Memo

To: Sen. John Kissel, PRI Co-Chair
Rep. Mary Mushinsky, PRI Co-Chair

From: Scott Simoneau and Janelle Stevens, PRI staff

Date: December 16, 2010

Re: UPDATED - Answers to Higher Education Questions from Oct. 6, 2010 PRI Committee Meeting

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This memo answers the PRI committee's questions regarding the constituent units':

1. Employee tuition waiver benefits; and
2. Personnel authority.

The answers were developed using responses from the constituent units and OPM.

Minor revisions were made on December 14, upon PRI staff's receipt of additional information.

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Employee Tuition Waiver Benefit

1. Do all Connecticut higher education constituent units offer employee tuition waivers?

Yes. The eligibility and coverage of the waivers varies among the units and, within most units, by type of employee, as shown by Table 1 below. In Connecticut, the waivers cover only courses within the employee's system (for CSUS, the community colleges, and UConn) or college (for the Board for State Academic Awards). In addition, reimbursement for coursework taken as professional development, at other higher education institutions, may be allowed – as it is for classified state employees – depending on the constituent unit and employee type.[1]

2. Are employee tuition waivers a common benefit among higher education institutions?

Yes, the constituent units report a tuition waiver benefit is widely available across higher education public and private institutions. CSUS offered summaries of the tuition benefit given by the public higher education systems in all the other New England states, as well as New York, as part of its written response to the committee.

3. What is the cost of the tuition benefit used by Connecticut constituent unit employees?

The total value of the benefit was about $6.19 million in FY10. Table 2 below shows the precise value of the benefit by constituent unit. The value depends on the numbers of: employees (and their family members, where eligible) using the benefit; credits taken; and fees waived (if any). The value from FYs 06-10, unadjusted for inflation, was $29,276,699.

It should be noted that CSUS objected to the idea that its system's benefit is a cost to its students or the state of Connecticut, on the grounds that CSUS employees and family members are only allowed to use the waiver if there is extra space in a course. UConn's tuition waivers are on a space-available basis for employees and spouses, but not dependents. The other constituent units did not note whether the waivers are space-available.

4. What would be the benefits and disadvantages of eliminating the employee tuition benefit?

Eliminating the tuition benefit would likely disadvantage Connecticut's public higher education system, in several ways. The constituent units are strongly opposed to elimination, for numerous reasons:

1. <u>The major problem, cited by all constituent units, would be recruitment and retention of quality employees.</u> The benefit is widely – if not uniformly – available in higher education. Those employees who are most able – the best-performing and highest-qualified – would be likely to leave the state for other institutions, if the benefit is at all important to them. A marked drop in quality would probably result. UConn noted

[1] Such reimbursement often is capped in terms of total amount per collective bargaining unit and/or number of courses that may be taken.

"virtually all [its] peer institutions" offer the tuition waiver benefit, so elimination would place the university "**at a severe competitive disadvantage**."

2. With the elimination of the largely negotiated benefit, staff likely would desire greater compensation to make up for the lost value.

3. The tuition benefit often is part of the collective bargaining agreement, for those faculty and staff who are unionized. Taking the benefit out of the agreements would cause difficulty during the next rounds of contract negotiation.

4. A few units asserted that the tuition benefit provides their employees with professional development critical to ensuring they remain effective in their jobs.

The constituent units did not list any benefits to eliminating the benefit. Program review committee staff believes there is potential for financial benefit to the state, but only if the likely turnover and potential drop in quality is not considered in the calculations.

If employee tuition waiver students are, in fact, using only "extra" space in classes, as CSUS and, to a more limited extent, UConn reported is the case at their units, then there is no financial cost and elimination would yield no financial benefits. There would be a "cost" only in terms of: 1) the faculty's time, since they are responsible for teaching additional students, and 2) theoretical lost revenue if the wavier recipient actually paid for the course taken. If, however, tuition waiver students are not taking "extra" space and paying students would have filled the course slots, there is a cost to the state and those paying students (in the form of higher tuition and fees, and perhaps delayed graduation if courses are full due to waiver students). That potential cost savings should be balanced with consideration of the possible cost of increased employee recruitment and retention problems.

