

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

850



FROM: Human Resources Department

SUBMITTAL DATE:
March 19, 2007

SUBJECT: Educational Support Program Status Update

RECOMMENDED MOTION: That the Board receive and file the attached Educational Support Program status report and approved Educational Reimbursement Plan Document.

BACKGROUND: On April 25, 2006, (Agenda No. 3.19) the Board approved a fundamental change in the way the County supports the educational development of County employees. In order to better meet our workforce demands, now and in the future, for "Difficult to Recruit or Retain" positions. A formal "corporate" Educational Support Program was approved and provided with an initial \$300,000 for funding for fiscal year 2005-2006 and an additional \$1 million for fiscal year 2006-2007. A progress report and IRS required plan document is attached for your review.

Departmental Concurrence

Ronald W. Komers
Asst. County Executive Officer/Human Resources Dir.

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 1,000,000	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$	Budget Adjustment:	No
	Annual Net County Cost:	\$	For Fiscal Year:	2006-2007

SOURCE OF FUNDS: HR Unreserved Fund Balance (Fund 46120)	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION:

APPROVE

County Executive Office Signature

- Policy
- Policy
- Consent
- Consent

Dept't Recomm.:
Per Exec. Ofc.:

Prev. Agn. Ref.: _____ **District:** _____ **Agenda Number:** _____

3.26

BACKGROUND

In April 2006, the Board signaled for a fundamental change in the way the County supports the educational development of County employees. With this action (3.19), the Educational Support Program was approved and provided with an initial \$1 million to begin educating the County's workforce by "growing our own" and developing the credentials needed for current and future workforce demands, with a focus on historically difficult to recruit or retain professional and technical positions.

In a recent article, *The Business Value of Tuition Assistance*, Jay J. Jamrog, Senior Vice President of Research at the Institute for Corporate Productivity, said, "The data indicates that the more training and education you give employees, the more they stay with the company because it keeps giving them more security. So, the more internal and external training a company can offer its talent, the more it will be able to recruit, retain, and engage its workforce, especially younger employees."

The need for qualified, educated professionals in Riverside County is vital due to the exiting baby boomer generation and the low number of high school-college bound graduates and college educated individuals in Riverside County. According to the 2000 U.S. Census Bureau, only 16.6% of the Riverside County population possesses a Bachelor's degree or higher; 10% below the state average. Riverside County's low number of college educated individuals has greatly contributed to the current and continuous skills gap in our workforce which is a primary reason professional level positions are so difficult-to-recruit and retain in this area. The Educational Support Program (ESP) is committed to advancing educational opportunities within the County.

PARTICIPATION/RESPONSE

Departments clearly agree that this program is the most innovative approach taken by the County to address the diminishing knowledge base and skills gap of today's emerging workforce. Departments understand the need to "grow our own" and have stated that this program should have been in existence long ago. Most departments have identified their crucial Difficult-to-Recruit or Retain professional and technical positions and support their interested employees in participating in the program. Some departments are still concerned with program funding and the charge back procedures.

Program Entry

To date very little advertising has been done, but approximately 300 applications have been submitted. An average of 25 applications is received weekly. Employees are embracing this educational opportunity, and the interest in Difficult-to-Recruit or Retain technical and professional positions is high. In reviewing those applications that have specified their career goal, the following details their primary interest:

# OF EMPLOYEES	DTR	DEGREE
17	Registered Nurse	Associates in Nursing
20	Accountant	Bachelors in Accounting
19	Engineer	Bachelors in Engineering
5	Registered Dietician/Nutritionist	Bachelors in Nutrition/Food Science/Dietetics
2	Registered Veterinarian Technician	Associates in Veterinarian Technology
21	Social Services Worker	Bachelors/Masters in Social Work
13	Probation Officer	Bachelors in Criminal Justice or any Behavioral Science
6	Information Technology	Bachelors in Information Technology/Computer Science
37	Advancement/Management	Bachelors in Public/Business Administration
9	Nurse Manager/Advancement	Bachelors in Nursing
14	Advancement/Management	Masters in Public/Business Administration
99	Career Goal Unknown at this time	
35	Positions Identified that are currently interested in Non-DTR positions	

20/20 Program:

There is an existing Licensed Vocational Nurse to Registered Nurse 20/20 Program at RCRMC and a Masters in Social Work 20/20 Program at DPSS that have continued to be successful. Currently there are 32 participants in the Nursing program and 10 in the Social Work program. There is also 1 employee participating in an "individual" 2-year Registered Nurse 20/20 Program and other applications for individual 20/20 Programs are pending. The ESP staff has been coordinating with existing programs to ensure proper utilization of earnings codes and taxability of benefits, and "legal" County service requirements.

