

**Council of University of California  
Staff Assemblies**

**Educational Fee Waiver  
Workgroup Report**

**2006**

## Table of Contents

<b>Executive Summary .....</b>	<b>1</b>
<b>I. Summary of the UC Proposal .....</b>	<b>3</b>
<b>II. Benefits of Establishing an Educational Fee Waiver for Faculty and Staff .....</b>	<b>4</b>
<b>III. Overview of Educational and Tuition Fee Waivers at Other Institutions .....</b>	<b>4</b>
<b>IV. Key Elements of Educational Fee Waivers at Other Institutions .....</b>	<b>5</b>
<b>V. Results of Staff Opinion Poll .....</b>	<b>6</b>
<b>VI. Summary of Staff Perspective .....</b>	<b>7</b>
<b>Work Group Members .....</b>	<b>8</b>

## **Educational Fee Waiver Workgroup**

### **Council of University of California Staff Assemblies (CUCSA) Executive Summary**

The Council of University of California Staff Assemblies (CUCSA) fully supports the proposal put forth by the Academic Council in January 2000, and as updated and reiterated in a letter dated June 18, 2002 from former Academic Council Chair Viswanathan, to provide an education fee waiver for UC students who are dependents of vested UC career employees. This proposal has been voted one of CUCSA's top priorities during the past two years.

The Office of the President has been involved in the development of a fee waiver proposal and supports the program. Human Resources and Benefits brought the proposal forward to the President and the Council of Chancellors, where it was endorsed. However, due to the current budget crisis in the state and at UC, the President and Chancellors decided that implementation must be deferred.

CUCSA does recognize the difficulties inherent in implementing such a proposal during challenging fiscal times. Nonetheless, we encourage the Administration to explore options to implement this critically important proposal as soon as funding allows.

#### **I. Summary of the UC Proposal:**

- Would implement a full waiver of the UC annual educational fee for undergraduate and graduate education for qualified dependents of employees fully vested in UCRS (Criteria for 'dependents' would be same as current criteria for health and welfare benefits eligibility, including domestic partners and children up to age 23.)
- Chancellors can make exceptions to the requirement that employees be fully vested in URS (i.e. have five plus years of service) to meet documented recruitment needs.
- Maximum of 12 person years of fees per eligible employee is eligible for waiver.
- Applies only to educational fees, not to registration or professional fees.
- The estimated annual cost of a full fee waiver program based upon October 2000 student enrollment and benefits eligibility data (the most recent obtained by UCOP staff) is approximately \$5.6 million.
- The Faculty Welfare Committee has requested that the program costs be centrally funded so that cost impact would not fall on individual campuses or departments.

#### **II. Benefits of Establishing an Educational Fee Waiver for Faculty and Staff:**

- Effective tool for recruiting and retaining quality faculty and staff.
- Aid in increasing overall morale of all UC employees.
- Help to assure a quality workforce.

- Helps UC to maintain its competitive edge as an employer of choice in difficult financial times.
- Allows UC to reflect the “pride of ownership” that staff and faculty have in their employer.
- Modest cost would be more than offset by gains in recruitment, retention and morale.

### **III. Overview of Educational and Tuition Fee Waivers Offered by Other Institutions:**

- Offered by 4 of the Comparison 8 Institutions (MIT, Stanford, University of Illinois, Yale).
- Also offered by a number of other institutions in California and nationwide, including the Cal State University System and the University of Pennsylvania.

Details of the programs at comparable institutions are included in the full CUCSA report.

### **IV. Results of Staff Opinion Poll:**

During the 2001-2002 year, CUCSA collected anecdotal information about the proposal of a UC-wide educational fee waiver program, in order to accurately reflect the concerns of UC staff members. Recipients, both staff and faculty members, were asked to read the background information and then offer responses to the questions that are outlined below.

“UC is considering an educational fee waiver program to benefit dependents of UC employees (as defined in the UC’s health benefit program), who have been admitted to a University of California campus. This program would waive the UC educational fee for dependents of vested, career employees. If UC were to implement an educational fee waiver program, would this be:

Question 1: Worthwhile to you?

Question 2: Beneficial to UC?

Out of 1475 individual responses, 91% responded positively to question 1 and 98% responded positively to question 2.

**Position Paper in Support of an Educational Fee Waiver**  
**Council of University of California Staff Assemblies (CUCSA)**

The Council of University of California Staff Assemblies (CUCSA) fully supports the proposal put forth by the Academic Council in January 2000, and as updated and reiterated in a letter dated June 18, 2002 from former Academic Council Chair Viswanathan, to provide an education fee waiver for UC students who are dependents of vested UC career employees. This proposal was originally developed by HR&B in consultation with the Faculty Welfare Committee and endorsed by the academic Council. The Council of Chancellors endorsed moving forward with the proposal.

Such a benefit has been a repeated topic of discussion at CUCSA meetings and among location staff assemblies and has been voted one of CUCSA's top priorities during the past two years. CUCSA's support for the Academic Council proposal was outlined in a letter from then CUCSA Chair Kathryn Day-Huh to Lubbe Levin, then AVP, Human Resources, dated April 4, 2000, in which Day-Huh noted that "the fee waiver will assist the University in the recruitment and retention of the very best individuals...We view the overall cost as a worthwhile investment in the University both as a premier educational institution and as a model employer."

