MEMORANDUM

TO:      Carly Shank, UPPAC Chair
Marcia Rotunda, Urbana Campus Counsel

FROM:  Bryan M. Perrero
Assistant University Counsel

DATE:    April 7, 2005

RE:         University Tuition Waiver Policy

Marcia Rotunda requested that I respond to the inquiry of the University Professional Personnel Advisory Committee (“the Committee”) regarding the expansion of the University’s Tuition Waiver Policy. You stated that the Committee was requesting two modifications:

(1) The expansion of the tuition waiver policy for Academic Professionals and Faculty Employees and Retirees to include the option for these employees to obtain tuition waivers for courses offered at other universities in the State Universities Civil Service System. Civil Service employees are currently eligible for waivers at other universities in the State Universities Civil Service System.

(2) The expansion of the Child of Employee tuition waiver, both for waivers at the University of Illinois as well as for waivers at other universities in the State Universities Civil Service System, to also include children of retirees. This would be a change for all employee groups, not just Academic Professionals and Faculty.

As you may know, there are two classifications of tuition waivers, mandatory and discretionary. Mandatory waivers are authorized by various state statutes and are granted to individuals satisfying the eligibility criteria specified by the governing statute. If the person satisfies the criteria of the statute, the University must honor the tuition waiver. Discretionary waivers may be awarded at the discretion of the University. The University’s process for allocating discretionary waivers is determined by the number of budgeted waivers that the various departments, schools, etc. have available for distribution. In addition, with a few exceptions, the Illinois Board of Higher Education (“IBHE”) imposes a limitation upon the number of discretionary undergraduate waivers that the University may award. The IBHE limits
the amount of undergraduate tuition revenue that the University may waive via discretionary waivers to three percent of the total available undergraduate tuition (i.e., the total of all tuition charged and waived). This number has been held at three percent since approximately 1988. There is no state-wide limit on mandatory or graduate student waiver programs.

Furthermore, the University must report annually to the IBHE its waiver activities for the preceding year. The University must disclose its policies and procedures for administering the tuition waiver program as well as all waivers provided, both mandatory and discretionary. The IBHE dictates the format of how this information is conveyed. The Standard Tuition and Fee Waiver Chart of Accounts provides a complete description of each waiver category by program and by type. [See Enclosure.] This standardized chart was developed in 1999 in response to a recommendation by the Office of the Auditor General. The Standard Tuition and Fee Waiver Chart of Accounts also provides the purpose, goals and eligibility criteria for each waiver program and type. [See Enclosure, Appendix B] Standard Tuition and Fee Waiver Chart of Accounts. Finally, the IBHE must approve all University requests for additional waiver reporting categories not specifically listed in the Standard Tuition and Fee Waiver Chart of Accounts. The University Office for Planning and Budgeting plays a key role when new waivers are created.

As to the first proposed modification, currently, civil service employees enjoy the privilege of discretionary waivers either at the employee’s employing institution (Appendix B, Rule 2.1.2) or another educational institution within the State Universities Civil Service System (Appendix B, Rule 2.1.3). This educational benefit is promulgated by the University Civil Service Merit Board and has hour limitations per semester. A full time status appointment may utilize up to six hours or two courses per semester. A three-quarter appointment is limited to four hours and a one-half appointment is limited to three hours per semester. Neither under the Authority of the Merit Board (110 ILCS 70/36d) nor under the University’s Policy and Rules (Rule 13.01) do retirees qualify for the inter-institutional benefit.

Accordingly, in order to expand this inter-institutional benefit, the University would have to request either the modification of one of the types of discretionary programs listed for Faculty/Staff Waivers (Appendix B, Rule 2.1) or the creation a new type of program, all with the blessing of the IBHE. The University would also have to amend its Policy and Rules. It should be remembered that civil service discretionary waivers, whether inter-institutional or not, are excluded from the IBHE’s tuition waiver limitation. At the same time, currently, Faculty/Administrators waivers (where Academic Professionals fall under Appendix B, Rule 2.1.1) at the employing institution are not excluded from the tuition waiver limitation.

As to the second proposed modification, based upon the authority granting this tuition waiver, 110 ILCS 305/7f, 660/5-90, 665/10-91, 670/15-90, 675/20-91, 680/25-91, 685/30-90, and 690/35-90, any modification would have to take place through the legislative process.

Please contact me with any questions.