



A REPORT TO THE PRESIDENT ON

Staff Educational Benefit

 Presented by
The University of Texas at Austin Staff Council
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Approved by The University of Texas at Austin Staff Council
and sent forward to the President

Prepared by
The University of Texas at Austin Staff Council
Staff Educational Benefit Committee

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Executive Summary

The University of Texas at Austin Staff Council Staff Educational Benefit Committee was formed to inform staff about the Staff Educational Benefit (SEB). The 2012 Employee Engagement Survey identified “Employee development” as an area for improvement (ranked #10 out of 14). Many staff members have commented that they are aware of the SEB but do not know how to use it.

Our committee conducted a survey to collect more information on how staff view and understand the SEB. From this survey, we identified three action steps for our committee: To collect information about how to use the SEB to be housed on one easy-to-use website; to promote understanding of the “Taking Coursework during the Workday” policy; and to research the income tax charged to staff members who use the SEB for graduate courses.

This report outlines the information we gathered, suggestions of how to communicate the SEB more effectively, and our recommendations for the future.

Survey

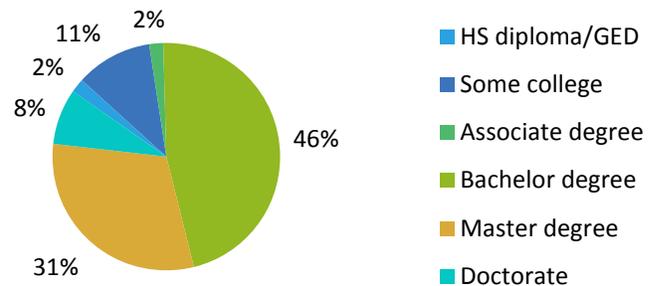
The SEB Committee utilized multiple resources to understand the use of SEB and its importance to staff. Staff Council representatives were asked to forward an online survey to their constituents. The survey was open for one week in February 2014 and resulted in a sample of 851 staff.

While the results of this survey cannot necessarily be generalized to the entire population of staff, findings do provide information on how the SEB is used (or not used) by staff.

Employment and education

Staff responding to the survey had worked at UT for an average of 8.8 years (sd=.71). In terms of their positions, 50% of the respondents are exempt, 30% are non-exempt, 17% did not know, and 2% preferred not to answer. The majority of respondents reported that they had a bachelor's (47%) or master's degree (31%).

Highest level of education completed

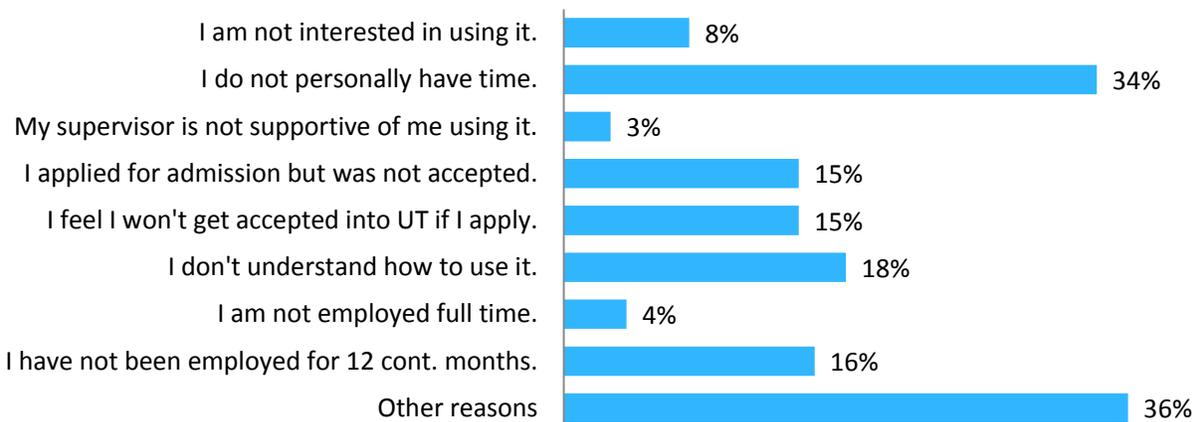


Use of SEB

Only 26% of respondents reported using the SEB, but 90% reported that they knew of the SEB.

