

BOARD OF EDUCATION

Portland Public Schools
STUDY SESSION
September 9, 2013

Board Auditorium

Blanchard Education Service Center
501 N. Dixon Street
Portland, Oregon 97227

Note: Those wishing to speak before the School Board should sign the public comment sheet prior to the start of the meeting. No additional speakers will be accepted after the sign-in sheet is removed, but testifiers are welcome to sign up for the next meeting. While the School Board wants to hear from the public, comments must be limited to three minutes. All those testifying must abide by the Board's Rules of Conduct for Board meetings.

Public comment related to an action item on the agenda will be heard immediately following staff presentation on that issue. Public comment on all other matters will be heard during the "Public Comment" time.

This meeting may be taped and televised by the media.

AGENDA

1. **PUBLIC COMMENT** 6:00 pm
2. **RECOGNITION OF DR. GATEWOOD** 6:20 pm
3. **PORTLAND FEDERATION OF SCHOOL PROFESSIONALS
2013-2015 COLLECTIVE BARGAINING AGREEMENT** – action item 6:30 pm
4. **ANNUAL SURVEY OF PUBLIC EDUCATIONAL PRIORITIES** 6:45 pm
5. **ED SPECS FACILITIES VISION RESOLUTION** – action item 7:00 pm
6. **FAUBION PRE-DEVELOPMENT AGREEMENT** 7:20 pm
7. **FIRST READING: AMENDED CAFETERIA PLAN** 7:45 pm
8. **BUSINESS AGENDA** 8:00 pm
9. **ADJOURN** 8:05 pm

The next meeting of the Board will be held on **Monday, September 16,** at **6:00pm** in the Board Auditorium at the Blanchard Education Service Center.

Portland Public Schools Nondiscrimination Statement

Portland Public Schools recognizes the diversity and worth of all individuals and groups and their roles in society. All individuals and groups shall be treated with fairness in all activities, programs and operations, without regard to age, color, creed, disability, marital status, national origin, race, religion, sex, or sexual orientation.



PORTLAND PUBLIC SCHOOLS

Human Resources

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Portland Public Schools is an equal opportunity educator and employer.

MEMORANDUM

TO: BOARD OF DIRECTORS
FROM: SEAN L MURRAY, CHIEF HUMAN RESOURCES OFFICER
SUBJECT: TENTATIVE AGREEMENT
PORTLAND FEDERATION OF SCHOOL PROFESSIONALS
2013 - 2015 COLLECTIVE BARGAINING AGREEMENT
DATE: SEPTEMBER 3, 2013
CC: CAROLE SMITH, SUPERINTENDENT

Portland Public Schools (the District) and the Portland Federation of School Professionals (PFSP) have reached a tentative agreement on a contract for the 2013 – 2014 and 2014 – 2015 school years. The substantive terms of that agreement, consistent with the authorization granted by the Board, are outlined below.

1. Wages (All Appendices)

2013 – 2014, 1% increase to the salary schedule effective July 1, 2013,
Step increase effective October 16, 2013,
One-time stipend equal to 1.5% of annual salary for members at the top step,
Consolidate multiple job classifications,
New salary schedule – Physical and Occupational Therapists.

2014 – 2015, 1% increase to the salary schedule effective July 1, 2014,
Step increase effective July 1, 2014.

2. Insurance (Article 23)

2013 – 2014, \$50 increase (to \$1076 per member per month) effective October 1, 2013

2014 – 2015, \$50 increase (to \$1126 per member per month) effective October 1, 2014

3. Non-Economic

Temporary Employees (Article 1)

The definition of temporary employees has been expanded to include an employee hired to replace a regular employee on an approved leave of absence or absence due to an on-the-job injury for the entire duration of the backfill.

HUMAN RESOURCES MISSION: Human Resources Partners With District Leadership To Recruit, Develop, And Support A Culturally Diverse Workforce Dedicated To The Highest Standards Of Equity And Achievement That Creates An Environment Of Empowerment And Success For Our Students, Employees, And The Communities We Serve.

Personnel File (Article 10)

Rules restricting the content and use of working files maintained by supervisors are eliminated. Employees will no longer be able to have of discipline in excess of an oral warning or oral reprimand removed after two years.

Position Vacancies and Announcements (Article 12)

Contract provisions requiring unit members who meet defined criteria to be interviewed is removed from the contract.

Employee Discipline (Article 18)

The six month probationary period for newly hired employees is formally acknowledged in the agreement.

Physical and Occupational Therapists (Appendix 2)

Physical and Occupational Therapists assigned to conferences with parents and write IEPs will be provided up to 3 days of released time, per year, for that purpose.

This tentative agreement is presented to the Board with a recommendation to adopt the proposed contract. Thank you.



Date: 8/30/2013

To: Portland Public Schools (PPS) School Board
From: DHM Research, Inc.
Re: Survey results of two ballot measure test

INTRODUCTION & METHODOLOGY

Davis, Hibbitts & Midghall, Inc. (DHM Research) conducted two telephone surveys with voters in the Portland Public Schools District (PPS) to assess their opinions about initiatives to improve public K-12 education in the state and their support for a ballot measure to renew the 2011 operating levy. This memo highlights the results of the ballot tests.

Research Design: The first survey was conducted from June 29-July 1, 2013, and consisted of 600 registered voters living in Portland Public School District. The second survey was conducted on July 26, 2013, and consisted of 300 likely voters (those who had voted in at least 3 of the last 4 elections) in the Portland School District. Voters in both surveys were contacted randomly from a list of registered voters and included both landlines and cellphones. In gathering responses, a variety of quality control measures were used, including questionnaire pre-testing and validations. For a representative sample, quotas were set by gender, age, and political party.

In first survey, all 600 voters were asked generally if they would support renewing the 2011 operating levy. The second survey was split into two demographically similar samples (A & B) of 150 voters each and tested two versions of possible ballot titles.

Statement of Limitations: Any sampling of opinions is subject to a margin of error. The margin of error is a standard statistical calculation that represents differences between the sample and total population at a confidence interval, or probability, calculated to be 95%. This means that there is a 95% probability that the sample taken for this study would fall within the stated margins of error if compared with the results achieved from surveying the entire population.¹

- N=150: ±4.8% to 8.0%
- N=300: ±3.4% to 5.7%
- N=600: ±2.4% to 4.0%

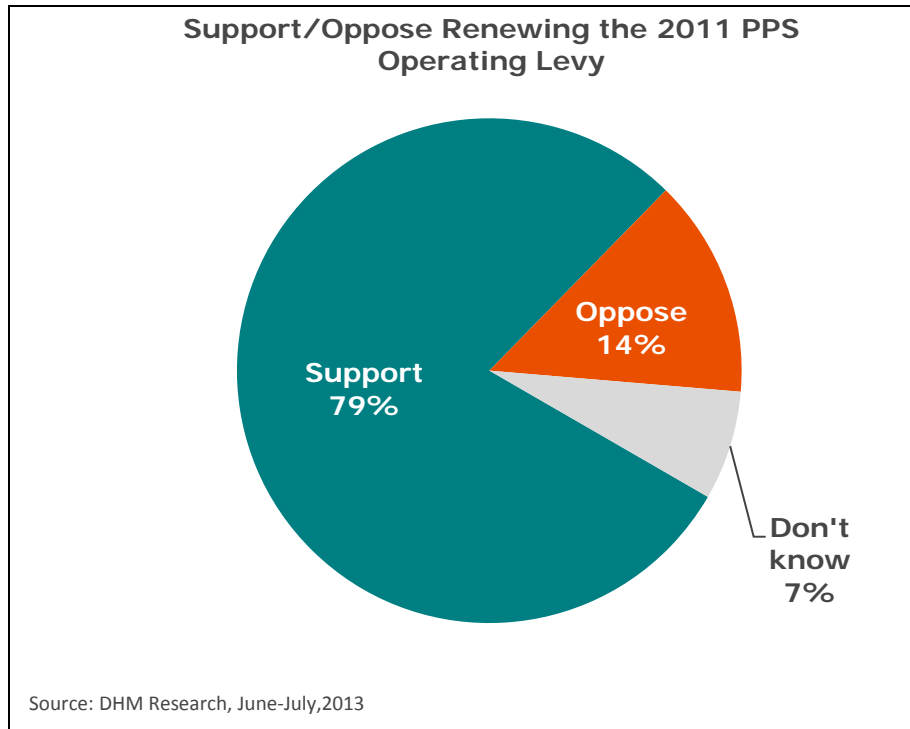
DHM Research: DHM Research has been providing opinion research and consultation throughout the Pacific Northwest and other regions of the United States for over three decades. The firm is non-partisan and independent and specializes in research projects to support public policy-making.

www.dhmresearch.com

¹ The reason for the range of margins of errors for a certain sample size lies in the fact that, when response categories are relatively even in size, each is numerically smaller and thus less able – on a statistical basis – to approximate the larger population.

General Support for Levy Renewal (June 29-July 1, 2013, N=600)

On November 11, 2011, Portland voters approved a schools operating levy. If the school district were to submit the same levy to voters again – so there would be no increase in rates – would you vote to support or oppose it knowing that the one change it is making is to direct more money to stay with the schools and not go to urban renewal as currently directed by law.



In the survey, voters were asked generally if they would support renewing the 2011 PPS operating levy if they knew that it would not increase rates and that all the money would stay with the schools. Seventy-nine percent (79%) said that they would support a renewal compared to just 14% who would oppose it and 7% who were unsure.

Demographic differences:

Support for levy renewal was high across all voters, with at least 70% (Republicans) of all demographic groups indicating that they would support it.

Analysis

It is noteworthy that support in the ballot measure tests significantly higher than what we've found for specific levy ballot titles in other surveys. In this survey, the question specified that the ballot measure would renew an existing levy and that rates would not increase. The ballot titles tested in the other surveys did not provide this specific type of context. This speaks to importance of communicating to voters that PPS would not be asking for funds above and beyond what they are already paying for in their property taxes, and the purpose is to simply make a change to the current levy that would result in more money going to schools.



August, 2013

To: Portland Public Schools
From: DHM Research, Inc.
Subject: Survey Results Summary

INTRODUCTION

Between June 29 and July 1, 2013, DHM Research conducted a telephone survey of 600 registered voters living in the Portland School District. The objective of the survey was to determine public perceptions and priorities for Portland schools. For some questions, the survey was split into two split samples (A & B) of 300 respondents each. For a sample size of 600, the margin of error for each question falls between +/-2.4% and +/-4.0%, at the 95% confidence level. For a sample size of 300, the margin of error for each question falls between +/-3.4% and +/-5.6%, at the 95% confidence level.

Voters were contacted randomly using landline and cell telephone numbers. In gathering responses, a variety of quality control measures were employed, including questionnaire pre-testing and validations. For a representative sample, quotas were set by age and gender for each N=300 subsample. In the attached annotated questionnaire, results may add up to 99% or 101% due to rounding.

FINDINGS

Education Quality Indicators (Q9-Q21, Split Sample A)

Voters feel that the best indicator of the educational quality of a school district is *more students achieving high academic standards regardless of ethnicity or household income* (82% very good/somewhat good; higher than 71% across all demographic subgroups). Slightly fewer believe that good indicators are *graduating more involved and responsible citizens* (79%) and *more communications between teachers and parents such as teacher-parent meetings*.

Education Issues (Q22-Q38, Split Sample B)

Seven different education issues register as a priority (urgent/high/medium) to at least 90% of voters: *focusing on students in early grades, especially on building their reading skills* (96%); *strengthening technical and/or career education options for students* (94%); *assuring that struggling students have access to the best teaching* (93%); *making sure teacher workloads are manageable and that teachers have sufficient time to focus on their classrooms* (92%); *keeping class sizes from increasing* (91%); *improving teacher effectiveness* (91%); and *giving teachers more flexibility in how they guide students and measure student achievement* (90%).

Obstacles (Q39)

Unprompted, four in 10 (39%) voters believe that *lack of funding* is standing in the way of their local schools being successful. Voters with incomes above \$100K are more likely to believe that lack of funding is an obstacle (49%) than those making below \$25K (33%), as are Democrats (45%) compared to Republicans (33%) and Independents (35%). Voters with children and/or grandchildren in Portland Public Schools are slightly more likely to believe that *lack of funding* is standing in the way of their local schools being successful than those without (45% vs. 37%), as are voters who are public school educators or have one in the household compared to their non-teacher counterparts (47% vs. 38%). No other obstacle ranks above 10%.

Bond Spending Priorities (Q40-Q43)

A strong majority (74%) of voters agree (strongly/somewhat) that *Portland Public Schools must make staying on time and on budget the highest priority*, with nearly four in 10 (37%) who strongly agree. Republicans (85%) and Independents (80%) are more likely to agree than Democrats (68%). Lesser majorities also agree that *PPS should take the time to get full community input on each fully modernized high school, even if it delays the construction schedule* (58%) and that *PPS should build the fully modernized schools as fast as possible* (56%). Younger voters, lower-income voters, Independents, less frequent voters, and those without children and/or grandchildren in PPS are more likely to agree that PPS should take the time to get full community input compared to older voters, high-earners, Democrats, more frequent voters, and those with children and/or grandchildren in the school district. Democrats are more likely than Republicans to agree that PPS should build modernized schools as fast as possible.

Funding—Urban Renewal (Q44)

Eight in 10 (79%) voters would support passing a schools operating levy with no increase in rates and all the money staying with the schools and not going to urban renewal, while just 14% would oppose the levy and 7% are unsure. While strong majorities of all demographic subgroups are in favor, highest levels of support come from voters who are public school educators or have one in the household (89%), Democrats (83%), residents with incomes \$50K-\$75K (84%), and those making \$75K-\$100K (82%).

Neighborhood Schools (Q45)

When forced to choose between two alternatives of *closing neighborhood schools to operate more efficiently* and *not closing neighborhood schools because they make it easier and safer for students to get to and back from school*, seven in 10 (70%) voters agree more with the option to not close schools, with nearly half (46%) who feel strongly about their opinion. Younger voters, lower and middle-income voters, Democrats, and less frequent voters are more likely to agree more with not closing schools than older voters, high-earners, Independents, and more frequent voters.

Warm Up (Q1-Q2)

Just over half (54%) of voters feel that things in Portland are headed in the right direction, while just one quarter (24%) feel that things in the Portland Public Schools (PPS) are

headed in the right direction. Right direction ratings for the city are most common among younger voters and Democrats. There are no significant differences for either the city or PPS between those with children and/or grandchildren in Portland Public Schools and those without.

Performance (Q3-Q8)

Voters' opinions of the Portland School District have generally stayed the same (55%) or become more negative (27%) from two years ago, while just 12% have become more positive. Middle-income voters are most likely to have the same opinion while Republicans are most likely to have developed a more negative opinion. Of those that feel more negative, *lack of funds/budget cuts* is the number one reason (24%). Of those that feel more positive, *schools/education are getting better* is the top reason (25%).

The majority of voters feel that the Portland School District is doing a neutral (32%) or somewhat good (29%) job, while another 20% feel that the district is doing a somewhat bad job. Few respondents fall into the extremes—less than one in 10 feel the district is doing a very good (5%) or very bad (10%) job. Very/somewhat good ratings are highest among Democrats (45%), voters who are public school educators or have one in the household (43%), and those making more than \$75K per year.

Voters feel more positive about the job the district is doing in educating children (39% very/somewhat good vs. 28% very/somewhat bad) but more negative about the job it is doing managing its finances (17% very/somewhat good vs. 51% very/somewhat bad). Large portions feel neutral: 28% about educating children and 25% about managing finances. Notably, there is no significant difference of opinion regarding how the district manages its finances between voters with children and/or grandchildren in Portland Public Schools and those without.

QUESTIONNAIRE

**Portland Public Schools Survey
N=600 (Split Samples A&B: N=300),
Registered Voters, July 2013
DHM Research**

Hello, I'm _____ from DHM Research a public opinion research firm. I am not trying to sell you anything. We're conducting a survey about education issues in Portland. May I speak to _____? **[SPEAK TO NAME ON LIST. IF UNAVAILABLE, SCHEDULE CALL BACK]**

WARM-UP (BOTH SPLIT SAMPLES)

1. All in all, would you say that things in Portland are headed in the right direction, or are things pretty much off on the wrong track?

Response Category	N=600
Right Direction	54%
Wrong Track	29%
Don't know (DON'T ASK)	17%

2. How about things overall in the Portland Public Schools? Would you say that things in the schools are headed in the right direction, or pretty much off on the wrong track?

Response Category	N=600
Right Direction	24%
Wrong Track	56%
Don't know (DON'T ASK)	19%

PERFORMANCE (BOTH SPLIT SAMPLES)

3. Thinking about the Portland School District, is your opinion about the district more positive than two years ago, more negative, or about the same?

Response Category	N=600	2008	2004
More positive	12%	19%	13%
More negative	27%	17%	34%
About the same	55%	62%	47%
Don't know (DON'T ASK)	5%	2%	7%

4. **(If more positive in Q3)** Why are you feeling more positive about the district? **(Open. Probe for specifics.)**

Response Category	N=72
Schools/education are getting better	25%
Money is being spend wisely	13%
Good superintendent	12%
More funding	11%
Quality of teachers	8%
Good leadership	8%
Personal experience	6%
Building improvements	5%
More classes	5%
All other responses	4% or less
Don't know (DON'T ASK)	4%

5. **(If more negative in Q3)** Why are you feeling more negative about the district? **(Open. Probe for specifics.)**

Response Category	N=164
Lack of funds/budget cuts	24%
Poor education	16%
Wasteful spending	14%
Class size	10%
Schools closing down	9%
Laying off teachers/lack teachers	8%
Many programs being cut	8%
Teachers pay	5%
Unfavorable personal experience	5%
All other responses	4% or less
Don't know (DON'T ASK)	0%

6. Overall, how good a job is the Portland School District doing: very good, somewhat good, neutral, somewhat bad, or very bad?

