


# Memorandum



**Date:** January 7, 2022

**To:** Honorable Chairman Jose "Pepe" Diaz  
And Members, Board of County Commissioners

**From:** Daniella Levine Cava   
Mayor

**Subject:** Report on Developing a Plan to Implement a Student Loan Assistance Program -  
Directive No. 210675

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This report is being presented in response to Resolution No. R-458-21 sponsored by Commissioner Kionne L. McGhee and adopted by the Board of County Commissioners (Board) on May 4, 2021, directing the County Mayor or Mayor's designee to (1) develop a plan to implement a student loan repayment assistance program under Internal Revenue Code Section 127 (26 USC §127) for County employees with at least 10 years of continuous, full-time County employment; (2) identify legally available funding sources from within the fiscal year 2020-2021 County Budget for this program should implementation occur within this fiscal year; (3) include the funds necessary for the implementation of the student loan repayment assistance program in the Mayor's Proposed Budget for fiscal years 2021-2022 through 2025-2026; (4) provide a report within a specified time on the cost of the program, and a recommendation for how the program will be funded and implemented.

## Program Cost and Funding Sources

Based on the survey that was conducted (Attachment 1), it is estimated that this program would cost \$4-5 million per fiscal year. There is no source of funding currently available in the budget for this program, therefore, the option of utilizing Coronavirus Relief Funds (CRF) was explored. An opinion was sought from Hagerty Consulting, Miami-Dade County's (MDC) comprehensive emergency management consultant, to determine whether CRF funding would be permissible under the federal guidelines. Hagerty Consulting has opined that they do not view the repayment of student loans as an eligible CRF expense as it will likely be viewed as a "bonus", which is specifically identified as an ineligible expense. Although the Coronavirus Aid, Relief and Economic Security (CARES) Act created the ability for employers to provide student loan repayment assistance, and the additional income isn't taxable, no grant program was connected to this to cover the costs for government employers.

Although specific funding is not available, there are other feasible alternatives through which employees may seek relief for current and future educational expenses, such as federal loan forgiveness programs and MDC's tuition refund program which can offset the expense of assuming future loans.

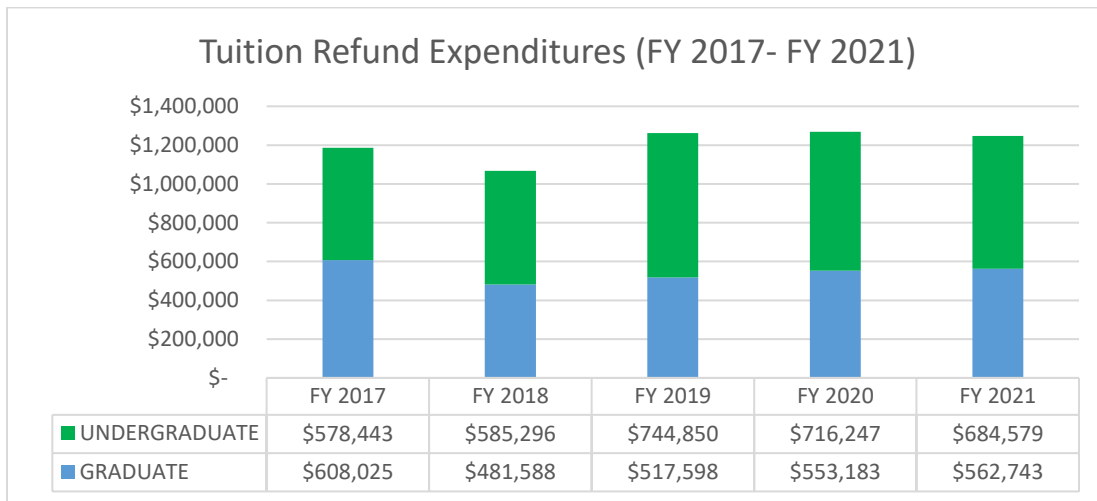
## Public Service Loan Forgiveness (PSLF)

The Federal Government recently expanded the Public Service Loan Forgiveness Program (PSLF), for which full-time employees who have direct loans under the William D. Ford Federal Direct Loan Program may be eligible. The PSLF Program forgives the remaining balance on employees' Direct Loans after 120 qualifying monthly payments under a qualifying repayment plan have been made while working full-time for a qualifying employer. Information on this program is available at: <https://studentaid.gov/manage-loans/forgiveness-cancellation/public-service>.

General information on other federal student loan forgiveness programs is available at: <https://studentaid.gov/manage-loans/forgiveness-cancellation>.