Table 1. Employee Tuition Waivers: Eligibility and Waiver Coverage									
	Bargaining Agreemt.	***Employment***			***Family Benefit***		***Course Limits***	***Service Reqmt.***	***Any Fees Waived***
		FT	***½ FT***	***<½ FT***	***Spouse***	***Deps.***			
CCCS									
Faculty	X	X	X	Some[1]	X	X	No	No	Yes
Clerical	X	X	X	No	No	No	Unclear	Unclear	Yes
Unclass./Mgmt.	Not applic.	X	X	Some	X	X	No	No	Yes
CSUS									
Faculty	X	X	X	X	X	<25 yrs.	For PT only	1 sem. FT, 18 credits PT	Yes
Clerical[2]	X	X	X	No	No	No	2 credits/sem.	No	No
Acad. Admin.	X	X	X	No	X	<25 yrs., unmarried	No	No	Yes
Mgmt/Confidential	Not applic.	X	X	No	X	<25 yrs., unmarried	No	No	Yes
UConn									
Faculty Union	X	No	No	No	UG only	UG only	No	No	No
Law Faculty	Not applic.	No	No	No	No	UG only	No	No	No
Health Ctr. Fac.	Not applic.	No	No	No	No	UG only	No	No	No
ROTC Faculty	Not applic.	No	No	No	UG only	UG only	No	No	No
Professional	X	X	X	No	No	UG only	No	No	No
Mgmt/Confidential	Not applic.	X	X	No	UG only	UG only	No	No	No
Dining Union	X	No	No	No	No	UG only	No	10 yrs satisfactory service	No
Univ. Health Professionals	X	X	X	No	No	UG only	No	No	Yes[3]
AFSCME Clerical	X	X	X	No	No	No	2 courses/sem.	No	No
BSAA									
All employees	No, trustee policy	X	X	X	No	No	No	No	Yes
Source of data: Constituent units' written responses to PRI staff request (Fall 2010).									

Notes:

[1] CCCS adjunct faculty who work less than part-time receive the waiver if they belong to one of the two unions whose collective bargaining agreements provide for the waiver; a third union's agreement does not offer a waiver.

[2] CSUS noted in their response that the state clerical union's most recent contract allows the constituent units to make individual agreements with their clerical employees regarding the tuition waiver benefit. CSUS reported they assented to this benefit "under extreme pressure," after UConn and CCCS extended the benefit to their clerical employees. CSUS's tuition waiver benefit for clerical workers is under a pilot program that sunsets at the end of FY11. To be eligible, the employee must have earned a "Good" or better rating during the most recent evaluation, in addition to meeting the requirements outlined in the table above.

[3]UConn employees enrolled in: 1) non-degree courses; and 2) the M.B.A. program (part-time) also have their fees waived.

Table 2. Tuition and Fee Waivers: Value (Unadjusted for Inflation) and Number Issued						
	FY06	***FY07***	***FY08***	***FY09***	***FY10***	***Total****
Value of Tuition and Fee Waiver						
CCCS	$340,425	$369,931	$440,310	$484,756	$555,647	$2,191,069
CSUS	$1,798,146	$2,202,987	$1,735,183	$1,872,042	$1,353,551	$8,961,909
UConn	$2,988,147	$3,234,981	$3,709,219	$3,979,395	$4,295,201	$18,206,943
BSAA*	$1,242	$1,242	$1,242	$3,726	$4,968	$12,421
Total	*$5,109,316*	*$5,791,464*	*$5,869,033*	*$6,316,132*	*$6,190,753*	*$29,276,699*
Number of Tuition Waivers Issued						
CCCS	516	565	703	711	808	
CSUS	1411	1595	1466	1275	928	
UConn	551	660	661	666	649	
BSAA	1	1	1	3	4	

Source of data: Constituent units' written responses to PRI staff request (Fall 2010).
*Weighted average, using total cost and numbers distributed annually, provided by BSAA.
**A CSUS tuition waiver is issued for each semester in which an employee uses the benefit, so a person who chooses to enroll for more than one semester is counted multiple times in a fiscal year. Unduplicated data were not available for CSUS.

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Personnel Authority

1. Who has authority over personnel levels?

The constituent units' boards of trustees are responsible for the level of staffing, both increases and decreases.

2. Did OPM and DAS have authority over staffing levels in the past?

Since the enactment of P.A. 91-256 – which made a number of changes that gave more power to the constituent units – neither OPM nor DAS has had any authority over aggregate staffing levels or the creation of new positions.

There is disagreement over the extent of OPM's staffing authority, prior to P.A. 91-256.