Response Category	N=600	2008	2004
Very good	5%	12%	10%
Somewhat good	29%	38%	26%
Neutral	32%	22%	21%
Somewhat bad	20%	9%	21%
Very bad	10%	6%	13%
Don't know (DON'T ASK)	5%	12%	11%

7. Thinking just about how well the schools educate children, how good a job is the District doing in educating children: very good, somewhat good, neutral, somewhat bad, or very bad?

Response Category	N=600	2008	2004
Very good	7%	11%	13%
Somewhat good	32%	42%	35%
Neutral	28%	23%	22%
Somewhat bad	19%	13%	16%
Very bad	10%	4%	8%
Don't know (DON'T ASK)	5%	8%	7%

8. How good of a job is the Portland School District doing managing its finances: very good, somewhat good, neutral, somewhat bad, or very bad?

Response Category	N=600	2008	2004
Very good	4%	6%	5%
Somewhat good	13%	20%	18%
Neutral	25%	27%	14%
Somewhat bad	27%	20%	24%
Very bad	24%	16%	29%
Don't know (DON'T ASK)	7%	11%	11%

EDUCATION QUALITY INDICATORS (SPLIT SAMPLE A)

I'm now going to read to you some indicators used to judge the educational quality of school districts. For each one, please tell me whether you think it is a not at all good, not very good, somewhat good, or very good indicator of whether the Portland School District is providing a quality education. **(Rotate Q9-21)**

Response Category	Very/Smwt good	Very good	Smwt good	Not at all good	Not very good	DK
12) More students achieving high academic standards regardless of ethnicity or household income	82%	57%	25%	2%	9%	7%
18) Graduating more involved and responsible citizens	79%	50%	29%	2%	12%	7%
20) More communications between teachers and parents such as teacher-parent meetings	78%	36%	42%	2%	9%	10%
9) More high school graduates attending college	77%	50%	27%	3%	10%	10%
16) More students taking a full load of classes	77%	39%	38%	3%	9%	12%
19) More instructional time each day for students	77%	41%	36%	4%	12%	7%
13) More students excited, engaged, and challenged by school	76%	50%	26%	5%	12%	7%
17) More students on a career path to a family wage job	75%	44%	31%	4%	12%	10%
21) More enrichment course like art, music, and PE	74%	47%	27%	9%	11%	6%
10) Reduced dropout rates	71%	52%	19%	6%	13%	10%
11) More students enrolling in the District instead of going to the suburbs or to private schools	66%	32%	34%	7%	12%	15%
15) Schools staying open longer each day so students can be in school longer	66%	26%	40%	7%	18%	9%
14) More students achieving one year's worth of academic growth in one year's amount of time based on standardized testing	58%	20%	38%	6%	21%	15%

EDUCATION ISSUES (SPLIT SAMPLE B)

Here are some issues that have been brought up in recent years as important for Portland Public Schools to address. For each, please tell me if you would describe it as an urgent priority, high priority, medium priority, or low priority. You may feel all of these issues are important to address, but try to be selective in your rankings.

(RANDOMIZE Q22-38)

Response Category	Top 3 Combined	Urgent priority	High priority	Medium priority	Low priority	DK
34) Focusing on students in early grades, especially on building their reading skills	96%	32%	48%	16%	2%	2%
29) Strengthening technical and/or career education options for students	94%	18%	51%	25%	4%	2%
28) Assuring that struggling students have access to the best teaching	93%	26%	52%	15%	4%	2%
26) Making sure teacher workloads are manageable and that teachers have sufficient time to focus on their classrooms	92%	26%	48%	18%	6%	2%
24) Keeping class sizes from increasing	91%	29%	41%	21%	7%	2%
32) Improving teacher effectiveness	91%	18%	51%	22%	4%	4%
23) Giving teachers more flexibility in how they guide students and measure student achievement	90%	18%	44%	28%	7%	3%
38) Putting more emphasis on a teacher's skills and expertise and less on the number of years they have taught, when teachers are assigned to a school	88%	22%	39%	27%	9%	3%
27) Closing the achievement gap between different socio-economic and ethnic groups of students	88%	20%	38%	30%	11%	2%
31) Improving principal effectiveness	86%	13%	34%	39%	7%	7%
33) Providing more programs for high achieving students	85%	15%	37%	33%	13%	2%
25) Putting more emphasis on students meeting the same learning standards as students in other states	74%	11%	29%	34%	22%	4%
30) Keeping schools open longer each <u>day</u> , so students can have more time to learn	73%	9%	26%	38%	26%	2%

37) Assuring that a teacher's impact on student academic growth is one factor in a teacher performance review, as judged by how well their students achieve one year's worth of academic growth in one year's amount of time based on test scores	71%	8%	23%	40%	22%	7%
35) Keeping schools open longer each <u>year</u> , so students can be in school longer	68%	10%	25%	33%	29%	2%
36) Increasing the diversity of teachers hired	68%	10%	23%	35%	26%	4%
22) Measuring the performance of schools based on how well students perform on standardized tests	55%	4%	17%	34%	40%	5%

OBSTACLES (BOTH SPLIT SAMPLES)

39. What kinds of things are standing in the way of your local schools being successful? (**Open. Probe for specifics.**)

Response Category	N=600
Lack of funding	39%
Class size	10%
Bad/unqualified teachers	9%
Wasteful spending	8%
Poor education	8%
Lack of parent involvement	7%
Not enough activities/programs	7%
All other responses	5% or less
Don't know (DON'T ASK)	11%

BOND SPENDING PRIORITIES (BOTH SPLIT SAMPLES)

Last November, Portland voters approved a \$481 million school improvement bond to pay for the modernization of three high schools and one elementary school, seismic safety improvements, new roofs, disabled access, and upgraded science labs. Now that Portland Public Schools is implementing the bond, please tell us whether you agree, or disagree with the following statements. **(WAIT AND ASK: IS THAT STRONGLY AGREE/DISAGREE OR ONLY SOMEWHAT AGREE/DISAGREE? RANDOMIZE Q40-43)**

Response Category	Strongly/ Smwt agree	Strongly agree	Smwt agree	Smwt disagree	Strongly disagree	DK
40) Portland Public Schools must make staying on time and on budget the highest priority	74%	37%	37%	17%	5%	4%
43) PPS should take the time to get full community input on each fully modernized high school, even if it delays the construction schedule	58%	26%	32%	24%	15%	3%
42) PPS should build the fully modernized schools as fast as possible.	56%	23%	33%	25%	14%	5%
41) Portland Public Schools should expand the bond to include sustainability investments like solar panels on the new roofs even if they weren't a priority in the bond description that was on the ballot	47%	17%	30%	24%	24%	5%

FUNDING – URBAN RENEWAL (BOTH SPLIT SAMPLES)

44. On November 11, 2011, Portland voters approved a schools operating levy. If the school district were to submit the same levy to voters again—so there would be no increase in rates—would you vote to support or oppose it knowing the one thing it would change is making sure that all the money stays with the schools and not go to urban renewal as currently directed by law?

Response Category	N=600
Support	79%
Oppose	14%
Don't know (DON'T ASK)	7%

NEIGHBORHOOD SCHOOLS (BOTH SPLIT SAMPLES)

45. Here is a pair of statements, tell me which you agree with more and whether you just lean in that direction or if you feel strongly: **[prompt as necessary for feel strongly or just lean towards]**

Response Category	N=600
A. Portland Public Schools should close more neighborhood schools to operate more efficiently saving taxpayers money and helping make sure every student has access to strong educational programs	
Feel strongly	12%
Lean towards	13%
B. Though it may cost taxpayers more money, Portland Public Schools should not close more neighborhood schools because they make it easier and safer for students to get to and back from school, easier for parents to be involved in school activities, and foster a sense of community in Portland's neighborhoods	
Lean towards	24%
Feel strongly	46%
(DON'T ASK) Don't know	5%

DEMOGRAPHICS (BOTH SPLIT SAMPLES)

Now I have a few more questions for statistical purposes only.

46. What is your age?

Response Category	N=600
18-34	30%
35-54	38%
55-64	12%
65+	20%
Refused	1%

47. Do you have any children in your home who are students in the Portland Public school system?

Response Category	N=600
Yes	21%
No	77%
Refused	2%

48. Do you have any grandchildren who are students in the Portland Public school system?

Response Category	N=600
Yes	8%
No	90%
Refused	2%

49. Just your best guess, what was your 2012 total household income before taxes?

Response Category	N=600
Less than \$25,000	17%
\$25,000 less than \$50,000	23%
\$50,000 less than \$75,000	19%
\$75,000 less than \$100,000	10%
\$100,000 or more	19%
Refused	11%

50. When it comes to politics, do you consider yourself more of a Democrat, more of a Republican, or more of an Independent or member of another party?

Response Category	N=600
Democrat	50%
Republican	11%
Independent	30%
Refused	8%

51. What is your zip code?

Response Category	N=600
97219	11%
97206	10%
97202	8%
97203	7%
97213	7%
All other responses	6% or less

52. Gender **(BY OBSERVATION)**

Response Category	N=600
Male	48%
Female	52%

53. Vote History **(FROM SAMPLE)**

Response Category	N=600
0/1 of 4	23%
2 of 4	21%
3 of 4	18%
4 of 4	37%



Board of Education

Superintendent's Recommendation to the Board

Board Meeting Date:
September 9, 2013

Executive Committee Lead:
C.J. Sylvester, Chief Operating Officer

Department:
Office of School Modernization

Presenter/Staff Lead:
Jim Owens, Executive Director, OSM
Paul Cathcart, Project Manager, OSM

Agenda Action:
Resolution

SUBJECT: Adoption of the Education Facilities Vision Document

BACKGROUND

In the winter of 2013, the Office of School Modernization (OSM) began a process to envision the future of educational facilities and develop educational standards and specifications (Ed Specs) for all District school buildings. This process would proceed in two phases. The first phase would envision the future of educational facilities. The second phase would recommend standards and specifications (aka building design criteria) for all District schools by configuration (high schools, middle schools, PK-8, and PK-5). The document presented to you on August 19, 2013 was the report and summation of the Phase I visioning activities. Development of the Phase II specifications is underway and anticipated to be completed this fall.

At the August 19, 2013 presentation of the Educational Facilities Vision document, Board members suggested the inclusion of language in the vision statement related to sustainability and community use of PPS buildings as well as the ability to reduce operating costs through investment in our buildings. Below is a revised version of the vision statement incorporating the Board's suggestions. Proposed changes to the original vision statement are in italics.

Portland Public Schools seeks to be the best urban school district in this country. In the 21st century, learning takes place everywhere, all the time, and buildings play a critical supporting role in ensuring all of our students emerge as lifelong learners ready for the world that awaits them. We seek to create learning environments that nurture, inspire and challenge all students, regardless of race or class. We aspire to provide safe, healthy, *joyful, beautiful, sustainable* and accessible school environments that foster productive relationships *year-round* for all children, families, staff *and their communities*. *We promote public confidence through strategic engagement and investments that support student achievement and reduce operating costs.*

Reviewed and Approved by Superintendent

RELATED POLICIES / BOARD GOALS AND PRIORITIES

1. Resolution 4608 – Long Range Facility Plan Future Step No. 3 - Develop an educational specification to serve as a District standard.

PROCESS / COMMUNITY ENGAGEMENT

With the assistance of a 32 member Executive Advisory Committee, a community engagement process was developed for the entire project. The project team engaged 16 groups and organizations in the spring of 2013. Key themes from these conversations were developed for the Facilities Vision Summit on May 28, 2013 and presented to attendees representing participants in the community conversations.

ALIGNMENT WITH EQUITY POLICY IMPLEMENTATION PLAN

The various community involvement efforts beginning in 2007 and running up to the successful passage of the Capital Bond in the Fall of 2012, served to engage a diverse cross-section of the community and to identify goals and priorities that have been consistent over time. The Education Facilities Vision process engaged segments of the community that to date have been under-represented as well as those that are representative of PPS's existing and emerging constituencies in community conversations.

BUDGET / RESOURCE IMPLICATIONS

Board members asked how much of the Ed Spec project budget was devoted to the visioning portion of the Ed Spec project (Phase I). The total contract amount for the Ed Spec project with DOWA IBI-Group is \$250,750. Phase I (visioning) of the project is \$141,848 or 57 percent of the current contracted amount. This portion of the budget was devoted to the convening, participation, and documentation of the community conversations.

NEXT STEPS / TIMELINE / COMMUNICATION PLAN

Staff recommends adoption of the vision document pursuant to the attached resolution which includes the amended vision statement noted above.

ATTACHMENTS

Attachment 1 – Resolution



Board of Education

Staff Report to the Board

Board Meeting Date:
September 9, 2013

Executive Committee Lead:
C.J. Sylvester, Chief Operating Officer

Department:
Office of School Modernization/
Facilities and Asset Management

Presenter/Staff Lead:
Bob Alexander, Program Director, FAM
(Thru Jim Owens, Executive Director, OSM)

SUBJECT: Predevelopment Agreement for Joint Development and Use of Faubion PK-8 School Site and a Portion of the Concordia University Site.
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BACKGROUND

Concordia University (“Concordia”) and Portland Public Schools (“PPS”) have developed a partnership which, at its core, has provided the resources of Concordia’s Student Service Corps to Faubion students. This partnership has enhanced the academic success of Faubion students and allowed Concordia student volunteers an opportunity for in-classroom experience. Additionally, the partnership includes use of each other’s facilities; and Concordia’s assistance with SUN school, nursing students supporting the school nurse services, and student volunteers for the PPS SMART reading program.

In September 2012, the District entered into a Memorandum of Understanding with Concordia for execution of a Predevelopment Agreement which calls for master planning of the Faubion site and partnership development for capital and operational joint use of a fully modernized Faubion PreK-8 with attendant wrap-around services. PPS General Counsel has reviewed the agreement.

RELATED POLICIES / BOARD GOALS AND PRIORITIES

The following Board policies and resolutions relate to this agreement:

1. Resolution 4608 - Long Range Facility Plan Guiding Principles - Pursue partnerships with other public and or private entities to leverage public resources to maximize efficiency, economies of scale and innovation.
2. Resolution 4650 – Memorandum of Understanding with Concordia University for master planning and replacement of Faubion K-8 School.

PROCESS / COMMUNITY ENGAGEMENT

This partnership has been discussed in testimony before the Board during adoption of the Long Range Facility Plan as well as the public November 2012 bond development process. The partnership has also been featured at August and September 2012 Board meetings as well as ongoing Bond updates with the Board. To quote from the Agreement, “The Faubion project beginning with the Master Plan, will be designed through a community process, including input from neighbors, businesses, PPS and

Reviewed and Approved by Executive Committee Lead
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Concordia's staff, students and families." The Design Advisory Group is being formed and will be an integral mechanism for soliciting and synthesizing community input and advice.

ALIGNMENT WITH EQUITY POLICY IMPLEMENTATION PLAN

Faubion School is a Title 1 school and has a high percentage of students who qualify for free and reduced lunch as well as a high percentage of students of color. The selection of this school as the first PreK-8 school for complete replacement as contemplated in this Predevelopment Agreement is a showcase example of the Equity Policy in practice. The potential for this collaborative effort is the creation of a model modern learning environment fusing higher education with K-12 that is the center of the community and an example for other public schools across the state and nation.