For those respondents who knew about the SEB but did not use it, most reported that they did not have time to use the benefit (34%). For those who noted other reasons (36%), answers ranged from "working off campus" to "already having a terminal degree."

Reasons respondents did not use benefit

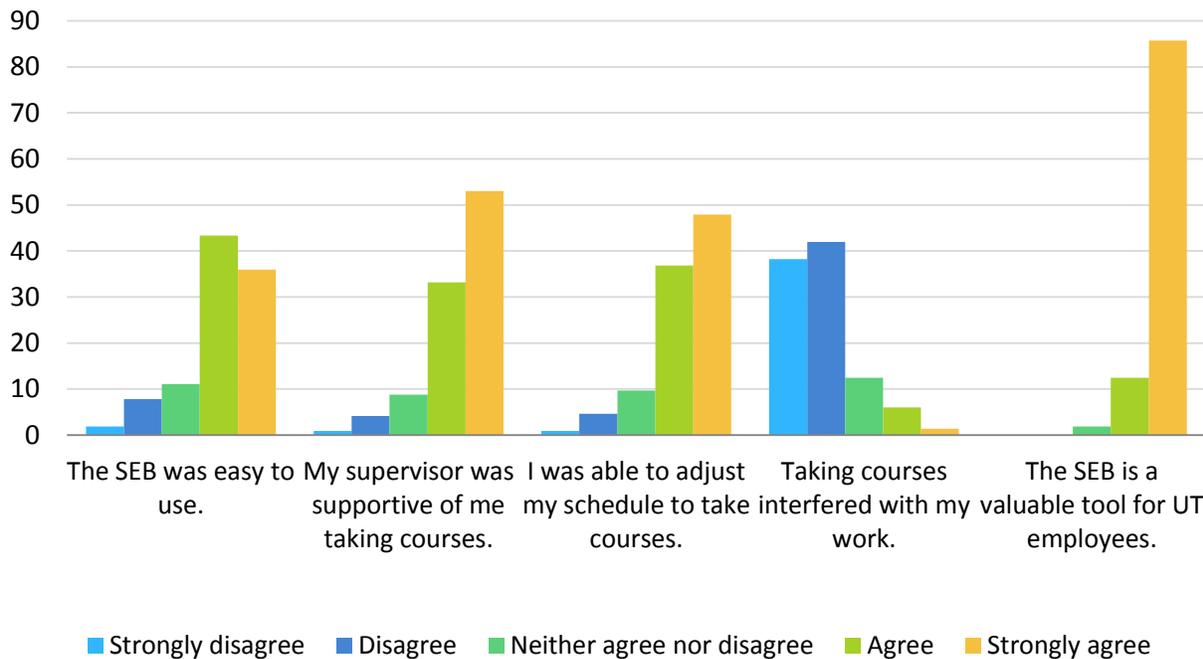


Of those respondents who did not know about the SEB, 75% responded that they were interested in using the SEB: 33% felt they were very likely, and 26% felt they were likely to use the SEB in the future.

For those respondents who used the SEB, 55% reported they were taking courses as requirements for a specific degree and 30% responded that they were using the benefit to complete courses for their job. Other reasons respondents reported for using the SEB included taking courses they were interested in for personal development, the enjoyment of learning, and working towards a certificate. Of those who responded that they had used the SEB for a degree, 40% reported that they had completed the degree.

In terms of the procedures, those who had used the SEB strongly agreed it is a valuable tool for UT employees (86%). However, only 36% strongly agreed that the SEB was easy to use.

SEB user experiences



Importance of SEB

Fully 83% of respondents reported that the staff benefit was very or extremely important for staff at UT Austin. Of the remaining respondents, 12% were neutral and only 5% thought the benefit was not important.

Auditing courses

Only 10% of respondents reported ever having audited a course.

Informing Staff of How to Use the SEB

Based on feedback from our constituents, information about the SEB can be confusing and difficult to locate online. The Staff Council SEB committee recommends two new sources of information and clarification for potential users. The first, a detailed FAQ document, would be made available on both the SEB page hosted by Human Resources and on the Staff Council website. A second

recommendation is to offer periodic Information Sessions that would allow staff to get an overview of the process, ask questions, and find out what they need to do to get started. Staff Council will take the lead on developing content, while coordinating with HR IT to publish it online.

