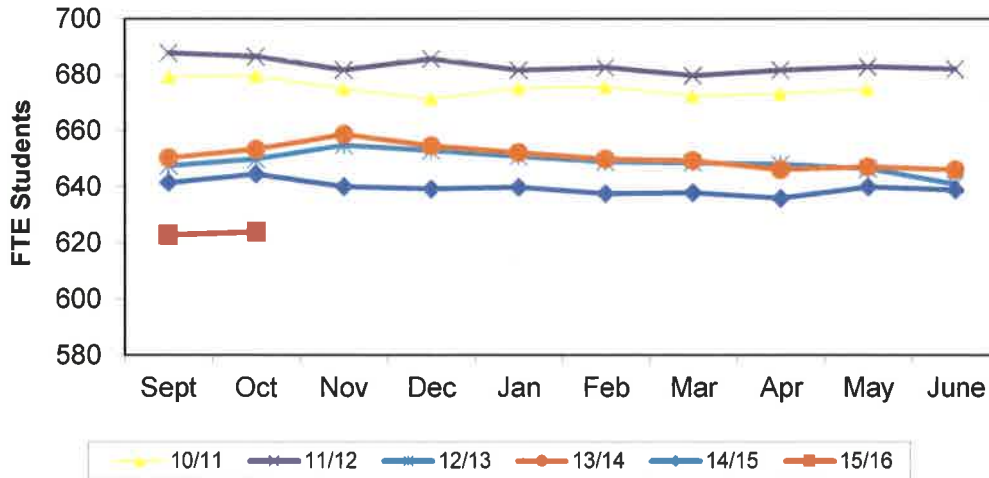
	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	Average
10/11	2,835	2,844	2,833	2,814	2,822	2,817	2,800	2,788	2,774		2,811
11/12	2,805	2,801	2,773	2,764	2,755	2,750	2,725	2,735	2,739	2,741	2,759
12/13	2,777	2,790	2,799	2,787	2,769	2,767	2,772	2,763	2,756	2,744	2,772
13/14	2,777	2,774	2,782	2,772	2,771	2,769	2,753	2,735	2,733	2,731	2,760
14/15	2,745	2,752	2,745	2,752	2,756	2,745	2,725	2,705	2,713	2,703	2,734
15/16	2,685	2,708									2,697
15/16 Bud											2,675
(Under) Over											22

Elementary Enrollment from 10/11 to 15/16



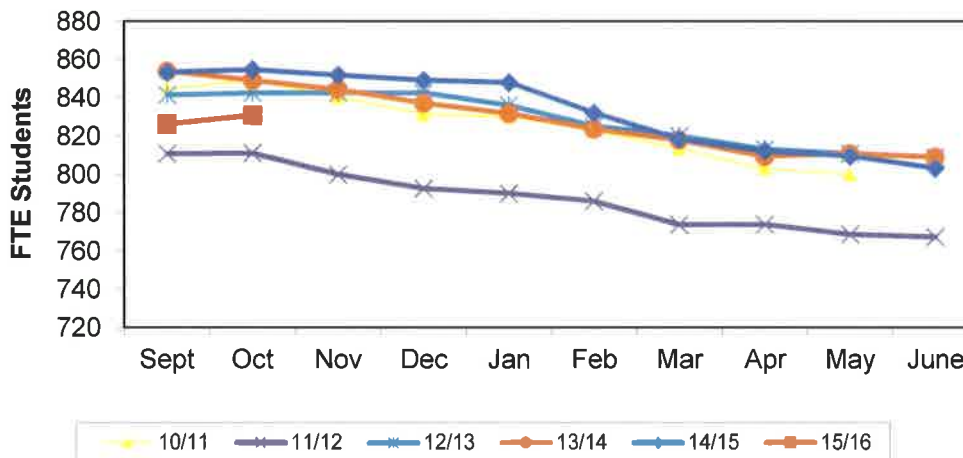
	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	Average
10/11	1,275	1,276	1,279	1,278	1,281	1,283	1,280	1,269	1,267		1,276
11/12	1,276	1,268	1,258	1,250	1,250	1,253	1,242	1,252	1,259	1,264	1,257
12/13	1,266	1,273	1,280	1,267	1,259	1,266	1,275	1,273	1,273	1,269	1,270
13/14	1,248	1,240	1,244	1,243	1,246	1,254	1,249	1,244	1,245	1,248	1,246
14/15	1,217	1,223	1,224	1,234	1,238	1,236	1,225	1,214	1,219	1,219	1,225
15/16	1,191	1,206									1,198
15/16 Bud											1,198
(Under) Over											0

HMS Enrollment from 10/11 to 15/16



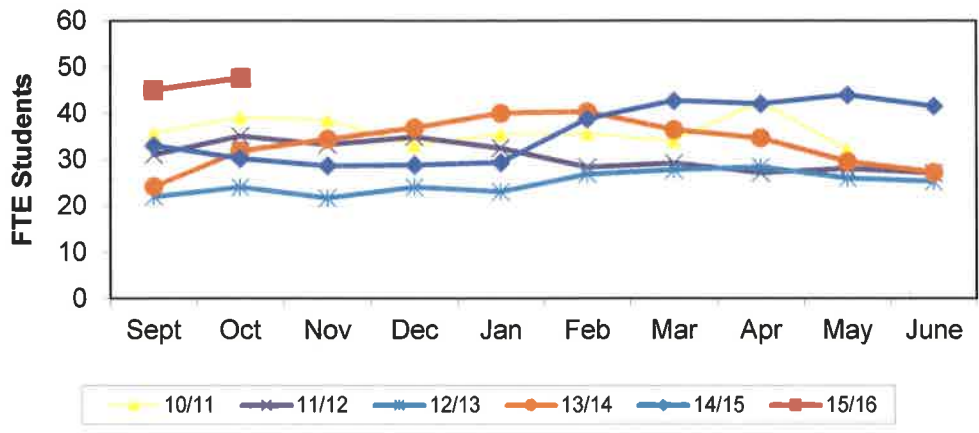
	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	Average
10/11	679	680	675	671	675	676	673	673	675		675
11/12	688	687	682	686	682	683	680	682	683	682	683
12/13	648	650	655	653	651	649	649	648	647	641	649
13/14	651	654	659	655	652	650	649	646	647	646	651
14/15	642	645	640	639	640	638	638	636	640	639	640
15/16	623	624									624
15/16 Bud											627
(Under) Over											-4

PHS Enrollment from 10/11 to 15/16



	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	Average
10/11	845	849	841	832	830	823	814	803	800		824
11/12	811	811	800	793	790	786	774	774	769	767	787
12/13	842	843	843	843	836	825	820	813	811	809	829
13/14	854	849	844	837	832	824	818	809	811	809	829
14/15	853	855	852	849	848	832	819	812	810	803	833
15/16	826	831									829
15/16 Bud											815
(Under) Over											14

Prosser Falls Enrollment from 10/11 to 15/16



	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	Average
10/11	36	39	39	33	36	36	34	43	32		36
11/12	31	35	33	35	33	28	29	27	28	27	31
12/13	22	24	22	24	23	27	28	28	26	25	25
13/14	24	32	34	37	40	40	37	35	30	27	34
14/15	33	30	29	29	29	39	43	42	44	42	36
15/16	45	48									46
15/16 Bud											35
(Under) Over											11

* not including 0 students in the after school credit retrieval program

BOARD PACKET

TO: Board of Directors
SUBJECT: **Certificated Personnel**
AGENDA: **Consent**
DATE: November 3, 2015
PREPARED BY: Dr. Ray Tolcacher, *Superintendent*

Certificated Employees

Rob Witcraft has submitted a letter of resignation from his position as a language arts teacher at Prosser High School, effective the end of the 2015/16 school year.

BOARD PACKET

TO: Board of Directors
SUBJECT: **Classified Personnel**
AGENDA: **Consent**
DATE: November 3, 2015
PREPARED BY: Craig Reynolds, *Business Manager*

CLASSIFIED EMPLOYEES

Heather Hancock has been hired as a noon duty supervisor at Housel Middle School.

Jessica Perez has been hired as a bilingual special education paraeducator at Whitstran Elementary School.

Irene Mendoza has been hired as the home visitor.

Jeanne Borden has been hired as an office assistant at Housel Middle School.

Elizabeth Huerta has been hired as the migrant and bilingual records secretary.

Wendy Frazier has been hired as a special education paraeducator at Prosser Falls High School.

Board Meeting October 13, 2015

An Executive Session of the Prosser School District Board of Directors was called to order at 6:00 p.m. at Keene-Riverview Elementary MPR by Bill Jenkin, President. Other board members present included Dr. Warren Barmore, Bruce Matsumura, Peggy Douglas and Andy Howe. Also present was Dr. Ray Tolcacher, Superintendent. The purpose of the Executive Session was to update the board on negotiations. The Executive Session was expected to last one hour.

The Executive Session was adjourned at 7:02 p.m.

The regular meeting of the Board of Directors of the Prosser School District was called to order at 7:07 p.m. by Bill Jenkin, President. Board members present included Dr. Warren Barmore, Bruce Matsumura, Peggy Douglas and Andy Howe. Student representatives Tye Taylor, Juan Guerra and Zebbie Castilleja were also in attendance. Also present were Dr. Ray Tolcacher, Superintendent; Craig Reynolds, Business Manager; Deanna Flores, Assistant Superintendent; Julie Hyatt, Secretary; and an audience representing school staff, media and community members. Student representative Taylor Beightol was excused from the meeting.

Dr. Tolcacher read a letter from OSPI which stated the results of a food service review, which had been held this past July. The letter was very complimentary toward our food service program, regarding the results of the review. Dr. Tolcacher presented Colleen Little and the food service workers in attendance, with a certificate for this important accomplishment.

Colleen announced that our food service department offers salads and wraps for employees. Colleen also said there is a “sub” bar at the high school for students. Colleen and her employees then distributed samples of wraps and salads which the food service department prepares, for everyone in attendance at the board meeting.

President Jenkin called a short recess to allow everyone the opportunity to sample the wraps and salads.

Dr. Tolcacher requested an Executive Session at the conclusion of the board meeting to discuss pending litigation.

APPROVAL OF AGENDA:

Motion by Peggy Douglas, seconded by Warren Barmore and motion carried to approve the revised agenda. The revisions included additions to Classified Personnel and Action Items and the addition of an Executive Session at the conclusion of the regular board meeting.

COMMUNICATIONS

Letter from OSPI Regarding ELA COE Participant

Deanna Flores explained that ELA COE stands for English Language Arts Collection of Evidence. She went on to explain that COE is a way for high school students to pass the English language arts assessment, which they need to graduate. Desiree Mains participated in a Content Review committee, where she assisted in developing assessment materials which align with state standards as well as the Smarter Balanced Assessment Claims. Ms. Mains participated with other group members from around the state on the project. Through this committee work, Desiree developed an in-depth knowledge of these standards and claims.

Board Meeting October 13, 2015

INFORMATION ITEMS:

After-School District Choir Partnership

Dr. Tolcacher introduced Kelli Merrick, a new teacher in Prosser this year. Kelli explained that last year she started a children's choir, as there was a lack of musical opportunities for children in our community. This next Friday, the first choir practice in conjunction with the school district will take place at HMS. The ages for participation are 2nd grade through 8th grade. All children are welcome, including homeschooled and out-of-district students.

Dr. Tolcacher said he is also interested in possibly starting an elementary band.

AVID Conference, October 8, 2015 at Housel Middle School

Deanna Flores reported that the training which occurred here last week, is the same training which our school district staff has previously attended out-of-state. There was a large turnout, approximately 300 attendees, many from out-of-state. The training went extremely well due to the hard work of everyone who was in on the planning.

PROTOCOL FOR ADDRESSING BOARD:

Dr. Tolcacher read the protocol for addressing the board.

HEARING OF VISITORS:

Mikki Symonds, a parent in the district addressed the board on two topics:

- 1) Outside autism specialist help (Mikki spoke on behalf of Shauna Peters) and
- 2) Honors English

Outside Autism Specialist Help - Mikki thanked the district for providing an autism specialist for students who are on the autism spectrum. Mikki and Shauna would like to know if the teachers and paras could also be trained in dealing with these students. There are simple strategies to deal with students with autism, which would benefit the teachers, paras and other students. If children don't get help, there is a chance they won't be able to live on their own.

Honors English – Mikki said she was speaking not only for herself but for other parents too - Ms. Symonds presented some questions which she hopes will be answered or at least thought about. What kind of environment was there to create the possibility to cut the class? Mikki said we can't "dumb down" our classes. She then related a story of a principal in Arkansas who has had great success with lower income students. This story goes to Mikki's point that we should not cut corners with our classes. We need to give all kids the opportunity to excel. She's asking that next year the Honors English class be reinstated.

Assistant Superintendent's Report

Deanna Flores reported that she was back from her two weeks of training. Deanna also reported that she will finish up her traveling in the spring, after which she will be certified as an AVID District Director.

Business Manager's Report

- Student Enrollment for September 2015

Superintendent's Report

Dr. Tolcacher reported that Taylor Beightol had her first article in the Yakima Herald

Board Meeting October 13, 2015

Republic this past Sunday.

Dr. Tolcacher said he will be out of the district beginning October 19, for a couple of weeks due to a medical procedure.

Board Members' Reports

Bruce Matsumura thanked the school district, students and community for supporting his family the last few days.

Peggy Douglas reported that the Prosser girls had a home soccer game tonight and won in triple overtime, which means we remain in first place.

Peggy also reported she was recently invited to attend a health occupations class in conjunction with Prosser Memorial Hospital. The purpose of the class is to explore different professions in the medical field.

Today, Mrs. Douglas joined Deanna Flores in meeting with the bilingual committee. They reviewed three possible delivery models for our bilingual program. They also visited Sunnyside School District today to observe their bilingual program.

Dr. Tolcacher encouraged Deanna to provide a study session for the board, so they can have a presentation of the three different models and provide an explanation for each.

Dr. Warren Barmore talked about the strength of our board in supporting one another. He thinks the board works better together when they are as close as they are.

Bill Jenkin told Bruce that the board loves him and he has their support. He hopes something good can come out of this.

Student Representatives' Reports

Zebbie Castilleja is a student in the health occupations class. He then explained some of the opportunities this class provides students who are involved in the program.

Homecoming is coming up at the high school next week, with MTV being the theme.

Zebbie reported that he was among several students who represented the high school and accepted a donation from Shopko.

Prosser CIA is meeting this week at Bethel. There is an additional staff person being added, due to the funding the coalition received.

Mr. Castilleja also reported on behalf of Taylor Beightol – There are two more weeks of league volleyball games.

Taylor told Zebbie to report that her biography on the YHR website was the most-read article other than those about crime and traffic.

She also said the high school was very successful in its recent fundraising for Pink Week,

Board Meeting October 13, 2015

with several thousand dollars raised between the boys and the girls.

Tye Taylor reported that PHS received \$6,000 from Drive One for Your Schools, which will be used for clubs and programs at the high school.

Juan Guerra reported that there is another Music Booster Club meeting at the high school tonight. Among the topics which will be discussed are spring field trips, including the Lilac Parade.

Mr. Guerra also reported that planning is beginning for another Gear Up college visit later this month. Gear Up tutors have started working in classes.

Lastly, fall photo day is coming up for the yearbook, which will include photos of all clubs and organizations.

CONSENT ITEMS:

Motion by Andy Howe, seconded by Peggy Douglas and motion carried to approve the Consent Agenda as presented.

Certificated Personnel

Kevin Cole has been recommended as the head girls' golf coach at Prosser High School.

Classified Personnel

Morgan Meadows was hired as an assistant softball coach at Prosser High School.

Bev Steinbock was hired as an a.m. crossing guard at Housel Middle School.

John Bell resigned as the head girls' golf coach at Prosser High School.

Rachel Jackson resigned as the assistant softball coach at Prosser High School.

Melinda Bayer resigned as a bus driver for the Prosser School District.

Gordon Holmes resigned as a bus driver for the Prosser School District.

Sandra Valencia was hired as an office assistant at Prosser Heights Elementary School. Her duties will begin on October 20, 2015.

Sarah Heintz resigned her position as a lunch duty at Housel Middle School.

Approval of Minutes

Minutes from the September 15, 2015 regular board meeting and the September 17 and 28, 2015 special board meetings were presented.

Contracts and Personal Service Agreements

2015/2016 PayneWest Insurance Agreement:

1. Kevin Veleke, PayneWest insurance broker, will provide risk management and consultation services on insurance issues that may come up during the school year. The contract period is

Board Meeting October 13, 2015

from September 1, 2015 to August 31, 2016. The fee for this service is \$5,000 with funding provided through the General Fund budget.

2. *2015/2016 Cormac Thompson, Get a Point Across Agreement:*

Cormac will provide communication services for the District for the 2015/2016 school year. The fee is \$5,000 with funding provided through the General Fund budget.

3. *2015/2016 Language Acquisition Cooperative Agreement with ESD 105:*

With this agreement, Educational Service District 105 will continue to provide to participating school districts, access to a wide range of services, including: instructional support for developing certified Project GLAD (Guided Language Acquisition Design) trainers; collaboration with district instructional leaders to design and implement professional development and follow-up coaching that aligns with district initiatives. It also reinforces established priorities and provides access to electronic resources and materials that are aligned to Common Core State Standards Washington State Standards, Next Generation Science Standards and the new English Language proficiency Standards. Funding is provided through the Title III budget.

4. *Addendum to 2015/2016 ESD 123 Special Education Services Agreement:*

Due to the need for additional occupational therapy services, we are contracting with ESD 123. These services are for 108 days at \$585.00 per day for a total of \$63,180, with funding provided through the Special Education budget.

PERSONAL SERVICE AGREEMENT:

1. Riverside DJs Service Agreement:

Riverside DJs will be providing music for the PHS Homecoming Dance. The dance will be on October 24, 2015. The fee for this service is \$850 with funding provided through the PHS ASB budget.

Volunteer Coaches

Millea DeAngelo has completed the paperwork to be a swim team volunteer.

OLD BUSINESS:

1. Community Forums – It had been previously decided to meet with the school district’s attorney on this topic. Dr. Tolcacher will contact Rocky about scheduling a meeting with Peggy and Bruce as we move forward on this issue.
2. Honors English Class at PHS – Kevin Lusk said they are working on having the framework in place to provide the honors designation as well as looking into the future for future honors classes. There will be more information coming at the next board meeting.

Bill Jenkin said he had given Dr. Tolcacher some information on gaining the designation, which he had received from Mikki Symonds. It is called One Step.

ACTION ITEMS:

Vouchers

“The following vouchers as audited and certified by the auditing officers, as required by RCW

Board Meeting October 13, 2015

42.24.080, and those expense reimbursement claims certified, as required by RCW 42.24.090, are approved for payment.

General Fund Voucher numbers 186980 through 186984, totaling \$4,543.55
General Fund Voucher numbers 186985 through 187024, totaling \$46,662.69
Capital Projects Voucher number 504 totaling \$224.70
Associated Student Body Voucher numbers 6046 through 6054 totaling \$4,190.39

Motion by Andy Howe, seconded by Warren Barmore and motion carried to approve the accounts payable vouchers for October 16, 2015.

Food Service Agreement with Prosser EPIC

Craig Reynolds reported that at the previous Board meeting held on September 15, 2015, Dr. Tolcacher discussed with the Board a request from Prosser EPIC that our food service department provide breakfast and lunch.

A Food Service Agreement For Vendors generated by the Office of Superintendent of Public Instruction was included in the board packet. This agreement shows that Prosser School District (Vendor) will provide 21 breakfasts and lunches for EPIC, Monday through Thursday. The District will prepare the meals and EPIC will pick up the meals and clean the containers. Our insurance broker reviewed the agreement and said the District's liability insurance will extend to this agreement. The District will maintain records ensuring that the meals meet sanitation and health standards at the time the meals are picked up. The District will charge \$2.55 for each breakfast and \$3.75 for each lunch. There is no negative financial impact to the District for providing these meals.

Motion by Peggy Douglas, seconded by Warren Barmore and motion carried to approve the food service agreement between the Prosser School District and Prosser EPIC.

Donation from Shopko

Zebbie Castilleja reported that Prosser High School is excited to receive a donation of \$2,500 from the newly opened Hometown Shopko store in Prosser. Kevin Lusk said that Prosser students Courtney Scott, Hailey Buttars and Zebbie Castilleja accompanied him to the grand opening ceremonies on October 2nd. PHS plans to deposit the money into the ASB fund to benefit student activities at our high school.

Motion by Andy Howe, seconded by Peggy Douglas and motion carried to approve the donation from Shopko.

Agreement with ESD 105 for Vision Services

Dr. Tolcacher reported that due to the shortage of appropriate professionals who are trained to provide required instructional services for visually impaired district students, and after an exhaustive attempt to find services, the district will be contracting with ESD 105 for the needed required services. ESD 105, although not our designated ESD, has gained approval from ESD 123 to provide the services needed for our student. The services will be delivered in the Grandview School District where the ESD 105 staff person offers services. The school district will enter into an agreement to allow the Prosser student to obtain the needed services. Because of the legal requirement to immediately provide services, the District has tentatively

Board Meeting October 13, 2015

entered into an agreement with Grandview School District to provide these services, pending Board approval.

Motion by Warren Barmore, seconded by Peggy Douglas and motion carried to ratify the agreement with ESD 105 for vision services.

DISCUSSION ITEM:

WSSDA Annual Conference, November 19-22, 2015, Bellevue, WA

Dr. Tolcacher said he is assuming each board member will be able to attend. He is also hoping he will be recuperated sufficiently to attend the conference.

After discussion, it was determined to have the next regular board meeting on November 3, 2015 and cancel the second board meeting in October. There is also a need for a special board meeting to approve vouchers. Craig would like to schedule it the last week of October. After discussion, it was agreed to hold the meeting on Tuesday, October 27, 2015 at noon.

ADJOURNMENT:

The board meeting was adjourned at 8:12 p.m.

The board went into Executive Session at 8:19 p.m., to discuss potential litigation. (RCW 42.30.110 (1) (i) The Executive Session was expected to last approximately 20 minutes.

The Executive Session was adjourned at 8:38 p.m.

FUTURE MEETINGS:

Special Board Meeting, October 27, 2015, District Office, 12:00 p.m.

Regular Board Meeting, November 3, 2015, Keene-Riverview Elementary, 7:00 p.m.

Clerk to the Board

Board President

Secretary to the Clerk of the Board

Board Meeting October 27, 2015

A Special Meeting of the Board of Directors of the Prosser School District was called to order at 12:00 p.m. by Dr. Warren Barmore, Vice-President. Board members present included Bruce Matsumura and Peggy Douglas. Also present were Deanna Flores, Assistant Superintendent; Craig Reynolds, Business Manager and Julie Hyatt, Secretary. The Special Board Meeting was held at the District Administration Office, 1126 Meade Avenue, Suite A.

APPROVAL OF AGENDA:

Motion by Peggy Douglas, seconded by Bruce Matsumura and motion carried to approve the agenda.

ACTION ITEM:

Vouchers and Payroll

“The following vouchers as audited and certified by the auditing officers, as required by RCW 42.24.080, and those expense reimbursement claims certified, as required by RCW 42.24.090, are approved for payment. In addition, payroll warrants in the amount of \$2,173,884.10 are also approved.

General Fund Voucher numbers 187025 through 187214 totaling \$344,577.35
Associated Student Body Fund Voucher numbers 6055 through 6086 totaling \$30,659.73

Payroll warrant numbers 47862 through 47970 totaling \$2,173,884.10.”

Motion by Peggy Douglas, seconded by Bruce Matsumura and motion carried to approve the accounts payable vouchers and payroll.

ADJOURNMENT:

The board meeting was adjourned at 12:03 p.m.

FUTURE MEETING:

Regular Board Meeting, November 3, 2015, Keene-Riverview Elementary, 7:00 p.m.

Clerk to the Board

Board Vice-President

Secretary to the Clerk of the Board

Prosser School District No. 116
Contracts and Personal Service Agreements
Consent
November 3, 2015

CONTRACTS/AGREEMENTS:

1. 2015/2016 and 2016/17 CWU College in the High School Program MOU:

The Central Washington University *College in the High School Program* is an opportunity for students in high school to take college courses. This class is taught by a PHS teacher who is an approved College in the High School instructor. This course carries with it college credit. The student pays a fee if they choose to obtain credit for the course.

PERSONAL SERVICE AGREEMENTS:

1. ALSCO Rental Service Agreement:

ALSCO provides the Transportation Department with coveralls, mats, shop towels and laundry bags. The contract will be for a three (3) year term, starting in January 2016. The cost is approximately \$2,200 per year, with funding by the Transportation Department.

2. Tears of Joy Service Agreement- Prosser Heights Elementary:

Tears of Joy will perform "When Animals Were People" on November 24, 2015. The cost is \$750, with funding provided by the ASB budget.

RECOMMENDATION:

It is recommended that the Board of Directors approve the above Contracts and Personal Service Agreements.

BOARD PACKET

TO: Board of Directors
SUBJECT: **Volunteers**
AGENDA: **Consent**
DATE: November 3, 2015
PREPARED BY: Craig Reynolds, *Business Manager*

VOLUNTEERS

Joel A. Gibb has completed the paperwork to be a medical volunteer for Prosser High School Athletic Department.

The following vouchers, as audited and certified by the Auditing Officer as required by RCW 42.24.080, and those expense reimbursement claims certified as required by RCW 42.24.090, are approved for payment. Those payments have been recorded on this listing which has been made available to the board.

As of November 3, 2015, the board, by a _____ vote, approves payments, totaling \$46,689.04. The payments are further identified in this document.

