

Shawnee State University

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12-13-2002

### December 13, 2002 Meeting Minutes

Shawnee State University

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**SHAWNEE STATE UNIVERSITY  
BOARD OF TRUSTEES**

**Meeting Minutes  
December 13, 2002**

Chairman Dr. Burton Payne called the meeting to order at 1:15 p.m. noting the meeting was in compliance with RC §121.22(F).

**Roll Call**

Members Present: Ms. Brumfield, Mr. Clayton, Mr. Davis, Mr. Harcha, Ms. Leo, Mr. McCoy, Mr. McKinley, Dr. Payne, Ms. Reynolds, Mr. Teichman, Mr. Warren

Members Absent: None

**Approval of the December 13, 2002 Agenda**

Mr. Davis moved and Ms. Reynolds seconded the motion to approve the agenda. Without discussion, the Board unanimously approved the December 13, 2002 agenda.

**Approval of the October 11, 2002 Board Meeting Minutes**

Mr. McKinley moved and Ms. Reynolds seconded a motion to approve the October 11, 2002 Board meeting minutes. Without discussion, the Board unanimously approved said minutes.

**Approval of November 26, 2002 Special Board Meeting Minutes**

Mr. Harcha moved and Mr. Teichman seconded a motion to approve the November 26, 2002 Special Board meeting minutes. Without discussion, the Board unanimously approved said minutes.

**President's Report**

The President summarized his written report that he submitted to the Board.

Dr. Field said given our high enrollment, fall quarter has been a busy time for many people. He said his own agenda included meetings with many individuals and organizations throughout the local and regional communities including:

- New faculty members;
- SSU Campus Representatives (heads of SEA, UFS, UAA, USA, CWA, and SGA);
- Inter-University Council (IUC) Presidents' Committee;
- SSU Development Foundation (quarterly meeting);
- New members of the SSU Development Foundation; and

- Southern Ohio Growth Partnership.

Dr. Field said he would bring the Board up-to-date on several important issues and events.

### **Dr. Rita Rice Morris**

Dr. Field said the Board will consider a recommendation by the Executive Committee to appoint Dr. Rita Rice Morris as the next president of Shawnee State University. He said he and Dr. Morris have been discussing (and will continue to discuss during her transition and after) a variety of university issues. He said he looks forward to working with her, and students, faculty, administrators, and staff members, to make SSU an even stronger institution.

### **Graduate Programs**

Dr. Field said that the Academic Affairs committee, at its meeting today, considered preliminary proposals to offer two graduate programs at Shawnee State University. There is still a long road ahead, but the development of graduate programs at SSU will mark an important milestone in our institutional growth.

### **Tuition Reciprocity**

Dr. Field said on November 14, he signed a tuition reciprocity agreement with Ohio University Southern Campus, Ashland Community College, the University of Rio Grande, Ashland Technical College, and Morehead State University.

Dr. Field said for the first time, students from the border counties in both states will be allowed to attend nearby universities in the opposite state and pay in-state tuition. The reciprocity agreement will be a financial boon for SSU. Not only will we be opening up to recruit more students from Kentucky, it also improves the situation we have with existing students from Kentucky. While students from Kentucky currently pay more in out-of-state tuition, the university does not receive any subsidy from the government for those students, so in reality we charge them more, but we receive less money per student. When we make the change to the reciprocity agreement in January, the students will pay less but the school will get more money. It is an improvement across the board. Dr. Field said he thinks there is promise for a significant enrollment increase from Kentucky.

### **AGLS Conference**

Dr. Field said that on October 17 and 18, he attended the annual conference of the Association for General and Liberal Studies (AGLS), held in Louisville. The AGLS is the premier national organization dealing with general education issues and concerns. Dr. Field said at the meeting, he participated in an excellent presentation/workshop on designing rubrics for assessment given by professors Cheryl Boyd, Ginny Hamilton, and Ken Warfield. The workshop was well attended and very well received. Dr. Field said he attended the inauguration of Dr. Rob Mauldin, director of general education and professor of chemistry, as the national president of AGLS.

Dr. Field said he hoped the Board will share his great pride in Shawnee State's important role in the ongoing national discussions about general education. He also said the next time any member of the Board saw Rob Mauldin to be sure to congratulate him on this significant accomplishment.

### **SSU Basketball**

Dr. Field said the Shawnee State University Women's Basketball Team, ranked 5<sup>th</sup> in NAIA Division II, is enjoying a record of 8-3 (2-0 AMC) so far this season. He also said the Shawnee State University Men's Basketball Team, ranked 19<sup>th</sup> in NAIA Division II, is 6-1 (2-0 AMC) on the season. Dr. Field said both are strong teams this season; if members of the Board haven't had the chance to see a game, he encouraged them to do so. He said it makes for a very exciting and enjoyable time.

### **University-wide Committees**

Dr. Field reported that the official list of University-wide committees (SSU's governance structure) has been sent to all governance constituents (UFS, UAA, USA, and SGA) as well as each University-wide committee chair. The committees, including the Budget, Finance, and Strategic Planning Committee, have been meeting and will make recommendations to Dr. Field based on their charges.

### **Columbus Dispatch**

Dr. Field said that on November 1, he and Terry Hapney, director of communications, met with Alice Thomas, higher education reporter at the *Columbus Dispatch*. After this meeting, SSU has been featured in the *Columbus Dispatch* on several occasions. Dr. Field also said Ms. Thomas plans on visiting the SSU campus in the near future.

### **Holiday Luncheon**

Dr. Field said that over 150 faculty, administrators, staff members, and Board of Trustees members attended the SSU Holiday Luncheon held earlier this afternoon. He said the food was delicious and SSU personnel enjoyed a good time of fellowship with their co-workers!

### **Founders' Day**

Dr. Field reported that over 250 people attended SSU's Founders' Day celebration on October 31. He said everyone seemed to enjoy Congressman Rob Portman's speech, the rededication of Kricker Hall, and the brown bag luncheon.

### **Elyse Saperstein**

Dr. Field said it was with great sadness that he reported that Elyse Saperstein, assistant professor of ceramics at SSU, passed away during the afternoon of December 6 after an extended illness. He said Professor Saperstein was a talented artist/teacher and, more importantly, a wonderful person. Dr. Field said a small private funeral was held in Philadelphia. Her sister, Avalie, is planning a memorial service for January 15 at a gallery in Philadelphia. Professor Saperstein

will also have an opening at the gallery on the January 15. Dr. Field said the University will be coordinating with Avalie a memorial service to be held in January to celebrate Elyse's life. Dr. Field said Ms. Saperstein and he came to Shawnee at the same time and first met in a local realtor's office. He noted it was a very sad time for him to hear of her passing.

## **Committee Reports**

### **Academic Affairs Committee - Mr. Howard Harcha**

Mr. Harcha reported that the Academic Affairs Committee had two action items.

Mr. Harcha said the Academic Affairs Committee recommended approval of Resolution A7-02, Occupational Therapy Program Development Plan. Mr. Harcha said the University Faculty Senate, the Interim Provost and the Interim President have approved a program development plan (PDP) for a Master's in Occupational Therapy degree and has forwarded this information to the Board of Regents and they will make a recommendation to the Chancellor of the OBR. Mr. Harcha said one reason the University has amended its Mission Statement to include the awarding of Master's Degrees was because OT's must have master's degrees in 2006 to be licensed. Mr. Harcha said the Academic Affairs Committee recommended approval of Resolution A7-02. Mr. Harcha moved and Mr. Teichman seconded a motion to approval Resolution A7-02, Occupational Therapy Program Development Plan.

Ayes: Mr. Clayton, Mr. Davis, Mr. Harcha, Mr. McCoy, Mr. McKinley, Dr. Payne, Ms. Reynolds, Mr. Teichman, Mr. Warren

Nays: None

Mr. Harcha said the Academic Affairs Committee recommended approval of Resolution A8-02, Teacher Education Program Development Plan. Mr. Harcha said the Teacher Education PDP information was the same as for the Occupational Therapy PDP. Mr. Harcha said the awarding of Master's degrees in teacher education would be a great benefit to local teachers who have to travel to distant universities to further their education and this would meet the need for our local teachers. Mr. Harcha said the Academic Affairs Committee recommended approval of Resolution A8-02. Mr. Harcha moved and Mr. Teichman seconded a motion to approval Resolution A8-02, Teacher Education Program Development Plan.

Ayes: Mr. Clayton, Mr. Davis, Mr. Harcha, Mr. McCoy, Mr. McKinley, Dr. Payne, Ms. Reynolds, Mr. Teichman, Mr. Warren

Nays: None

Mr. Harcha reported on the Academic Affairs Committee informational items.

Mr. Harcha said the SSU EMT-Basic, EMT-Intermediate, and EMP-Paramedic educational programs received notice of renewal from the Ohio Division of Emergency Medical Services, Ohio Department of Public Safety, of the Certificate of Accreditation. He said this accreditation

is for a three-year period through October 31, 2005 and was excellent news. He said the Ohio EMS Board also granted First Responder accreditation as an initial approval process to SSU.

Mr. Harcha said the Radiology program received a 100% pass rate on their state board exams. He also said Ms. Debbie Scurlock, Occupational Therapy program director, was elected to the Physical Therapy accreditation team.

### **Quality of University Life - Mr. McKinley**

Mr. McKinley said the QUL Committee had one action item.

Mr. McKinley said the QUL Committee recommended approval of Resolution Q4-02, Honoring the Fall Sports Teams and Individual Athletes. Mr. McKinley moved and Mr. Harcha seconded a motion to approve Resolution Q4-02, Honoring the Fall Sports Teams and Individual Athletes.

Ayes: Mr. Clayton, Mr. Davis, Mr. Harcha, Mr. McCoy, Mr. McKinley, Dr. Payne, Ms. Reynolds, Mr. Teichman, Mr. Warren

Nays: None

Mr. McKinley reported on the Quality of University Life informational items.

Mr. McKinley said that Mr. Ray Musser, President of the Student Government Association, reported that SGA participated in the Portsmouth Parade for the Murals, recognized new clubs, donated \$200 to the Veterans' Recognition Day, assisted Judge Marshall with a voter registration drive and attended the Ohio Council of Student Government meeting.

Mr. McKinley said that Mr. Richard Dickerson, Recreational Chairperson of the Student Programming Board, reported to the Committee on behalf of Ms. Amanda Calvert. Mr. McKinley said Mr. Dickerson reported that Scare Week was very successful and included such events as pumpkin carving, Trick or Trivia, and a Halloween dance. A group of Irish Dancers performed, a comedian entertained, and Cinema Night was held during November with great student turnouts. Mr. Dickerson reported that SPB's Executive Board went to the National Conference during November in Grand Rapids, Michigan, and they are planning a trip to New York during Spring Break and Homecoming week.

### **Finance and Facilities - Mr. George Davis III, Chairperson**

Mr. Davis said the Finance and Facilities Committee had four action items.

Mr. Davis said the Finance and Facilities Committee recommended approval of Resolution F33-02, Flexible Benefits Program Plan. Mr. Davis said this plan would allow Administrators and CWA personnel to take pre-tax dollars to put into a fund to be used for co-pay amounts which insurance does not cover. He said that other than a small administrative fee, this plan will not significantly increase the cost to the University. Mr. Davis moved and Mr. Clayton seconded a motion for the adoption of Resolution F33-02, Flexible Benefits Program.

Ayes: Mr. Clayton, Mr. Davis, Mr. Harcha, Mr. McCoy, Mr. McKinley, Dr. Payne, Ms. Reynolds, Mr. Teichman, Mr. Warren

Nays: None

Mr. Davis said the Finance and Facilities Committee recommended approval of Resolution F34-02, Amendment to the Alternative Retirement Plan. Mr. Davis said Mr. Murphy did the best he could to explain the Alternative Retirement Plan but it basically amends the Plan to conform to the requirements of the IRC. Mr. Davis moved and Mr. Clayton seconded a motion for the approval of Resolution F34-02, Amendment to the Alternative Retirement Plan.

Ayes: Mr. Clayton, Mr. Davis, Mr. Harcha, Mr. McCoy, Mr. McKinley, Dr. Payne, Ms. Reynolds, Mr. Teichman, Mr. Warren

Nays: None

Mr. Davis reported that the Finance and Facilities Committee recommended approval of Resolution F35-02, Personnel. Mr. Davis said the personnel action items included the appointment of an OACHE position and an athletic trainer. Mr. Davis moved and Mr. Clayton seconded a motion for the approval of Resolution F35-02, Personnel.

Ayes: Mr. Clayton, Mr. Davis, Mr. Harcha, Mr. McCoy, Mr. McKinley, Dr. Payne, Ms. Reynolds, Mr. Teichman, Mr. Warren

Nays: None

Mr. Davis reported that the Finance and Facilities Committee recommended approval of Resolution F36-02, Grant Proposals. Mr. Davis said there were six different grants, two new and four renewals. The new grants are for a Higher Skills Partnership Initiative and Veteran's Upward Bound. The renewals are for the Upward Bound and Upward Bound Math Science, EECAP and Summer Honors Program grants. Mr. Davis said Dr. Field explained that the University has a real star in Ms. Cathy Mullins, SSU's grant officer. He said for a University of our size, Ms. Mullins is very successful in helping the University get grant money. Mr. Davis moved and Mr. Clayton seconded a motion for the adoption of Resolution F36-02, Grant Proposals.

Ayes: Mr. Clayton, Mr. Davis, Mr. Harcha, Mr. McCoy, Mr. McKinley, Dr. Payne, Ms. Reynolds, Mr. Teichman, Mr. Warren

Nays: None

Mr. Davis reported on the Finance and Facilities Committee information items.

Mr. Davis said that because of format changes, the Audit Report will be presented at the February meeting. He said it should be a good report.

Mr. Davis said the Personnel Appointments were self-explanatory.

Mr. Davis said Mr. Murphy reviewed the Reserves Report with the Committee. Mr. Davis said the Board had set a goal of reserves equal to three times the SSU Supplement and they are reserves right on target.

Mr. Davis reported that the Revenue and Expenditures Pace Report was a moving target but in good shape.

Mr. Davis said Mr. Carl Daehler met with the Committee and had a good discussion regarding the VRCFA.

Mr. Davis said Mr. Murphy discussed the analysis regarding the purchase of student housing.

Mr. Davis reported that information dealing with the reduction in the state share of instructional subsidy from the original state commitment, and the anticipated loss of capital funds were discussed in Committee.

Mr. Davis said the capital status report shows where we are as it relates to capital improvement.

#### **Executive Committee Report**

Dr. Payne reported that the Executive Committee did not meet in regular session so there was no report.

#### **Reports, if any, from Board Liaisons with other Organizations**

Mr. Clayton moved to approve the action of the Executive Committee to appoint Dr. Rita Rice Morris as President of SSU beginning May 27, 2003. Mr. Davis seconded the motion. Without discussion, the Board unanimously approved Resolution E10-02, Appointment of President.

#### **New Business**

None.

#### **Comments from Constituent Groups (if any) and the Public**

None.

#### **Other Business**

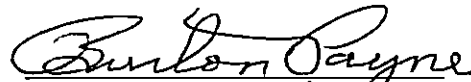
Dr. Payne asked for approval of the 2003 Board meeting calendar. Mr. Davis said because of several conflicts, it had been suggested that the April Board meeting date be moved to Thursday, April 17, 2003. Mr. Davis so moved and Mr. Harcha seconded a motion to amend the 2003 Board calendar. Mr. Davis moved and Mr. Clayton seconded a motion to approve the 2003 Board Calendar as amended. Without discussion, the Board unanimously approved Resolution E11-02, 2003 Schedule of Meetings for the Board and its Committees, as amended.

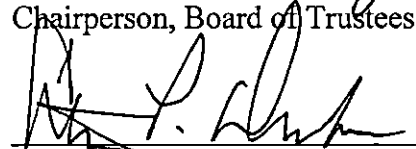


Dr. Payne said the nominating committee charged with appointing a new slate of officers for the Board selected Mr. Davis to serve as Chair and Mr. Teichman to serve as Vice Chair beginning January, 2003. Mr. Clayton moved and Ms. Reynolds seconded a motion to approve the slate of officers. Without discussion, the Board unanimously approved said motion.

### **Adjournment**

Mr. Davis moved and Ms. Reynolds seconded a motion to adjourn the meeting. The meeting was adjourned by acclamation at 1:51 p.m.

  
Chairperson, Board of Trustees

  
Secretary, Board of Trustees

**RESOLUTION A7-02  
APPROVAL OF PROGRAM DEVELOPMENT PLAN**

**Master of Science in Occupational Therapy**

WHEREAS, the Ohio Board of Regents (OBR) requires that any institution of higher education proposing a new graduate degree file a preliminary proposal, known as a program development plan (PDP); and

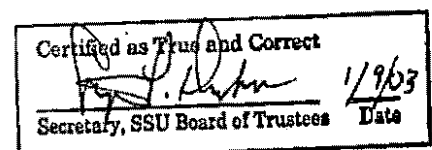
WHEREAS, the University Faculty Senate approved the attached PDP for a Master of Science in Occupational Therapy; and

WHEREAS, the Interim Provost and the Interim President recommend the proposed PDP to the Academic Affairs Committee of the Board of Trustees; and

WHEREAS, the Academic Affairs Committee concurs with the recommendations;

THEREFORE BE IT RESOLVED that the Board of Trustees of Shawnee State University approves the program development plan for a Master of Science in Occupational Therapy, and directs this PDP be forwarded to the Regents' Advisory Committee on Graduate Study (RACGS) for its review and formal recommendation to the office of the Chancellor, Ohio Board of Regents.

(December 13, 2002)



**(December 5, 2002)**  
**PROGRAM DEVELOPMENT PLAN**  
**Degree Title: Master of Occupational Therapy**

**1. Designation of the new degree program, rationale for that designation, brief description of its purpose.**

Shawnee State University is proposing to offer a Master of Occupational Therapy (MOT). The MOT will replace the existing Bachelor of Science in Occupational Therapy (BOT) as the professional degree designed to prepare students to enter the occupational therapy profession. The transition of the occupational therapy program to the graduate level is in response to the 1999 decision by the Accreditation Council for Occupational Therapy Education (ACOTE) of the American Occupational Therapy Association (AOTA) that effective January 1, 2007, a post-baccalaureate degree shall serve as the entry-level requirement for professional OT practice. The MOT will require six quarters on campus, with two quarters off campus for Level II fieldwork. Students will complete a research project suitable for submission for publication or presentation.

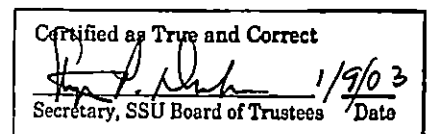
**2. Description of proposed curriculum.**

The goal of the Master's in Occupational Therapy is to prepare health professionals who will provide high-level health care to individuals with a wide variety of disabilities including physical, developmental, and emotional. The curricular design is based on an adult education model, which encourages students to progress from dependent to independent learners, while teaching them to think critically, to act ethically, and to communicate effectively.