For the development of the FAQ document, this committee has gathered common questions from our constituents and from a brainstorming session at the annual Staff Council retreat. A sampling of the questions gathered follows:

- ▶ What is the SEB and what does it cover?
- ▶ When can I start taking classes?
- ▶ I applied to the university and was accepted. What's my next step?
- ▶ If I'm eligible for the SEB, why do I have to get supervisor approval for my course?
- ▶ What about the graduate income tax? How much will I owe, and when will I have to pay it?
- ▶ Why won't SEB pay for ____ program?
- ▶ What if I have concerns about the SEB or about my supervisor's decision about taking courses during the day?
- ▶ I'm a supervisor, and I'm not sure what my responsibility is in all of this. What do I need to know?

Information Sessions could be offered through a brown bag luncheon or through TXClass. Either option should be scheduled prior to the application due dates for graduate and undergraduate students. Arranging the Information Sessions around important dates would help prevent delays in participation due to missed application and registration deadlines. The sessions would not only provide information for staff members interested in using the SEB, they would also be designed to support supervisors in navigating the "Taking Coursework during the Workday" policy.

Promote Understanding of the "Taking Coursework during the Workday" Policy

The SEB Committee found that there is ongoing confusion about the Staff Educational Benefit itself versus the "Taking Coursework during the Workday" policy in the *Handbook of Operating Procedures*. We propose a set of guidelines for staff and supervisors, designed to allay misconceptions and encourage a dialogue between staff and supervisors.

Key recommendations will include:

- ▶ Identifying reasons a supervisor might favor or have concerns about a staff member taking class during the work day.
- ▶ Identifying strategies a staff member might use to address supervisor concerns
- ▶ Suggesting negotiating techniques (from sources such as *Crucial Conversations: Tools for Talking when Stakes are High*, Patterson, Grenny, McMillan, and Switzler)
- ▶ Providing resources such as the text of the policy and links to Work/Life Balance counseling on how to propose flexible work arrangements to a supervisor.

Taxation of the SEB on Graduate Classes

Our committee researched how employees are taxed for graduate courses taken when using the SEB. The purpose of our research is to provide information on tax laws and how they apply to employees utilizing the SEB, with the goal of eventually eliminating the levy on employees who take graduate courses.

We have met with key stakeholders involved in the process of creating the tax bills for graduate coursework, researched tax law, and gathered and collaged data from Student AP.

Tax law research has uncovered the following information:

- ▶ The grad tax has already been eliminated for GRA, TA, and AI positions, according to IRC117(d).
- ▶ The grad tax should not be charged to staff utilizing the staff educational benefit for graduate course work under \$5,250 per year, according to IRC127. There is no limit if graduate course work is work-related, according to IRC132(d).

Calculating how this tax is applied is laborious and is currently done on an individual basis.

Staff Educational Benefit Use by Grad Students, 2011-13

Semester	Total amount paid by SEB	No. of students using SEB	Avg. SEB paid per student	Est. grad tax paid by students*
Fall 2013	\$244,029.94	117	\$2,085.73	\$208.57
Summer 2013	\$113,018.34	61	\$1,852.76	\$185.28
Spring 2013	\$252,144.40	118	\$2,136.82	\$213.68
Fall 2012	\$262,504.50	125	\$2,100.04	\$210.00
Summer 2012	\$103,262.00	59	\$1,750.20	\$175.02
Spring 2012	\$231,303.05	117	\$1,976.95	\$197.69
Fall 2011	\$283,435.55	146	\$1,941.34	\$194.13
Summer 2011	\$104,530.00	65	\$1,608.15	\$160.82
Spring 2011	\$244,029.94	137	\$1,781.24	\$178.12
Average per semester	\$204,250.86	105	\$1,945.25	\$194.52
Average per long semester only	\$252,907.90	127	\$1,996.64	\$199.66
Average per year	\$612,752.57	**	\$1,945.25	\$194.52
Est. grad tax paid to IRS per year				\$61,275.26

* Grad tax estimated at 10% of benefit awarded.

