

David Douglas School District No. 40

**RESOLUTION ADOPTING THE DAVID DOUGLAS SCHOOL DISTRICT  
EDUCATIONAL ASSISTANCE PLAN**

RESOLVED that the David Douglas School District Educational Assistance Plan (the “Plan”), effective January 1, 2022, in the attached form supplied by legal counsel, be and the same hereby is approved and adopted.

RESOLVED FURTHER that Superintendent Ken Richardson be and he hereby is authorized and directed to execute the Plan on behalf of the District.

Submitted for Board Adoption: January 13, 2022

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Chairperson, Board of Directors

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Clerk, Superintendent

PK:rc  
21/22:06

**DAVID DOUGLAS SCHOOL DISTRICT  
EDUCATIONAL ASSISTANCE PLAN**

**Effective January 1, 2022**

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**DAVID DOUGLAS SCHOOL DISTRICT  
EDUCATIONAL ASSISTANCE PLAN**

**P A R T I E S**

This Plan is adopted by David Douglas School District No. 40, an Oregon public school district (hereinafter referred to as the “District”), effective January 1, 2022.

**R E C I T A L S**

The District receives grants from various entities to financially assist eligible employees of the District to become teachers in the District. The District desires to establish the David Douglas School District Educational Assistance Plan, hereinafter referred to as the “Plan,” to furnish this educational assistance to eligible employees of the District.

The District intends that this Plan qualify as an educational assistance program within the meaning of Section 127(b) of the Internal Revenue Code of 1986, as amended (“Code”), and that amounts paid for educational assistance under the Plan be eligible for exclusion from the gross income of participating employees under Code Section 127(a) to the extent the amounts do not exceed the annual maximum limit under Code Section 127(a)(2).

Accordingly, this Plan shall be interpreted and construed in accordance with Code Section 127 and any regulations or other interpretations thereunder.

**A D O P T I O N**

The David Douglas School District Educational Assistance Plan is hereby adopted, effective January 1, 2022, as set forth herein.

## ARTICLE I

### DEFINITIONS

**1.01 “Accredited Institution”** – Any accredited school, college, or university, the primary function of which is the presentation of formal instruction and which normally maintains a regular faculty and curriculum and normally has a regularly enrolled body of students in attendance at the place where its educational activities are regularly carried on. Such school, college, or university must have a teaching program.

The terms of a grant that the District receives may require that the District partner with a specific Accredited Institution or the District may otherwise be partnering with a specific Accredited Institution for a particular program. If a Participant is applying to receive Plan benefits in connection with that grant or program, the Accredited Institution must be the one with which the District is partnering.

**1.02 “Administrator”** – The person or persons appointed by the District to administer the Plan. In the absence of such an appointment, the District shall be the Administrator. The Administrator has the discretionary authority to make eligibility and benefit determinations, to make factual determinations, and to interpret the terms of the Plan.

**1.03 “Code”** – The Internal Revenue Code of 1986, as amended, and any successor Codes thereto, as amended.

**1.04 “District”** – The David Douglas School District No. 40.

**1.05 “Educational Course”** – Any course taken by a Participant at an Accredited Institution that is required for a teaching degree program and that is approved by the Administrator pursuant to 3.02 and 3.03. “Educational Course” shall include general study courses (e.g., writing and math) and electives if the Participant is working towards a teaching degree.

Notwithstanding the foregoing, “Educational Course” shall not include any course that instructs a Participant in any sport, game, or hobby unless such course has a reasonable relationship to the District’s business or is required for an approved teaching degree program. Instruction on how to maintain and improve health is not considered a sport, game, or hobby so long as it does not involve the use of athletic facilities or equipment and is not recreational in nature.

**1.06 “Educational Expenses”** – Tuition, fees, and the cost of textbooks paid or incurred by a Participant in taking an Educational Course.

“Educational Expenses” shall not include the cost of any equipment or supplies purchased by the Participant, or the cost of any meals, lodging, or transportation incurred by a Participant incidental to taking an Educational Course.