According to OPM: Prior to P.A. 91-256, OPM had a limited amount of authority over the aggregate number of personnel. OPM recommended a maximum position count to the legislature, which authorized the count as they saw fit. Agency staff familiar with higher education oversight does not believe the constituent units often, if at all, sought authorization from OPM to exceed the authorized maximum count. OPM asserts requests to fill new or existing positions – either generally, or with specific candidates – were not reviewed by either it or DAS, provided the maximum staffing level would not be exceeded.

According to CSUS and UConn[2]: OPM did have control over the aggregate number of personnel, as that agency asserts. CSUS did not comment on whether authorization to exceed the authorized maximum count was ever sought, but noted that the provision made it difficult to respond to new and urgent personnel needs. CSUS added that until P.A. 91-256, the constituent units could not add new, or maintain existing but vacant, *classified* positions without the approval of OPM (or DAS, as its delegate), under C.G.S. Secs. 5-214 through -215. UConn stated, broadly, that before the 1991 law, "OPM/DAS position authority was restrictive and controlling…OPM, DAS, and DPW had direct control over most operations, including hiring."

3. Are OPM or DAS involved, at all, in higher education constituent units' hiring?

Yes, DAS and OPM are involved in a few matters, including classified employees (to a limited extent) and UConn Health Center's (UCHC) provision of medical services for the Department of Correction, with all staff serving under that contract part of the classified service, as explained below. Neither OPM nor DAS is involved in hiring any other type of employee.

1. Classified employees – clerical, maintenance, and protective services – are subject to DAS rules and civil service procedures. These employees have collective bargaining (regarding positions, salary level for positions, etc.) at the state level, which is OPM's responsibility; the legislature approves collective bargaining contracts. DAS does not

[2] CCCS was unable to respond to this particular question before the PRI committee meeting. BSAA was unfamiliar with the situation prior to P.A. 91-256.

specifically authorize new hires or new positions, but does: 1) maintain and certify the lists of qualified applicants; and 2) ensure the posted classifications are appropriate, given the duties. When hiring for classified positions, the constituent units must prioritize hiring laid-off individuals who belong to the state's classified workforce. OPM has no role in hiring classified employees (or any others, except as noted below).

2. Staff for UCHC's services for the correction department are all in the classified service. Accordingly, DAS is involved, as for other classified employees, and has established a maximum salary for each classification. UConn reports the UCHC has not been able to get DAS's approval to waive the salary limits in certain circumstances and consequently has lost top clinical candidates. The university states this problem is resulting in more overtime than necessary, as vacancies last a long time, and possibly lower-quality personnel.

4. What would be the ramifications of bolstering OPM and DAS control over personnel?

The precise ramifications would depend on the level and types of control introduced, in the judgment of program review staff. OPM recommendation and legislative approval of an overall staffing level would be substantially less burdensome than requiring DAS or OPM approval for each new hire.

The constituent units uniformly oppose introducing additional OPM and DAS personnel control in any way. They assert such changes would:

1. Inhibit their ability to quickly respond to emerging and urgent needs (e.g., hire faculty and student services personnel to adequately serve a rising enrollment). They believe requiring either agency to approve new hires would add at least one month – and up to several – to the hiring process, which would be unacceptable given the semester schedule.

2. Damage UConn's efforts to recruit top-level faculty, researchers, and administrators. The university noted high-quality academic personnel are in demand. Compensation flexibility and speed in offering a position are necessary to attract them.

3. Pose a substantial burden to OPM and DAS, as their workloads would notably increase. They are probably not currently staffed at a sufficient level to handle the increase in workload that would be required.

4. Be inappropriate, given state allocations are only one portion of the units' revenues. All units except the community colleges noted that the state funds less than half their operations. It should be noted that, including fringe benefits, state support is about half of the units' education-related expenditures (i.e., excluding auxiliary enterprises, such as food service and student housing, that often pay for themselves).

5. Not be meaningful oversight because OPM and DAS lack knowledge and connection to higher education circumstances, needs, and clients. Higher education has unique programmatic and staffing considerations that must be understood by decision-makers.

6. Be duplicative because adequate internal and external oversight already exists. At the community college level, the Chancellor approves personnel actions. At the community colleges, CSUS, and UConn, non-teaching positions are classified systematically. All institutions are required to submit a variety of information to internal and external auditors.