BUDGET / RESOURCE IMPLICATIONS

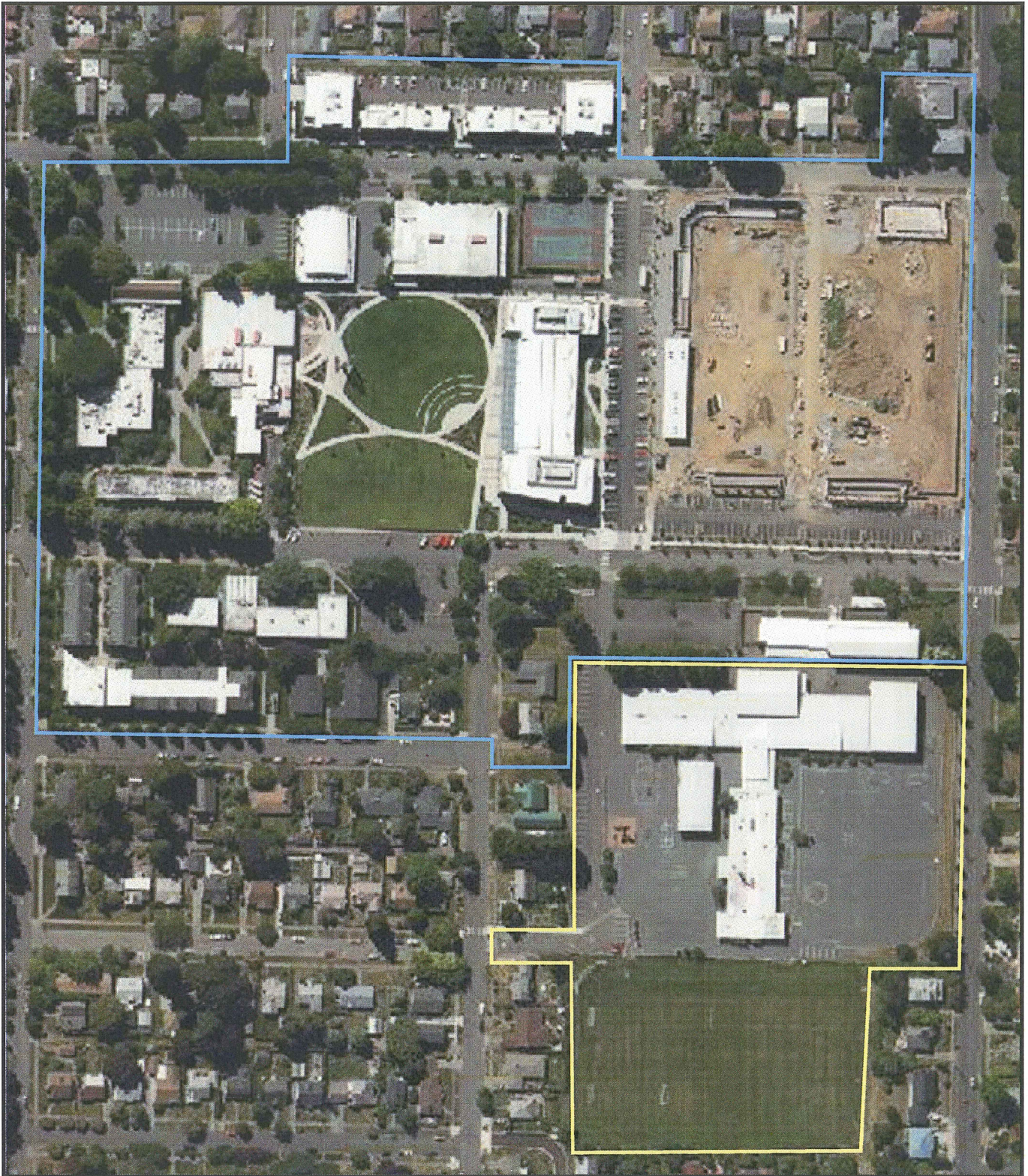
In November 2012, Portland voters approved an 8-year, \$482 million school improvement bond which featured the modernization of three high schools as well as the rebuilding of Faubion PreK-8. The projected cost of this project includes \$27.5 million in bond proceeds and between \$7.5 and \$15 million in funds from Concordia University.

NEXT STEPS / TIMELINE / COMMUNICATION PLAN

Assuming PPS and Concordia Board approval of this Predevelopment Agreement, the parties will begin the preliminary design work for a Master Plan with the Design Advisory Group and community-at-large, the first phase of which is to be completed by December 2013. There will be a hiatus following Concordia and PPS Board adoption of a preferred Master Plan while Concordia is completing its capital partnership (funding) development. Once total funding by Concordia is identified, then subsequent design efforts will begin, with construction currently estimated for 2016 and school completion by September 2017.

ATTACHMENTS

Attachment 1 – Map of Faubion/Concordia Site
Attachment 2 – Resolution



0 |—————| 200 FT



FAUBION / CONCORDIA SITE

3039 NE Rosa Parks Way / 2811 NE Holman Street

RESOLUTION No.

Authorizing the Superintendent to Enter into a Predevelopment Agreement
with Concordia University for master planning and replacement of Faubion K-8 School

RECITALS

- A. Concordia University and Portland Public Schools have a long-standing relationship which has mutually benefited students of each institution, with ongoing tutoring and mentoring at several schools and specifically at Faubion K-8 school.
- B. Portland Public Schools and Concordia University have jointly used each other's facilities to expand and enrich the program offerings of each institution including PPS' play fields as well as Concordia's new library and sports complex.
- C. Concordia University students, particularly through their Student Service Corps, have donated hours of assistance to Faubion students to improve their academic success, while allowing Concordia students to receive valuable hands-on teaching experience.
- D. Concordia University's campus and Faubion K-8 school are adjacent but not currently laid out to take advantage of potential synergy between them.
- E. There are significant needs within the Cully-Concordia neighborhoods which a replaced Faubion PreK-8 school could help address including a health clinic, early learner center, family resource center, and other wrap-around services.
- F. Concordia University and Portland Public Schools entered into a Memorandum of Understanding in September 2012 which contemplated a Predevelopment Agreement delineating the responsibilities of the parties.

RESOLUTION

- 1. The Board hereby authorizes the Superintendent to enter into a Predevelopment Agreement with Concordia University, attached as Exhibit 1 to this Resolution, for the master planning and joint development of a new Faubion PreK-8 school.

Exhibit 1: Draft Predevelopment Agreement

C. Sylvester/ B. Alexander

**PREDEVELOPMENT AGREEMENT
PORTLAND PUBLIC SCHOOLS AND CONCORDIA UNIVERSITY
FAUBION SCHOOL**

This PREDEVELOPMENT AGREEMENT (“Predevelopment Agreement”) is entered into as of the Effective Date by and between SCHOOL DISTRICT NO. 1J, MULTNOMAH COUNTY, OREGON (“PPS”), and CONCORDIA UNIVERSITY (“Concordia”) for joint development and use of Faubion K-8 School and its site (“Faubion”) as well as possible development and use of a portion of the Concordia site (“Concordia Site”), which development and use at Faubion and on the Concordia Site is referred to herein as the “Faubion Project”. PPS and Concordia are sometimes referred to in this Predevelopment Agreement individually as a “party” and collectively as the “parties.”

SECTION 1: BACKGROUND AND PURPOSE.

On September 24, 2012, PPS and Concordia entered into a non-binding Memorandum of Understanding (MOU) which set out the key understandings in support of construction of a new Faubion facility, which would integrate a comprehensive education facility with certain complementary Concordia uses, and supportive community services, to be master planned collaboratively by the parties.

Since the execution of the MOU, and based on the fundamental understandings stated therein, the parties have continued their discussion and increased community and stakeholder outreach.

These efforts have led to the parties being prepared to enter into this binding Predevelopment Agreement to participate in and fund processes and work scopes to complete concept level design plans that support a desired Master Plan and Program for a new pre-K-8 Faubion School that are sufficiently realistic to use as a basis for fundraising and progressive design work. The Faubion Project, beginning with the Master Plan, will be designed through a community process, including input from neighbors, businesses, PPS and Concordia’s staff, students and families. In general, the Master Plan will take into account particular factors, such as partnership opportunities, services to be offered to students, and characteristics of the surrounding neighborhood.

The Master Plan will include site organization options, building program elements detailed in the Initial Program (as described below) in addition to other program elements that may be identified during the planning process, and preliminary exterior design concepts that

convey a potential look and feel of the Faubion Project. The Master Plan will provide Concordia with a complete preliminary vision of the Faubion Project that is sufficient to use as marketing materials for fundraising efforts. The Predevelopment Agreement implements a portion of the understandings in the MOU. The MOU remains in effect to the extent not directly superseded by this Predevelopment Agreement. If the Predevelopment effort is successful, the parties anticipate undertaking and completing a Development Agreement that will guide the subsequent iterative design process and resulting construction of a new pre-K-8 Faubion School that incorporates the Concordia University College of Education and related facilities as described herein.

SECTION 2: DECISION MAKING PARTICIPANTS

This Predevelopment Agreement establishes a decision making process with defined roles for the parties' participants to fulfill the purpose of this Predevelopment Agreement during the Predevelopment Period. The following are key groups and participants responsible for completing portions of the Predevelopment Work Plan. The role of each will be further described below.

2.1 **Executive Management Team:** Gary Withers, Executive Vice President; Dennis Stoecklin, Chief Financial Officer; Chuck Schlimpert, President, or his designee, for Concordia; C.J. Sylvester, Chief Operating Officer; Bob Alexander, Director of Planning and Asset Management; Carole Smith, Superintendent or her designee for PPS. Gary Withers and C.J. Sylvester will be their respective party's Executive Lead.

2.2 **Project Management Team:** Erik Gerding of Innovia Development LLC; Bob Alexander; Jim Owens, Executive Director of PPS's Office of School Modernization; LaShawn Lee, Principal of Faubion K-8; Gary Withers and Dennis Stoecklin. The **Design Advisory Group (DAG)**, as described in Attachment 1 to this Predevelopment Agreement, will be advisory to the Project Management Team.

2.3 **Predevelopment Project Manager:** Erik Gerding.

SECTION 3: OTHER PARTICIPANTS AND PROCESSES

Community engagement is critical to the success of the Faubion Project. The Faubion community includes multiple cultural and ethnic groups. The public and community involvement efforts will necessarily engage with a highly diverse population throughout the project planning process. Because the public involvement process needs to be cognizant and responsive to cultural differences and planned accordingly to foster an atmosphere of connection and inclusivity, the parties are involved with other groups and processes that may inform the Work Plan set out in

this Predevelopment Agreement. The parties intend to continue the involvement of the other groups and processes as needed or desirable during the Predevelopment Period.

The groups and processes include:

3.1 **3 to PhD Internal Steering Committee (CU):** This group includes key leaders from Faubion School, PPS Administration, and Concordia University Administration, Faculty, Staff and Council of Trustees and has been, and will remain, instrumental in developing academic and community programming specifically designed to fulfill the promise of the Faubion School-PPS/Concordia University 3 to PhD™ initiative. 3 to PhD is a replicable school/university partnership model being co-developed to close the achievement gap at Faubion School and other similar schools. The work of this steering committee will help inform the “function” in the “form follows function” approach for developing initial concept designs and schematics.

3.2 **Education Specifications Executive Advisory Committee (PPS):** District-wide educational specifications are a vision and a set of facilities guidelines that establish the ways school buildings support programs and curriculum, and establish baseline facilities design characteristics across the PPS District. For schools undergoing significant modernization, educational specifications will inform the initial design process of the space requirements needed to deliver PPS educational programming.

3.3 **Bond Accountability Committee (PPS):** In response to the need for accountability regarding the PPS effective use of capital construction bond funds, the School Board appointed a Bond Accountability Committee whose charge is to monitor the planning and progress of the bond program relative to voter-approved work scope, schedule and budget objectives. The Committee will actively review the bond program including the Faubion Project regardless of funding source and provide advice to the School Board.

3.4 **Vanguard Group/ Campaign Cabinet (CU):** This group is being formed and will include civic leaders, philanthropists, policy makers/leaders, business leaders, education leaders and representatives from the Concordia University Council of Trustees and PPS School Board. The Vanguard Group will evolve into the Campaign Cabinet and will be charged with the primary responsibility for raising philanthropic support for those portions of this collaboration, capital and programmatic, requiring such support.

3.5 **Faubion Design Advisory Group:** This group will assist PPS and Concordia to ensure that stakeholder representatives of the Faubion school community have the opportunity to take part in the planning and design of school improvements and to stay current on the progress of construction. The Design Advisory Group (DAG) will consist of parents; Faubion and Concordia faculty, teachers and staff; Faubion and Concordia students; the community; and wrap around constituents. The DAG will provide feedback into the master

planning and the architectural design process, as more particularly described in Section 5.4 below.

SECTION 4: PREDEVELOPMENT PERIOD

The term of this Predevelopment Agreement (“Predevelopment Period”) will commence on the later of the dates that a party executes the Predevelopment Agreement as indicated by the date of signatures at the end of this Predevelopment Agreement (“Effective Date”), and will end on the earliest of (a) delivery of the Master Plan, as approved by the Executive Management Team, to the respective governing boards; or (b) the effective date of a party’s notice of termination of the Predevelopment Agreement; or (c) February 28, 2014, unless extended by mutual agreement of the parties. The Work Plan, defined below, will be completed during the Predevelopment Period, or such extended period as the parties may determine.

SECTION 5: DECISION MAKING RESPONSIBILITIES

This section, along with Section VII below, sets out the responsibilities of the Decision Making Participants. These responsibilities constitute the “Work Plan” under this Predevelopment Agreement.

5.1 **Executive Management Team:** The Executive Management Team will:

5.1.1 Review and consider work product synthesized by the Project Management Team;

5.1.2 Taking into account the funds available for the Faubion Project from the PPS 2012 Bond, and anticipated private funding, determine preferred option for Master Plan development and eventual final Master Plan draft for board approvals. Master Plan programming will be used by the Project Management Team, architect and DAG (“Initial Program”).

The Initial Program **will** include:

5.1.2.1 Faubion School Instructional Space, encompassing a robust Pre-K through 8 curriculum with a focus on raising the achievement of all Faubion students while closing the achievement gap. The Instructional Space will integrate:

- (i) Space as identified in PPS Education Specifications for Pre-K-8 educational facilities;
- (ii) Flexible space to accommodate changing technology/pedagogy (including Wi-Fi access points throughout school);

- (iii) Science Labs for STEM (Science, Technology, Engineering, Math) – potentially shared space between the parties;
- (iv) Visual and performance arts spaces – potentially shared space between the parties;
- (v) Best practices space(s) that support teaching, including student teachers;
- (vi) Space for specialized partner programming for student needs;
- (vii) Appropriate secondary school connections and collaborations;
- (viii) A Learning Garden; and
- (ix) Outdoor Learning Space.

5.1.2.2 Early Childhood Learning (Pre-K) and development center;

5.1.2.3 Family Resource Center (including technology for use by PPS families);

5.1.2.4 Media center/Library/computer room (recognizing Faubion students regularly use Concordia's George R. White Library & Learning Center with access to Jody Thurston Northwest Center for Children's Literature);

5.1.2.5 SUN School space and space for other partner providers; and

5.1.2.6 Concordia University uses, mainly faculty offices, conference rooms, and classrooms for the Concordia College of Education – including shared spaces.

The Initial Program **may** include:

5.1.2.7 Space for wrap-around services for Faubion students and parents, and potentially Concordia students, where appropriate such as:

- (i) Health and Wellness Center; Dental care;
- (ii) Health care - Pre Natal and beyond;
- (iii) Family Health;
- (iv) Student Mental Health;
- (v) Showers/Laundry for homeless students (possibly near/at gym); and

(vi) Other Social Services.

5.1.2.8 Interior and exterior space to accommodate a parent resource facility and neighborhood events, including potential school focused nutritional based grocery services/store;

5.1.2.9 Auditorium with 1,000 seat capacity on Concordia's site;

5.1.2.10 Play facilities and joint use athletic field that may accommodate NCAA DII level women's softball and Faubion baseball use, depending upon potential real estate acquisitions; and

5.1.2.11 Construction of Faubion Project elements identified in the Master Plan may be phased over appropriate time periods, as determined by the parties.

5.1.3 Approve the Project Management Team's work scope and schedule as prepared by the Project Manager and approved by the Project Management Team.

5.1.4 Each Executive Lead, or his or her designated representatives or consultants will confer regarding issues not directly related to completing the Master Plan, but which will be advanced during the Predevelopment Period, which issues are described in Section VII below.

5.1.5 Upon completion of the Project Management Team's work, and any resolution of issues described in Section VII below, the Executive Management Team will review and accept or modify Project Management Team work, or direct additional Project Management Team work as it determines appropriate.

5.1.6 When the Executive Management Team is satisfied with Project Management Team work, the members will forward the work product to their respective Boards for approval, if necessary.

5.1.7 Any decision of the Executive Management Team will be made by consensus.

5.2 **Project Management Team:** Any decision of the Project Management Team will be made by consensus. The Project Management Team will:

5.2.1 Review and approve a work scope for the Project Management Team based on the Initial Program. The work scope will include a schedule with key decision points that is designed to complete recommended Master Plan by the end of the Predevelopment Period;

5.2.2 Hire, direct and supervise the work of a predevelopment architect and associated design team (“Architect”). The Architect will work in coordination with a consulting architect that may be retained by Concordia at its discretion;

5.2.3 Participate in all public input processes led by the Architect and the Project Manager to inform Master Plan;

5.2.4 Utilize input of the DAG in making decisions on Master Plan matters; and

5.2.5 Approve final Master Plan for recommendation to the Executive Management Team.

5.3 **Predevelopment Project Manager:** Erik Gerding is the Predevelopment Project Manager. In general, the Predevelopment Project Manager will work with PPS staff and consultants, Concordia University, the City of Portland, school staff and the Portland community to assist in the planning of the Faubion Project under the management of the PPS Office of School Modernization (OSM). Specifically, the Predevelopment Project Manager will:

5.3.1 Organize and direct activities of Project Management Team;

5.3.2 Lead the DAG process;

5.3.3 Lead the process to select Predevelopment Architect (RFP/RFQ) with participation of Project Management Team;

5.3.4 Advise PPS on administration of the Predevelopment Architect’s contract;

5.3.5 Coordinate and schedule public input during Predevelopment Period, such as assisting Architect in public charrettes and other public meetings;

5.3.6 Provide Faubion Project information to other interested parties such as neighborhood and business associations, Concordia campus community and others;

5.3.7 Provide regular updates on the work scope to the Bond Accountability Committee and/or PPS Board, as required; and

5.3.8 Provide regular updates for the Bond website working with PPS’ Capital Communications Manager.

5.4 **Design Advisory Group:** The parties have determined that the Work Plan will benefit from the involvement of stakeholder representatives of both the PPS and Concordia communities. The parties therefore have established a charter for the Design Advisory Group

(DAG) to provide input for the planning and design of the Faubion Project, and to stay current on the progress of construction. The charter, describing the mission, charge, structure and membership, and ethical duties of the DAG is attached as Attachment 1 to this Predevelopment Agreement.

SECTION 6: DEVELOPMENT AGREEMENT:

If the Predevelopment process is successful in producing a Master Plan acceptable to the parties, the parties will undertake the drafting and negotiation of a Development Agreement for the Faubion Project. The parties will agree on a schedule for beginning that negotiation after the Predevelopment Period. The parties acknowledge that Concordia will be undertaking fundraising during and after the Predevelopment Period which will influence the timing of the Development Agreement negotiation. The parties expect that some of the following subjects will be included in the Development Agreement with the scope to be determined during the Predevelopment Period and as a result of Concordia's fundraising efforts. Those subjects are identified in Section 7 below.

