

Letter of Agreement

Between Kaleva Norman Dickson Educational Support Professionals Association and the Kaleva Norman Dickson Board of Education

Grants Under State School Aid Act Section 27k

In consideration of the mutual covenants below, this Letter of Agreement (LOA) is by and between the Kaleva Norman Dickson Educational Support Professionals Association (Association) and the Kaleva Norman Dickson (District) Board of Education (Board) and concerns State funding available under State School Aid Act Section 27k, MCL 388.1627k (Section 27k).

Background:

1. Section 27k allows the District to apply for funding to assist Association bargaining unit members who are eligible participants with student loan repayments.
2. The Michigan Department of Education (MDE) is expected to begin accepting Section 27k applications for 2023-24 funding on February 29, 2024.
3. For any unexpended 2023-24 Section 27k funds, MDE is expected to open a 2024-25 application cycle.
4. Schools are required to use Section 27k funds to implement a student loan repayment program in accordance with MDE guidelines.
5. Pursuant to such a program, the District must verify certain employee information and must obtain certain employee certifications.
6. The parties desire to establish a Section 27k program to obtain Section 27k funding for eligible participants while minimizing the District's potential legal liability in implementing the program (Program), and the provisions below reflect that Program.

The Parties Agree:

1. The District will apply for Section 27k funding during the 2023-24 application cycle and, if applicable, during the 2024-25 application cycle.
2. A bargaining unit member (Member) will only be included in a District Section 27k funding application if (A) the District determines that the Member is an eligible participant as defined in MCL 388.1627k(8)(b) (Eligible Participant), (B) the Member provides the District Superintendent or designee with any information and documents requested by the District to fully complete the application process and to comply with MDE guidelines, as determined by the District, and (C) the Member signs and dates and provides the District Superintendent or designee the Employee Certification Form in Attachment A before the start of the applicable application cycle.
3. The District will distribute Section 27k funding received from MDE to each applicable Member in equal monthly payments until Section 27k funding received by the District is exhausted or until the Member's federal student loan is paid off, whichever occurs first – up to \$200 per month

or, if the District is assigned to band 6 in the opportunity index in MCL 388.1631a, up to \$400 per month.

4. The District shall have the right to discontinue Section 27k funding to a Member if it determines that the Member (A) is not an Eligible Participant, (B) fails to timely provide any information and documents requested by the District to confirm Eligible Participant status, or (C) fails to timely complete required certifications in the Employee Certification Form.
5. The parties approve the Internal Revenue Code Section 127 plan in Attachment B to avoid taxability of Section 27k funding.
6. Any District action related to the District's implementation of the Program shall not be subject to the collective bargaining agreement (CBA) grievance procedure, and the Association shall not file any claim (including any grievance, unfair labor practice charge, or court complaint) related to such District action. If the Association files such a claim, the Association shall reimburse the District all costs incurred by the District in defending against such a claim, including the District's attorney fees. This paragraph shall survive any LOA expiration or termination.
7. The Program and this LOA shall expire on July 1, 2025 or when the District distributes all Section 27k funds received by the District for the 2023-24 application cycle, whichever is later. Notwithstanding the preceding sentence, if there is a Section 27k 2024-25 application cycle, then this LOA shall expire on July 1, 2026 or when the District distributes all Section 27k funds received by the District for the 2024-25 application cycle, whichever is later.
8. This LOA is not intended to set a precedent and shall not be used as any evidence of a policy or practice.
9. This LOA is an amendment to the CBA. If at any time MDE determines and notifies the District that a Member was not eligible to receive Section 27k funding, the District may recoup an amount equal to such funding from the Member's paychecks to the extent permitted by law.
10. Once signed by each party, this LOA will be effective immediately.
11. This LOA may only be amended in writing by an authorized representative of each party.

For the Board

Arthur W. Falty
Signature

Arthur W. Falty
Printed Name

Board President
Position

04/08/2024
Date

For the Association

Helli Morrison
Signature

Helli Morrison
Printed Name

Union President
Position

04-08-24
Date

Attachment A

Employee Certification Form

Employee Certification Form

Grants Under State School Aid Act Section 27k

Kaleva Norman Dickson Schools (District) plans to submit an application to the Michigan Department of Education for State School Aid Act Section 27k funding for the 2023-24 application cycle. I am requesting to be included in that application. I hereby certify that:

1. I owe federal student loans.
2. I am enrolled in a federal public service loan forgiveness program and, pursuant to federal law, I am under a payment plan that makes eligible payments toward federal public service loan forgiveness.
3. I am enrolled in an income-driven repayment plan, unless my loan is not eligible for income-driven repayment.
4. I work at least 32 hours per week at the District in a role that works directly with pre-K to 12 students.
5. I shall immediately notify the District Superintendent or designee of any increases or decreases in my monthly payment toward any of my federal student loans.