The program focus on adult learners is compatible with the ongoing development of clinical reasoning abilities throughout the therapeutic process. The rapidly changing and dynamic nature of contemporary health and human service delivery systems requires the entry-level occupational therapist to possess basic skills as a direct care provider, consultant, educator, manager of personnel and resources, researcher, and advocate for the profession and the consumer. Programs at other institutions that have transitioned to the MOT have been reviewed and will continue to provide guidelines about content and general course designs.

Applicants who have completed all prerequisite courses and a baccalaureate degree will be evaluated for admission by reviewing their grade point averages, Graduate Record Exam scores, evidence of writing ability, and "volunteer" references.

***Graduate year one: (47 hours)***



The first year of the program focuses on acquisition of foundational occupational therapy theory, with an emphasis on occupations across the lifespan and the consequences of health conditions and disabilities on function.

- OT Theory and Foundation
- Occupational Performance Analysis
- Occupational Performance Through the Lifespan
- Occupational Therapy Process: Foundations of Evaluation and Intervention
- Contexts of Service Delivery

***Graduate year two: (45 hours)***

Building on the foundations of year one, advanced theory and deeper professional development provide the focus of year two.

- Advanced Theory and Practice:  
Pediatrics and Adolescents  
Adults  
Older Adults
- Research Methods / Evidenced-Based-Practice
- Occupational Therapy Leadership and Program Development
- Assistive Technology and Analysis of Environment for Occupational Performance
- Practicums

Two Internships are required per ACOTE guidelines (970 contact hours).

**3. Administrative arrangements for the proposed program.**

The graduate program in occupational therapy will be housed in the Department of Occupational Therapy within the College of Professional Studies. The program will share its physical location, financial resources, and faculty with an existing ACOTE accredited Occupational Therapy Assistant program. While a distinct, separate entity from the OTA program, the shared resources afford the unique opportunity for MOT/OTA collaborative experience and learning. Institutional issues related to graduate education (graduate faculty appointment, graduate admission, research review and approval, etc.) will be managed by the Graduate Center in the Office of the Provost.

**4. Evidence of need for the new degree program.**

The U.S. Department of Labor anticipates, 1998 to 2008, a 34% national growth in the number of occupational therapists. In Ohio, the need for occupational therapists is expected to grow 67% between 1994 and 2005. Shawnee State's experience anecdotally

supports this projection of demand. In June, 2002, the University awarded baccalaureate degrees to 22 OTs, all of whom prior to graduation had confirmed employment in the tri-state area's hospitals, clinics, or nursing homes. New employment opportunities for occupational therapists are opening in homeless shelters and adult day care centers.

The program conducted an exit interview with the recent graduates (22 students) in a focus group. They indicated they would encourage others to attend the University's occupational therapy program. When asked if they would have attended a entry-level MOT program at SSU if it had been available, they unanimously answered in the affirmative. Although students from other parts of Ohio are attracted to Shawnee State due to its small college atmosphere, the majority of SSU's anticipated MOT enrollment will be students from the Appalachian region. For familial and cultural reasons, many such students will stay and serve the area.


#### **5. Prospective Enrollment.**

The current baccalaureate occupational therapy program enrolls 20 new students annually. The initial cohorts for the MOT program probably will be smaller but after several transitional years the program anticipates returning to a cohort of 20 students per year. Currently there are only two accredited MOT programs in Ohio. If all of the existing BOT programs successfully make the transition to graduate education, the number of Ohio institutions offering entry-level training in occupational therapy will remain the same. If one or more of the existing programs decide not to move to the graduate level and to close instead, demand for admission to SSU's new graduate program might actually increase.

#### **6. Special efforts to enroll and maintain minority students.**

Shawnee State University serves a region with a large, place-bound Appalachian population. The institution recognizes that the future development of the area will depend to a very considerable extent upon the further education of this traditionally underserved population. In pursuit of that special mission, the University provides faculties and support for the Ohio Appalachian Center for Higher Education (OACHE), resident on the campus. Additionally, through its Tech programs, Operation Gear Up, Trio Center, and Student Success Center, the University encourages college attendance and retention of this special population. The baccalaureate occupational therapy program has been very successful in recruiting, retaining and job placing these students. It also works with the Office of Multicultural Affairs to increase diversity among the student population. Currently the College of Professional Studies is seeking federal funding through the Health Careers Opportunity Program (HCOP) to attract students from disadvantaged backgrounds into health careers.

#### **7. Faculty and facilities available for the new degree program and their adequacy.**

Certified as True and Correct	
	1/9/03
Secretary, SSU Board of Trustees	Date

Currently the OT department's four full-time faculty are working toward advanced degrees. Three are enrolled in Ph.D. programs and one, who teaches primarily OTA classes, is in a MOT program.

The facilities in the OT department are adequate. These include a technologically current laboratory, an ADL (activities of daily living) room, kitchen facilities, a large handicapped-accessible bathroom and storage space. There are four faculty offices, one large enough to house additional adjunct staff. The Health Sciences Building is scheduled for renovation a year from now and any needed additional faculty or secretarial office space for the MOT program will be included in the remodeling plans.

#### **8. Need for additional facilities and staff along with plans for meeting this need.**

Instructional facilities and capital equipment required for the master's level program are similar to those required for the current undergraduate program. Normal equipment replacement and any additional needed equipment will be financed with instructional equipment funds. No dramatic facilities and equipment start-up costs are anticipated

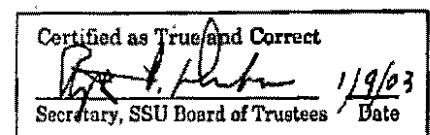
Current occupational therapy faculty are enrolled in advanced degreed programs and the University is paying all tuition costs through a forgivable loan program. It has been estimated that an additional full-time faculty member may be hired during the 2004-2005 year, in advance of the start of the MOT program. This would permit some released time for faculty completing degree programs. Adjunct faculty also would be available to handle some of their teaching load.

#### **9. Projected additional cost associated with the program and adequacy of expected subsidy and other income to meet this cost.**

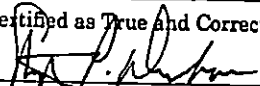
A budget analysis for the proposed MOT program includes estimated costs for financing the current faculty's advanced degree completions, the addition of a fifth faculty member for the joint OTA/MOT department, secretarial services, and several graduate assistantships. The operating budget after the transitional period is expected to exceed the department's current budget by approximately \$180,000 annually. These projected additional costs will be covered through graduate tuition and state instructional support.

#### **10. Use of Consultants.**

The Department has employed Dr. Glenn Goodman from Cleveland State University's MOT program as a consultant. He is assisting the Program Director with this process and advising on the Program Development Proposal.



The Occupational Therapy department has an Advisory Board that includes professionals from the tri-state area and the local community. The Board strongly supports Shawnee State University's plan to move to the master's level in occupational therapy.

Certified as True and Correct

Secretary, SSU Board of Trustees
Date 1/9/03

**RESOLUTION A8-02**  
**APPROVAL OF PROGRAM DEVELOPMENT PLAN**

**Master of Science in Education**

WHEREAS, the Ohio Board of Regents (OBR) requires that any institution of higher education proposing a new graduate degree file a preliminary proposal, known as a program development plan (PDP); and

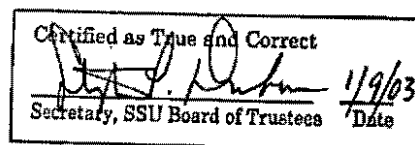
WHEREAS, the University Faculty Senate approved the attached PDP for a Master of Science in Education; and

WHEREAS, the Interim Provost and the Interim President recommend the proposed PDP to the Academic Affairs Committee of the Board of Trustees; and

WHEREAS, the Academic Affairs Committee concurs with the recommendations;

THEREFORE BE IT RESOLVED that the Board of Trustees of Shawnee State University approves the program development plan for a Master of Science in Education, and directs this PDP be forwarded to the Regents' Advisory Committee on Graduate Study (RACGS) for its review and formal recommendation to the office of the Chancellor, Ohio Board of Regents.

(December 13, 2002)





(December 5, 2002)  
Program Development Plan  
Shawnee State University  
Master's Degree in Education

**1. Designation of the new degree program, rationale for that designation, and a brief description of the program.**

Shawnee State University is proposing to offer a Master's Degree in Education. The M.Ed. will provide practicing classroom teachers in south central Ohio with an advanced professional degree that will enhance their teaching skills and ability. Ohio teachers are required to earn 45 quarter hours of graduate credit by the time of their second licensure renewal. This degree will meet that requirement and provide teachers with professional development that will directly impact the students in their classrooms. The M.Ed. will focus on advanced work in curriculum and instruction, evaluation and assessment, and increased depth of content knowledge. The M.Ed. will be a 48-quarter-hour program for licensed teachers. The program includes four core courses, selected concentration and elective courses, and an individual capstone experience through a research or practicum component.

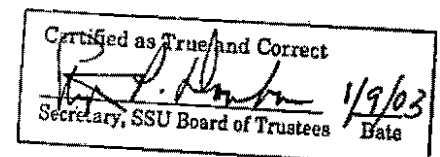
**2. Description of the proposed curriculum.**

The goal of the master's degree in education will be to provide teachers with the increased knowledge, skills, experiences and dispositions to become more effective learner-centered, inquiring professionals. We expect graduates of this program to enhance learning in their classrooms and become leaders for improvements within their school. The curriculum is organized to achieve these goals through four core courses and experiences that provide advanced work in educational foundations; an increased understanding of current learning theory; an introduction to educational research; and a grounding in the school curriculum process. Students then will specialize in three or more areas: curriculum design for their teaching content area and level; increased depth of content knowledge; advanced work in educational technology; advanced study of instructional practices; and/or skill development to be a teacher leader.

All of the courses for the Master's Degree in Education will be newly developed courses at Shawnee State University. Some content area courses in language arts, mathematics, science and social studies may be advanced undergraduate courses that are double numbered and have graduate level requirements added.

**Core Courses (16 hours)**

- Educational Foundations and Issues in Education
- Advanced Theories of Teaching and Learning



- Educational Research and Assessment
- Theories of Curriculum and Instruction

**Specialty and Concentration Courses (16-24 hours)**

- Curriculum Design (Early Childhood, Middle School, High School, Special Education or Reading/Literacy)
- Advanced Instructional Practices
- Advanced Work in Content Areas
- Educational Technology
- Leadership in the Schools

**Research/Practicum Capstone Experience (8-16 hours)**

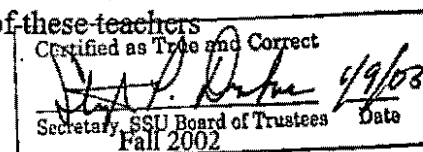
- Graduate students electing the research track will complete a research project and write a thesis
- The Practicum option will require an action research project in a school setting
- A Professional Teacher Portfolio will be an element of the capstone experience that is also consistent with the requirements for each teacher to maintain an individual professional development plan and portfolio for licensure renewal.

**3. Administrative arrangements for the proposed program: department and school or college involved.**

The Master's in Education degree will be housed in the Department of Teacher Education that is administratively within the College of Arts and Sciences. The Teacher Education program is one of the largest undergraduate programs at Shawnee State with over 600 hundred students seeking a teaching license. A visit from the National Council for the Accreditation of Teacher Education in the fall of 2001 led to full NCATE accreditation for the Education unit. Institutional issues related to graduate education (graduate faculty appointment, graduate admission, research review and approval, etc.) will be managed by the SSU Graduate Center in the Office of the Provost.

**4. Evidence of need for the new degree program.**

Ohio's recent changes in teacher preparation standards and licensure renewal requirements will result in the need for more than 60% of the teaching force to be at the master's degree level. Currently the percentage of teachers with master's degrees in different school districts in south central Ohio ranges from 15% to 57%. There are 2076 teachers in the four counties surrounding Shawnee State University (Adams, Lawrence, Pike, and Scioto). Forty percent of these teachers



(831) currently hold master's degrees. Many of the remaining 1245 teachers will need to earn master's degrees to renew their teaching licenses within the next decade. During the past three years, Shawnee State has hosted other higher education institution master's degree programs on our campus. Programs in education have been offered from the University of Akron, Morehead State University and the University of Rio Grande. Interest and enrollment in these programs has been high.

**5. Prospective enrollment.**

Most students enrolling in the M.Ed. program will be classroom teachers who live and teach within 45 minutes of Shawnee State. The numbers in the previous section represent these teachers. However, recruitment will be done more widely in pursuit of a diverse population of students in the program. The program at Shawnee State for certified/licensed teachers will be a cohort program serving 25-30 students each year. Most of the coursework will be evening and weekend classes with distance learning components to accommodate working professionals.

**6. Special efforts to enroll and retain minority students and women, if women are considered an underrepresented group in the given discipline.**

Shawnee State University is located in a region with a large, traditionally underserved Appalachian population. Much of the future hopes of the region lie with education. A highly qualified and dedicated teaching force is essential to enhancing the value placed on education and increasing the college attendance rate in south central Ohio. In addition to attracting Appalachian students, outreach efforts will be made to promote diversity in the program. The Department of Teacher Education works closely with the Office of Multicultural Affairs on campus to increase diversity among the student population in Shawnee State's undergraduate teacher preparation programs. This same cooperation will continue with the M.Ed. program.

**7. Faculty and facilities available for the new degree program and their adequacy.**

The faculty in the Department of Teacher Education at Shawnee State University is prepared at the doctoral level. Seven of the eight full-service faculty in the Department of Teacher Education have Ph.Ds or Ed.Ds. Degrees are from the following institutions: Cornell University, the University of Virginia, the University of Dayton, The Ohio State University (2), the University of Cincinnati and the University of Akron. A temporary faculty member--a retired teacher with a Master's degree--currently staffs one position. A search is under way for a

tenure track, doctoral-prepared, early childhood faculty member. Most of the current faculty members have experience teaching in master's degree level programs.

The Office of Preprofessional Services includes three staff members who currently provide support for advising, field placements, clinical coordination, record keeping and licensure evaluation and recommendation. This Office will provide support necessary for the M.Ed. program.

The Teacher Education facilities at Shawnee State include an office suite, three classrooms, a Curriculum Materials Center, and a Children's Learning Center/laboratory school. All facilities are technologically up-to-date.

**8. Need for additional facilities and staff along with plans for meeting this need.**

The Teacher Education facilities at Shawnee State will need to be expanded to house a master's level program. The current space is full and heavily utilized. Additional office and classroom space will be needed. Expansion of the Teacher Education facilities will occur through renovation of existing general classroom space and eventual construction of a new classroom building.

Additional faculty will need to be hired for the new degree program. One new faculty member will be hired in 2003-2004. A second additional faculty member will be hired when the second cohort enters the program during the 2005-2006 academic year.

**9. Projected additional cost associated with the program and adequacy of expected subsidy and other income to meet this cost.**

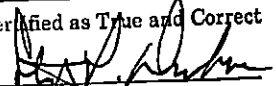
Initial renovation costs associated with the new program will be approximately \$100,000. This involves additional office space, creation of a seminar room, and additional Department of Education classrooms. Costs for the two additional faculty and non-compensation items associated with the new degree program will be approximately \$250,000 per year. Renovation costs will come from the institution's capital budget. Tuition and subsidy income will adequately cover operational costs.

**10. Information about the use of consultants or advisory committees in development of the degree program proposal, with copies of reports from such consultants or advisory committees.**

Dr. Greg Bernhardt, Dean of the College of Education and Human Services at Wright State University, has agreed to serve as a consultant in the development of

the Master's of Education program at Shawnee State. Dr. Bernhardt is the senior Dean of Education among the thirteen state universities and also serves as the Chair of the Ohio Teacher Education and Licensure Advisory Commission.

The Department of Teacher Education has an Advisory Committee that includes representatives from area schools and the community. The Advisory Committee has been very supportive of the establishment of a graduate program in education at Shawnee State University.

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	1/9/03
Secretary, SSU Board of Trustees	Date

**Report of Summary of Action  
From  
Commission on Accreditation in Physical Therapy Education**

Shawnee State University's Physical Therapist Assistant program received a Summary of Action from the Commission on Accreditation in Physical Therapy Education in a letter dated November 22, 2002. The Summary is in response to the Self-study Report, the report of the On-site Review Team of June 2-5, 2002, and information in the Progress Report of August 26, 2002. The action of the Commission was to "Defer Action-Show Cause," indicating that the program may be at risk for being placed on probationary accreditation unless circumstances within the program improve and stabilize.

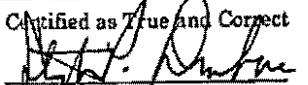
The program was judged to be in non-compliance in several areas, with primary concern centering on the integrity and cohesiveness of the curriculum. Other areas of concern included lack of assessment activities as an approach to continuous improvement. The program was found to be in conditional compliance in planning and developing policies related to clinical education, faculty issues, and student safety in clinic environments.

Many of the concerns relate to changes in program leadership and faculty that occurred approximately a year and a half ago. Records had not been maintained to allow complete and sufficient information to be provided in the Self-study Report and to the On-site Review Team. The instability of the program at time of review was apparent to the Commission and was reflected in their Summary of Action findings.

The current program director and faculty, in cooperation with the Dean, are working to remedy the problems identified in the Summary report. Curriculum revision has been underway for the last year. Policies and procedures are being developed and implemented to ensure the educational integrity of the program and the rights and responsibilities of faculty and students.

An extensive Progress Report detailing activities and evidence of progress will be submitted to CAPTE by the February 14, 2003, deadline. The physical therapist assistant program will likely be reviewed more favorably by CAPTE, with many items of non-compliance or conditional compliance resolved. A new Summary of Action following CAPTE's April 2003 meeting should require a much more limited Report that documents continuing progress toward compliance and stability of the program.