Total by Payment Type for Cash Account, GF WARRANTS PAYABLE:
Warrant Numbers 187215 through 187252, totaling \$46,689.04

Secretary _____ Board Member _____
Board Member _____ Board Member _____
Board Member _____ Board Member _____

Check Nbr	Vendor Name	Check Date	Check Amount
187215	ALL AMERICAN PROPANE	11/06/2015	271.50
187216	AMBUTECH	11/06/2015	34.00
187217	ANDERSON BRYAN, CHRISTINE M	11/06/2015	14.00
187218	APOLLO	11/06/2015	1,341.21
187219	ATOMIC SCREEN PRINT EMBROIDERY	11/06/2015	593.50
187220	BEST WESTERN INN AT HORSE HEAV	11/06/2015	207.20
187221	BOLT, KIMBERLY A	11/06/2015	79.50
187222	BOUND TO STAY BOUND	11/06/2015	542.83
187223	CAMPBELL OFFICE SUPPLY/YAKIMA	11/06/2015	155.26
187224	CASH & CARRY	11/06/2015	35.58
187225	CCTV CAMERASCAN	11/06/2015	431.04
187226	CENTRAL WASHINGTON UNIVERSITY	11/06/2015	15.00
187227	CHAPMAN, JOHN JAY	11/06/2015	2,700.00
187228	CI SHRED	11/06/2015	35.02
187229	DEVORE, TRAVIS C	11/06/2015	249.91
187230	ESD #123	11/06/2015	590.55
187231	FOOD DEPOT	11/06/2015	68.35
187232	GRAHAM, BRENDA K	11/06/2015	397.35
187233	HAAN CRAFTS	11/06/2015	197.66
187234	JW PEPPER & SON INC	11/06/2015	756.97
187235	K C D A	11/06/2015	1,326.88
187236	LOURDES	11/06/2015	2,898.03
187237	LUSK, KEVIN DUANE	11/06/2015	37.72
187238	MAKE MUSIC	11/06/2015	316.00
187239	MICRO	11/06/2015	26,196.76
187240	MORROW, TRACY LYNN	11/06/2015	15.00
187241	NETOP TECH INC	11/06/2015	487.00
187242	OFFICE DEPOT INC	11/06/2015	202.54
187243	OXARC INC	11/06/2015	115.22
187244	SCHOOL DIST #116 REVOLV FUND	11/06/2015	527.72
187245	SHULTZ, SHAWN L	11/06/2015	397.35
187246	STAPLES BUSINESS ADVANTAGE	11/06/2015	844.45
187247	SUPER DUPER PUBLICATIONS	11/06/2015	28.25

Check Nbr	Vendor Name	Check Date	Check Amount
187248	TED BROWN MUSIC COMPANY 1	11/06/2015	10.85
187249	TRI CITIES VOLLEYBALL OFFICIAL	11/06/2015	3,420.05
187250	USI LAMINATE	11/06/2015	554.38
187251	WAL-MART COMMUNITY	11/06/2015	203.37
187252	YAKIMA HERALD-REPUBLIC	11/06/2015	391.04
38	Computer	Check(s) For a Total of	46,689.04

Check Nbr	Vendor Name	Check Date	Invoice Number	Invoice Desc	PO Number	Invoice Amount	Check Amount
187215	ALL AMERICAN PROPANE	11/06/2015	30899	2015-2016 ANNUAL CONTRACT	7201500023	271.50	271.50
	10 E 530 9700 65 7840 110 0000 0000			General Fund/Expenditures/District-Wide Support		271.50	
187216	AMBUTECH	11/06/2015	328952-AT	Cane for Student #134992, E.A.	6301500026	34.00	34.00
	10 E 530 2100 26 5000 063 0000 0000			General Fund/Expenditures/Spec Ed - State		36.92	
	10 L 601 0000 00 0000 000 0000 0000			General Fund/Accounts Payable		-2.92	
187217	ANDERSON BRYAN, CHRISTINE M	11/06/2015	freight charge		0	14.00	14.00
	10 E 530 0100 27 5010 450 0000 0000			General Fund/Expenditures/Basic Education		14.00	
187218	APOLLO	11/06/2015	42476-153629	2015-16 Annual contract for HVAC services	7401500004	1,341.21	1,341.21
	10 E 530 9700 64 7950 074 0000 0000			General Fund/Expenditures/District-Wide Support		1,341.21	
187219	ATOMIC SCREEN PRINT EMBROIDERY	11/06/2015	12976	tshirts	4501500009	593.50	593.50
	10 E 530 0100 27 5000 450 0000 0000			General Fund/Expenditures/Basic Education		593.50	
187220	BEST WESTERN INN AT HORSE HEAV	11/06/2015	100105 10/25/2015		0	207.20	207.20
	10 E 530 9700 12 7000 071 0000 0000			General Fund/Expenditures/District-Wide Support		207.20	
187221	BOLT, KIMBERLY A	11/06/2015	supplies		0	79.50	79.50
	10 E 530 9700 13 5000 072 0000 0000			General Fund/Expenditures/District-Wide Support		79.50	
187222	BOUND TO STAY BOUND	11/06/2015	913556	LIBRARY	1201500015	542.83	542.83
	10 E 530 0100 22 5000 120 0000 0000			General Fund/Expenditures/Basic Education		542.83	
187223	CAMPBELL OFFICE SUPPLY/YAKIMA	11/06/2015	219292-0	2015-2016 OPEN PO FOR: BUSINESS AND SUPERINTENDENT'S OFFICE	7201500019	111.83	155.26
	10 E 530 9700 12 5000 071 0000 0000			General Fund/Expenditures/District-Wide Support		52.19	
	10 E 530 9700 13 5000 072 0000 0000			General Fund/Expenditures/District-Wide Support		59.64	
			219442-0	2015-2016 OPEN PO FOR: BUSINESS AND SUPERINTENDENT'S OFFICE	7201500019	43.43	
	10 E 530 9700 12 5000 071 0000 0000			General Fund/Expenditures/District-Wide Support		20.27	
	10 E 530 9700 13 5000 072 0000 0000			General Fund/Expenditures/District-Wide Support		23.16	
187224	CASH & CARRY	11/06/2015	10/26/2015		1173	35.58	35.58
	10 E 530 9800 42 5430 075 0000 0000			General Fund/Expenditures/Food Service		35.58	
187225	CCTV CAMERASCAN	11/06/2015	11670	security	4501500059	215.52	431.04
	10 E 530 0100 27 5000 450 0000 0000			General Fund/Expenditures/Basic Education		215.52	
			11677	security	4501500059	215.52	

Check Nbr	Vendor Name	Check Date	Invoice Number	Invoice Desc	PO Number	Invoice Amount	Check Amount
10 E 530 0100 27 5000 450 0000 0000				General Fund/Expenditures/Basic Education		215.52	
187226	CENTRAL WASHINGTON UNIVERSITY	11/06/2015	10/12/2015	tests	4501500056	15.00	15.00
10 R 960 0000 29 2900 450 0000 0000				General Fund/Revenues/Program 00		15.00	
187227	CHAPMAN, JOHN JAY	11/06/2015	NOVEMBER 2015	2015/2016 DISTRICT OFFICE LEASE	7201500002	2,700.00	2,700.00
10 E 530 9700 63 7000 072 0000 0000				General Fund/Expenditures/District-Wide Support		2,700.00	
187228	CI SHRED	11/06/2015	0027158 hms	Shredding services	2401500020	35.02	35.02
10 E 530 0100 23 7000 240 0000 0000				General Fund/Expenditures/Basic Education		35.02	
187229	DEVORE, TRAVIS C	11/06/2015	GOLDFISH 10/22/2015		0	27.68	249.91
10 E 530 3165 27 5000 450 0000 0000				General Fund/Expenditures/Home/Family		27.68	
10 E 530 3160 27 5000 450 0000 0000				PROTECTIVE CASES General Fund/Expenditures/Agriculture	0	222.23	222.23
187230	ESD #123	11/06/2015	23993		0	590.55	590.55
10 E 530 0100 22 5060 060 0000 0000				General Fund/Expenditures/Basic Education		590.55	
187231	FOOD DEPOT	11/06/2015	162406		790	34.65	68.35
10 E 530 0100 27 5000 450 0000 0000				General Fund/Expenditures/Basic Education		34.65	
10 E 530 0135 27 5000 482 0000 0000				162556 General Fund/Expenditures/Alt High School	10056	12.90	12.90
10 E 530 9800 42 5430 075 0000 0000				162662 General Fund/Expenditures/Food Service	1172	20.80	20.80
187232	GRAHAM, BRENDA K	11/06/2015	waswug 10/10/2015		0	397.35	397.35
10 E 530 9730 72 8030 076 0000 0000				General Fund/Expenditures/Tech Coordinator - Office		397.35	
187233	HAAN CRAFTS	11/06/2015	0213132	Sewing kits for FACS Class - Will Phone Order	2401500016	197.66	197.66
10 L 601 0000 00 0000 000 0000 0000				General Fund/Accounts Payable		-17.00	
10 R 960 0000 21 2100 240 0000 0000				General Fund/Revenues/Program 00		214.66	
187234	JW PEPPER & SON INC	11/06/2015	14592801	music	4501500039	559.31	756.97
10 E 530 0100 27 5100 450 0000 0000				General Fund/Expenditures/Basic Education		559.31	
10 E 530 0100 27 5100 450 0000 0000				14593330 General Fund/Expenditures/Basic Education	4501500039	59.74	59.74
10 E 530 0100 27 5100 450 0000 0000				14594177 General Fund/Expenditures/Basic Education	4501500039	137.92	137.92

Check Nbr	Vendor Name	Check Date	Invoice Number	Invoice Desc	PO Number	Invoice Amount	Check Amount
187235	K C D A	11/06/2015	3968408	Desk for Jennifer Klos	1301500019	1,220.66	1,326.88
10 E 530 0100 27 5000 130 0000 0000				General Fund/Expenditures/Basic Education		1,220.66	
			3969388	Parachute for Bob Alter	1301400055	-73.71	
10 E 530 0100 27 5000 130 0000 0000				General Fund/Expenditures/Basic Education		-73.71	
			3969408	Office supplies	2401500012	68.10	
10 E 530 0100 27 5000 240 0000 0000				General Fund/Expenditures/Basic Education		68.10	
			3969410	Math Dept Supplies	2401500007	111.83	
10 E 530 0100 27 5000 240 0000 0000				General Fund/Expenditures/Basic Education		111.83	
187236	LOURDES	11/06/2015	SEPTEMBER 2015		0	2,898.03	2,898.03
10 E 530 2100 27 7000 063 0000 0000				General Fund/Expenditures/Spec Ed - State		2,898.03	
187237	LUSK, KEVIN DUANE	11/06/2015	toppenish 10/16/2015		0	37.72	37.72
10 E 530 0100 23 8030 450 0000 0000				General Fund/Expenditures/Basic Education		37.72	
187238	MAKE MUSIC	11/06/2015	NS1145581-	Subscription renewal-Phone Order	2401500009	316.00	316.00
10 E 530 0100 27 5030 240 0000 0000				General Fund/Expenditures/Basic Education		343.18	
10 L 601 0000 00 0000 000 0000 0000				General Fund/Accounts Payable		-27.18	
187239	MICRO	11/06/2015	0463733-IN	Technology	7601500020	967.63	26,196.76
10 E 530 9700 72 5310 076 0000 0000				General Fund/Expenditures/District-Wide Support		967.63	
			0463749-IN	Technology	7601500020	18,745.71	
10 E 530 9700 72 5310 076 0000 0000				General Fund/Expenditures/District-Wide Support		18,745.71	
			0464127-IN	Technology	7601500020	6,483.42	
10 E 530 9700 72 5310 076 0000 0000				General Fund/Expenditures/District-Wide Support		6,483.42	
187240	MORROW, TRACY LYNN	11/06/2015	BOOK REFUND		0	15.00	15.00
10 R 960 0000 26 2600 120 0000 0000				General Fund/Revenues/Program 00		15.00	
187241	NETOP TECH INC	11/06/2015	ius0135488	Netop VISION Upgrade	4821500006	487.00	487.00
10 E 530 0135 27 5030 482 0000 0000				General Fund/Expenditures/Alt High School		487.00	
187242	OFFICE DEPOT INC	11/06/2015	800312248001	OFFICE	1201500016	132.64	202.54
10 E 530 0100 27 5000 120 0000 0000				General Fund/Expenditures/Basic Education		132.64	
			800312373001	OFFICE	1201500016	69.90	
10 E 530 0100 27 5000 120 0000 0000				General Fund/Expenditures/Basic Education		69.90	
187243	OXARC INC	11/06/2015	SYA0833	Open PO for Metal	4561500001	115.22	115.22

Check Nbr	Vendor Name	Check Date	Invoice Number	Invoice Desc	PO Number	Invoice Amount	Check Amount
				Shop Supplies			
10 E 530 3160 27 5000 450 0000 0000				General Fund/Expenditures/Agriculture		115.22	
187244	SCHOOL DIST #116 REVOLV FUND	11/06/2015	4414		0	527.72	527.72
10 E 530 5320 24 5000 060 0000 0000				General Fund/Expenditures/Migrant Ed		286.37	
10 E 530 0187 31 5070 060 0000 0000				General Fund/Expenditures/Text Adoption		241.35	
187245	SHULTZ, SHAWN L	11/06/2015	waswug		0	397.35	397.35
10 E 530 9730 72 8030 076 0000 0000				General Fund/Expenditures/Tech Coordinator - Office		397.35	
187246	STAPLES BUSINESS ADVANTAGE	11/06/2015	3280216660	supplies	4501500025	26.04	844.45
10 E 530 0100 27 5000 450 0000 0000				General Fund/Expenditures/Basic Education		26.04	
			3280216662	SLONECKER CLASSROOM BUDGET	1201500013	29.34	
10 E 530 0112 27 5000 120 0000 0000				General Fund/Expenditures/Specialist		29.34	
			3280216663	SLONECKER CLASSROOM BUDGET	1201500013	6.51	
10 E 530 0112 27 5000 120 0000 0000				General Fund/Expenditures/Specialist		6.51	
			3280216664	SLONECKER CLASSROOM BUDGET	1201500013	14.73	
10 E 530 0112 27 5000 120 0000 0000				General Fund/Expenditures/Specialist		14.73	
			3280216665	SLONECKER CLASSROOM BUDGET	1201500013	7.16	
10 E 530 0112 27 5000 120 0000 0000				General Fund/Expenditures/Specialist		7.16	
			3280216685	Supplies for M. Lowry	6301500005	5.42	
10 E 530 2100 26 5000 063 0000 0000				General Fund/Expenditures/Spec Ed - State		5.42	
			3280216686	Supplies for M. Lowry	6301500005	39.63	
10 E 530 2100 26 5000 063 0000 0000				General Fund/Expenditures/Spec Ed - State		39.63	
			3280216687	Supplies for M. Lowry	6301500005	271.72	
10 E 530 2100 26 5000 063 0000 0000				General Fund/Expenditures/Spec Ed - State		271.72	
			3280216688	Supplies for M. Lowry	6301500005	30.33	
10 E 530 2100 26 5000 063 0000 0000				General Fund/Expenditures/Spec Ed - State		30.33	
			3280216689	Supplies for M. Lowry	6301500006	61.85	
10 E 530 2100 26 5000 120 0000 0000				General Fund/Expenditures/Spec Ed - State		61.85	
			3280216692	SLP Supplies -	6301500021	269.87	

Check Nbr	Vendor Name	Check Date	Invoice Number	Invoice Desc	PO Number	Invoice Amount	Check Amount
				Michelle Lowry			
10 E 530 2100 26 5000 120 0000 0000				General Fund/Expenditures/Spec Ed - State		192.69	
10 E 530 2100 27 5000 120 0000 0000				General Fund/Expenditures/Spec Ed - State		77.18	
			3280216693	SLP Supplies - Michelle Lowry	6301500021	6.51	
10 E 530 2100 26 5000 120 0000 0000				General Fund/Expenditures/Spec Ed - State		4.65	
10 E 530 2100 27 5000 120 0000 0000				General Fund/Expenditures/Spec Ed - State		1.86	
			3280216694	SLP Supplies - Michelle Lowry	6301500021	18.34	
10 E 530 2100 26 5000 120 0000 0000				General Fund/Expenditures/Spec Ed - State		13.09	
10 E 530 2100 27 5000 120 0000 0000				General Fund/Expenditures/Spec Ed - State		5.25	
			3280216695	SLP Supplies - Michelle Lowry	6301500021	46.69	
10 E 530 2100 26 5000 120 0000 0000				General Fund/Expenditures/Spec Ed - State		33.34	
10 E 530 2100 27 5000 120 0000 0000				General Fund/Expenditures/Spec Ed - State		13.35	
			3280216696	SLP Supplies - Michelle Lowry	6301500021	10.31	
10 E 530 2100 26 5000 120 0000 0000				General Fund/Expenditures/Spec Ed - State		7.36	
10 E 530 2100 27 5000 120 0000 0000				General Fund/Expenditures/Spec Ed - State		2.95	
187247	SUPER DUPER PUBLICATIONS	11/06/2015	2111535A	Supply of Tongue Depressors for Michelle Lowry	6301500030	28.25	28.25
10 E 530 2100 26 5000 120 0000 0000				General Fund/Expenditures/Spec Ed - State		30.68	
10 L 601 0000 00 0000 000 0000 0000				General Fund/Accounts Payable		-2.43	
187248	TED BROWN MUSIC COMPANY 1	11/06/2015	1745308	repairs	4501500035	10.85	10.85
10 E 530 0100 27 5100 450 0000 0000				General Fund/Expenditures/Basic Education		10.85	
187249	TRI CITIES VOLLEYBALL OFFICIAL	11/06/2015	1547	Refs	4501500060	3,420.05	3,420.05
10 E 530 0100 28 7000 450 0000 0000				General Fund/Expenditures/Basic Education		3,420.05	
187250	USI LAMINATE	11/06/2015	0377600501011	LAMINATE	1201500014	187.59	554.38
10 E 530 0100 27 5000 120 0000 0000				General Fund/Expenditures/Basic Education		203.72	
10 L 601 0000 00 0000 000 0000 0000				General Fund/Accounts Payable		-16.13	
			0377694901010	LAMINATE	1201500017	366.79	
10 E 530 0100 27 5000 120 0000 0000				General Fund/Expenditures/Basic Education		398.33	
10 L 601 0000 00 0000 000 0000 0000				General Fund/Accounts Payable		-31.54	
187251	WAL-MART COMMUNITY	11/06/2015	05576	Open PO for Family & Consumer Science supplies	2401500010	49.32	203.37
10 R 960 0000 21 2100 240 0000 0000				General Fund/Revenues/Program 00		49.32	
			07812		0	43.28	

Check Nbr	Vendor Name	Check Date	Invoice Number	Invoice Desc	PO Number	Invoice Amount	Check Amount
10 E 530 9700 12 5000 071 0000 0000				General Fund/Expenditures/District-Wide Support		43.28	
			08804		0	110.77	
10 E 530 9700 12 5000 071 0000 0000				General Fund/Expenditures/District-Wide Support		110.77	
187252	YAKIMA HERALD-REPUBLIC	11/06/2015	584399	2015-2016 OPEN PO FOR CLASSIFIED AND CERTIFIED POSITIONS	7201500011	391.04	391.04
10 E 530 9700 14 7050 072 0000 0000				General Fund/Expenditures/District-Wide Support		391.04	
				38 Computer	Check(s) For a Total of		46,689.04

The following vouchers, as audited and certified by the Auditing Officer as required by RCW 42.24.080, and those expense reimbursement claims certified as required by RCW 42.24.090, are approved for payment. Those payments have been recorded on this listing which has been made available to the board.

As of November 3, 2015, the board, by a _____ vote, approves payments, totaling \$6,138.10. The payments are further identified in this document.

Total by Payment Type for Cash Account, ASB WARRANTS PAYABLE:
Warrant Numbers 6087 through 6101, totaling \$6,138.10

Secretary _____	Board Member _____
Board Member _____	Board Member _____
Board Member _____	Board Member _____

Check Nbr	Vendor Name	Check Date	Check Amount
6087	BAROCIO, ARMANDINA	11/06/2015	79.10
6088	CAMPOS, XAVIAN LI	11/06/2015	5.00
6089	DISCOUNT SCHOOL SUPPLY	11/06/2015	390.93
6090	FAZZARI, ANNA L	11/06/2015	196.58
6091	FINK, REBECCA D	11/06/2015	92.00
6092	FOOD DEPOT	11/06/2015	19.92
6093	COOK'S ACE HARDWARE	11/06/2015	69.96
6094	KIMMEL ATHLETIC SUPPLY	11/06/2015	257.41
6095	MOVIE LICENSING USA	11/06/2015	468.00
6096	ORIENTAL TRADING CO	11/06/2015	158.81
6097	PEPSI COLA YAKIMA	11/06/2015	574.78
6098	PROSSER HIGH SCHOOL IMPREST	11/06/2015	12.68
6099	TASTE OF HEAVEN BAKING LLC	11/06/2015	105.00
6100	TC SPAN AMERICA LLC	11/06/2015	2,123.19
6101	URM CASH & CARRY	11/06/2015	1,584.74

15 Computer Check(s) For a Total of 6,138.10

Check Nbr	Vendor Name	Check Date	Invoice Number	Invoice Desc	PO Number	Invoice Amount	Check Amount
6087	BAROCIO, ARMANDINA	11/06/2015	10/20/2015		0	39.55	79.10
40 E 530 1200 05 0000 000 0000 0000				Associated Student Body Fund/Expenditures/CONCESSIONS		39.55	
			9/29/2015		0	39.55	
40 E 530 1200 05 0000 000 0000 0000				Associated Student Body Fund/Expenditures/CONCESSIONS		39.55	
6088	CAMPOS, XAVIAN LI	11/06/2015	T-SHIRT REFUND		0	5.00	5.00
40 E 530 4360 05 0000 000 0000 0000				Associated Student Body Fund/Expenditures/BAND		5.00	
6089	DISCOUNT SCHOOL SUPPLY	11/06/2015	P33597900001	Homecoming Supplies	4521500087	390.93	390.93
40 E 530 4470 05 0000 000 0000 0000				Associated Student Body Fund/Expenditures/CHEERLEADING		390.93	
6090	FAZZARI, ANNA L	11/06/2015	ATH. SUPPLIES		0	196.58	196.58
40 E 530 2020 05 0000 000 0000 0000				Associated Student Body Fund/Expenditures/MEDICAL SUPPL		196.58	
6091	FINK, REBECCA D	11/06/2015	spokane travel		0	92.00	92.00
40 E 530 4999 05 0000 000 0000 0000				Associated Student Body Fund/Expenditures/DRAMA		92.00	
6092	FOOD DEPOT	11/06/2015	162486	Student Store Supplies	4521500024	9.96	19.92
40 E 530 4190 05 0000 000 0000 0000				Associated Student Body Fund/Expenditures/SCHOOL STORE		9.96	
			162551	Student Store Supplies	4521500024	9.96	
40 E 530 4190 05 0000 000 0000 0000				Associated Student Body Fund/Expenditures/SCHOOL STORE		9.96	
6093	COOK'S ACE HARDWARE	11/06/2015	A332216	Goggles	4521500085	69.96	69.96
40 E 530 4999 05 0000 000 0000 0000				Associated Student Body Fund/Expenditures/DRAMA		69.96	
6094	KIMMEL ATHLETIC SUPPLY	11/06/2015	0503468-IN	Coaches Gear	4521500096	257.41	257.41
40 E 530 2140 05 0000 000 0000 0000				Associated Student Body Fund/Expenditures/FOOTBALL		257.41	
6095	MOVIE LICENSING USA	11/06/2015	2111732		4026	468.00	468.00
40 E 530 1040 04 0000 000 0000 0000				Associated Student Body Fund/Expenditures/GENERAL		508.25	
40 L 601 0000 00 0000 000 0000 0000				Associated Student Body Fund/Accounts Payable		-40.25	
6096	ORIENTAL TRADING CO	11/06/2015	673909815-01		2587	158.81	158.81
40 E 530 1040 02 0000 000 0000 0000				Associated Student Body Fund/Expenditures/GENERAL		172.47	
40 L 601 0000 00 0000 000 0000 0000				Associated Student Body Fund/Accounts Payable		-13.66	
6097	PEPSI COLA YAKIMA	11/06/2015	0078546	Drinks for all home contests to sell at the concession stand	4521500012	574.78	574.78
40 E 530 1200 05 0000 000 0000 0000				Associated Student Body Fund/Expenditures/CONCESSIONS		574.78	
6098	PROSSER HIGH SCHOOL IMPREST	11/06/2015	2793		0	12.68	12.68
40 E 530 4360 05 0000 000 0000 0000				Associated Student Body Fund/Expenditures/BAND		12.68	

Check Nbr	Vendor Name	Check Date	Invoice Number	Invoice Desc	PO Number	Invoice Amount	Check Amount
6099	TASTE OF HEAVEN BAKING LLC	11/06/2015	832860	Cookies for Football Game	4521500086	105.00	105.00
40 E 530 3018 05 0000 000 0000 0000				Associated Student Body Fund/Expenditures/CLASS OF 2018		105.00	
6100	TC SPAN AMERICA LLC	11/06/2015	71947		4030	2,123.19	2,123.19
40 E 530 2240 04 0000 000 0000 0000				Associated Student Body Fund/Expenditures/VOLLEYBALL		2,123.19	
6101	URM CASH & CARRY	11/06/2015	C30984503	Food to sell at home contests in the Concession Stand	4521500013	467.76	1,584.74
40 E 530 1200 05 0000 000 0000 0000				Associated Student Body Fund/Expenditures/CONCESSIONS		467.76	
			C30985114	bbq supplies fb concessions	4521500073	638.42	
40 E 530 3018 05 0000 000 0000 0000				Associated Student Body Fund/Expenditures/CLASS OF 2018		638.42	
			C30985437	bbq supplies fb concessions	4521500073	94.27	
40 E 530 3018 05 0000 000 0000 0000				Associated Student Body Fund/Expenditures/CLASS OF 2018		94.27	
			C30985959	Student Store Supplies	4521500023	288.37	
40 E 530 4190 05 0000 000 0000 0000				Associated Student Body Fund/Expenditures/SCHOOL STORE		288.37	
			C30986455	Food to sell at home contests in the Concession Stand	4521500013	95.92	
40 E 530 1200 05 0000 000 0000 0000				Associated Student Body Fund/Expenditures/CONCESSIONS		95.92	
			15	Computer	Check(s) For a Total of		6,138.10

BOARD PACKET

TO: Board of Directors
SUBJECT: Heritage University Field Placement Agreement
AGENDA: Action
DATE: November 3, 2015
PREPARED BY: *Deanna Flores, Assistant Superintendent*

Background:

Prosser School District has agreed to provide placements for Heritage University student teachers. Heritage University will provide a coordinator to work with the student teacher and the district. Requests for placements will be made through the Assistant Superintendent. The agreement specifies responsibilities of the university and the district.

Recommendation:

Approval of the Agreement with Heritage University for student teacher placements is recommended.