The Development Agreement will include the following subjects in addition to other matters customary for such a public-private partnership development agreement.

- 6.1 Scope of the Faubion Project;
- 6.2 Design: Choice of architect/ drawings iterations and approval rights;
- 6.3 Schedule for construction completion;
- 6.4 Real property interests in completed project;
 - 6.4.1 Leases; and/or
 - 6.4.2 Condominium (fee) ownership;
- 6.5 Real property acquisition;
- 6.6 Land use issues regarding nonconforming use;
- 6.7 Operating agreement between Concordia and PPS concerning uses, occupancy, program, access, maintenance, construction, and repair for the Faubion Project;
- 6.8 Reserves for capital asset replacement;
- 6.9 Use and operating agreements with third parties to provide services and support;

6.10 Funding and financing of the Faubion Project by parties, including PPS designated capital construction bond funds and not less than \$7.5 million in Concordia private funds (together, “Project Funds”); and

6.11 Description of the sources and uses of public and private funds, their allocation, accounting and administration of Project Funds, any legal restrictions, funding of common area improvements, and resolution of constitutional issues.

SECTION 7: ANTICIPATED PROGRESS ON DEVELOPMENT AGREEMENT ISSUES DURING PREDEVELOPMENT PERIOD

The parties anticipate that tentative agreement will be reached as to the following matters during the Predevelopment Period. Any tentative agreement will be made by the Executive Management Team, informed by its representatives and consultants and the Project Management Team.

7.1 **Funding:** The parties will determine the sources and uses of public and private funds, their allocation, any legal restrictions on funding sources, funding of common area improvements, and resolution of constitutional issues, including compliance with Article I, section 5, of the Oregon Constitution (prohibiting the use of public funds for the benefit of religious institutions) and the First Amendment of the United States Constitution (the Establishment Clause). The parties understand and agree that these constitutional provisions prohibit the use of public funds expended in the Faubion Project for the advancement of religion or religious purposes. The parties agree that the Development Agreement and any educational services agreements applicable to public school students attending Faubion School will contain provisions that will ensure compliance with the separation of church and state as mandated by the Constitutions of the United States and Oregon.

7.2 **Land Acquisition:** Concordia will determine which real property not currently in PPS or Concordia ownership may be realistically acquired for the Faubion Project and how and when it will be acquired.

7.3 **Real Property Interests:** The parties will have agreed to forms of property control for the components of the Faubion Project after construction completion, whether it be in fee, by lease, or by establishing a condominium.

7.4 **Process for Future Design Decisions:** The parties will have agreed to the process and authority for design decisions as the Faubion Project moves to schematic design, design development and construction documents.

7.5 Initial Identification of Service Providers or Faubion Users Other than Concordia or PPS: The parties will have agreed to a “short list” of other potential users of the Faubion building depending on service functions that will be housed in Faubion School.

SECTION 8: PREDEVELOPMENT COSTS

8.1 During the Predevelopment Period, each party will bear the costs of its staff to support the Work Plan.

8.2 PPS will pay for the Predevelopment Project Manager services pursuant to a contract between PPS and the Predevelopment Project Manager.

8.3 PPS will pay for the Predevelopment Architect services pursuant to a contract between PPS and the Predevelopment Architect.

8.4 Concordia will pay for the services of its consulting architect, if it chooses to employ a consulting architect.

8.5 Each party will pay for the consultants and attorneys that each may retain for purposes of advice relating to the Work Plan and/or the Development Agreement issues outlined in Section 7 above.

SECTION 9: ASSIGNMENT

Neither party shall partially or wholly dispose of, assign, or agree to dispose of or assign its interest in or obligations under this Predevelopment Agreement without the prior written approval of the other party, to be granted at the other party’s sole discretion.

SECTION 10: TERMINATION BY NOTICE.

Either party may notify the other party that it intends to terminate its participation in the processes described in this Predevelopment Agreement upon the terminating party finding, in its sole discretion, that continuing the Work Plan is not in its best interest. The terminating party will give the other party not less than 60 days notice of termination.

SECTION 11: DEFAULT BY CONCORDIA

The following shall constitute defaults on the part of Concordia:

11.1 Any breach of the provisions of this Predevelopment Agreement whether by action or inaction, which continues and is not remedied within sixty (60) days after PPS has given written notice to Concordia specifying the breach; provided that if such breach cannot with due diligence be cured within a period of sixty (60) days, Concordia shall have up to sixty (60)

additional days to cure such breach, and in any such event such breach shall not constitute a default so long as Concordia diligently proceeds to effect such cure and such cure is accomplished within the additional 60-day period.

11.2 Any assignment by Concordia for the benefit of creditors, or adjudication as a bankrupt, or appointment of a receiver, trustee or creditor's committee over Concordia, if such assignment, adjudication or appointment is not dismissed within ninety (90) days. There shall be no cure for a breach under this Section 11.2.

SECTION 12: DEFAULT BY PPS

PPS shall be in default if it breaches any of the provisions of this Predevelopment Agreement whether by action or inaction, and such breach continues and is not remedied within sixty (60) days after Concordia has given written notice specifying the breach; provided that if such breach cannot with due diligence be cured within a period of sixty (60) days, PPS shall have up to sixty (60) additional days to cure such breach, and in any such event such breach shall not constitute a default so long as PPS diligently proceeds to effect such cure and such cure is accomplished within the additional 60-day period.

SECTION 13: DISPUTE RESOLUTION

In the case of a claimed default pursuant to Section 11 or 12 which is not cured or being cured, a non-defaulting party may not file litigation to exercise its remedy pursuant to Section 14 of this Predevelopment Agreement, unless the non-defaulting party gives the defaulting party a notice requesting a meeting of the President of Concordia and the Superintendent of PPS and establishing a weekday date for the meeting within not fewer than seven (7) and not more than fourteen (14) days of the date of the notice. These representatives of the parties shall meet on the day noticed and engage in good faith discussions in an attempt to resolve the claimed event of default. The meeting may be continued until either the non-defaulting party calling the meeting or the defaulting party elects not to participate further. If the above process does not resolve the claimed breach, then each party shall be entitled to pursue its remedies pursuant to Section 14 of this Predevelopment Agreement.

SECTION 14: REMEDIES

14.1 Remedies for Concordia Default

If Concordia shall default under the terms of this Predevelopment Agreement and shall not cure such default pursuant to Section 11, then PPS may recover from Concordia all monetary damages (except for punitive, consequential or exemplary damages) and pursue all other remedies allowed at law or in equity arising out of, or related to, or caused by, the uncured default. The parties agree that equitable remedies may include specific performance or injunctive relief in some circumstances, but no party has agreed in advance as to the availability of any particular remedy in any particular factual circumstances.

PREDEVELOPMENT AGREEMENT - FAUBION/ PPS/ CONCORDIA

8/19/2013

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14.2 Remedies for PPS Default

In the event of a default by PPS, which is not cured pursuant to Section 12 then Concordia may recover from PPS all monetary damages (except for punitive, consequential or exemplary damages) and pursue all other remedies allowed at law or in equity arising out of, or related to, or caused by the uncured default. The parties agree that equitable remedies may include specific performance or injunctive relief in some circumstances, but no party has agreed in advance as to the availability of any particular remedy in any particular factual circumstances.

SECTION 15: MISCELLANEOUS PROVISIONS

15.1 Good Faith and Fair Dealing

The parties shall have imputed to all of their duties, obligations, and acts performed under this Predevelopment Agreement, a standard of conduct of good faith and fair dealing.

15.2 Inspection of Records; Confidentiality

15.2.1 Inspection of Records

Each party agrees that, upon the reasonable prior notice from the other party, it will make available to the requesting party its records, reports and information pertaining to the Faubion Project for review, but not copying (unless agreed upon by the non-requesting party), so as to inform the requesting party and to enable the requesting party to determine the other party's compliance with the terms of this Predevelopment Agreement.

15.2.2 Confidentiality

Each party agrees to keep as confidential any document or information identified by the originating party as being confidential, by means of marking the document or information as being confidential. A party agrees to only communicate confidential information to its legal counsel or as required by court order. In the event that PPS is served with a request for the production of confidential information provided to PPS by Concordia, pursuant to ORS 192.410, *et. seq.*, then PPS shall, at least seven (7) days before PPS would, if the request were granted, make the confidential information available to the requesting party, provide Concordia with a copy of the request, so that Concordia may take steps to prevent the disclosure of the confidential information. However, the parties acknowledge that, as a public entity, PPS must comply with and will comply with ORS 192.410, *et. seq.*

15.3 Discrimination

Concordia and PPS, each for itself and its successor and assigns, agrees that in performing its obligations under this Predevelopment Agreement, it will not discriminate against

any employee or applicant for employment because of race, color, religion, age, gender, sexual orientation, disability or national origin.

15.4 Equal Employment Opportunity.

Concordia and PPS, each must comply with all applicable provisions of Federal or state statutes and regulations and City ordinances concerning equal employment opportunities for persons engaged in the Faubion Project.

15.5 Governing Law; Venue; Jurisdiction

This Predevelopment Agreement shall be governed and construed according to the laws of the State of Oregon, without regard to its choice of law provisions. Any action or suit to enforce or construe any provision of this Predevelopment Agreement by either party shall be brought in the Circuit Court of the State of Oregon for Multnomah County or the Federal District Court located in Multnomah County, Oregon. The Circuit Court of the State of Oregon for Multnomah County or the Federal District Court located in Multnomah County shall have exclusive jurisdiction over all lawsuits brought by any party against any other party with respect to the subject matter of this Predevelopment Agreement, and each party hereby irrevocably consents to such exclusive jurisdiction and waives any and all objections it might otherwise have with respect thereto.

15.6 Notices

All notices given under this Predevelopment Agreement shall be in writing and may be delivered, with all applicable postage or delivery charges prepaid, by personal delivery or messenger, by overnight courier service, or by deposit in the United States Mail, as certified mail, return receipt requested, or by e-mail, and addressed as follows:

PPS: Jollee Paterson, General Counsel
Portland Public Schools
501 N. Dixon
Portland, OR 97227

With a copy to:

Robert Alexander, Director of Planning and Asset Management
Portland Public Schools
501 N. Dixon
Portland, OR 97227

Concordia:

Gary Withers, Executive Vice President
Concordia University
2811 NE Holman
Portland 97211

With a copy to:
Dennis Stoecklin, Chief Financial Officer
Concordia University
2811 NE Holman
Portland OR 97211

Notices shall be deemed received by the addressee upon the earlier of actual delivery or refusal of a party to accept delivery thereof; provided that notices sent by email shall be deemed given on the date received if and only if delivered prior to 5:00 p.m. Pacific Time and if simultaneously sent by another means allowed hereunder. The addresses to which notices are to be delivered may be changed by giving notice of such change in address in accordance with this notice provision. Notices may be given by counsel to a party.

15.7 Non-waiver

Waiver by any party of strict performance of any provision of this Predevelopment Agreement shall not be deemed a waiver of or prejudice a party's right to require strict performance of the same or any other provision in the future. A claimed waiver must be in writing and signed by the party granting a waiver. A waiver of one provision of this Predevelopment Agreement shall be a waiver of only that provision. A waiver of a provision in one instance shall be a waiver only for that instance, unless the waiver explicitly waives that provision for all instances.

15.8 Partial Invalidity

If any provision of this Predevelopment Agreement is held to be invalid or unenforceable, the remainder of this Predevelopment Agreement, and the application of such provision to persons or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby, and each provision of this Predevelopment Agreement shall be valid and enforceable to the fullest extent permitted by law. If a material provision of this Predevelopment Agreement is held invalid or unenforceable such that a party does not receive the benefit of its

bargain, then the parties shall renegotiate in good faith terms and provisions that will effectuate the spirit and intent of the parties' agreement herein.

15.9 Calculation of Time

Unless referred to as Business Days, all periods of time shall include Saturdays, Sundays, and Legal Holidays. However, if the last day of any period falls on a Saturday, Sunday, or Legal Holiday, then the period shall be extended to include the next day which is not a Saturday, Sunday, or Legal Holiday. "Business Days" shall mean Monday through Friday, and "Legal Holiday" shall mean any holiday observed by the State of Oregon.

15.10 Headings

The section headings are for convenience in reference and are not intended to define or limit the scope of any provision of this Predevelopment Agreement.

15.11 Counterparts

This Predevelopment Agreement may be executed in counterparts, each of which shall be deemed to be an original, and when taken together shall constitute one and the same instrument.

15.12 Amendments

This Predevelopment Agreement may be modified only by a writing signed by the parties.

15.13 Attorneys' Fees

If a suit, action, or other proceeding of any nature whatsoever (including any proceeding under the U. S. Bankruptcy Code) is instituted in connection with any controversy arising out of this Predevelopment Agreement or to interpret or enforce any rights or obligations hereunder, the prevailing or non-defaulting party shall be entitled to recover its attorney, paralegal, accountant, and other expert fees and all other fees, costs, and expenses actually incurred and reasonably necessary, as determined by the court at trial or on any appeal or review, in addition to all other amounts provided by law. In the event either party is represented by in-house legal counsel, attorneys' fees as described in this section shall include the value of the services provided by in-house counsel, which shall be calculated by applying an hourly rate commensurate with prevailing market rates charged by attorneys in private practice in the Portland, Oregon metropolitan area for such services.

15.14 Successors and Assigns

Subject to any applicable provisions of this Predevelopment Agreement, the rights, obligations, liabilities, and remedies provided in this Predevelopment Agreement shall extend to the successors-in-interest of the parties and to the transferees and assignees of the parties.

15.15 Interpretation of Predevelopment Agreement; Status of Parties

This Predevelopment Agreement is the result of arm's-length negotiations among the parties and shall not be construed against any party by reason of its preparation of this Predevelopment Agreement. Nothing contained in this Predevelopment Agreement shall be construed as creating the relationship of principal and agent, partners, joint venturers, or any other similar relationship between the parties.

15.16 Capacity to Execute; Mutual Representations

The parties each warrant and represent to the other that this Predevelopment Agreement constitutes a legal, valid, and binding obligation of that party. Without limiting the generality of the foregoing, each party represents that its governing authority and, in the case of PPS, the School Board, has authorized the execution, delivery, and performance of this Predevelopment Agreement by it. The individuals executing this Predevelopment Agreement warrant that they have full authority to execute this Predevelopment Agreement on behalf of the entity for whom they purport to be acting. Each party represents to the other that neither the execution and delivery of the Predevelopment Agreement, nor the consummation of the transactions contemplated hereby will: violate any constitution, statute, regulation, rule, injunction, judgment, order, decree, ruling, charge, or other restriction of any government, government agency, or court to which it is subject or any provision of its charter or bylaws; or conflict with, result in a breach of, or constitute a default under any other agreement to which it is a party or by which it is bound. No party needs to give any notice to, make any filing with, or obtain the consent of any other entity or person to consummate the transaction contemplated by this Predevelopment Agreement.

IN WITNESS WHEREOF, the Parties hereto have executed this Predevelopment Agreement as of the dates shown below.

PPS:

SCHOOL DISTRICT NO. 1J, MULTNOMAH
COUNTY, OREGON

By: _____
Print Name: _____
Its: _____
Date: _____

Approved as to form:
PPS Attorney

By: _____
Print Name: _____
Its: _____

Concordia:

CONCORDIA UNIVERSITY, a _____

By: _____
Print Name: _____
Its: _____
Date: _____



PORTLAND PUBLIC SCHOOLS • AUGUST 1, 2013

**FAUBION SCHOOL/CONCORDIA UNIVERSITY
DESIGN ADVISORY GROUP CHARTER**

**2012 CAPITAL IMPROVEMENT BOND
FAUBION SCHOOL/CONCORDIA UNIVERSITY
DESIGN ADVISORY GROUP CHARTER**

Mission

Portland Public Schools and Concordia University are committed to achieving quality work while completing construction projects on time and within budget. The use of this Design Advisory Group will be effective in ensuring that site-specific program needs are addressed and incorporated into each project.

Charge

The Design Advisory Group (DAG) will help Portland Public Schools and Concordia University ensure that stakeholder representatives of both school communities have the opportunity to take part in the planning and design of school improvements and to stay current on the progress of construction.

The Chief Operating Officer for Portland Public Schools and the Executive Vice President, External Affairs for Concordia University, in response to the need for school community involvement in the master planning of Faubion School and Concordia University will appoint members to a Design Advisory Group.

DAG members will be briefed by the District's Project Manager on the budget, schedule and general scope of work set by the Board of Education. The DAG will review PPS's Long Range Facilities Plan, educational specifications, master plans, and schematic and design development drawings.

While the DAG members do not make decisions, speak on behalf of, nor do they represent the District or Concordia University, DAG members will work with PPS and Concordia University project management design team to provide input. DAG members will also help to organize and participate in community meetings during the preliminary master planning, schematic and design development processes, which may last up to 24 months. There will be a period of up to a year where the DAG is not active to allow Concordia University to do fundraising and partnership development.



DAG members will help to:

- Advise project management design team on characteristics unique to both school communities
- Help to synthesize community-wide input to design process
- Assist staff and community with tours, public design events, public conversations with the contractor, groundbreaking and ribbon cutting
- Work together to provide input into planning and design, and learn about new building construction projects.

Design Advisory Group Structure and Membership

The Design Advisory Group (DAG) is chartered for the Faubion/Concordia University construction project and will be expected to potentially serve for 24 months.