**1.07 “Effective Date”** – January 1, 2022.

**1.08 “Eligible Employee”** – Any active, common-law employee of the District who does not have a teaching degree, except the following:

(a) A person who performs services for the District pursuant to an agreement between the District and an organization that leases employees, including, but not limited to, a person who is not an employee but who is treated as an employee of the District, for purposes of Code Section 127, by reason of being a leased employee as defined in Code Section 414(n)(2);

(b) A person who performs services for the District but who is treated for payroll tax purposes as other than an employee of the District (and regardless whether such person may subsequently be determined by a governmental agency, by the conclusion or settlement of threatened or pending litigation, or otherwise to be or have been an employee of the District);

(c) A temporary employee (whether hired by the District or from a contractor).

**1.09 “Participant”** – Any Eligible Employee who satisfies the applicable requirements in 2.01.

**1.10 “Plan”** – This David Douglas School District Educational Assistance Plan, as currently in effect and as amended from time to time.

**1.11 “Plan Year”** – The 12-month period beginning each January 1 and ending each December 31.

**ARTICLE II**  
**PARTICIPATION**

**2.01 Commencement of Participation.** An Eligible Employee becomes a Participant on the later of the Effective Date or the date that he or she becomes an Eligible Employee

**2.02 Termination of Participation.** A Participant ceases participation on the earlier of the date on which the Participant ceases to be an Eligible Employee or the date as of which this Plan is terminated.



## ARTICLE III

### PLAN BENEFITS

**3.01 General.** Plan benefits consist of direct payment or reimbursement of a Participant's Educational Expenses. In addition, the District provides a computer for use by a Participant while he or she is taking Educational Courses, which must be returned to the District when the Participant has completed the Educational Courses.

Educational Expenses incurred before participation begins or after participation ends will not be paid or reimbursed.

**3.02 Preauthorization.** To be eligible for Plan benefits, a Participant must submit a written request for preauthorization to the Administrator before the beginning of the course for which Plan benefits are requested. The request for preauthorization shall be made on the form provided by the Administrator and shall include the following information:

- (a) The educational institution the Participant plans to attend;
- (b) A description of the course the Participant wishes to take, including the subject matter of the course and the dates on which it meets;
- (c) The tuition or other cost of the course; and
- (d) Whether the Participant is receiving or expects to receive any other public or private financial assistance for the course.

**3.03 Approval or Denial of Request.** The Administrator shall review all requests for Plan benefits for each term, quarter, or semester and shall in its sole discretion (which shall be exercised in a uniform and nondiscriminatory manner) approve or deny each request. To the extent that there are insufficient funds to approve all qualified requests, they shall be approved or denied as described in 4.04. Notice of the Administrator's decision should normally be given before the beginning of the course for which preauthorization is requested.

**3.04 Direct Payment to Accredited Institution.** The Administrator may, in its discretion, make direct payments to an Accredited Institution for approved Educational Expenses of a Participant. After the Educational Course is completed, the Participant shall furnish evidence of the grade received in the Educational Course to the Administrator.

**3.05 Request for Reimbursement.** This 3.05 applies to the extent that the Administrator has not made a direct payment to an Accredited Institution under 3.04. After completing an Educational Course, a Participant shall submit a request for reimbursement to the Administrator on the form provided by the Administrator. The request must be accompanied by receipts for all Educational Expenses for which reimbursement is requested and the additional evidence required under 4.01. The request for reimbursement must be submitted within 45 days after the Educational Course is completed.

**3.06 Taxation of Benefits.** Plan benefits provided during a calendar year are not included in a Participant's gross income to the extent they do not exceed the statutory limit under Code Section 127(a)(2) (i.e., \$5,250). Plan benefits provided during a calendar year in excess of the statutory limit are included in a Participant's gross income unless excluded under another section of the Code. For the purpose of determining the statutory limit, a Plan benefit is included in the calendar year of payment, reimbursement, or provision, without regard to the year in which the Educational Expense is incurred or the Educational Course is completed.

## ARTICLE IV

### CONDITIONS AND LIMITATIONS

**4.01 Grades.** Educational Expenses for any Educational Course will not be reimbursed unless the Participant furnishes an official or certified transcript or other evidence satisfactory to the Administrator that he or she received at least a passing grade for the Educational Course as defined by the Accredited Institution.

**4.02 Assistance from Other Sources.** Any Participant receiving financial assistance or a fellowship or scholarship from any public or private source shall be entitled to Plan benefits only to the extent that his or her Educational Expenses exceed the amount of the financial assistance, fellowship, or scholarship.

