

## Letter of Agreement

### Between Grand Ledge Education Association and the Grand Ledge Public Schools 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 Grand Ledge Education Association and the Grand Ledge Public Schools (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 determined 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 388.1631z, 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. If the grantor makes a change to the grant qualifications or grant funds are reduced or eliminated, the District is held harmless and is not liable for any resulting impact on the employee.
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 is 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

  
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Signature

*William Barnes*  
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Printed Name

*Superintendent*  
\_\_\_\_\_

Position

*4/11/24*  
\_\_\_\_\_

Date

For the Association

  
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Signature

*Melissa Mazzola*  
\_\_\_\_\_

Printed Name

*GLEA president*  
\_\_\_\_\_

Position

*4/11/24*  
\_\_\_\_\_

Date