MEMORANDUM OF UNDERSTANDING

Article 22-Paid Benefits

This memorandum of understanding is entered into by and between the Foothill-De Anza Community College District ("District"), the Foothill-De Anza Faculty Association ("FA") and the California School Employees Association ("Unit A").

The parties to this memorandum of understanding hereby agree to establish an "available for discussion line" within the budget allocation process and to fund this line initially from the following sources:

1. The savings realized from administrative fees and stop loss fees due to the PPO change from Cost Care to PHCS estimated to be $60,000 for 1993-94, and

2. The actual savings, calculated and credited at the end of each quarter, generated by the $10.00 co-payment in the District Medical Plan estimated to be $150,000 for 1993-94.

Upon agreement, additional savings generated from unrestricted budget sources such as savings from utilities, liability and property insurance, contracted services, etc. may be placed on the "available for discussion line."

This agreement is entered into to identify savings for future discussion and shall not be allocated or otherwise distributed without the participation of the signatories to this agreement.

Dated: June 10, 1993