I hereby acknowledge and agree that:

1. The District will distribute Section 27k funding only if MDE approves the District's application for me to receive such funding, the District receives such funding, and the District determines that I remain eligible to receive such funding.
2. The District may cease Section 27k funding if I fail to timely provide any information and documents requested by the District to confirm that I remain eligible to receive Section 27k funding or if I fail to timely complete the certifications discussed below.
3. By June 30 of each school fiscal year during which the District implements its Section 27k program (starting with June 30, 2024), I shall sign and date the annual certification below for that fiscal year.
4. If I discontinue my participation in the Section 27k program (e.g., by leaving District employment or becoming ineligible for Section 27k funds), I will sign and date the discontinuation certification below within 10 days of discontinuing my participation in that program.
5. If at any time MDE determines and notifies the District that I was not eligible to receive Section 27k funding, District may recoup an amount equal to such funding from my District paychecks to the extent permitted by law. If the District is unable to lawfully recoup the full owed amount from my paychecks and the District implements legal action to recover that amount, I shall upon the District's demand reimburse the District any legal fees (including attorney fees) and any other costs incurred by the District to recoup that amount.

6. I shall hold harmless the District and the Kaleva Norman Dickson Educational Support Professional Association from any and all claims in any way related to the District's Section 27k program.

Employee Signature

Date

Employee Printed Name

District Position

Annual Certification

I hereby certify that for the applicable school fiscal year identified below, I used all received Section 27k funds only to make payments toward my federal student loans.

Fiscal Year	Employee Signature	Employee Signature Date
2024		
2025		
2026		

Discontinuation Certification

I hereby certify that I used all received Section 27k funds only to make payments toward my federal student loans.

Employee Signature

Date

Employee Printed Name

District Position

Attachment B

IRC Section 127 Plan

Educational Assistance Program

Kaleva Norman Dickson Schools

This Educational Assistance Plan (the "Plan") is established by Kaleva Norman Dickson Schools (the "District") to provide eligible employees with educational assistance benefits under Section 127 of the Internal Revenue Code ("Section 127") to enhance employee proficiency and opportunity for advancement, or in the case of educational assistance provided through grant-funded loan repayment programs, to recognize past academic accomplishments.

1. **District-Funded Educational Assistance.** District-funded educational assistance, which consists of payment from District resources of expenses incurred by or on behalf of an employee for any form of instruction or training that improves or develops the employee's capabilities, is available to employees who have previously been hired by the district for at least 24 months and who continue to be employed by the District after course completion. Employees who are retired or on lay-off status are not eligible.
 - a. **Qualified Educational Expenses.** Eligible employees will be reimbursed by the District for qualified educational expenses, including costs for registration, tuition, fees, and books related to the employee's current position or promotability in the District, excluding costs for tools, supplies, meals, lodging, or transportation. Courses involving sports, games, or hobbies are not eligible unless they have a business purpose or are required as part of a degree program.
 - b. **Prior Approval.** To be considered for reimbursement, a course must be approved in writing by the superintendent or designee at least thirty (30) days prior to enrollment in the course, and the employee must sign an authorization agreeing to comply with Section 4, Service Obligation.
 - c. **Maximum Reimbursement.** The District will reimburse tuition costs to eligible employees for completing credit hours annually from July 1 through June 30 subject to the terms of this Plan and any current applicable collective bargaining agreement, up to a maximum of \$1000.
 - d. **Minimum Scores.** To receive reimbursement, employees must complete: (1) non-college courses with a passing score; (2) undergraduate courses with a grade of 2.0 or higher; or (3) graduate-level courses with a grade of 3.0 or higher.
 - e. **Reimbursement.** To be considered for reimbursement, employees must submit to the superintendent a description of the class prior to or at the time of enrollment. Reimbursement is at the sole discretion of the district. To receive reimbursement, eligible employees must submit evidence of course completion and grade attainment by submitting a transcript as applicable with a detailed invoice and proof of payment by the employee to the superintendent or designee within ninety (90) days of course completion. Eligible employees are not eligible for reimbursement by the District of tuition paid by any grant, scholarship, or other educational assistance program and shall not request reimbursement for the same.

2. **Grant-Funded Educational Assistance.** Grant-funded educational assistance consists of grant funds received by the District from a third party for: (1) payment for any form of eligible instruction or training that improves or develops the employee's capabilities; or (2) repayment of eligible student loans. To the extent such grant funding is available, the District will distribute this funding in accordance with grant requirements to employees who meet the grant program's guidelines and eligibility requirements, and who complete any District-required certifications and documentation of eligibility.
3. **Plan Revision or Termination.** The District reserves the right to change the terms or terminate the Plan without prior notice. In this event, the District will reimburse employees according to the terms of this Plan for all courses in process prior to termination, but reimbursement will not be provided for any course that began after termination and notification of the same.
4. **Taxation.** Section 127 provides an exemption from gross income of up to \$5,250 of educational assistance per calendar year, including employer-paid student loan payments through December 31, 2025. Once the receipt of benefits of \$5,250 is exceeded in a calendar year, or if an educational assistance benefit is no longer exempt from gross income under the Internal Revenue Code, the employee is responsible for any resulting tax consequences.