**College of Education and Psychology
Field Placement Agreement**

Theory to Practice

This agreement, made and entered into this last day of **June 30, 2015** through **June 30, 2018** at Toppenish, Yakima County, State of Washington, by and between the State of Washington, Heritage University, hereinafter referred to as the University, and **Prosser School District**, hereinafter referred to as the School District, in the manner following:

WITNESSETH:

WHEREAS, it is in the best interest of the University, the School District, and the citizens of the State of Washington to provide cooperative arrangements for Field Placement, co-teaching and related educational services for University students hereinafter referred to as candidates, enrolled in the College of Education and Psychology, Heritage University; and,

WHEREAS, the School District has the facilities and staff to provide said educational services; and,

NOW THEREFORE, for and in consideration of the mutual covenants and promises of the parties hereinafter set forth, it is agreed as follows:

ARTICLE I

Candidates from the University will be assigned to Core Teachers with at least three (3) years of teaching experience and currently employed by the School District. Field Placement, co-teaching and related educational services requests, will originate with the University personnel responsible for securing placements in the School District. A request will only be made after the student has met University requirements to qualify for a co-teaching internship or field placement. The University will verify fingerprints and character clearance under RCW 28A.410.010 before the candidate's first day of work in the district and assures that these remain current throughout the Field Placement. Each Field Placement will be mutually agreed upon by the School District Representative, the Core Teacher involved, and the University Director of Teacher Field Experiences or University Regional Site Directors. The School District will involve Field Placement and co-teaching candidates in the full range of school-related activities.

ARTICLE II

Heritage University will assign University faculty members or other qualified personnel who have been trained to serve as facilitators of candidates in the District. Such person will be responsible for

Knowledge Brings Us Together"

Main Campus • 3240 Fort Road • Toppenish, WA 98948 • (509) 865-8500 • www.heritage.edu
Moses Lake (509) 793-2385 • Tri-Cities (509) 542-5520 • Seattle (206) 592-4244

coordinating services of the University including, but not limited to, the orientation of the Core Teachers to the co-teaching program and the supervision of candidates.

ARTICLE III

Heritage University will assign candidates to qualified core teachers from the School Districts. Core Teachers must be fully certificated school personnel and have a minimum of three years of professional experiences in the role they are supervising [WAC 181-78A-220(4)]. Core Teachers will be responsible for mentoring teacher candidates in a collegial setting by observing and providing feedback, modeling effective teaching strategies, sharing the planning, instruction, and assessment of lessons, and communicating expectations clearly. Additional core teacher responsibilities are specified in the Co-teaching Handbook.

ARTICLE IV

Upon the completion of each teacher candidate placement, the University will pay each core teacher an honorarium. If there is a split co-teaching placement, this honorarium will be pro-rated according to the portion of the time each Core Teacher contributes to the candidate's full-time placement. Continuing Education credit hours are available by completing Form SPI 1128-1 with the district. "Supervisors" [per WAC 181-85-033 (3)] can apply for not more than ten per semester or 20 per year Continuing Education credits.

ARTICLE V

Heritage University students assigned as co-teaching candidates are expected to comply with all rules and regulations of the School District while serving in that District. The School District and the School will provide each candidate access to written copies of applicable policies and procedures.

ARTICLE VI

Co-teaching will commence with the beginning of each semester and will terminate with the successful completion of the co-teaching experience. Additional field placements may occur mid-semester with the approval of the University and the School District. Co-teaching experiences will typically be 14 weeks in length.

ARTICLE VII

Candidates will not be placed in settings in which personal relationships or previous experiences could interfere with objective evaluations of candidates (WAC 181-78A-125 (b)).

ARTICLE VIII

The parties hereto agree that the School District and any agents and employees of the School District in the performance of the agreement shall act in an independent contractor capacity and not as officers, employees, or agents of the University.

ARTICLE IX

Any party may terminate this agreement by written notice to the other party at least thirty days in advance of the beginning of any University semester. Nothing in this Article shall be construed to permit either party to require such termination to occur during any University semester.

ARTICLE X

It is mutually understood and agreed that no alteration or variation of the terms of this agreement shall be valid unless made in writing and signed by all the parties hereto. It is further agreed that any oral understanding or agreement not incorporated herein, and no alterations or variations of the terms hereof, unless made in writing and noted by signatures between the parties shall be binding on any of the parties hereto.

ARTICLE XI

No delay or failure of either party in exercising any right herein explicit or implied, and no partial or single exercise thereof, shall be deemed to constitute a partial or complete waiver of such right or any other right herein.

ARTICLE XII

All parties agree that neither shall discriminate on the basis of race, creed, color, national origin, sex, marital status, sexual orientation, or a physical/sensory impairment that would substantially limit one or more of any party's major life activities. In accordance with FERPA, Heritage University will not disclose a student's disability or 504 plan to a potential placement district, agency or community partner without the student's advance written consent.

ARTICLE XIII

When it is in the best interest of the District to do so, the District reserves the right to terminate any teacher candidate, field participant, practicum student and/or intern but will consult with the University facilitator and the University Director of Teacher Field Experiences prior to the decision.

ARTICLE XIV

The University will defend, indemnify and hold harmless the District, its directors, employees and agents from any loss, claim, or damage arising out of the negligent acts or omissions of University students or faculty. The University agrees to provide professional liability coverage for assigned University students and/or faculty and, upon request, to deliver a certificate or other evidence of such coverage to the District prior to beginning any performance under this Agreement.

IN WITNESS WHEREOF, this AGREEMENT has been executed by and on behalf of the parties hereto the day and year first above written. Operations which to this agreement are hereby made a part hereof as though fully set forth herein.

Heritage University

School District

Signature
Merrilou Harrison, Dean
College of Education and Psychology

Signature
(NAME OF DISTRICT SUPERINTENDENT)
Superintendent

Signature
Siri J. Strom
Interim Vice President and Chief Financial Officer

ADDENDUM

Contact person to place a Heritage University candidate in (SCHOOL DISTRICT):

PLEASE PRINT CLEARLY

Name: _____

Position: _____

Telephone Number: _____

Fax Number: _____

E-mail: _____

Address: _____

BOARD PACKET

TO: Board of Directors
SUBJECT: South Dakota State University Student Teacher Agreement
AGENDA: Action
DATE: November 03, 2015
PREPARED BY: Deanna Flores, *Assistant Superintendent*

Background:

Prosser School District has agreed to provide placements for South Dakota State University student teachers. South Dakota State University will provide a coordinator to work with the student teacher and the district. Requests for placements will be made through the Assistant Superintendent. The agreement specifies responsibilities of the university and the district.

Recommendation:

Approval of the Agreement between the Prosser School District and South Dakota State University is recommended.



SOUTH DAKOTA STATE UNIVERSITY
College of Education and Human Sciences
Student Teachers Field Experiences

This contract agreement is between the Teacher Education Department in the College of Education and Human Sciences at South Dakota State University, Brookings, South Dakota and

Prosser School District	1126 Meade Ave Ste A	Prosser	WA	99350
Contracting School Name	Contracting School Address	City	State	Zip

The South Dakota Board of Regents has deemed this contract appropriate for use between South Dakota State University and cooperating schools whose faculty will be supervising our student teachers during their semester of the field experience required by our teacher education program. By signing this contract, your school has agreed to allow one of your faculty members to supervise the in-classroom experience of a student teacher in his/her field of study. For any one college semester, your faculty member will be compensated according to the descriptive paragraph following herein:

Teacher Educators: \$100.00 Per Professional Semester II Student
 Others: \$200.00 Per Full-Time Student Teacher*

(*Teacher Educators are those faculty who have had approved student teacher supervision training and mentoring offered by South Dakota State University.)

- 1) Placement of students in the cooperating schools will be accomplished by a representative of the University and the participating school administrator.
- 2) School-Based Faculty must have a minimum of three years of experience and be certified in the area(s) they are supervising, and they will assume the responsibilities of assigning work, observing, supervising, critiquing, keeping records, and filing necessary reports to the University.
- 3) The Field Experiences will be supervised by University faculty. During the student teaching experience, the University supervisor will visit a minimum of four times during a ten-week experience.**
 **Professional Semester II field experiences will be supervised twice per semester.
- 4) School-Based Faculty may be asked to attend conferences/workshops sponsored by the University.
- 5) Agricultural Education and Home Economics Education student teachers will be visited a minimum of two times during a ten-week experience for a full day for each visit.

It is further agreed that this shall be a continuing contract, requiring renewal on a five-year basis, but subject to cancellation on a three month's notice given in writing by either party. Non-assignment of student teachers for a given term or terms is not to be interpreted as cancellation.

Superintendent, Your School	Please Print Also	Date
-----------------------------	-------------------	------

President, Your Board of Education	Please Print Also	Date
------------------------------------	-------------------	------

Your School Tax ID#

Provost and Vice President for Academic Affairs, South Dakota State University	Date
--	------

BOARD PACKET

TO: Board of Directors
SUBJECT: Agreement with Heritage University to Allow State Work Study Student Placement in PSD
AGENDA: Action
DATE: November 3, 2015
PREPARED BY: Deanna Flores, *Assistant Superintendent*

Background:

As a part of our AVID requirements, we must provide college-age tutors to all of our AVID elective classes at Housel Middle School and Prosser High School. The tutorial process is essential for helping students work through challenging courses. Some college-age tutors were hired previously through the GEAR UP grant, but came with restrictions on the grade levels in which they could work. As of this year The GEAR UP grant is no longer providing tutors at PHS.

Under this proposal, work study students would be referred through local colleges and universities. As a work study site, our district would have 60-70% of the wages covered by the State Work Study program. For our district to consider hiring these students, we must first be approved by the State Work Study program. Being an approved site does not require our district to post positions or hire students – it allows us to do so if we so choose.

Recommendation:

Approve the Heritage University agreement for PSD to be an approved State Work Study employer.

HERITAGE UNIVERSITY
Federal Work Study Terms of Agreement Cover Page

Complete the cover page by printing or typing in the information and return to Heritage University with the Employer Contract

<u>Name of Business:</u> Prosser School District	<u>Owned/Operated by:</u> Prosser School District/State of Washington	<u>Address, Zip Code, phone number & e-mail (if applicable):</u> 1126 Meade Ave Prosser, WA 99350 509-786-3323
<u>Nature of business or description of goods or services provided: (Attach annual report or summary publication, if you prefer)</u> Public school district that serves about 2,800 students in grades PreK-12.		
<u>Number of Years in Operation:</u> 108	<u>Number of Employees:</u> 425	Full time: <u> 350 </u> Part time: <u> 75 </u> Federal Work Study: <u> 0 </u>
Describe the composition of the Board of Directors/Corporation (If applicable) Five publicly elected members on our board of directors, representing five district geographical regions.		
Is your organization currently participating in the Federal Work Study Program? If so, through which institution(s) are you receiving work study from? No		
Has your organization experience any financial hardships within the past two years that would make it difficult to compensate Heritage University Federal Work Study students on a regular basis? If so, please explain on the back of this form. No		
Has your organization ever been a defendant in a consumer protection action? If so, please explain on the back of this form. No		
Has your organization ever been involved in a labor dispute? If so, please explain on the back of this form. No		

 Authorized Signature

 Date

By signing this binding document you are authorizing that the above information is accurate.

Heritage University Federal Work Study Terms of Agreement

Initial Agreement

Renewal

Agreement, effective this 3rd day of November, 2015 is entered into between Heritage University, hereinafter known as "Institution," and the Prosser School District (a Federal, State, or Local public agency, or private nonprofit organization) hereinafter known as the "Organization" (circle type of organization), for the purpose of providing work to students eligible for the Federal Work-Study Program (FWS) under the Higher Education Act of 1965 (P.L. 89-329) and amendments thereto, through employment offered by the Organization under terms stipulated hereinafter.

This Agreement shall be subject to the availability of funds granted to the Institution for the Federal Work-Study Program.

First: The Organization agrees to provide employment for students duly certified by the Institution and accepted by the Organization.

Second: The Institution agrees that eligible students, when possible, will be made available to the Organization to perform specific work assignments. The institution, when possible, shall make applicants available to the Organization for interview at the Organization's request.

Third: Schedules to be attached to this agreement form time-to-time, bearing the signatures of an authorized official of the Organization, and of the Institution will set forth:

1. Brief descriptions of the work to be performed by student under this agreement;
2. Maximum number of students to be employed for a particular semester or academic year;
3. Hourly rates of pay;
4. Total number of hours per week each student may work; and
5. Total length of students' employment (i.e., the beginning and ending dates and/or the number of weeks).

Fourth: The Organization is considered the employer for purposes of this Agreement. It has the right to control and direct the services of the student, not only as to the result to be accomplished, but also as to the means by which the result is to be accomplished. The institution is limited to determining that the students meet the eligibility requirements for employment under the Federal Work-Study Program, to assigning students to work for the Organization, and to determining that the students do perform their work.

Fifth: The Organization agrees that no student will be denied work or subject to different treatment under this Agreement on the grounds of race, color, national origin, or sex. If further agrees that it will comply with the provisions of the Civil Rights Act of 1964 (Pub. L. 88-352; 78 Stat. 252), the U.S. Department of Education, and Title IX of the Education Amendments of 1972 which implements those Acts.

Sixth: The Organization certifies that it is a public or private nonprofit (circle type of Organization). The Organization is eligible to participate in this program and that the work performed by students participating in the program:

- Will work with the Organization to ensure funds are available; governed by such appropriate and reasonable conditions of employment as will be in light of such factors as type of work performed, and educational level and proficiency of the student and any applicable federal, state or local legislation. Where possible, be educationally related to the student(s) formal academic program, intended career track, and/or educational objectives.
- Will not involve the construction, operation, or maintenance of so much of any facility as is used or is to be used for sectarian instruction or as a place of religious worship. Will not involve any partisan or nonpartisan political activity associated with a candidate, or contending faction or group, in an election for public or party office. Will not be primarily for the benefit of the members of a limited membership organization, rather than the public. Will not result in the displacement of the Organization's employed workers or impair its existing contracts for service.

Seventh: Compensation of students for work performed on a project under this Agreement will be disbursed by the Organization subject to the following terms and conditions:

1. The Organization agrees to:
 - a) ~~Pay directly to employed students their total compensation less appropriate deductions at least once a month~~ at a rate of pay equal to the entry level salary (starting hourly rate wages) of comparable positions within the employing business entity; or the salary of persons in comparable position with comparable experiences.
 - b) Bear the costs of any employee benefits, including all payments due as an employer's contribution under the state Workmen's Compensation laws, federal Social Security laws, and other applicable laws; and shall withhold and remit such taxes and take such other measures as are the responsibility of the employer under such laws;
 - c) Claim reimbursement only for wages:
That do not represent hours of work in excess of the maximum number of hours subject to reimbursement under this Agreement; and pay to students certified as eligible by the Institution.
 - d) Maintain a daily record of the hours worked by each student on a form provided by the Institution for that purpose. Submit time sheets to the Institution's appropriate office on or before June 30 or by an earlier date designated by the

Heritage University Federal Work Study Terms of Agreement

Institution for any student (s) who earned compensation or were paid during the month of June, regardless of the timing of the Employer's regular payroll periods.

- e) Submit to the Institution's appropriate office within fifteen (15) days of the end of the Employer's payroll period a completed time sheet for each student employee hired through the Federal Work-Study Program;
2. The Institution agrees to:
- a) Determine which students meet the eligibility requirements for employment under the Federal Work-Study Programs;
 - b) Refer the employer only those students eligible for the program who appear to be qualified for employment, after exercising the priorities in placing students in accordance with the rules and regulations and guidelines under which the Federal Work-Study Program is administered;
 - c) Notify the employer of any student in its employ who may become ineligible;
 - d) Pay to the Organization, at such times as specified by this Agreement, reimbursement of 100 % of the gross compensation of students employed under this agreement and paid by the Organization;
 - e) Make it remittance payable to the Organization on a least a monthly basis, upon receipt from the Organization of a statement of gross compensation paid its students for the corresponding period plus supporting documents as specified in the Agreement.

Eight: It is agreed that the Organization shall:

- 1. Provide orientation to the students with regard to work hours, place of duties, working conditions, briefing on safety, standards of conduct and familiarization with Organization procedures. Such orientation shall be designed to aid the student in adjusting to the job situation; as well as provide an explanation of his duties, and performance requirements in terms of quality, quantity, methods and priorities
- 2. Supervise in a reasonable manner the work performed by the student(s);
- 3. Regulate the number of hours worked to ensure that student(s) do not exceed an average of 19 hours per week while enrolled in semester session over the period for which the student has received an award.

Ninth: Under this Agreement, the Organization will furnish to the Institution for each payroll period the following records for review and retention:

- 1. Time reports indicating the total hours worked each week and including the supervisor's certification as to the accuracy of the hours reported and the satisfactory performance on the part of the students;
- 2. A payroll form identifying the period of work, the name of each student, each student's hourly wage rate, the number of hours each student worked, each student's gross pay, all deductions and net earning, and the check number by which the student employee was paid, and
- 3. Documentary evidence that the student(s) received payment for their work, such as photographic copies of cancelled checks.
- 4. Any other information as may be necessary for the institution to comply with the regulations of the U.S. Office of Education pertaining to the Federal Work-Study Program.

Tenth: Transportation for students to and from their work assignments will not be provided by either the institution or the Organization, nor will either provide compensation in lieu thereof.

Eleventh: The Organization shall be responsible in all cases of on-the-job injury for any payments required of it under provisions of the Workmen's Compensation law, and/or for payments required by court action relating to such on-the-job injury. The Organization further agrees to accept liability for suits for damages incurred by the student in the proper performance of duties.

Twelfth: Students may be removed from work on a particular assignment or from the Organization by the Institution either on its own initiative or at the request of the Organization.

Thirteenth: This Agreement may be terminated at any time by the Institution or the Organization upon two weeks' prior notice to the other party, and may be terminated by either the Institution or the Organization if there is failure by the other party or comply with the provisions of this Agreement.

In Witness Hereof, the parties hereto have executed this Agreement the day and year first above written.

Prosser School District
Name of Organization

1126 Meade Ave Suite A
Address

509-786-3323
Telephone

Craig Reynolds
Name of Organization Representative (Print or Type)

Business Manager
Title

Board Packet

To: Board of Directors
Subject: Resolution No. 09-15: Amendment of Flexible Benefits Plan
Agenda: Action
Date: November 3, 2015
Prepared by: Craig Reynolds, *Business Manager*

Background

The Prosser School District adopted a flexible benefits plan effective November 1, 2002. This plan is known as a “cafeteria plan” which allows an employee to have a pre-tax payroll deduction to be used for medical expenses. This plan also allows a deduction for dependent child care.

The current plan is “use-it-or-lose-it”. For example, if an employee chooses to have \$100 a month taken out of their paycheck but only spends \$1,000 on medical expenses, the \$200 would be forfeited.

The Internal Revenue Service has now modified the rules to allow for up to a \$500 carryover of unused medical expenses. One of the items agreed to with the Prosser Education Association was to modify our plan to include this carryover provision.

In addition to the Resolution, two (2) documents are attached: Prosser School District #116 Flexible Benefits Plan, (as amended) and a Summary Plan Description.

Recommendation

It is recommended the Prosser School Board of Directors adopt Resolution No. 09-15: Amendment of Flexible Benefits Plan.

**Prosser School District No. 116
Amendment of Flexible Benefits Plan
RESOLUTION NO. 09-15**

WHEREAS, Section 125 of the Internal Revenue Code allows for employees to elect to exclude certain benefits from the employee's income, and

WHEREAS, the Prosser School District (the "District") adopted a plan effective November 1, 2002 known as Prosser School District 116 Flexible Benefits Plan (the "Plan"), and

WHEREAS, the Plan was intended to qualify as a "Cafeteria Plan", and

WHEREAS, the District has amended the Plan to comply with current Internal Revenue Service regulations, and

WHEREAS, one of the provisions of the Plan is to allow for a Plan participant to carry over up to \$500 of unused amounts in their Health Flexible Spending Account at the end of one plan year to the following plan year,

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of Prosser School District No. 116, that the Prosser School District 116 Flexible Benefits Plan is hereby amended, effective October 1, 2015.

APPROVED: by the Board of Directors of Prosser School District No. 116, in a regular board meeting thereof held on the 3rd day of November, 2015.

Board Member

Board Member

Board Member

ATTEST:

Ray E. Tolcacher, Secretary of the Board

Board Member

Board Member

**PROSSER SCHOOL DISTRICT 116
FLEXIBLE BENEFITS PLAN**

**AND ALL SUPPORTING FORMS HAVE BEEN PRODUCED FOR
WAGeworks, INC.**

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**PROSSER SCHOOL DISTRICT 116
FLEXIBLE BENEFITS PLAN**

INTRODUCTION

The Employer has amended this Plan effective October 1, 2015, to recognize the contribution made to the Employer by its Employees. Its purpose is to reward them by providing benefits for those Employees who shall qualify hereunder and their Dependents and beneficiaries. The concept of this Plan is to allow Employees to choose among different types of benefits based on their own particular goals, desires and needs. This Plan is a restatement of a Plan which was originally effective on November 1, 2002. The Plan shall be known as Prosser School District 116 Flexible Benefits Plan (the "Plan").

The intention of the Employer is that the Plan qualify as a "Cafeteria Plan" within the meaning of Section 125 of the Internal Revenue Code of 1986, as amended, and that the benefits which an Employee elects to receive under the Plan be excludable from the Employee's income under Section 125(a) and other applicable sections of the Internal Revenue Code of 1986, as amended.

**ARTICLE I
DEFINITIONS**

1.1 **"Administrator"** means the Employer unless another person or entity has been designated by the Employer pursuant to Section 9.1 to administer the Plan on behalf of the Employer. If the Employer is the Administrator, the Employer may appoint any person, including, but not limited to, the Employees of the Employer, to perform the duties of the Administrator. Any person so appointed shall signify acceptance by filing written acceptance with the Employer. Upon the resignation or removal of any individual performing the duties of the Administrator, the Employer may designate a successor.

1.2 **"Affiliated Employer"** means the Employer and any corporation which is a member of a controlled group of corporations (as defined in Code Section 414(b)) which includes the Employer; any trade or business (whether or not incorporated) which is under common control (as defined in Code Section 414(c)) with the Employer; any organization (whether or not incorporated) which is a member of an affiliated service group (as defined in Code Section 414(m)) which includes the Employer; and any other entity required to be aggregated with the Employer pursuant to Treasury regulations under Code Section 414(o).

1.3 **"Benefit" or "Benefit Options"** means any of the optional benefit choices available to a Participant as outlined in Section 4.1.

1.4 **"Cafeteria Plan Benefit Dollars"** means the amount available to Participants to purchase Benefit Options as provided under Section 4.1. Each dollar contributed to this Plan shall be converted into one Cafeteria Plan Benefit Dollar.

1.5 **"Code"** means the Internal Revenue Code of 1986, as amended or replaced from time to time.

1.6 **"Compensation"** means the amounts received by the Participant from the Employer during a Plan Year.

1.7 **"Dependent"** means any individual who qualifies as a dependent under an Insurance Contract for purposes of coverage under that Contract only or under Code Section 152 (as modified by Code Section 105(b)).

"Dependent" shall include any Child of a Participant who is covered under an Insurance Contract, as defined in the Contract, or under the Health Flexible Spending Account or as allowed by reason of the Affordable Care Act.

For purposes of the Health Flexible Spending Account, a Participant's "Child" includes his/her natural child, stepchild, foster child, adopted child, or a child placed with the Participant for adoption. A Participant's Child will be an eligible Dependent until reaching the limiting age of 26, without regard to student status, marital status, financial dependency or residency status with the Employee or any other person. When the child reaches the applicable limiting age, coverage will end at the end of the calendar year.

The phrase "placed for adoption" refers to a child whom the Participant intends to adopt, whether or not the adoption has become final, who has not attained the age of 18 as of the date of such placement for adoption. The term "placed" means the assumption and retention by such Employee of a legal obligation for total or partial support of the child in anticipation of adoption of the child. The child must be available for adoption and the legal process must have commenced.

1.8 **"Effective Date"** means November 1, 2002.

1.9 **"Election Period"** means the period immediately preceding the beginning of each Plan Year established by the Administrator, such period to be applied on a uniform and nondiscriminatory basis for all Employees and Participants. However, an Employee's initial Election Period shall be determined pursuant to Section 5.1.

1.10 **"Eligible Employee"** means any Employee who has satisfied the provisions of Section 2.1.

An individual shall not be an "Eligible Employee" if such individual is not reported on the payroll records of the Employer as a common law employee. In particular, it is expressly intended that individuals not treated as common law employees by the Employer on its payroll records are not "Eligible Employees" and are excluded from Plan participation even if a court or administrative agency determines that such individuals are common law employees and not independent contractors.

Also, any Employee or former Employee shall not be eligible to participate in this Plan unless he is eligible to receive medical benefits pursuant to a group medical plan sponsored by the Employer.

1.11 **"Employee"** means any person who is employed by the Employer. The term Employee shall include leased employees within the meaning of Code Section 414(n)(2).

1.12 **"Employer"** means Prosser School District 116 and any successor which shall maintain this Plan; and any predecessor which has maintained this Plan. In addition, where appropriate, the term Employer shall include any Participating, Affiliated or Adopting Employer.

1.13 **"Insurance Contract"** means any contract issued by an Insurer underwriting a Benefit.

1.14 **"Insurance Premium Payment Plan"** means the plan of benefits contained in Section 4.1 of this Plan, which provides for the payment of Premium Expenses.

1.15 **"Insurer"** means any insurance company that underwrites a Benefit under this Plan.

1.16 **"Key Employee"** means an Employee described in Code Section 416(i)(1) and the Treasury regulations thereunder.

1.17 **"Participant"** means any Eligible Employee who elects to become a Participant pursuant to Section 2.3 and has not for any reason become ineligible to participate further in the Plan.

1.18 **"Plan"** means this instrument, including all amendments thereto.

1.19 **"Plan Year"** means the 12-month period beginning November 1 and ending October 31. The Plan Year shall be the coverage period for the Benefits provided for under this Plan. In the event a Participant commences participation during a Plan Year, then the initial coverage period shall be that portion of the Plan Year commencing on such Participant's date of entry and ending on the last day of such Plan Year.

1.20 **"Premium Expenses" or "Premiums"** mean the Participant's cost for the Benefits described in Section 4.1.

1.21 **"Premium Expense Reimbursement Account"** means the account established for a Participant pursuant to this Plan to which part of his Cafeteria Plan Benefit Dollars may be allocated and from which Premiums of the Participant shall be paid or reimbursed. If more than one type of insured Benefit is elected, sub-accounts shall be established for each type of insured Benefit.

1.22 **"Salary Redirection"** means the contributions made by the Employer on behalf of Participants pursuant to Section 3.1. These contributions shall be converted to Cafeteria Plan Benefit Dollars and allocated to the funds or accounts established under the Plan pursuant to the Participants' elections made under Article V.

1.23 **"Salary Redirection Agreement"** means an agreement between the Participant and the Employer under which the Participant agrees to reduce his Compensation or to forego all or part of the increases in such Compensation and to have such amounts contributed by the Employer to the Plan on the Participant's behalf. The Salary Redirection Agreement shall apply only to Compensation that has not been actually or constructively received by the Participant as of the date of the agreement (after taking this Plan and Code Section 125 into account) and, subsequently does not become currently available to the Participant.

