

VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

Amendment of WAC 478-160-163, Waivers of Tuition and FeesRECOMMENDED ACTION

It is the recommendation of the administration and the Finance, Audit and Facilities Committee that the Board of Regents adopt the amendments to WAC 478-160-163, “Waivers of tuition and fees.”

BACKGROUND

The primary purpose of amending the rules governing waivers of tuition and fees is to clarify the role of the Provost in modifying waiver policy in response to “financial or other considerations.” The amendments also update the WAC section to reflect existing University practice in prioritizing the award of waivers.

Modifying waiver policy in response to “financial or other considerations:”

RCW 28B.15.558 establishes an optional waiver of tuition and fees for state employees and educational employees on a space available basis. WAC 478-160-163 states that in administering this waiver “the university may modify its restrictions or requirements...in response to financial or other considerations, which may include, but are not limited to, the need to adopt fiscally responsible budgets, the management of the overall levels and mix of enrollments, management initiatives to modify enrollment demand for specific programs and management decisions to eliminate or modify academic programs.” UW Administrative Policy Statement (APS) 22.1 provides additional policy and process detail to support the administration of the waiver program.

Subsequent to the approval of the WAC amendments proposed here, the Office of Planning and Budgeting (OPB) will update APS 22.1 to include a description of the process by which the Provost may modify waiver policy in response to “financial or other considerations.” That process will be as follows:

Deans or chancellors will submit proposals to the Office of the Provost detailing any requested changes to waiver policy. The proposal must provide justification and an analysis of impact on students. As part of the Provost’s review process, OPB will perform a fiscal and policy analysis. OPB will inform its analysis as needed by seeking advisory opinions from appropriate academic and administrative leadership. The Provost may modify the proposal and send it back for additional revision and analysis, approve it as written, or deny it.

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Amendment of WAC 478-160-163, Waivers of Tuition and Fees (continued p. 2)

Through the implementation of this institution-wide process to govern the development of and changes to college-level tuition exemption policies, the University will help ensure:

- Consistency, fairness and efficiency
- Central knowledge and approval of changes in policy
- Compliance with state laws and regulations concerning tuition exemption

Existing university practice in prioritizing the award of waivers:

As authorized by RCW 28B.15.558, it has been University practice to award waivers to University of Washington employees before awarding them to other state employees or to public school teachers and other certificated instructional staff. The amendments reflect this practice.

REVIEW AND APPROVAL

The proposed amendments have been reviewed by the Attorney General's Office and endorsed by the Tuition Exemption Policy Team and the Office of the Provost.

Attachments

1. Proposed amendments to WAC 478-160-163, "Waivers of tuition and fees."
2. Hearing Officer's Report (concerning public hearing held on January 17, 2012)
3. Office of Planning & Budgeting Brief, "UW Faculty/Staff and Washington State Employee Tuition Exemption Program change policy."

AMENDATORY SECTION (Amending WSR 10-22-058, filed 10/28/10, effective 11/28/10)

WAC 478-160-163 Waivers of tuition and fees. (1) The board of regents is authorized to grant tuition and fee waivers to students pursuant to RCW 28B.15.910 and the laws identified therein. A number of these statutes authorize, but do not require, the board of regents to grant waivers for different categories of students and provides for waivers of different fees. For the waivers that are authorized but not required by state law, the board of regents must affirmatively act to implement the legislature's grant of authority under each individual law. A list of waivers that the board has implemented can be found in the *University of Washington General Catalog*, which is published biennially. The most recent list may be found in the online version of the *General Catalog* at www.washington.edu/students/reg/tuition_exempt_reductions.html.

(2) Even when it has decided to implement a permissive waiver listed in RCW 28B.15.910, the university, for specific reasons and a general need for flexibility in the management of its resources, may choose not to award waivers to all students who may be eligible under the terms of the laws. Where the university has chosen to impose specific limitations on a permissive waiver listed in RCW 28B.15.910, those limitations are delineated in subsection (5) of this section. If the university has not imposed specific limitations on a permissive waiver listed in RCW 28B.15.910, the waiver is not mentioned in subsection (5) of this section. The university's description of the factors it may consider to adjust a waiver program to meet emergent or changing needs is found in subsection (8) of this section. All permissive waivers are subject to subsection (8) of this section.

(3) The board of regents also has the authority under RCW 28B.15.915 to grant waivers of all or a portion of operating fees as defined in RCW 28B.15.031. Waiver programs adopted under RCW 28B.15.915 are described in the *General Catalog*. The most recent list may be found in the online version of the *General Catalog* at www.washington.edu/students/reg/tuition_exempt_reductions.html. Waivers granted under RCW 28B.15.915 are subject to subsection (8) of this section.