Many of the Difficult-to-Recruit or Retain positions require "laboratory" or clinical fieldwork that is only available during the day. The value of a 20/20 Program is to allow those participating in specific degree programs the time to complete the required clinical or field work time, in addition to classroom and study time, in order to earn the degree. Without a 20/20 Program, full-time employees would not be able to complete these high demand degree programs. There is a need and a number of additional 20/20 programs have been identified by departments including a Bachelor of Arts in Social Work and an Associate of Science in Veterinarian Technology.

Textbook and Tuition Reimbursement:

There are currently 11 employees benefiting from the ESP Textbook and Tuition Reimbursement Program, with 28 Career Development Plans completed awaiting signature from Department Heads. Of these 39, 28 are pursuing degrees designated as DTR's and 11 are pursuing degrees for advancement or management roles.

There are 2 employees "job shadowing" a DTR position. Job shadowing provides the employee with first hand experience of the career and one-on-one time with a professional in the field to answer any questions prior to finalizing their career decision.

Educational Loan Repayment:

The Educational Loan Repayment Program provides employees working in a Difficult-to-Recruit or Retain position assistance with paying back student loans incurred while pursuing the required education. This is a tax-free benefit with a maximum payment of \$5,250 annually, or \$437.50 monthly.

The Educational Loan Repayment Program has shown to be an effective recruitment and retention tool. There are currently 44 employees receiving this valuable benefit. Public Defender, Board of Supervisors, and Probation are currently utilizing this program component.

SCHOOL COLLABORATION EFFORTS/STATUS

To ensure success in meeting the program's goals, it is important to support the needs of today's working adult by offering alternative, fast-track, and convenient methods for completing an education. Discussions with universities and colleges are currently underway to develop a number of "fast-track" methods. Many educational institutions are willing to offer the same programs, but the most cost-effective method for the County will be utilized. Current discussions include:

University of California, Riverside

- UCR Extension has agreed to offer a Fundamental Payroll Certification training program beginning in May that will be available on-site for Auditor-Controller and other payroll professionals in the County.
- Willing to offer an on-site Engineering program, or any other programs they offer, as long as we have critical mass.

California State University, San Bernardino (including Palm Desert campus)

- CSUSB offered an on-site Bachelors in Social Work information session at our Moreno Valley DPSS Staff Development office in March for County employees interested in the Social Work profession. We are currently discussing an on-site program that would televise a live class from the CSU San Bernardino campus at a County location and would provide the students the ability to participate in

discussions as if they were in the actual class. Another option being discussed is having faculty from CSU San Bernardino teach courses at a County facility once enough participants have been identified and completed their program prerequisites.

- CSUSB is also willing to offer an on-site Masters in Public Administration program. We are currently negotiating the cost as they are requesting an additional service fee for the convenience of offering the program at a County location.
- Met with Dean of Nursing over both the San Bernardino and Palm Desert campus to discuss options. Additional meetings are necessary to discuss faculty shortage issues.

California State University, Fullerton

- ESP staff has been meeting with the CSU Fullerton Nursing Department in regard to developing an on-site Registered Nursing to Bachelors in Nursing program. The County on-site program would be a combination of techniques to include a televised live class from the Fullerton campus, one-on-one instruction, and on-line coursework. The purpose of advanced education for Nurses is to provide the necessary management skills needed to perform at the Registered Nurse IV and V and Nurse Management levels.

California State University, San Marcos

- Offering similar RN to BSN program that CSU Fullerton is willing to provide, though we would need to provide 24-36 participants.

California Polytechnic University, Pomona

- ESP is currently scheduled to meet with the Engineering Department regarding a Civil Engineering degree in April.

Loma Linda University

- DPSS continues to partner with Loma Linda's Masters in Social Work program for the 20/20 Program. LLU has stated their willingness to expand on the collaboration if we have critical mass.
- LLU is open to collaborations for a Bachelors or Masters Degree in Nursing program, but the issue with faculty shortages would need to be addressed.