The proposal has been approved in concept by the University administration, (August 4, 2000 letter from Lawrence Coleman, Chair of the Universitywide Senate, to UC Faculty and June 18, 2001 letter from President Atkinson to academic Council Chair Cowan), although financial and logistical questions have delayed implementation. In a letter to Academic Council Chair Gayle Binion dated September 13, 2002, President Atkinson acknowledged the broad support for the proposal among faculty and staff, but noted that "we are not hopeful that funding can be found in the next few years with the current state of the University's budget. We are also concerned that carving out (funds) for this program...instead of allocating more money to salaries or health benefits, would not be prudent or well-received by the legislature.... While the Educational Fee Waiver remains a high priority for me, medical benefits are currently our top benefit priority and I do not want to detract from our efforts in that area."

**I. Summary of the UC Proposal**

- Would implement a full waiver of the UC annual educational fee for undergraduate and graduate education for qualified dependents of employees fully vested in UCRS (Criteria for 'dependents' would be same as current criteria for health and welfare benefits eligibility, including domestic partners and children up to age 23.)
- Chancellors can make exceptions to the requirement that employees be fully vested in URS (i.e. have five plus years of service) to meet documented recruitment needs.
- Maximum of 12 person years of fees per eligible employee is eligible for waiver.
- Applies only to educational fees, not to registration or professional fees.

- The estimated annual cost of a full fee waiver program based upon October 2000 student enrollment and benefits eligibility data (the most recent obtained by UCOP staff) is approximately \$5.6 million. The employee's home location (rather than the dependent student's campus) would bear the cost, as this program would be considered an "employee benefit".

As of 2000, approximately \$300,000 of the total \$5.6 million cost would be attributable to dependents of employees funded by federal contracts and grants (see further discussion below). The waiver will be non-taxable for most employees (Exceptions include graduate students unless they are T.A.s or R.A.s; domestic partners and their children, and Cal grant recipients.) (Note: Under IRC 117, par 1174.02 the benefit would be taxable if it were limited only to faculty as a benefit to highly-compensated employees. For that reason as well as in recognition of its value as a staff recruitment and retention tool, the Faculty Welfare Committee has specifically noted that it does not recommend limiting the waiver only to faculty.)

The Faculty Welfare Committee has requested that the program costs be centrally funded so that cost impact would not fall on individual campuses or departments.

## **II. Benefits of Establishing an Educational Fee Waiver for Faculty and Staff:**

- Effective tool for recruiting and retaining quality faculty and staff.
- Aid in increasing overall morale of all UC employees.
- Help to assure a quality workforce.
- Helps UC to maintain its competitive edge as an employer of choice in difficult financial times.
- Allows UC to reflect the "pride of ownership" that staff and faculty have in their employer.
- Modest cost would be more than offset by gains in recruitment, retention and morale.

## **III. Overview of Educational and Tuition Fee Waivers Offered by Other Institutions:**

- Offered by 4 of the Comparison 8 Institutions (MIT, Stanford, University of Illinois, Yale)
- Also offered by a number of other institutions in California and nationwide, including the Cal State University System and the University of Pennsylvania.
- Many of the comparable institutions offer the benefit only to children of eligible employees, not to spouses or domestic partners. However, UCOP staff has informed the CUCSA Fee Waiver work group that limiting the scope of the plan in this fashion would probably not significantly reduce cost (since most dependents that would utilize the plan are children of employees, not spouses or domestic partners).
- Some of the institutions limit the assistance to undergraduate study.

- Because of restrictions on the use of federal funds for tuition benefits for family members of employees, most institutions use a payroll surcharge on all non-federally funded employees, or treat the fee waiver as lost revenue rather than as a benefit.

#### **IV. Key Elements of Fee Waiver Programs Offered by Comparable Institutions:**

##### **Stanford (Tuition Grant Program)**

- Pays all or part of actual tuition to accredited colleges and universities.
- The benefit payable per eligible child, up to the maximum, is based on the FTE of the appointment. Maximum allowable for 2004-05: \$15,600 for full academic year, \$7,800 for each semester, and \$5,200 for each quarter.
- Eligibility: Staff eligible after five years of continuous benefits-eligible service; faculty and senior staff eligible immediately after appointment.
- Benefit for children only.

##### **University of Pennsylvania**

- Eligibility: Fulltime staff and faculty and limited service employees who have completed three years of service.
- Benefit for dependent children, enrolled at the University of Pennsylvania as a degree candidate in good standing.
- Benefit covers 75% of undergraduate and technology fees, 75% of tuition and technology fees for Medical, Dental, Veterinary, Law and Wharton MBA Schools, 100% of tuition and technology fee for all other graduate schools.

