

Administrative Order No. 60

Date: November 6, 2013

To: All City Departments

From: Kevin Crawford, Interim City Manager 

Subject: Tuition Reimbursement Program

BACKGROUND:

The Employee Tuition Reimbursement Program was formalized on August 18, 1970, upon the adoption of City Council Policy No.3. As stated in that policy, the City Council's intent is to "encourage the continuing education and training of all employees in the municipal service."

ADMINISTRATIVE IMPLEMENTATION OF CITY COUNCIL POLICY STATEMENT NO.3:

Administrative Order No. 60 is being revised by the City Manager pursuant to Carlsbad Municipal Code Section 2.12.035, which requires the City Manager to be the administrative head of the City under the direction and control of the City Council and to be responsible for the efficient administration of the affairs of the City which are under his or her control. In order to administer Council Policy Statement No.3 in a fair, equitable and uniform manner the following procedures and guidelines shall be operative:

Eligibility Requirements:

1. The employee education program shall be available to all full-time and three-quarter time employees who have successfully completed one year of continuous employment with the City of Carlsbad.
2. Prior to registering in an institutional program or class, an employee must meet with his or her supervisor to agree on an educational plan for the employee which will be pertinent to his or her position in the organization. The supervisor may take employee job performance into consideration when approving tuition reimbursement program requests.
3. The employee must submit a Request for Education and Tuition Reimbursement form to the Human Resources Department by February 1 of each year for budget submittal. Requests may be submitted after this date; however, the submitting employee's department may be responsible for providing funding for any request not included in the budget request.
4. Courses must be taken for credit; audited courses will not be reimbursed. Additionally, the employee must satisfactorily complete the course and receive a grade of "C" or better or a "pass" in a pass/fail grading.

Eligible Courses:

1. Eligible courses must have a reasonable potential to offer substantial benefit to the City.
2. Eligible courses must be directly related to the employee's occupational field with the City, or directly related to and part of a planned course of study being actively pursued for promotion and career development with the City. Course eligibility will be reviewed by a two or three person committee consisting of the Human Resources Director and Leadership Team members.
3. Eligible courses must be presented by an institution accredited by the Western Association of Schools and Colleges (www.wascweb.org) or a comparable accrediting organization.

PROCEDURES AND GUIDELINES:

Employee education programs are divided into two categories:

1. Programs leading to a certificate, AA/S, BA/S, or graduate degrees from a college or university.
2. Other approved continuing education programs not leading to a degree or certificate program.

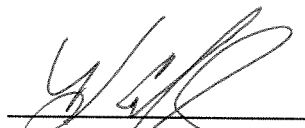
General Guidelines:

- The request form must include the name of the institution; how the training or education activity is related to the employee's occupation or developmental goals; the total dollars requested for next fiscal year; estimated total cost of the degree program; and the Department Head's signature;
- To ensure continued inclusion in the program for successive years of study, employees enrolled in approved education programs must resubmit proposed cost figures to the Human Resources Department by February 1 of each year for the next fiscal year. Requests submitted by the February 1 deadline will be submitted to the City Manager for final approval.
- Contingent on budget limits, the employee will be reimbursed for the first \$2,500 plus 80 percent of any additional claims per fiscal year, not to exceed \$10,000 per fiscal year and, not to exceed \$40,000 per degree earned or continuing education program. These caps will be reviewed annually by the City Manager.
- Reimbursements will be paid to the employee through the payroll system and included in the employee's paycheck. Reimbursements will be taxed according to prevailing IRS and State of California tax laws. In addition, taxable reimbursements will be paid to the employee on a flat tax rate. Certain education expenses paid by the employee may be deductible from taxable income. The employee should consult a qualified tax advisor for more information on the IRS rules related to educational expenses.

- Based on the above IRS regulations, reimbursements will not be paid directly to the educational institution.
- Items eligible for reimbursement include: tuition, fees, and similar payments, books, supplies, and equipment. Items not eligible for reimbursement include payment for, or the provision of, tools or supplies which may be retained by the employee after completion of a course of instruction, meals, lodging, transportation, or other items excluded per IRS regulations.
 - The employee must sign an acknowledgment agreeing to the terms and conditions of reimbursement. Terms of the agreement include:
 - The employee must receive a "C" average or better or a "pass" in pass/fail grading, or
 - If no grade is given, a certificate of satisfactory completion of the course.
 - The employee must agree to remain employed by the City as a full time or three-quarter time employee for two years following reimbursement for the course, or
 - Reimburse the City for the cost of the course prior to separation through payment to the City's Finance Department.
 - If the employee is unable to reimburse the City upon separation from employment, the employee will be billed through the Finance Department's Accounts Receivable division.
 - Employees who are laid off from city service within two years of receiving reimbursement under the program will not be required to reimburse the city for the course(s) subject to reimbursement.
- The City will approve tuition reimbursement program requests up to 150% of the tuition reimbursement budget for each fiscal year. Reimbursement is predicated on the availability of funds in the Human Resources tuition reimbursement budget, or if funded by a department other than Human Resources, on the availability of funds in that department's budget; the first priority being reimbursement for approved degree or certification programs. Decisions on reimbursement for courses not completed for reasons not inconsistent with the above and the allowance of flex time to attend classes shall be at the discretion of the department head and determined on a case-by-case basis.

ACTION:

This Administrative Order supersedes Administrative Order No. 60 dated June, 13, 2012 and is effective immediately.



 Interim City Manager