Prepared by Martha C. Rader, Dean  
College of Professional Studies  
December 4, 2002

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Secretary, SSU Board of Trustees
1/9/03 Date

**RESOLUTION Q4-02**

**HONORING THE FALL SPORTS TEAMS AND INDIVIDUAL ATHLETES**

WHEREAS, the Men's Cross Country team recorded a record 121 wins, won five meet championships, established 16 new top 25 fastest ever times in the history of Shawnee State Men's Cross Country, and had two runners qualify for the NAIA National meet; and

WHEREAS, the Women's Cross Country team recorded 63 wins and won two meet championships, and established 6 new top 25 fastest ever times in the history of Shawnee State Women's Cross Country; and

WHEREAS, three athletes were named 1<sup>st</sup> Team American Mid-East Conference, one athlete named 2<sup>nd</sup> Team American Mid-East Conference, one athlete named to Honorable Mention American Mid-East Conference Freshman Team, and seven athletes were named Honorable Mention American Mid-East Conference;

THEREFORE BE IT RESOLVED that the Shawnee State University Board of Trustees grants special recognition to these teams and their coaches for their outstanding accomplishments and commend the individuals as listed below:

Men's Cross Country

1<sup>st</sup> Team American Mid-East Conference  
1<sup>st</sup> Team American Mid-East Conference

John Williams  
Dirk Hollar

Volleyball

2<sup>nd</sup> Team American Mid-East Conference  
Honorable Mention Freshman Team American  
Mid-East Conference

Kristen Jones  
Kara Miller

Women's Soccer

1<sup>st</sup> Team American Mid-East Conference and  
Honorable Mention NAIA All-American  
Honorable Mention American Mid-East Conference  
Honorable Mention American Mid-East Conference  
Honorable Mention American Mid-East Conference

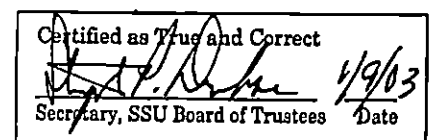
Jessica Votaw  
Ashley Brown  
Lisa Jacqueman  
Jessica Burkhart

Men's Soccer

Honorable Mention American Mid-East Conference  
Honorable Mention American Mid-East Conference

B.J. Lyon  
John McCorkle

December 13, 2002



**RESOLUTION F33-02**

**ADOPTION  
SHAWNEE STATE UNIVERSITY  
FLEXIBLE BENEFITS PROGRAM**

WHEREAS, the Board of Trustees has previously approved the implementation of a flexible spending program, under the Internal Revenue Code Section 125, for eligible employees; and

WHEREAS, eligibility to participate in the SSU Flexible Benefits Program does not imply eligibility for any other university provided benefit, including group health insurance; and

WHEREAS, the Shawnee State University Flexible Benefits Program provides for the implementation of a Premium Conversion Plan for mandatory employee group health contributions effective November 1, 2002; Premium Conversion Plan for group term life insurance or group cancer premiums as applicable under Section 125 effective January 1, 2003; and, the adoption of a Medical Reimbursement Plan and a Dependent Care Reimbursement Plan effective January 1, 2003; and

WHEREAS, the SSU Flexible Benefits Program complies with stipulations of applicable Internal Revenue Code as described in the attached draft Plan Document; and

WHEREAS, the adoption of the SSU Flexible Benefits Program provides for tax savings for eligible employees who voluntarily elect to participate in the annual open enrollment on a payroll deduction basis and in accordance with the established minimums and maximums as identified in the Plan Document; and

WHEREAS, the Board of Trustees has previously adopted section 125 programs that must be rescinded; and

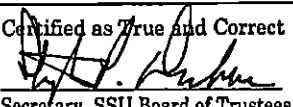
WHEREAS, the option to waive participation in the University's group health plan for cash is included in the Flexible Benefits Program and cash received under this option, if elected, remains taxable income according to IRS rules;

THEREFORE BE IT RESOLVED, that the Shawnee State University Board of Trustees adopts the attached Shawnee State University Flexible Benefits Program Plan Document and authorizes the Vice President for Business Affairs, in consultation with the General Counsel, to make any necessary technical revisions to this SSU Flexible Benefits Program Plan Document as required by law or regulation; and

BE IT FURTHER RESOLVED, by the adoption of this Plan Document, the Board of Trustees rescinds all previously adopted section 125 program plan documents; and

BE IT FINALLY RESOLVED, the Board of Trustees rescinds the SSU Health Premium Plan (HPP) for all employees eligible to participate in the SSU Flexible Benefits Program.

(December 13, 2002)

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	1/9/03
Secretary, SSU Board of Trustees	Date



**Flexible Benefits Program  
Plan Document**

*Adopted December 13, 2002*

*Premium Conversion November 1, 2002*

*Medical Reimbursement Plan January 1, 2003*

*Dependent Care Reimbursement Plan January 1, 2003*

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*[Signature]* 1/9/03  
Secretary, SSU Board of Trustees Date

**ARTICLE I**  
**INTRODUCTION**

**Section 1.1 Purpose Of Plan.** The purpose of this Plan is for the Employer to provide eligible Employees with a choice between cash and certain qualified fringe benefits.

**Section 1.2 Status** This Plan is intended to qualify as a cafeteria plan under Code §125 and is to be interpreted in a manner consistent therewith.

**ARTICLE II**  
**GENERAL DEFINITIONS**

The following terms, when used in this Plan, have the meaning set forth in this Article unless the Plan indicates another meaning.

**Section 2.1 Benefits** - any of the Fringe Benefit Programs available to a Participant which the Employer has elected to offer to Participants, as specified in the Adoption Agreement.

**Section 2.2 Benefit Election Form and Salary Reduction Agreement** - the form issued by the Plan Administrator by which an Eligible Employee enrolls in the Plan and makes an election between Compensation and Benefits under the Fringe Benefit Programs.

**Section 2.3 Change in Family Status** - The events specified in the Adoption Agreement for purposes of modifying or revoking elections under Section 4.4 of the Plan.

**Section 2.4 Code** - the Internal Revenue Code of 1986, as amended from time to time.

**Section 2.5 Compensation** - the total wages and salary paid by the Employer to an Employee for personal services rendered during the Plan Year.

**Section 2.6 Conditions of Participation** - the requirements set forth in the Adoption Agreement that an Eligible Employee must satisfy prior to being able to make an election to participate in the Plan.

**Section 2.7 Effective Date** - the effective date of this Plan as set forth in the Adoption Agreement.

**Section 2.8 Election Period** - the period specified in the Adoption Agreement, during which Participants may make or change their elections regarding Benefits under the Plan.


**Section 2.9 Eligible Employee** - An Employee of the Employer, as specified in the Adoption Agreement, who is eligible to participate in the Plan if he meets the Conditions of Participation specified in the Adoption Agreement.

**Section 2.10 Employee** - an individual who is employed by the Employer. "Self-employed individuals" under Code §401(c) shall not be considered Employees for the purposes of this Plan.

**Section 2.11 Employer** - The entity set forth in the Adoption Agreement as the Employer.

**Section 2.12 Entry Date** - The date specified in the Adoption Agreement on which an Eligible Employee who satisfies the Conditions of Participation specified in the Adoption Agreement and who has elected to participate in the Plan will begin participation in the Plan.

**Section 2.13 ERISA** - the Employee Retirement Income Security Act of 1974, as amended from time to time.

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Date 1/9/03

**Section 2.14 Fringe Benefit Programs** - the Benefits described in the Plan which the Employer has chosen to offer to Participants in the Plan, as specified in the Adoption Agreement.

**Section 2.15 Group Health Plan** - the program or programs of group health insurance, if any, provided by the Employer or any successor program or programs of group health insurance, if any, adopted by the Employer which provide medical benefit coverage for eligible Employees and their dependents. Medical benefit coverage may include prescription drug, dental, cancer and vision care coverage, if included under the Employer's Group Health Plan or Plans and specified in the Adoption Agreement.

**Section 2.16 Highly Compensated Individual** - any person who is a highly compensated individual as defined in Code §125.

**Section 2.17 Highly Compensated Participant** - a Highly Compensated Individual who participates in the Plan.

**Section 2.18 Key Employee** - any person who is a key employee as defined in Code §416(i).

**Section 2.19 Participant** - any Eligible Employee who has satisfied the Conditions of Participation and is participating in the Plan. To the extent required under the terms of any Fringe Benefit Program, a person who continues to participate in such Fringe Benefit Program subsequent to the termination of participation in the Plan shall be considered a Participant in the Fringe Benefit Program in which he continues to participate, but shall not be considered a Participant in the Plan or any other Fringe Benefit Program.

**Section 2.20 Plan** - the Plan set forth in this document and in the Adoption Agreement, and all subsequent amendments.

**Section 2.21 Plan Administrator** - the Employer.

**Section 2.22 Plan Year** - the period designated by the Employer in the Adoption Agreement.

**Section 2.23 Regulations** - the Regulations promulgated by the Treasury Department pursuant to the Code.

**Section 2.24 Salary Reduction Contributions** - For each Plan Year, the amount (if any) by which a Participant elects to have his Compensation reduced and allocated toward the purchase of Benefits under the Fringe Benefit Programs for the Plan Year pursuant to his Benefit Election Form and Salary Reduction Agreement. A Participant's Compensation for a Plan Year (or portion thereof) shall be reduced only by way of payroll withholding and such reduction shall be made on a ratable basis throughout the applicable Plan Year (or portion thereof). The extent to which, if at all, this paragraph will be available for a Plan Year shall be determined by the Employer, in its discretion, prior to the first day of each Plan Year.

### **ARTICLE III PARTICIPATION**

**Section 3.1 Commencement Of Participation.** An Eligible Employee who satisfies the Conditions of Participation, as specified in the Adoption Agreement, and who elects to participate in the Plan in accordance with Article IV shall become a Participant effective as of the Entry Date specified in the Adoption Agreement.

**Section 3.2 Rehired Employees.** An Eligible Employee or Participant who terminates employment and participation (if applicable) in the Plan prior to becoming a Participant and who subsequently becomes reemployed with the Employer must satisfy the Conditions of Participation specified in the Adoption Agreement in order to participate in the Plan.

If during any Plan Year a Participant terminates participation in the Plan and later becomes a Participant in the Plan (and in any Fringe Benefit Program offered through the Plan) during the same Plan Year in which his participation terminated, then such Participant may make a new benefit election under the Plan for such Plan Year if rehired more than 30 days following termination of employment. Thus, if a Participant is rehired within 30 days or less of the date of termination of employment he or she will be reinstated with the same election(s) such individual had before termination

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**Section 3.3 Termination Of Participation.** A Participant's participation in the Plan shall terminate as of the earlier of:

- (a) the date the Participant is no longer an Eligible Employee to participate as specified in the Adoption Agreement;
- (b) the date of the Plan's termination;
- (c) the date the Participant elects to terminate participation due to a Change in Status; or
- (d) the date of the Participant's death.

Termination of participation in this Plan shall not prevent a former Participant from continued coverage or Benefits under a Fringe Benefit Program if and to the extent required by such program or applicable state or federal law.

**Section 3.4 Change of Employment Status.** If a Participant has not terminated employment with the Employer but is no longer an Eligible Employee because of a change in employment status or classification, he or she shall become an inactive Participant in this Plan. As an inactive Participant, Salary Reduction Contributions on behalf of the Participant shall cease and no further Benefit Election Forms and Salary Reduction Agreements may be entered into, subject to the inactive Participant's right to continued coverage under a Fringe Benefit Program for the balance of the Plan Year or such other period as may apply, in accordance with that Fringe Benefit Program and the requirements of applicable law. In addition, any balance remaining of an inactive Participant's Salary Reduction Contributions may be applied as directed during the remainder of the Plan Year unless the Participant terminates participation upon becoming inactive. If an inactive Participant again becomes an Eligible Employee and satisfies the Conditions of Participation as specified in the Adoption Agreement, the inactive Participant may become a full Participant in this Plan.

**Section 3.5 Qualifying Leave Under Family Act.** Notwithstanding any provision to the contrary in this Plan, if a Participant goes on a qualifying unpaid leave under the Family and Medical Leave Act of 1993 (FMLA), to the extent required by the FMLA, the Employer will continue to maintain the Participant's Health Insurance Plan Benefits on the same terms and conditions as though he were still an active Employee (i.e., the Employee will continue to pay his or her share of the premium to the extent the Employee opts to continue his or her coverage). If the Employee opts to continue coverage, the Employee may pay his share of the premium with after-tax dollars while on leave (or pre-tax dollars to the extent he receives compensation during the leave), or the Employee may be given the option to pre-pay all or a portion of his or her share of the premium for the expected duration of the leave on a pre-tax salary reduction basis out of his or her pre-leave Compensation by making a special election to that effect prior to the date such Compensation would normally be made available to him (provided, however, that pre-tax dollars may not be utilized to fund coverage during the next plan year); or via other arrangements agreed upon between the Employee and the Administrator (e.g., the Administrator may fund coverage during the leave and withhold amounts upon the Employee's return). Upon return from such leave, the Employee will be permitted to reenter the Plan on the same basis the Employee was participating in the Plan prior to his or her leave, or as otherwise required by the FMLA

**ARTICLE IV**  
**ELECTION PROCEDURE**

**Section 4.1 New Participants.** As soon as practicable before the Entry Date of an Eligible Employee who has satisfied the Conditions of Participation specified in the Adoption Agreement, the Plan Administrator shall provide a Benefit Election Form and Salary Reduction Agreement to such Eligible Employee. Each such Eligible Employee who desires to have Salary Reduction Contributions allocated toward the purchase of Benefits under a Fringe Benefit Program for the Plan Year (or remaining portion thereof) shall so elect on the Benefit Election Form and Salary Reduction Agreement and shall agree to a reduction in Compensation. The Benefit Election Form and Salary Reduction Agreement must be received by the Plan Administrator on

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or before such date as the Plan Administrator shall specify, which date shall be no later than the beginning of the first pay period for which the Benefit Election Form and Salary Reduction Agreement will apply. If such an Eligible Employee fails to return a completed Benefit Election Form and Salary Reduction Agreement to the Plan Administrator on or before the specified due date, he or she shall be deemed to have elected not to participate in the Plan or in any Fringe Benefit Program offered through the Plan.

**Section 4.2 Annual Election.** The Plan Administrator shall provide a Benefit Election Form and Salary Reduction Agreement to each Participant and each other Eligible Employee who has satisfied the Conditions of Participation specified in the Adoption Agreement during the Election Period. If a Participant desires to change his or her Pre-Tax Premium Payment Program elections for the next Plan Year, he or she may do so by completing a new Benefit Election Form and Salary Reduction Agreement during the Election Period. If an existing Participant does not complete a new Benefit Election Form and Salary Reduction Agreement, his or her elections for the current Plan Year shall continue in effect until otherwise changed or terminated in accordance with the terms of this Plan. Each Eligible Employee and Participant who desires to have Salary Reduction Contributions allocated toward the purchase of Benefits under a Dependent Care or Health Care Flexible Spending Program (if offered under this Plan) for the next following Plan Year must make a new election each Plan Year in order to continue participation in such Fringe Benefit Programs by so specifying on the Benefit Election Form and Salary Reduction Agreement. Such election, which shall be effective for the Plan Year next following the Election Period, may provide for different or additional options or elections than were in effect for the prior Plan Year, or a Participant may elect to terminate participation in the Plan for the next Plan Year by so indicating to the Employer in writing during the Election Period.

If a Participant fails to return a properly completed Benefit Election Form and Salary Reduction Agreement to the Plan Administrator on or before the specified due date, the Participant is deemed to have elected to continue the same elections in effect for the prior Plan Year with respect to Pre-Tax Premium Payment Programs and to have elected not to participate in the Dependent Care or Health Care Flexible Spending Programs, if the Employer has chosen to offer such programs under this Plan.

**Section 4.3 Election Form and Timing.** Elections must be in writing, and shall specify the Fringe Benefit Program(s) to which Salary Reduction Contributions shall be allocated. Except as provided for new Participants in Section 4.1, a Participant's election under the Plan pursuant to the Benefit Election Form and Salary Reduction Agreement shall be effective with the first regularly scheduled pay period of the Plan Year for which the Participant's election under the Plan is made. The election form must be received by the Plan Administrator on or before the end of the Election Period or such other date as the Plan Administrator shall specify, which date shall be no later than the day prior to the first day of the Plan Year. Election forms received on and after the first day of the Plan Year shall be void.

**Section 4.4 Change Of Election.** Except as in section 4.2 or 4.6 a Participant shall not make any changes to the Pre-tax contribution amount elected under the Plan, except as provided herein:

(a) *Change in Status.* A Participant may change or terminate his or her actual or deemed election under this plan upon the occurrence of a Change in Status, according to the following rules:

- (1) *Loss of Dependent Eligibility.* For a Change in Status involving a Participant's divorce, annulment or legal separation from a Spouse, the death of a Spouse or a Dependent, or a Dependent's ceasing to satisfy the eligibility requirements for coverage, a Participant may only elect to cancel Accident or health insurance coverage for the Spouse involved in the divorce, annulment, or legal Separation, the deceased Spouse or Dependent, or the Dependent that ceased to satisfy the eligibility requirements. Canceling coverage for any other individual under these circumstances would fail to correspond with that Change in Status. Notwithstanding the foregoing, if the Participant, the Participant's Spouse (but not ex-spouse) or the Participant's Dependent becomes eligible for COBRA under the Employer's Plan, then the Participant may increase his or her election to pay for such coverage.
- (2) *Gain of Coverage Eligibility Under Another Employer's Plan.* For a Change in Status in which a Participant, a Participant's Spouse, or a Participant's Dependent gains eligibility for coverage

under another employer's cafeteria plan (or another employer's qualified benefit plan) as a result of a change in marital status or a change in employment status, a Participant may elect to cease or decrease coverage for that individual only if coverage for that individual becomes effective or is increased under the other employer's plan.

- (3) **Special Rule for Dependent Care Component.** The Participant may change his or her election under the Dependent Care Component if (a) such change is made on account of and corresponds with a Change in Status that affects eligibility for coverage under the Dependent Care Component; or (b) the election change is on account of and corresponds with a Change in Status that affects eligibility of dependent care expenses for the tax exclusion available under Code § 129.

(b) **Group term life insurance benefit.** With respect to any group term life insurance (as defined in Code § 79), a participant may change his or her election only if the change is consistent with the Change in Status, as set forth below:

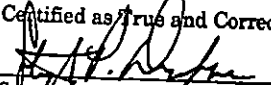
- (i) In the case of a Participant's marriage or the birth adoption or placement for adoption of a child, a Participant may elect to increase life insurance coverage, but not decrease such coverage.
- (ii) In the case of a Participant's divorce, legal separation, annulment, or the death of a Participant's Spouse or Dependent, a Participant may elect to decrease life insurance coverage, but not increase it.

(1) **Accident and health benefits as defined in Code § 106.** With respect to any accident and health benefits, a Participant may change his or her Salary Reduction Agreement election only if (i) the Change in Status results in the Participant, the Participant's Spouse, or the Participant's Dependent gaining or losing eligibility for the benefit (or a particular benefit option) under the Plan or the Participant's Spouse's or Dependent's employer's plan, and (ii) the election change corresponds with such gain or loss of coverage. Notwithstanding, the foregoing, if the Participant, The Participant's Spouse's (but not ex-spouse) or the Participant's Dependent becomes eligible for COBRA (or similar health plan continuation coverage under state law) under the Employer's Plan, the Participant may increase his election to pay for such coverage.

(2) **Dependent Care expense Reimbursement benefit.** With respect to the Dependent Care Expense Reimbursement benefit, a Participant may change or terminate his or her election if such change or termination is made on account of, and is consistent with, the Change in Status. The Plan Administrator (in its sole discretion) shall determine whether a requested change is consistent with and attributable to a Change in Status.