Riverside Community College

- RCC Nursing program is willing to collaborate with us on any needed program if qualified staff and adequate clinical space for participants.

Mt. San Jacinto College

- A meeting is currently being scheduled with the college to discuss opportunities with the Nursing program and options for impacted classes.

La Sierra University

- Representative stated that the institution would be willing to offer an on-site Bachelors degree in Social Work program, if needed. They would require 15-20 students to develop an on-site program.

California Baptist University

- Cal Baptist representatives have been very cooperative and are open to developing innovative approaches to meeting the County's educational needs. We are currently discussing a number of options including a program that would allow employees with a Bachelors degree in any field to pursue a degree in Nursing.

La Verne University

- La Verne University is interested in continuing to offer a Masters in Leadership and Management program at a County location. This degree program prepares individuals for Leadership/Management roles that are projected as DTR positions for the very near future.

University of Phoenix

- University of Phoenix is willing to work with us on any programs they offer. Currently, a Registered Nurse to Bachelors degree in Nursing will be offered at RCRMC beginning in late March.

Chapman University

- Located in Moreno Valley, Chapman University offers graduate degrees in Human Resources and Organizational Leadership. Due to their location and continuous enrollment, partnerships are not needed at this time.

ESP Staff are currently in the process of meeting with additional educational institutions and military training facilities that have specific certification/licensure programs relevant to the County's DTR positions.

American Forces Network Broadcast Center (AFNBC) at March Air Reserve Base

- Located at March, AFNBC offers several training programs for a number of Telecommunications Engineer certificates. It is one of the programs the military uses to train their Department of Defense employees and military personnel for Radio Communications Engineer positions, which is a County Difficult-to-Recruit or Retain position.

San Diego Humane Society

- The Animal Control Officer Academy is a necessity in the DTR position of Animal Control Officer. There are very few sites which offer the training. The San Diego Humane Society is offering the 80 hour instruction program September 10-21, 2007. We are researching partnering with local municipalities to offer the program at a local humane society. This would eliminate the lodging and travel expenses.

PROGRAM ADMINISTRATION AND STAFFING

The ESP has established the administrative foundation to efficiently operate this program on a broad scale. Prior to August 2006, program needs were assessed and criteria for staffing were developed. The ESP Career Counselor was hired in August 2006 to assess employees' potential in identified career goals to ensure a good investment for the County and prudent spending of the program's funds. In addition, the Career Counselor provides professional career and educational information, resources, and strategies, career assessment interpretation, career plan development, and plan monitoring to assist with successful career development and proper taxation of funds.

Financial aid resources and a number of cost-effective alternatives to attending private educational institutions for lower division general education courses are offered to employees during career counseling sessions. Many community colleges offer "fast-track" eight-week, evening, and on-line courses which make it convenient for working adults to complete required courses in a timely manner at the community college rate of \$20 per unit rather than an average \$454 per unit at a private institution. Employees are also informed of federal and state financial aid resources.

A tax-free benefit requires a separate written plan for the exclusive benefit of employees. Eligible employees must also be provided with reasonable notification of the availability and terms of the plan (which now can be accessed at www.workforceexchange.net). An approved plan document is attached.

We want to make sure supported employees complete their programs. A thorough assessment was identified as being a required component of the program to ensure aptitude and interests in a career are aligned for those individuals receiving funds through the program. The Brainbench Career Interest Inventory was selected as the assessment tool because it identifies an individual's interest, ability, and aptitude in relation to careers and assesses the "best fit" careers.

Reporting controls are in place to ensure accuracy and conformance with tax laws. The proper codes were programmed, routed to the appropriate expenditure accounts, tested, and ready for use in March 2007. The development was a collaboration of the ESP, Benefits, Payroll and OASIS staff.

PROGRAM COMMUNICATION

Participation in this program is just as important as having one to offer. Program communication began by developing program reference material, such as the policies and procedures, the program application, service agreements/contracts, brochures, job-fair materials, and a webpage on Workforce Exchange.

In November 2006, the Career Counselor presented program information to Department Heads, which kicked off the department meetings. From November 2006 to March 2007, the ESP staff met with Department Heads and Management from all departments to

inform them of the revisions to Board Policy C-7 and the new program's purpose, policies, and procedures. The ESP staff has been making every effort to educate the departments on the need for such a program and how it will benefit each department, as well as the County on a whole.