The PPS Chief Operating Officer and the Concordia University Executive Vice President, External Affairs will appoint the DAG members.

The DAG will meet as scheduled through the Design Development Phase (approximately 24 months).

The DAG shall consist of 20 members to include representatives of/from:

- Faubion School principal (or designee) (1)
- Concordia University designees (2)
- Faubion Student (2)
- Concordia University student (2)
- Faubion teacher (2)
- Concordia University professor (2)
- Faubion Parents (2)
- Faubion Wrap around service providers (2)
- Faubion School community members (e.g. alumni associations, etc.) (2)
- Local business/neighborhood representatives (2)
- Board of Education liaison (1)

The meetings will be open to the public.



DAG Meetings

1. The DAG shall meet as scheduled by the District's and Concordia University's project manager to review the individual school status and to perform other duties as provided herein. The project management design team may request additional meetings as may be needed.
2. DAG meetings shall be public meetings held in a public setting with the public allowed to attend.
3. The DAG shall report to the Project Manager for the Faubion/Concordia University Capital Improvement Project.

Ethics Policy

An ethics policy provides general guidelines for DAG members to follow in carrying out their roles. Not all ethical issues that DAG members face are covered in this Policy. However, this Policy captures some of the critical areas that help define ethical and professional conduct for DAG members. DAG members are expected to strictly adhere to the provisions of this Ethics Policy.

- a. The DAG members are volunteers and receive no direct or indirect compensation from the District for their services as members of the DAG
- b. The DAG members may not have an active or pending contract with the District, nor enter into a contract during their term of service.
- c. The DAG may not include any vendor, contractor or consultant of the District.
- d. A DAG member serves at the direction of the Project Managers. If a DAG member resigns, violates the Ethics Policy contained herein (see attachment), fails to attend two consecutive DAG meetings without reasonable excuse, or otherwise becomes unable to serve on the DAG, the PPS Chief Operating Officer and Concordia University Executive Vice President, External Affairs may declare the position on the DAG to be vacant and appoint another qualified person to the DAG.



CONFLICT OF INTEREST: A DAG member shall not make or influence a District decision related to:

1. any contract funded by bond proceeds; or
2. any construction project which will benefit the DAG member's outside employment, business, or provide a financial benefit to a family member, such as a spouse, child, parent or sibling.

OUTSIDE EMPLOYMENT: A DAG member shall not use his or her authority over a particular matter to negotiate future employment with any person or organization that relates to:

1. any contract funded by bond proceeds; or
2. any construction project. A DAG member shall not make or influence a District decision related to any construction project involving the interest of a person with whom the member has an agreement concerning current or future employment, or remuneration of any kind.

For a period of one (1) year after leaving the DAG, a former DAG member may not represent any person or organization for compensation in connection with any matter pending before the District that, as a DAG member, he or she participated in personally and substantially. Specifically, for a period of one (1) year after leaving the DAG, a former DAG member and the companies and businesses for which the member works shall be prohibited from contracting with the District with respect to:

1. bidding or proposing to provide services on projects funded by the bond proceeds; and/or
2. any construction project funded by the District.

COMMITMENT TO UPHOLD LAW: A DAG member shall uphold the federal and Oregon Constitutions, the laws and regulations of the United States and the State of Oregon, and the policies, procedures, rules and regulations of the Portland Public School District.

COMMITMENT TO THE PUBLIC: A DAG member shall place the interests of the public above any personal or business interest of the member.

Portland Public School District 1st Reading

DATE: September 9, 2013

Notice of Proposed Amendment to Policy and Public Comment for Cafeteria Plan (Policy 5.10-090-P)

The Portland Public School District is providing Notice of Proposed Policy and Public Comment to offer interested parties reasonable opportunity to submit data or comments on the proposed policies noted below.

Public comment may be submitted in writing directly to the district or through the district Web site noted below. Written comments must be submitted by 5:00 p.m. on the Last Date for Comment listed below.

1st Reading by: Greg Belisle, Co-Chair, Portland Public School Board
Summary: Proposed Policy Amendment to Cafeteria Plan

Draft Policy Web Site:

<http://www.pps.k12.or.us/departments/board/872.htm>

(click on draft policy link).

Recommended for 1st Reading by: Board of Education

Policy Contact: Caren Huson

Last Date for Comment: September 30, 2013

Address: P.O. Box 3107, Portland, OR 97208-3107

Telephone: 503-916-3741

E-mail: chusonqu@pps.net

Last Date for Comment: September 30, 2013



Board Meeting Date: September 9, 2013

Executive Committee Lead: Sean Murray

Department: Human Resources

Presenter/Staff Lead: Terri Burton

SUBJECT:

Cafeteria Plan Board Policy 5.10.090-P - Third Amendment

BACKGROUND

The Cafeteria Plan Board Policy 5.10.090-P originated on May 1, 1994, it was amended and restated effective January 1, 2006 and was last amended effective October 1, 2011. The primary purposes of the amendment are to add a health savings account ("HSA") benefit, add a limited scope dental and vision care flexible spending arrangement ("FSA") and to align plan language with current administrative practice. These changes are necessary to ensure that PPS is compliant with all federal laws, rules and regulations with regards to the administration of these plans.

In Summary:

A HSA is replacing the HRA (Health Reimbursement Arrangement). For the last two years, the HRA was coupled with the OEGB (Oregon Educators Benefit Board) high deductible plan offered to Non-Represented and SEIU employees. The new HSA will also be coupled with the OEGB high deductible plan. The need for this change from an HRA to an HSA was due to OEGB changing the options for school districts, which disallows the HRA, but now requires the HSA to be coupled with the high deductible plan effective October 1, 2013.

Due to OEGB's requirement for the District to institute an HSA if offering the high deductible plan, those that elect this option are allowed to only participate in a limited scope FSA (dental and vision only). Therefore, a new limited scope FSA must be created.

The FSA plan has always been administered disallowing less than half-time employees and classified substitutes. This amendment ensures the policy language is in line with how the plan is currently being administered.

RELATED POLICIES / BOARD GOALS AND PRIORITIES

In July 17, 2013 through Board Resolution # 4779 the Board approved contract #PS59965 with U.S. Bank to create the Health Savings Account (HSA).

PROCESS / COMMUNITY ENGAGEMENT

The parties involved in these decisions were: Sean Murray-CHRO, Neil Sullivan-CFO, Mia Butzbaugh with Miller Nash, Michelle Riddell-Asst.CHRO, U.S. Bank, PacificSource Administrators, SEIU labor partners, Brock Logan-Director Employee and Labor Relations, OEGB, Le Huynh-Senior Benefits Analyst and Terri Burton-Benefits Director.

ALIGNMENT WITH EQUITY POLICY IMPLEMENTATION PLAN

These decisions provide more options for all employees covered under the OEGB plans, by providing a low cost plan option with claim impact being eased by the addition of an HSA. The high deductible plan with an HSA is also a great recruiting tool when trying to attract and retain a diverse workforce.

BUDGET / RESOURCE IMPLICATIONS

The HSA, coupled with a high deductible plan is a cost savings to the District due to the low premium for the plan and the pretax feature of the HSA, both employer and employee contributions, eliminating payroll tax liabilities.

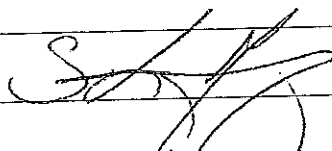
NEXT STEPS / TIMELINE / COMMUNICATION PLAN

The District is currently running open enrollment for OEGB employees with the new plan effective dates being October 1, 2013. Employees have received information through packets from PPS and OEGB mailed to their homes, benefits/wellness fair, enrollment labs and periodic email announcements. The HSA payroll deduction and electronic feeds to U.S. Bank are currently being set up for operation with September 30, 2013 payroll by the PPS Benefits and Payroll departments. The new Limited Scope FSA will be set up with PacificSource, the current full-scope FSA vendor, and will be available to OEGB employees effective October 1, 2013.

ATTACHMENTS

Marked CC Board Policy/ Draft Resolution

Reviewed and Approved by
Executive Committee Lead



DRAFT

RESOLUTION No.

Adoption of Amended Board Policy on Cafeteria Plan, Policy 5.10.090-P, "Cafeteria Plan"

RECITALS

- A. Portland Public Schools ("District") established the Portland Public Schools Cafeteria Plan ("Plan") effective May 1, 1994.
- B. The Plan was last amended and restated effective January 1, 2006, and was last amended effective October 1, 2011.
- C. The District intends that this Plan continue to satisfy the requirements of Section 125 of the Internal Revenue Code of 1986, as amended.
- D. The District wishes to amend the Plan in certain respects.

RESOLUTION

The District's Board of Education ("Board") has reviewed recommendations to amend the policy. Per Board Policy 1.70.020-P, "Policies and Administrative Directives," the Board is required to place any new policy or policy updates on the District website for a 21-day public review. Having fulfilled this obligation and having received no public input on the proposed policy amendment, the Board supports the proposed policy language for adoption effective October 1, 2013.

SUMMARY OF PROPOSED POLICY AMENDMENTS:

Dental and Vision Flexible Spending Arrangement (Articles 2.5, 2.7, 2.16, 3.4, 4.1, 4.3(a), 5.1(e), 5.2, 5.3, 5.4, 5.5, 6.1, 9.9, and 10). A dental and vision flexible spending arrangement ("dental and vision FSA") benefit is added to the Plan. Dental and vision care expenses, as defined by Internal Revenue Code Section 223(c), are the only expenses reimbursable under this new benefit. To be eligible for reimbursement, those expenses must be incurred by the participant or his or her spouse, tax-dependent, or child who has not attained age 27 as of the end of the calendar year. The maximum a participant can elect to contribute to the dental and vision FSA for the initial short plan year of October 1 through December 31, 2013, is \$625 (((\$2,500 annual limit/12) x 3 months). An eligible employee who elects to participate in the Plan's general health flexible spending arrangement ("health FSA") cannot elect to participate in the dental and vision FSA.

Eligible Employee (Article 2.9). ~~The definition of "eligible employee" is revised to exclude~~ employees who have regularly scheduled hours of employment but are less than half-time and "classified substitutes" (substitutes who are not members of the substitute teachers' collective bargaining unit).

Health Savings Account (Articles 2.12, 3.4, 4.1, 4.3, 5.1, 5.3, 9.8, and 12 and Exhibit C). A health savings account ("HSA") benefit is added to the Plan. Participants who elect to be covered by the District's high-deductible health plan ("HDHP") may elect to make pre-tax contributions to an HSA. The District also will make contributions to the HSA in the amounts described in Exhibit C. HSA contributions can be made up to the statutory dollar maximum (adjusted for inflation). For 2013, the maximum HSA contribution that can be made by the participant and the District is \$3,250 for self-only HDHP coverage and \$6,450 for family HDHP coverage. For 2014, the limit is \$3,300 and \$6,550, respectively. Eligible employees who are age 55 or older at the

end of the year may contribute additional amounts to their HSAs (e.g., an additional \$1,000 in "catch-up" contributions may be contributed in 2013 and 2014). A participant may change his or her election to make HSA contributions once a month and may revoke that election if he or she becomes HSA-ineligible. The change will be effective beginning with the payroll period during which the election is received, unless the participant elects a later effective date.

Plan Year (Article 2.16). The dental and vision FSA is a calendar-year plan with a short initial plan year of October 1 through December 31, 2013. Also, the health FSA and dental and vision FSA that cover employees whose underlying group health plans have an October 1 through September 30 plan year will have a short plan year that begins January 1, 2014, and ends September 30, 2014, and, thereafter, will have a plan year of October 1 through September 30.

Contribution Limits (Articles 5.3, 9.2, and 10.2). The maximum a participant can elect to contribute to the dental and vision FSA or the health FSA for the 2013 plan year is \$2,500 (indexed for inflation in subsequent plan years), prorated for any short plan year.

Summary Health Information (Article 9.7(b)). Any summary health information that the FSAs or their business associates disclose to the District must not include genetic information, effective September 23, 2013.

Mandatory Conversion of Health FSA (Article 9.9). The health FSA account of a participant who elects the HSA benefit beginning October 1, 2013, will be converted, on a mandatory basis, to a dental and vision FSA account for the period of October 1 through December 31, 2013. As a consequence of such conversion, HSA contributions may be made for and by these participants beginning October 1, 2013 (assuming they are otherwise HSA-eligible).

District Contribution (Exhibit C, referent Article 5.1(c)). The District will contribute the following amount for each eligible employee who elects the HSA benefit: (1) \$125 per month if enrolled in self-only coverage under a District-provided HDHP option, or (2) \$250 per month if enrolled in family coverage under a District-provided HDHP option. The District may change the District contribution amount set forth in Exhibit C without amending the Plan.

**PORTLAND PUBLIC SCHOOLS
CAFETERIA PLAN**

THIRD AMENDMENT

PARTIES

This Third Amendment is adopted, effective October 1, 2013, by the School District No. 1, Multnomah County, Oregon ("District").

RECITALS

The District established the Portland Public Schools Cafeteria Plan (the "Plan") effective May 1, 1994.

The Plan was last amended and restated effective January 1, 2006, and was last amended effective October 1, 2011.

The District intends that this Plan continue to satisfy the requirements of Section 125 of the Internal Revenue Code of 1986, as amended.

The District wishes to amend the Plan in certain respects.

AMENDMENT

The PORTLAND PUBLIC SCHOOLS CAFETERIA PLAN is hereby amended, effective October 1, 2013, or as of such earlier or later dates as indicated below or as provided herein, as set forth on the pages attached hereto, which are incorporated herein by reference as follows:

1. TABLE OF CONTENTS at pages i, ii, and iii.
2. ARTICLE 2—DEFINITIONS
 - a. 2.5 is added at page 3, and prior 2.5, 2.6, 2.7, 2.8, 2.9, and 2.10, are now consecutively renumbered at pages 3 and 4.
 - b. 2.6 at page 3.
 - c. 2.7 at page 3.
 - d. 2.9 at page 4.
 - e. 2.11 at page 4.

f. 2.12 is added at page 4, and prior 2.11, 2.12, 2.13, 2.14, 2.15, and 2.16, are now consecutively renumbered at page 5.

g. 2.16 at page 5.

3. ARTICLE 3—ELIGIBILITY

3.4 is added at page 6.

4. ARTICLE 4—PARTICIPATION

a. 4.1 at pages 7 and 7a.

b. 4.3 at pages 8 and 8a.

c. 4.3(h) is added at page 14.

5. ARTICLE 5—CREDITS AND REIMBURSEMENT PROCEDURES

a. 5.1 at page 15.

b. 5.2 at page 16.

c. 5.3 at pages 16 and 16a.

d. 5.4 at page 16a.

e. 5.5 at pages 16a and 16b.

6. ARTICLE 6—CLAIMS PROCEDURE

6.1 at page 17.

7. ARTICLE 9—HEALTH CARE REIMBURSEMENT ACCOUNT PROGRAM

a. 9.2 at page 22.

b. 9.7(b)(1)(C) at page 26, effective September 23, 2013.

c. 9.8 at page 28.

d. 9.9 is added at page 28.

8. ARTICLE 10—DENTAL AND VISION CARE REIMBURSEMENT ACCOUNT PROGRAM is added at pages 28a and 28b.

9. ARTICLE 11—DEPENDENT CARE REIMBURSEMENT ACCOUNT PROGRAM is renumbered at pages 29 and 30.

10. ARTICLE 12—HEALTH SAVINGS ACCOUNT is added at pages 30a and 30b.

11. EXHIBIT A—Plan Years at page A-1.

12. EXHIBIT C—District Contribution at page C-1.

The District has caused this amendment to be executed by its duly authorized representative as of the date indicated below.

**SCHOOL DISTRICT NO. 1,
MULTNOMAH COUNTY, OREGON**

By: _____

Print Name: _____

Date: _____

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ARTICLE 2

DEFINITIONS

Whenever used herein, unless the context clearly indicates otherwise, masculine, feminine, and neuter words may be used interchangeably, singular shall mean the plural and vice versa, and the following words and phrases shall have the following meanings when used with an initial capital letter:

2.1 **“Account”** means the separate record or records maintained by the Plan Administrator in the name of a Participant in accordance with this Plan.

2.2 **“Benefit Package Option”** means a qualified benefit under Code Section 125(f) that is offered under a cafeteria plan, or an option for coverage under an underlying accident or health plan (such as an indemnity option, an HMO option, or a PPO option under an accident or health plan).

2.3 **“Code”** means the Internal Revenue Code of 1986, as amended, and successor Codes thereto.

2.4 **“Compensation”** means an Eligible Employee’s wages or salary from the District during the Plan Year for personal services rendered, including bonuses, overtime, commissions, and other forms of remuneration includable in gross income.

2.5 **“Dental and Vision Care Expense”** means an expense incurred by a Participant on behalf of the Participant or the Participant’s spouse, Dependent, or child (as defined in Code Section 152(f)(1)) who has not attained age 27 as of the end of the Participant’s taxable year, for dental or vision care as defined in Code Section 223(c) which is medical care as defined under Code Section 213(d), but only to the extent such expense is reimbursable under the separate dental and vision care reimbursement account program set forth in Article 10 and not used as a deduction on the Participant’s federal income tax return.

2.5.2.6 **“Dependent Care Expenses”** means expenses described in 10.411.4 that are incurred by a Participant and are considered employment-related expenses as defined in Code Section 21(b)(2), but only to the extent that such amounts are reimbursable under the separate dependent care assistance program set forth in Article 10 and are not used by the Participant to obtain a credit against the Participant’s federal income tax for employment-related expenses under Code Section 21.