(c) **Special HIPPA Enrollment Rights.** If a Participant, a Participant's Spouse or a Participant's Dependent is entitled to special enrollment rights under a group health plan, as required by Section 9801 (f) of the Code, and medical coverage was declined under the group health plan because of medical coverage and eligibility for such coverage is subsequently lost due to legal separation, divorce, death, termination of employment, reduction in hours, or exhaustion of COBRA period, or a new Dependent is acquired as a result of marriage, birth, adoption, or placement for adoption, then a Participant may revoke a prior election for health or accident coverage and make a new election (including salary reduction election), provided that the election corresponds with such special enrollment right and only to the extent required by Section 9801 of the Code.

(d) **Certain judgments, decrees and orders.** If a judgment, decree, or order (an "order") resulting from a divorce, legal separation, annulment or change in legal custody (including a qualified medical child support order) requires accident or health coverage for a Participant's child (including a foster child who is a Dependent of the Participant), a Participant may (i) change

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his or her election to provide coverage for the child (provided that the Order requires the Participant to provide coverage), or (ii) change his or her election to revoke coverage for the child if the Order requires that another individual (including the Participant's Spouse or former spouse) provide coverage under that individual's plan.

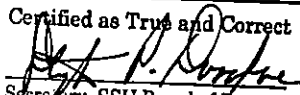
- (e) **Medicare and Medicaid.** If the Participant, the Participant's Spouse, or the Participant's Dependent who is enrolled in a health or accident benefit under this Plan becomes entitled to Medicare or Medicaid (other than coverage consisting solely of benefits under Section 1928 of the Social Security Act providing for pediatric vaccines), the Participant may prospectively reduce or cancel the health or accident coverage of the person becoming entitled to Medicare or Medicaid. Further, if a Participant, a Participant's Spouse, or a Participant's Dependent who has been entitled to Medicare or Medicaid loses eligibility for such coverage, then the Participant may prospectively elect to commence or increase the health or accident coverage.
- (f) **Significant Change in Health Coverage Attributable to Spouse's Employment.** A Participant may revoke a prior election and make a new election where there has been a significant change in the health of the Participant or the Participant's Spouse attributable to the Spouse's employment. Such change is allowed only if the change is consistent (i.e., necessary or appropriate as a result of the significant change in health coverage attributable to the Spouse's employment). The Plan Administrator (in its sole discretion) shall determine whether a requested change is consistent with and attributable to a significant change in health coverage attributable to a Participant's Spouse employment.
- (g) **Change in Cost.**
- (1) **Automatic Decrease or Increase for Cost Decreases and Insignificant Cost Increases.** If the Participant's share of the premium for the Health Insurance Plan decreases during a Plan Year or increases by an insignificant amount, then the Salary Reductions under each affected Participant's election shall be prospectively decreased or increased to reflect such change. The Plan Administrator, on a reasonable and consistent basis, will automatically effectuate this prospective decrease or increase in affected employees' Salary Reduction contributions. The Plan Administrator (in its sole discretion) will decide, in accordance with prevailing IRS guidance, whether increases in costs are "insignificant" based upon all the surrounding facts and circumstances (including, but not limited to, the dollar amount or percentage of the cost change).
- (2) **Significant Cost Increases.** If the Participant's cost for a Benefit Package Option significantly increases during a Plan Year, the Participant may either make a corresponding prospective increase in his or her Salary Reduction contributions or may revoke his or her election and in lieu thereof, receive on a prospective basis coverage under another Benefit Package Option providing similar coverage. The Plan Administrator (in its sole discretion) will decide, in accordance with prevailing IRS guidance, whether a cost increase is significant and whether a substitute Benefit Package Option constitutes "similar coverage" based upon all the surrounding facts and circumstances. This paragraph will apply to the Dependent Care Component Plan *only* if the cost increase is imposed by a dependent care provider who is not a "relative" of the participant by blood or marriage (as that term is defined in Proposed Treas. Reg. § 1.125-4(f)(2)(iii) or other IRS guidance).
- (3) **Limitation on Change in Cost Provisions for Dependent Care Component Plan.** The above "Change in Cost" provisions apply to Dependent Care Component Plan *only* if the cost change is imposed by a dependent care provider who is not a "relative" of the employee by blood or marriage (as that term is defined in Proposed Treas. Reg. § 1.125-4(f)(2)(iii) or other IRS guidance).
- (h) **Change in Coverage.**

- (1) **Significant Curtailment or Cessation of Coverage.** If the Plan Administrator determines That coverage under the Health Insurance Plan or the Dependent Care Component Plan is significantly curtailed or ceases during a Plan Year, an affected Participant may revoke his or her election under the Plan. In that case, an affected Participant may take a new election on a prospective basis for coverage under another Benefit Package Option providing similar coverage. Coverage under an accident or health plan is deemed "significantly curtailed" only if there is an overall reduction in coverage so as to constitute reduced coverage to Participants generally. The Plan Administrator (in its sole discretion) will decide, in accordance with prevailing IRS guidance, whether a curtailment is "significant" and whether a substitute Benefit Package Option constitutes "similar coverage" based upon all the surrounding facts and circumstances.
  
- (2) **Addition or Elimination of Benefit Package Option Providing Similar Coverage.** If during a Plan Year the Plan adds or eliminates a Benefit Package Option or other coverage option, an affected Participant may elect the newly-added option (or elect another option if an option has been eliminated) prospectively on a pre-tax basis and make corresponding election changes with respect to other Benefit Package Options providing similar coverage. The Plan Administrator (in its sole discretion) will decide, in accordance with prevailing IRS guidance, whether other Benefit Package Options constitute "similar coverage" based upon all the surrounding facts and circumstances.
  
- (3) **Change in Coverage of Spouse or Dependent Under Plan of Spouse's or Dependent's Employer.** To avoid "election lock," a Participant may make a prospective election change that is on account of and corresponds with a change made under the plan of the Spouse's, former Spouse's, or Dependent's employer, so long as (a) the cafeteria plan or qualified benefits plan of the Spouse's, former Spouse's, or Dependent's employer permits its participants to make an election change that would be permitted under the proposed or final IRS regulations under Code 125; or (b) the Plan permits Participants to make an election for a Plan Year period of coverage that is different from the plan year period of coverage under the cafeteria plan or qualified benefits plan of the Spouse's, former Spouse's or Dependent's employer. The Plan Administrator shall determine, based on prevailing IRS guidance, whether a requested change is on account of and corresponds with a change made under the plan of the Spouse's, former Spouse's, or Dependent's employer.

No Participant shall be allowed to reduce his election for Medical or Dependent Care Reimbursement benefits to a point where the annualized contribution for such benefit is less than the amount already reimbursed. In addition, any change in an election affecting annual Plan Contributions to the Medical or Dependent Care Expense Reimbursement Plans pursuant to this Section also will change the Maximum Reimbursements Benefits for the period of coverage remaining in the Plan year.

An Employee who is eligible to become a Participant but declined to become a Participant during the initial election period pursuant to Section 4.1 or 4.2 may become a participant and file a Pre-tax election within thirty (30) days of the occurrence of an event described in Section 4.4 (a), (b), (c) and (e) above, but only if the election under the new Salary Reduction Agreement is made on account of and is consistent with the event (as described above). A Participant otherwise entitled to make a new election under this Section must do so within 30 days of the occurrence of an event (e.g., Change in Status, significant change in coverage, Medicare or Medicaid eligibility, special enrollment right or judgment, decree, or order). Subject to the provisions of the underlying group health plan, elections made to add medical coverage for a newborn or newly adopted Dependent child pursuant to a HIPAA special enrollment right may be retroactive for up to 30 days. All other new elections shall be effective no sooner than the first day of the payroll period coincident with or immediately following the date the Participant files his new Salary Reduction Agreement with the Plan Administrator. Elections made pursuant to this Selection shall be effective for the balance of the Plan Year in which the election is made unless a subsequent event (described above) allows a further election change.

**Section 4.5 Forfeiture of Salary Reduction Contributions.** Ninety days after the last date of each Plan Year,

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any portion of a Participant's Salary Reduction Contributions which are attributable to such immediately previous Plan Year and which cannot be distributed by the Employer for the provision of Benefits attributable to such immediately previous Plan Year under the Fringe Benefit Program for which they were made shall be forfeited by the Participant and returned to the Employer. This forfeiture requirement shall be applied individually for each Fringe Benefit Program.

**Section 4.6 Termination Of Election.** Except as otherwise specified in the Adoption Agreement, elections made or deemed to be made under this Plan shall automatically terminate on the date on which the Participant ceases to be a Participant in the Plan, although coverage under a Fringe Benefit Program may continue if and to the extent provided by such Fringe Benefit Program or applicable state or federal law. Elections made with respect to the Dependent Care and Health Care Flexible Spending Programs, if offered under the Plan, shall also automatically terminate on the last day of the applicable Plan Year unless continued through a renewed election. Former Participants who are rehired within 30 days or less of the date of termination of employment will be reinstated with the same election(s) such individual had before termination. If a former Participant is rehired more than 30 days following termination of employment and otherwise eligible to participate in the Plan, the individual may make a new election.

## ARTICLE V FRINGE BENEFITS

**Section 5.1 Participant Elections.** Subject to the limitations set forth in each Fringe Benefit Program, for each Plan Year, a Participant may elect, in accordance with the election procedures described in Article IV, to receive his Compensation in cash, or to have his Compensation reduced and contributed as Salary Reduction Contributions to the Plan and applied toward the purchase of Benefits under any one or more of the Fringe Benefit Programs that the Employer has elected to offer to Participants, as specified in the Adoption Agreement.

**Section 5.2 Pre-Tax Premium Payment Program.**

A. **Availability.** This program is only available to Participants if the Employer has elected to offer it to Participants, as specified in the Adoption Agreement.

B. **Eligibility.** Each Eligible Employee or Participant shall be eligible to participate in the Pre-Tax Premium Payment Program upon satisfaction of the Conditions of Participation, as specified in the Adoption Agreement, and upon satisfaction of the eligibility requirements for participation in the Group Health Plan or group term life insurance program, as applicable. An eligible Employee or Participant may elect to participate in the Pre-Tax Premium Payment Program by making an election pursuant to Article IV of the Plan. When making an election to participate, such Employee or Participant shall designate the particular coverage's under the Pre-Tax Premium Payment Program in which he wants to participate.

C. **Premium Amount.** For each Plan Year, the amount of Salary Reduction Contributions allocated toward the cost of Benefits under the Pre-Tax Premium Payment Program shall be equal to the full amount of the Participant's share of the premium cost for the types of coverage(s) elected by the Participant under the Group Health Plan and/or group term life insurance program. In the event a Participant's share of the premium cost changes, then a Participant who has elected to participate in the Pre-Tax Premium Payment Program shall have his Salary Reduction Contributions automatically adjusted to reflect such change.

D. **Benefits Under the Group Health Plan or Group Term Life Insurance Program.** While an election to receive benefits under the Pre-Tax Premium Payment Program may be made under the Plan, the types and amounts of benefits available under the Group Health Plan or the Group Term Life Insurance program, as applicable, the requirements for participating in the Group Health Plan or the Group Term Life Insurance program, as applicable, and the other terms and conditions of coverage and benefits under the Group Health Plan or the Group Term Life Insurance program, as applicable, are as set forth, from time to time, in the plan documents or contracts which govern the Group Health Plan or the Group Life Insurance program, as applicable, and are incorporated into the Plan by this reference. The Employer retains the right to enter into

a contract with one or more insurance companies, providers, or administrators for the purpose of providing Group Health Plan and/or Group Term Life Insurance benefits to Employees and to change or eliminate coverage's or insurance companies, providers, or administrators at any time.

**E. Changes in Cost Or Coverage.** Except as provided herein, and in Section 4.4, elections under the Pre-Tax Premium Payment Program are irrevocable. If elected by the Employer in the Adoption Agreement, a Participant may change his election during the Plan Year with respect to coverage under the Group Health Plan in the event of a significant premium increase during the Plan Year, provided such Participant certifies to the Plan Administrator that he shall be receiving similar coverage under another health plan. In the event coverage under the Group Health Plan provided through an independent, third-party provider is significantly curtailed or ceases during a Plan Year, a Participant may change his election with respect to coverage under the Group Health Plan, provided such Participant certifies to the Plan Administrator that he shall be receiving similar coverage under another health plan. In all cases, the Participant must furnish the Plan Administrator with such certification within thirty days following the effective date of such cost or coverage change.

**F. Cash Option.** Eligible employees covered under a similar employer-sponsored group health plan may elect not to participate in the pre-tax premium plan, so as instead to receive a certain amount of cash set aside by the employer, in lieu of group health insurance benefits. If the cash option is elected, the amount received is considered taxable income under IRS rules and is subject to applicable withholdings.

**G. Claims Procedure.** If any person believes he or she is being denied any rights or benefits under the Group Health Plan or Group Term Life Insurance program, as applicable, such person may file a claim in writing in accordance with the claims procedures of the Group Health Plan or Group Term Life Insurance program, as applicable, which shall in all cases control.

**H. Cobra Coverage.** Each Benefit Plan or Policy made available under Article V that is considered to be a "group health plan" under Code Sec. 213(D)(1), including the Health Care Expense Account Benefit, shall contain the necessary provision required by Code Sec 4980B and ERISA § 601, to ensure that such benefits may be continued on or after the occurrence of the qualifying events defined in Code Sec 4980B(f)(3).

### **Section 5.3 Health Care Flexible Spending Program.**

**A. Availability.** This program is only available to Participants if the Employer has elected to offer it to Participants, as specified in the Adoption Agreement.

**B. Definitions.** For purposes of the Health Care Flexible Spending Program, the following special definitions shall apply:

1. **Dependent** - a dependent as defined in Code §152 and eligible under the Employer's Group Health Plan.
  
2. **Eligible Medical Expenses** - those expenses incurred during a Plan Year by the Participant or the Participant's spouse or Dependents after the date of the Participant's participation in the Health Care Flexible Spending Program, which are allowable as deductions under Code §213(d) (and permitted by Code §125). Eligible Medical Expenses shall not include any expenses which are reimbursable under any other health insurance plan, whether or not sponsored by the Employer and whether insured through a health maintenance organization, preferred provider organization or otherwise. Eligible Medical Expenses shall also not include expenses incurred for the payment premiums under any health insurance plan (including the Group Health Plan) whether or not sponsored by the Employer. For purposes of the Health Care Flexible Spending Program, an expense is incurred when the Participant, spouse or Dependent is furnished the medical care or services giving rise to the claimed expense.
  
3. **Health Care Flexible Spending Account** - the bookkeeping account maintained by the Plan Administrator

for each Participant which reflects the amount of Salary Reduction Contributions allocated for the purchase of Benefits under the Health Care Flexible Spending Program, as well as the amount of Eligible Medical Expenses reimbursed on behalf of the Participant.

4. Highly Compensated Individual - notwithstanding the definition of Highly Compensated Individual contained in Article I, for purposes of the nondiscrimination rules set forth in paragraph F, Highly Compensated Individual means an individual who is considered a Highly Compensated Individual under Code §105(h) and Regulations thereunder.

C. Eligibility. Each Participant or Eligible Employee who has satisfied the Conditions for Participation as specified in the Adoption Agreement and has elected to participate in the Plan shall be eligible to participate in the Health Care Flexible Spending Program. Such Eligible Employee or Participant may elect to participate in the Health Care Flexible Spending Program by making an election pursuant to Article IV of the Plan. When making an initial or annual election to participate, such Eligible Employee or Participant shall designate the amount of Salary Reduction Contributions which are to be allocated for Benefits under the Health Care Flexible Spending Program for the Plan Year (or, in the case of the initial election, the remainder of the Plan Year).

D. Coverage. For any Plan Year, Participants who have elected to participate in the Health Care Flexible Spending Program may submit claims for the reimbursement of Eligible Medical Expenses up to the maximum level of reimbursement elected by the Participant (properly reduced as of any particular time for prior reimbursements for the same Plan Year). The maximum and/or minimum annual amount of Salary Reduction Contributions which a Participant may allocate for benefits under the Health Care Flexible Spending Program for any Plan Year is specified in the Adoption Agreement. Payment of claims under the Health Care Flexible Spending Program is contingent upon presentation of satisfactory documentation regarding the Eligible Medical Expenses within a reasonable time after they are incurred. No reimbursement will be made later than 90 days after the last day of the Plan Year during which such Eligible Medical Expenses were incurred. The Plan Administrator may require such documentation and other information regarding the claim as it deems necessary to confirm that the expenses claimed are Eligible Medical Expenses, including written evidence from an independent third party showing the nature and amount of the expense, and certification by the Participant that the expense qualifies for reimbursement. Allowed claims will be paid as soon as administratively practicable.

E. Reimbursements after Termination. When a Participant ceases to be a Participant under Section 3.3, the Participant's Salary Reductions will terminate, as will his or her election to receive reimbursements. The Participant will not be able to receive reimbursements for Medical Care Expenses incurred after his or her participation terminates. However, such Participant (or the Participant's estate) may claim reimbursement for an Medical Care Expenses incurred during the period of coverage prior to termination, provided that the Participant (or the Participant's estate) files a claim by 90 days following the close of the Plan Year in which the expense arose.

To the extent required by federal law (COBRA) (see e.g. Code § 4980B), a Participant and the Participant's Spouse and Dependents, whose coverage terminates under the medical reimbursement component of this Plan because of a COBRA qualifying event, shall be given the opportunity to continue coverage under this Plan on an after-tax basis for the periods prescribed by COBRA (subject to all conditions and limitations under COBRA). Specifically, such individuals will be eligible for COBRA Continuation Coverage only if, under Section 8.1, they have a positive Medical Reimbursement Account balance at the time of a Qualifying Event (taking into account all claims submitted before the date of the qualifying event). Such individuals will be notified if eligible for COBRA Continuation Coverage. If COBRA is elected, it will be available only for the year in which the qualifying event occurs; such COBRA coverage for the Medical Reimbursement Component will cease at the end of the year and cannot be continued for the next plan year.

F. Discrimination Prohibited. This Health Care Flexible Spending Program is intended to qualify as a medical expense reimbursement plan under Code §105 and shall be interpreted and administered in accordance with that Code Section and the Regulations thereunder. If the Plan Administrator determines that any of the nondiscrimination requirements of Code §105 will not be satisfied, the Plan Administrator may, in its discretion, and in compliance with the Code, reject elections or reduce Salary Reduction

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Contributions in order to ensure compliance with these requirements. Any such action shall be carried out in a uniform and nondiscriminatory fashion.

**G. Continuation Of Benefits Under COBRA.**

1. The following provisions shall be applicable for the Health Care Spending Program, and any other group health plan as defined by Code §4980B, and 5000(b)(1) and the regulations promulgated there under subject to COBRA that does not otherwise contain COBRA provisions.