** n/a

Source: Student Accounts Payable. Data include all students classified as graduate students who used the SEB in 2011 through 2013.

The SEB committee has presented the results of our tax law research, and the Director of Payroll Services has agreed to send it to the legal department for review. We are currently awaiting a response, with one of two possible outcomes:

- ▶ Legal agrees with tax code research: use of SEB for graduate course work is no longer taxed.
- ▶ Legal does not agree with tax code research: *status quo*

Conclusion

The Staff Education Benefit (SEB) is an important benefit offered to the staff of UT Austin. In fact, over 80% of survey respondents rated SEB as extremely or very important. It offers a valuable professional and personal development opportunity and aligns with UT's core values of learning, discovery, leadership, and individual opportunity. The SEB committee made a number of recommendations relating to explanation of the benefit, understanding of the associated policies, and modification of the current taxation policy for graduate students using the SEB.

To address concerns of the 64% of survey responders who did not strongly agree that SEB was easy to use, the committee recommends creation of a Frequently Asked Questions (FAQ) page and timelines. This information can then be linked to from both the current SEB web page (hosted by Human Resources) and from a new section of the Staff Council website. The committee also recommends hosting info sessions scheduled around important academic enrollment dates.

To address concerns and confusion around "Taking Coursework during the Workday" policy and issues some staff members are encountering in communicating with their supervisors, the committee recommends creation of a set of guidelines that explain the applicable university policies, identify common issues staff might encounter when using the benefit, and other relevant resources on negotiations and communications.

Finally, the committee recommends that the Staff Council continue to work with the university, through the Special Projects committee, to implement the recent changes in the IRS tax code that would eliminate the collection of taxes on the SEB used for graduate courses.

Appendix A: Proposed FAQ: Staff Educational Benefit (SEB)

What is the process?



Who is eligible for the Staff Educational Benefit?

You must be a full-time, active university employee for a period of twelve months before you can use the SEB. The “Am I Eligible?” page at https://utdirect.utexas.edu/pnbiog/ed_ben.WBX (requires EID) will give you an immediate answer, based on your employment status and the semester you are applying for.

What is the *real* cost? Are there any hidden fees?

If you’re not already a UT Austin student, you will have to pay the [application](#) fees, typically around \$75.

When using your SEB for an undergraduate course, the award pays for your first course, up to three hours per semester.

Important note for grad students: When you use the SEB for a graduate course, *your award is taxable*. You will receive a tax bill about one month after registration. The amount of the tax will depend on the cost of the course.

To see your tuition charges, visit the “My Tuition Bill” page at https://utdirect.utexas.edu/acct/fb/my_tuition/my_tuition_home.WBX. The “What I Owe” page at https://utdirect.utexas.edu/acct/rec/wio/wio_home.WBX will show how much you actually owe. If you’re taking only one course (3 hours or less), your “What I Owe” page should show zero owed after applying the benefit.

Can I ask my supervisor for a letter of recommendation for the application?

Yes, your supervisor is a great source for letters of recommendation.

How do I go about asking for time off (if needed) to take course during work hours?

If you are taking classes outside normal business hours, you don't have to request time off. If you are taking a course during business hours, you must first contact your supervisor and ask for that time off. A good recommendation is to have a plan to make up the time (work through lunch or make up time after-hours, for example) *before* you talk to your supervisor.

Does the time I spend in class count as work time, or do I have to make it up?

Under certain circumstances, your supervisor may approve counting class time as work time. If your class is not directly related to work skills, you and your supervisor will have to determine how to make up the hours—usually by adjusting your work schedule.

What if I want to take two courses per semester? Which one does the SEB pay for?

The SEB pays for the *first* course. This is good news for most students, as typically the second three hours costs much less than the first three. For example, in the College of Liberal Arts, one 3-hour course costs around \$2,000; two 3-hour courses cost around \$3,000. You would pay only the difference. You can find information about tuition for the various colleges and schools at the “Tuition Dollars & Sense” page, <http://www.utexas.edu/tuition/>.

Of course, if both courses are during working hours, you must obtain supervisor permission for both courses.

Why won't the SEB pay for _____ program?

