



May 3, 2011

Dear University of Alaska Employee:

The UA administration is considering two changes to the employee education benefit, also known as the employee tuition waiver. Preliminary discussions have been held with governance groups, chancellors, provosts and others.

These discussions began because of questions from state legislators regarding the university's management of the benefit; in short, legislators and the public want assurance that UA is managing the benefit prudently. We believe we are, but we also recognize improvements can be made.

Toward this end, the university negotiated two changes to the waiver in recent union contracts. One change is a six-month vesting for new hires after a date certain (all current employees are grandfathered). The second concerns reimbursement if an employee or dependent fails a waived course, a statistically small number but one that represents a cost nonetheless. Requiring employees to reimburse for failed courses is a straightforward process; managing this for dependents is more complex. As a result, the university is exploring if dependent waivers could be managed similarly to student financial aid or scholarships, requiring a minimum level of academic performance to maintain the benefit uninterrupted.

When these changes will go into effect is not yet known. The proposed regulation changes are being drafted and routed to affected governance groups for input first. While it's conceivable the six-month vesting for new hires could begin as soon as July 1, 2011, the reimbursement issue may take more time. More information will be shared as discussion progresses. Both issues under discussion recognize and treat the waiver for what it truly is; a valuable benefit that must be managed wisely. For employees, this benefit is calculated into the staff-benefit rate and funded through restricted and unrestricted funds. For employees' dependents (spouses and children) it is managed internally through unrestricted funds.

The university believes the employee tuition benefit is an important part of the overall compensation package. We know it keeps us competitive with our peers and helps attract and retain quality staff and faculty. An overwhelming majority of colleges and universities provide educational benefits to employees; about half of all public institutions provide waivers for dependents.

We want to keep the educational benefit going strong at UA. These fairly modest steps will ensure its viability long into the future.

Sincerely,  
Beth E. Behner  
Chief Human Resources Officer