### Tuition Refund Program

Since August 27, 1963, Miami-Dade County has offered a robust tuition refund program, governed by Administrative Order 7-4 (Attachment 2). The current policy allows full-time employees who have completed at least 13 pay periods of continuous County service and have demonstrated satisfactory performance on their latest performance evaluation, to be eligible for reimbursement of 50% of tuition costs for approved coursework from accredited institutions. For the last five fiscal years, reimbursements have averaged \$1.2 million per year for a total of 1,461 employees during this period. The Human Resources Department is currently working with the Communications and Customer Experience Department (CCED) to enhance marketing and promotion of this benefit.



### Program Administration

If the Board’s decision is to proceed with this program, full-time non-bargaining employees who have completed at least ten years of continuous full-time County employment would be eligible. This benefit would be subject to impact bargaining for employees covered under collective bargaining agreements, and therefore would not be applicable to such employees until an agreement was reached with the respective unions via their respective collective bargaining agreements or memoranda of understanding.

HR would be responsible for administering this program should it be implemented. To ensure there is no occurrence of double-dipping, employees who have availed themselves of the tuition refund benefit for the same program for which they have assumed a student loan and are applying for student loan repayment assistance, would not be eligible for the program. Employees would be required to complete an application and attestation, provide copies of their student loan contract, their last two student loan statements, and any other relevant documentation deemed necessary to determine eligibility.

The maximum allowable benefit per employee would be \$5,250 per year (\$437.50 per month), which would be non-taxable. Payments to employees who are approved for the program would be made to the employee via payroll money adjustments. The monthly amount would be calculated and dependent on the individual student loan amount and repayment terms but would not exceed \$437.50 per month. Payments would cease when the employee is no longer in pay status, when the student loan debt is paid off or on December 31, 2025, whichever occurs first. Program administration would be manual and require a resource, Shared Services Specialist (0426) to manage the program. The estimated cost would be an additional \$77,130 annually, inclusive of salary and fringes.

The earliest that this program could be fully implemented is 60 days from Board approval, to allow for the development and launch of an effective communications plan, business process development including but not limited to forms, information verification, and tools for tracking and effecting payments.

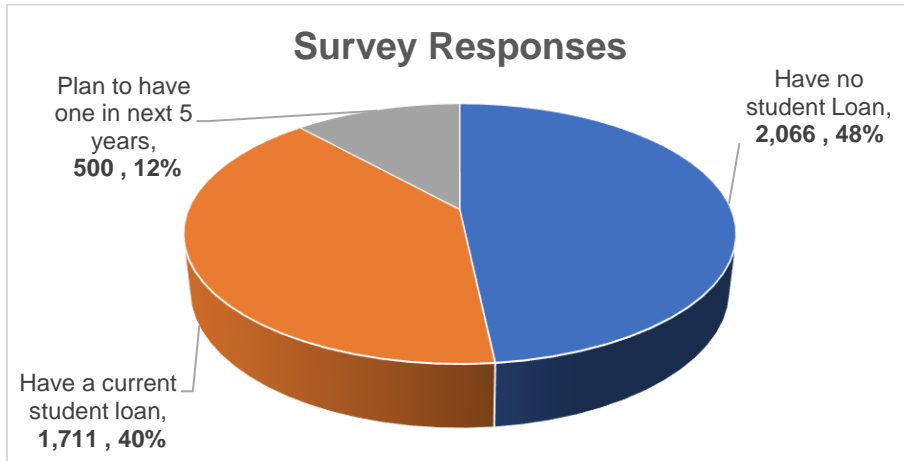
Pursuant to Ordinance No. 14-65, this report will be placed on the next available Board agenda. Should you have any questions or require additional information, please contact Arleene Cuellar, Director, Human Resources, at (305) 375-1589.