2.6.2.7 **“Dependent”** means, for purposes of 2.9, 2.16.2.10, 2.18, and 4.3, a person who is a Participant’s dependent as defined in Code Section 152, except that, for purposes of accident or health coverage, any child to whom Code Section 152(e) applies is treated as a dependent of both parents, and, for purposes of dependent care assistance provided through a cafeteria plan, a dependent means a qualifying individual (as defined in Code Section 21(b)(1)) with respect to the Participant. For purposes of 2.10.2.5, 2.11, Article 9, and Article 9.10, a Dependent means a person who is a Participant’s dependent as defined in Code Section 105(b).

~~2.72.8~~ **"District"** means School District No. 1, Multnomah County, Oregon.

~~2.82.9~~ **"Eligible Employee"** means any District employee, other than the following individuals:

(a) An employee who is a member of a collective bargaining unit that has bargained in good faith with the District over the benefits provided under this Plan and the bargaining agreement does not specifically require participation in this Plan;

(b) A student worker;

(c) An employee who is employed on an on-call basis, a limited-term employee, or an employee who does not have regularly scheduled hours of employment, ~~including classified substitutes but~~ excluding substitute teachers;

(d) A person who performs services for the District pursuant to an agreement between the District and an organization that leases employees (including a person who is not an employee, but who is treated as an employee, for purposes of Code Sections 106, 125, and 129, by reason of being a "leased employee" as defined in Code Section 414(n));

(e) A self-employed person as defined in Code Section 401(c); ~~and~~

(f) A person who performs services for the District but who is treated for payroll tax purposes as other than an employee of the District (and regardless whether the person may subsequently be determined by a governmental agency, by the conclusion or settlement of threatened or pending litigation, or otherwise to be or have been an employee of the District); ~~and~~

~~(g) An employee who has regularly scheduled hours of employment but is less than half-time.~~

Notwithstanding the foregoing, substitute teachers ~~and any employees who have regularly scheduled hours of employment but are less than half-time~~ employees are excluded from the definition of "Eligible Employee" for purposes of the Premium Payment Benefit described in 4.1(a) only.

~~2.92.10~~ **"Family Member Plan"** means a cafeteria plan or Qualified Benefits Plan sponsored by the employer of the Participant's spouse or the Participant's Dependent.

~~2.102.11~~ **"Health Care Expense"** means an expense incurred by a Participant on behalf of the Participant or the Participant's spouse, Dependent, or child (as defined in Code Section 152(f)(1)) who has not attained age 27 as of the end of the Participant's taxable year, for medical care as defined under Code Section 213(d), but only to the extent such expense is reimbursable under the separate health care reimbursement ~~account~~ program set forth in Article 9 and not used as a deduction on the Participant's federal income tax return.

2.12 “Health Savings Account” means a health savings account (“HSA”) as defined by Code Section 223(d). An HSA is an individual trust or custodial account separately established and maintained outside the Plan by a Participant and a qualified trustee or custodian.

2.112.13 “Participant” means an Eligible Employee who has commenced and continues participation in the Plan as provided in Article 3.

2.122.14 “Plan” means this Portland Public Schools Cafeteria Plan, as amended from time to time.

2.132.15 “Plan Administrator” means such person or persons appointed by the District to control and manage the operation and administration of the Plan. In the absence of such an appointment, the District shall be the Plan Administrator.

2.142.16 “Plan Year” means, with respect to the health care reimbursement account program, dental and vision care reimbursement account program, and the dependent care reimbursement account program, the calendar year (January 1 through December 31). The initial Plan Year of the dental and vision care reimbursement account program shall be a short Plan Year of October 1, 2013, through December 31, 2013.

Notwithstanding the foregoing, with respect only to Eligible Employees whose Premium Payment Benefit’s Plan Year is October 1 through September 30, the Plan Year for the health care reimbursement account program and dental and vision care reimbursement account program that begins January 1, 2014, shall be a short Plan Year of January 1, 2014, through September 30, 2014, and, beginning October 1, 2014, the Plan Year shall be October 1 through September 30.

With respect to the premium payment benefit Premium Payment Benefit described in 4.1(a), the Plan Year means the plan year of the underlying group health plans. To the extent that the underlying group health plans have differing plan years, there shall be a separate premium payment benefit Premium Payment Benefit for each group of group health plans that have the same plan year. The Plan Years for the premium payment benefits are listed Premium Payment Benefits are described in Exhibit A, which is attached hereto and incorporated by this reference herein. Exhibit A may be revised from time to time by the Plan Administrator without a formal amendment of this Plan document.

2.152.17 “Qualified Benefits Plan” means an employee benefit plan governing the provision of one or more benefits that are qualified benefits under Code Section 125(f). A plan does not fail to be a Qualified Benefits Plan merely because it includes a flexible spending arrangement (as defined in Code Section 106(c)(2)), provided that the flexible spending arrangement meets the requirements of Code Section 125 and the regulations thereunder.

2.162.18 “Similar Coverage” means coverage for the same category of benefits for the same individuals (e.g., family to family or single to single). For example, two plans that provide major medical coverage provide Similar Coverage. A health flexible spending arrangement is not Similar Coverage with respect to an accident or health plan that is not a health flexible spending arrangement. Coverage provided by another employer, such as a spouse’s or Dependent’s employer, may be treated as providing Similar Coverage if it satisfies the requirements of this section.

ARTICLE 3

ELIGIBILITY

3.1 Eligibility for Participation. An Eligible Employee shall be eligible to participate in this Plan on the first day of the calendar month after he or she has completed one full calendar month of employment.

3.2 Termination of Participation. In the event a Participant transfers to an ineligible class of employees or terminates employment with the District, the Participant's participation in this Plan shall cease as of the date of such transfer or termination, except as specifically provided for in this Plan.

3.3 Transfer from Ineligible to Eligible Class. In the event an ineligible employee transfers to the eligible class, he or she shall be eligible to participate in the Plan on the first day of the calendar month following the transfer if he or she is a former Participant or has previously satisfied the requirements of 3.1 and would have previously been eligible to participate if he or she had been in the eligible class.

3.4 Special Rules. Notwithstanding the provisions of 3.1, the following special rules apply:

(a) **Eligibility for HSA.** To be eligible to elect the Health Savings Account Benefit described in 4.1(e), an Eligible Employee must elect coverage under a District-provided high deductible health plan ("HDHP") option that satisfies Code Section 223(c)(2). An employee is not eligible to elect the Health Savings Account Benefit if he or she elects coverage under the Health Care Expense Reimbursement Benefit described in 4.1(b) or is covered under a general purpose, nonsuspended health reimbursement arrangement provided by the District outside the Plan. An Eligible Employee must also meet additional requirements as described in Article 12 to elect the Health Savings Account Benefit.

(b) **Eligibility for Health Care Expense Reimbursement Benefit.** An employee is not eligible to elect coverage under the Health Care Expense Reimbursement Benefit described in 4.1(b) if he or she elects coverage under a District-provided HDHP option, the Health Savings Account Benefit described in 4.1(e), or the Dental and Vision Care Expense Reimbursement Benefit described in 4.1(c).

(c) **Eligibility for Dental and Vision Care Expense Reimbursement Benefit.** An employee is not eligible to elect coverage under the Dental and Vision Care Expense Reimbursement Benefit described in 4.1(c) if he or she elects coverage under the Health Care Expense Reimbursement Benefit described in 4.1(b).

ARTICLE 4

PARTICIPATION

4.1 Election to Participate. The participation election form shall be signed by the Eligible Employee, shall designate the benefits in which the Eligible Employee elects to participate, and shall designate the Plan Year (or the remaining portion of the Plan Year) as the time period for which participation will be effective. The election form shall also specify the amounts by which the employee's Compensation shall be reduced or the amount of such reduction shall be determinable from that form. A Participant's Compensation reduction election must satisfy the minimum and maximum elective contribution requirements in 5.3.

An election form filed by a Participant is subject to acceptance, modification, or rejection by the Plan Administrator. The Plan Administrator may modify or reject an election in order to satisfy the terms of this Plan or applicable legal requirements.

~~An~~**Subject to 3.4,** an Eligible Employee may elect to receive one or more of the following benefits, all of which (except the cash benefit) shall be paid or reimbursed under this Plan by a Compensation reduction agreement with the employee:

(a) **Premium Payment Benefit.** This benefit consists of the Participant's share of the cost of the premiums under the District-provided group health plans to the extent that coverage under such plans is excludible from income under Code Section 106. The terms, conditions, and benefits of the various health plans are set forth in separate plan documents which are incorporated herein by this reference.

(b) **Health Care Expense Reimbursement Benefit.** This benefit consists of Health Care Expenses incurred by the Participant that are reimbursable under the health care reimbursement ~~account~~ program set forth in Article 9.

(c) **Dental and Vision Care Expense Reimbursement Benefit.** This benefit consists of Dental and Vision Care Expenses incurred by the Participant that are reimbursable under the dental and vision care reimbursement account program set forth in Article 10.

~~(e)~~(d) **Dependent Care Expense Reimbursement Benefit.** This benefit consists of Dependent Care Expenses incurred by the Participant that are reimbursable under the dependent care assistance program set forth in Article 1011.

~~(de)~~ **Health Savings Account Benefit.** This benefit consists of pre-tax Compensation reduction contributions and District contributions as described in Article 12 to a qualifying HSA established and maintained outside the Plan.

(e)(f) **Cash Benefit.** This benefit consists of taxable cash compensation payable in substantially equal amounts ratably over the Plan Year or over the portion of the Plan Year during which the Participant's Compensation is generally paid when the Participant has elected to be compensated on a school year basis. An eligible Participant may elect to receive a portion of the District contribution (~~other than the District contribution to an HSA~~) as taxable cash compensation instead of electing coverage under a District-provided group health plan. The eligibility and other requirements for cashing out the District contribution are set forth in Exhibit B, which is attached hereto and incorporated by reference herein. Exhibit B may be revised from time to time by the Plan Administrator without a formal amendment of this Plan document.

4.2 **Election Procedures.** The following rules shall govern an Eligible Employee's elections under this Plan:

(a) **Initial Participation.** Except as otherwise provided in 4.3, if the Eligible Employee does not make the participation election before the employee is to begin participation under 3.1, the employee's election may be made only

during the annual open enrollment period and will be effective as of the first day of the Plan Year to which the open enrollment period applies.

(b) **Continuation of Participation.** A Participant shall make a new election for each Plan Year to continue participation in the Plan. A Participant's election shall be made during the annual open enrollment period chosen by the Plan Administrator, prior to the beginning of the Plan Year to which the election applies. The first day of that Plan Year shall be the effective date of the Participant's participation for that Plan Year.

(c) **Eligible Expenses.** Expenses eligible for reimbursement under a reimbursement benefit elected by the Participant shall be only the eligible expenses incurred by the Participant after the effective date of the employee's participation and during the Plan Year for which the election is made. Expenses incurred before or after the applicable Plan Year or the period of coverage shall not be reimbursable from amounts contributed by the District on behalf of the Participant during the applicable Plan Year.

(d) **Additional Eligibility Requirements.** The program and plan documents incorporated by reference into this Plan may have their own eligibility requirements for participation. The eligibility rules of this Plan are in addition to and do not override the eligibility rules of the benefit programs or plans that have been incorporated by reference herein.

4.3 **Revocation and Changes.** Once made, a Participant's election shall be effective for the entire Plan Year for which made and shall not be revoked or changed except as provided in this section. The reasons for which revocations or changes in elections provided in this section are permitted may be restricted pursuant to nondiscriminatory rules adopted by the Plan Administrator that are consistently applied. Except as provided below, benefit election changes must be made within 31 days after the event that entitles the Participant to make the election change. With respect to a benefit election change made under 4.3(c) on account of losing coverage under Medicaid or a state child health plan ("CHIP") or becoming eligible for a premium assistance subsidy under Medicaid or CHIP, the election change must be made within 60 days after the loss of coverage or the determination of eligibility, as applicable.

~~Notwithstanding the foregoing, an election to contribute to an HSA can be changed or revoked as provided in 4.3(h).~~

If any election change is conditioned upon an individual obtaining (or ceasing) coverage under another plan, the Plan Administrator may rely on a Participant's certification that the individual has or will obtain (or does not have or will cease) coverage under the other plan (unless the Plan Administrator has reason to believe that the certification is incorrect).

(a) **Significant Cost or Coverage Changes.** This 4.3(a) sets forth rules for election changes as a result of changes in cost or coverage. This 4.3(a)

does not allow election changes with respect to the ~~health care expense reimbursement benefit~~ **Health Care Expense Reimbursement Benefit** described in 4.1(b) or the **Dental and Vision Care Expense Reimbursement Benefit** described in 4.1(c).

(1) Cost Changes.

(A) Automatic Changes. If the cost of a Qualified Benefits Plan increases or decreases during a Plan Year and, under the terms of the plan, Participants are required to make a corresponding change in their payments, the Plan Administrator may, on a reasonable and consistent basis, automatically make a

(g) **Cessation of Required Contributions.** Except as otherwise provided in 5.4 with respect to eligible Dependent Care Expenses, a benefit will cease to be provided to a Participant if the Participant fails to make the required premium payments with respect to the benefit (e.g., a Participant ceases to make premium payments for health care reimbursement account program coverage after a termination of employment). However, in such case, the former Participant may not again make a new benefit election for the remaining portion of the Plan Year.

(h) **HSA Election Changes.** A Participant's election to make pre-tax Compensation reduction contributions to an HSA can be prospectively changed on a monthly basis. Only one election change may be made per month. HSA contribution elections can be prospectively revoked if the Participant becomes ineligible to make HSA contributions. If HSA contributions are changed, the contribution amounts must continue to satisfy the HSA contribution limits described in Article 12. Election changes or revocations will be effective beginning with the payroll period during which the election change or revocation is received by the Plan Administrator (provided that the Compensation for that payroll period has not become currently available), unless the Participant elects a later effective date.

ARTICLE 5

CREDITS AND REIMBURSEMENT PROCEDURES

5.1 **Credits to Plan.** The following rules shall govern the Compensation reduction credits to this Plan during a Plan Year:

(a) **Establishment of Accounts.** For each Participant, the Plan Administrator shall establish a separate Account for each reimbursement benefit under 4.1 for the Plan Year.

(b) **Compensation Reduction Credits.** For each Participant, the amount by which the Participant elects to reduce his or her Compensation for a specific benefit shall be deducted from the Participant's Compensation during the Plan Year by payroll deduction and credited to the Participant's Account for such benefit or, credited against the cost of that benefit as determined by the Plan Administrator, or, for HSA contributions, deposited with the HSA trustee/custodian maintaining the Participant's HSA.

(c) **District Contributions.** Prior to the beginning of each Plan Year, the District shall determine the amount to be credited to each Participant for the purchase of benefits described in 4.1. The amount so established for each Plan Year shall be set forth in Exhibit C, to be attached hereto and incorporated by reference herein. The Plan Administrator may change the District contribution amount set forth in Exhibit C without amending this Plan. District contributions or credits may be made in substantially ratable installments throughout the Plan Year.

(d) **Records of Contributions.** The Plan Administrator shall maintain appropriate records and shall record the amounts credited for a Participant for a specified benefit under (b) and (c) above in the Participant's Account established for such benefit.

(e) **Allocation of Expense.** An eligible Dependent Care Expense submitted for reimbursement by a Participant shall be paid only from the Account established for such Participant for such expense and only to the extent of the amount recorded in the Account (after deducting earlier reimbursements made during the Plan Year). The maximum amount of Health Care Expense reimbursement under Article 9 or Dental and Vision Care Expense reimbursement under Article 10 must be available at all times during the Plan Year (properly reduced as of any particular time for prior reimbursements for the same Plan Year). Thus, the maximum amount of Health Care Expense reimbursement or Dental and Vision Care Expense reimbursements at any particular time during the Plan Year cannot be limited to the amount recorded in the applicable Account at that time. Reimbursement will be deemed to be available at all times if it is paid at least monthly or when the total amount of the claims to be submitted is at least a specified, reasonable minimum amount (e.g. \$50).

(f) **Unused Amounts.** An amount remaining in an Account after the Participant has submitted all reimbursable expenses for the Plan Year of the type for which the Account is established, shall not be carried over to a subsequent Plan Year, nor shall such amount be paid, directly or indirectly, to the Participant in cash or in the form of any other benefit.

5.2 Reimbursement Payment Procedures. The following rules shall govern the reimbursement of a Participant's eligible expenses under a reimbursement benefit: the Health Care Expense Reimbursement Benefit, the Dental and Vision Care Expense Reimbursement Benefit, and the Dependent Care Expense Reimbursement Benefit.

(a) **Reimbursement Request.** The Participant shall submit a written request for reimbursement on the form or forms provided by the Plan Administrator. Requests for reimbursement shall be made at such time or times as specified by the Plan Administrator; however, eligible expenses incurred during a Plan Year must be submitted for reimbursement not later than three months after the close of the Plan Year. Eligible expenses that are not submitted on a timely basis in accordance with this 5.2(a) shall not be reimbursed.

(b) **Documentation.** A Participant's written request for reimbursement shall establish that the expense was incurred during the applicable time period, and must state that the amount has not been reimbursed and is not reimbursable under any other health plan or dependent care plan, and that the amount will not be used in connection with a deduction or credit on the Participant's federal income tax return. No advance reimbursement may be made of future or projected expenses. The written request must be accompanied with a written statement from an independent third party stating that the expense has been incurred and the amount of such expense.