(4) Waivers will not be awarded to students participating in self-sustaining courses or programs because they do not pay "tuition," "operating fees," "services and activities fees," or "technology fees" as defined in RCW 28B.15.020, 28B.15.031, 28B.15.041, or 28B.15.051, respectively.

(5) Specific limitations on waivers are as follows:

(a) Waivers authorized by RCW 28B.15.621 (2)(a) for eligible veterans and National Guard members, shall be awarded only to:

(i) Undergraduate students pursuing their first bachelor's degree to a maximum of 225 college-level credits, including credits transferred from other institutions of higher education; and

(ii) Full-time graduate or professional degree students, provided however, that the waiver may be applied only toward a single degree program at the University of Washington, and, provided further, that graduate and professional degree students who received a waiver authorized by RCW 28B.15.621 (2)(a) as undergraduates at the University of Washington shall not be eligible for this waiver.

To qualify an individual as an "eligible veteran or National Guard member," the person seeking the waiver must present proof of domicile in Washington state and a DD form 214 (Report of Separation) indicating their service as an active or reserve member of the United States military or naval forces, or a National Guard member called to active duty, who served in active federal service, under either Title 10 or Title 32 of the United States Code, in a war or conflict fought on foreign soil or in international waters or in another location in support of those serving on foreign soil or in international waters, and if discharged from services, has received an honorable discharge.

(b) Waivers of nonresident tuition authorized by RCW 28B.15.014 for university faculty and classified or professional staff shall be restricted to four consecutive quarters from their date of employment with the University of Washington. The recipient of the waiver must be employed by the first day of the quarter for which the waiver is awarded. Waivers awarded to immigrant refugees, or the spouses or dependent children of such refugees, shall be restricted to persons who reside in Washington state and to four consecutive quarters from their arrival in Washington state.

(c) All waivers authorized by RCW 28B.15.558 shall be subject to such additional limitations as determined by the provost, pursuant to the terms of subsection (8) of this section. In addition, waivers authorized by RCW 28B.15.558 shall be awarded only to the classes of employees described in (i) of this subsection before considering waivers for the employees described in (ii) and (iii) of this subsection:

(i) University of Washington employees who are employed half-time or more, hold qualifying appointments as of the first day of the quarter for which the waivers are requested, are paid monthly, and, for classified staff new to the university, have completed their probationary periods prior to the first day of the quarter; or

(ii) State of Washington permanent employees who are employed half-time or more, are not University of Washington permanent classified employees, are permanent classified or exempt technical college paraprofessional employees, or are permanent faculty members, counselors, librarians or exempt employees at other state of Washington public higher education institutions; or

(iii) Teachers and other certificated instructional staff employed at public common and vocational schools, holding or seeking a valid endorsement and assignment in a state-identified

shortage area.

(6) Waivers mandated by RCW 28B.15.621(4), as amended by section 1, chapter 450, Laws of 2007, for children and spouses or surviving spouses of eligible veterans and National Guard members who became totally disabled, or lost their lives, while engaged in active federal military or naval service, or who are prisoners of war or missing in action, shall be awarded in accordance with, and subject to the limitations set forth in state law.

(7) Waivers mandated by RCW 28B.15.380, as amended by section 4, chapter 261, Laws of 2010, for children and surviving spouses of any law enforcement officer (as defined in chapter 41.26 RCW), firefighter (as defined in chapter 41.24 or 41.26 RCW), or Washington state patrol officer, who lost his or her life or became totally disabled in the line of duty while employed by any public law enforcement agency or full-time volunteer fire department in this state, shall be awarded in accordance with, and subject to the limitations set forth in, state law.

(8) The university may modify its restrictions or requirements pursuant to changes in state or federal law, changes in programmatic requirements, or in response to financial or other considerations, which may include, but are not limited to, the need to adopt fiscally responsible budgets, the management of the overall levels and mix of enrollments, management initiatives to modify enrollment demand for specific programs and management decisions to eliminate or modify academic programs. The university may choose not to exercise the full funding authority granted under RCW 28B.15.910 and may limit the total funding available under RCW 28B.15.915.

