

**BOARD OF TRUSTEES
UNIVERSITY OF THE DISTRICT OF COLUMBIA
UDC RESOLUTION NO. 2018-37**

SUBJECT: Notice of Final Rulemaking, Amendments to Chapter 13, Section 1332, Remitted Tuition

WHEREAS, the Board of Trustees (the “Board”) of the University of the District of Columbia (the “University”), pursuant to the authority set forth under the District of Columbia Public Postsecondary Education Reorganization Act Amendments effective January 2, 1976 (D.C. Law 1-36; D.C. Official Code §§38-1202.01(a); 38-1202.06 (2012 Repl.)), has the authority to adopt, prescribe, and enforce rules and regulations it considers necessary for the governance and administration of the University; and

WHEREAS, the Board approved the Notice of Final Rulemaking dated March 15, 1991, to amend Title 8B of the District of Columbia Municipal Regulations (“DCMR”), Chapter 13, Section 1332 – Remitted Tuition, by extending the tuition remission benefit to cover employees and their spouses and dependents in the event of death, retirement, disability or reduction in force (“Final Rulemaking 91”); and

WHEREAS, the Board approved the Notice of Final Rulemaking dated April 30, 1999, to amend Title 8B of the DCMR, Chapter 13, Section 1332 – Remitted Tuition, by excluding courses offered at the UDC David A. Clarke School of Law (“Final Rulemaking 99”); and

WHEREAS, the University now seeks to amend the regulations governing remitted tuition, found in Title 8B of the DCMR, Chapter 13, Section 1332 – Remitted Tuition, to clarify eligibility requirements, define the duration of the benefit for eligible employees, and extend the benefit to cover courses at the UDC David A. Clarke School of Law; and

WHEREAS, the University further seeks to repeal both Final Rulemaking 91 and Final Rulemaking 99 and to replace both Final Rulemaking 91 and Final Rulemaking 99 with the proposed rulemaking action to amend Chapter 13, Section 1332, Remitted Tuition, of Subtitle B, University of the District of Columbia, of Title 8, Higher Education (Title 8B DCMR) attached hereto as Appendix A.

WHEREAS, the substance of the proposed rule enacted herein was published on October 5, 2018 at 65 DCR 011051 for a thirty (30) day public comment period in accordance with D.C. Official Code §2-505(a); and no public comment was received during the public comment period; and

WHEREAS, pursuant to 8B DCMR § 128.4, where no comments are received, the Chairperson of the Board committee may forward the rules for final adoption without committee action.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Trustees of the University hereby amends Chapter 13, Section 1332, Remitted Tuition, of Subtitle B,

University of the District of Columbia, of Title 8, Higher Education (Title 8B DCMR) to amend the provisions for remitted tuition as indicated in the Notice of Final Rulemaking attached hereto as Appendix A; and

BE IT FURTHER RESOLVED that the rules enacted herein shall take effect upon publication in the D.C. Register and that all prior inconsistent resolutions, customs, procedures and practices are hereby repealed.

Approved by the Board of Trustees:

November 7, 2018



Christopher Bell
Chairperson of the Board

APPENDIX A

UNIVERSITY OF THE DISTRICT OF COLUMBIA

NOTICE OF FINAL RULEMAKING

The Board of Trustees of the University of the District of Columbia pursuant to the authority set forth under the District of Columbia Public Postsecondary Education Reorganization Act Amendments (Act) effective January 2, 1976 (D.C. Law 1-36; D.C. Official Code §§38-1202.01(a); 38-1202.06(3),(13) (2012 Repl.), hereby gives notice of its intent to amend Section 1332 (Remitted Tuition) of Chapter 13(Leave and Benefits), of Subtitle B (University of the District of Columbia) of Title 8 (Higher Education) of the District of Columbia Municipal Regulations (DCMR), effective upon publication of this notice in the D.C. Register.

The purpose of the rule is to amend the University's regulations regarding Remitted Tuition, to clarify eligibility requirements, define the duration of the benefit for eligible employees, and extend the benefit to cover courses at the UDC David A. Clarke School of Law.

The substance of the rules adopted herein was published in the D.C. Register on October 5, 2018 at 65 DCR 011051 for a period of public comment of not less than thirty (30) days, in accordance with D.C. Official Code § 2-505(a)(2016 Repl.).

No public comment was received by the Board within the public comment period. The rule was adopted by the Board as final on November 7, 2018, and will become effective upon publication of this notice in the D.C. Register.