#### Attachments

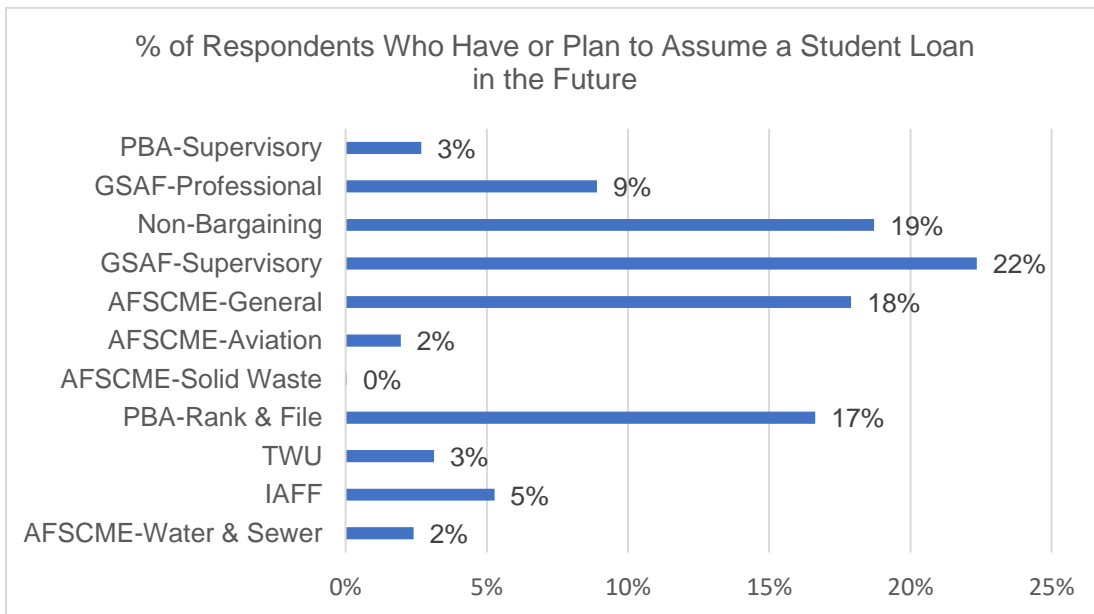
- c: Geri Bonzon-Keenan, County Attorney
- Gerald K. Sanchez, First Assistant County Attorney
- Jess M. McCarty, Executive Assistant County Attorney
- Office of the Mayor Senior Staff
- Arleene Cuellar, Director, Human Resources Department
- Jennifer Moon, Chief, Office of Policy and Budgetary Affairs
- Yinka Majekodunmi, Commission Auditor
- Melissa Adames, Director, Clerk of the Board
- Eugene Love, Agenda Coordinator

**Student Loan Assistance Survey Results**

The Human Resources Department (HR) collaborated with the Communications and Customer Experience Department (CCED) to conduct a survey of all full-time employees with five or more years of continuous County service. Since the program is expected to last through December 31, 2025, employees who currently have at least 5 years of service may qualify from now through its anticipated conclusion, December 31, 2025. The survey was emailed to 18,790 employees; a total of 4,277 (22.7%) employees responded. The following chart shows the breakdown of responses; 1,711 (40%) of the respondents currently had a student loan, 2,066 (48%) currently had no student loans and 500 (12%) planned to assume a loan in the next five years.



The survey results indicated that the average payment per respondent was \$3,800 per year and approximately 1,200 – 1,300 employees per year are projected to potentially be in the program. The following chart shows the breakdown of employees by bargaining unit who responded that they currently have or were planning to assume a student loan in the future.



### **Estimated Program Cost**

Based on the survey responses, conservatively, it is estimated that the program will cost at least \$4-\$5 million per fiscal year. Additionally, administration of this program will be manual and will require a supplementary resource, Shared Services Specialist (0426) to manage the program which will cost \$77,130 annually, inclusive of salary and fringes.

## Administrative Order



**Administrative Order No.:** 7-4

**Title:** Tuition Refund Program

**Ordered:** 11/6/2003

**Effective:** 11/16/2003

### **AUTHORITY:**

Section 4.02 of the Miami-Dade County Charter and Section 2.28 of the Miami-Dade County Code.

### **SUPERSEDES:**

This Administrative Order supersedes Administrative Order No. 7-4, dated July 25, 1995.

### **POLICY:**

It is established County policy, approved by the Board of County Commissioners on August 27, 1963, to promote a program encouraging County employees to improve their effectiveness by obtaining additional training. This program provides that employees enrolled in accredited educational institutions may be reimbursed for 50% of tuition costs, for approved coursework which will enable them to improve their performance in their current positions and prepare them for increased responsibilities.

Tuition is the fee for instruction and lab fees only, and does not include textbooks, exams, audit fees, or any other expenses.

### **QUALIFICATIONS:**

All employees who take "approved" coursework and achieve a grade that is "C" or higher and is acceptable by the school as a passing grade, will be entitled to a refund of 50% of tuition costs upon completion of the course.

Employees receiving financial assistance including scholarships, fellowships, grants, and/or Veteran's benefits, will be eligible for a refund of 50% of tuition costs after the financial assistance has been applied to the tuition costs.

## **ELIGIBILITY OF EMPLOYEE:**

All full-time career employees are eligible for participation in the Tuition Refund Program if the following requirements are met:

- (a) Completion of 13 pay periods of full time employment with the County.
- (b) An overall evaluation of “satisfactory” or higher on the latest employee performance evaluation preceding the beginning of classes.

Exception: An employee whose latest overall evaluation is less than “satisfactory” may be eligible for Tuition Refund for coursework that relates to specific areas of weak performance.