At the meetings, specific Difficult-to-Recruit or Retain (DTR) positions requiring education and specific degrees, certifications, and licenses needed within the department for the identified positions were also discussed and requested. During this time, concerns and recommended improvements to the program were heard and addressed. Some departments have shown a resistance to the new program due to the centralization of the program and their inability to "choose" who is able to pursue an education.

We believe our corporate program design to be sound. According to a recent study released by the Institute for Corporate Productivity, published in March 2007's Talent Management magazine, "Companies that used "external" tuition-assistance administration programs had more employee participation than companies that administered their programs in-house". Without the participation, neither the employee nor the employer gets the results that are desired.

A payroll stuffer will go out in an April paycheck. We expect in influx of applications after this County-wide advertisement.

PROGRAM EXPENSES

The expected total cost for Textbook and Tuition Reimbursement for 300 applicants, should they qualify, is \$5,221,200.00.

DEGREE WITH AVERAGE # OF YEARS TO COMPLETE	# OF CURRENT APPLICANTS	ESTIMATED TOTAL PROGRAM COST PER PERSON	ESTIMATED TOTAL COST PER DEGREE
Associate of Science (Nursing, Veterinarian Technology, X-Ray Technician), Certificate/License Programs – 2 Yrs	43	\$3000.00	\$129,000.00
Bachelors – 4 Yrs	120	\$19,400.00	\$2,328,000.00
Masters – 2 Yrs	39	\$20,000.00	\$780,000.00
Professional – 3 Yrs (J.D., M.D., Ph.D.)	5	\$36,000.00	\$180,000.00
Unknown – using Bachelors for estimate – 4 Yrs.	93	\$19,400.00	\$1,804,200.00
TOTAL	300		\$5,221,200.00

Not all expenses will be paid in the first year because courses will be completed over time.

Educational Loan Repayment Program currently has 44 employees receiving benefits. The estimated annual cost is \$231,000.00, with an additional 55 expected from the Public Defender at an estimated annual cost of \$288,750.00.

FUTURE GOALS

One of the major challenges for ESP to overcome is educational institutions capacity for students in the prerequisite courses needed to apply to many health science programs. Specific courses, such as Anatomy, Physiology, Microbiology, and Chemistry, are among the required classes that are severely impacted, as well as many general education courses required for transfer to a four-year university. This capacity issue causes a major delay in the completion of many degree programs including the County's much needed health science degrees, such as Nursing and Dietitian/Nutritionist.

To resolve the issue of impacted classes, the Educational Support Program staff has been working with universities and other municipalities about a number of methods for resolving this issue. One option is to "purchase" courses for County employees. Through this method the ESP would utilize funds to purchase a class which would allow County employees priority into classes that otherwise would have an average of one year wait time. This may include paying the salary of a part-time instructor which could possibly be a qualified County employee. If the County did not have enough employees to fill the class, we could then open the class to the public. By offering impacted courses on-site to the public, we could also use this as a great method for recruitment of future Nurses for the County.

We are currently researching the requirements for purchasing courses. The cost can range from \$25,000 to \$30,000 per class, per term. We would also be required to have a well-equipped laboratory facility for courses, such as Anatomy, Physiology, Chemistry, and Microbiology. This is a new option that was presented to the ESP staff, so research is currently being conducted to determine the total cost including the development of an educational lab.

Another issue that the County is facing, as well as the Nation, is the lack of qualified nursing instructors and clinical space. A possible option would be to hire qualified Nursing instructors to teach classes. This would involve educating our own Nurses to have the credentials needed to teach the required Nursing and impacted courses.

To assist with lack of clinical space, the purchase of necessary equipment to have a "smart classroom" or training facility which would include training simulators, video equipment for off-site classes, and additional equipment and materials to assist with the clinical training portion of the education. Further research on this possible option is currently in effect.

ESP has many promising strategies to pursue in the future to exceed the goals and expectations of the program. The affirmative response to the ESP has been overwhelming from both the departments and employees of Riverside County in realizing the potential this program has in meeting everyone's needs. ESP is showing great success in their contribution to continuing to make Riverside County a premium employer.

