



December 14, 2006

Memo

To: Deans
Directors
Department Chairs
Budget Officers

From: Darrell Bazzell, Vice Chancellor for Administration *Darrell Bazzell*

Subj: Update on Policy on Assessments for Graduate Assistant Tuition Remissions

This memorandum provides an update on plans for changing the current policy on assessments for graduate assistant tuition remissions. Background information regarding the rationale for implementing the change was presented in my June 26th memorandum (attached), which also outlined the basic model and approach that would be used to replace the current method of charging units for graduate assistant tuition remissions. The information below is meant to provide more specific detail in how the new charge will be implemented as well as confirm the anticipated timeline. Some of the items have been excerpted from the previous memorandum.

- Beginning with the spring semester of 2006-07, an annual fixed surcharge of \$8,000 per year will be applied to all PA and RA positions. TA appointments will be exempt from the charge.
- The charge will apply to all funds, except Fund 142 (see below regarding Fund 142)
- The charge will be implemented as an automated end of month process in the general ledger accounting system.
- The charge will be applied on a semester basis--\$4,000 per semester. For the fall semester, the charge will be processed September through January; for the spring semester, the charge will be processed January through May. No charge will be applied for summer appointments.

Vice Chancellor for Administration

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- Determination of eligibility for the charge will be based on the combined FTE of all graduate assistant appointments for an individual. Any individual with a combined appointment level of 0.33 FTE or greater will qualify for the charge.
- Determination of eligibility will be based on all combined graduate assistant appointments at UW-Madison, UW-Extension, and UW-System Administration.
- Distribution of the charge will be based on the pro rata share of stipend funding for the individual. For example, for an RA with a 25% appointment on a Fund 144 project and a 25% appointment on a Fund 133 project, the charge would be applied as \$2,000 to the Fund 144 project and \$2,000 to the Fund 133 project.
- The pro rata share of any TA appointments will be exempt from the charge. For example, for an individual with a 25% TA appointment and a 25% PA appointment, the charge would be limited to \$2,000 for the PA share of the appointments.
- Determination of the 0.33 FTE eligibility threshold will be based on a cumulative monthly average appointment level for the graduate assistant over the course of the semester. As such, the monthly charges will be assessed, corrected or changed for prior months based on the cumulative average appointment level. For example, a graduate assistant with a 50% RA appointment in September would be assessed the fixed monthly charge of \$888.89 in September. If in October, the graduate assistant's appointment level fell to 10% for the month—bringing the cumulative average appointment level to 30%, which is less than the threshold—there would be no charge for October, and the prior month September charge would be reversed (cancelled).
- Any corrections to prior monthly charges—whether they are based on changes in eligibility status, salary cash transfers, or check corrections—will be based on cumulative pro rata funding, so that the appropriate funding sources are charged or credited as the case may be.
- The Bursar's Office will use the same eligibility criteria—cumulative FTE level—during and at the end of each semester to determine whether an individual graduate student qualifies for graduate assistant remission. Note that in the event that a graduate student leaves the campus during the course of a semester, the graduate student still may qualify for a remission, while the remission charge may or may not be applied, depending on the cumulative appointment level.
- The charge will not be applied to hourly PA appointments. Such appointments are generally discouraged and are permissible only in exceptional circumstances. The Budget Office and Office of Human Resources will monitor the use and frequency of such appointments to determine whether they are appropriate within the context of this policy and other human resources policies and guidelines.
- In addition, graduate assistant appointment patterns will be monitored by the Budget Office and Office of Human Resources to determine whether units systematically shift appointment types to take advantage of the TA exemption. Such actions are prohibited. TA appointments must conform to established human resources policies and guidelines, as well as the collective bargaining agreement.

- The current 25% tuition remission surcharge on extramural funds will be eliminated January 1, 2007. The December end-of-month processing will be the final cycle for this charge.
- Similarly, the current ad hoc charge for excess PA and RA headcounts will also be eliminated at the end of the current semester. Units will be responsible for paying those charges for the Fall Semester of 2006-07, but there will be no charge for the Spring Semester or any subsequent periods.
- The Office of Research and Sponsored Programs recommends that you include the full cost of the tuition remission surcharge on each grant proposal. There may be specific instances in which a PI has very limited graduate assistant involvement or which there is a ceiling on the amount of funds requested, but more frequently there is a need to fund graduate assistants with one or more projects.
- PIs and departments are responsible for covering any deficits resulting from insufficient budget requests for the tuition remission surcharge. Unless you know with certainty that all proposals will be funded, a cautious approach to requesting sufficient funds to cover the full tuition remission surcharge is recommended. If you request more funding than is necessary, it can usually be re-budgeted for other necessary project costs.
- The fixed charge will be indexed and is subject to adjustment. Adequate notice of any anticipated change in the charge will be provided to facilitate necessary budget planning. There will be no adjustment to the charge in 2007-08.
- Beginning in February, a tuition remission surcharge search will be available in WISDM under the Appointments section of the Main Menu. Information such as the number of appointments, FTE rate, and individual tuition remission surcharges will be displayed on a semester basis. More information on the search will be available in a training document that will be located at the WISDM Training Tools website (located at: <http://www.bussvc.wisc.edu/acct/sfs/tools.html>). The document will be available in early January.
- All schools and colleges are strongly encouraged to set aside discretionary funding to provide transitional support in situations where adequate funds are not available at the departmental level to cover the charge.
- At the institutional level, additional transitional support or mitigation will be provided on a diminishing scale for a period of three and one-half years to the three schools and colleges most impacted by the change in policy: School of Education, College of Letters and Science, and College of Agricultural and Life Sciences. This mitigation is limited to graduate assistants positions paid on Fund 101. The additional surcharge costs will be reduced at a divisional level by 75% for the spring semester 2006-07 and the 2007-08 fiscal year; by 50% for the 2008-09 fiscal year; and, by 25% for the 2009-10 fiscal year.
- In addition, graduate assistant positions paid on Fund 142 will be fully exempt from the charge through the 2009-10 fiscal year, after which such positions will be fully subject to the new assessment.
- In addition, the University has established a permanent annual allocation of \$500,000 to support arts and humanities departments which will be most fiscally challenged by the new policy.

- Collectively, the University must make every effort to honor commitments to existing graduate students.

Finally, if you have questions regarding any aspect of this policy change, please refer to the attached FAQ. If additional information is required, please keep in mind the following:

- General policy related questions, as well as inquiries regarding the budgetary aspects and history of tuition remissions at the institutional level, can be addressed to me or to Tim Norris in the Budget Office.
- For information regarding specific employment policies and guidelines for graduate students and graduate assistants, please contact Michael Rothstein in the Office of Human Resources.
- For information and questions specifically related to sponsored projects and programs, please contact Robert Andresen in the Office of Research and Sponsored Programs.
- For information regarding the eligibility of graduate students for tuition remissions, please contact Cathie Easter in the Bursar's Office.
- Finally, questions related to the processing and reporting of the charge in the general ledger accounting system and WISDM should be addressed to Hua Ramer in Accounting Services.

Attachments

xc: Chancellor Wiley
Provost Farrell
University Committee
Tuition Remission Task Force
Tuition Remission Implementation Group