1.24 **"Spouse"** means "spouse" as defined in an Insurance Contract for purposes of coverage under that Contract only or the "spouse," as defined under Federal law, of a Participant, unless legally separated by court decree.

ARTICLE II PARTICIPATION

2.1 ELIGIBILITY

Any Eligible Employee shall be eligible to participate hereunder as of the date he satisfies the eligibility conditions for the Employer's group medical plan, the provisions of which are specifically incorporated herein by reference. However, any Eligible Employee who was a Participant in the Plan on the effective date of this amendment shall continue to be eligible to participate in the Plan.

2.2 EFFECTIVE DATE OF PARTICIPATION

An Eligible Employee shall become a Participant effective as of the first day of the pay period coinciding with or next following the date on which he met the eligibility requirements of Section 2.1.

2.3 APPLICATION TO PARTICIPATE

An Employee who is eligible to participate in this Plan shall, during the applicable Election Period, complete an application to participate in a manner set forth by the Administrator. The election shall be irrevocable until the end of the applicable Plan Year unless the Participant is entitled to change his Benefit elections pursuant to Section 5.4 hereof.

An Eligible Employee shall also be required to complete a Salary Redirection Agreement during the Election Period for the Plan Year during which he wishes to participate in this Plan. Any such Salary Redirection Agreement shall be effective for the first pay period beginning on or after the Employee's effective date of participation pursuant to Section 2.2.

Notwithstanding the foregoing, an Employee who is eligible to participate in this Plan and who is covered by the Employer's insured Benefits under this Plan shall automatically become a Participant to the extent of the Premiums for such insurance unless the Employee elects, during the Election Period, not to participate in the Plan.

2.4 TERMINATION OF PARTICIPATION

A Participant shall no longer participate in this Plan upon the occurrence of any of the following events:

- (a) **Termination of employment.** The Participant's termination of employment, subject to the provisions of Section 2.6;
- (b) **Change in employment status.** The end of the Plan Year during which the Participant became a limited Participant because of a change in employment status pursuant to Section 2.5;
- (c) **Death.** The Participant's death, subject to the provisions of Section 2.7; or
- (d) **Termination of the plan.** The termination of this Plan, subject to the provisions of Section 10.2.

2.5 CHANGE OF EMPLOYMENT STATUS

If a Participant ceases to be eligible to participate because of a change in employment status or classification (other than through termination of employment), the Participant shall become a limited Participant in this Plan for the remainder of the Plan Year in which such change of employment status occurs. As a limited Participant, no further Salary Redirection may be made on behalf of the Participant, and, except as otherwise provided herein, all further Benefit elections shall cease, subject to the limited Participant's right to continue coverage under any Insurance Contracts. However, any balances in the limited Participant's Dependent Care Flexible Spending Account may be used during such Plan Year to reimburse the limited Participant for any allowable Employment-Related Dependent Care incurred during the Plan Year. Subject to the provisions of Section 2.6, if the limited Participant later becomes an Eligible Employee, then the limited Participant may again become a full Participant in this Plan, provided he otherwise satisfies the participation requirements set forth in this Article II as if he were a new Employee and made an election in accordance with Section 5.1.

2.6 TERMINATION OF EMPLOYMENT

If a Participant's employment with the Employer is terminated for any reason other than death, his participation in the Benefit Options provided under Section 4.1 shall be governed in accordance with the following:

(a) **Insurance Benefit.** With regard to Benefits which are insured, the Participant's participation in the Plan shall cease, subject to the Participant's right to continue coverage under any Insurance Contract for which premiums have already been paid.

(b) **Dependent Care FSA.** With regard to the Dependent Care Flexible Spending Account, the Participant's participation in the Plan shall cease and no further Salary Redirection contributions shall be made. However, such Participant may submit claims for employment related Dependent Care Expense reimbursements for claims incurred up to the date of termination and submitted within 60 days after termination, based on the level of the Participant's Dependent Care Flexible Spending Account as of the date of termination.

(c) **COBRA applicability.** With regard to the Health Flexible Spending Account, the Participant may submit claims for expenses that were incurred during the portion of the Plan Year before the end of the period for which payments to the Health Flexible Spending Account have already been made. Thereafter, the health benefits under this Plan including the Health Flexible Spending Account shall be applied and administered consistent with such further rights a Participant and his Dependents may be entitled to pursuant to Code Section 4980B and Section 11.14 of the Plan.

2.7 DEATH

If a Participant dies, his participation in the Plan shall cease. However, such Participant's spouse or Dependents may submit claims for expenses or benefits for the remainder of the Plan Year or until the Cafeteria Plan Benefit Dollars allocated to each specific benefit are exhausted. In no event may reimbursements be paid to someone who is not a spouse or Dependent. If the Plan is subject to the provisions of Code Section 4980B, then those provisions and related regulations shall apply for purposes of the Health Flexible Spending Account.

ARTICLE III CONTRIBUTIONS TO THE PLAN

3.1 SALARY REDIRECTION

Benefits under the Plan shall be financed by Salary Redirections sufficient to support Benefits that a Participant has elected hereunder and to pay the Participant's Premium Expenses. The salary administration program of the Employer shall be revised to allow each Participant to agree to reduce his pay during a Plan Year by an amount determined necessary to purchase the elected Benefit Options. The amount of such Salary Redirection shall be specified in the Salary Redirection Agreement and shall be applicable for a Plan Year. Notwithstanding the above, for new Participants, the Salary Redirection Agreement shall only be applicable from the first day of the pay period following the Employee's entry date up to and including the last day of the Plan Year. These contributions shall be converted to Cafeteria Plan Benefit Dollars and allocated to the funds or accounts established under the Plan pursuant to the Participants' elections made under Article IV.

Any Salary Redirection shall be determined prior to the beginning of a Plan Year (subject to initial elections pursuant to Section 5.1) and prior to the end of the Election Period and shall be irrevocable for such Plan Year. However, a Participant may revoke a Benefit election or a Salary Redirection Agreement after the Plan Year has commenced and make a new election with respect to the remainder of the Plan Year, if both the revocation and the new election are on account of and consistent with a change in status and such other permitted events as determined under Article V of the Plan and consistent with the rules and regulations of the Department of the Treasury. Salary Redirection amounts shall be contributed on a pro rata basis for each pay period during the Plan Year. All individual Salary Redirection Agreements are deemed to be part of this Plan and incorporated by reference hereunder.

3.2 APPLICATION OF CONTRIBUTIONS

As soon as reasonably practical after each payroll period, the Employer shall apply the Salary Redirection to provide the Benefits elected by the affected Participants. Any contribution made or withheld for the Health Flexible Spending Account or Dependent Care Flexible Spending Account shall be credited to such fund or account. Amounts designated for the Participant's Premium Expense Reimbursement Account shall likewise be credited to such account for the purpose of paying Premium Expenses.

3.3 PERIODIC CONTRIBUTIONS

Notwithstanding the requirement provided above and in other Articles of this Plan that Salary Redirections be contributed to the Plan by the Employer on behalf of an Employee on a level and pro rata basis for each payroll period, the Employer and Administrator may implement a procedure in which Salary Redirections are contributed throughout the Plan Year on a periodic basis that is not pro rata for each payroll period. However, with regard to the Health Flexible Spending Account, the payment schedule for the required contributions may not be based on the rate or amount of reimbursements during the Plan Year.

ARTICLE IV BENEFITS

4.1 BENEFIT OPTIONS

Each Participant may elect any one or more of the following optional Benefits:

- (1) Health Flexible Spending Account
- (2) Dependent Care Flexible Spending Account

In addition, each Participant shall have a sufficient portion of his Salary Redirections applied to the following Benefits unless the Participant elects not to receive such Benefits:

- (3) Health Insurance Benefit
- (4) Dental Insurance Benefit
- (5) Group-Term Life Insurance Benefit
- (6) Cancer Insurance Benefit
- (7) Vision Insurance Benefit
- (8) Prescription Drug Coverage Benefit
- (9) Other Insurance Benefit

4.2 HEALTH FLEXIBLE SPENDING ACCOUNT BENEFIT

Each Participant may elect to participate in the Health Flexible Spending Account option, in which case Article VI shall apply.

4.3 DEPENDENT CARE FLEXIBLE SPENDING ACCOUNT BENEFIT

Each Participant may elect to participate in the Dependent Care Flexible Spending Account option, in which case Article VII shall apply.

4.4 HEALTH INSURANCE BENEFIT

(a) **Coverage for Participant and Dependents.** Each Participant may elect to be covered under a health Insurance Contract for the Participant, his or her Spouse, and his or her Dependents.

(b) **Employer selects contracts.** The Employer may select suitable health Insurance Contracts for use in providing this health insurance benefit, which policies will provide uniform benefits for all Participants electing this Benefit.

(c) **Contract incorporated by reference.** The rights and conditions with respect to the benefits payable from such health Insurance Contract shall be determined therefrom, and such Insurance Contract shall be incorporated herein by reference.

4.5 DENTAL INSURANCE BENEFIT

(a) **Coverage for Participant and/or Dependents.** Each Participant may elect to be covered under the Employer's dental Insurance Contract. In addition, the Participant may elect either individual or family coverage under such Insurance Contract.

(b) **Employer selects contracts.** The Employer may select suitable dental Insurance Contracts for use in providing this dental insurance benefit, which policies will provide uniform benefits for all Participants electing this Benefit.

(c) **Contract incorporated by reference.** The rights and conditions with respect to the benefits payable from such dental Insurance Contract shall be determined therefrom, and such dental Insurance Contract shall be incorporated herein by reference.

4.6 GROUP-TERM LIFE INSURANCE BENEFIT

(a) **Coverage for Participant only.** Each Participant may elect to be covered under the Employer's group-term life Insurance Contract.

(b) **Employer selects contracts.** The Employer may select suitable group-term life Insurance Contracts for use in providing this group-term life insurance benefit, which policies will provide benefits for all Participants electing this Benefit on a uniform basis.

(c) **Contract incorporated by reference.** The rights and conditions with respect to the benefits payable from such group-term life Insurance Contract shall be determined therefrom, and such group-term life Insurance Contract shall be incorporated herein by reference.

4.7 CANCER INSURANCE BENEFIT

(a) **Coverage for Participant and/or Dependents.** Each Participant may elect to be covered under the Employer's cancer Insurance Contract. In addition, the Participant may elect either individual or family coverage.

(b) **Employer selects contracts.** The Employer may select suitable cancer Insurance Contracts for use in providing this cancer insurance benefit, which policies will provide uniform benefits for all Participants electing this Benefit.

(c) **Contract incorporated by reference.** The rights and conditions with respect to the benefits payable from such cancer Insurance Contract shall be determined therefrom, and such cancer Insurance Contract shall be incorporated herein by reference.

4.8 VISION INSURANCE BENEFIT

(a) **Coverage for Participant and/or Dependents.** Each Participant may elect to be covered under the Employer's vision Insurance Contract. In addition, the Participant may elect either individual or family coverage.

(b) **Employer selects contracts.** The Employer may select suitable vision Insurance Contracts for use in providing this vision insurance benefit, which policies will provide uniform benefits for all Participants electing this Benefit.

(c) **Contract incorporated by reference.** The rights and conditions with respect to the benefits payable from such vision Insurance Contract shall be determined therefrom, and such vision Insurance Contract shall be incorporated herein by reference.

4.9 PRESCRIPTION DRUG COVERAGE BENEFIT

(a) **Coverage for Participant and/or Dependents.** Each Participant may elect to be covered under the Employer's Prescription Drug Coverage Contract.

(b) **Employer selects contracts.** The Employer may select suitable prescription drug coverage for use in providing this benefit, including, but not limited to, if applicable, by-mail services and prescription drug cards, which will provide uniform benefits for all Participants electing this Benefit.

(c) **Contract incorporated by reference.** The rights and conditions with respect to the benefits payable from such prescription drug coverage contract shall be determined therefrom, and such Contract shall be incorporated herein by reference.

4.10 OTHER INSURANCE BENEFIT

(a) **Employer selects contracts.** The Employer may select additional health or other policies allowed under Code Section 125 or allow the purchase of additional health or other policies by and for Participants, which policies will provide uniform benefits for all Participants electing this Benefit.

(b) **Contract incorporated by reference.** The rights and conditions with respect to the benefits payable from any additional Insurance Contract shall be determined therefrom, and such Insurance Contract shall be incorporated herein by reference.

4.11 NONDISCRIMINATION REQUIREMENTS

(a) **Intent to be nondiscriminatory.** It is the intent of this Plan to provide benefits to a classification of employees which the Secretary of the Treasury finds not to be discriminatory in favor of the group in whose favor discrimination may not occur under Code Section 125.

(b) **25% concentration test.** It is the intent of this Plan not to provide qualified benefits as defined under Code Section 125 to Key Employees in amounts that exceed 25% of the aggregate of such Benefits provided for all Eligible Employees under the Plan. For purposes of the preceding sentence, qualified benefits shall not include benefits which (without regard to this paragraph) are includible in gross income.

(c) **Adjustment to avoid test failure.** If the Administrator deems it necessary to avoid discrimination or possible taxation to Key Employees or a group of employees in whose favor discrimination may not occur in violation of Code Section 125, it may, but shall not be required to, reduce contributions or non-taxable Benefits in order to assure compliance with this Section. Any act taken by the Administrator under this Section shall be carried out in a uniform and nondiscriminatory manner. Contributions which are not utilized to provide Benefits to any Participant by virtue of any administrative act under this paragraph shall be forfeited and deposited into the benefit plan surplus.

ARTICLE V PARTICIPANT ELECTIONS

5.1 INITIAL ELECTIONS

An Employee who meets the eligibility requirements of Section 2.1 on the first day of, or during, a Plan Year may elect to participate in this Plan for all or the remainder of such Plan Year, provided he elects to do so on or before his effective date of participation pursuant to Section 2.2.

Notwithstanding the foregoing, an Employee who is eligible to participate in this Plan and who is covered by the Employer's insured benefits under this Plan shall automatically become a Participant to the extent of the Premiums for such insurance unless the Employee elects, during the Election Period, not to participate in the Plan.

5.2 SUBSEQUENT ANNUAL ELECTIONS

During the Election Period prior to each subsequent Plan Year, each Participant shall be given the opportunity to elect, on an election of benefits form to be provided by the Administrator, which spending account Benefit options he wishes to select. Any such election shall be effective for any Benefit expenses incurred during the Plan Year which follows the end of the Election Period. With regard to subsequent annual elections, the following options shall apply:

(a) A Participant or Employee who failed to initially elect to participate may elect different or new Benefits under the Plan during the Election Period;

(b) A Participant may terminate his participation in the Plan by notifying the Administrator in writing during the Election Period that he does not want to participate in the Plan for the next Plan Year;

(c) An Employee who elects not to participate for the Plan Year following the Election Period will have to wait until the next Election Period before again electing to participate in the Plan, except as provided for in Section 5.4.

5.3 FAILURE TO ELECT

With regard to Benefits available under the Plan for which no Premium Expenses apply, any Participant who fails to complete a new benefit election form pursuant to Section 5.2 by the end of the applicable Election Period shall be deemed to have elected not to participate in the Plan for the upcoming Plan Year. No further Salary Redirections shall therefore be authorized or made for the subsequent Plan Year for such Benefits.

With regard to Benefits available under the Plan for which Premium Expenses apply, any Participant who fails to complete a new benefit election form pursuant to Section 5.2 by the end of the applicable Election Period shall be deemed to have made the same Benefit elections as are then in effect for the current Plan Year. The Participant shall also be deemed to have elected Salary Redirection in an amount necessary to purchase such Benefit options.

5.4 CHANGE IN STATUS

(a) **Change in status defined.** Any Participant may change a Benefit election after the Plan Year (to which such election relates) has commenced and make new elections with respect to the remainder of such Plan Year if, under the facts and circumstances, the changes are necessitated by and are consistent with a change in status which is acceptable under rules and regulations adopted by the Department of the Treasury, the provisions of which are incorporated by reference. Notwithstanding anything herein to the contrary, if the rules and regulations conflict, then such rules and regulations shall control.

In general, a change in election is not consistent if the change in status is the Participant's divorce, annulment or legal separation from a Spouse, the death of a Spouse or Dependent, or a Dependent ceasing to satisfy the eligibility requirements for coverage, and the Participant's election under the Plan is to cancel accident or health insurance coverage for any individual other than the one involved in such event. In addition, if the Participant, Spouse or Dependent gains or loses eligibility for coverage, then a Participant's election under the Plan to cease or decrease coverage for that individual under the Plan corresponds with that change in status only if coverage for that individual becomes applicable or is increased under the family member plan.

Regardless of the consistency requirement, if the individual, the individual's Spouse, or Dependent becomes eligible for continuation coverage under the Employer's group health plan as provided in Code Section 4980B or any similar state law, then the individual may elect to increase payments under this Plan in order to pay for the continuation coverage. However, this does not apply for COBRA eligibility due to divorce, annulment or legal separation.

Any new election shall be effective at such time as the Administrator shall prescribe, but not earlier than the first pay period beginning after the election form is completed and returned to the Administrator. For the purposes of this subsection, a change in status shall only include the following events or other events permitted by Treasury regulations:

- (1) **Legal Marital Status:** events that change a Participant's legal marital status, including marriage, divorce, death of a Spouse, legal separation or annulment;
- (2) **Number of Dependents:** Events that change a Participant's number of Dependents, including birth, adoption, placement for adoption, or death of a Dependent;
- (3) **Employment Status:** Any of the following events that change the employment status of the Participant, Spouse, or Dependent: termination or commencement of employment, a strike or lockout, commencement or return from an unpaid leave of absence, or a change in worksite. In addition, if the eligibility conditions of this Plan or other employee benefit plan of the Employer of the Participant, Spouse, or Dependent depend on the employment status of that individual and there is a change in that individual's employment status with the consequence that the individual becomes (or ceases to be) eligible under the plan, then that change constitutes a change in employment under this subsection;
- (4) **Dependent satisfies or ceases to satisfy the eligibility requirements:** An event that causes the Participant's Dependent to satisfy or cease to satisfy the requirements for coverage due to attainment of age, student status, or any similar circumstance; and

(5) **Residency:** A change in the place of residence of the Participant, Spouse or Dependent, that would lead to a change in status (such as a loss of HMO coverage).

For the Dependent Care Flexible Spending Account, a Dependent becoming or ceasing to be a "Qualifying Dependent" as defined under Code Section 21(b) shall also qualify as a change in status.

Notwithstanding anything in this Section to the contrary, the gain of eligibility or change in eligibility of a child, as allowed under Code Sections 105(b) and 106, and guidance thereunder, shall qualify as a change in status.

(b) **Special enrollment rights.** Notwithstanding subsection (a), the Participants may change an election for accident or health coverage during a Plan Year and make a new election that corresponds with the special enrollment rights provided in Code Section 9801(f), including those authorized under the provisions of the Children's Health Insurance Program Reauthorization Act of 2009 (SCHIP); provided that such Participant meets the sixty (60) day notice requirement imposed by Code Section 9801(f) (or such longer period as may be permitted by the Plan and communicated to Participants). Such change shall take place on a prospective basis, unless otherwise required by Code Section 9801(f) to be retroactive.

(c) **Qualified Medical Support Order.** Notwithstanding subsection (a), in the event of a judgment, decree, or order (including approval of a property settlement) ("order") resulting from a divorce, legal separation, annulment, or change in legal custody which requires accident or health coverage for a Participant's child (including a foster child who is a Dependent of the Participant):

(1) The Plan may change an election to provide coverage for the child if the order requires coverage under the Participant's plan; or

(2) The Participant shall be permitted to change an election to cancel coverage for the child if the order requires the former Spouse to provide coverage for such child, under that individual's plan and such coverage is actually provided.

(d) **Medicare or Medicaid.** Notwithstanding subsection (a), a Participant may change elections to cancel accident or health coverage for the Participant or the Participant's Spouse or Dependent if the Participant or the Participant's Spouse or Dependent is enrolled in the accident or health coverage of the Employer and becomes entitled to coverage (i.e., enrolled) under Part A or Part B of the Title XVIII of the Social Security Act (Medicare) or Title XIX of the Social Security Act (Medicaid), other than coverage consisting solely of benefits under Section 1928 of the Social Security Act (the program for distribution of pediatric vaccines). If the Participant or the Participant's Spouse or Dependent who has been entitled to Medicaid or Medicare coverage loses eligibility, that individual may prospectively elect coverage under the Plan if a benefit package option under the Plan provides similar coverage.

(e) **Cost increase or decrease.** If the cost of a Benefit provided under the Plan increases or decreases during a Plan Year, then the Plan shall automatically increase or decrease, as the case may be, the Salary Redirections of all affected Participants for such Benefit. Alternatively, if the cost of a benefit package option increases significantly, the Administrator shall permit the affected Participants to either make corresponding changes in their payments or revoke their elections and, in lieu thereof, receive on a prospective basis coverage under another benefit package option with similar coverage, or drop coverage prospectively if there is no benefit package option with similar coverage.

A cost increase or decrease refers to an increase or decrease in the amount of elective contributions under the Plan, whether resulting from an action taken by the Participants or an action taken by the Employer.

(f) **Loss of coverage.** If the coverage under a Benefit is significantly curtailed or ceases during a Plan Year, affected Participants may revoke their elections of such Benefit and, in lieu thereof, elect to receive on a prospective basis coverage under another plan with similar coverage, or drop coverage prospectively if no similar coverage is offered.

(g) **Addition of a new benefit.** If, during the period of coverage, a new benefit package option or other coverage option is added, an existing benefit package option is significantly improved, or an existing benefit package option or other coverage option is eliminated, then the affected Participants may elect the newly-added option, or elect another option if an option has been eliminated prospectively and make corresponding election changes with respect to other benefit package options providing similar coverage. In addition, those Eligible Employees who are not participating in the Plan may opt to become Participants and elect the new or newly improved benefit package option.

(h) **Loss of coverage under certain other plans.** A Participant may make a prospective election change to add group health coverage for the Participant, the Participant's Spouse or Dependent if such individual loses group health coverage sponsored by a governmental or educational institution, including a state children's health insurance program under the Social Security Act, the Indian Health Service or a health program offered by an Indian tribal government, a state health benefits risk pool, or a foreign government group health plan.

(i) **Change of coverage due to change under certain other plans.** A Participant may make a prospective election change that is on account of and corresponds with a change made under the plan of a Spouse's, former Spouse's or Dependent's employer if (1) the cafeteria plan or other benefits plan of the Spouse's, former Spouse's or Dependent's employer permits its participants to make a change; or (2) the cafeteria plan permits participants to make an election for a period of coverage that is different from the period of coverage under the cafeteria plan of a Spouse's, former Spouse's or Dependent's employer.

(j) **Change in dependent care provider.** A Participant may make a prospective election change that is on account of and corresponds with a change by the Participant in the dependent care provider. The availability of dependent care services from a new childcare provider is similar to a new benefit package option becoming available. A cost change is allowable in the Dependent Care Flexible Spending Account only if the cost change is imposed by a dependent care provider who is not related to the Participant, as defined in Code Section 152(a)(1) through (8).

(k) **Health FSA cannot change due to insurance change.** A Participant shall not be permitted to change an election to the Health Flexible Spending Account as a result of a cost or coverage change under any health insurance benefits.

(l) **Changes due to reduction in hours or enrollment in an Exchange Plan.** A Participant may prospectively revoke coverage under the group health plan (that is not a health Flexible Spending Account) which provides minimum essential coverage (as defined in Code §5000A(f)(1)) provided the following conditions are met:

Conditions for revocation due to reduction in hours of service:

- (1) The Participant has been reasonably expected to average at least 30 hours of service per week and there is a change in that Participant's status so that the Participant will reasonably be expected to average less than 30 hours of service per week after the change, even if that reduction does not result in the Participant ceasing to be eligible under the group health plan; and
- (2) The revocation of coverage under the group health plan corresponds to the intended enrollment of the Participant, and any related individuals who cease coverage due to the revocation, in another plan that provides minimum essential coverage with the new coverage effective no later than the first day of the second month following the month that includes the date the original coverage is revoked.

The Administrator may rely on the reasonable representation of the Participant who is reasonably expected to have an average of less than 30 hours of service per week for future periods that the Participant and related individuals have enrolled or intend to enroll in another plan that provides minimum essential coverage for new coverage that is effective no later than the first day of the second month following the month that includes the date the original coverage is revoked.

Conditions for revocation due to enrollment in a Qualified Health Plan:

- (1) The Participant is eligible for a Special Enrollment Period to enroll in a Qualified Health Plan through a Marketplace (federal or state exchange) pursuant to guidance issued by the Department of Health and Human Services and any other applicable guidance, or the Participant seeks to enroll in a Qualified Health Plan through a Marketplace during the Marketplace's annual open enrollment period; and
- (2) The revocation of the election of coverage under the group health plan corresponds to the intended enrollment of the Participant and any related individuals who cease coverage due to the revocation in a Qualified Health Plan through a Marketplace for new coverage that is effective beginning no later than the day immediately following the last day of the original coverage that is revoked.

The Administrator may rely on the reasonable representation of a Participant who has an enrollment opportunity for a Qualified Health Plan through a Marketplace that the Participant and related individuals have enrolled or intend to enroll in a Qualified Health Plan for new coverage that is effective beginning no later than the day immediately following the last day of the original coverage that is revoked.

**ARTICLE VI
HEALTH FLEXIBLE SPENDING ACCOUNT**

6.1 ESTABLISHMENT OF PLAN

This Health Flexible Spending Account is intended to qualify as a medical reimbursement plan under Code Section 105 and shall be interpreted in a manner consistent with such Code Section and the Treasury regulations thereunder. Participants who elect to participate in this Health Flexible Spending Account may submit claims for the reimbursement of Medical Expenses. All amounts reimbursed shall be periodically paid from amounts allocated to the Health Flexible Spending Account. Periodic payments reimbursing Participants from the Health Flexible Spending Account shall in no event occur less frequently than monthly.

6.2 DEFINITIONS

For the purposes of this Article and the Cafeteria Plan, the terms below have the following meaning:

(a) **"Health Flexible Spending Account"** means the account established for Participants pursuant to this Plan to which part of their Cafeteria Plan Benefit Dollars may be allocated and from which all allowable Medical Expenses incurred by a Participant, his or her Spouse and his or her Dependents may be reimbursed.

(b) **"Highly Compensated Participant"** means, for the purposes of this Article and determining discrimination under Code Section 105(h), a participant who is:

- (1) one of the 5 highest paid officers;
- (2) a shareholder who owns (or is considered to own applying the rules of Code Section 318) more than 10 percent in value of the stock of the Employer; or
- (3) among the highest paid 25 percent of all Employees (other than exclusions permitted by Code Section 105(h)(3)(B) for those individuals who are not Participants).