Rules Coordination Office

January 23, 2012

President Michael K. Young
Office of the President
University of Washington
Box 351230

Dear President Young,

Pursuant to your delegation, I served as the Hearing Officer to receive public comment on the University of Washington's proposed amendments to WAC 478-160-163, "Waivers of Tuition and Fees," at the January 17, 2012 public hearing held in Room 142 of Gerberding Hall at the University of Washington, Seattle campus. I am pleased to provide this report on the hearing and all written comments received.

As required by the Administrative Procedure Act, the University filed the following notices with the Washington State Office of the Code Reviser: a Preproposal Statement of Inquiry (published as WSR 11-20-078); and a Proposed Rule Making (published as WSR 11-24-090). Notices that a hearing would be held were published in *The Daily* on January 9, 2012 and in *UW Today* on January 5, 2012 (and redistributed on January 6, 2012). Additionally, notice of this public hearing was included in the UW Seattle online events calendar prior to the event. The written comment period began October 19, 2011 and ended January 17, 2012.

Public Comment

There was considerable concern when the **topic** of tuition waivers for University employees was generated by the rule-making and public hearing notices (with almost 60 copies of the proposed WAC rule amendments being requested). However, once the individuals requesting copies of the proposed amendments (including those representing the press and key personnel stakeholders) were assured that these amendments did not cut or further curtail the popular permissive waiver program, no actual written comments regarding the proposed amendments were forthcoming.

Likewise, while several individuals attended the public hearing, only one individual went on the record with a few brief questions. Todd Mildon, Assistant Vice Provost for Institutional Research and Data Management for the Office of Planning and Budgeting, responded to these questions, noting that the proposed WAC amendments will provide for a central review of any courses or programs considered for exemption by the Provost's Office, a process not previously coordinated across the University and its campuses. The questioner did comment that she hoped individuals participating in the waiver program would also be included in any discussion of possible course or program exemptions in the future.

Analysis and Recommendation

RCW 28B.15.558 establishes an optional waiver of tuition and fees for state and educational employees and sets criteria for eligibility. The statute also establishes that the institution can consider employees of the University of Washington before considering other state and educational employees. Amendments to WAC 478-160-163 implement the waiver such that the University of Washington administration considers cost and programmatic needs in a consistent manner across the institution.

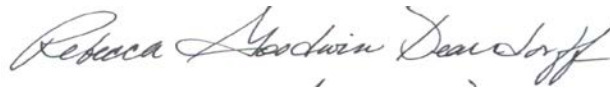
The proposed revisions have been reviewed by the Attorney General's Office and endorsed by the Vice Provost for Planning and Budgeting, and the Provost and Executive Vice President.

President Michael K. Young
January 20, 2012
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As there were no public comments to the contrary, it is my recommendation that the Board of Regents adopt the amendments to WAC 478-160-163 as proposed.

An audio recording of the hearing has been deposited with the Secretary of the Board of Regents.

Sincerely,

A handwritten signature in cursive script, reading "Rebecca Goodwin Deardorff".

Rebecca Goodwin Deardorff
Director of Rules Coordination

cc: Dr. Ana Mari Cauce
Ms. Joan Goldblatt
Mr. Paul Jenny
Mr. Jack Johnson
Ms. Heather Mair
Mr. Todd Mildon
Mr. Quentin Yerxa

Date: February 20, 2012

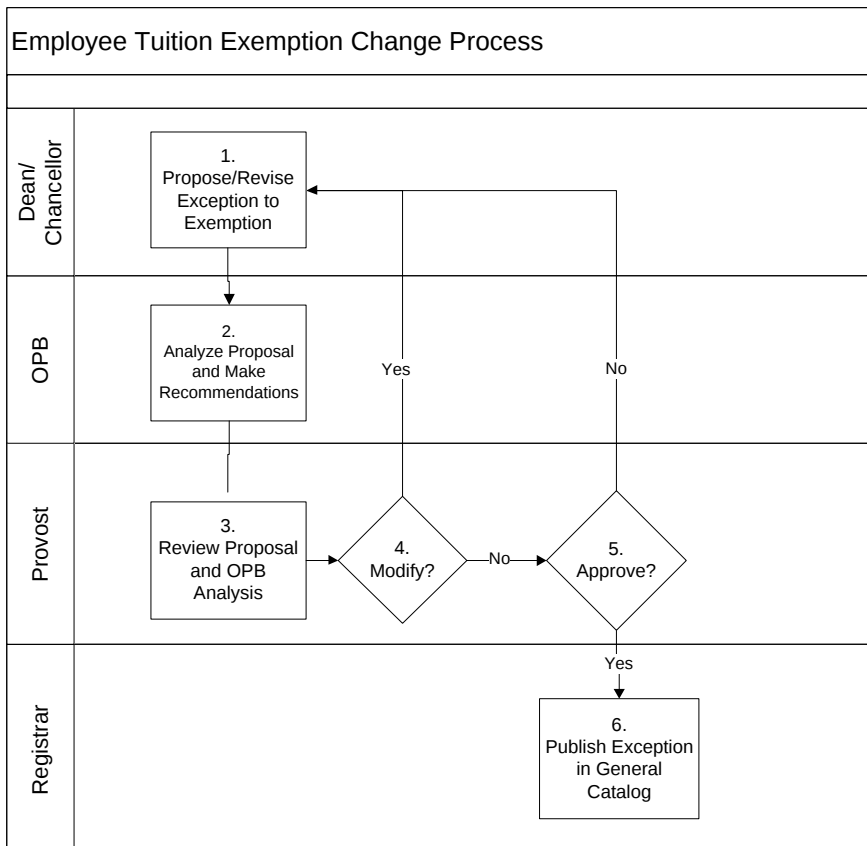
Subject: UW Faculty/Staff and Washington State Employee Tuition Exemption Program change policy, Pt. 2

