REPORT FOR THE UNIVERSITY SENATE

University Senate Committee: Compensation Committee

Brief History of Issue - why the issue is being considered:

The Association of American Universities has reported that employee tuition assistance is used by many universities as a supplemental element of employee compensation when salaries are low. UW-Eau Claire certainly qualifies as a University with low salaries. According to the Chronicle of Higher Education, compensation at UW-Eau Claire is in the 12th percentile of comparable universities (i.e. 88% of comparable universities offer higher compensation than UW-Eau Claire). Low compensation is making it difficult for UW-Eau Claire to recruit and retain quality employees. According to a report compiled by the Board of Regents, the UW System lost 1,182 faculty members from 2011 to 2013. Of those nearly 500 were due to resignation. In the interim, at UW-Eau Claire, we lost 74 faculty members of which 50 were due to retirement. Those numbers represent 6.3% of UW-Eau Claire faculty.

UW-Eau Claire’s peer universities in surrounding states not only pay higher salaries than UW-Eau Claire, they also offer benefits such as tuition assistance that we currently are unable to provide. For example, in Illinois, dependents of faculty and staff are eligible for a 50% tuition waiver for undergraduate education at any Illinois public university. In Minnesota, State Colleges and Universities offer tuition waivers to spouses/dependent children as determined by the contract/pay plan negotiated for that particular college. For example, faculty and staff in Minnesota under the MMA contract receive tuition waivers for spouses and children up to age 26 (no more than 16 credits per year).

A tuition assistance benefit would put UW-Eau Claire on a more even playing field when it comes to employee recruitment and retention. A recent employee survey conducted by the UW-Eau Claire Compensation Committee showed there is strong interest in this type of benefit on our campus. In that survey, 70% of respondents indicated that they support some type of tuition assistance to faculty/staff and immediate family members.

Points Discussed by Committee:

Pros of Recommendation:

- Many committee members (and likely many employees around campus) have worked at other Universities with this benefit, noting that it is common across the country
- Many applicants for positions around campus ask about this benefit
- Many campus employees have spouses / significant others / dependents who attend UW-Eau Claire
- 70% of respondents to the compensation committee survey supported some type of tuition assistance
- The recent drop in enrollment at UW-Eau Claire, which is expected to continue into the future, implies there is increasing unused capacity in our classes
- Other states (e.g. Idaho) have started the process toward implementing this benefit using a pilot test program
Tuition Assistance

- Chancellor Schmidt has expressed interest in improving employee compensation on numerous occasions; this may be a relatively low cost way of improving compensation

Cons of Recommendation:

- This benefit has not been offered at UW-Eau Claire before and therefore the design of this plan could take a year or more before implementation of the pilot is possible
- The Board of Regents controls our ability to add this benefit at UW-Eau Claire
- There is uncertainty about the level of employee participation
- Many employees would value the benefit more if it didn't restrict the tuition assistance to UW-Eau Claire (i.e. applied to the entire UW System)

Technology/Human Resource Impact:

- The pilot test will require participation by many different campus functions which are challenging to coordinate

Committee Recommendation:

We recommend the UW-Eau Claire University Senate ask the UW System Board of Regents to allow UW-Eau Claire to develop a two-year pilot test of a new employee tuition assistance benefit. The pilot test would be designed to address concerns over feasibility, logistics, employee interest, cost and other implementation issues related to a tuition assistance employee benefit. The pilot test would be restricted to faculty / staff / spouses / significant others / dependents of UW-Eau Claire employees who attend UW-Eau Claire. The pilot test would be designed in FY15 for implementation in FY16-FY17. Many members of the campus community, including members of the Compensation Committee, will participate in designing the pilot program. Chancellor Schmidt (or his designee) will have final approval on the content and form of the pilot test. The expectation is that the pilot test will lead to tuition assistance becoming a permanent employee benefit.
MOTION FOR THE UNIVERSITY SENATE

The University Senate Committee: Compensation Committee

by a vote of __8__ for __0__ against on 4-15-2014__ (Date)

Recommends that:

The UW-Eau Claire University Senate ask the UW System Board of Regents to allow UW-Eau Claire to develop a two-year pilot test of a new employee tuition assistance benefit.

{A letter that expresses this interest be sent to the UW System BOR President}

WHEREAS the Association of American Universities has reported that employee tuition assistance is used by many universities as a supplemental element of employee compensation when salaries are low; and

WHEREAS compensation at UW- Eau Claire is in the 12th percentile of comparable universities (i.e. 88% of comparable universities offer higher compensation than UW – Eau Claire); and

WHEREAS UW- Eau Claire lost 74 faculty members of which 50 were due to retirement; and

WHEREAS peer universities in surrounding states (Minnesota and Illinois) not only pay higher salaries than UW-Eau Claire, they also offer benefits such as tuition assistance to employees and spouses/dependent children; and

WHEREAS 70% of respondents to the compensation committee survey supported some type of tuition assistance; and

WHEREAS the recent drop in enrollment at UW-Eau Claire, which is expected to continue into the future, implies there is increasing unused capacity in our classes; and

WHEREAS other states (e.g. Idaho) have started the process toward implementing this benefit using a pilot test program; and

WHEREAS Chancellor Schmidt has expressed interest in improving employee compensation on numerous occasions; this may be a relatively low cost way of improving compensation;

BE IT THEREFORE RESOLVED that the Chancellor of UW – Eau Claire ask that the UW Board of Regents allow UW – Eau Claire to develop a two – year pilot test of a new employee tuition assistance benefit.

Implementation Date: Immediate

Signed: _____ Sasha Showsh ________________________________

Chair of the Committee