(c) **Payment.** A Participant's request for reimbursement, when approved by the Plan Administrator, shall be paid as soon as reasonably practicable following such approval. Payments shall only be made in reimbursement to a Participant and shall not be made directly to a service provider. Except as provided in 5.1(e), reimbursements to a Participant shall not exceed the amount available in the Participant's Account for the type of expense for which reimbursement is requested.

5.3 Amount of Elective and Nonelective Contributions. The maximum benefits that amount of nonelective contributions available to any Participant may receive from under this Plan for a Plan Year shall be equal the District contributions under 5.1(c). The maximum amount of elective contributions available to any Participant under this Plan for a Plan Year shall equal the annual amount of the Participant's share of the cost of the District-provided group health plan premiums for the Premium Payment Benefit, plus \$20,000.

The minimum amount of elective contributions that may be elected by any Participant shall be \$20 per month. The maximum amount for credit to the Participant's HSA is as described in Article 12.

Notwithstanding the foregoing, effective January 1, 2013, the maximum amount of salary reduction contributions available to any Participant under this Plan for a Plan Year for the health care reimbursement account program or dental and vision care reimbursement account program shall equal \$2,500 (plus cost-of-living adjustments permitted under applicable law), prorated for any short Plan Year.

5.4 Expense Reimbursement After Participation Terminates. If, during a Plan Year, a Participant terminates employment, transfers to an ineligible class of employees, or ceases to make required contributions, he or she may nevertheless submit eligible Dependent Care Expenses incurred during the remainder of that Plan Year to the Plan Administrator for reimbursement under the dependent care reimbursement account program.

If a Participant terminates employment with the District or transfers to an ineligible class of employees and revokes his or her existing benefit elections, the Plan Administrator shall reimburse the Participant for any amount previously paid for coverage or benefits under the health care reimbursement account program or dental and vision care reimbursement account program relating to the period after the termination or transfer.

5.5 Qualified Reservist Distributions. Notwithstanding any other Plan provision to the contrary, a Participant may request a qualified reservist distribution from the Participant's health care reimbursement account Account or dental and vision care reimbursement Account. The term "Account" as used in this 5.5, refers only to the foregoing two Accounts.

(a) **Definition of Qualified Reservist Distribution.** A qualified reservist distribution is a distribution to a Participant of all or a portion of the balance in the Participant's health care reimbursement accounts Account if: (1) the Participant is a qualified reservist as defined in (b) below, and (2) the request for a distribution is made during the period specified in (e) below.

(b) **Definition of Qualified Reservist.** A qualified reservist is a Participant who is, by reason of being a member of a reserve component (as defined in 37 U.S.C. § 101), ordered or called to active duty for a period of 180 days or more or for an indefinite period. The Plan Administrator may rely on the order or call to determine the period of active duty. If the order or call specifies that the period is for 180 days or more or is indefinite, the Participant is a qualified reservist, even if the actual period of active duty is less than 180 days or is otherwise changed. If the period of active duty specified in the order or call is less than 180 days, the Participant is not a qualified reservist unless subsequent calls or orders increase the total period of active duty to 180 days or more.

(c) **Amount Available.** The amount available as a qualified reservist distribution is the amount contributed to the Participant's health care reimbursement account Account as of the date of the request for distribution minus reimbursements received from the account Account as of the date of the request.

(d) **Procedures.** A Participant must make a written request to the Plan Administrator to receive a qualified reservist distribution. The Plan Administrator must receive a copy of the order or call to active duty before a distribution can be made. Only one qualified reservist distribution is permitted with respect to a Participant during a Plan Year. A Participant may submit requests for reimbursement for medical expenses incurred before the date of the request for a qualified reservist distribution and such reimbursements will be paid in accordance with Article 5 (taking into account the amount of the qualified reservist distribution as a reimbursement). A Participant may not submit requests for reimbursement for medical expenses incurred on or after the date of the request for distribution.

(e) **Timing of Requests and Distributions.** A request for a qualified reservist distribution must be made on or after the date of the order or call to active duty and before the last day of the Plan Year during which the order or call to active duty occurred. The health care reimbursement account program ~~or dental and vision care reimbursement account program~~, as applicable, shall pay the qualified reservist distribution to the Participant within a reasonable time, but not more than 60 days after the date of the request for a distribution. A qualified reservist distribution may not be made with respect to a Plan Year ending before the order or call to active duty.

ARTICLE 6

CLAIMS PROCEDURE

6.1 Initial Claim. Any person claiming a premium payment benefit under this Plan shall present the claim in writing to the Plan Administrator. Any person claiming a dependent care expense reimbursement benefit or a health care expense reimbursement benefit ~~Dependent Care Expense Reimbursement Benefit, a Health Care Expense Reimbursement Benefit, or a Dental and Vision Care Expense Reimbursement Benefit~~ under this Plan shall present the claim in writing to the entity that administers those benefits ("Claim Reviewer"). For purposes of this article, the person claiming a benefit (or his or her authorized representative) shall be referred to as the "Claimant."

6.2 Decision on Initial Claim.

(a) **Time Period for Denial Notice.** A decision shall be made on the claim as soon as practicable and shall be communicated in writing by the Plan Administrator or Claim Reviewer to the Claimant within a reasonable period after receipt of the claim by the Plan Administrator or Claim Reviewer.

(b) **Contents of Notice.** If the claim is wholly or partially denied, the notice of denial shall indicate:

- (1) The specific reasons for the denial;
- (2) The specific references to pertinent Plan provisions on which the denial is based;
- (3) A description of additional material or information necessary for the Claimant to perfect the claim and an explanation of why such material or information is necessary; and
- (4) An explanation of the Plan's claim review procedure.

6.3 Review of Denied Claim. If a Claimant receives a notice of denial, the Claimant may request a review of the claim. The request for review is made by personally delivering or mailing a written request for review, prepared by either the Claimant or his or her authorized representative, to the Plan Administrator. The Claimant's request for review must be made within 60 days after receipt of the notice of denial. If the written request for review is not made on a timely basis, the Claimant shall be deemed to waive his or her right to review. The Claimant or his or her duly authorized representative may, at or after the time of making the request, review all pertinent documents and submit issues and comments in writing.

If a Claimant requests a review of a claim under the health care reimbursement account program, only the employee described in 9.7(b)(3) may review denied claims. Such employee shall act on behalf of the Plan Administrator in reviewing and deciding denied claims.

6.4 Decision on Review. A review shall be made by the Plan Administrator after receipt of a timely filed request for review. A decision on review shall be made and furnished in writing to the Claimant. The decision shall be made within a reasonable period of

ARTICLE 9

HEALTH CARE REIMBURSEMENT ACCOUNT PROGRAM

9.1 General. This article is intended to qualify as an accident and health plan within the meaning of Code Section 106. It is intended that reimbursements under this program be eligible for exclusion from the gross income of Participants under Code Section 105(b). Accordingly, this program shall be interpreted and construed in accordance with Code Sections 106 and 105(e) and any regulations or other interpretations thereunder. This program represents one benefit that may be elected by Participants under the Portland Public Schools Cafeteria Plan, and a Participant under that Plan who elects the Health Care Expense Reimbursement Benefit thereunder is deemed to be a Participant under this health care reimbursement account program.

9.2 Amount of Coverage. For each Plan Year, a Participant may elect any whole dollar amount of coverage under this health care reimbursement account program up to \$3,000.

Notwithstanding the foregoing, ~~effective for Plan Years beginning on and after January 1, 2013,~~ the maximum amount of coverage that may be elected as a salary reduction contribution under this health care reimbursement account program for a Plan Year is limited to \$2,500 the limit provided in Code Section 125(i) (plus cost-of-living adjustments permitted under applicable law), ~~prorated for any short Plan Year.~~

9.3 Health Care Expenses. Each Participant under this health care reimbursement account program will be entitled to receive for each Plan Year reimbursements of Health Care Expenses that are incurred during the Plan Year and that are not paid or reimbursed by insurance or otherwise, up to the dollar amount of coverage elected by the Participant for that Plan Year.

There will be no reimbursement for premiums paid by a Participant for health insurance. For example, there will not be any reimbursement for premiums paid for other health plan coverage, including premiums paid for health coverage under a plan maintained by the employer of the Participant's spouse or Dependent.

Health Care Expenses incurred after December 31, 2010, for medicines or drugs ~~may be reimbursed under this health care reimbursement account program only if the medicine or drug (a) requires a prescription, (b) is available without a prescription (i.e., an over-the-counter medicine or drug) and the individual obtains a prescription, or (c) is insulin.~~

The coverage elected for a Plan Year is available only to reimburse expenses that are incurred during the Plan Year. An expense shall be treated as having been incurred when the medical, dental, or vision care that gives rise to the expense is provided or at the time the equipment, supplies, or drugs that give rise to the expense are purchased, and not when the Participant is formally billed, charged for, or pays for the expense.

(b) Disclosure of Protected Health Information to the District.

(1) Permitted and Required Uses and Disclosures of Protected Health Information.

(A) Plan Administration Functions. Subject to the conditions of disclosure described in 9.7(b)(2), (3), and (4), the health care reimbursement account program, or the program's business associate, may disclose PHI to the District for plan administration functions. Plan administration functions means administration functions performed by the District on behalf of the program, such as quality assurance, claims processing, auditing, and monitoring. Plan administration functions are limited to activities that would meet the definition of payment or health care operations, as defined in 45 CFR Section 164.501, but do not include functions to modify, amend, or terminate the program or solicit bids from prospective issuers. Plan administration functions do not include any employment-related functions or functions in connection with any other benefits or benefit plans. These permitted and required uses and disclosures may not be inconsistent with 45 CFR Part 164, Subparts C and E.

(B) Enrollment and Disenrollment Information. The program, or the program's business associate, may disclose to the District information on whether the individual is participating in the program. Such disclosure is not subject to 9.7(b)(2), (3), and (4).

(C) Summary Health Information. The program, or the program's business associate, may disclose summary health information, as defined in 45 CFR Section 164.504(a), to the District, provided the District requests the summary health information for the purpose of modifying, amending, or terminating the program ~~and the disclosure does not violate 45 CFR Section 164.502(9)(5)(i).~~ Such disclosure is not subject to 9.7(b)(2), (3), and (4).

(2) Conditions of Disclosure for Plan Administration Functions.

Disclosure of PHI to the District under 9.7(b)(1)(A) is permitted only upon receipt of a certification from the District that the Plan has been amended and the District has agreed to the following conditions regarding the use and disclosure of PHI. The District will:

(A) Not use or further disclose PHI other than as permitted or required by the program or as required by law;

(B) Ensure that any subcontractors or agents to whom the District provides PHI received from the program agree to the

Third Amendment
October 1, 2013
(9.7(b)(1)(C) eff
September 23, 2013)

that no further non-compliance occurs. Such sanctions may include an oral warning, a written warning, time off without pay, or termination of employment. The District shall determine the appropriate sanction based on the severity of the violation.

(4) **Conditions of Disclosure of Electronic Protected Health Information.** The provisions of this 9.7(b)(4) shall be effective April 20, 2006. Disclosure of electronic PHI, as defined in 45 CFR Section 160.103, to the District under 9.7(b)(1)(A) is permitted if the following rules are satisfied. The District will reasonably and appropriately safeguard electronic PHI created, received, maintained, or transmitted to or by the District on behalf of the program. The District will:

(A) Implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the electronic PHI that it creates, receives, maintains, or transmits on behalf of the program;

(B) Ensure that any agent, including a subcontractor, to whom it provides such electronic PHI agrees to implement reasonable and appropriate security measures to protect the information;

(C) Ensure that the adequate separation required by 45 CFR Section 164.504(f)(2)(iii) and 9.7(b)(3) is supported by reasonable and appropriate security measures; and

(D) Report to the program any security incident of which it becomes aware.

9.8 Rescissions. This health care reimbursement account program will not rescind an individual's coverage under the program unless the individual (or a person seeking coverage on his or her behalf) performs an act, practice, or omission that constitutes fraud or makes an intentional misrepresentation of material fact, both of which are prohibited by the program. A rescission is as defined in 45 CFR § 147.128 or subsequent guidance. To the extent consistent with such guidance, a rescission is a cancellation or discontinuance of coverage that has retroactive effect (other than one due to a failure to timely pay required contributions). The program must provide at least 30 days advance written notice to each affected individual before coverage may be rescinded.

A Participant is prohibited from submitting for reimbursement an expense incurred by an individual other than the individuals described in 2.10 2.11. By submitting an expense for reimbursement, the Participant is making a representation that the expense is a Health Care Expense under 2.10 2.11. Whether an expense was incurred by an individual described in 2.10 2.11 is a material fact. The coverage of an individual who is not described in 2.10 2.11 may be rescinded if the requirements of this section are satisfied.

9.9 Mandatory Conversion of Account. The health care reimbursement Account of an Eligible Employee who is a Participant in this health care reimbursement account program immediately prior to October 1, 2013, and elects the Health Savings Account Benefit under 4.1(e) effective October 1, 2013, shall be converted, on a mandatory basis, to a dental and vision care reimbursement Account for the period of October 1, 2013, through December 31, 2013.

ARTICLE 10

DENTAL AND VISION CARE REIMBURSEMENT ACCOUNT PROGRAM

10.1 General. This article is intended to qualify as an accident and health plan within the meaning of Code Section 106. It is intended that reimbursements under this program be eligible for exclusion from the gross income of Participants under Code Section 105(b). Reimbursements under this program are limited to expenses that qualify as dental or vision care under Code Section 223(c). Accordingly, this program shall be interpreted and construed in accordance with Code Sections 106, 105(e), and 223 and any regulations or other interpretations thereunder. This program represents one benefit that may be elected by Participants under the Portland Public Schools Cafeteria Plan, and a Participant under that Plan who elects the Dental and Vision Care Expense Reimbursement Benefit thereunder is deemed to be a Participant under this dental and vision care reimbursement account program.

10.2 Limitations. The maximum amount of coverage that may be elected as a salary reduction contribution under this dental and vision care reimbursement account program for a Plan Year shall equal \$2,500 (plus cost-of-living adjustments permitted under applicable law), prorated for any short Plan Year.

10.3 Dental and Vision Care Expenses. Each Participant under this dental and vision care reimbursement account program will be entitled to receive for each Plan Year reimbursements of Dental and Vision Care Expenses that are incurred during the Plan Year and that are not paid or reimbursed by insurance or otherwise, up to the dollar amount of coverage elected by the Participant for that Plan Year.

There will be no reimbursement for premiums paid by a Participant for any kind of health insurance. For example, there will not be any reimbursement for premiums paid for other dental plan coverage, including premiums paid for dental coverage under a plan maintained by the employer of the employee's spouse or Dependent.

Dental and Vision Care Expenses incurred for medicines or drugs may be reimbursed under this dental and vision care reimbursement account program only if the medicine or drug (a) requires a prescription, (b) is available without a prescription (i.e., an over-the-counter medicine or drug) and the individual obtains a prescription, or (c) is insulin.

The coverage elected for a Plan Year is available only to reimburse expenses that are incurred during the Plan Year. An expense shall be treated as having been incurred when the dental or vision care that gives rise to the expense is provided or at the time the equipment, supplies, or drugs that give rise to the expense are purchased, and not when the Participant is formally billed, charged for, or pays for the expense.

10.4 Other Provisions. The provisions contained in 9.4 through 9.7 apply to this dental and vision care reimbursement account program and are hereby incorporated by reference into this Article 10.

ARTICLE 11

DEPENDENT CARE REIMBURSEMENT ACCOUNT PROGRAM

10.111.1 Separate Program. This article is intended to qualify as a separate written dependent care assistance program within the meaning of Code Section 129. It is intended that reimbursements under this program be eligible for exclusion from the gross income of Participants under Code Section 129(a). Accordingly, this program shall be interpreted and construed in accordance with Code Section 129 and any regulations or other interpretations thereunder. To the extent that the requirements for such exclusion change under applicable federal law, the limitations and other rules set forth in this article shall automatically change to be consistent with such law.

This program represents one benefit that may be elected by Participants under the Portland Public Schools Cafeteria Plan, and a Participant under that Plan who elects the Dependent Care Reimbursement Benefit thereunder is deemed to be a Participant under this dependent care reimbursement account program, provided the Participant has one or more qualifying individuals at the time an election is permitted under the Portland Public Schools Cafeteria Plan. A "qualifying individual" means (a) a dependent of the Participant (as defined in Code Section 152(a)(1)) who is under age 13, or (b) a dependent (as defined in Code Section 21(b)(1)(B)) or the spouse of the Participant, if the dependent or spouse is physically or mentally incapable of self-care and has the same principal place of abode as the Participant for more than one-half of the taxable year. An individual shall not be treated as having the same principal place of abode as the Participant if at any time during the taxable year the relationship between the individual and the Participant is in violation of local law.

10.211.2 Nondiscrimination Requirements. The contributions and benefits provided under this program shall not discriminate in favor of highly compensated employees (as defined in Code Section 414(q)) or their dependents. The average benefits provided under all dependent care assistance programs of the District to nonhighly compensated employees must be at least 55 percent of the average benefits provided to highly compensated employees under all such programs.