2. During any Plan Year that this paragraph is applicable, each person who is a Qualified Beneficiary shall have the right to elect to continue coverage under the Health Care Flexible Spending Program upon the occurrence of a Qualifying Event. This coverage is known as Continuation Coverage under COBRA.

3. A Qualified Beneficiary is any person who, as of the day before a Qualifying Event, is:

- a. an Employee covered under the Health Care Flexible Spending Program (a "Covered Employee"). A Covered Employee can be a Qualified Beneficiary only if the Qualifying Event consists of termination of employment (for any reason other than gross misconduct) or reduction of hours of the Covered Employee's employment; or
- b. the spouse or Dependent of the Covered Employee.

4. Any of the following shall be considered as a Qualifying Event, provided a Qualified Beneficiary will lose coverage under the Health Care Flexible Spending Program during the periods set forth under paragraph 8 as a result of such event occurring:

- a. the termination (other than by reason of gross misconduct) of the Covered Employee's employment or reduction of hours of employment below any minimum level of hours required for participation in the Health Care Flexible Spending Program;
- b. the death of a Covered Employee;
- c. the divorce or legal separation of a Covered Employee from the Covered Employee's Spouse;
- d. the Covered Employee's becoming entitled to receive Medicare benefits under title XVIII of the Social Security Act;
- e. a Dependent child of a Covered Employee ceasing to be a Dependent; or
- f. certain bankruptcy proceedings under Title 11 of the United States Code.
- g. a child born to or placed for adoption with a covered Employee during a period of continuation coverage shall also be considered a Qualified Beneficiary.

5. Each Qualified Beneficiary who is eligible to elect Continuation Coverage shall have the right to continue the amount of reimbursement elected under the Health Care Flexible Spending Program for the Plan Year during which the Qualifying Event occurs as reduced by any Eligible Medical Expenses which have already been reimbursed (or submitted for reimbursement) during such Plan Year.

6. Within 14 days of the occurrence of a Qualifying Event under paragraph 4(a), (b), (d) or (f), the Employer as Plan Administrator shall furnish each Qualified Beneficiary written notification of the termination of coverage under the Health Care Flexible Spending Program, as well as the right to elect Continuation Coverage. In the event the Employer is not the Plan Administrator, the Plan Administrator shall furnish such notice to each Qualified Beneficiary within 14 days after its receipt from the Employer of notice of the occurrence of a Qualifying Event.

For Qualifying Events described in paragraph 4(c) and (e), a Covered Employee or other Qualified Beneficiary must notify the Plan Administrator in writing within 60 days of the occurrence of such Qualifying Event. Within 14 days of its receipt of such notice, the Employer shall furnish each Qualified Beneficiary written notification of the right to elect Continuation Coverage. If a Participant or Qualified Beneficiary fails to notify the Plan Administrator within this 60 day period of such Qualifying Event, he shall be deemed to have waived his right to elect Continuation Coverage.

Notwithstanding any of the foregoing, notification to a Qualified Beneficiary who is a spouse of a Covered Employee is treated as notification to all other Qualified Beneficiaries residing with that Qualified Beneficiary at the time notification is made.

7. A Qualified Beneficiary entitled to elect Continuation Coverage must return a signed election of Continuation Coverage to the Employer within 60 days of the later of the following dates:

- a. the date upon which the Qualified Beneficiary is sent notice of his or her right to elect Continuation Coverage; or
- b. the date upon which the Qualified Beneficiary's coverage under the Health Care Flexible Spending Program terminates.

8. Subject to paragraph 9, for Qualifying Events under paragraph 4(a), Continuation Coverage may extend for a maximum period of up to 18 months after the date of the Qualifying Event, unless, during such 18-month period, a subsequent Qualifying Event occurs. If a second Qualifying Event occurs during the 18-month period, then another election to extend coverage for up to 18 additional months may be available to the Qualified Beneficiary. In no event, however, shall Continuation Coverage extend more than 36 months beyond the date of the first Qualifying Event. For all other Qualifying Events under paragraph 4, Continuation coverage may extend for a maximum period of up to 36 months after the date of the Qualifying Event.

If the Qualifying Event is the Employee's termination or reduction in hours of employment and a Qualified Beneficiary is disabled within the meaning of Title II or XVI of the Social Security Act on the date of such Qualifying Event, then the 18-month coverage period will be extended for up to a total of 29 months, provided the disabled individual complies with the following notice requirements. In order to receive this extended coverage period, the disabled individual must notify the Plan Administrator of the determination of disability under Title II or XVI of the Social Security Act within 60 days after the determination is made.

9. For each Qualified Beneficiary electing Continuation Coverage, such coverage shall automatically cease upon the occurrence of any of the following events:

- a. the Employer no longer offers the Health Care Flexible Spending Program or any other group health plan subject to COBRA to any of its Employees;
- b. the required premium for Continuation Coverage is not timely paid;
- c. such Qualified Beneficiary becomes covered under another group health plan which does not contain any exclusion or limitation with respect to pre-existing conditions;
- d. Such Qualified Beneficiary becomes entitled to receive benefits under Medicare; or
- e. In the event a Qualified Beneficiary is receiving extended Continuation Coverage as a result being disabled under the Social Security Act, such individual must notify the Plan Administrator with 30 days of the date of any final determination under the Social Security Act that he is no longer disabled. The extended Continuation Coverage may then be terminated after more than 30 days has passed the date of this final determination.

10. Continuation Coverage shall be paid entirely by the Qualified Beneficiary. The Employer shall not pay

for or subsidize the cost of Continuation Coverage. The premium cost for Continuation Coverage shall equal the Salary Reduction Contribution amount that would be required to provide the same level of coverage. Except as provided below, a Qualified Beneficiary must also pay an administration fee equal to two percent (2%) of the premium cost of Continuation Coverage for expenses incurred in administering Continuation Coverage. In the event a Qualified Beneficiary has elected to extend his Continuation Coverage pursuant to paragraph 8 as a result of such Qualified Beneficiary's disability, then the administration fee shall be equal to fifty percent (50%) of the cost of Continuation Coverage. Premium payments for Continuation Coverage shall be due and payable at the same time Salary Reduction Contributions are withheld from the Compensation of Participants not on Continuation Coverage.

11. The provisions of this paragraph are to be interpreted in conformity with Code §4980B, ERISA §§601 et seq., and/or the Public Health Service Act (42 U.S.C Section §300bb), as applicable, and the Regulations promulgated thereunder.

12. Recovery of Excess Reimbursements. Notwithstanding any other provision in the Plan or the Health Care Flexible Spending Program, the Employer may pursue such remedies as are available under applicable state and federal law to recover any amounts paid to or on behalf of a Participant who has terminated participation in the Health Care Flexible Spending Program which exceed the total amount of Salary Reduction Contributions actually applied on behalf of a Participant toward the purchase of Benefits under the Health Care Flexible Spending Program.

#### Section 5.4 Dependent Care Program.

A. Availability. This program is only available to Participants if the Employer has elected to offer it to Participants, as specified in the Adoption Agreement.

B. Definitions. For purposes of the Dependent Care Program, the following special definitions shall apply:

1. Dependent -

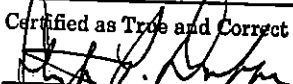
- a. a dependent (as defined in Code §152) of an Employee: (i) who is under the age of 13 and with respect to whom the Employee is entitled to a deduction under Code §151(c); or (ii) who is physically or mentally incapable of caring for himself or herself; or
- b. the spouse of an Employee, if such spouse is physically or mentally incapable of caring for himself or herself.

2. Dependent Care Account - the bookkeeping account maintained by the Plan Administrator for each Participant which reflects the amount of Salary Reduction Contributions which have been allocated for the purchase of Benefits under the Dependent Care Program, as well as the amount of Eligible Dependent Care Expenses reimbursed from the Dependent Care Program on behalf of the Participant.

3. Eligible Dependent Care Expenses - those expenses incurred after the date of the Participant's participation in the Dependent Care Program incident to maintaining employment which would be considered employment related expenses under Code §21(b)(2) (relating to expenses for household and dependent care services necessary for gainful employment) if paid for by the Participant, excluding amounts paid to an individual who is a dependent for tax purposes of the Participant (or his spouse), or to a child of the Participant who has not attained age 19.

4. Earned Income - earned income, as defined in Code §32(c)(2), excluding any amounts paid or incurred by the Employer for dependent care assistance (as defined by Code §129(e)(1)) to a Participant.

5. Highly Compensated Individual - notwithstanding the definition of Highly Compensated Individual contained in Article I, for purposes of the nondiscrimination rules set forth in paragraph G of this Section, Highly Compensated Individual means an Employee who is (as determined under Code §129) a highly

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compensated employee within the meaning of Code §414(q).

C. **Eligibility.** Each Participant or Eligible Employee who has met the Conditions of Participation as specified in the Adoption Agreement and has elected to participate in the Plan shall be eligible to participate in the Dependent Care Program. Such Eligible Employee or Participant may elect to participate in the Dependent Care Program by making an election pursuant to Article IV of the Plan. When making an initial or annual election to participate in the dependent Care Program, such Eligible Employee or Participant shall designate the amount of Salary Reduction Contributions which are to be allocated for Benefits for the Plan Year (or, in the case of the initial election, the remainder of the Plan Year).

D. **Coverage.** For any Plan Year, Participants covered by the Dependent Care Program may submit claims for the reimbursement of Eligible Dependent Care Expenses from Salary Reduction Contributions that have already been allocated to the Participant's Dependent Care Account. The maximum annual amount of Salary Reduction Contributions which may be allocated by the Participant for Benefits under the Dependent Care Program is \$5,000, or \$2,500 if the Participant is married (as defined in Code §21(e)(3) and (4)) but files a separate income tax return, in accordance with Code §129. If these Code §129 limitations are changed in the future, the limitations of this Dependent Care Program shall be deemed to be automatically changed to correspond thereto.

E. **Covered Expenses.** Each Participant shall be entitled to reimbursement from his Dependent Care Account for documented Eligible Dependent Care Expenses incurred during the Plan Year for which the Participant participates in the Dependent Care Program. Such reimbursements shall only be made from Salary Reduction Contributions previously allocated to the Participant's Dependent Care Account during the Plan Year (properly reduced as of any particular time for prior reimbursements for the same Plan Year). Eligible Dependent Care Expenses shall be considered incurred when the dependent care is provided, and not when the Participant is formally billed, charged or pays for the Eligible Dependent Care Expenses. In all cases, the Participant must submit claims for Eligible Dependent Care Expenses within a reasonable time after they are incurred. No reimbursement will be made later than 90 days after the end of the Plan Year in which the Eligible Dependent Care Expenses were incurred. The Plan Administrator shall pay all allowed claims directly to the Participant upon presentation of satisfactory documentation regarding the Eligible Dependent Care Expenses within a reasonable time after the expense was incurred. The Plan Administrator may require such documentation and other information regarding the claim as it deems necessary to confirm that the expenses claimed are Eligible Dependent Care Expenses, including written evidence from an independent third party showing the nature and amount of the expense and certification by the Participant that the expense qualifies for reimbursement.

F. **Limits on Reimbursement.** No payment otherwise due under the Dependent Care Program shall exceed the lesser of:

1. the Earned Income of such Participant for such year;
2. the Earned Income of the spouse (if any) of such Participant for such year; or
3. the credit balance in the Participant's Dependent Care Account as of the date such payments to be made

For purposes of paragraphs 1 and 2, if the Participant's spouse is a full-time student at an educational institution or physically or mentally incapable of caring for himself, such spouse shall be deemed to be gainfully employed and to have Earned Income of \$200 per month if the Participant has only one Dependent, and \$400 per month if the Participant has two or more Dependents. If these limitations are changed in the future under the Code, then the Dependent Care Program shall be deemed to incorporate the new limitations as of the effective date of their change. In the case of any husband and wife, the preceding sentence shall apply with respect to only one spouse for any one month.

G. **Termination of Employment.** When a Participant ceases to be a Participant as defined under Section 3.3, the Participant's Salary Reductions will terminate, as will his or her election to receive reimbursements. However, the Participant will be able to receive reimbursements for Eligible Employment-Related Expenses incurred during the Plan Year after his or her participation terminates, so long as the claims for reimbursements are submitted by 90 days following the end of the Plan Year in which the expense arose.

H. Discrimination. This Dependent Care Program is intended to qualify as a dependent care assistance program under Code §129 and shall be interpreted and administered in accordance with that Code Section and the Regulations thereunder. The Dependent Care Program shall not discriminate as to eligibility and contributions or benefits under the program in accordance with Code §129.

1. Principal Shareholder Limitation. Not more than twenty-five percent (25%) of the amounts paid or incurred by the Employer for dependent care assistance (as defined by Code §129(e)(1), including Eligible Dependent Care Expenses reimbursed under the Dependent Care Program) during a Plan Year may be provided for the class of persons (or their spouses or dependents), each of whom (on any day of such Plan Year) owns more than five percent (5%) of the stock or the capital or profits interest in the Employer, as determined under Code §129.

2. Average Benefit Limitation. The average benefits provided to all Employees who are not Highly Compensated Individuals under the Dependent Care Program (and all other dependent care assistance programs of the Employer) must be at least fifty-five percent (55%) of the average benefits provided to all Highly Compensated Individuals under the Dependent Care Program (and all other dependent care assistance programs of the Employer). For purposes of this paragraph, in the case of Employees whose benefits are provided by salary reduction agreements, any Employees whose compensation (as defined by Code §414(q)(7)) is less than \$25,000 (as adjusted under the Code if applicable) may be disregarded.

3. Correcting Discrimination. If the Plan Administrator determines that any of the nondiscrimination requirements of this paragraph will not be satisfied, the Plan Administrator may, in its discretion, reject any Eligible Employee or Participant elections or reduce any Employee Salary Reduction Contributions in order to ensure compliance with these requirements. Any such action shall be carried out in a uniform and nondiscriminatory fashion.

4. Annual Report to Participants. The Plan Administrator shall furnish to each Participant on whose behalf benefits are paid, on or before January 31, a written statement in a manner permitted by federal law, showing the amounts reimbursed or expenses incurred during the previous calendar year.

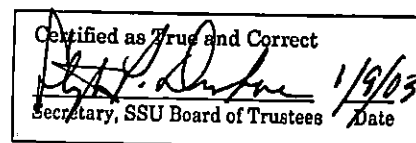
## ARTICLE VI ADMINISTRATION

Section 6.1 Plan Administrator. Except for the functions reserved under the Plan to the Employer, the administration of the Plan shall be under the supervision of the Plan Administrator, who shall be the named fiduciary under ERISA in the event the Plan is subject to ERISA. It shall be a principal duty of the Plan Administrator to see that the Plan is carried out in accordance with its terms, for the exclusive benefit of Employees eligible to participate. The Plan Administrator shall have the discretionary authority to interpret the Plan and to decide all matters arising thereunder, including matters relating to eligibility for benefits and the construction of the terms of the Plan. The Plan Administrator shall have full power to administer the Plan and all of its details, subject to applicable requirements of law. The Plan Administrator's powers shall include, but not be limited to, the following:

A. To interpret the Plan, decide questions of eligibility of any person to participate in the Plan (or in any Fringe Benefit Program offered by the Plan) and determine the amount, manner and time of payments of any benefits payable under the Plan, its interpretation thereof in good faith to be final and conclusive on all persons claiming benefits under the Plan;

B. To establish the method of accounting for the Plan and to maintain the accounts;

C. To prescribe any forms as it deems necessary or desirable for the efficient administration of the Plan;





D. To make and enforce such rules and regulations as it deems necessary or proper for the efficient administration of the Plan, including the establishment of any claims procedures that may be required by applicable provisions of the Plan or law;

E. To appoint individuals or entities to assist in the administration of the Plan and any other agents as it deems advisable, including legal, administrative, accounting and actuarial counsel. In the event the Employer appoints CoreSource, Inc. to assist in the administration of the Plan, the provisions of the Plan which apply to the Employer or Plan Administrator in connection with the administration of the Plan so delegated to CoreSource, Inc., shall also apply to CoreSource, Inc.;

F. To receive, review and keep on file (as it deems convenient and proper) reports of benefit payments and reports of disbursements for expenses;

G. To receive from Participants such information as it deems necessary or proper for the efficient administration of the Plan;

H. To require Participants to complete and file applications for benefits under the Plan, or any other form that the Plan Administrator considers necessary or proper, and to require a Participant to furnish all pertinent information and documents, including receipts; and

I. To take such actions as it considers necessary or appropriate to satisfy any nondiscrimination requirements of the Code which are applicable to the plan.

**Section 6.2 Employer's Protective Clauses In the Event Insurance Contracts are Issued.** Upon the failure of either the Participant or the Employer to obtain any insurance contemplated by this Plan (whether as a result of negligence, gross neglect or otherwise), the Participant's Benefits shall be limited to the insurance premium, if any, that remained unpaid for the period in question and the actual insurance proceeds, if any, received by the Employer or the Participant as a result of the Participant's claim.

The Employer's liability to the Participant shall be limited to any payment actually received by the Employer from the insurer. In the event that the full insurance benefit contemplated is not promptly received by the Employer within a reasonable time after submission of a claim, then the Employer shall notify the Participant of such facts and the Employer shall no longer have any legal obligation whatsoever (except to execute any document called for by a settlement reached by the Participant). The Participant shall be free to settle, compromise or refuse to pursue the claim as the Participant, in his sole discretion, shall see fit.

The Employer shall not be responsible for the validity of any insurance contract issued to the Employer or for the failure on the part of the insurer to make payments provided for under any insurance contract, including the Group Health Plan, or for the action of any person which may delay or render null and void or unenforceable, in whole or in part, an insurance contract. With regard to this paragraph, the following shall apply:

A. Once insurance is applied for or obtained, the Employer shall not be liable for any loss which may result from the failure to pay premiums to the extent premium notices are not received by the Employer.

B. To the extent premium notices are received by the Employer, the Employer's liability for the payment of such premiums shall be limited to the amount of such premiums and shall not include liability for any other loss which may result from the failure to pay such premiums.

C. The Employer shall not be liable for the payment of any insurance premium or any loss which may result from the failure to pay an insurance premium if the Benefits available under this Plan are insufficient to provide for the amount of such premium cost at the time it is due. In such circumstances the Participant shall be responsible for and see to the payment of such premiums. The Employer shall undertake to notify a Participant if available Benefits under this Plan are insufficient to provide for an insurance premium but shall not be liable for any failure to make such notification.

**Section 6.3 Nondiscrimination.** Whenever, in the administration of the Plan, any discretionary action by the Plan Administrator is required, the Plan Administrator shall exercise its authority in a nondiscriminatory manner.