(c) **"Medical Expenses"** means any expense for medical care within the meaning of the term "medical care" as defined in Code Section 213(d) and the rulings and Treasury regulations thereunder, and not otherwise used by the Participant as a deduction in determining his tax liability under the Code. "Medical Expenses" can be incurred by the Participant, his or her Spouse and his or her Dependents. "Incurred" means, with regard to Medical Expenses, when the Participant is provided with the medical care that gives rise to the Medical Expense and not when the Participant is formally billed or charged for, or pays for, the medical care.

A Participant who contributes to a Health Savings Account may only be reimbursed for medical expenses that are considered to be for dental or vision expenses.

A Participant may not be reimbursed for the cost of any medicine or drug that is not "prescribed" within the meaning of Code Section 106(f) or is not insulin.

A Participant may not be reimbursed for the cost of other health coverage such as premiums paid under plans maintained by the employer of the Participant's Spouse or individual policies maintained by the Participant or his Spouse or Dependent.

A Participant may not be reimbursed for "qualified long-term care services" as defined in Code Section 7702B(c).

(d) The definitions of Article I are hereby incorporated by reference to the extent necessary to interpret and apply the provisions of this Health Flexible Spending Account.

6.3 FORFEITURES

The amount in the Health Flexible Spending Account as of the end of any Plan Year (and after the processing of all claims for such Plan Year pursuant to Section 6.7 hereof, excluding any carryover) shall be forfeited and credited to the benefit plan surplus. In such event, the Participant shall have no further claim to such amount for any reason, subject to Section 8.2.

6.4 LIMITATION ON ALLOCATIONS

(a) Notwithstanding any provision contained in this Health Flexible Spending Account to the contrary, the maximum amount of salary reductions that may be allocated to the Health Flexible Spending Account by a Participant in or on account of any Plan Year is \$2,550, as adjusted for increases in the cost of living in accordance with Code Section 125(i)(2). The cost of living adjustment in effect for a calendar year applies to any Plan Year beginning with or within such calendar year. The dollar increase in effect on January 1 of any calendar year shall be effective for the Plan Year beginning with or within such calendar year. For any short Plan Year, the limit shall be an amount equal to the limit for the calendar year in which the Plan Year begins multiplied by the ratio obtained by dividing the number of full months in the short Plan Year by twelve (12).

(b) **Participation in Other Plans.** All employers that are treated as a single employer under Code Sections 414(b), (c), or (m), relating to controlled groups and affiliated service groups, are treated as a single employer for purposes of the statutory limit. If a Participant participates in multiple cafeteria plans offering health flexible spending accounts maintained by members of a controlled group or affiliated service group, the Participant's total Health Flexible Spending Account contributions under all of the cafeteria plans are limited to the statutory limit (as adjusted). However, a Participant employed by two or more employers that are not members of the same controlled group may elect up to the statutory limit (as adjusted) under each Employer's Health Flexible Spending Account.

(c) **Carryover.** A Participant in the Health Flexible Spending Account may roll over up to \$500 of unused amounts in the Health Flexible Spending Account remaining at the end of one Plan Year to the immediately following Plan Year. These amounts can be used during the following Plan Year for expenses incurred in that Plan Year. Amounts carried over do not affect the maximum amount of salary redirection contributions for the Plan Year to which they are carried over. Unused amounts are those remaining after expenses have been reimbursed during the runout period. These amounts may not be cashed out or converted to any other taxable or nontaxable benefit. Amounts in excess of \$500 will be forfeited. The Plan is allowed, but not required, to treat claims as being paid first from the current year amounts, then from the carryover amounts.

6.5 NONDISCRIMINATION REQUIREMENTS

(a) **Intent to be nondiscriminatory.** It is the intent of this Health Flexible Spending Account not to discriminate in violation of the Code and the Treasury regulations thereunder.

(b) **Adjustment to avoid test failure.** If the Administrator deems it necessary to avoid discrimination under this Health Flexible Spending Account, it may, but shall not be required to, reject any elections or reduce contributions or Benefits in order to assure compliance with this Section. Any act taken by the Administrator under this Section shall be carried out in a uniform and nondiscriminatory manner. Contributions which are not utilized to provide Benefits to any Participant by virtue of any administrative act under this paragraph shall be forfeited and credited to the benefit plan surplus.

6.6 COORDINATION WITH CAFETERIA PLAN

All Participants under the Cafeteria Plan are eligible to receive Benefits under this Health Flexible Spending Account. The enrollment under the Cafeteria Plan shall constitute enrollment under this Health Flexible Spending Account. In addition, other matters concerning contributions, elections and the like shall be governed by the general provisions of the Cafeteria Plan.

6.7 HEALTH FLEXIBLE SPENDING ACCOUNT CLAIMS

(a) **Expenses must be incurred during Plan Year.** All Medical Expenses incurred by a Participant, his or her Spouse and his or her Dependents during the Plan Year shall be reimbursed during the Plan Year subject to Section 2.6, even though the submission of such a claim occurs after his participation hereunder ceases; but provided that the Medical Expenses were incurred during the applicable Plan Year. Medical Expenses are treated as having been incurred when the Participant is provided with the medical care that gives rise to the medical expenses, not when the Participant is formally billed or charged for, or pays for the medical care.

(b) **Reimbursement available throughout Plan Year.** The Administrator shall direct the reimbursement to each eligible Participant for all allowable Medical Expenses, up to a maximum of the amount designated by the Participant for the Health Flexible Spending Account for the Plan Year. Reimbursements shall be made available to the Participant throughout the year without regard to the level of Cafeteria Plan Benefit Dollars which have been allocated to the fund at any given point in time. Furthermore, a Participant shall be entitled to reimbursements only for amounts in excess of any payments or other reimbursements under any health care plan covering the Participant and/or his Spouse or Dependents.

(c) **Payments.** Reimbursement payments under this Plan shall be made directly to the Participant. However, in the Administrator's discretion, payments may be made directly to the service provider. The application for payment or reimbursement shall be made to the Administrator on an acceptable form within a reasonable time of incurring the debt or paying for the service. The application shall include a written statement from an independent third party stating that the Medical Expense has been incurred and the amount of such expense. Furthermore, the Participant shall provide a written statement that the Medical Expense has not been reimbursed or is not reimbursable under any other health plan coverage and, if reimbursed from the Health Flexible Spending Account, such amount will not be claimed as a tax deduction. The Administrator shall retain a file of all such applications.

(d) **Claims for reimbursement.** Claims for the reimbursement of Medical Expenses incurred in any Plan Year shall be paid as soon after a claim has been filed as is administratively practicable; provided however, that if a Participant fails to submit a claim within 90 days after the end of the Plan Year, those Medical Expense claims shall not be considered for reimbursement by the Administrator. However, if a Participant terminates employment during the Plan Year, claims for the reimbursement of Medical Expenses must be submitted within 60 days after termination of employment.

6.8 QUALIFIED RESERVIST DISTRIBUTIONS

(a) **Qualified Reservist Distribution.** A Participant may request a Qualified Reservist Distribution, provided the following provisions are satisfied. "Qualified Reservist Distribution" means any distribution to a Participant of all or a portion of the balance in the Participant's Health Flexible Spending Account if:

(1) Such Participant was an individual who was (by reason of being a member of a reserve component (as defined in Section 101 of Title 37, United States Code)) ordered or called to active duty for a period of 180 days or more or for an indefinite period.

(2) A Participant may have been called prior to June 18, 2008, provided the individual's active duty continues after June 18, 2008 and the period of duty complies with subsection (a).

(3) The distribution is made during the period beginning on the date of the order or call that applies to the Participant and ending on the last day of the Plan Year which includes the date of such order or call.

(4) The Qualified Reservist Distribution option is offered to all Participants who qualify under this Article.

(5) Qualified Reservist Distributions may only be made if the Participant is ordered or called to active duty, not the Participant's spouse or dependents.

(6) Under Section 101 of the Title 37 of the United States Code, "reserve component" means: (1) the Army National Guard, (2) the Army Reserve, (3) the Navy Reserve, (4) the Marine Corps Reserve, (5) the Air National Guard, (6) the Air Force Reserve, (7) the Coast Guard Reserve, or (8) the Reserve Corps of the Public Health Service.

(b) **Conditions:** The following conditions apply:

(1) The Employer must receive a copy of the order or call to active duty and may rely on the order or call to determine the period that the Participant has been ordered or called to duty.

(2) Eligibility for a Qualified Reservist Distribution is not affected if the order or call is for 180 days or more or is indefinite, but the actual period of active duty is less than 180 days or is changed otherwise from the order or call.

(3) If the original order is less than 180 days, then no Qualified Reservist Distribution is allowed. However, if subsequent calls or orders increase the total days of active duty to 180 or more, then a Qualified Reservist Distribution will be allowed.

(c) **Amount:** The amount a Participant may be reimbursed from the Health Flexible Spending Account is the amount contributed by the Participant to the Health Flexible Spending Account as of the date of the distribution request, less any reimbursements received as of the date of the distribution request.

(d) **Procedure.** The Employer must specify a process for requesting the distribution. The Employer may limit the number of distributions processed for a Participant to 2 per Plan Year. The distribution request must be made on or after the call or order and before the last day of the Plan Year. The QRD shall be paid within a reasonable time but in no event more than 60 days after the date of the request.

(e) **Claims.** Claims incurred prior to the date of the request of the distribution shall be paid as any other claim. Claims incurred after the date of the distribution shall be paid on submission as any other claim.

ARTICLE VII DEPENDENT CARE FLEXIBLE SPENDING ACCOUNT

7.1 ESTABLISHMENT OF ACCOUNT

This Dependent Care Flexible Spending Account is intended to qualify as a program under Code Section 129 and shall be interpreted in a manner consistent with such Code Section. Participants who elect to participate in this program may submit claims for the reimbursement of Employment-Related Dependent Care Expenses. All amounts reimbursed shall be paid from amounts allocated to the Participant's Dependent Care Flexible Spending Account.

7.2 DEFINITIONS

For the purposes of this Article and the Cafeteria Plan the terms below shall have the following meaning:

(a) **"Dependent Care Flexible Spending Account"** means the account established for a Participant pursuant to this Article to which part of his Cafeteria Plan Benefit Dollars may be allocated and from which Employment-Related Dependent Care Expenses of the Participant may be reimbursed for the care of the Qualifying Dependents of Participants.

(b) **"Earned Income"** means earned income as defined under Code Section 32(c)(2), but excluding such amounts paid or incurred by the Employer for dependent care assistance to the Participant.

(c) **"Employment-Related Dependent Care Expenses"** means the amounts paid for expenses of a Participant for those services which if paid by the Participant would be considered employment related expenses under Code Section 21(b)(2). Generally, they shall include expenses for household services and for the care of a Qualifying Dependent, to the extent that such expenses are incurred to enable the Participant to be gainfully employed for any period for which there are one or more Qualifying Dependents with respect to such Participant. Employment-Related Dependent Care Expenses are treated as having been incurred when the Participant's Qualifying Dependents are provided with the dependent care that gives rise to the Employment-Related Dependent Care Expenses, not when the Participant is formally billed or charged for, or pays for the dependent care. The determination of whether an amount qualifies as an Employment-Related Dependent Care Expense shall be made subject to the following rules:

(1) If such amounts are paid for expenses incurred outside the Participant's household, they shall constitute Employment-Related Dependent Care Expenses only if incurred for a Qualifying Dependent as defined in Section 7.2(d)(1) (or deemed to be, as described in Section 7.2(d)(1) pursuant to Section 7.2(d)(3)), or for a Qualifying Dependent as defined in Section 7.2(d)(2) (or deemed to be, as described in Section 7.2(d)(2) pursuant to Section 7.2(d)(3)) who regularly spends at least 8 hours per day in the Participant's household;

(2) If the expense is incurred outside the Participant's home at a facility that provides care for a fee, payment, or grant for more than 6 individuals who do not regularly reside at the facility, the facility must comply with all applicable state and local laws and regulations, including licensing requirements, if any; and

(3) Employment-Related Dependent Care Expenses of a Participant shall not include amounts paid or incurred to a child of such Participant who is under the age of 19 or to an individual who is a Dependent of such Participant or such Participant's Spouse.

(d) **"Qualifying Dependent"** means, for Dependent Care Flexible Spending Account purposes,

(1) a Participant's Dependent (as defined in Code Section 152(a)(1)) who has not attained age 13;

(2) a Dependent or the Spouse of a Participant who is physically or mentally incapable of caring for himself or herself and has the same principal place of abode as the Participant for more than one-half of such taxable year; or

(3) a child that is deemed to be a Qualifying Dependent described in paragraph (1) or (2) above, whichever is appropriate, pursuant to Code Section 21(e)(5).

(c) The definitions of Article I are hereby incorporated by reference to the extent necessary to interpret and apply the provisions of this Dependent Care Flexible Spending Account.

7.3 DEPENDENT CARE FLEXIBLE SPENDING ACCOUNTS

The Administrator shall establish a Dependent Care Flexible Spending Account for each Participant who elects to apply Cafeteria Plan Benefit Dollars to Dependent Care Flexible Spending Account benefits.

7.4 INCREASES IN DEPENDENT CARE FLEXIBLE SPENDING ACCOUNTS

A Participant's Dependent Care Flexible Spending Account shall be increased each pay period by the portion of Cafeteria Plan Benefit Dollars that he has elected to apply toward his Dependent Care Flexible Spending Account pursuant to elections made under Article V hereof.

7.5 DECREASES IN DEPENDENT CARE FLEXIBLE SPENDING ACCOUNTS

A Participant's Dependent Care Flexible Spending Account shall be reduced by the amount of any Employment-Related Dependent Care Expense reimbursements paid or incurred on behalf of a Participant pursuant to Section 7.12 hereof.

7.6 ALLOWABLE DEPENDENT CARE REIMBURSEMENT

Subject to limitations contained in Section 7.9 of this Program, and to the extent of the amount contained in the Participant's Dependent Care Flexible Spending Account, a Participant who incurs Employment-Related Dependent Care Expenses shall be entitled to receive from the Employer full reimbursement for the entire amount of such expenses incurred during the Plan Year or portion thereof during which he is a Participant.

7.7 ANNUAL STATEMENT OF BENEFITS

On or before January 31st of each calendar year, the Employer shall furnish to each Employee who was a Participant and received benefits under Section 7.6 during the prior calendar year, a statement of all such benefits paid to or on behalf of such Participant during the prior calendar year. This statement is set forth on the Participant's Form W-2.

7.8 FORFEITURES

The amount in a Participant's Dependent Care Flexible Spending Account as of the end of any Plan Year (and after the processing of all claims for such Plan Year pursuant to Section 7.12 hereof) shall be forfeited and credited to the benefit plan surplus. In such event, the Participant shall have no further claim to such amount for any reason.

7.9 LIMITATION ON PAYMENTS

(a) **Code limits.** Notwithstanding any provision contained in this Article to the contrary, amounts paid from a Participant's Dependent Care Flexible Spending Account in or on account of any taxable year of the Participant shall not exceed the lesser of the Earned Income limitation described in Code Section 129(b) or \$5,000 (\$2,500 if a separate tax return is filed by a Participant who is married as determined under the rules of paragraphs (3) and (4) of Code Section 21(e)).

7.10 NONDISCRIMINATION REQUIREMENTS

(a) **Intent to be nondiscriminatory.** It is the intent of this Dependent Care Flexible Spending Account that contributions or benefits not discriminate in favor of the group of employees in whose favor discrimination may not occur under Code Section 129(d).

(b) **25% test for shareholders.** It is the intent of this Dependent Care Flexible Spending Account that not more than 25 percent of the amounts paid by the Employer for dependent care assistance during the Plan Year will

be provided for the class of individuals who are shareholders or owners (or their Spouses or Dependents), each of whom (on any day of the Plan Year) owns more than 5 percent of the stock or of the capital or profits interest in the Employer.

(c) **Adjustment to avoid test failure.** If the Administrator deems it necessary to avoid discrimination or possible taxation to a group of employees in whose favor discrimination may not occur in violation of Code Section 129 it may, but shall not be required to, reject any elections or reduce contributions or non-taxable benefits in order to assure compliance with this Section. Any act taken by the Administrator under this Section shall be carried out in a uniform and nondiscriminatory manner. Contributions which are not utilized to provide Benefits to any Participant by virtue of any administrative act under this paragraph shall be forfeited.

7.11 COORDINATION WITH CAFETERIA PLAN

All Participants under the Cafeteria Plan are eligible to receive Benefits under this Dependent Care Flexible Spending Account. The enrollment and termination of participation under the Cafeteria Plan shall constitute enrollment and termination of participation under this Dependent Care Flexible Spending Account. In addition, other matters concerning contributions, elections and the like shall be governed by the general provisions of the Cafeteria Plan.

7.12 DEPENDENT CARE FLEXIBLE SPENDING ACCOUNT CLAIMS

The Administrator shall direct the payment of all such Dependent Care claims to the Participant upon the presentation to the Administrator of documentation of such expenses in a form satisfactory to the Administrator. However, in the Administrator's discretion, payments may be made directly to the service provider. In its discretion in administering the Plan, the Administrator may utilize forms and require documentation of costs as may be necessary to verify the claims submitted. At a minimum, the form shall include a statement from an independent third party as proof that the expense has been incurred during the Plan Year and the amount of such expense. In addition, the Administrator may require that each Participant who desires to receive reimbursement under this Program for Employment-Related Dependent Care Expenses submit a statement which may contain some or all of the following information:

- (a) The Dependent or Dependents for whom the services were performed;
- (b) The nature of the services performed for the Participant, the cost of which he wishes reimbursement;
- (c) The relationship, if any, of the person performing the services to the Participant;
- (d) If the services are being performed by a child of the Participant, the age of the child;
- (e) A statement as to where the services were performed;
- (f) If any of the services were performed outside the home, a statement as to whether the Dependent for whom such services were performed spends at least 8 hours a day in the Participant's household;
- (g) If the services were being performed in a day care center, a statement:
 - (1) that the day care center complies with all applicable laws and regulations of the state of residence,
 - (2) that the day care center provides care for more than 6 individuals (other than individuals residing at the center), and
 - (3) of the amount of fee paid to the provider.
- (h) If the Participant is married, a statement containing the following:
 - (1) the Spouse's salary or wages if he or she is employed, or
 - (2) if the Participant's Spouse is not employed, that
 - (i) he or she is incapacitated, or
 - (ii) he or she is a full-time student attending an educational institution and the months during the year which he or she attended such institution.

(i) **Claims for reimbursement.** If a Participant fails to submit a claim within 90 days after the end of the Plan Year, those claims shall not be considered for reimbursement by the Administrator. However, if a Participant terminates employment during the Plan Year, claims for reimbursement must be submitted within 60 days after termination of employment.

ARTICLE VIII BENEFITS AND RIGHTS

8.1 CLAIM FOR BENEFITS

(a) **Insurance claims.** Any claim for Benefits underwritten by Insurance Contract(s) shall be made to the Insurer. If the Insurer denies any claim, the Participant or beneficiary shall follow the Insurer's claims review procedure.

(b) **Dependent Care Flexible Spending Account or Health Flexible Spending Account claims.** Any claim for Dependent Care Flexible Spending Account or Health Flexible Spending Account Benefits shall be made to the Administrator. For the Health Flexible Spending Account, if a Participant fails to submit a claim within 90 days after the end of the Plan Year, those claims shall not be considered for reimbursement by the Administrator. However, if a Participant terminates employment during the Plan Year, claims for the reimbursement of Medical Expenses must be submitted within 60 days after termination of employment. For the Dependent Care Flexible Spending Account, if a Participant fails to submit a claim within 90 days after the end of the Plan Year, those claims shall not be considered for reimbursement by the Administrator. However, if a Participant terminates employment during the Plan Year, claims for reimbursement must be submitted within 60 days after termination of employment. If the Administrator denies a claim, the Administrator may provide notice to the Participant or beneficiary, in writing, within 90 days after the claim is filed unless special circumstances require an extension of time for processing the claim. The notice of a denial of a claim shall be written in a manner calculated to be understood by the claimant and shall set forth:

- (1) specific references to the pertinent Plan provisions on which the denial is based;
- (2) a description of any additional material or information necessary for the claimant to perfect the claim and an explanation as to why such information is necessary; and
- (3) an explanation of the Plan's claim procedure.

(c) **Appeal.** Within 60 days after receipt of the above material, the claimant shall have a reasonable opportunity to appeal the claim denial to the Administrator for a full and fair review. The claimant or his duly authorized representative may:

- (1) request a review upon written notice to the Administrator;
- (2) review pertinent documents; and
- (3) submit issues and comments in writing.

(d) **Review of appeal.** A decision on the review by the Administrator will be made not later than 60 days after receipt of a request for review, unless special circumstances require an extension of time for processing (such as the need to hold a hearing), in which event a decision should be rendered as soon as possible, but in no event later than 120 days after such receipt. The decision of the Administrator shall be written and shall include specific reasons for the decision, written in a manner calculated to be understood by the claimant, with specific references to the pertinent Plan provisions on which the decision is based.

(e) **Forfeitures.** Any balance remaining in the Participant's Health Flexible Spending Account (excluding any carryover) or Dependent Care Flexible Spending Account as of the end of the time for claims reimbursement for each Plan Year shall be forfeited and deposited in the benefit plan surplus of the Employer pursuant to Section 6.3 or Section 7.8, whichever is applicable, unless the Participant had made a claim for such Plan Year, in writing, which has been denied or is pending; in which event the amount of the claim shall be held in his account until the claim appeal procedures set forth above have been satisfied or the claim is paid. If any such claim is denied on appeal, the amount held beyond the end of the Plan Year shall be forfeited and credited to the benefit plan surplus. If the Plan Administrator is unable to make payment to any Participant or other person to whom a payment is due under the Plan because it cannot ascertain the identity or whereabouts of such Participant or other person after reasonable

efforts have been made to identify or locate such person, then such payment and all subsequent payments otherwise due to such Participant or other person shall be forfeited and returned to the Employer following a reasonable time after the date any such payment first became due.

8.2 APPLICATION OF BENEFIT PLAN SURPLUS

Any forfeited amounts credited to the benefit plan surplus by virtue of the failure of a Participant to incur a qualified expense or seek reimbursement in a timely manner may, but need not be, separately accounted for after the close of the Plan Year (or after such further time specified herein for the filing of claims) in which such forfeitures arose. In no event shall such amounts be carried over to reimburse a Participant for expenses incurred during a subsequent Plan Year for the same or any other Benefit available under the Plan (excepting any carryover); nor shall amounts forfeited by a particular Participant be made available to such Participant in any other form or manner, except as permitted by Treasury regulations. Amounts in the benefit plan surplus shall be used to defray any administrative costs and experience losses or used to provide additional benefits under the Plan.

ARTICLE IX ADMINISTRATION

9.1 PLAN ADMINISTRATION

The Employer shall be the Administrator, unless the Employer elects otherwise. The Employer may appoint any person, including, but not limited to, the Employees of the Employer, to perform the duties of the Administrator. Any person so appointed shall signify acceptance by filing acceptance in writing (or such other form as acceptable to both parties) with the Employer. Upon the resignation or removal of any individual performing the duties of the Administrator, the Employer may designate a successor.

If the Employer elects, the Employer shall appoint one or more Administrators. Any person, including, but not limited to, the Employees of the Employer, shall be eligible to serve as an Administrator. Any person so appointed shall signify acceptance by filing acceptance in writing (or such other form as acceptable to both parties) with the Employer. An Administrator may resign by delivering a resignation in writing (or such other form as acceptable to both parties) to the Employer or be removed by the Employer by delivery of notice of removal (in writing or such other form as acceptable to both parties), to take effect at a date specified therein, or upon delivery to the Administrator if no date is specified. The Employer shall be empowered to appoint and remove the Administrator from time to time as it deems necessary for the proper administration of the Plan to ensure that the Plan is being operated for the exclusive benefit of the Employees entitled to participate in the Plan in accordance with the terms of the Plan and the Code.

The operation of the Plan shall be under the supervision of the Administrator. It shall be a principal duty of the Administrator to see that the Plan is carried out in accordance with its terms, and for the exclusive benefit of Employees entitled to participate in the Plan. The Administrator shall have full power and discretion to administer the Plan in all of its details and determine all questions arising in connection with the administration, interpretation, and application of the Plan. The Administrator may establish procedures, correct any defect, supply any information, or reconcile any inconsistency in such manner and to such extent as shall be deemed necessary or advisable to carry out the purpose of the Plan. The Administrator shall have all powers necessary or appropriate to accomplish the Administrator's duties under the Plan. The Administrator shall be charged with the duties of the general administration of the Plan as set forth under the Plan, including, but not limited to, in addition to all other powers provided by this Plan:

- (a) To make and enforce such procedures, rules and regulations as the Administrator deems necessary or proper for the efficient administration of the Plan;
- (b) To interpret the provisions of the Plan, the Administrator's interpretations thereof in good faith to be final and conclusive on all persons claiming benefits by operation of the Plan;
- (c) To decide all questions concerning the Plan and the eligibility of any person to participate in the Plan and to receive benefits provided by operation of the Plan;
- (d) To reject elections or to limit contributions or Benefits for certain highly compensated participants if it deems such to be desirable in order to avoid discrimination under the Plan in violation of applicable provisions of the Code;
- (e) To provide Employees with a reasonable notification of their benefits available by operation of the Plan and to assist any Participant regarding the Participant's rights, benefits or elections under the Plan;

(f) To keep and maintain the Plan documents and all other records pertaining to and necessary for the administration of the Plan;

(g) To review and settle all claims against the Plan, to approve reimbursement requests, and to authorize the payment of benefits if the Administrator determines such shall be paid if the Administrator decides in its discretion that the applicant is entitled to them. This authority specifically permits the Administrator to settle disputed claims for benefits and any other disputed claims made against the Plan;

(h) To appoint such agents, counsel, accountants, consultants, and other persons or entities as may be required to assist in administering the Plan.

Any procedure, discretionary act, interpretation or construction taken by the Administrator shall be done in a nondiscriminatory manner based upon uniform principles consistently applied and shall be consistent with the intent that the Plan shall continue to comply with the terms of Code Section 125 and the Treasury regulations thereunder.

9.2 EXAMINATION OF RECORDS

The Administrator shall make available to each Participant, Eligible Employee and any other Employee of the Employer such records as pertain to their interest under the Plan for examination at reasonable times during normal business hours.

9.3 PAYMENT OF EXPENSES

Any reasonable administrative expenses shall be paid by the Employer unless the Employer determines that administrative costs shall be borne by the Participants under the Plan or by any Trust Fund which may be established hereunder. The Administrator may impose reasonable conditions for payments, provided that such conditions shall not discriminate in favor of highly compensated employees.