10.311.3 Limitations. The amount of coverage that may be elected under this dependent care reimbursement account program for a Plan Year is limited to \$5,000 (the limit is \$2,500 for a married Participant who files a separate federal income tax return for the Plan Year); provided, however, that the coverage for an unmarried Participant shall not exceed the Participant's earned income for the Plan Year, and the coverage for a married Participant shall not exceed the lesser of the Participant's earned income or the spouse's earned income for the Plan Year. "Earned income" means wages, salaries, tips, and other employee compensation, but only if such amounts are includible in gross income for the taxable year, plus the amount of net earnings from self-employment for the taxable year. Earned income shall be computed without regard to any community property laws. Amounts received from pensions and annuities are not included. Amounts to which Code Section 871(a) applies are not included. Earned income shall not include any amounts paid or incurred by any employer for the Participant under this or any other dependent care assistance program. The earned income of a Participant's spouse for any month during which the spouse is a full-time student at an educational institution described in Code

Section 170(b)(1)(A)(ii) or is physically or mentally incapable of self-care shall be deemed to be not less than \$250 (if the Participant has one qualifying individual for the Plan Year), or \$500 (if the Participant has two or more qualifying individuals for the Plan Year). A full-time student is an individual who is enrolled at and attends the educational institution during each of five calendar months of the individual's taxable year for the number of course hours that is considered to be a full-time course of study. The enrollment for five calendar months need not be consecutive. School attendance exclusively at night does not constitute a full-time course of study. However, a full-time course of study may include some attendance at night.

10.411.4 Dependent Care Expenses. Dependent Care Expenses mean expenses for household services and expenses for the care of a qualifying individual, but only if the expenses are incurred to enable the Participant to be employed by the District for a period during which the Participant has a qualifying individual. Expenses for services outside the Participant's household will qualify only if the expenses are for the care of a dependent (as defined in Code Section 152(a)(1)) who is under age 13, or for the care of a qualifying individual who regularly spends at least eight hours each day in the Participant's household. If the outside services are provided by a dependent care center as defined in Code Section 21(b)(2)(D), the expense will qualify only if the dependent care center complies with all applicable laws and regulations of the applicable state or unit of local government. Dependent Care Expenses do not include expenses for services performed by an individual for whom a personal income tax exemption is allowable either to the Participant or the spouse, or expenses for services of a son, stepson, daughter, stepdaughter, or eligible foster child (as defined in Code Section 152(f)(1)(C)) of the Participant who has not attained age 19 at the close of the taxable year. For purposes of the preceding sentence, a Participant's child shall include a Participant's legally adopted child and a child placed with the Participant for adoption.

10.511.5 Administration. The plan administrator of this dependent care reimbursement account program shall be the same as for the Portland Public Schools Cafeteria Plan. The procedures for making and reviewing claims, plan administration, elections and revocation of elections, and reimbursement requests and payments shall be as set forth in the Portland Public Schools Cafeteria Plan.

ARTICLE 12

HEALTH SAVINGS ACCOUNT

12.1 General. An Eligible Employee may elect to make pre-tax Compensation reduction contributions to an HSA under 4.1(e) subject to the terms of Article 3 and this article. To make such contributions, the Eligible Employee must (a) be an "eligible individual" within the meaning of Code Section 223(c), (b) be covered by an HDHP coverage option provided by the District, and (c) have established an HSA account with an HSA trustee/custodian satisfactory to the Plan Administrator. If an Eligible Employee elects the Health Savings Account Benefit, the District will contribute to the Eligible Employee's HSA, subject to the Eligible Employee's continuing eligibility to contribute to an HSA, an amount as determined by the District and listed on Exhibit C. In no event will an Eligible Employee be allowed to receive such District contribution as a Cash Benefit.

12.2 Maximum Amount of Contributions. In no event shall the annual amount of the Participant's pre-tax Compensation reduction contributions and the District Contributions to the Participant's HSA exceed the annual limit described in Code Section 223(b). The limit is the annual statutory maximum under Code Section 223(b), as adjusted for cost-of-living increases (\$3,250 for single HDHP coverage and \$6,450 for family HDHP coverage in 2013), plus additional catch-up contribution amounts for Participants who are age 55 or older as described in Code Section 223(b)(3) (\$1,000 for 2013).

Subject to the following, if the Participant is not eligible to contribute to an HSA for the entire Plan Year under this Article 12, the maximum annual contribution will be prorated for the number of months in which the Participant is eligible to contribute to an HSA. If a Participant is eligible to make HSA contributions during the last month of a Plan Year, however, the Participant's maximum annual HSA contribution for the Plan Year is the greater of the following:

- (a) The prorated amount described in the preceding sentence; or
- (b) The maximum annual HSA contribution under Code Section 223(b)(2)(A) or 223(b)(2)(B) based on the Participant's HDHP coverage (self-only or family) December 1 of that Plan Year, plus catch-up contributions under Code Section 223(b)(3), if applicable.

12.3 Forwarding of Contributions. The District will forward contributions to the Participant's HSA that the Participant has established with an HSA custodian or trustee. The Plan Administrator may limit the number of HSA providers to whom it will forward HSA contributions:

12.4 Status of HSA. The HSA Benefit under this Plan consists solely of the Participant's ability to make pre-tax Compensation reduction contributions to the HSA and the District contributions that are made to the HSA. The terms and conditions of each Participant's HSA are described in the HSA trust or custodial agreement provided by the applicable trustee or custodian and are not a part of this Plan.

The HSA is not an employer-sponsored employee benefit plan. It is a savings account that is established and maintained by an HSA trustee or custodian outside this Plan to be used primarily for reimbursement of "qualified medical expenses" as set forth in Code Section 223(d)(2). The District has no authority or control over the Participant's use of the amounts contributed to the HSA, the investment or distribution of such amounts, or any other aspect of the HSA's administration. The District's sole duty is to forward the District contributions and Compensation reduction amounts elected by the Participant to the HSA custodian or trustee. Even though this Plan allows pre-tax Compensation reduction contributions to an HSA, the HSA is not intended to be a benefit plan sponsored or maintained by the District.

**EXHIBIT A
PORTLAND PUBLIC SCHOOLS
CAFETERIA PLAN**

**Plan Years
(Referent Section 2.142.16)**

The Plan Years of the separate premium payment benefits are as follows:

FEBRUARY 1 – JANUARY 31 PLAN YEAR

ATU/DCU/PFTCE

Full-Time and Part-Time Option 1 Employees:

- Kaiser
- Providence Personal Option Plan
- Providence Point of Service
- Trust Dental Plan
- Providence Vision
- Kaiser Vision
- VSP Vision
- Walgreens Prescription Mail Service
- Postal Prescriptions Mail Service
- Wellpartners Prescription Mail Service
- Providence Pharmacy Plan
- Kaiser Mail Service Pharmacy
- Caremark Mail Service Pharmacy
- Caremark Pharmacy Plan

Part-Time Option 2 Employees:

- Kaiser
- Providence Open Option Plan
- Providence Personal Option Plan
- Walgreens Prescription Mail Service
- ~~Postal Prescriptions-Mail Service~~
- Wellpartners Prescription Mail Service
- Providence Pharmacy Plan
- Kaiser Mail Service Pharmacy
- Caremark Mail Service Pharmacy
- Caremark Pharmacy Plan

**EXHIBIT C
PORTLAND PUBLIC SCHOOLS
CAFETERIA PLAN**

**District Contribution
(Referent Section 5.1(c))**

The amount of the District monthly contribution for each Plan Year for each Participant shall be the District's share of the premium for coverage under the District-provided group health plans.

The District will contribute the following additional amount for each Eligible Employee who elects the Health Savings Account Benefit described in 4.1(e): (1) \$125 per month for an Eligible Employee enrolled in self-only coverage under a District-provided HDHP option, or (2) \$250 per month for an Eligible Employee enrolled in family coverage under a District-provided HDHP option.

BOARD OF EDUCATION
SCHOOL DISTRICT NO. 1J, MULTNOMAH COUNTY, OREGON

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Purchases, Bids, Contracts

The Superintendent RECOMMENDS adoption of the following items:

Numbers 4797 and 4798

RESOLUTION No. 4797

Revenue Contracts that Exceed \$25,000 Limit for Delegation of Authority

RECITAL

Portland Public Schools (“District”) Public Contracting Rules PPS-45-0200 (“Authority to Approve District Contracts; Delegation of Authority to Superintendent”) requires the Board of Education (“Board”) to enter into and approve all contracts, except as otherwise expressly authorized. Contracts exceeding \$25,000 per contractor are listed below.

RESOLUTION

The Superintendent recommends that the Board approve these contracts. The Board accepts this recommendation and by this resolution authorizes the Deputy Clerk to enter into agreements in a form approved by General Counsel for the District.

NEW CONTRACTS

No New Contracts

NEW INTERGOVERNMENTAL AGREEMENTS / REVENUE (“IGA/Rs”)

Contractor	Contract Term	Contract Type	Description of Services	Current Year Revenue Budgeted Annual Revenue Total Contract Amount	Responsible Administrator, Funding Source
Oregon Commission for the Blind	7/1/2013 through 9/30/2014	Intergovernmental Agreement IGA/R 59920	District-wide: Transition services for blind and visually impaired students served by Columbia Regional.	\$240,000	H. Adair Funds 101, 205 Dept. 9999 Grant G1257
Estacada School District	7/1/2013 through 6/30/2014	Intergovernmental Agreement IGA/R 60078	District-wide: Provide regionally eligible school-age children with deaf and hard of hearing classroom services in the Estacada School District.	\$35,450	H. Adair Fund 299 Dept. 9999 Grant S0031
David Douglas School District	7/1/2013 through 6/30/2014	Intergovernmental Agreement IGA/R 60079	District-wide: Provide regionally eligible school-age children with deaf and hard of hearing classroom services in the David Douglas School District.	\$230,440	H. Adair Fund 299 Dept. 9999 Grant S0031
Parkrose School District	7/1/2013 through 6/30/2014	Intergovernmental Agreement IGA/R 60103	District-wide: Provide regionally eligible school-age children with deaf and hard of hearing classroom services in the Parkrose School District.	\$97,150	H. Adair Fund 299 Dept. 9999 Grant S0031

AMENDMENTS TO EXISTING CONTRACTS

No Amendments to Existing Contracts

LIMITED SCOPE REAL PROPERTY AGREEMENTS AND AMENDMENTS

No Limited Scope Real Property Agreements or Amendments

N. Sullivan

RESOLUTION No. 4798

Expenditure Contracts that /Exceed \$150,000 for Delegation of Authority

RECITAL

Portland Public Schools (“District”) Public Contracting Rules PPS-45-0200 (“Authority to Approve District Contracts; Delegation of Authority to Superintendent”) requires the Board of Education (“Board”) enter into contracts and approve payment for products, materials, supplies, capital outlay, equipment, and services whenever the total amount exceeds \$150,000 per contract, excepting settlement or real property agreements. Contracts meeting this criterion are listed below.

RESOLUTION

The Superintendent recommends that the Board approve these contracts. The Board accepts this recommendation and by this resolution authorizes the Deputy Clerk to enter into agreements in a form approved by General Counsel for the District.

NEW CONTRACTS

Contractor	Contract Term	Contract Type	Description of Services	Contract Amount	Responsible Administrator, Funding Source
Alpenrose Dairy	8/15/2013 through 8/30/2014	Requirements MR 60XXX	District-wide: Purchase dairy products on a requirements basis as part of school nutrition services program. RFP #2013-1643	\$970,000	T. Magliano Fund 202 Dept. 5570
E C Company	9/25/2013 through 12/16/2013	Construction C 60XXX	Roseway Heights: Remove existing fire alarm system, provide and install new fire alarm system. ITB-C #2013-1640	\$302,597	T. Magliano Fund 404 Dept. 5597 Project X0101

NEW INTERGOVERNMENTAL AGREEMENTS (“IGAs”)

No New IGAs

AMENDMENTS TO EXISTING CONTRACTS

No Amendments to Existing Contracts

N. Sullivan

Other Matters Requiring Board Approval

The Superintendent RECOMMENDS adoption of the following items:

Numbers 4799 through 4803

RESOLUTION No. 4799

2013 – 2015 Agreement between Portland Federation of School Professionals
(Local 111, American Federation of Teachers) and
School District No. 1J, Multnomah County, Oregon

RESOLUTION

The Chairperson of the Board of Education and the Chief Human Resources Officer are authorized and directed to execute the 2013 – 2015 Agreement between the Portland Federation of School Professionals (Local 111), representing classified employees, and School District No. 1, Multnomah County, Oregon, on the terms presented to the Board and filed in the record of this meeting.

S. Murray

RESOLUTION No. 4800

Resolution to Adopt the Educational Facility Vision as part of the District-wide Educational Specifications

RECITALS

- A. The May 2012 update to the PPS Long Range Facility Plan identified the development of District-wide Educational Specifications for all District schools as a future step.
- B. Development of Educational Specifications for the District is occurring in two phases. The first phase engaged in a process to envision the future of PPS educational facilities. This process was completed during the winter and spring of 2013 and is summarized in the Educational Facilities Vision ("Vision") dated July 30, 2013. The Vision articulates the future of District school buildings and key themes that emerged during community conversations on the topic. The second phase of the project will develop educational standards and specifications (Ed Specs) for all District school buildings.
- C. District-wide Ed Specs (aka District-wide building design criteria) are a set of facilities guidelines that establish the way school buildings support programs and curriculum, and establish baseline facilities standards across the District. As a specific school site approaches significant modernization, the District-wide Ed Specs are tailored through a master planning process to suit the individual school, program and community through staff, student and community engagement with design professionals. The Ed Specs will also inform regularly occurring program changes and space planning considerations in schools not undergoing full modernization.
- D. In February 2013, the Superintendent convened a 32 member Executive Advisory Committee (Committee) made up of representatives of District and community stakeholder groups to assist with the design of a community engagement component to develop a vision for the future of District educational facilities. Committee members advised staff and consultants on: the process for community engagement; methods to ensure the process was being inclusive of PPS' under-represented and emergent communities; and identification of representatives of these communities. Committee members provided critical feedback regarding design and development of community conversations; participated in Committee meetings; offered advice about internal and external communications to help inform colleagues about the visioning process; and developed critical questions to ask during community conversations to ensure the unique perspectives of each group would be represented.
- E. Committee members were asked to identify representatives from each of the groups identified that could convene their constituents in community conversations around three central themes: 1) ways to create and provide school environments that nurture, inspire, and challenge students; 2) how to effectively forge community connections and establish partnerships that support the district's mission; and 3) ways to provide safe, healthy, and accessible school environments for all children, families, and staff.
- F. The project team engaged 16 groups and organizations including emerging and underrepresented constituents of the District in community conversations. Over 360 community members participated in these conversations. These conversations were convened and hosted by representatives identified by the Committee. Additionally, an on-line survey was conducted in May and June concluding with more than 200 comments. A summary of each conversation was created and sent to the convener of each meeting for review. The summaries of these conversations and survey results are included as an Appendix in the Education Facilities Vision document.

- G. Participants in the community conversations were invited to an Educational Facilities Vision Summit on May 28, 2013 in the Rose Room of the Rose Garden to learn more about the perspectives of the future of PPS educational facilities shared through the various community conversations. Summit participants were presented with key themes developed by the project team summarizing the community conversations and were then asked to vote on whether the themes represented their views for the future of school facilities in the District. The key themes developed for this vision summit are consistent with and also incorporate the community engagement efforts of the district prior to the November 5, 2012 vote on the District's bond proposal.
- H. The Superintendent recommends adoption of the Education Facilities Vision document as revised by the Board of Education.

RESOLUTION

- 1. The Board affirms the process to develop the Educational Facilities Vision.
- 2. The Board affirms the PPS Facilities Vision Statement on page 1 of the Vision document as modified by the staff report dated September 9, 2013.
- 3. The Board affirms Facilities Vision Themes of the Education Facilities Vision document as the characteristics that should influence the design of all District school buildings.
- 4. The Board adopts the Education Facilities Vision document as revised in item 2 above and directs it to be dated September 9, 2013.

C. Sylvester / J. Owens

RESOLUTION No. 4801

Calendar of Regular Board Meetings
School Year 2013-2014

RESOLUTION

The Board of Education hereby adopts the below calendar as its schedule of Regular Board Meetings for the upcoming 2013-2014 school year:

**Portland Public Schools
BOARD OF EDUCATION
Schedule of Regular Meetings
2013-2014 School Year**

Board meetings are held at 501 North Dixon Street, Portland, Oregon, 97227, and begin at 6:00 pm on Mondays unless otherwise noted.

July 17, 2013	January 6, 2014
July 24, 2013	January 13, 2014
August 7, 2013	January 21, 2014 (Tuesday)
August 19, 2013	February 3, 2014
September 9, 2013	February 10, 2014
September 16, 2013	February 18, 2014 (Tuesday)
September 23, 2013	February 24, 2014
October 7, 2013	March 10, 2014
October 14, 2013	March 17, 2014
October 21, 2013	March 31, 2014
November 4, 2013	April 16, 2014 (Wednesday)
November 12, 2013 (Tuesday)	April 21, 2014
November 18, 2013	May 5, 2014
December 2, 2013	May 12, 2014
December 9, 2013	May 19, 2014
December 16, 2013	June 2, 2014
	June 9, 2014
	June 23, 2014

RESOLUTION No. 4802

Resolution Appointing Presiding Officer for Pretermination Hearing

RECITALS

Board Policy 5.20.132 establishes that contract teachers recommended for dismissal may request a pretermination hearing prior to the Board of Education taking action on the Superintendent's recommendation for dismissal. The policy further establishes that the "hearing will occur before a presiding officer designated by the Board."

A contract teacher has been recommended for dismissal and has requested a pretermination hearing.

RESOLUTION

The Board of Education appoints Alexander (Sascha) Perrins as the presiding officer for the pretermination hearing.

J. Patterson

RESOLUTION No. 4803

Minutes

The following minutes are offered for adoption:

June 3, June 17, July 17, July 24, August 7, and August 19, 2013