**Section 6.4 Participant Under Legal Disability.** When a person entitled to a benefit under the Plan is under a legal disability, or, in the opinion of the Plan Administrator, is in any way incapacitated so as to be unable to manage his financial affairs, the Plan Administrator may direct the payment of benefits to such person's legal representative, or to a relative or friend of such person for such person's benefit, or the Plan Administrator may direct the application of such benefits for the benefit of such person in such manner as the Plan Administrator considers advisable. Any payment made in accordance with this Section shall be a full and complete discharge of any liability for such payment under the Plan.

**Section 6.5 Examination Of Records.** The Plan Administrator shall make available to each Participant such records under the Plan as pertain to him, for examination at reasonable times during normal business hours.

**Section 6.6 Information Required For Plan Administration.** Participants and other persons entitled to benefits under the Plan shall furnish the Plan Administrator with such evidence, data, certifications, or information as may reasonably be requested from time to time for the purpose of the Plan's administration, and the Plan Administrator shall be entitled, to the extent permitted by law, to rely on all such information provided.

**Section 6.7 Compensation Of Plan Administrator.** All usual and reasonable expenses of the Plan Administrator shall be paid by the Employer, unless the Employer determines that administrative expenses shall be borne by Participants or by any trust fund which may be established hereunder. The Employer, serving as the Plan Administrator, shall serve without compensation for services rendered in such capacity. Furthermore, any employee of the Employer shall not receive any compensation with respect to services hereunder except as such person may be entitled to benefits under this Plan.

**Section 6.8 Indemnification Of Employer.** If any Participant receives one or more payments or reimbursements under the Plan that are not for a permitted Benefit, such Participant shall indemnify and reimburse the Employer for any liability it may incur for failure to withhold federal or state income tax or Social Security tax from such payments or reimbursements. However, such indemnification and reimbursement shall not exceed the amount of additional federal and state income tax (plus any penalties) that the Participant would have owed if the payments or reimbursements had been made to the Participant as regular Compensation, plus the Participant's share of any Social Security tax that would have been paid on such Compensation, less any such additional income and Social Security taxes actually paid by the Participant.

**Section 6.9 Claims And Review Procedure.**

A. **Initial Review.** If any person believes he is being denied any rights or benefits under the Plan, such person may file a claim in writing with the Plan Administrator. If any such claim is wholly or partially denied, the Plan Administrator will notify such person of its decision in writing. Such notification will be written in a manner calculated to be understood by such person and will contain (i) specific reasons for the denial, (ii) specific reference to pertinent Plan provisions, (iii) a description of any additional material or information necessary for such person to perfect such claim and an explanation of why such material or information is necessary, and (iv) information as to the steps to be taken if the person wishes to submit a request for review. Such notification will be given within 90 days after the claim is received by the Plan Administrator (or within 180 days, if special circumstances require an extension of time for processing the claim, and if written notice of such extension and circumstances is given to such person within the initial 90 day period). If such notification is not given within this period, the claim will be considered denied as of the last day of such period and such person may request a review of his claim.

B. **Appeal.** Within 60 days after the date on which a person receives a written notice of a claim denial (or, if applicable, within 60 days after the date on which such denial is considered to have occurred) such

person (or his duly authorized representative) may (i) file a written request with the Plan Administrator for a review of his denied claim and of pertinent documents, and (ii) submit written issues and comments to the Plan Administrator. The Plan Administrator will notify such person of its decision in writing. Such notification will be written in a manner calculated to be understood by such person and will contain specific reasons for the decision as well as specific references to pertinent Plan provisions. The decision on review will be made within 60 days after the request for review is received by the Plan Administrator (or within 120 days, if special circumstances require an extension of time for processing the request, such as an election by the Plan Administrator to hold a hearing, and if written notice of such extension and circumstances is given to such person within the initial 60-day period). If the decision on review is not made within such period, the claim will be considered denied.

#### ARTICLE VII AMENDMENT

**Section 7.1 Amendment.** The Employer may at any time or times, amend, in writing, in whole or in part: (i) any or all of the optional provisions of the Plan contained in the Adoption Agreement by completing a new Adoption Agreement, or (ii) any or all of the provisions in the Plan Document (to the extent such amendment is not contrary to applicable law) by executing a written amendment to the Plan. No amendment may change the terms and conditions of payment of any benefits to which Participants have become entitled under the Plan, unless such amendment is made to comply with federal, state or local laws or Regulations. The Employer shall also have the right to make retroactive any amendment which is necessary to bring the Plan into compliance with the Code or Regulations. The Employer shall not make any amendment to the Plan which affects any duties under the Plan delegated to CoreSource, Inc. without the prior written consent of CoreSource, Inc. In addition, the Employer may add additional Fringe Benefit Programs under the Plan or delete existing Fringe Benefit Programs by completing a new Adoption Agreement.

#### ARTICLE VIII TERMINATION

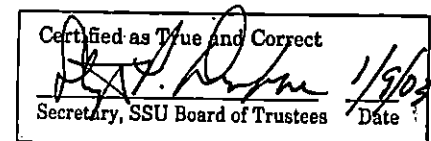
**Section 8.1 Termination.** The Employer has established the Plan with the bona fide intention and expectation that it will be continued indefinitely, but the Employer has no obligation whatsoever to maintain the Plan (or any Fringe Benefit Program offered through the Plan) for any given length of time and may discontinue or terminate the Plan (or any Fringe Benefit Program offered through the Plan) at any time without liability, provided that such termination shall not eliminate any obligations of the Employer which have arisen under the Plan up to the point of termination. Upon termination or discontinuance of the Plan, any elections, reductions or increases in Compensation made pursuant to the Plan shall terminate.

#### ARTICLE IX MISCELLANEOUS

**Section 9.1 Plan Not A Contract Of Employment.** The maintenance of this Plan shall not constitute a contract of employment. The maintenance of this Plan does not assure the continued employment of any Employee, whose employment may be terminated at any time, with or without cause.

**Section 9.2 Limitation Of Rights.** Neither the establishment of the Plan nor any amendment will be construed as giving to any Participant or other person any legal or equitable right against the Plan Administrator or the Employer, except as expressly provided herein and by applicable law.

**Section 9.3 Benefits From General Assets.** The benefits provided under the Plan shall be paid solely from the Employer's general assets. Nothing in the Plan shall be construed to require the Employer or the Plan Administrator to maintain any fund or segregate any amount for the benefit of any Participant, and no Participant or other person shall have any claim against, right to, or security or other interest in any fund, account or asset of the Employer from which any payment under the Plan may be made.



**Section 9.4 Nonalienation.** No benefit under the Plan shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or charge, and any attempt to do so shall be void. No benefit under the Plan shall in any manner be subject to the debts, contracts, liabilities, engagements or torts of any person. If any person entitled to benefits under the Plan becomes bankrupt or attempts to anticipate, alienate, sell, transfer, assign, pledge, encumber or charge any benefit under the Plan, or if any attempt is made to subject any such benefit to the debts, contracts, liabilities, engagements or torts of the person entitled to any such benefit, except as specifically provided in the Plan, then such benefit shall cease and terminate in the discretion of the Plan Administrator, and the Plan Administrator may hold or apply the same or any part thereof to the benefit of any dependent or beneficiary of such person, in such manner and proportions as he may deem proper.

**Section 9.5 Addresses and Notice.** Each Participant must file with the Plan Administrator, in writing, his post office address and any change of post office address. Any communication, statement or notice addressed to such Participant at his last post office address as filed with the Plan Administrator will be binding upon the Participant for all purposes of the Plan, and neither the Plan Administrator nor the Employer shall be obliged to search for or ascertain the whereabouts of any Participant.

**Section 9.6 Mistake Of Fact.** Any mistake of fact or misstatement of fact shall be corrected when it becomes known, and the Plan Administrator or Employer shall make such adjustment as it considers equitable and practical.

**Section 9.7 Payments To Beneficiary.** Any benefits otherwise available or payable pursuant to the Plan to a Participant following the date of death of such Participant shall be paid to his or her spouse, or if there is no surviving spouse, to his or her estate. Any benefits or payments made pursuant to the Group Health Plan shall be paid in accordance with the terms of the Group Health Plan.

**Section 9.8 Discrimination Prohibited.** The Plan shall not discriminate in favor of Highly Compensated Individuals as to eligibility to participate or in favor of Highly Compensated Participants as to contributions and benefits. In no event shall the Benefits provided to Key Employees under the Plan exceed 25% of the aggregate of such Benefits provided for all Participants in any Plan Year.

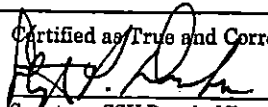
If the Employer determines, before or during any Plan Year, that the Plan (or any Fringe Benefit Program offered through the Plan) may fail to satisfy any non-discrimination requirement or other limitation which is imposed by the Code on the Plan with respect to Highly Compensated Individuals, Highly Compensated Participants or Key Employees, the Plan Administrator (at the direction of and with the consent of the Employer) shall take such action as the Plan Administrator deems appropriate, under rules uniformly applicable to similarly situated Participants, to assure compliance with such requirements or limitations.

**Section 9.9 Headings.** The Article and Section headings contained herein are for convenience of reference only, and shall not be construed as defining or limiting the matter contained thereunder.

**Section 9.10 Gender And Number.** Masculine pronouns include the feminine as well as the neuter gender, and the singular shall include the plural, unless indicated otherwise by the context.

**Section 9.11 Governing Law.** This Plan shall be construed and enforced according to the laws of the applicable state, except to the extent preempted by federal law, and in accordance with the Code.

**Section 9.12 Tax Consequences.** Neither the Employer nor the Plan Administrator makes any warranty or other representation as to whether any payment received under the Plan will be treated as excludable from the Participant's gross income for federal or state income tax purposes. It shall be the obligation of each Participant to determine whether each payment under the Plan is excludable from the Participant's gross income for federal and state income tax purposes.

Certified as True and Correct	
	1/5/03
Secretary, SSU Board of Trustees	Date

**RESOLUTION F34-02**

**AUTHORIZATION TO AMEND THE ALTERNATIVE RETIREMENT  
PLAN  
TO CONFORM TO REQUIREMENTS OF THE IRC**

WHEREAS, the Board of Trustees adopted the Shawnee State University Alternative Retirement Plan ("the Plan"), effective March 1, 1999; and

WHEREAS, the University reserved the right in Section 8.3 of the Plan to amend the Plan by action of the Board of Trustees; and

WHEREAS, The Economic Growth and Tax Relief Reconciliation Act of 2001 requires certain amendments be made to the Plan; and


WHEREAS, the Board desires to approve a formal amendment to the Plan in order to comply with Internal Revenue Code requirements;

THEREFORE BE IT RESOLVED, that an amendment to the Plan, a copy of which is attached to this resolution, is hereby adopted effective January 1, 2002; and

BE IT FURTHER RESOLVED, that the Vice President for Business Affairs, in consultation with the Office of Human Resources and the General Counsel, is hereby authorized to execute the Plan amendment and any other instruments, documents, or conveyances necessary to effectuate the amendment, to submit the Plan to the Internal Revenue Service; and

BE IT FINALLY RESOLVED, that the Vice President for Business Affairs, in consultation with the Office of Human Resources and the General Counsel, in carrying out this resolution, is hereby authorized and empowered to make any necessary changes to the Plan as may be required to ensure compliance with the provisions of the Internal Revenue Code of 1986 and the Ohio Revised Code, and any related rules and regulations, currently in effect or as hereinafter amended, and to take such further action as may be necessary or advisable to implement this resolution without further ratification or action by this Board.

(December 13, 2002)

Certified as True and Correct	
	1/9/03
Secretary, SSU Board of Trustees	Date

**AMENDMENT OF THE SHAWNEE STATE UNIVERSITY ALTERNATIVE  
RETIREMENT PLAN FOR THE ECONOMIC GROWTH AND TAX RELIEF  
RECONCILIATION ACT OF 2001**

**PREAMBLE**

This amendment of the Shawnee State University Alternative Retirement Plan (the "Plan") is adopted to reflect certain provisions of the Economic Growth and Tax Relief Reconciliation Act of 2001 ("EGTRRA"). This amendment is intended as good faith compliance with the requirements of EGTRRA and is to be construed in accordance with EGTRRA and guidance issued thereunder. Except as otherwise provided, this amendment shall be effective as of the first day of the first Plan Year beginning after December 31, 2001.

This amendment shall supersede the provisions of the Plan to the extent those provisions are inconsistent with the provisions of this amendment.

1. Section 2.6 of the Plan is amended by the addition of the paragraph below to the end of Section 2.6:

"The annual Compensation of each Participant taken into account in determining allocations for any Plan Year beginning after December 31, 2001, shall not exceed \$200,000, as adjusted for cost-of-living increases in accordance with Section 401(a)(17)(B) of the Code. Annual Compensation means Compensation during the Plan Year or such other consecutive 12-month period over which Compensation is otherwise determined under the Plan (the determination period). The cost-of-living adjustment in effect for a calendar year applies to annual Compensation for the determination period that begins with or within such calendar year."

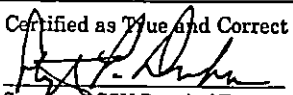
2. Section 5.3 is amended by the addition of the below paragraphs to the end of Section 5.3(d)(vi).

(vii) "The preceding paragraph in this Section 5.3(d)(vi) is effective for Limitation Years beginning before December 31, 2001. Effective for Limitation Years beginning after December 31, 2001, except to the extent permitted under Section 414(v) of the Code (if applicable), the annual addition that may be contributed or allocated to a Participant's Account under the Plan for any Limitation Year shall not exceed the lesser of:

(a) \$40,000, as adjusted for increases in the cost-of-living under Section 415(d) of the Code, or

(b) 100 percent of the Participant's compensation, within the meaning of Section 415(c)(3) of the Code, for the Limitation Year.

The foregoing limit is referred to as the "415(c) Limit." The 415(c) Limit with respect to any Participant for a Limitation Year, plus the amount of any additional elective deferral permitted to be made by a Participant under Section 414(v) of the Code with respect to such Limitation Year, is referred to as the "Maximum Permissible Amount." The compensation

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	1/9/03
Secretary, SSU Board of Trustees	Date

limit referred to in (b) shall not apply to any contribution for medical benefits after separation from service (within the meaning of Section 401(h) or Section 419A(f)(2) of the Code) which is otherwise treated as an annual addition."

If there is a short Limitation Year because of a change in the Limitation Year, the administrator will multiply the \$40,000 limitation (or larger limitation) by the following fraction: number of months in the short Limitation Year divided by twelve (12)."

3. Sections 7.6 and 7.9 are amended by the addition of the following paragraphs to the end of each Section:

" Effective date. This Section shall apply to distributions made after December 31, 2001.

Modification of definition of Eligible Retirement Plan. For purposes of the direct rollover provisions in these Sections 7.6 and 7.9, an Eligible Retirement Plan shall also mean an annuity contract described in Section 403(b) of the Code and an eligible Plan under Section 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this Plan. The definition of Eligible Retirement Plan shall also apply in the case of a distribution to a surviving Spouse, or to a Spouse or former Spouse who is the alternate payee under a Qualified Domestic Relation Order, as defined in Section 414(p) of the Code.

4. Section 7.9 is further amended as provided below by the addition of the following to the end of Section 7.9:

"In addition to, and subject to, the foregoing terms and conditions (with the exception of those provisions regarding the acceptance of rollover contributions from conduit individual retirement accounts), effective January 1, 2002, the Plan will accept Participant rollover contributions and/or direct rollovers of distributions made after December 31, 2001, from the types of plans specified below.

Direct Rollovers:

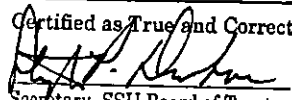
The Plan will accept a direct rollover of an Eligible Rollover Distribution from:

a qualified plan described in Section 401(a) or 403(a) of the Code.

an annuity contract described in Section 403(b) of the Code.

an eligible plan under Section 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state.

Participant Rollover Contributions from Other Plans:

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	1/9/03
Secretary, SSU Board of Trustees	Date

The Plan will accept a Participant contribution of an Eligible Rollover Distribution from:

a qualified plan described in Section 401(a) or 403(a) of the Code.

an annuity contract described in Section 403(b) of the Code.

an eligible Plan under Section 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state.

Participant Rollover Contributions from IRAs:

The Plan will accept a Participant rollover contribution of the portion of a distribution from an individual retirement account or annuity described in Section 408(a) or 408(b) of the Code that is eligible to be rolled over and would otherwise be includible in gross income.

Notwithstanding any of the foregoing, the Plan will not accept any portion of a rollover contribution or a direct rollover that includes after-tax employee contributions.

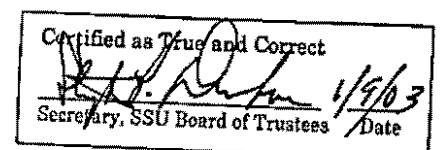
5. Section 7.9 is amended in its entirety for distributions made after December 31, 2001 as set forth below:

"The amount transferred to the Plan must be transferred within sixty (60) days of the date such individual received the Eligible Rollover Distribution, provided, however, that for distributions made after December 31, 2001, the Secretary of the Treasury may waive the 60-day rollover period if the failure to waive such requirement would be against equity or good conscience, including cases of casualty, disaster, or other events beyond the reasonable control of the individual as provided under Code Sections 402(c)(3) and 408(d)(3)."

**IN WITNESS WHEREOF**, the University hereby adopts this Amendment to Shawnee State University Alternative Retirement Plan, effective as of January 1, 2002, except as otherwise noted herein, this 13<sup>th</sup> day of December 2002.

**SHAWNEE STATE UNIVERSITY**

By: \_\_\_\_\_  
Roger T. Murphy  
Vice President for Business Affairs





## RESOLUTION F35-02

### PERSONNEL

WHEREAS, the University-wide Board policy 5.16 "Approval of Personnel Appointments" establishes the procedure for the approval of those personnel changes requiring action by the Board of Trustees and for the reporting of other personnel actions to the Board; and

WHEREAS, this policy establishes a procedure for the consolidation of personnel resolutions; and

WHEREAS, all actions in this resolution are in compliance with this policy;

THEREFORE BE IT RESOLVED that the Board of Trustees of Shawnee State University authorizes the following personnel actions attached to this resolution effective on the dates indicated.

(December 13, 2002)

Certified as True and Correct  
*[Signature]*  
Secretary, SSU Board of Trustees / 1/9/03  
Date

## PERSONNEL ACTION ITEMS

All appointments are subject to any contingency included in the written offers of employment.