9.4 INSURANCE CONTROL CLAUSE

In the event of a conflict between the terms of this Plan and the terms of an Insurance Contract of an independent third party Insurer whose product is then being used in conjunction with this Plan, the terms of the Insurance Contract shall control as to those Participants receiving coverage under such Insurance Contract. For this purpose, the Insurance Contract shall control in defining the persons eligible for insurance, the dates of their eligibility, the conditions which must be satisfied to become insured, if any, the benefits Participants are entitled to and the circumstances under which insurance terminates.

9.5 INDEMNIFICATION OF ADMINISTRATOR

The Employer agrees to indemnify and to defend to the fullest extent permitted by law any Employee serving as the Administrator or as a member of a committee designated as Administrator (including any Employee or former Employee who previously served as Administrator or as a member of such committee) against all liabilities, damages, costs and expenses (including attorney's fees and amounts paid in settlement of any claims approved by the Employer) occasioned by any act or omission to act in connection with the Plan, if such act or omission is in good faith.

ARTICLE X AMENDMENT OR TERMINATION OF PLAN

10.1 AMENDMENT

The Employer, at any time or from time to time, may amend any or all of the provisions of the Plan without the consent of any Employee or Participant. No amendment shall have the effect of modifying any benefit election of any Participant in effect at the time of such amendment, unless such amendment is made to comply with Federal, state or local laws, statutes or regulations.

10.2 TERMINATION

The Employer reserves the right to terminate this Plan, in whole or in part, at any time. In the event the Plan is terminated, no further contributions shall be made. Benefits under any Insurance Contract shall be paid in accordance with the terms of the Insurance Contract.

No further additions shall be made to the Health Flexible Spending Account or Dependent Care Flexible Spending Account, but all payments from such fund shall continue to be made according to the elections in effect until 90 days after the termination date of the Plan. Any amounts remaining in any such fund or account as of the end of such period shall be forfeited and deposited in the benefit plan surplus after the expiration of the filing period.

ARTICLE XI MISCELLANEOUS

11.1 PLAN INTERPRETATION

All provisions of this Plan shall be interpreted and applied in a uniform, nondiscriminatory manner. This Plan shall be read in its entirety and not severed except as provided in Section 11.12.

11.2 GENDER AND NUMBER

Wherever any words are used herein in the masculine, feminine or neuter gender, they shall be construed as though they were also used in another gender in all cases where they would so apply, and whenever any words are used herein in the singular or plural form, they shall be construed as though they were also used in the other form in all cases where they would so apply.

11.3 WRITTEN DOCUMENT

This Plan, in conjunction with any separate written document which may be required by law, is intended to satisfy the written Plan requirement of Code Section 125 and any Treasury regulations thereunder relating to cafeteria plans.

11.4 EXCLUSIVE BENEFIT

This Plan shall be maintained for the exclusive benefit of the Employees who participate in the Plan.

11.5 PARTICIPANT'S RIGHTS

This Plan shall not be deemed to constitute an employment contract between the Employer and any Participant or to be a consideration or an inducement for the employment of any Participant or Employee. Nothing contained in this Plan shall be deemed to give any Participant or Employee the right to be retained in the service of the Employer or to interfere with the right of the Employer to discharge any Participant or Employee at any time regardless of the effect which such discharge shall have upon him as a Participant of this Plan.

11.6 ACTION BY THE EMPLOYER

Whenever the Employer under the terms of the Plan is permitted or required to do or perform any act or matter or thing, it shall be done and performed by a person duly authorized by its legally constituted authority.

11.7 EMPLOYER'S PROTECTIVE CLAUSES

(a) **Insurance purchase.** Upon the failure of either the Participant or the Employer to obtain the insurance contemplated by this Plan (whether as a result of negligence, gross neglect or otherwise), the Participant's Benefits shall be limited to the insurance premium(s), if any, that remained unpaid for the period in question and the actual insurance proceeds, if any, received by the Employer or the Participant as a result of the Participant's claim.

(b) **Validity of insurance contract.** The Employer shall not be responsible for the validity of any Insurance Contract issued hereunder or for the failure on the part of the Insurer to make payments provided for under any Insurance Contract. Once insurance is applied for or obtained, the Employer shall not be liable for any loss which may result from the failure to pay Premiums to the extent Premium notices are not received by the Employer.

11.8 NO GUARANTEE OF TAX CONSEQUENCES

Neither the Administrator nor the Employer makes any commitment or guarantee that any amounts paid to or for the benefit of a Participant under the Plan will be excludable from the Participant's gross income for federal or state income tax purposes, or that any other federal or state tax treatment will apply to or be available to any Participant. It shall be the obligation of each Participant to determine whether each payment under the Plan is excludable from the Participant's gross income for

federal and state income tax purposes, and to notify the Employer if the Participant has reason to believe that any such payment is not so excludable. Notwithstanding the foregoing, the rights of Participants under this Plan shall be legally enforceable.

11.9 INDEMNIFICATION OF EMPLOYER BY PARTICIPANTS

If any Participant receives one or more payments or reimbursements under the Plan that are not for a permitted Benefit, such Participant shall indemnify and reimburse the Employer for any liability it may incur for failure to withhold federal or state income tax or Social Security tax from such payments or reimbursements. However, such indemnification and reimbursement shall not exceed the amount of additional federal and state income tax (plus any penalties) that the Participant would have owed if the payments or reimbursements had been made to the Participant as regular cash compensation, plus the Participant's share of any Social Security tax that would have been paid on such compensation, less any such additional income and Social Security tax actually paid by the Participant.

11.10 FUNDING

Unless otherwise required by law, contributions to the Plan need not be placed in trust or dedicated to a specific Benefit, but may instead be considered general assets of the Employer. Furthermore, and unless otherwise required by law, nothing herein shall be construed to require the Employer or the Administrator to maintain any fund or segregate any amount for the benefit of any Participant, and no Participant or other person shall have any claim against, right to, or security or other interest in, any fund, account or asset of the Employer from which any payment under the Plan may be made.

11.11 GOVERNING LAW

This Plan is governed by the Code and the Treasury regulations issued thereunder (as they might be amended from time to time). In no event shall the Employer guarantee the favorable tax treatment sought by this Plan. To the extent not preempted by Federal law, the provisions of this Plan shall be construed, enforced and administered according to the laws of the State of Washington.

11.12 SEVERABILITY

If any provision of the Plan is held invalid or unenforceable, its invalidity or unenforceability shall not affect any other provisions of the Plan, and the Plan shall be construed and enforced as if such provision had not been included herein.

11.13 CAPTIONS

The captions contained herein are inserted only as a matter of convenience and for reference, and in no way define, limit, enlarge or describe the scope or intent of the Plan, nor in any way shall affect the Plan or the construction of any provision thereof.

11.14 CONTINUATION OF COVERAGE (COBRA)

Notwithstanding anything in the Plan to the contrary, in the event any benefit under this Plan subject to the continuation coverage requirement of Code Section 4980B becomes unavailable, each Participant will be entitled to continuation coverage as prescribed in Code Section 4980B, and related regulations. This Section shall only apply if the Employer employs at least twenty (20) employees on more than 50% of its typical business days in the previous calendar year.

11.15 FAMILY AND MEDICAL LEAVE ACT (FMLA)

Notwithstanding anything in the Plan to the contrary, in the event any benefit under this Plan becomes subject to the requirements of the Family and Medical Leave Act and regulations thereunder, this Plan shall be operated in accordance with Regulation 1.125-3.

11.16 HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT (HIPAA)

Notwithstanding anything in this Plan to the contrary, this Plan shall be operated in accordance with HIPAA and regulations thereunder.

11.17 UNIFORMED SERVICES EMPLOYMENT AND REEMPLOYMENT RIGHTS ACT (USERRA)

Notwithstanding any provision of this Plan to the contrary, contributions, benefits and service credit with respect to qualified military service shall be provided in accordance with the Uniform Services Employment And Reemployment Rights Act (USERRA) and the regulations thereunder.

11.18 COMPLIANCE WITH HIPAA PRIVACY STANDARDS

(a) **Application.** If any benefits under this Cafeteria Plan are subject to the Standards for Privacy of Individually Identifiable Health Information (45 CFR Part 164, the "Privacy Standards"), then this Section shall apply.

(b) **Disclosure of PHI.** The Plan shall not disclose Protected Health Information to any member of the Employer's workforce unless each of the conditions set out in this Section are met. "Protected Health Information" shall have the same definition as set forth in the Privacy Standards but generally shall mean individually identifiable information about the past, present or future physical or mental health or condition of an individual, including genetic information and information about treatment or payment for treatment.

(c) **PHI disclosed for administrative purposes.** Protected Health Information disclosed to members of the Employer's workforce shall be used or disclosed by them only for purposes of Plan administrative functions. The Plan's administrative functions shall include all Plan payment functions and health care operations. The terms "payment" and "health care operations" shall have the same definitions as set out in the Privacy Standards, but the term "payment" generally shall mean activities taken to determine or fulfill Plan responsibilities with respect to eligibility, coverage, provision of benefits, or reimbursement for health care. Protected Health Information that consists of genetic information will not be used or disclosed for underwriting purposes.

(d) **PHI disclosed to certain workforce members.** The Plan shall disclose Protected Health Information only to members of the Employer's workforce who are designated and authorized to receive such Protected Health Information, and only to the extent and in the minimum amount necessary for that person to perform his or her duties with respect to the Plan. "Members of the Employer's workforce" shall refer to all employees and other persons under the control of the Employer. The Employer shall keep an updated list of those authorized to receive Protected Health Information.

(1) An authorized member of the Employer's workforce who receives Protected Health Information shall use or disclose the Protected Health Information only to the extent necessary to perform his or her duties with respect to the Plan.

(2) In the event that any member of the Employer's workforce uses or discloses Protected Health Information other than as permitted by this Section and the Privacy Standards, the incident shall be reported to the Plan's privacy official. The privacy official shall take appropriate action, including:

(i) investigation of the incident to determine whether the breach occurred inadvertently, through negligence or deliberately; whether there is a pattern of breaches; and the degree of harm caused by the breach;

(ii) appropriate sanctions against the persons causing the breach which, depending upon the nature of the breach, may include oral or written reprimand, additional training, or termination of employment;

(iii) mitigation of any harm caused by the breach, to the extent practicable; and

(iv) documentation of the incident and all actions taken to resolve the issue and mitigate any damages.

(e) **Certification.** The Employer must provide certification to the Plan that it agrees to:

(1) Not use or further disclose the information other than as permitted or required by the Plan documents or as required by law;

(2) Ensure that any agent or subcontractor, to whom it provides Protected Health Information received from the Plan, agrees to the same restrictions and conditions that apply to the Employer with respect to such information;

(3) Not use or disclose Protected Health Information for employment-related actions and decisions or in connection with any other benefit or employee benefit plan of the Employer;

(4) Report to the Plan any use or disclosure of the Protected Health Information of which it becomes aware that is inconsistent with the uses or disclosures permitted by this Section, or required by law;

- (5) Make available Protected Health Information to individual Plan members in accordance with Section 164.524 of the Privacy Standards;
- (6) Make available Protected Health Information for amendment by individual Plan members and incorporate any amendments to Protected Health Information in accordance with Section 164.526 of the Privacy Standards;
- (7) Make available the Protected Health Information required to provide an accounting of disclosures to individual Plan members in accordance with Section 164.528 of the Privacy Standards;
- (8) Make its internal practices, books and records relating to the use and disclosure of Protected Health Information received from the Plan available to the Department of Health and Human Services for purposes of determining compliance by the Plan with the Privacy Standards;
- (9) If feasible, return or destroy all Protected Health Information received from the Plan that the Employer still maintains in any form, and retain no copies of such information when no longer needed for the purpose for which disclosure was made, except that, if such return or destruction is not feasible, limit further uses and disclosures to those purposes that make the return or destruction of the information infeasible; and
- (10) Ensure the adequate separation between the Plan and members of the Employer's workforce, as required by Section 164.504(f)(2)(iii) of the Privacy Standards and set out in (d) above.

11.19 COMPLIANCE WITH HIPAA ELECTRONIC SECURITY STANDARDS

Under the Security Standards for the Protection of Electronic Protected Health Information (45 CFR Part 164.300 et seq., the "Security Standards"):

- (a) **Implementation.** The Employer agrees to implement reasonable and appropriate administrative, physical and technical safeguards to protect the confidentiality, integrity and availability of Electronic Protected Health Information that the Employer creates, maintains or transmits on behalf of the Plan. "Electronic Protected Health Information" shall have the same definition as set out in the Security Standards, but generally shall mean Protected Health Information that is transmitted by or maintained in electronic media.
- (b) **Agents or subcontractors shall meet security standards.** The Employer shall ensure that any agent or subcontractor to whom it provides Electronic Protected Health Information shall agree, in writing, to implement reasonable and appropriate security measures to protect the Electronic Protected Health Information.
- (c) **Employer shall ensure security standards.** The Employer shall ensure that reasonable and appropriate security measures are implemented to comply with the conditions and requirements set forth in Section 11.18.

11.20 MENTAL HEALTH PARITY AND ADDICTION EQUITY ACT

Notwithstanding anything in the Plan to the contrary, the Plan will comply with the Mental Health Parity and Addiction Equity Act and ERISA Section 712.

11.21 GENETIC INFORMATION NONDISCRIMINATION ACT (GINA)

Notwithstanding anything in the Plan to the contrary, the Plan will comply with the Genetic Information Nondiscrimination Act.

11.22 WOMEN'S HEALTH AND CANCER RIGHTS ACT

Notwithstanding anything in the Plan to the contrary, the Plan will comply with the Women's Health and Cancer Rights Act of 1998.

11.23 NEWBORNS' AND MOTHERS' HEALTH PROTECTION ACT

Notwithstanding anything in the Plan to the contrary, the Plan will comply with the Newborns' and Mothers' Health Protection Act.

IN WITNESS WHEREOF, this Plan document is hereby executed this _____ day of _____.

Prosser School District 116

By _____
EMPLOYER

**PROSSER SCHOOL DISTRICT 116
FLEXIBLE BENEFITS PLAN
SUMMARY PLAN DESCRIPTION**

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**XI
SUMMARY**

**PROSSER SCHOOL DISTRICT 116
FLEXIBLE BENEFITS PLAN**

INTRODUCTION

We have amended the "Flexible Benefits Plan" that we previously established for you and other eligible employees. Under this Plan, you will be able to choose among certain benefits that we make available. The benefits that you may choose are outlined in this Summary Plan Description. We will also tell you about other important information concerning the amended Plan, such as the rules you must satisfy before you can join and the laws that protect your rights.

One of the most important features of our Plan is that the benefits being offered are generally ones that you are already paying for, but normally with money that has first been subject to income and Social Security taxes. Under our Plan, these same expenses will be paid for with a portion of your pay before Federal income or Social Security taxes are withheld. This means that you will pay less tax and have more money to spend and save.

Read this Summary Plan Description carefully so that you understand the provisions of our amended Plan and the benefits you will receive. This SPD describes the Plan's benefits and obligations as contained in the legal Plan document, which governs the operation of the Plan. The Plan document is written in much more technical and precise language. If the non-technical language in this SPD and the technical, legal language of the Plan document conflict, the Plan document always governs. Also, if there is a conflict between an insurance contract and either the Plan document or this Summary Plan Description, the insurance contract will control. If you wish to receive a copy of the legal Plan document, please contact the Administrator.

This SPD describes the current provisions of the Plan which are designed to comply with applicable legal requirements. The Plan is subject to federal laws, such as the Internal Revenue Code and other federal and state laws which may affect your rights. The provisions of the Plan are subject to revision due to a change in laws or due to pronouncements by the Internal Revenue Service (IRS) or other federal agencies. We may also amend or terminate this Plan. If the provisions of the Plan that are described in this SPD change, we will notify you.

We have attempted to answer most of the questions you may have regarding your benefits in the Plan. If this SPD does not answer all of your questions, please contact the Administrator (or other plan representative). The name and address of the Administrator can be found in the Article of this SPD entitled "General Information About the Plan."

**I
ELIGIBILITY**

1. When can I become a participant in the Plan?

Before you become a Plan member (referred to in this Summary Plan Description as a "Participant"), there are certain rules which you must satisfy. First, you must meet the eligibility requirements and be an active employee. After that, the next step is to actually join the Plan on the "entry date" that we have established for all employees. The "entry date" is defined in Question 3 below. You will also be required to complete certain application forms before you can enroll in the Health Flexible Spending Account or Dependent Care Flexible Spending Account.

2. What are the eligibility requirements for our Plan?

You will be eligible to join the Plan once you have satisfied the conditions for coverage under our group medical plan. Of course, if you were already a participant before this amendment, you will remain a participant.

3. When is my entry date?

Once you have met the eligibility requirements, your entry date will be the first day of the pay period coinciding with or following the date you met the eligibility requirements.

4. Are there any employees who are not eligible?

Yes, there are certain employees who are not eligible to join the Plan. They are:

-- Employees who are not eligible to receive medical benefits under our group medical plan.

5. What must I do to enroll in the Plan?

Before you can join the Plan, you must complete an application to participate in the Plan. The application includes your personal choices for each of the benefits which are being offered under the Plan. You must also authorize us to set some of your earnings aside in order to pay for the benefits you have elected.

However, if you are already covered under any of the insured benefits, you will automatically participate in this Plan to the extent of your premiums unless you elect not to participate in this Plan.

II OPERATION

1. How does this Plan operate?

Before the start of each Plan Year, you will be able to elect to have some of your upcoming pay contributed to the Plan. These amounts will be used to pay for the benefits you have chosen. The portion of your pay that is paid to the Plan is not subject to Federal income or Social Security taxes. In other words, this allows you to use tax-free dollars to pay for certain kinds of benefits and expenses which you normally pay for with out-of-pocket, taxable dollars. However, if you receive a reimbursement for an expense under the Plan, you cannot claim a Federal income tax credit or deduction on your return. (See the Article entitled "General Information About Our Plan" for the definition of "Plan Year.")

III CONTRIBUTIONS

1. How much of my pay may the Employer redirect?

Each year, we will automatically contribute on your behalf enough of your compensation to pay for the insurance coverage provided unless you elect not to receive any or all of such coverage. You may also elect to have us contribute on your behalf enough of your compensation to pay for any other benefits that you elect under the Plan. These amounts will be deducted from your pay over the course of the year.

2. What happens to contributions made to the Plan?

Before each Plan Year begins, you will select the benefits you want and how much of the contributions should go toward each benefit. It is very important that you make these choices carefully based on what you expect to spend on each covered benefit or expense during the Plan Year. Later, they will be used to pay for the expenses as they arise during the Plan Year. In addition, you should also note that any previous benefit payments made from any Account under the Plan that are unclaimed (e.g.; uncashed benefit checks) by the end of the Plan Year following the period of coverage in which the qualifying expense was incurred will be forfeited to the Employer.

3. When must I decide which accounts I want to use?

You are required by Federal law to decide before the Plan Year begins, during the election period (defined below). You must decide two things. First, which benefits you want and, second, how much should go toward each benefit.

If you are already covered by any of the insured benefits offered by this Plan, you will automatically become a Participant to the extent of the premiums for such insurance unless you elect, during the election period (defined below), not to participate in the Plan.

4. When is the election period for our Plan?

You will make your initial election on or before your entry date. (You should review Section I on Eligibility to better understand the eligibility requirements and entry date.) Then, for each following Plan Year, the election period is established by the Administrator and applied uniformly to all Participants. It will normally be a period of time prior to the beginning of each Plan Year. The Administrator will inform you each year about the election period. (See the Article entitled "General Information About Our Plan" for the definition of Plan Year.)

5. May I change my elections during the Plan Year?

Generally, you cannot change the elections you have made after the beginning of the Plan Year. However, there are certain limited situations when you can change your elections. You are permitted to change elections if you have a "change in status" and you make an election change that is consistent with the change in status. Currently, Federal law considers the following events to be a change in status:

-- Marriage, divorce, death of a spouse, legal separation or annulment;

-- Change in the number of dependents, including birth, adoption, placement for adoption, or death of a dependent;

-- Any of the following events for you, your spouse or dependent: termination or commencement of employment, a strike or lockout, commencement or return from an unpaid leave of absence, a change in worksite, or any other change in employment status that affects eligibility for benefits;

-- One of your dependents satisfies or ceases to satisfy the requirements for coverage due to change in age, student status, or any similar circumstance; and

-- A change in the place of residence of you, your spouse or dependent that would lead to a change in status, such as moving out of a coverage area for insurance.

In addition, if you are participating in the Dependent Care Flexible Spending Account, then there is a change in status if your dependent no longer meets the qualifications to be eligible for dependent care.

There are detailed rules on when a change in election is deemed to be consistent with a change in status. In addition, there are laws that give you rights to change health coverage for you, your spouse, or your dependents. If you change coverage due to rights you have under the law, then you can make a corresponding change in your elections under the Plan. If any of these conditions apply to you, you should contact the Administrator.

If the cost of a benefit provided under the Plan increases or decreases during a Plan Year, then we will automatically increase or decrease, as the case may be, your salary redirection election. If the cost increases significantly, you will be permitted to either make corresponding changes in your payments or revoke your election and obtain coverage under another benefit package option with similar coverage, or revoke your election entirely.

If the coverage under a Benefit is significantly curtailed or ceases during a Plan Year, then you may revoke your elections and elect to receive on a prospective basis coverage under another plan with similar coverage. In addition, if we add a new coverage option or eliminate an existing option, you may elect the newly-added option (or elect another option if an option has been eliminated) and make corresponding election changes to other options providing similar coverage. If you are not a Participant, you may elect to join the Plan. There are also certain situations when you may be able to change your elections on account of a change under the plan of your spouse's, former spouse's or dependent's employer.

These rules on change due to cost or coverage do not apply to the Health Flexible Spending Account, and you may not change your election to the Health Flexible Spending Account if you make a change due to cost or coverage for insurance.

You may not change your election under the Dependent Care Flexible Spending Account if the cost change is imposed by a dependent care provider who is your relative.

You may revoke your coverage under the employer's group health plan outside of our open enrollment period, if your employment status changes from working at least 30 hours per week to less than 30 hours. This is regardless of whether the reduction in hours has resulted in loss of eligibility. You must show intent to enroll in another health plan.

You may also revoke your coverage under our Employer sponsored group health plan if you are eligible to obtain coverage through the health exchanges.

6. May I make new elections in future Plan Years?

Yes, you may. For each new Plan Year, you may change the elections that you previously made. You may also choose not to participate in the Plan for the upcoming Plan Year. If you do not make new elections during the election period before a new Plan Year begins, we will assume you want your elections for insured benefits only to remain the same and you will not be considered a Participant for the non-insured benefit options under the Plan for the upcoming Plan Year.

IV BENEFITS

1. Health Flexible Spending Account

The Health Flexible Spending Account enables you to pay for expenses allowed under Sections 105 and 213(d) of the Internal Revenue Code which are not covered by our insured medical plan and save taxes at the same time. The Health Flexible Spending Account allows you to be reimbursed by the Employer for expenses incurred by you and your dependents.

However, if you participate in a HSA, you can only be reimbursed by the Employer for out-of-pocket dental or vision expenses incurred by you and your dependents.

If you are a HSA participant, drug costs, including insulin, may be reimbursed if they are considered for dental or vision expenses.

You may be reimbursed for "over the counter" drugs only if those drugs are prescribed for you. You may not, however, be reimbursed for the cost of other health care coverage maintained outside of the Plan, or for long-term care expenses. A list of covered expenses is available from the Administrator.

The most that you can contribute to your Health Flexible Spending Account each Plan Year is \$2550. After 2015, the dollar limit may increase for cost of living adjustments. In addition, you will be eligible to carryover amounts left in your Health Flexible Spending Account, up to \$500. This means that amounts you do not use during a Plan Year can be carried over to the next Plan Year and used for expenses incurred in the next Plan Year.

In order to be reimbursed for a health care expense, you must submit to the Administrator an itemized bill from the service provider. Amounts reimbursed from the Plan may not be claimed as a deduction on your personal income tax return. Reimbursement from the fund shall be paid at least once a month. Expenses under this Plan are treated as being "incurred" when you are provided with the care that gives rise to the expenses, not when you are formally billed or charged, or you pay for the medical care.

You may be reimbursed for expenses for any child until the end of the calendar year in which the child reaches age 26. A child is a natural child, stepchild, foster child, adopted child, or a child placed with you for adoption. If a child gains or regains eligibility due to these new rules, that qualifies as a change in status to change coverage.

Newborns' and Mothers' Health Protection Act: Group health plans generally may not, under Federal law, restrict benefits for any hospital length of stay in connection with childbirth for the mother or newborn child to less than 48 hours following a vaginal delivery, or less than 96 hours following a cesarean section. However, Federal law generally does not prohibit the mother's or newborn's attending provider, after consulting with the mother, from discharging the mother or her newborn earlier than 48 hours (or 96 hours as applicable). In any case, plans and issuers may not, under Federal law, require that a provider obtain authorization from the plan or the issuer for prescribing a length of stay not in excess of 48 hours (or 96 hours).

Women's Health and Cancer Rights Act: This plan, as required by the Women's Health and Cancer Rights Act of 1998, will reimburse up to plan limits for benefits for mastectomy-related services including reconstruction and surgery to achieve symmetry between the breasts, prostheses, and complications resulting from a mastectomy (including lymphedema). Contact your Plan Administrator for more information.

2. Dependent Care Flexible Spending Account

The Dependent Care Flexible Spending Account enables you to pay for out-of-pocket, work-related dependent day-care cost with pre-tax dollars. If you are married, you can use the account if you and your spouse both work or, in some situations, if your spouse goes to school full-time. Single employees can also use the account.

An eligible dependent is someone for whom you can claim expenses on Federal Income Tax Form 2441 "Credit for Child and Dependent Care Expenses." Children must be under age 13. Other dependents must be physically or mentally unable to care for themselves. Dependent Care arrangements which qualify include:

- (a) A Dependent (Day) Care Center, provided that if care is provided by the facility for more than six individuals, the facility complies with applicable state and local laws;
- (b) An Educational Institution for pre-school children. For older children, only expenses for non-school care are eligible; and
- (c) An "Individual" who provides care inside or outside your home: The "Individual" may not be a child of yours under age 19 or anyone you claim as a dependent for Federal tax purposes.

You should make sure that the dependent care expenses you are currently paying for qualify under our Plan.