**COUNTY OF RIVERSIDE
EDUCATION REIMBURSEMENT PLAN**

(November 2006)

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RECITALS

WHEREAS, the County of Riverside has experienced substantial growth over the last several years; and

WHEREAS, in order for the County to be able to serve the needs of its citizens and keep pace with this growth, it has been necessary for the County to add additional personnel, especially in professional and technical areas; and

WHEREAS, the County's ability to attract and retain qualified workers is declining in light of both issues unique to Riverside County and problems facing the nation as a whole, including the slowing of growth of the workforce, pending retirements by the "baby boom" generation and the failure of society to educate young people;

WHEREAS, the County believes that in order to be able to serve the needs of its growing population and to attract and retain needed professional and technical workers, it is necessary to develop its own workforce through providing an incentive for its eligible employees to obtain higher education; and

WHEREAS, the County Board of Supervisors adopted revised Policy C-7, Support for Employee Training and Education, on August 29, 2006, which grants the authority to the County Executive Officer or his designee to adopt a plan to accomplish the foregoing goals;

NOW, THEREFORE, pursuant to the authority granted in Board of Supervisors' Policy C-7, Support for Employee Training and Education, the County Executive Officer hereby adopts this Education Reimbursement Plan, effective as of August 29, 2006.

ARTICLE I

PURPOSE AND SCOPE

Section 1.1 Purpose. The purpose of the County of Riverside Education Reimbursement Plan is to provide eligible County employees with assistance in the payment of eligible expenses related to post-secondary school courses of study involving subject matters considered by the County to be critical to its provision of services to its residents, whether or not such courses of study lead to the earning of a post-secondary school degree or other certification. This Plan will assist eligible employees with the financial burdens associated with the expenses incurred by them in the pursuit of their studies.

Section 1.2 Scope. The benefits provided under this Plan consist of reimbursements of Eligible Expenses and Eligible Loans and advances for the payment of Eligible Expenses, which may be given at the discretion of the Plan Administrator.

ARTICLE II

TITLE AND DEFINITIONS

Section 2.1 Title. This Plan shall be known as The County of Riverside Education Reimbursement Plan.

Section 2.2 Definitions. The following words, when used in this Plan, have the meanings set forth below:

- (a) "Accredited Educational Institution" means a junior college, college, university or other post-secondary educational institution acceptable to the County.
- (b) "Advances" means amounts advanced by the County for the payment of Eligible Expenses prior to the commencement of the educational course of study. Advances will be made, if at all, subject to the terms and conditions of Section 4.2 below.
- (c) "Code" means the Internal Revenue Code of 1986, as amended.
- (d) "County" means the County of Riverside.
- (e) "Education" means post-secondary school courses of study taken or to be taken by an Eligible Employee at an Accredited Educational Institution involving subject matters considered by the County to be critical to its provision of services to its residents, whether or not such courses of study lead to the earning of a post-secondary school degree or other certification.
- (f) "Eligible Employee" means an employee of the County who meets the criteria set forth in Section 3.1 below.
- (g) "Eligible Expenses" means expenses for Education, including but not limited to, tuition, fees, and payments for books, supplies, and equipment but excluding Excluded Expenses, reasonably and necessarily incurred by an Employee and for which an Employee incurred loans to pay these amounts.
- (h) "Eligible Loan" means a loan that is issued by any United States governmental entity or agency (Federal, state or local), academic institution, or commercial lender to an Eligible Employee to enable such employee to pay Eligible Expenses.
- (i) "Employee" means an employee of the County of Riverside.
- (j) "Excluded Expenses" means expenses for Education other than Eligible Expenses, including but not limited to the cost of tools or supplies that an Employee retained after completing a course of instruction (other than textbooks) or for

meals, lodging, transportation or other living or incidental expenses incurred by an Employee, regardless of whether a loan was incurred to pay such expenses.

(k) "Expense Statement" means a statement of Eligible Expenses from an Accredited Educational Institution. The County will accept an Expense Statement received from such institution through the U.S. mail or via other means that enables the County to verify the source of the statement.

(l) "Loan Statement" means a statement of a loan account provided to the County by the lender or servicing agent for an Eligible Loan. Such statement shall detail the current loan balance, interest charges, and other information, such as an account number or payment address. The County will accept a Loan Statement received from the servicing agent through the U.S. mail or via other means that enables the County to verify the source of the statement.

(m) "Plan" means The County of Riverside Education Reimbursement Plan.