### DECEMBER 2002 BOT MEETING

Actions submitted for approval, October 1, 2002 to December 1, 2002

(developed from information received in HR Department through November 27, 2002 only)

#### ACADEMIC AFFAIRS DIVISION

*Nothing to report.*

#### BUSINESS AFFAIRS DIVISION

*Nothing to report.*

#### OHIO APPALACHIAN CENTER FOR HIGHER EDUCATION

##### *Appointment - Administration*

Susan Henderson, 9-month full-time Coordinator of ROAD:MAP 2005/GEAR-UP Program located in the Franklin Local School District for the Ohio Appalachian Center for Higher Education, beginning October 8, 2002 and ending July 8, 2003, at the 9-month salary of \$21,675. A written offer of extension may be provided no later than June 8, 2003, for up to one year beyond this term, provided adequate funding is available in the GEAR-UP grant. Ms. Henderson possesses a B.S. in Elementary Education from Ohio University.

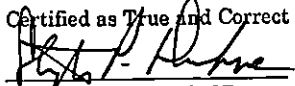
#### PRESIDENT'S OFFICE

*Nothing to report.*

#### STUDENT AFFAIRS DIVISION

##### *Appointment - Administration*

April Donnally, full-time Athletic Trainer for the Athletic Department, beginning December 1, 2002, at the fiscal year salary of \$25,000. Ms. Donnally possesses a B.S. in Sports Studies from Shawnee State University.

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	1/9/03
Secretary, SSU Board of Trustees	Date

Per Policy 5.16 Board of Trustees has prior approval for appointment or removal of the position of vice president and creation of all new faculty and administrative positions.

Board of Trustees has subsequent approval for appointment to and removal of all faculty and administrators, establish the compensation for same, and award or deny continuing contracts and promotions for faculty.

Prepared 12/3/2002


**RESOLUTION F36-02**

**HIGHER SKILLS PARTNERSHIP INITIATIVE, VETERAN'S  
UPWARD BOUND, UPWARD BOUND, UPWARD BOUND MATH  
SCIENCE, EECAP and  
SUMMER HONORS PROGRAM GRANTS**

WHEREAS, the grants summarized on the attached have been reviewed by the appropriate University committees and/or individuals, and are recommended for submission;

THEREFORE BE IT RESOLVED that the Board of Trustees of Shawnee State University approves the submission of Higher Skills Partnership Initiative, and Veteran's Upward Bound Grant proposals; and Upward Bound, Upward Bound Math Science, EECAP, and Summer Honors Program Grant renewals.

(December 13, 2002)

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	1/9/03
Secretary, SSU Board of Trustees	Date

# Grant Summary Proposal

**Title:** Higher Skills Partnership Initiative Project

**Grant Agency:** Ohio Department of Education

**Principal Investigator:** Virginia Moore

**Percentage of P.I. Time Devoted to Grant:** N/A

**Purpose:** The *Higher Skills Partnership Initiative* funds will be used to form a training partnership between University Outreach Services of Shawnee State University and the Adult Workforce Development Center of the Scioto County Joint Vocational School District. The purpose of the partnership will be to deliver Microsoft Office Specialist certification training for area business and industry.

**Clientele to be Served:** Area employers and their employees who seek Microsoft Office certification training.

**Relationship to SSU Mission:** Provide employers in the southern Ohio region access to affordable non-credit training and services, thereby improving the competitiveness of the businesses and contributing to local efforts to attract, develop and retain companies to the southern Ohio region.

**Other Agencies/organization participating in project:** Scioto County Department of Job and Family Services, Community Action Organization, area business and industry.

**Brief description of how project will be conducted:** University Outreach Services and the Adult Workforce Development Center will collaborate to develop a computer skills training program designed to enable participants to acquire the Microsoft Office Specialist certifications.

## Budget

### Fund Source

Grant                    \$25,000.00

Other  
University

In-Kind

Totals                    \$25,000.00

Submitted by:

*Virginia Moore*

Virginia Moore  
Director, University Outreach Services  
October 17, 2002

Certified as True and Correct
<i>[Signature]</i> 1/9/03
Secretary, SSU Board of Trustees      Date

**GRANT SUMMARY PROPOSAL**

**TITLE: Veterans Upward Bound Program (2003-2008)**

**GRANT AGENCY: U.S. Department of Education**

**PRINCIPAL INVESTIGATOR: Barb Bradbury, Director, Pre-College Programs/Staff Ombuds**

**PERCENTAGE OF P.I. TIME DEVOTED TO GRANT: @ 20% for program start-up**

**PURPOSE:** Provide a pre-college, educational program for veterans in Appalachian Ohio.

**CLIENTELE TO BE SERVED:** All veterans who meet the U.S. Dept. of Education criteria are eligible. Participants must be potential first generation college students, or meet income guidelines, and live in the target area mentioned above.

**RELATIONSHIP TO SSU MISSION:** Veterans Upward Bound will provide veterans access and exposure to the benefits of higher education.

**OTHER AGENCIES/ORGANIZATIONS PARTICIPATING IN PROJECT:** Ohio University Southern and Washington State Community College will serve as outreach sites for the project.

**BRIEF DESCRIPTION OF HOW PROJECT WILL BE CONDUCTED:** Veterans UB will provide four components to 120 eligible veterans: GED referral, College Brush-up, Transitions, and a Veterans UB Bridge program. Recruitment and participant referral will be conducted through university offices, community agencies, and organizations serving veterans. Services and instruction will be provided at SSU and the two outreach sites during the period of September 1, 2003 – August 31, 2008.

**BUDGET:**

(The Veterans Upward Bound proposal budget is still in draft form)

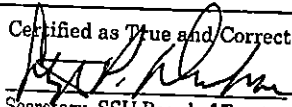
Fund Source                      Years: September 1, 2003 – August 31, 2008

Grant                                      \$385,324.00 (estimated annual award)

**SSU**

- Scholarship opportunity            @ \$4347.00 (estimated annual commitment)
  
- In-Kind: office space, classroom usage, phone and internet connection, technical assistance

\* SSU receives 8% in indirect costs (\$26,953) from the grant award not including student stipends and tuition.

Certified as True and Correct  
  
Secretary, SSU Board of Trustees      4/5/03  
Date



## GRANT SUMMARY PROPOSAL

**TITLE:** Upward Bound Math Science (2003-2008)

**GRANT AGENCY:** United States Department of Education

**PRINCIPAL INVESTIGATOR:** Ryan McCall, Director Educational Talent Search and Upward Bound Math Science

**PERCENTAGE OF P.I. TIME DEVOTED TO GRANT:** 50%

**PURPOSE:** To provide an educational program in math and science fields for students in Appalachian Ohio, Kentucky, and West Virginia.

**CLIENTELE TO BE SERVED:** All students who meet the U.S. Dept. of Ed requirements are eligible. Students must be potential first generation college bound students, or meet income guidelines, and live in the target area mentioned above.

**RELATIONSHIP TO SSU MISSION:** To assist in the University's service to the community and to serve as a feeder program for SSU. Promote the value of undergraduate higher education to the community and region. Enhance internal and external communication.

**OTHER AGENCIES/ORGANIZATIONS PARTICIPATING IN PROJECT:** Regional school districts will be the primary outside organization that will participating in the project.

**BRIEF DESCRIPTION OF HOW PROJECT WILL BE CONDUCTED:** The program is conducted in a two part process: a) **Academic year component** where students are visited by program staff and complete assignments on a monthly basis. b) **Summer component** where students spend six weeks on campus taking classes with college professors and attend workshops to help increase their skills in such areas as ACT preparation, study skills, time management, personal development, choosing a college, etc.

### BUDGET:

Fund Source                      Years : September 1, 2003 – August 31, 2008

Grant                                \$284,109 (estimated annual award)


Other

University                        0

In-kind \*

**TOTALS**                        \$284,109 (estimated annual award)

\* SSU receives 8% in indirect costs (\$16,770) from the grant award not including student stipends, room and board.

Certified as True and Correct	
	1/9/03
Secretary, SSU Board of Trustees	Date

## GRANT SUMMARY REQUEST

**TITLE:** Early English Composition Assessment Program

**GRANT AGENCY:** Ohio Board of Regents

**PRINCIPAL INVESTIGATOR:** Patricia Conley Spradlin, Senior Instructor, Department of English and Humanities

**PERCENTAGE OF P.I. TIME DEVOTED TO GRANT:** Work on this project will not take any time from regular teaching duties or office hours required.

**PURPOSE:** To cultivate a working relationship between SSU English Department faculty and area 7-12 English Language Arts teachers so students from this area might make a smooth transition into college writing courses.

**CLIENTELE TO BE SERVED:** Both SSU English and Humanities faculty and teachers from Scioto, Adams, Pike, and Lawrence Counties, (within a 60-mile radius of Portsmouth) who will subsequently serve area high school students planning to attend college.


**RELATIONSHIP TO SSU MISSION:** SSU's Mission Statement states that "the University will prepare students for the changing needs of business, industry, education, and society" and is committed to an undergraduate education that fosters competence in oral and written communication". In addition, as the SSU Mission Statement says, "SSU serves as the community and technical college for residents of Scioto, Lawrence, and Pike Counties".

**OTHER AGENCIES/ORGANIZATIONS PARTICIPATING IN PROJECT:** Portsmouth City Schools, and Gear Up (of Ironton, Ohio)

### RIEF DESCRIPTION OF HOW PROJECT WILL BE CONDUCTED:

The program's purpose is to develop and implement a means to reach students with deficiencies in writing skills and remediate those deficiencies before they enter postsecondary education. An additional goal is to develop an ambitious and effective year-long teacher inservice program that focuses on writing pedagogy and practice as a means of improving the teaching of writing, therefore, improving the writing skills of students in the city of Portsmouth and across Scioto and neighboring counties. Finally, since Shawnee State University serves this area and most of the students who attend the university are first-generation college students who need to strengthen communication skills (the Portsmouth City Schools have been identified as being in academic need and scores for surrounding districts also indicate a need for academic improvement) a partnership between the university's English and Humanities faculty and district teachers would serve as a powerful tool toward serving "at-risk" students who need to improve writing skills to successfully transition from the high school experience to the university composition experience.

During the 2002-2003 academic year, faculty from Portsmouth City Schools, Scioto County's various school districts, and Shawnee State University will collaborate in the development of an Early English Composition Assessment Program (EECAP). Senior Instructor Patricia Spradlin conducted workshops and a Summer Writing Institute through EECAP during 2002. With the continuation of this program, the focus will be on maintaining a comprehensive sustained working relationship with area teachers. To achieve this goal, various faculty from SSU and participating teachers will gather throughout the academic year for workshops and report the progress of the program during departmental meetings. One of the EECAP activities will include an assessment session, during which student writings will be evaluated. Responses concerning the writings' strengths and weaknesses will be composed for students to give them a *clear measure of their current writing ability as judged against the standard expected in collegiate freshman English (as stated in the Request for Proposals)*. In addition, the EECAP Summer Writing Institute of 2003 will use the Summer Institutes held throughout Ohio as models for the study of current research and pedagogy for developmental composition instruction.

Certified as True and Correct	
	1/9/03
Secretary, SSU Board of Trustees	Date





**GRANT PROPOSAL SUMMARY**

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**TITLE:** Summer Honors Institute for Gifted Students

**GRANTING AGENCY:** Ohio Department of Education, Office for Exceptional Children

**PRINCIPAL INVESTIGATOR:** Megan Horne, Program Manager, University Outreach Services

**PERCENTAGE OF P.I. TIME DEVOTED TO GRANT:** 30%

**PURPOSE:** To provide an enrichment experience for Ohio's gifted and talented high school students by exposing those students to intensive college level classes specifically designed for them. Students are encouraged to explore programs, which may assist them in determining their future educational and career goals.

**CLIENTELE TO BE SERVED:** Up to 250 Ohio high school students rising into the tenth and eleventh grades who have been identified by their school as being gifted or talented.

**RELATIONSHIP TO SSU MISSION:** The Shawnee State University Summer Institute offers students the opportunity to enrich themselves both intellectually and culturally while giving them the opportunity to increase their abilities to think critically and communicate effectively.

**OTHER AGENCIES/ORGANIZATIONS PARTICIPATING IN THE PROJECT:** None


**BRIEF DESCRIPTION OF HOW PROJECT WILL BE CONDUCTED:** The Summer Institute is offered in three separate week-long sessions, July 13-18, July 20-25, and July 27-August 1, 2003. Students who are accepted into the Institute choose one of several possible course offerings. Those offerings include: Psychopharmacology, HTML and Web Page Design I, Black and White Photography, Commercial Acting, Creative Writing Workshop, Early Childhood Education, Forensics, Microbes and Diseases, Plastics Engineering, Robotics in Manufacturing, It's the Law, Emergency Medical Technology, Engineering Graphics with Computer Aided Drafting & Design (CADD), Diabetes, Personality Disorders Revealed, Psychology of School Violence, and Mysteries of the Ancient World. Shawnee State full-time and adjunct faculty members develop and teach classes. Students attend class each day from 9:00 a.m. until 4:00 p.m., and then take part in closely supervised activities during the evening hours. Those not from the immediate area are housed in University Housing under the supervision of one Residence Advisor per dormitory unit.

**NOTE:** This year's Summer Institute awards will be made on a competitive basis, with a total of 16 grants to be funded.

**BUDGET:**

<u>Fund Source</u>	<u>Year One (FY 03)</u>
Grant	\$ 62,500.00
Other (Residential fees)	30,000.00
University-In Kind	15,000.00
Classroom/Lab Space (\$60 day, per room)	\$ 6000
Recreational Space	3500
Secretarial Support	1500
Work/Study Services	1000
Miscellaneous (library, phone, cable, TV)	3000

**TOTAL** \$ 107,500.00

Certified as True and Correct  
  
Secretary, SSU Board of Trustees     1/9/03  
Date

**PERSONNEL INFORMATION ITEMS**  
**DECEMBER 2002 BOT MEETING**  
**Changes processed from October 1, 2002 to December 1, 2002**  
(developed from information received in the HR Department through November 27, 2002 only)

***ACADEMIC AFFAIRS DIVISION***

***Resignation – Faculty***

*Pamela Staton*, Professor of Medical Laboratory Science, resignation effective January 5, 2003.

***BUSINESS AFFAIRS DIVISION***

None.

***OHIO APPALACHIAN CENTER FOR HIGHER EDUCATION***

***Resignation – Administration***

*Charles Moore*, Coordinator for the Educational Opportunity Center, resignation effective December 1, 2002.

***PRESIDENT'S OFFICE***

None.

***STUDENT AFFAIRS DIVISION***

None.

**SHAWNEE STATE UNIVERSITY RESERVES POSITION  
UNRESTRICTED EDUCATIONAL AND GENERAL FUND**

	<u>June 30, 1997</u>	<u>June 30, 1998</u>	<u>June 30, 1999</u>	<u>June 30, 2000</u>	<u>June 30, 2001</u>	<u>June 30, 2002</u>
Unallocated Fund Balance	\$4,240,592	\$5,113,478	\$6,259,043	\$7,664,674	\$6,897,370	\$6,519,612
Department Carry Forwards	\$2,382,169	\$2,303,753	\$2,700,196	\$2,818,246	\$3,023,251	\$3,462,479
Year-End Encumbrances	\$248,150	\$255,416	\$187,020	\$156,313	\$177,894	\$119,731
New Degree Programs	\$1,713,504	\$1,493,632	\$1,151,951	\$772,975	\$267,983	\$0
Revenue Centers/Lab Fees	\$970,801	\$874,807	\$889,421	\$823,990	\$912,794	\$841,876
Unemployment Reserve	\$136,807	\$136,807	\$136,807	\$136,807	\$136,807	\$136,807
Self Insurance Reserve	<u>\$450,000</u>	<u>\$500,000</u>	<u>\$500,000</u>	<u>\$575,000</u>	<u>\$805,000</u>	<u>\$805,000</u>
<b>TOTAL</b>	<u>\$10,142,023</u>	<u>\$10,677,893</u>	<u>\$11,824,438</u>	<u>\$12,948,005</u>	<u>\$12,221,099</u>	<u>\$11,885,505</u>
<b>Increase (Decrease) From The Preceeding Year</b>		\$535,870	\$1,146,545	\$1,123,567	(\$726,906)	(\$335,594)

Certified as True and Correct  
 Secretary, SSU Board of Trustees  
 Date 1/9/03

**RESOLUTION E10-02**

**APPOINTMENT OF PRESIDENT**

WHEREAS, the Shawnee State University Board of Trustees established the Presidential Search Advisory Committee pursuant to SSU Policy 1.03 and Resolution F4-02, to undertake a search for the next president of the University; and

WHEREAS, the Presidential Search Advisory Committee recommended to the Board of Trustees three final candidates, one of whom has since withdrawn his name, who are well qualified to be appointed as the next president of Shawnee State University; and

WHEREAS, the Board of Trustees has considered the comments of Presidential Search Advisory Committee members and the comments received from campus and community members; and

WHEREAS, the Executive Committee of the Board of Trustees through Resolution E9-02, recommended the appointment of Dr. Rita Morris and approval of the contract executed by Dr. Morris and Dr. Payne, Chairman of the Board; and

WHEREAS, the Board of Trustees is charged by law, ORC § 3362.03, to employ, fix the compensation of and remove the president;

THEREFORE BE IT RESOLVED that the Board of Trustees approves the appointment of Dr. Rita Rice Morris as the next president of Shawnee State University, and the contract of employment attached hereto; and

BE IT FURTHER RESOLVED, that in order to facilitate a smooth transition, the Board authorizes payment by the University of reasonable and necessary expenses related to Shawnee State University including, but not limited to, travel to conferences by Dr. Morris and her spouse on behalf of the University, travel to the campus for business meetings, long distance phone charges, and such other expenses as approved by the Board Chair, incurred between the date of this resolution and May 27, 2003 upon the submission of appropriate bills or receipts and counter-signed by the Board Treasurer.

December 13, 2002

Certified as True and Correct  
*[Signature]*  
Secretary, SSU Board of Trustees  
1/9/03  
Date

SHAWNEE STATE UNIVERSITY  
PRESIDENTIAL EMPLOYMENT CONTRACT

WHEREAS, SHAWNEE STATE UNIVERSITY (hereinafter the University) is a state institution of higher education created under the laws of the State of Ohio with its government vested in the Board of Trustees, appointed by the Governor, and confirmed by the Senate of the State of Ohio; and

WHEREAS, said Board of Trustees is empowered under the law to employ, fix the compensation of, and remove the president and other employees of the University as it may deem necessary and to do all other things necessary for the proper maintenance and successful and continuous operation of the University;

NOW, THEREFORE, in consideration of the premises, and the mutual covenants and conditions herein contained, this Contract, made by and between the BOARD OF TRUSTEES OF SHAWNEE STATE UNIVERSITY, (hereinafter the Board) and DR. RITA RICE MORRIS, (hereinafter the President):

WITNESSETH:

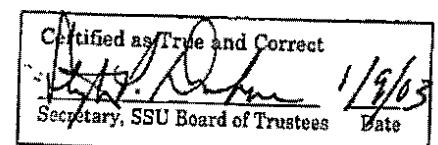
1. EMPLOYMENT. The Board hereby employs, engages and hires Dr. Rita Morris as President of Shawnee State University and the President hereby accepts and agrees to such hiring, engagement and employment, subject to the general supervision and pursuant to the orders, advice and direction of its Board of Trustees and Executive Committee. The President will hold the title of Professor. The President shall perform the duties as are customarily performed by a college president, including, but not limited to, fund-raising, development, public relations, educational leadership, budgeting, long-range planning, student services, recruitment of

personnel and recommending the appointment, promotion and dismissal of all staff members, control and supervision of all buildings, grounds, and equipment.