It's because of how the SEB is “funded.” There is actually no pool of money from which tuition is drawn when an employee uses the SEB. Instead, for programs that UT Austin funds, UT simply gives up the money they could get for that seat. Programs that don't receive UT funds typically will not give away a free seat; therefore, they are not eligible for the SEB.

For UT Austin to create a fund that specifically funds the SEB would be an expensive endeavor. Other universities that have robust SEBs most likely have cash funds for the program. For example, UT Dallas has a program funded by an endowment that was created by two wealthy staff members.

I registered late (after the 12th course day). Can I still use the SEB?

No, the SEB for a semester must be awarded by the 12th class day. Along similar lines, the SEB cannot be awarded retroactively (that is, for courses taken in a previous semester).

Does the SEB have to be used consecutively? If I take a break for a semester, do I have to reapply?

If you skip a semester, you must apply for readmission, but you do not have to apply with the Texas Common Application again (just the school or college admission process). The fee should

be waived for the SEB. Note that readmission has a deadline. *** (WE NEED TO CHECK THIS OUT... IN MY EXPERIENCE NO READMISSION WAS REQUIRED -KG)

How do I actually use the SEB?

Start at the “Am I Eligible?” page (https://utdirect.utexas.edu/pnbiog/ed_ben.WBX, requires EID). After logging in and entering the desired semester, if you are eligible, you will be taken to a page with an “Apply for SEB” button (*** GET EXACT WORDING). Click the button, and you’ve used your award—it’s simple!

When and how will I know that I have received the SEB award?

If you’re eligible, the SEB is applied immediately upon clicking the SEB button. You can verify that you received the award by visiting the “What I Owe” page at https://utdirect.utexas.edu/acct/rec/wio/wio_home.WBX. Your tuition bill should be reduced by the amount of one course (up to three semester-hours). If you’re taking only one class per semester, your tuition bill should be zero after using the Staff Educational Benefit.

Can I apply for financial aid in addition to the SEB award?

Yes, you can apply for additional financial aid awards (in addition to the SEB).

Who should I contact if I have questions about the SEB award?

Contact Human Resource Services at 512-471-4772. The information page on the SEB is <http://www.utexas.edu/hr/current/career/seb.html> (listed under Human Resources > Current Employees > Career Management > Learning and Development).

Important deadlines for undergraduates

<p>I previously attended UT Austin -></p> <p>I started work at UT during:</p>	<p>Yes</p>	<p>No (Somewhere else)</p>	<p>No (HS only)</p>
<p>June through August</p>	<p>Fall (following year)</p> <p>App due Jul 1 Trans* due Jun 15</p> <p>Reg open Apr 15 Reg close Aug 25</p>	<p>Fall (following year)</p> <p>App due Mar 1 Trans* due Jun 1</p> <p>Reg open Aug 23 Reg close Aug 25</p>	<p>??</p>
<p>September through November</p>	<p>Spring (following year)</p> <p>App due Dec 1 Trans* due Jan 15</p> <p>Reg open Oct 29 Reg close Jan 11</p>	<p>Spring (following year)</p> <p>App due Oct 1 Trans* due Jan 6</p> <p>Reg open Jan 7 Reg close Jan 11</p>	<p>??</p>
<p>December through May</p>	<p>Summer (following year)</p> <p>App due May 1 Trans* due ??</p> <p>Reg open Apr 15 Reg close Jun 5</p>	<p>Summer (following year)</p> <p>App due Mar 1 Trans* due Jun 1</p> <p>Reg open Jun 4 Reg close Jun 5</p>	<p>??</p>

* Only if you attended elsewhere since leaving UT

Important deadlines for graduate students

<p>I have done graduate work already -></p> <p>I started work at UT during:</p>	<p>No (new graduate admission)</p>	<p>Yes (readmission)</p>
<p>June through August</p>	<p>Fall (following year)</p> <p>App due </p> <p>Reg open Reg close  </p>	<p>Fall (following year)</p> <p>App due </p> <p>Reg open Reg close  </p>
<p>September through November</p>	<p>Spring (following year)</p> <p>App due ??</p> <p>Reg open Reg close  </p>	<p>Spring (following year)</p> <p>App due </p> <p>Reg open Reg close  </p>
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