Section 1332, REMITED TUITION, of Chapter 13, LEAVE AND BENEFITS, of Title 8-B DCMR, UNIVERSITY OF THE DISTRICT OF COLUMBIA, is amended as follows:

1332 REMITED TUITION

- 1332.1 The University shall provide remitted tuition for "for-credit" courses at the University to eligible regular full-time staff, regular full-time faculty, retirees and their spouses and dependent children, in accordance with the requirements and limits established in the Internal Revenue Code.
- 1332.2 The following are not eligible for remitted tuition:
 - (a) part-time staff;
 - (b) employees with a temporary or time-limited appointment;
 - (c) adjunct and visiting faculty;
 - (d) individuals classified as independent contractors and volunteers; and
 - (e) student workers.
- 1332.3 The University shall provide remitted tuition for courses in the undergraduate and graduate programs, but shall not provide remitted tuition for courses in the doctorate programs.
- 1332.4 To enroll in a course at the University, an applicant shall be required to meet and maintain all eligibility, admission and academic requirements.

1332.5 If a recipient of remitted tuition drops, withdraws, or fails a course for which remitted tuition had been previously provided by the University, the University shall not provide remitted tuition for the same course if the person decides to retake the course.

1332.6 Regular full-time staff of the University shall be eligible to participate in the remitted tuition program once the staff has been employed by the University for at least one year. Once the full-time staff has met the eligibility requirements, their spouse and dependent child(ren), as defined in the Internal Revenue Code, shall be eligible to participate in the remitted tuition program.

1332.7 The University shall provide remitted tuition for eligible full time staff, for a maximum of six (6) undergraduate credit hours and three (3) graduate credit hours each semester. This limitation on the number of credit hours does not apply to the eligible full-time staff's spouse and dependent children.

1332.8 Regular full-time faculty shall be eligible to participate in the remitted tuition program once the faculty has been employed by the University for at least one academic year. Once the full-time faculty has met the eligibility requirements, their spouse and dependent child(ren), as defined in the Internal Revenue Code, shall be eligible to participate in the remitted tuition program.

1332.9 The University shall provide remitted tuition for eligible full time faculty for a maximum of three (3) credit hours each semester. This limitation on the number of credit hours does not apply to the eligible faculty's spouse and dependent children.

1332.10 If an eligible employee, whether full-time staff or full-time faculty, either converts from regular full-time status to part-time status, or is separated from the University for any reason other than because of a reduction-in-force or retirement, the University shall provide remitted tuition benefits through the end of the applicable semester in which the eligible employee's employment status changed.

1332.11 If an eligible employee is separated from the University due to a reduction-in-force, the University shall provide remitted tuition benefits for such eligible employee (and their spouse and dependent child(ren)), for as long as such employee remains on the University's preferential hiring or reduction-in-force employee list.

1332.12 If an eligible employee separates from the University due to retirement, the University shall provide remitted tuition upon retirement for the eligible retiree and their spouse and dependent child(ren), based on length of service as follows:

- (a) Retirees that were eligible employees for fewer than ten (10) years, and their spouses and dependent children, shall not be eligible for remitted tuition.
- (b) Retirees that were eligible employees for ten (10) years to twenty (20) years, and their spouses and dependent children, shall be eligible for sixty percent (60%) remitted tuition.
- (c) Retirees that were eligible employees for more than twenty (20) years, and their spouses and dependent children, shall be eligible for hundred percent (100%) remitted tuition.

1332.13 Except as provided in subsection 1332.14 below, upon the death of an eligible employee or eligible retiree, the University shall provide remitted tuition for their surviving spouse and surviving dependent child(ren) based on the deceased's length of service as follows:

- (a) Following the death of an eligible employee or retiree who was employed by the University for fewer than ten (10) years, the surviving spouse and dependent child(ren) shall not be eligible for remitted tuition.
- (b) Following the death of an eligible employee or retiree who was employed by the University for ten (10) years to twenty (20) years, the surviving spouse and dependent child(ren) shall be eligible for two (2) full academic years of remitted tuition.
- (c) Following the death of an eligible employee or retiree who was employed by the University for more than twenty (20) years, the surviving spouse and dependent child(ren) shall be eligible for three (3) full academic years of remitted tuition.

- 1332.14 If at the time of the death of an eligible employee or eligible retiree, both parents of a surviving child are deceased, then the University shall provide continuing remitted tuition at a hundred percent (100%), without regard to length of service, for so long as the surviving child is under the age of twenty-five (25).
- 1332.15 The University shall develop and implement standard operating procedures for the remitted tuition program.