The President is engaged as President of the University and shall perform all duties as President as may be required by law and the provisions of this Contract and duties incident to the office of President. The President shall be the Chief Executive Officer of the University and shall have charge of the administration of the University under policies of the Board. The President shall direct and assign all employees, organize and administer the affairs of the University as best serves the University, consistent with Board policies, and from time to time, suggest regulations, rules and procedures deemed necessary for the well-ordering of the University. In general, the President shall perform all duties incident to the office of President of the University and such other duties as may be prescribed by the Board.

2. PHYSICAL EXAMINATION. The President shall have an annual comprehensive physical examination, at Board expense, by a physician licensed to practice medicine, such physician to be mutually agreed upon by the parties. The Board shall receive a comprehensive written report of such examination and approve the same. This contract is contingent upon receipt of a thorough physical exam by a licensed physician which attests to the President's physical ability to undertake this position.

3. BEST EFFORTS OF EMPLOYEE. The President agrees that she will, at all times, faithfully, industriously and with maximum use of experience, ability and talent, perform all of the duties that may be required, pursuant to the express and implicit terms hereof. Such duties shall be rendered at the campus of the University in Portsmouth, Ohio, and at such other place or places as the Board or the President shall deem appropriate for the interest, needs, business or opportunity of the Board. The term of this Contract shall be for a period, commencing May 27,



2003, and terminating June 30, 2006, subject, however, to prior termination as provided in this Contract.

It is mutually agreed that the parties hereto will enter into negotiations for the renewal of this contract no less than twelve (12) months prior to the termination date hereof, and that such negotiations shall be concluded no less than three (3) months prior to the termination date hereof. Failure of the Board to tender a renewal contract to the President shall, in the absence of actual notice, be treated as notice that this contract will not be renewed.

4. COMPENSATION OF PRESIDENT; SALARY. For all services rendered by the President under the provisions of the Contract, the Board shall pay the President total annual salary of One Hundred and Fifty Thousand Dollars (\$150,000.00), payable in 26 equal payments in a fiscal year (July 1 – June 30), pro-rated to the start date prior to July 1, 2003. All such salary shall be subject to the customary withholding tax and other employment taxes as may be required by the City of Portsmouth, State of Ohio or the United States of America.

The University agrees to provide the President with a house suitable for use as a "President's Home" and that she will there, and elsewhere as appropriate, discharge the social and entertaining responsibilities of the office in order to advance the University's position. Occupying the "President's Home" provided by the University is a condition of employment. The University shall reimburse the President reasonable and necessary household help-suitable and adequate for the performance of such duties, said reimbursement shall not exceed \$3,000 in FY 2003, or \$10,000 in any subsequent fiscal year. No changes, alterations, or modifications to the house, including interior appointments and furnishings may be made or incurred without the prior written approval of the Chairman of the Board of Trustees.



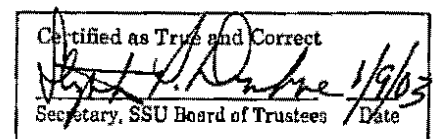
For the total compensation for services rendered under this Contract, the President shall be entitled as an employee of the University to participate in the State Teachers Retirement System Pension Plan or such other retirement plans authorized by state law and Board policy.

The annual salary will be reviewed from time to time, at least annually, by the Board and may be increased, but not decreased, at the discretion of the Board. It is the intent of the Board to review the Annual Base Salary of the President prior to April 30th of each year, commencing not later than April 30, 2004, for the purpose of setting the Annual Salary. Failure of the Board to address the Annual Base Salary by June 30 of any year as provided herein shall, in the absence of termination or other written agreement between the Board and the President, result in an Annual Base Salary for the additional year involved being the same as the prior year's Annual Base Salary. The Board intends to adjust the salary of the President commensurate with the administrative salary policy. Such salary review, however, may be in conjunction with a review by the Board of the performance of the President. The Board's annual review may also serve as a basis for awarded merit pay or bonuses to the President. Within the first six months of this contract, the Board reserves the right to undertake a performance review of the President.

5. INSURANCE; WORKMAN'S COMPENSATION; RETIREMENT BENEFITS.

The Board shall provide the President and spouse with comprehensive health insurance coverage plus major medical insurance, including dental, vision, and prescription coverage, the same as provided to other University employees under the same terms as administrators.

The Board will reimburse the President the cost of term life insurance policy on the President while occupying the position of President, for not less than Two Hundred Thousand Dollars (\$200,000.00) in coverage, with the President having the right to designate the



beneficiary. Reimbursement shall be made on presentment of documentation of premium paid but shall not exceed \$5000 for the annual premium.

The President shall be an employee of the University for the purpose of being covered by the University's Workers' Compensation Policy.

Whereas, the eligibility requirements for the State Teacher's Retirement System Disability Plan include, among other things, five or more years of Ohio service credit, the Board agrees to reimburse the President the cost of long term disability insurance policy for the President, unless the President becomes qualified for disability coverage under the State Teachers Retirement System Disability Plan. Reimbursement shall be made upon presentment of documentation of premium paid but shall not exceed \$7500 for the annual premium.

6. RELOCATION AND MOVING EXPENSES. The Board agrees to reimburse the President for all reasonable moving expenses as defined by University policies, provided the expenses are incurred within the first fourteen (14) months of commencing employment. Any reimbursed moving expenses will be repaid to the University if this contract is terminated for any reason within the first twelve (12) months. Reimbursement for moving expenses shall not exceed \$15,000.

7. DISABILITY AND SICK LEAVE. The President shall be allowed fifteen (15) days of sick leave per year, which may be accumulated, and approved or ratified by the Chairman of the Board each time this leave is exercised. In the event the President becomes disabled due to accident, mental or physical illness or for any reason other than death becomes incapable of performing the requirements of this Contract, the Board, at its option, shall have the right to terminate this Contract.

8. AUTOMOBILE. As a condition of employment, in the performance of duties under provisions of this Contract, the President shall use an automobile which the University shall furnish. Selection of automobile is at the President's discretion, provided it is of United States manufacture, the cost does not exceed \$30,000.00, and will be used by the President through the term of this contract. Said automobile shall be maintained by the University including all expenses of operation and repairs. Said vehicle shall be insured at the cost of the University with such limits of insurance per individual and per accident as the Board may determine from time to time and the President and his spouse shall be named insured thereunder. The President may use the automobile for personal and official purposes. All personal uses of the automobile will be logged by mileage and reported to the University for proper income tax reporting in accordance with IRC Section 61 and Treasury Regulation 1.61.

9. PROFESSIONAL DUES AND MEETINGS. The President may attend educational conferences, conventions, courses, seminars and other similar professional growth activities, and reasonable expenses in connection therewith, including membership in professional organizations, shall be paid by the University, provided the same do not interfere with the President's responsibilities.

The University will pay the President's and spouse's reasonable travel expenses, accommodations, and other necessary and proper expenses when the President is traveling or in attendance at places other than the University when on the University's business.

10. OTHER EMPLOYMENT. The President shall devote substantially all time, attention and energies to the duties of the office of President of Shawnee State University. The expenditure of reasonable amounts of time for charitable activities shall not be deemed a breach of this Contract, provided that such activities do not interfere with the services required to be

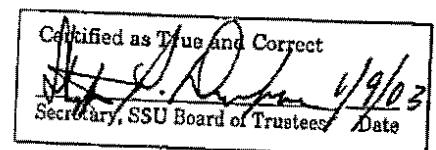
rendered to the University under the provisions of this Contract. The President shall not render services of any professional nature to or for any person or firm as a gift or for compensation other than to the University without approval of the Board. The President may not engage in any activity which may be competitive with and adverse to the best interest of the University. The making of passive and personal investments and the conduct of private business affairs shall not be prohibited hereunder.

11. VACATIONS AND PERSONAL LEAVE. The President shall be entitled to twenty (20) days annual paid vacation, with approval or ratification by the Chairman of the Board for each use of those days, during which time his compensation shall be paid in full. The attendance by said President at business and professional meetings and conferences shall not be construed as vacation time. Unless otherwise agreed, such vacation time shall not accumulate from year to year.

The President shall not observe such holidays or take vacations which interfere with properly discharging the duties under the terms of this Contract.

12. WORKING FACILITIES. The President will be furnished with a private office, secretarial assistants, and such other facilities and services suitable to the position and adequate for the performance of the duties.

13. AGREEMENTS OUTSIDE OF CONTRACT. This contract contains the complete agreement concerning the employment arrangements between the parties and shall, as of the effective date hereof, supersede all other agreements between the parties. The parties stipulate that neither of them has made any representation with respect to the subject matter of this Contract or any representation including the execution and delivery hereof except such



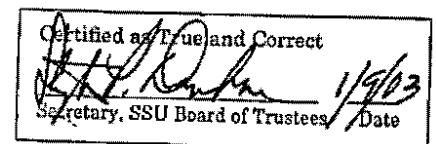
representations as are specifically set forth herein and each of the parties acknowledges that it is relying on its own judgment in entering into this Contract.

14. MODIFICATION TO CONTRACT. No modification or waiver of this Contract or of any covenant, condition or limitation herein shall be valid unless in writing and duly executed by the party to be charged therewith, and the said parties further agree that provisions of this section may not be waived except as herein provided.

15. WAIVER OF BREACH. No waiver of either party of any rights under this Contract will be valid unless set forth in writing signed by that party. The failure of either party to insist upon strict performance of this Contract shall not be construed as a waiver.

16. TERMINATION. This employment contract may be terminated by:

- a) termination at the end of a term, June 30, 2006;
- b) mutual agreement of the parties;
- c) retirement;
- d) resignation, provided, however, the President gives the Board at least six (6) months written notice of the proposed resignation;
- e) at the option of the Board in the event the President becomes disabled due to accident, mental or physical illness, or for any other reason other than death, such that she is incapable of performing the requirements of this Contract as certified by a physician provided that the President shall be entitled to receive all of the sick leave benefits as set forth in this Contract and by the laws of the State of Ohio, plus any additional amount necessary to equal what she would have received if terminated under the provisions of Paragraph hereof;
- f) willful violation of State or Federal laws or Board policies or the terms of this contract in the performance of the President's duties;
- g) conviction of a felony;
- h) loss of legal qualifications;



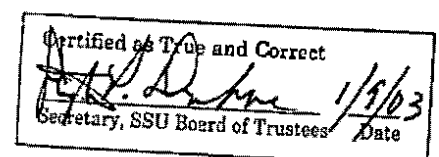
- i) the University buying out said Employment Contract as set forth in Paragraph 16 hereof;
- j) death; and
- k) discharge for just cause (upon majority of the total Board voting to dismiss for cause, the President shall be entitled to appear before the Board to discuss the notice of dismissal and such meeting shall be conducted in executive session). Grounds for a discharge for just cause shall include but not be limited to acts of moral turpitude, neglect of duties, or violation of Board policies and regulations.
- l) The Board may terminate this Contract by written notice at any time after the President has been absent from employment for thirty (30) days in excess of excused absences. All obligations of the Board shall cease upon such termination.

If the Board deems the President disabled, the Board reserves the right to require the President to submit to a medical examination, either physical or mental. Such examination shall be performed by a physician licensed to practice medicine in all its branches, selected by the Board and at Board expense.

This Contract may be terminated by either party on written notice to the other, provided the President will not have the right to terminate during the six (6) month period before the expiration of this Contract.

Notwithstanding anything herein contained to the contrary, including but not limited to the provisions of Paragraphs 1 and 4, the Board shall have the absolute right, without cause and without giving any reason therefore, to terminate this Employment Contract and purchase or buy out the remaining rights or interests of the President herein. In addition, the President shall be entitled to all earned vacation pay in accordance with University policy.


If the Board terminates this Employment Contract under this Paragraph, the Board shall notify the President of its election to terminate the Contract and the effective date of termination



which may be immediately. Notice shall be in writing, and either personally delivered to the President or mailed to the President's last known address. The notice shall be accompanied by payment of the total salary through the end of the contract period less required withholding of income taxes or other withholdings required by law. Upon termination and payment, the President shall have no further rights or claims whatsoever against the Board, individual members thereof, or the University with regard to the President's employment and all obligations of the Board shall cease upon such termination. The President shall be deemed to have been terminated from his position of President and from any and all employment with the University as of the effective date of the termination.

Prior to the termination of this Employment Contract for any of the reasons set forth in sub-paragraphs (f) and (k) of this Paragraph, the President shall be entitled to receive a written notice specifying the reason for the proposed termination and the President shall be entitled to an opportunity to appear with counsel before the Board to discuss the notice of dismissal; such meeting shall be conducted in compliance with existing Open Meeting laws of the State of Ohio. In the event this Employment Contract is terminated under sub-paragraph (f) and (k) of this paragraph by the Board, the obligation of the University to pay salary shall cease, effective on the date of such termination, unless otherwise agreed to by the Board in writing or unless otherwise specifically set forth in this Employment Contract.

If the President so terminates this Contract, then the President agrees to continue to work for the subsequent six (6) month period at the same salary and with the same normal benefits, provided, however, that the Board will not be liable to the President for any vacation time. At the end of such six (6) month period, the President shall be entitled to severance pay equal to six (6)

Certified as True and Correct	
	1/9/09
Secretary, ESU Board of Trustees	Date

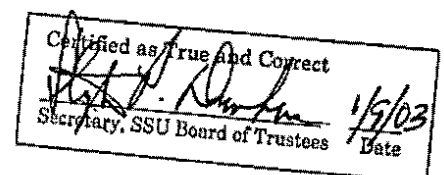
months compensation, payable in a lump sum, but shall not be entitled to any unemployment compensation.

17. DEATH OR INCAPACITY OF PRESIDENT. This employment contract shall terminate prior to the expiration of the term herein described upon the death of the President or if the President becomes totally incapacitated or incapable of carrying out the duties as President. In either event, the Board shall be liable to the President or the President's personal representative, as the case may be, for any accrued but unpaid compensation, together with a proportionate part of any other benefits which would be payable to the President, or his personal representative, as the case may be, by reason of death or incapacity during employment by the Board.

18. AGREEMENT WHERE MADE. This Contract shall be considered as made at the City of Portsmouth, Ohio, and is to be construed as a contract in accordance with the laws of the State of Ohio. This is a Contract for personal and professional services and the benefits of the Contract shall not be pledgable in any way by the President.

19. APPLICABILITY. This Contract and the rights and responsibilities of each party hereto shall inure to the benefit of the parties hereto and respective heirs, executors, administrators, personal representatives, successors and assigns.

20. TAX LIABILITY. The President shall be responsible for any income tax liability incurred as a result of this Contract





IN WITNESS WHEREOF, this Employment Contract has been executed in duplicate this 2<sup>nd</sup> day of December 2002, by Dr. \_\_\_\_\_ and by the Chairperson of the Board of Trustees of the University and attested to by its secretary. This Contract is subject to approval by the Board of Trustees before being considered binding upon the University.

WITNESSETH:

SHAWNEE STATE UNIVERSITY

Dean [Signature]

① Burton Payne  
Burton Payne, M.D.  
Chairperson, Board of Trustees

Billie Tribett

as to  
E1

[Signature]

② Alice Morris  
Dr.

J. William McKinley

ATTEST:

[Signature]  
Stephen P. Donohue  
Secretary, Board of Trustees

Certified as True and Correct  
[Signature] 1/5/03  
Secretary, SSU Board of Trustees Date

**RESOLUTION E11-02**

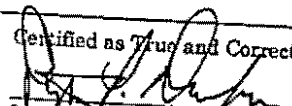
**2003 SCHEDULE OF MEETINGS FOR THE BOARD AND ITS COMMITTEES**

WHEREAS, the Shawnee State University meets as a public body under Ohio law, with meetings publicized and open to those who wish to attend; and

WHEREAS, a 2003 meeting schedule has been drafted and reviewed with the Board members so that the 2003 meeting schedule can be released well in advance, and that schedule of meetings is now being recommended for approval;


THEREFORE BE IT RESOLVED that the Board of Trustees of Shawnee State University adopts the attached 2003 schedule of meetings for the Board and its committees.

(December 13, 2002)

Certified as True and Correct  
  
Secretary, SSU Board of Trustees 1/9/03  
Date

**2003 CALENDAR  
SHAWNEE STATE UNIVERSITY BOARD OF TRUSTEES  
AND ITS COMMITTEES**

<b>Board of Trustees</b>	<b>Quality of University Life</b>	<b>Finance &amp; Facilities</b>	<b>Academic Affairs</b>	<b>Executive Committee</b>
				January 13, 2003 (Monday) 4:00 p.m. President's Conference Room
February 14, 2003 (Friday) Selby Board Room 1:15 p.m.	9:45 a.m. Howard Room	9:15 a.m. Ketter Room	10:00 a.m. Founders' Room	
				March 10, 2003 (Monday) 4:00 p.m. President's Conference Room
April 17, 2003 (Thursday) Selby Board Room 1:15 p.m.	9:45 a.m. Howard Room	9:15 a.m. Ketter Room	10:00 a.m. Founders' Room	
				May 12, 2003 (Monday) 4:00 p.m. President's Conference Room
June 13, 2003 (Friday) Selby Board Room 1:15 p.m.	9:45 a.m. Howard Room	9:15 a.m. Ketter Room	10:00 a.m. Founders' Room	
June 14, 2003 (Saturday) COMMENCEMENT 10:00 a.m.				
				July 14, 2003 (Monday) 4:00 p.m. President's Conference Room
August 8, 2003 (Friday) Selby Board Room 1:15 p.m.	9:45 a.m. Howard Room	9:15 a.m. Ketter Room	10:00 a.m. Founders' Room	
				September 8, 2003 (Monday) 4:00 p.m. President's Conference Room
October 10, 2003 (Friday) Selby Board Room 1:15 p.m.	9:45 a.m. Howard Room	9:15 a.m. Ketter Room	10:00 a.m. Founders' Room	
				November 10, 2003 (Monday) 4:00 p.m. President's Conference Room
December 12, 2003 (Friday) Selby Board Room 1:15 p.m.	9:45 a.m. Howard Room	9:15 a.m. Ketter Room	10:00 a.m. Founders' Room	

Certified as True and Correct	
	1/9/03
Secretary, SSU Board of Trustees	Date