- (c) Exempt employees must have received a satisfactory rating from their supervisors on the latest performance review.

## **ELIGIBILITY OF COURSEWORK:**

Guidelines for establishing eligible coursework are as follows:

- (a) Degree and certification programs at accredited institutions which relate directly to career opportunities within Miami-Dade County are eligible for approval.
- (b) For those employees who have been approved for a degree program, all general education courses specifically required by the school will be approved.
- (c) All other coursework will be considered on a course by course determination.
- (d) Employees who have applications on file on the effective date of this Administrative Order, and who otherwise meet eligibility requirements, shall have their applications considered herewith.
- (e) All courses must be taken outside of working hours unless the employee’s Department Director approves the use of annual leave, compensatory time, or holiday leave. If Administrative Leave is granted to take a course during working hours, no Tuition Refund will be granted.
- (f) On-line Internet courses and programs provided by accredited Florida-based educational institutions are eligible for tuition reimbursement. For on-line Internet courses and programs at accredited educational institutions not based in Florida, the Tuition Refund Appeal Board will review requests for reimbursement on a

case-by-case basis. The Employee Relations Department must receive such requests at least 30 days prior to the start of the course or program.

**TUITION REFUND COORDINATOR:**

The Employee Relations Department Tuition Refund Coordinator shall maintain program oversight responsibilities to include the following:

- (a) Resolve any problems or discrepancies with the interpretation of Administrative Order 7-4.
- (b) Review all supporting documents submitted by the departments to ensure proper accountability for refund disbursement.
- (c) Calculate the 50% refund.
- (d) Approve and submit all refund requests for final disbursement.
- (e) Resolve problems and issues affecting the program.
- (f) Process appeals as required.

**DEPARTMENT DIRECTOR:**

The Department Directors shall be responsible for verifying that all approved coursework is in compliance with Administrative Order 7-4, as well as all other aspects of the program. Department Directors shall approve or disapprove all reimbursements for degrees, programs, and coursework for employees within their departments in accordance with Tuition Reimbursement Program policies and procedures.

**OBLIGATION:**

All employees receiving reimbursement under this program will be obligated to remain in the employ of the County for a minimum of one (1) year following completion of the coursework. Employees terminating from the County service prior to the expiration of this period will reimburse the County for refunds received during the final year of employment through deductions from their final payroll check. If the final paycheck is insufficient, the employee will still be responsible for the reimbursement. No reimbursement will be required of those employees who have been laid off and have been previously approved for coursework. If the employee is deceased, no reimbursement will be required from the family of the employee.



## **APPLICATION PROCEDURE:**

Unless otherwise indicated in this Administrative Order, employees desiring to participate in the Tuition Refund Program shall submit to their Department Director an application for coursework/degree approval no later than thirty days following the start of classes.

## **COURSEWORK DEGREE REVIEW AND APPROVAL:**

The Department Director shall approve or disapprove the employee's request after verifying the employee's eligibility for participation in the program.

### **(a) For Approval**

After the Department Director approves the request, a copy of the original application is returned to the employee advising them of the approval.

### **(b) For Disapproval**

If the Department Director disapproves the application, he or she shall advise the employee of the reason for the rejection no later than 30 days from the date of the receipt of the application.

## **REIMBURSEMENT:**

All approved applicants will submit a request for reimbursement, along with tuition receipts, official grade notifications, and all supporting documentation, to their Department Director no later than thirty days from the receipt of the grades. The Departments shall submit to the Tuition Refund Coordinator all applications, whether approved or disapproved, with the supporting documents for final review and reimbursement approval.

## **PENALTIES:**

Should an employee submit documentation which the employee knows is false or intentionally misleading in order to receive benefits for which the employee is not entitled, the employee will be deemed ineligible to continue to participate in the tuition reimbursement program and must repay Miami-Dade County for any tuition reimbursements received while in the County's employ. The employee may be subject to further disciplinary action, including, but not limited to, dismissal from the County service.

**APPEALS:**

Any applicant may appeal the action taken by the Tuition Refund Coordinator or the Department Director by submitting a written statement to the Coordinator within 30 days from the day of the action describing how and why the course in question is in compliance with the guidelines and intent of the program. The Tuition Refund Appeal Board will convene on a monthly basis as necessary to review all appeals. This committee shall consist of three permanent members: a representative from the Employee Relations Department Career Development Division; Personnel Services Division; and Administrative Services Division. The Coordinator shall be responsible for notifying the applicant of the Appeal Board's decision.

This Administrative Order is hereby submitted to the Board of County Commissioners of Miami-Dade County, Florida.

George M. Burgess  
County Manager