

**Updated Position Paper in Support of an
Educational Fee Waiver for Dependents**

**Council of University of California
Staff Assemblies (CUCSA)**

**Retention Workgroup
2007-2008**

Introduction

As one of the tools to better retain quality staff, the 2007-08 CUCSA staff retention committee updated the 2006 CUCSA Educational Fee Waiver proposal. 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.

The past 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 had been approved in concept by the University administration, (August 4, 2000 letter from Lawrence Coleman, Chair of the University-wide 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."

Summary of the UC Proposal

- 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.)
- Allow Chancellors the authority to grant exceptions to the requirement that employees be fully vested in UCRS (i.e. have five plus years of service) to meet documented recruitment needs.
- Provide a maximum of 12 person years of fees per eligible employee for dependent waiver.
- Waive only the educational fees, not registration or professional fees.
- Require the employee’s home location (rather than the dependent student’s campus) to bear the cost, as this program would be considered an “employee benefit”.

Benefits of Establishing an Educational Fee Waiver for Dependents

- Effective tool for recruiting and retaining quality staff and faculty
- 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.

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.
- Cal State University System offers the ability to transfer the benefit to a spouse, domestic partner or dependent child.
- 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.

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 2007-08: \$17,400 for full academic year, \$8,700 for each semester, and \$5,800 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

two 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 \$14,200 or \$7,100 per semester/term for 2007-08. 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.

Arizona State University (Employee Tuition Wavier)

- Eligibility: Fulltime employment
- Employees, spouses, registered domestic partners and children may participate
- Benefits: Vary per the department that the employee is employed with. The tuition waiver fee can be anywhere from 25% to 50% of the tuition.

New York University (Tuition Remission)

- Eligibility: Full-time, regular employee in an eligible job category. Retired faculty and staff who meet University eligibility requirements and retirement criteria are

eligible for the same Tuition Remission benefits for which they were eligible prior to retirement.

- Tuition Remission covers tuition, the largest expense of attending NYU. For employees, the benefit will also cover 50% of the course registration fees. Spouses/registered domestic partners and dependents will pay 100% of the course registration fees. In addition, you are responsible for service fees, or any other incidental expenses.

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 for dependents, in order to accurately reflect the concerns of UC employees. 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 for dependents, 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.

A more recent survey conducted in 2008 by one of our delegates asked if the reduced fee enrollment policy should be kept as is or expanded? Of the 1205 who responded to this question, 559 answered that it should be kept as is however 648 answered that it should be expanded. Respondents were also asked to explain how they would like to see this benefit expanded. The responses demonstrated a growing awareness of educational fee waiver policies offered at comparable institutions. The qualitative analysis indicated that respondents were perplexed as to why other educational systems, such as the CSU system, has a much more liberal and inclusive benefit that is extended to children and partners whereas UC’s policy was limited and restricted. When asked to expand upon what benefits influenced their decision to work at UC, one respondent replied “I thought I would get tuition assistance. I was wrong.” Another responded “Some other universities offer tuition assistance for children. UC offers lower salary and doesn’t compensate for kids tuition.”¹

¹ Dunne, Clair. *The Golden Handcuffs: Benefits and Staff Employee Retention at the University of California*. Graduate research paper - Masters of Public Administration at San Francisco State University.

Suggested Phased Fee Waiver Proposal for Dependents Implementation Plan:

- 2008-2009 Complete a review of the current reduced fee enrollment policy, and provide clear guidelines for accessing benefits.
- 2009-2010 Implement expansion of the program to allow eligible (vested) UC employees who do not use the reduced fee enrollment policy for their own coursework to enable a single dependent (spouse, domestic partner or dependent child) to access a fee waiver for completion of one degree.
- Starting 2015 UC would implement the full program, as described above, for all staff and faculty who meet established conditions and qualifications.

Summary of Staff Perspective

CUCSA recognizes the difficulties inherent in implementing such a proposal during challenging fiscal times. Therefore, we encourage the Administration to embark on the phased approach as outlined in this proposal, to begin implementing an enhanced reduced fee enrollment policy to include fee waiver for dependents.

Many other colleges and universities have already implemented generous dependent fee waiver programs, in an equally challenging budget climate, and amidst other organizational distractions. They have realized the importance of offering this additional benefit to their employees. An expanded reduced fee enrollment policy to include fee waiver for dependents would align perfectly with UC's mission and goals. It would also provide UC staff with benefits equivalent to those offered by the California State University system.