The law places limits on the amount of money that can be paid to you in a calendar year from your Dependent Care Flexible Spending Account. Generally, your reimbursements may not exceed the lesser of: (a) \$5,000 (if you are married filing a joint return or you are head of a household) or \$2,500 (if you are married filing separate returns); (b) your taxable compensation; (c) your spouse's actual or deemed earned income (a spouse who is a full time student or incapable of caring for himself/herself has a monthly earned income of \$250 for one dependent or \$500 for two or more dependents).

Also, in order to have the reimbursements made to you from this account be excludable from your income, you must provide a statement from the service provider including the name, address, and in most cases, the taxpayer identification number of the service provider on your tax form for the year, as well as the amount of such expense as proof that the expense has been incurred. In addition, Federal tax laws permit a tax credit for certain dependent care expenses you may be paying for even if you are not a Participant in this Plan. You may save more money if you take advantage of this tax credit rather than using the Dependent Care Flexible Spending Account under our Plan. Ask your tax adviser which is better for you.

3. Premium Expense Account

A Premium Expense Account allows you to use tax-free dollars to pay for certain premium expenses under various insurance programs that we offer you. These premium expenses include:

- Health care premiums under our insured group medical plan.
- Group term life insurance premiums.
- Dental insurance premiums.
- Cancer insurance premiums.

- Vision insurance premiums.
- Prescription drug coverage.
- Other insurance coverage that we may provide.

Under our Plan, we will establish sub-accounts for you for each different type of insurance coverage that is available. Also, certain limits on the amount of coverage may apply.

The Administrator may terminate or modify Plan benefits at any time, subject to the provisions of any insurance contracts providing benefits described above. We will not be liable to you if an insurance company fails to provide any of the benefits described above. Also, your insurance will end when you leave employment, are no longer eligible under the terms of any insurance policies, or when insurance terminates.

Any benefits to be provided by insurance will be provided only after (1) you have provided the Administrator the necessary information to apply for insurance, and (2) the insurance is in effect for you.

If you cover your children up to age 26 under your insurance, you can pay for that coverage through the Plan.

V BENEFIT PAYMENTS

1. When will I receive payments from my accounts?

During the course of the Plan Year, you may submit requests for reimbursement of expenses you have incurred. Expenses are considered "incurred" when the service is performed, not necessarily when it is paid for. The Administrator will provide you with acceptable forms for submitting these requests for reimbursement. If the request qualifies as a benefit or expense that the Plan has agreed to pay, you will receive a reimbursement payment soon thereafter. Remember, these reimbursements which are made from the Plan are generally not subject to federal income tax or withholding. Nor are they subject to Social Security taxes. Requests for payment of insured benefits should be made directly to the insurer. You will only be reimbursed from the Dependent Care Flexible Spending Account to the extent that there are sufficient funds in the Account to cover your request.

2. What happens if I don't spend all Plan contributions during the Plan Year?

Any monies left at the end of the Plan Year will be forfeited, except for \$500 that can be carried over into the next Plan Year. Obviously, qualifying expenses that you incur late in the Plan Year for which you seek reimbursement after the end of such Plan Year will be paid first before any amount is forfeited. For the Health Flexible Spending Account, you must submit claims no later than 90 days after the end of the Plan Year. For the Dependent Care Flexible Spending Account, you must submit claims no later than 90 days after the end of the Plan Year. Because it is possible that you might forfeit amounts in the Plan if you do not fully use the contributions that have been made, it is important that you decide how much to place in each account carefully and conservatively. Remember, you must decide which benefits you want to contribute to and how much to place in each account before the Plan Year begins. You want to be as certain as you can that the amount you decide to place in each account will be used up entirely.

3. Family and Medical Leave Act (FMLA)

If you take leave under the Family and Medical Leave Act, you may revoke or change your existing elections for health insurance, group-term life insurance and the Health Flexible Spending Account. If your coverage in these benefits terminates, due to your revocation of the benefit while on leave or due to your non-payment of contributions, you will be permitted to reinstate coverage for the remaining part of the Plan Year upon your return. For the Health Flexible Spending Account, you may continue your coverage or you may revoke your coverage and resume it when you return. You can resume your coverage at its original level and make payments for the time that you are on leave. For example, if you elect \$1,200 for the year and are out on leave for 3 months, then return and elect to resume your coverage at that level, your remaining payments will be increased to cover the difference - from \$100 per month to \$150 per month. Alternatively your maximum amount will be reduced proportionately for the time that you were gone. For example, if you elect \$1,200 for the year and are out on leave for 3 months, your amount will be reduced to \$900. The expenses you incur during the time you are not in the Health Flexible Spending Account are not reimbursable.

If you continue your coverage during your unpaid leave, you may pre-pay for the coverage, you may pay for your coverage on an after-tax basis while you are on leave, or you and your Employer may arrange a schedule for you to "catch up" your payments when you return.

4. Uniformed Services Employment and Reemployment Rights Act (USERRA)

If you are going into or returning from military service, you may have special rights to health care coverage under your Health Flexible Spending Account under the Uniformed Services Employment and Reemployment Rights Act of 1994. These rights can include extended health care coverage. If you may be affected by this law, ask your Administrator for further details.

5. What happens if I terminate employment?

If you terminate employment during the Plan Year, your right to benefits will be determined in the following manner:

- (a) You will remain covered by insurance, but only for the period for which premiums have been paid prior to your termination of employment.
- (b) You will still be able to request reimbursement for qualifying dependent care expenses incurred prior to your date of termination from the balance remaining in your dependent care account at the time of termination of employment. However, no further salary redirection contributions will be made on your behalf after you terminate. You must submit claims within 60 days after termination.
- (c) For health benefit coverage and Health Flexible Spending Account coverage on termination of employment, please see the Article entitled "Continuation Coverage Rights Under COBRA." Upon your termination of employment, your participation in the Health Flexible Spending Account will cease, and no further salary redirection contributions will be contributed on your behalf. However, you will be able to submit claims for health care expenses that were incurred before the end of the period for which payments to the Health Flexible Spending Account have already been made. Your further participation will be governed by "Continuation Coverage Rights Under COBRA."

6. Will my Social Security benefits be affected?

Your Social Security benefits may be slightly reduced because when you receive tax-free benefits under our Plan, it reduces the amount of contributions that you make to the Federal Social Security system as well as our contribution to Social Security on your behalf.

7. Qualified Reservist Distributions

If you are a member of a reserve unit and if you are ordered or called to active duty, then you may request a Qualified Reservist Distribution (QRD). A Qualified Reservist Distribution is a distribution of all or a portion of the amounts remaining in your Health Flexible Spending Account. You can only request this distribution if you are called to active duty for a period of 180 days or more or for an indefinite period. The distribution must be made during the period beginning on the date of the call and ending on the last date that reimbursements could otherwise be made under the Plan for the Plan Year which includes the date of the call.

You can receive the amount you have actually contributed minus any reimbursements you have already received (or are in process). The amount you request may be adjusted if needed to conform with your actual account balance. You must request the QRD before the last day of the Plan Year. You can only request 2 QRDs for a Plan Year.

**VI
HIGHLY COMPENSATED AND KEY EMPLOYEES**

1. Do limitations apply to highly compensated employees?

Under the Internal Revenue Code, highly compensated employees and key employees generally are Participants who are officers, shareholders or highly paid. You will be notified by the Administrator each Plan Year whether you are a highly compensated employee or a key employee.

If you are within these categories, the amount of contributions and benefits for you may be limited so that the Plan as a whole does not unfairly favor those who are highly paid, their spouses or their dependents. Federal tax laws state that a plan will be considered to unfairly favor the key employees if they as a group receive more than 25% of all of the nontaxable benefits provided for under our Plan.

Plan experience will dictate whether contribution limitations on highly compensated employees or key employees will apply. You will be notified of these limitations if you are affected.

**VII
PLAN ACCOUNTING**

1. Periodic Statements

The Administrator will provide you with a statement of your account periodically during the Plan Year that shows your account balance. It is important to read these statements carefully so you understand the balance remaining to pay for a benefit. Remember, you want to spend all the money you have designated for a particular benefit by the end of the Plan Year.

**VIII
GENERAL INFORMATION ABOUT OUR PLAN**

This Section contains certain general information which you may need to know about the Plan.

1. General Plan Information

Prosser School District 116 Flexible Benefits Plan is the name of the Plan.

Your Employer has assigned Plan Number 000 to your Plan.

The provisions of your amended Plan become effective on October 1, 2015. Your Plan was originally effective on November 1, 2002.

Your Plan's records are maintained on a twelve-month period of time. This is known as the Plan Year. The Plan Year begins on November 1 and ends on October 31.

2. Employer Information

Your Employer's name, address, and identification number are:

Prosser School District 116
1126 Meade Ave. Ste. A
Prosser, Washington 99350
91-6001555

3. Plan Administrator Information

The name, address and business telephone number of your Plan's Administrator are:

Prosser School District 116
1126 Meade Ave. Ste. A
Prosser, Washington 99350
509-786-3323

The Administrator keeps the records for the Plan and is responsible for the administration of the Plan. The Administrator will also answer any questions you may have about our Plan. You may contact the Administrator for any further information about the Plan.

4. Service of Legal Process

The name and address of the Plan's agent for service of legal process are:

Prosser School District 116
1126 Meade Ave. Ste. A
Prosser, Washington 99350

5. Type of Administration

The type of Administration is Employer Administration.

6. Claims Submission

Claims for expenses should be submitted to:

WageWorks, Inc.
P.O. Box 14054
Lexington, KY 40512

**IX
ADDITIONAL PLAN INFORMATION**

1. Claims Process

You should submit all reimbursement claims during the Plan Year. For the Health Flexible Spending Account, you must submit claims no later than 90 days after the end of the Plan Year. However, if you terminate employment during the Plan Year, you must submit your Health Flexible Spending Account claims within 60 days after your termination of employment. For the Dependent Care Flexible Spending Account, you must submit claims no later than 90 days after the end of the Plan Year. However, if you terminate employment during the Plan Year, you must submit your Dependent Care Flexible Spending Account claims within 60 days after your termination of employment. Any claims submitted after that time will not be considered.

Claims that are insured will be handled in accordance with procedures contained in the insurance policies. All other general requests should be directed to the Administrator of our Plan. If a dependent care or medical expense claim under the Plan is denied in whole or in part, you or your beneficiary will receive written notification. The notification will include the reasons for the denial, with reference to the specific

provisions of the Plan on which the denial was based, a description of any additional information needed to process the claim and an explanation of the claims review procedure. Within 60 days after denial, you or your beneficiary may submit a written request for reconsideration of the denial to the Administrator.

Any such request should be accompanied by documents or records in support of your appeal. You or your beneficiary may review pertinent documents and submit issues and comments in writing. The Administrator will review the claim and provide, within 60 days, a written response to the appeal. (This period may be extended an additional 60 days under certain circumstances.) In this response, the Administrator will explain the reason for the decision, with specific reference to the provisions of the Plan on which the decision is based. The Administrator has the exclusive right to interpret the appropriate plan provisions. Decisions of the Administrator are conclusive and binding.

X

CONTINUATION COVERAGE RIGHTS UNDER COBRA

Under federal law, the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), certain employees and their families covered under health benefits under this Plan will be entitled to the opportunity to elect a temporary extension of health coverage (called "COBRA continuation coverage") where coverage under the Plan would otherwise end. This notice is intended to inform Plan Participants and beneficiaries, in summary fashion, of their rights and obligations under the continuation coverage provisions of COBRA, as amended and reflected in final and proposed regulations published by the Department of the Treasury. This notice is intended to reflect the law and does not grant or take away any rights under the law.

The Plan Administrator or its designee is responsible for administering COBRA continuation coverage. Complete instructions on COBRA, as well as election forms and other information, will be provided by the Plan Administrator or its designee to Plan Participants who become Qualified Beneficiaries under COBRA. While the Plan itself is not a group health plan, it does provide health benefits. Whenever "Plan" is used in this section, it means any of the health benefits under this Plan including the Health Flexible Spending Account.

1. What is COBRA continuation coverage?

COBRA continuation coverage is the temporary extension of group health plan coverage that must be offered to certain Plan Participants and their eligible family members (called "Qualified Beneficiaries") at group rates. The right to COBRA continuation coverage is triggered by the occurrence of a life event that results in the loss of coverage under the terms of the Plan (the "Qualifying Event"). The coverage must be identical to the coverage that the Qualified Beneficiary had immediately before the Qualifying Event, or if the coverage has been changed, the coverage must be identical to the coverage provided to similarly situated active employees who have not experienced a Qualifying Event (in other words, similarly situated non-COBRA beneficiaries).

There may be other options available when you lose group health coverage. For example, you may be eligible to buy an individual plan through the Health Insurance Marketplace. By enrolling in coverage through the Marketplace, you may qualify for lower costs on your monthly premiums and lower out-of-pocket costs. Additionally, you may qualify for a 30-day special enrollment period for another group health plan for which you are eligible (such as a spouse's plan), even if that plan generally doesn't accept late enrollees.

2. Who can become a Qualified Beneficiary?

In general, a Qualified Beneficiary can be:

(a) Any individual who, on the day before a Qualifying Event, is covered under a Plan by virtue of being on that day either a covered Employee, the Spouse of a covered Employee, or a Dependent child of a covered Employee. If, however, an individual who otherwise qualifies as a Qualified Beneficiary is denied or not offered coverage under the Plan under circumstances in which the denial or failure to offer constitutes a violation of applicable law, then the individual will be considered to have had the coverage and will be considered a Qualified Beneficiary if that individual experiences a Qualifying Event.

(b) Any child who is born to or placed for adoption with a covered Employee during a period of COBRA continuation coverage, and any individual who is covered by the Plan as an alternate recipient under a qualified medical support order. If, however, an individual who otherwise qualifies as a Qualified Beneficiary is denied or not offered coverage under the Plan under circumstances in which the denial or failure to offer constitutes a violation of applicable law, then the individual will be considered to have had the coverage and will be considered a Qualified Beneficiary if that individual experiences a Qualifying Event.

The term "covered Employee" includes any individual who is provided coverage under the Plan due to his or her performance of services for the employer sponsoring the Plan. However, this provision does not establish eligibility of these individuals. Eligibility for Plan coverage shall be determined in accordance with Plan Eligibility provisions.

An individual is not a Qualified Beneficiary if the individual's status as a covered Employee is attributable to a period in which the individual was a nonresident alien who received from the individual's Employer no earned income that constituted income from sources within the United States. If, on account of the preceding reason, an individual is not a Qualified Beneficiary, then a Spouse or Dependent child of the individual will also not be considered a Qualified Beneficiary by virtue of the relationship to the individual. A domestic partner is not a Qualified Beneficiary.

Each Qualified Beneficiary (including a child who is born to or placed for adoption with a covered Employee during a period of COBRA continuation coverage) must be offered the opportunity to make an independent election to receive COBRA continuation coverage.

3. What is a Qualifying Event?

A Qualifying Event is any of the following if the Plan provided that the Plan participant would lose coverage (i.e., cease to be covered under the same terms and conditions as in effect immediately before the Qualifying Event) in the absence of COBRA continuation coverage:

- (a) The death of a covered Employee.
- (b) The termination (other than by reason of the Employee's gross misconduct), or reduction of hours, of a covered Employee's employment.
- (c) The divorce or legal separation of a covered Employee from the Employee's Spouse. If the Employee reduces or eliminates the Employee's Spouse's Plan coverage in anticipation of a divorce or legal separation, and a divorce or legal separation later occurs, then the divorce or legal separation may be considered a Qualifying Event even though the Spouse's coverage was reduced or eliminated before the divorce or legal separation.
- (d) A covered Employee's enrollment in any part of the Medicare program.
- (e) A Dependent child's ceasing to satisfy the Plan's requirements for a Dependent child (for example, attainment of the maximum age for dependency under the Plan).

If the Qualifying Event causes the covered Employee, or the covered Spouse or a Dependent child of the covered Employee, to cease to be covered under the Plan under the same terms and conditions as in effect immediately before the Qualifying Event, the persons losing such coverage become Qualified Beneficiaries under COBRA if all the other conditions of COBRA are also met. For example, any increase in contribution that must be paid by a covered Employee, or the Spouse, or a Dependent child of the covered Employee, for coverage under the Plan that results from the occurrence of one of the events listed above is a loss of coverage.

The taking of leave under the Family and Medical Leave Act of 1993, as amended ("FMLA") does not constitute a Qualifying Event. A Qualifying Event will occur, however, if an Employee does not return to employment at the end of the FMLA leave and all other COBRA continuation coverage conditions are present. If a Qualifying Event occurs, it occurs on the last day of FMLA leave and the applicable maximum coverage period is measured from this date (unless coverage is lost at a later date and the Plan provides for the extension of the required periods, in which case the maximum coverage date is measured from the date when the coverage is lost.) Note that the covered Employee and family members will be entitled to COBRA continuation coverage even if they failed to pay the employee portion of premiums for coverage under the Plan during the FMLA leave.

4. What factors should be considered when determining to elect COBRA continuation coverage?

When considering options for health coverage, Qualified Beneficiaries should consider:

- **Premiums:** This plan can charge up to 102% of total plan premiums for COBRA coverage. Other options, like coverage on a spouse's plan or through the Marketplace, may be less expensive. Qualified Beneficiaries have special enrollment rights under federal law (HIPAA). They have the right to request special enrollment in another group health plan for which they are otherwise eligible (such as a plan sponsored by a spouse's employer) within 30 days after Plan coverage ends due to one of the Qualifying Events listed above.
- **Provider Networks:** If a Qualified Beneficiary is currently getting care or treatment for a condition, a change in health coverage may affect access to a particular health care provider. You may want to check to see if your current health care providers participate in a network in considering options for health coverage.
- **Drug Formularies:** For Qualified Beneficiaries taking medication, a change in health coverage may affect costs for medication – and in some cases, the medication may not be covered by another plan. Qualified beneficiaries should check to see if current medications are listed in drug formularies for other health coverage.
- **Severance payments:** If COBRA rights arise because the Employee has lost his job and there is a severance package available from the employer, the former employer may have offered to pay some or all of the Employee's COBRA payments for a period of time. This can affect the timing of coverage available in the Marketplace. In this scenario, the Employee may want to contact the Department of Labor at 1-866-444-3272 to discuss options.
- **Service Areas:** If benefits under the Plan are limited to specific service or coverage areas, benefits may not be available to a Qualified Beneficiary who moves out of the area.
- **Other Cost-Sharing:** In addition to premiums or contributions for health coverage, the Plan requires participants to pay copayments, deductibles, coinsurance, or other amounts as benefits are used. Qualified beneficiaries should check to see what the

cost-sharing requirements are for other health coverage options. For example, one option may have much lower monthly premiums, but a much higher deductible and higher copayments.

5. What is the procedure for obtaining COBRA continuation coverage?

The Plan has conditioned the availability of COBRA continuation coverage upon the timely election of such coverage. An election is timely if it is made during the election period.

6. What is the election period and how long must it last?

The election period is the time period within which the Qualified Beneficiary must elect COBRA continuation coverage under the Plan. The election period must begin no later than the date the Qualified Beneficiary would lose coverage on account of the Qualifying Event and ends 60 days after the later of the date the Qualified Beneficiary would lose coverage on account of the Qualifying Event or the date notice is provided to the Qualified Beneficiary of her or his right to elect COBRA continuation coverage. If coverage is not elected within the 60 day period, all rights to elect COBRA continuation coverage are forfeited.

7. Is a covered Employee or Qualified Beneficiary responsible for informing the Plan Administrator of the occurrence of a Qualifying Event?

The Plan will offer COBRA continuation coverage to Qualified Beneficiaries only after the Plan Administrator or its designee has been timely notified that a Qualifying Event has occurred. The Employer (if the Employer is not the Plan Administrator) will notify the Plan Administrator or its designee of the Qualifying Event within 30 days following the date coverage ends when the Qualifying Event is:

- (a) the end of employment or reduction of hours of employment,
- (b) death of the employee,
- (c) commencement of a proceeding in bankruptcy with respect to the Employer, or
- (d) entitlement of the employee to any part of Medicare.

IMPORTANT:

For the other Qualifying Events (divorce or legal separation of the employee and spouse or a dependent child's losing eligibility for coverage as a dependent child), you or someone on your behalf must notify the Plan Administrator or its designee in writing within 60 days after the Qualifying Event occurs, using the procedures specified below. If these procedures are not followed or if the notice is not provided in writing to the Plan Administrator or its designee during the 60-day notice period, any spouse or dependent child who loses coverage will not be offered the option to elect continuation coverage. You must send this notice to the Plan Administrator or its designee.

NOTICE PROCEDURES:

Any notice that you provide must be *in writing*. Oral notice, including notice by telephone, is not acceptable. You must mail, fax or hand-deliver your notice to the person, department or firm listed below, at the following address:

Prosser School District 116
1126 Meade Ave. Ste. A
Prosser, Washington 99350

If mailed, your notice must be postmarked no later than the last day of the required notice period. Any notice you provide must state:

- the name of the plan or plans under which you lost or are losing coverage,
- the name and address of the employee covered under the plan,
- the name(s) and address(es) of the Qualified Beneficiary(ies), and
- the Qualifying Event and the date it happened.

If the Qualifying Event is a divorce or legal separation, your notice must include a copy of the divorce decree or the legal separation agreement.

Be aware that there are other notice requirements in other contexts, for example, in order to qualify for a disability extension.

Once the Plan Administrator or its designee receives *timely notice* that a Qualifying Event has occurred, COBRA continuation coverage will be offered to each of the qualified beneficiaries. Each Qualified Beneficiary will have an independent right to elect COBRA continuation coverage. Covered employees may elect COBRA continuation coverage for their spouses, and parents may elect

COBRA continuation coverage on behalf of their children. For each Qualified Beneficiary who elects COBRA continuation coverage, COBRA continuation coverage will begin on the date that plan coverage would otherwise have been lost. If you or your spouse or dependent children do not elect continuation coverage within the 60-day election period described above, the right to elect continuation coverage will be lost.

8. Is a waiver before the end of the election period effective to end a Qualified Beneficiary's election rights?

If, during the election period, a Qualified Beneficiary waives COBRA continuation coverage, the waiver can be revoked at any time before the end of the election period. Revocation of the waiver is an election of COBRA continuation coverage. However, if a waiver is later revoked, coverage need not be provided retroactively (that is, from the date of the loss of coverage until the waiver is revoked). Waivers and revocations of waivers are considered made on the date they are sent to the Plan Administrator or its designee, as applicable.

9. Is COBRA coverage available if a Qualified Beneficiary has other group health plan coverage or Medicare?

Qualified Beneficiaries who are entitled to elect COBRA continuation coverage may do so even if they are covered under another group health plan or are entitled to Medicare benefits on or before the date on which COBRA is elected. However, a Qualified Beneficiary's COBRA coverage will terminate automatically if, after electing COBRA, he or she becomes entitled to Medicare or becomes covered under other group health plan coverage (but only after any applicable preexisting condition exclusions of that other plan have been exhausted or satisfied).

10. When may a Qualified Beneficiary's COBRA continuation coverage be terminated?

During the election period, a Qualified Beneficiary may waive COBRA continuation coverage. Except for an interruption of coverage in connection with a waiver, COBRA continuation coverage that has been elected for a Qualified Beneficiary must extend for at least the period beginning on the date of the Qualifying Event and ending not before the earliest of the following dates:

- (a) The last day of the applicable maximum coverage period.
- (b) The first day for which Timely Payment is not made to the Plan with respect to the Qualified Beneficiary.
- (c) The date upon which the Employer ceases to provide any group health plan (including a successor plan) to any employee.
- (d) The date, after the date of the election, that the Qualified Beneficiary first becomes covered under any other Plan that does not contain any exclusion or limitation with respect to any pre-existing condition, other than such an exclusion or limitation that does not apply to, or is satisfied by, the Qualified Beneficiary.
- (e) The date, after the date of the election, that the Qualified Beneficiary first becomes entitled to Medicare (either part A or part B, whichever occurs earlier).
- (f) In the case of a Qualified Beneficiary entitled to a disability extension, the later of:
 - (1) (i) 29 months after the date of the Qualifying Event, or (ii) the first day of the month that is more than 30 days after the date of a final determination under Title II or XVI of the Social Security Act that the disabled Qualified Beneficiary whose disability resulted in the Qualified Beneficiary's entitlement to the disability extension is no longer disabled, whichever is earlier; or
 - (2) the end of the maximum coverage period that applies to the Qualified Beneficiary without regard to the disability extension.

The Plan can terminate for cause the coverage of a Qualified Beneficiary on the same basis that the Plan terminates for cause the coverage of similarly situated non-COBRA beneficiaries, for example, for the submission of a fraudulent claim.

In the case of an individual who is not a Qualified Beneficiary and who is receiving coverage under the Plan solely because of the individual's relationship to a Qualified Beneficiary, if the Plan's obligation to make COBRA continuation coverage available to the Qualified Beneficiary ceases, the Plan is not obligated to make coverage available to the individual who is not a Qualified Beneficiary.

11. What are the maximum coverage periods for COBRA continuation coverage?

The maximum coverage periods are based on the type of the Qualifying Event and the status of the Qualified Beneficiary, as shown below.

- (a) In the case of a Qualifying Event that is a termination of employment or reduction of hours of employment, the maximum coverage period ends 18 months after the Qualifying Event if there is not a disability extension and 29 months after the Qualifying Event if there is a disability extension.

(b) In the case of a covered Employee's enrollment in the Medicare program before experiencing a Qualifying Event that is a termination of employment or reduction of hours of employment, the maximum coverage period for Qualified Beneficiaries ends on the later of:

(1) 36 months after the date the covered Employee becomes enrolled in the Medicare program. This extension does not apply to the covered Employee; or

(2) 18 months (or 29 months, if there is a disability extension) after the date of the covered Employee's termination of employment or reduction of hours of employment.

(c) In the case of a Qualified Beneficiary who is a child born to or placed for adoption with a covered Employee during a period of COBRA continuation coverage, the maximum coverage period is the maximum coverage period applicable to the Qualifying Event giving rise to the period of COBRA continuation coverage during which the child was born or placed for adoption.

(d) In the case of any other Qualifying Event than that described above, the maximum coverage period ends 36 months after the Qualifying Event.

12. Under what circumstances can the maximum coverage period be expanded?

If a Qualifying Event that gives rise to an 18-month or 29-month maximum coverage period is followed, within that 18- or 29-month period, by a second Qualifying Event that gives rise to a 36-months maximum coverage period, the original period is expanded to 36 months, but only for individuals who are Qualified Beneficiaries at the time of and with respect to both Qualifying Events. In no circumstance can the COBRA maximum coverage period be expanded to more than 36 months after the date of the first Qualifying Event. The Plan Administrator must be notified of the second qualifying event within 60 days of the second qualifying event. This notice must be sent to the Plan Administrator or its designee in accordance with the procedures above.