Issue

The increasing pressure on University budgets, coupled with close management practices under Activity Based Budgeting, have prompted UW schools and colleges to reexamine fiscal impacts of the Faculty/Staff and Washington State Employee Tuition Exemption Program. The College of Education and the School of Nursing both initiated processes to modify their policies regarding the Employee Tuition Exemption Program (ETEP). Other schools have expressed interest in doing the same. To ensure consistency, compliance, and appropriate central oversight of these policy changes, the Office of Planning & Budgeting (OPB) convened the Tuition Exemption Policy Team (TEPT) to craft a formal change process for ETEP policies within the schools and colleges.

Recommendation

The TEPT will send a recommendation to the Board of Regents in March 2012 to adopt the policy change process diagramed below, along with related changes to the Washington Administrative Code (WAC). Under the TEPT recommendation, the following process will be followed for all changes to ETEP policies:



1. Deans or Chancellors will submit proposals to the Provost detailing the proposed changes and providing justification and an analysis of impact on students.
2. As part of the Provost's review process, OPB will perform a fiscal and policy analysis on the proposal. OPB will inform its analysis as needed by seeking advisory opinions from appropriate academic and administrative leadership.
3. The Provost will review all requests from schools, colleges, or campuses to change their tuition exemption policies.
4. The Provost may modify the proposal and send it back for additional revision and analysis.
5. The Provost may also immediately approve the proposal as written, or deny it.
6. The Registrar will add the exception to a list that office maintains in the General Catalog.

Next Steps

Update APS Language: Subsequent to the approval of the Regents, OPB will work with the University's Rules Coordination Office to update Administrative Policy Statement (APS) 22.1 to reflect the process detailed above.

Background

Changes to WAC [478-160-163](#): OPB and members of the TEPT have moved the process of adopting the new policy in WAC 478-160-163 through required public comment periods. The final step in the process will be approval from the Board of Regents at its March 2012 meeting.

Analysis: OPB's Institutional Analysis group provided the TEPT with a profile of ETEP Student Credit Hours (SCH) by school/college and by student level (undergraduate and graduate/professional). The analysis showed that in recent years, some schools (Nursing, Public Health) have seen their percentage of tuition exempt SCH top 12% at the graduate level. Overall ETEP percentages in Public Health have been as high as 9%.

Tuition Exemption Policy Team (TEPT)

The Tuition Exemption Policy Team (TEPT) was formed in April 2011 to assess current law and policy regarding the use of tuition exemption at the UW, particularly the Washington State Faculty/Staff Employee Exemption Program, and to both determine the legal flexibility in implementing exemptions, and to recommend a University-wide process for creating or changing exemption policies within any UW school or college.

The team comprised the following members:

- Annette Anderson, Curriculum Development Director (Academic Affairs, Bothell)
- Helen Arntson, Assistant Attorney General
- Virjean H. Edwards, University Registrar
- Shelby Fritz, Manager of Academic HR and Budget (Academic Affairs, Tacoma)
- Mindy Kornberg, Vice President, Human Resources
- Todd Mildon, Assistant Vice Provost, Institutional Research and Data Management (team lead)
- Jan Rutledge, Associate Vice Chancellor for Finance & Admin (Tacoma)
- Quentin Yerxa, Assistant Attorney General

For more information, please contact:

Todd Mildon

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AVP for Information and Data Management

Office of Planning & Budgeting