##### **California State University System (Fee Waiver Program)**

- Eligibility: Faculty, full-time employees, and part-time career employees. Employees who do not use the waiver for their own work-related coursework at CSU may transfer the benefit to a spouse, domestic partner or dependent child.
- Benefit to employee, spouse, domestic partner and dependent children up to age 23.
- Eligible employees or dependents may enroll in a maximum of two courses or six paid units, whichever is greater, per term at any CSU campus.
- Fee is waived, no transfer of funds from one campus to another (e.g., where staff person and beneficiary are at different campuses).

##### **MIT (Children's Scholarship Plan)**

- All staff and faculty who work at least 50% of normal full-time work schedule and are appointed for at least one year.
- Benefit covers full tuition (not including room and board, required fees or other educational expenses) for four years of undergraduate study at MIT as long as the child is a fulltime student. The benefit is prorated based on FTE. In some cases, the benefit can be used at accredited universities other than MIT.

### **Johns Hopkins (Tuition Grant Plan)**

- Eligibility: Dependent children (to include dependents of same-sex partners) of full-time staff and faculty who have completed a minimum of two consecutive years of full-time employment at JHU and continue in a fulltime position. The 2 year employment requirement may be waived for full-time support staff who come to the University directly from other colleges or universities where they were previously eligible for the same kind of benefit.
- Benefit: The Plan pays 50% of undergraduate tuition and universal academic fees at a degree-granting, accredited institution, up to maximum value of one-half of Hopkins' freshman undergraduate tuition. Participation is limited to no more than four years per dependent child.

### **Yale (Scholarship for Children of Employees)**

- Eligibility: A parent of the student must have been a full-time employee during the entire six years preceding the date of application.
- Benefits: The amount of the scholarship is equal to one-half of the school's tuition and general fees, up to \$12,900 for 2005-06. No student may receive a scholarship for more than eight terms for a bachelor's degree or four terms for an associate's degree.

### **University of San Diego (Tuition Remission)**

- Eligibility: Fulltime employment in a benefits-eligible continuing position. Employees are eligible after a year of service; their dependents, spouses and domestic partners are eligible after the employee has been in service for two years or longer.
- Employees, spouses, registered domestic partners and children may participate.
- The University's goal is that annual costs for the program not exceed approximately 1% of the University's annual operating budget.
- Employees may use the benefit for a maximum of 18 credits per academic year, or 22 credits for law school studies. Spouses, domestic partners and dependent children can receive tuition remission for Intersession and Summer Session only on a space-available basis. Primarily for undergraduate tuition, limited to certain University of San Diego programs.

### **University of Illinois**

- Child of an employee under the age of 25 attending the University of Illinois or other Illinois senior public university can receive a 50% tuition waiver, excluding fees, for up to four years.

## **V. Results of Staff Opinion Poll**

During the 2001-02 year, CUCSA collected anecdotal information about the proposal of a UC-wide educational fee waiver program, in order to accurately reflect the concerns of UC staff members. Recipients, both staff and faculty members, were asked to read the background information and then offer responses to the questions that are outlined below.

“UC is considering an educational fee waiver program to benefit dependents of UC employees (as defined in UC’s health benefit program), who have been admitted to a University of California campus. This program would waive the UC educational fee for dependents of vested, career employees. If UC were to implement an educational fee waiver program, would this be:

Question 1: Worthwhile to you?

Question 2: Beneficial to UC?”

Out of 1475 individual responses, 91% responded positively to question 1 and 98% responded positively to question 2.

## **VI. Summary of Staff Perspective**

As noted previously, CUCSA strongly supports implementation of a fee waiver program for dependents of UC faculty and staff attending the University of California, in accordance with the proposals previously submitted by the Academic Council. We do recognize the difficulties inherent in implementing such a proposal during challenging fiscal times. Nonetheless, we encourage the Administration to explore options to implement this critically important proposal as soon as funding allows. Possible options to facilitate implementation include:

A phased-in implementation, with perhaps only a quarter or half of the fee waived initially and the scope of the program expanded in out years;

A written commitment from the University to implement the program as soon as the State’s budget circumstances improved, as evidenced by a pre-determined milestone such as full-funding for the Partnership or an increase in state funds to the University.

**Educational Fee Waiver Workgroup Members  
Council of UC Staff Assemblies**

Terry Downs, Chair  
University of California, Berkeley  
Management Services Officer  
Academic Senate

Kathy Barton  
University of California, Riverside  
Director of Marketing & Research  
College of Nat. & Ag. Sciences

John Brackbill  
Los Alamos National Laboratory  
Weapons Production Accountant  
Chief Financial Officer Division

Greta Halle  
University of California, Santa Barbara  
Student Affairs Manager  
Computer Science Department

Stephanie-Jean Hinojosa  
University of California, Irvine  
Administrative Manager  
UCI Police Department

Sonia Johnston  
University of California, Merced  
Director  
Operations & Support Services

Stephanie Peterson  
University of California, Merced  
Administrative Specialist  
Office of the Executive Vice Chancellor and Provost

Monica Steinhart  
University of California, Davis Cancer Center  
Administrative Director  
Clinical Trials Support Unit

Kim Summerfield  
University of California, Santa Barbara  
Student Affairs Manager  
Department of Sociology