(n) "Plan Administrator" means the Director of the County Human Resources Department or his or her designee.

(o) "Reimbursement" means the payment by the County to an Eligible Employee to reimburse him or her for the amount needed to repay an Eligible Expense or an Eligible Loan (subject to the limitation set forth in Section 5.1 below) or, in the case of an Eligible Loan, payment to a lender on behalf of an Eligible Employee for such purpose.

ARTICLE III

ELIGIBILITY

Section 3.1 Eligibility. Employees of the County are eligible to receive Reimbursements (or Advances) under this Plan if they meet the following requirements:

(a) They are either (i) regular employees (as defined in section 1 of Ordinance 440 of the County of Riverside, California, as the same may be amended from time to time) who have completed their initial probationary period, or have been hired for a position designated by the Human Resources Director as difficult to recruit and retain; or (ii) temporary or Per Diem employees working as a Certified Nursing Assistant or in any nursing classification in any County Department who work a minimum of 520 hours in any fiscal year;

(b) The employee receives or received at least a grade of "C" or its equivalent for each course for which he or she seeks Reimbursement hereunder;

(c) The employee follows the written procedures adopted by the Human Resources Department for the administration of this program; and

(d) In the case of an employee seeking Loan Reimbursement, the employee has received a degree from an accredited college or university.

Section 3.2 Prorata Benefits. Part-time regular employees who are eligible to participate and Temporary or Per Diem employees regularly scheduled to work less than 36 hours per week who are otherwise eligible to participate will receive a prorata level of benefits hereunder.

ARTICLE IV

REQUIREMENTS FOR BENEFITS

Section 4.1 Application for Reimbursement. An Employee who has met the eligibility requirements set forth in Section 3.1 may apply for Reimbursement hereunder by submitting to the Plan Administrator a completed application, using a form provided by the Plan Administrator. Such application shall include, among other items, official transcripts, including grades, of the course of study pursued by the Employee, evidence of the degree received, if any, an Expense Statement or Loan Statement, as the case may be, and a certification by the Employee that the expenses or loans were incurred solely for Eligible Expenses. The Plan Administrator may require that the applicant for Reimbursement submit letters of reference, appear for an interview and submit other substantiation that the expenses or loans were incurred solely for Eligible Expenses.

Section 4.2 Application for Advances. An Employee who has met the eligibility requirements set forth in Section 3.1 may apply for Advances hereunder by submitting to the Plan Administrator a completed application, using a form provided by the Plan Administrator. Such application shall include, among other items, details of the proposed course of study, including a syllabus or other official description for the course(s) proposed to be taken, evidence of the Employee's financial need, and a certification by the Employee that the expenses are to be incurred solely for Eligible Expenses. The Plan Administrator may require that the applicant for Reimbursement submit letters of reference, appear for an interview and submit other substantiation that the expenses will be incurred solely for Eligible Expenses. It shall be the policy of the County that Advances will be granted solely within the absolute discretion of the Plan Administrator.

Section 4.3 Determination. Within 30 days after an Employee submits a completed application as required by Section 4.1 or 4.2, the Plan Administrator shall make a determination of whether the Employee is an Eligible Employee and whether the amounts for which he or she is seeking Reimbursement or Advances are Eligible Expenses and/or Eligible Loans. Such determination shall be made in a uniform and non-discriminatory manner, provided that all such determinations shall be within the sole and absolute discretion of the Plan Administrator and his determinations shall be final and binding.

ARTICLE V

PAYMENT OF ELIGIBLE EXPENSES OR LOANS

Section 5.1 Annual Maximum Allowable. An Eligible Employee may receive reimbursement for Eligible Expenses or Eligible Loans (or Advances), up to the annual maximum permitted from time to time under section 127 of the Code. All tuition reimbursement paid to an Employee by any department of the County shall reduce any amounts payable under this Plan.

Section 5.2 Alternative Sources of Payment. An Employee eligible for reimbursement from another source (such as scholarships, grants, or certain other types of funding from Employer) may seek Reimbursement (or Advances) under this Plan. In such cases, the Reimbursements (or Advances) provided under this Plan will be considered the secondary pay source, and the Employee will only be eligible for Reimbursement (or Advance) for the difference between the amount received from the other funding source and the actual Eligible Expense or Eligible Loan amount.