**4.03 Employment Requirement.** In order to receive and retain Plan benefits, a Participant must remain employed by the District for two years after receiving his or her teaching degree.

**4.04 Maximum Benefits.** Plan benefits for a Plan Year are limited to the amount of funding the District receives from grants. The Administrator shall determine the amount of funding available to pay Plan benefits separately for each grant and for the Participants eligible to participate in that program. If the Administrator receives requests for Plan benefits in excess of available funding for a specific grant and program, the Administrator shall approve all such requests on a pro rata basis.

**4.05 Nondiscrimination Requirements.** Notwithstanding any other provision herein, this Plan shall not discriminate in favor of employees who are highly compensated employees, as defined in Code Section 414(q), or their dependents. The Administrator may discontinue Plan benefits to one or more highly compensated employees (or their dependents) if it determines that such a discontinuance is necessary to ensure that the Plan is nondiscriminatory. If such a discontinuance becomes necessary, the Administrator shall first discontinue benefits to the highly compensated employee or dependent who most recently became a Participant, and then to the highly compensated employee or dependent with the next most recent participation date, and so on.

**4.06 Repayment of Plan Benefits.** A Participant will be required to repay Plan benefits to the District in the following circumstances:

(a) The Plan makes a direct payment to an Accredited Institution for an Educational Course and the Participant does not receive a passing grade for that Educational Course as defined by the Accredited Institution (in which case the Participant shall repay the payment made for that Educational Course).

(b) The Plan makes a direct payment to an Accredited Institution for an Educational Course and the Participant does not complete the Educational Course (in which case the Participant shall repay the payment made for the Educational Course). The Administrator, on a uniform and nondiscriminatory basis, may make exceptions for Educational Courses that are not completed due to major family events or similar circumstances.

(c) The Participant does not remain employed by the District for at least two years after receiving his or her teaching degree (in which case all Plan benefits must be repaid). This subsection shall not apply if the Administrator determines that the Participant was involuntarily terminated (without cause).

(d) The Participant received an overpayment from the Plan or was otherwise not entitled to receive Plan benefits.

## ARTICLE V

### GENERAL PROVISIONS

**5.01 Amendment and Termination.** The District reserves the right to terminate the Plan at any time. The District may modify, alter, or amend this Plan in whole or in part at any time. No Participant shall have any vested right to any future benefits under this Plan.

**5.02 Exclusive Benefit.** This Plan shall be maintained for the exclusive benefit of Eligible Employees of the District.

**5.03 Unsecured Right to Payment.** No Participant shall by virtue of this Plan have any interest in any specific asset or assets of the District. A Participant has only an unsecured contract right to receive benefits in accordance with the provisions of the Plan.

**5.04 No Obligation to Fund.** All benefits paid under this Plan shall be payable solely out of the general assets of the District. The District shall have no obligation to establish a trust or fund for the payment of benefits or to insure any of the benefits.

**5.05 Provision Against Anticipation.** No Participant shall have the right or power to alienate, anticipate, commute, pledge, encumber, or assign any benefit under the terms of this Plan, and no such benefit shall be subject to seizure by any creditor of the Participant under any writ or proceedings at law or in equity.

**5.06 Right to Discharge Employees.** Neither the establishment of this Plan, nor any modification thereof, nor the payment of any benefit, shall be construed as giving any Participant or any other person any legal or equitable right against the District unless that right is specifically provided for in this Plan, nor as giving any employee or Participant the right to be retained in the employ of the District. All employees shall remain subject to discharge by the District to the same extent as if this Plan had never been adopted.

**5.07 Governing Law.** This Plan shall be construed in accordance with applicable federal law and the laws of the state of Oregon.

**5.08 Reimbursement in Lieu of Compensation Prohibited.** In no event shall a Participant be entitled to receive any reimbursement under this Plan in lieu of any other compensation he or she might otherwise be entitled to from the District.

The District has caused this Plan to be executed by its duly authorized representative as of the date set forth below.

**DAVID DOUGLAS SCHOOL DISTRICT NO. 40**

By \_\_\_\_\_

Date \_\_\_\_\_