



THE GRADUATE SCHOOL  
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### **ABB Report on Cross-College Hiring of Graduate Students and Tuition Waivers**

Context: The Graduate School Council was charged by the Faculty Council on Academic Standards (FCAS) to investigate the impact Activity-Based Budgeting (ABB) has on graduate student tuition waivers, specifically in relation to cross-college hiring of graduate students. On November 19, 2015 Helene Obradovich, Director of Finance and Fellowships in the Graduate School met with the Graduate School Council to provide information on tuition waivers and share data received from the Office of Planning and Budgeting. In addition, Rebecca Aanerud, Associate Dean for Academic Affairs & Planning and chair of the Graduate School Council met with the following individuals as outlined in the original charge:

- Norm Beauchamp, Faculty Senate
- Sarah Hall and Carol Diem, Office of Planning and Budgeting
- Lisa Graumlich and Michelle Hall, Board of Deans and Chancellors
- Gordon Watts, Faculty Council on Faculty Affairs
- Sandra Archibald, Evans School of Public Policy and Governance
- Alex Bolton, Graduate and Professional Student Senate
- Aaron Katz, Public Health (referral from Gordon Watts)

Background: ABB is a budgeting model used to distribute revenue to schools/colleges based on the overall net revenue generated in a specific tuition category. While the largest amount of graduate tuition net revenue is in the Tier 1 tuition category, which encompasses mainly the state-funded programs within the College of Arts & Sciences (A&S) and PhD programs in the School of Medicine, there are 13 additional categories each with a separate tuition rate. Many of these separate rates are associated with a single school or college (this is for tuition-based programs only, not fee-based).

Graduate Assistantships awarded to graduate students typically include a tuition waiver that either covers the non-resident portion of tuition and/or the resident operating fee portion of tuition. How much tuition is actually waived, rather than paid by a source such as a grant, depends on the type of budget paying the graduate assistant's salary. As an example, a TA paid on a state instructional budget will often have all of their tuition waived. On the other hand, an RA paid on a grant budget might have the non-resident portion of their tuition waived but will still have the resident portion paid by grant funds. Waived tuition is considered foregone revenue and reduces the net revenue from a tuition category that is returned to the schools/colleges. The majority of graduate students are hired within their own schools/colleges, so units are generally aware of how their hiring practices will impact their ABB net revenue.

However, some graduate students are hired outside of the schools/colleges in which they are registered. In these cases the schools/colleges might be less able to determine the impact such hiring outcomes would have on their net revenues. An example is when an Evans School graduate student is awarded a TA in a department within A&S and therefore has all of their tuition waived for the period of that appointment. This is lost revenue to the Evans School as they have their own separate tuition category.

Data provided by OPB for the 2014-2015 academic year shows that less than 8% of quarterly waivers provided went to students who received appointments outside the college of their major. In raw numbers, this is approximately 650 quarters of waivers out of a total of almost 8300. A&S had the largest concentration of these students: 169 waiver quarters were attached to A&S graduate students who were employed outside of A&S. Not unsurprisingly, they also employed the largest number of graduate students from other colleges: 139 waiver quarters were the result of employment within A&S. This cross-college employment highlights the interdisciplinary work that goes on throughout campus as well as the versatility of our graduate students to fulfill teaching and research needs. On the opposite end of that spectrum, Dentistry, Nursing, Law and the Foster School had by far the lowest number of their own graduate students employed elsewhere: each were in the single digits in the number of waiver quarters. Interestingly, 18% of the waiver quarters were provided by various non-academic administrative units that employ graduate students: Provost, Minority Affairs, Libraries, UW-IT, Student Life, Research, Educational Outreach, Undergraduate Academic Affairs. These units provide valuable professional development opportunities to students from all degree programs through these positions.

#### Input from key stakeholders:

Conversations with the people listed above yielded a range of approaches to ABB and the impact of waived tuition caused by cross-college hiring. Most did not express any concern regarding cross-college hiring of graduate students and felt that ABB as a budgeting model was working fairly well.

Dean Archibald did indicate that cross-college hiring was a concern within her school. She emphasized that graduate student hiring within the Evans School did not represent a problem as they were able to plan for those and model their budget based on the known tuition-based revenue loss. However, her students often get hired outside of the Evans School, and the revenue loss due to this employment represents a more difficult budget planning/projection scenario. Aaron Katz also expressed concerns, noting that in Public Health tuition waivers have served as an important recruitment incentive.

#### Previous feedback:

In autumn 2013 the ABB Review Committee issued recommendations surrounding three different ABB areas. One of these areas was graduate student tuition waiver policy. At that time, the committee indicated that one option to consider with cross-college hiring of students, and the unexpected loss of revenue to the home academic unit, was to have the hiring unit pay the cost (some or all) of the waiver for each student. The committee recommended against this approach at the time due to the fair amount of overhead required to manage such an approach, along with the recognition that only a small fraction of units were strongly affected by this issue. The committee also noted the professional development opportunities provided by these appointments.

In this current review, GPSS President Alex Bolton also expressed concerns about such a strategy as it would create an economic disincentive for programs to hire students from another school/college. This

is particularly true for the administrative units that hire graduate students. The Graduate School shares this concern as well.

#### Conclusion and Recommendations:

On the basis of information gathered, the Graduate Council recognizes that while cross-college hiring of graduate students does represent unexpected reduced net revenue to a student's home academic unit, in the majority of cases this loss is minimal and likely mitigated by the fact that cross-college hiring goes both directions. For those units who feel that the impact isn't minimal, there should be enough data by this time to point to historical trends that can be used in budget planning. We recommend ongoing data collection, noting that Dean Archibald agreed that she will have the Evans School pull information that would provide trend data of the number of quarters Evans School students are employed outside of the Evans School. Those data could be used in a way similar to in-school hiring to help with budgeting. While we weren't able to obtain that data in time for this report, we do anticipate receiving it and having some additional information to guide us. Similarly, Aaron Katz will seek to provide additional data from the School of Public Health. The Graduate Council concurs with the recommendation of the 2013 report that no new policies surrounding waiver 'payment' or attribution are necessary at this time. In addition, we want to emphasize the need of and benefit to graduate students to seek and acquire employment outside of their schools. There is no question that tuition waivers are an important component of graduation education. As such, we recommend that the ongoing review consider the ways in which net revenue from graduate tuition is vastly different from net revenue generated by undergraduate tuition, primarily because of the impact of tuition waivers. We also recognize the need for additional data to help guide future decisions; we look forward to having access to those data.