Section 5.3 Payments of Reimbursement. Payment for Eligible Loan reimbursement will be made biweekly on the Employee's regular paycheck, up to the annual maximum allowable Reimbursement. Reimbursement for Eligible Expenses will be made as a one-time payment upon the Employee's submission of all required documentation.

Section 5.4 Payments of Advances. Payment of Advances will be made at the time required by the Accredited Educational Institution to enable the Employee to pursue the course of study.

Section 5.5 Termination of Benefits. No Eligible Employee shall have a vested right to Reimbursements or Advances under this Plan; and if an Employee ceases at any time to be an Eligible Employee or if this Plan is terminated by the County, all Reimbursements or Advances under this Plan shall immediately cease.

Section 5.6 Repayment to County. The County may seek to recoup all amounts previously paid using whatever legal means it deems appropriate in either of the following circumstances:

(a) If the Plan Administrator determines that an Employee who has received Reimbursements was not an Eligible Employee, that the expenses for which he or she has received Reimbursements were not Eligible Expenses or that the loans for which he or she received Reimbursements were not Eligible Loans; or

(b) If the County has made Advances on behalf of an Employee and the Employee ceases to be an Eligible Employee or ceases to pursue the course of study for which the Advances were made.

ARTICLE VI

MISCELLANEOUS

Section 6.1 Qualification. This Plan is intended to constitute a qualified educational assistance plan under section 127 of the Code

Section 6.2 Excess Benefits. Tuition Reimbursement (or Advances) payable under this Plan is considered a non-taxable benefit up to a dollar limit specified under in section 127 of the Code for a given calendar year (for example, \$5,250 in calendar year 2006). Since an Employee might receive Reimbursements in a given calendar year for courses in that year and for the prior year, if the combination of Reimbursements exceeds the non-taxable allowance under the Code, the County shall treat any reimbursements above that dollar limit as taxable income to the Employee.

Section 6.3 Amendment or Termination. The County reserves the right to amend or terminate this Plan at any time and to any extent that it may deem advisable or appropriate. No amendment shall be effective unless such amendment is made in compliance with all applicable Federal, state or local laws, statutes or regulations.

Section 6.4 Governing Law. This Plan shall be construed, administered, and governed in all respects under California and Federal tax law.

Section 6.5 Enforceability. If any provision of this Plan shall be held illegal or violate section 127 of the Code for any reason, such determination shall not affect the remaining provisions, and such provisions shall be construed so as to effectuate the purpose of this Plan.

Section 6.6 Administration of the Plan. The operation of the Plan shall be under the supervision of the Plan Administrator. It shall be a principal duty of the Plan Administrator to see that the Plan is carried out in accordance with its terms, and for the exclusive benefit of Employees entitled to participate in the Plan. The Plan Administrator shall have full power to administer the Plan in all of its details, subject, however, to the pertinent provisions of the Code. The Plan Administrator's powers shall include, but shall not be limited to the following authority, in addition to all other powers provided by this Plan:

(a) To make and enforce such rules and regulations as the Plan Administrator deems necessary or proper for the efficient administration of the Plan;

(b) To interpret the Plan, the Plan Administrator's interpretations thereof in good faith to be final and conclusive on all persons claiming benefits by operation of the Plan;

(c) To decide all questions concerning the Plan and the eligibility of any person to participate in the Plan and to receive benefits provided by operation of the Plan;

(d) To avoid discrimination under the Plan by providing benefits to Eligible Employees in accordance with Treas. Reg. §1.127-2(e);

(e) To provide Employees with a reasonable notification of their benefits available under the Plan;

(f) To approve reimbursement requests and to authorize payment; and


(g) To appoint such agents, counsel, accountants, consultants, and actuaries as may be required to assist in administering the Plan.

Any procedure, discretionary act, interpretation or construction taken by the Administrator shall be done in a nondiscriminatory manner based upon uniform principles consistently applied and shall be consistent with the intent that the Plan shall continue to comply with the terms of section 127 of the Code and the Treasury regulations thereunder.

IN WITNESS WHEREOF, the undersigned has caused this document to be executed by its duly authorized officer on this 20th day of November, 2006, effective as of August 29, 2006.

COUNTY OF RIVERSIDE

By: _____


Ronald W. Komers
Assistant CEO/Human Resources Director
County of Riverside, California