13. How does a Qualified Beneficiary become entitled to a disability extension?

A disability extension will be granted if an individual (whether or not the covered Employee) who is a Qualified Beneficiary in connection with the Qualifying Event that is a termination or reduction of hours of a covered Employee's employment, is determined under Title II or XVI of the Social Security Act to have been disabled at any time during the first 60 days of COBRA continuation coverage. To qualify for the disability extension, the Qualified Beneficiary must also provide the Plan Administrator with notice of the disability determination on a date that is both within 60 days after the date of the determination and before the end of the original 18-month maximum coverage. This notice must be sent to the Plan Administrator or its designee in accordance with the procedures above.

14. Does the Plan require payment for COBRA continuation coverage?

For any period of COBRA continuation coverage under the Plan, Qualified Beneficiaries who elect COBRA continuation coverage may be required to pay up to 102% of the applicable premium and up to 150% of the applicable premium for any expanded period of COBRA continuation coverage covering a disabled Qualified Beneficiary due to a disability extension. Your Plan Administrator will inform you of the cost. The Plan will terminate a Qualified Beneficiary's COBRA continuation coverage as of the first day of any period for which timely payment is not made.

15. Must the Plan allow payment for COBRA continuation coverage to be made in monthly installments?

Yes. The Plan is also permitted to allow for payment at other intervals.

16. What is Timely Payment for COBRA continuation coverage?

Timely Payment means a payment made no later than 30 days after the first day of the coverage period. Payment that is made to the Plan by a later date is also considered Timely Payment if either under the terms of the Plan, covered Employees or Qualified Beneficiaries are allowed until that later date to pay for their coverage for the period or under the terms of an arrangement between the Employer and the entity that provides Plan benefits on the Employer's behalf, the Employer is allowed until that later date to pay for coverage of similarly situated non-COBRA beneficiaries for the period.

Notwithstanding the above paragraph, the Plan does not require payment for any period of COBRA continuation coverage for a Qualified Beneficiary earlier than 45 days after the date on which the election of COBRA continuation coverage is made for that Qualified Beneficiary. Payment is considered made on the date on which it is postmarked to the Plan.

If Timely Payment is made to the Plan in an amount that is not significantly less than the amount the Plan requires to be paid for a period of coverage, then the amount paid will be deemed to satisfy the Plan's requirement for the amount to be paid, unless the Plan notifies the Qualified Beneficiary of the amount of the deficiency and grants a reasonable period of time for payment of the deficiency to be made. A "reasonable period of time" is 30 days after the notice is provided. A shortfall in a Timely Payment is not significant if it is no greater than the lesser of \$50 or 10% of the required amount.

17. Must a Qualified Beneficiary be given the right to enroll in a conversion health plan at the end of the maximum coverage period for COBRA continuation coverage?

If a Qualified Beneficiary's COBRA continuation coverage under a group health plan ends as a result of the expiration of the applicable maximum coverage period, the Plan will, during the 180-day period that ends on that expiration date, provide the Qualified Beneficiary with the option of enrolling under a conversion health plan if such an option is otherwise generally available to similarly situated non-COBRA beneficiaries under the Plan. If such a conversion option is not otherwise generally available, it need not be made available to Qualified Beneficiaries.

18. How is my participation in the Health Flexible Spending Account affected?

You can elect to continue your participation in the Health Flexible Spending Account for the remainder of the Plan Year, subject to the following conditions. You may only continue to participate in the Health Flexible Spending Account if you have elected to contribute more money than you have taken out in claims. For example, if you elected to contribute an annual amount of \$500 and, at the time you terminate employment, you have contributed \$300 but only claimed \$150, you may elect to continue coverage under the Health Flexible Spending Account. If you elect to continue coverage, then you would be able to continue to receive your health reimbursements up to the \$500. However, you must continue to pay for the coverage, just as the money has been taken out of your paycheck, but on an after-tax basis. The Plan can also charge you an extra amount (as explained above for other health benefits) to provide this benefit.

IF YOU HAVE QUESTIONS

If you have questions about your COBRA continuation coverage, you should contact the Plan Administrator or its designee. For more information about your rights under ERISA, including COBRA, the Health Insurance Portability and Accountability Act (HIPAA), and other laws affecting group health plans, contact the nearest Regional or District Office of the U.S. Department of Labor's Employee Benefits Security Administration (EBSA). Addresses and phone numbers of Regional and District EBSA Offices are available through EBSA's website at www.dol.gov/ebsa.

KEEP YOUR PLAN ADMINISTRATOR INFORMED OF ADDRESS CHANGES

In order to protect your family's rights, you should keep the Plan Administrator informed of any changes in the addresses of family members. You should also keep a copy, for your records, of any notices you send to the Plan Administrator or its designee.

**XI
SUMMARY**

The money you earn is important to you and your family. You need it to pay your bills, enjoy recreational activities and save for the future. Our flexible benefits plan will help you keep more of the money you earn by lowering the amount of taxes you pay. The Plan is the result of our continuing efforts to find ways to help you get the most for your earnings.

If you have any questions, please contact the Administrator.

****HIPAA NOTICE OF PRIVACY PRACTICES**
THIS NOTICE DESCRIBES HOW MEDICAL INFORMATION ABOUT YOU MAY BE USED AND DISCLOSED AND
HOW YOU CAN GET ACCESS TO THIS INFORMATION.
PLEASE REVIEW IT CAREFULLY.**

Purpose

This notice is intended to inform you of the privacy practices followed by your employer's Healthcare Flexible Spending Account Plan. It also explains the Federal privacy rights afforded to you and the members of your family as Plan Participants covered under a group health plan.

As a Plan sponsor your employer often needs access to health information in order to perform Plan Administrator functions. We want to assure the Plan Participants covered under our group health plan that we comply with Federal privacy laws and respect your right to privacy. We require all members of our workforce and third parties that are provided access to health information to comply with the privacy practices outlined below.

Uses and Disclosures of Health Information

Healthcare Operations. We use and disclose health information about you in order to perform Plan administration functions such as quality assurance activities, resolution of internal grievances, and evaluating plan performance. For example, we review claims experience in order to understand utilization and to make plan design changes that are intended to control health care costs.

Payment. We may also use or disclose identifiable health information about you without your written authorization in order to determine eligibility for benefits, seek reimbursement from a third party, or coordinate benefits with another health plan under which you are covered. For example, a healthcare provider that provided treatment to you will provide us with your health information. We use that information to determine whether those services are eligible for payment under our group health plan.

Treatment. Although the law allows use and disclosure of your health information for purposes of treatment, as a Plan sponsor we generally do not need to disclose your information for treatment purposes. Your physician or healthcare provider is required to provide you with an explanation of how they use and share your health information for purposes of treatment, payment, and healthcare operations.

As permitted or required by law. We may also use or disclose your health information without your written authorization for other reasons as permitted by law. We are permitted by law to share information, subject to certain requirements, in order to communicate information on health-related benefits or services that may be of interest to you, respond to a court order, or provide information to further public health activities (e.g., preventing the spread of disease) without your written authorization. We are also permitted to share health information during a corporate restructuring such as an merger, sale, or acquisition. We will also disclose health information about you when required by law, for example, in order to prevent serious harm to you or others.

Pursuant to your Authorization. When required by law, we will ask for your written authorization before using or disclosing your identifiable health information. If you choose to sign an authorization to disclose information, you can later revoke that authorization to cease any future uses or disclosures.

Right to Inspect and Copy. In most cases, you have a right to inspect and copy the health information we maintain about you. If you request copies, we will charge you \$0.05 (5 cents) for each page. Your request to inspect or review your health information must be submitted in writing to the person listed below.

Right to an Accounting of Disclosures. You have a right to receive a list of instances where we have disclosed health information about you for reasons other than treatment, payment, healthcare operations, or pursuant to your written authorization.

Right to Amend. If you believe that information within your records is incorrect or if important information is missing, you have a right to request that we correct the existing information or add the missing information.

Right to Request Restrictions. You may request in writing that we not use or disclose information for treatment, payment, or other administrative purposes except when specifically authorized by you, when required by law, or in emergency circumstances. We will consider your request, but are not legally obligated to agree to those restrictions.

Right to Request Confidential Communications. You have a right to receive confidential communications containing your health information. We are required to accommodate reasonable requests. For example, you may ask that we contact you at your place of employment or send communications regarding treatment to an alternate address.

Right to Receive a Paper Copy of this Notice. If you have agreed to accept this notice electronically, you also have a right to obtain a paper copy of this notice from us upon request. To obtain a paper copy of this notice, please contact the person listed below.

Legal Requirements

We are required by law to protect the privacy of your information, provide this notice about information practices, and follow the information practices that are described in this notice.

We may change our policies at any time. Before we make a significant change in our policies, we will provide you with a revised copy of this notice. You can also request a copy of our notice at any time. For more information about our privacy practices, contact the person listed below.

If you have any questions or complaints, please contact the Plan Administrator listed under Section VIII, "General Information About Our Plan."

Filing a Complaint

If you are concerned that we have violated your privacy rights, or you disagree with a decision we made about access to your records, you may contact the person listed above. You also may send a written complaint to the U.S. Department of Health and Human Services; Office of Civil Rights. The person listed above can provide you with the appropriate address upon request or you may visit www.hhs.gov/ocr for further information.

BOARD PACKET

TO: Board of Directors
SUBJECT: Boys' Swim Co-op
AGENDA: Action
DATE: November 3, 2015
PREPARED BY: Anna Fazzari, *Prosser High School Athletic Director*

Background:

Currently, the PHS boys' swim program faces two issues. Firstly, the number of participants has dropped to below 5, which is necessary for a team. Secondly, our local indoor pool is closed for repair and will not be open for the start of the upcoming season. PHS would like to join Grandview boys' swim in a co-op agreement. Our students would practice, travel and be coached by Grandview. We have a similar co-op with our girls' swim team already, but with Prosser as the lead.

Recommendation:

Approve the WIAA Co-op by signing the agreement for the 2014-2016 allocation cycle.



WASHINGTON INTERSCHOLASTIC ACTIVITIES ASSOCIATION
 435 Main Ave South, Renton, WA 98057 | (425) 687-8585 | Fax (425) 687-9476
COOPERATIVE/COMBINE REQUEST FORM

ALLOCATION CYCLE: **2014-16**

SCHOOL NAME	LEVEL	CLASSIFICATION	SPORT	BOYS OR GIRLS
Prosser High School	HS	2A	<u>Swimming & Diving</u> Please submit a separate form for each program request, unless all, then write all.	Boys
Grandview High School	HS	2A		COMBINE OR COOPERATIVE
Type name here	Level	Choose one		Cooperative

FOR COMBINED PROGRAM ONLY:

NEW CLASSIFICATION WILL BE: 1B 2B 1B/2B 1A 2A 3A 4A

MAIN ATHLETIC DIRECTOR CONTACT:

NAME	PHONE	EMAIL
Type AD name here	(area code) number	Type email here
HIGH SCHOOL ONLY:		
Combine School Formal Name: <small>(To be used in State Tournament Program and League Standings)</small>		Type name here (Examples: School A-B or School A/B)
Combine program fees to be covered by: <small>(For questions regarding fees email All Kraus: akraus@wiaa.com)</small>		<input type="checkbox"/> Split 50/50 <input type="checkbox"/> Covered by: Type school name here <input type="checkbox"/> Other: Click here to enter text

COMBINED ENROLLMENT: 1700	VERIFIED BY WIAA STAFF:
SUBMITTED BY: Anna Fazzari	SIGNATURE OF SUBMITTER: <i>A. Fazzari</i> DATE: 10/13/2015

SIGNATURES OF APPROVAL <small>(all signatures required before submitting to WIAA office)</small>				
SCHOOL NAME	SCHOOL BOARD PRESIDENT SIGNATURE	DATE	LEAGUE PRESIDENT SIGNATURE	DATE
Prosser High School			<i>[Signature]</i>	10/14/15
Grandview High School	<i>[Signature]</i>		<i>[Signature]</i>	10/14/15
Type name here				
WIAA DISTRICT DIRECTOR SIGNATURE			WIAA DISTRICT	DATE

WIAA OFFICE USE ONLY	
<input type="checkbox"/> Approved for school year(s): _____	<input type="checkbox"/> Denied <input type="checkbox"/> Decision pending. Additional information is required.
WIAA Assistant Executive Director Signature:	Date:

BOARD PACKET

TO: Board of Directors
SUBJECT: Alternative Route to Teaching Block Grant
Memorandum of Agreement
AGENDA: Action
DATE: November 3, 2015 - **REVISED**
PREPARED BY: Deanna Flores, *Assistant Superintendent*

Background:

The Prosser School District as well as many other districts around us continues to experience a teacher shortage. Districts have had much more success finding teachers in their own communities. We are working with WSU on a grant that would support our paraprofessionals with Associate of Arts degrees in becoming teachers. The grant would provide money for tuition costs. Once certified, our district would have the first opportunity to hire these teachers. The students who complete this program would be certified in K-8 Elementary and have either a Bilingual or Special Education endorsement.

Recommendation:

It is recommended that the Board of Directors approve the Alternative Route to Teaching Block Grant Memorandum of Agreement between Washington State University and Prosser School District.

Alternative Route to Teaching Block Grant Memorandum of Agreement between Washington State University Tri-Cities Teacher Preparation Program, Department of Teaching and Learning, WSU T-C, 2710 Crimson Way, Richland, WA 99354 and the following school districts:

Grandview School District, Kennewick School District, Pasco School District, Prosser School District, and Richland School District

March 1, 2016 through June 30, 2018

This memorandum outlines the agreement between the Washington State University Tri-Cities Teacher Preparation Program and the Grandview, Kennewick, Pasco, Prosser, and Richland School Districts. The purpose of this partnership is for the teacher preparation program and district partners to develop an alternate route to teaching certification for paraprofessionals currently in the districts with an emphasis on “grow your own teacher” strategies to address district staffing needs. The program will provide support for paraprofessionals to receive credit for prior learning and work experiences, enroll in university courses, and receive an Elementary Education BA degree and endorsement and either a Special Education or ELL/Bilingual Education add on endorsement

This project will be carried out in accordance with Washington State legislation authorizing the Alternate Route Program RCW 28A.660.040, Findings-Declaration RCW 28A.660.005, Proposal-Funding RCW 28A.660.020, and Conditional Loan Scholarship- Requirements-Recipients RCW 28A.660.050

The goal of this partnership is to meet the participating districts’ needs to increase their teacher pool in identified high need areas through implementing the following required key services:

1. Building collaborative recruitment and selection among partners to recruit candidates in underrepresented groups and district high need areas (ELL and Special Education);
2. Applying flexible program design to meet districts’ needs;
3. Providing prior learning assessment and credit to support student completion;
4. Providing extensive support services to candidates with all partners engaged;
5. Obtaining a commitment from the districts to consider hiring qualified candidates upon their successful completion of the program;
6. Obtaining commitment from candidates to serve for two years as a teacher in Washington State serving a high need area.

Terms and Conditions of Agreement:

In consideration of the mutual promises and agreements set forth herein and other goods and considerations, the WSU Tri-Cities Teacher Preparation Program, an approved Washington State institution, offering university credit courses through the College of Education, and the Grandview, Kennewick, Pasco, Prosser, and Richland School Districts agree to implement the Alternative Route to Certification Block Program. The parties agree to the following:

- A. The **Grandview** School District will provide a minimum enrollment of 3 participants for the two year Block Program.
The **Kennewick** School District will provide a minimum enrollment of 8 participants for the two year Block Program.
The **Pasco** School District will provide a minimum enrollment of 8 participants for the two year Block Program.
The **Prosser** School District will provide a minimum enrollment of 3 participants for the two year Block Program.
The **Richland** School District will provide a minimum enrollment of 8 participants for the two year Block Program.

Note: District(s) having fewer than their agreed number of candidates identified and approved by the deadline will forfeit their unused slots for candidates and the slots will be transferred to other districts.

- B. The WSU Tri-Cities Teacher Preparation Program will offer the Elementary Education certification program with a Bachelor of Arts and endorsement in Elementary Education, with add on endorsements in Special Education or ELL/Bilingual Education. The program will encompass a minimum of 120 undergraduate credits. The program will be offered in one cohort of 30 participants from May 2016 through May 2018.
- C. The WSU Tri-Cities Teacher Preparation Program will provide three key faculty members to implement the program and employ one Program Coordinator to oversee the program.

Specific responsibilities of each of the parties to this agreement are as follows:

The WSU Tri-Cities Teacher Preparation Program will:

1. Identify key faculty members in Special Education and ELL/Bilingual Education who will work directly with the school districts in implementing this program.
2. Provide the districts with promotional brochures, program and recruitment information, and student orientations to assist with program recruitment.
3. Schedule and implement all necessary courses for the program.
4. Provide supervision of candidates' teaching progress.
5. Facilitate professional learning experiences in the districts.

6. Employ, maintain, and oversee an Alternative Route Program Coordinator whose responsibilities will be as follows:
 - Participate in the candidate selection process with partnering districts.
 - Evaluate transcripts of entering candidates.
 - Assess and assign credit for candidates' prior learning and work experience.
 - Work with incoming candidates to design their individual Teacher Preparation Plan.
 - Work with the Academic Director on course scheduling, especially courses held in the districts' buildings.
 - Participate in each candidate's support team consisting of the candidate, the district mentor teacher, the university mentor (either ELL or Special Education faculty member), district liaison, and a program supervisor.
 - Provide information and support for candidates as they complete program entrance requirements such as the WEST-B, WSU application, and registration for courses.
 - Inform candidates about and make referrals to campus student services, including the Learning Center, library, financial aid office, and Writing Center.
 - Maintain constant communication with the partnering school districts, visiting the schools as necessary. Produce regular written updates on each candidate for the support team members.
 - Provide information and support on the candidates' progress through the program with advising on course and endorsement completion requirements.
 - Coordinate seminars and workshops for the candidates on specific areas of need such as AVID training and NES test preparation.
 - Provide support for candidates as they prepare and submit their Ed-TPA portfolio.
 - Provide assistance on all aspects of university enrollment: registration, fees, graduation forms, etc.
 - Partner with the districts to obtain data and collate information for dissemination to all partners and the PESB.
 - Prepare regular reports on the program and candidates to be submitted to the districts and the PESB.

Each of the School Districts, Grandview, Kennewick, Pasco, Prosser, and Richland, will:

1. Provide district priority needs, employment, personnel, strategic plan, and potential candidate data for the grant proposal.
2. Identify a key staff member who will serve as a District Liaison to the WSU TC Teacher Preparation Program and Alternative Route Program Coordinator.
3. Identify and recruit eligible para-educators to participate in the program with a focus on encouraging participants from typically underserved populations.
4. Provide the minimum agreed upon number of candidates to participate in the program.
5. Work with the Alternative Route Program Coordinator to assess and document prior learning and work experiences for credit in the program.

6. Identify and support highly-trained mentor teachers to work with the candidates throughout their program.
7. Provide \$500 stipends to all mentor teachers funded by the Block Grant.
8. Provide \$2000/participant to support tuition costs from the total Block Grant amount of \$2500/participant provided to the districts.
9. Provide classroom space for courses or seminars held in the districts.
10. Pursue the possibility of supporting candidates with Title I, II, or III funds to supplement tuition and fees
11. Provide internship placements for candidates.
12. Commit to consider hiring successful candidates, with the first right of refusal to hire qualified, certified teachers upon completion of the program.
13. Compensate district staff using Block Grant funding to deliver seminars and workshops on relevant candidate needs (AVID or GLAD training, test preparation, etc.).
14. Work with the program team to ensure that the candidates are treated with respect and valued for their participation in the program and that their stature as WSU students and future graduates of WSU is recognized and commended.

Outcomes:

To accomplish the general objectives of this agreement and meet the associated outcomes, the Districts shall perform the specific duties as outlined in the iGrant Application FP 740. The information may be subject to change based upon the districts' program needs, agreed upon by the all partners and approved by PESB.

Financial Arrangements:

In adherence to the guidelines outlined in the Budget Section, page 9 of the online grant, the funding will go towards the intended grant activities.

Each accepted participant's cost for tuition, approximately \$11,000 + \$3000 (summer tuition), will be funded through the WSU TC Alternate Route to Teacher Certification Block Grant (\$8000 scholarship, \$2000 from district grant funds) and district Title I, II or III funding as well as student financial aid, leaving the participant's tuition cost to complete the requirements for a Residential Teaching Certificate and a bachelor's degree at \$0. Any additional costs associated with obtaining the endorsement(s) through the Teacher Preparation Program will be the responsibility of the student and could possibly be supplemented through other resources from the Teacher Preparation Program, District, and/or federal financial aid if the participant is eligible. Participants must pass appropriate coursework and required exams (WEST-E and/or ACTFL) to be recommended for the teaching certificate and endorsement.

Eligible candidates for the program will be identified early in the process in order to submit a FAFSA form and apply for financial aid. Potential candidates will attend a meeting with WSU staff in January, 2016 where they will be guided and supported through completing and submitting a FAFSA application by February 15, 2016. It is anticipated that the majority of the candidates will qualify for federal financial aid which will significantly decrease the cost of their tuition.

Program Costs

Through the Alternate Route to Teaching Block Grant, the WSU TC Teacher Preparation Program will provide the following for each participant each year for the two year program:

Total Funding Provided for Each Participant Each Year of the Two Year Program	
Title I, II or III District Funding (from Districts)	\$ 4,000
Block Grant Monies Applied (from Districts)	\$ 2,000
Participant Grant Scholarship Applied	\$ 8,000
TOTAL	\$ 14,000

Student participants will be responsible for the following estimated out-of-pocket expenses: (Information on Financial aid, NES test waivers, and Ed-TPA test waivers will all be provided to participants to potentially offset some of these costs)

First Time Registration Fee	\$ 50
Course Textbooks	\$800 (estimated)
WEST-E Test Fee	\$95 (estimated)
Endorsement Certificate Fee	\$68 (current fee per endorsement)
Ed-TPA Fee	\$300
Bilingual WEST-E Test Fee	\$155 (estimated – only for qualified individuals)
ACTFL Foreign Language Exam	\$120 (estimated – only for qualified individuals)
Only needed for BLE	
Bilingual Endorsement Certificate Fee	\$155 (current fee per endorsement)
TOTAL ESTIMATED	\$ 1468 (Special Education or ELL Endorsement Only)
Out-Of-Pocket Costs For Each Participant	\$ 1898 (Both ELL & BLE Endorsements)

Key Roles and Responsibilities

Responsibilities	Preparation Program	District	Other
Identify key faculty members, hire Program Coordinator, schedule courses.	X		
Maintain course schedules and classroom experiences for candidates that do not conflict with their paraprofessional duties and are either on-line or in the evening/afternoon.	X	X	
Identify, recruit, and screen eligible participants.	X	X	
Provide on-going support and mentoring for participants.	X	X	
Assess and document prior learning and work experiences for credit in the program.	X	X	
Pursue funding to support participants in the program from Title I, II and III monies.		X	
Develop seminars and workshops based on mentor teacher and participants' needs.	X	X	
Develop and maintain a support team for each candidate consisting of the candidate, the district mentor teacher, the university mentor (either ELL or Special Education faculty member), district liaison, and a program supervisor who will visit classrooms.	X	X	
Commit to consider hiring successful candidates.		X	
Commit to teach for two years in Washington State.			Participants
Ensure that the candidates are treated with respect and valued for their participation in the program and that their stature as WSU students and future graduates of WSU is recognized and commended.	X	X	WSU Campus community

Key Activities Timeline

Activities	Start Date mo/dy/yr 00/00/00	End Date mo/dy/yr 00/00/00	Responsible
Design program, schedule courses, maintain course offerings	01/01/16 (Due to WSU course scheduling requirements)	03/01/18	WSU TC
Identify and recruit eligible candidates	01/01/16	04/15/16	Districts
Eligible Candidates submit FAFSA with support	01/01/16	02/15/16	WSU/TC Participants
Hire and train Program Coordinator	03/15/16	03/31/16	WSU TC
Assess and document prior learning and work experiences for credit in the program	04/01/16	04/30/16	WSU TC
Provide orientation and mentoring for incoming participants to complete registration, take the WEST-B test, and use campus student services	04/01/16	04/30/16	WSU TC, Participants
Identify and support (\$500 stipend yearly) highly-trained mentor teachers to work with the candidates throughout their program	04/30/16	06/15/18	Districts
Pursue funding to support participants in the program from Title I, II, and III monies	03/01/16	06/15/18	Districts
Provide internship placements for candidates; maintain candidates in paraprofessional role for minimum of 1 year	08/20/16	06/15/18	Districts
Provide supervision of participants in teaching internships	08/20/16	06/15/18	WSU TC
Provide classroom space for courses or seminars held in the districts	05/01/16	05/01/18	Districts
Present seminars and workshops for mentor teachers and participants	06/15/16	05/15/18	Districts, WSU TC
Provide on-going support, advising, mentoring for candidates	05/01/16	05/30/18	Districts, WSU TC

Terms of Agreement and Termination

The effective dates of this Agreement are March 1, 2016 through June 30, 2018. The Agreement dates may be amended by a written addendum signed by all parties and final approval by PESB.

Notice

This agreement shall be subject to the written approval of the authorized representative of PESB representatives and shall not be binding until so approved. The agreement may be altered, amended, or waived only by a written amendment executed by the Teacher Preparation Program, PESB and the majority agreement of the District(s). Any notices given under this contract shall be to the following:

Washington State University Tri-Cities Representative:

_____ Signature: _____

Title: _____ Date: _____

Grandview District Representative:

_____ Signature: _____

Title: _____ Date: _____

Kennewick District Representative:

_____ Signature: _____

Title: _____ Date: _____

Pasco District Representative:

_____ Signature: _____

Title: _____ Date: _____

Prosser District Representative:

_____ Signature: _____

Title: _____ Date: _____

Richland District Representative:

_____ Signature: _____

Title: _____ Date: _____

PESB Representative: _____ Signature: _____

Title: _____ Date: _____

Agreement Management:

The following shall be the contact person for all communications regarding the performance of this agreement.

Teacher Preparation Program (Name, Title, Address, Tel #, Email)	District (Name, Title, Address, Tel #, Email)	Other Partner (Name, Title, Address, Tel #, Email)
Judy Morrison, Academic Director College of Education, WSU TC 2710 Crimson Way, Richland, WA jmorriso@tricity.wsu.edu 509-372-7176	Grandview: Kennewick: Pasco: Prosser: Richland:	

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Incorporation of Attachments:

The attachment listed below is by this reference hereby incorporated into this contract:

- Attachment A: Copy of iGrant FP 740
- Attachment B: Continue to List Additional Key Attachments

DRAFT