MEMORANDUM

To: Charlene Drew Jarvis
Chairperson, Audit, Budget and Finance Committee

From: Avis Marie Russell
Acting General Counsel

Re: Notice of Final Rulemaking – Amendments to Chapter 3, Section 1332, Remitted Tuition

Date: November 5, 2018

On September 26, 2018, the Board of Trustees approved a Notice of Proposed Rulemaking (NPRM –Remitted Tuition) to clarify eligibility requirements, define the duration of the benefit for eligible employees, and extend the benefit to cover courses at the UDC David A. Clarke School of Law. The NPRM-Remitted Tuition was published in the D.C. Register on October 5, 2018 for a thirty (30) day comment period and no comment was received during the public comment period which lapsed on November 4, 2018.

The NPRM-Remitted Tuition was initially adopted and forwarded for consideration by the Audit, Budget and Finance Committee. Pursuant to 8B DCMR § 128.4, if no public comments are received on a Notice of Proposed Rulemaking, “the chairperson of the Board committee may forward the rules to the Board for final adoption without a meeting of or action by the committee”. Accordingly, we are requesting that you, as Chairperson of the Audit, Budget and Finance Committee forward the referenced rulemaking action to the full Board of Trustees for its further consideration and final rulemaking action at the Board Meeting on November 7, 2018.

Please contact me if the Office of General Counsel can be of further assistance.

MEMORANDUM

To: UDC Board of Trustees

From: Managing Director of Finance *David A. Franklin*

Date: August 31, 2018

Subject: Remitted Tuition Policy Revision

Conclusion

The expanded remitted tuition policy has the potential impact of reducing our annual net tuition revenue by \$101,373, less than 1% of our average annual tuition revenue of \$28,000,000. Thus, we expect that the fiscal impact of this resolution will be minimal, while we believe this employee benefit will have a positive impact on employee retention and it will help promote professional development.

Background

The revisions clarify faculty and employee eligibility; they clarify eligibility for spouses and dependent children¹; they extend the program to the law school; they define the length of time the benefit will be available to retirees and survivors; and they include program management changes that ensure compliance with the Internal Revenue Code. The Tuition Remission Program is a valuable education benefit that grants regular full-time employees (including faculty) and their spouses and dependent children access to a wide array of UDC courses and degree programs. The Tuition Remission Program applies to tuition charges only. It does not apply to fees, course materials, other non-tuition expenses, or study abroad courses or study tours.

Below are some of the major highlights of the revised policy:

- ❖ Clarification of eligibility for full-time faculty and staff
- ❖ Creates a one (1) year waiting period for new hires before they become eligible
- ❖ Clarifies that spouses and dependent children of eligible faculty and staff are also eligible to participate in the benefit.
- ❖ Clarifies tax consequences of the remitted tuition benefit
- ❖ Defines the length of time the benefit will be available for retirees and survivors

¹ We changed the language of the DCMR from "immediate families" to "spouses and dependent children" to ensure compliance with the taxability provisions of the Internal Revenue Code.

- ❖ Removes the law school prohibition

While several of the changes will increase the potential number of eligible participants, that increase will be offset by creation of a one-year waiting period before new hires become eligible to participate in the program. In addition, in response to an internal audit and requests from program participants, we clarified that only spouses and dependent children are the family members who can participate in a non-taxable tuition remission program.

The tables below set forth the three-year historical cost of the remitted tuition program.

University of the District of Columbia			
Schedule of Historical Remitted Tuition Cost			
	Fiscal Years		
Program	2016	2017	2018
Remitted Tuition Staff	254,576	257,754	262,193
Remitted Tuition Staff Dep	211,759	280,933	243,263
Total	466,335	538,687	505,456

The two-year average participant cost is \$5,493 as shown by the data below:

Schedule of Average Participant Cost						
	FY2017			FY2018		
	Number of Participants	Cost	Average Cost Per Participant	Number of Participants	Cost	Average Cost Per Participant
Remitted Tuition Staff	45	257,754	5,728	58	262,193	4,521
Remitted Tuition Staff Dep	48	280,933	5,853	55	243,263	4,423
	93	538,687	5,792	113	505,456	4,473
	Total Number of Participants	Total Two-Year Cost	Average Cost per Participant			
Two Year Average Cost per Participant	206	1,044,143	5,069			

Assuming a 10% increase in participation, that will be about 20 additional participants at an average cost of \$5,069 for a total estimated impact of \$101,373.

Financial Impact

The financial impact of the expanded remitted tuition policy is expected to be immaterial.

Risk Assumptions	Impacts
Higher use of the benefit – more employees and their spouses and dependent children may enroll in various course offerings.	Expected to be immaterial to net tuition revenue.