



Travis County Commissioners Court Agenda Request

Meeting Date: February 21, 2012

Prepared By/Phone Number: Dana Hess/ 854-2743; Diane Blankenship/854-9170

Elected/Appointed Official/Dept. Head:

Diane Blankenship, Director, HRMD / 854-9170

Leroy Nellis, Interim County Executive, PBO / 854-9106

Commissioners Court Sponsor: Samuel T. Biscoe, County Judge

AGENDA LANGUAGE:

CONSIDER AND TAKE APPROPRIATE ACTION REGARDING CHANGES TO CURRENT TRAVIS COUNTY CODE CHAPTER 10 (TUITION REIMBURSEMENT), SECTIONS 10.020, 10.021 AND 10.022.

BACKGROUND/SUMMARY OF REQUEST AND ATTACHMENTS:

Sections 10.020, 10.021, and 10.022 were last amended on September 26, 1995.

Tuition and fees have increased substantially since this policy was implemented in 1995. In addition, a survey of other public organizations which was conducted in March of 2011 shows that Travis County's Tuition Refund caps (both by semester and fiscal year) lags significantly behind the market (see attachment).

STAFF RECOMMENDATIONS:

Staff recommends approval and adoption of the attached revision.

FISCAL IMPACT AND SOURCE OF FUNDING:

Currently, a regular, full-time employee is eligible for up to \$900 in reimbursement per fiscal year. This policy revision increases the amount eligible for reimbursement to \$2000 per fiscal year for undergraduate courses and \$3000 per year for graduate courses. Under the current plan, the County typically expends between \$40,000 and \$50,000 per fiscal year, and \$42,440 was budgeted for tuition reimbursement in the FY 2012 adopted budget.

AGENDA REQUEST DEADLINE: All agenda requests and supporting materials must be submitted as a single pdf to Cheryl Aker in the County Judge's office, Cheryl.Aker@co.travis.tx.us by Tuesdays at 5:00 p.m. for the next week's meeting.

It is expected that the expenditure for Tuition Reimbursement would triple, possibly quadruple, if the attached revision is adopted. Accordingly, PBO has put a \$200,000 earmark in allocated reserves in the FY 2012 adopted budget in anticipation of this increase.

REQUIRED AUTHORIZATIONS:

Diane Blankenship, Director, HRMD, 854-9170

Leroy Nellis, Interim County Executive, PBO, 854-9106

Cheryl Aker, County Judge's Office, 854-9555

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Human Resources Management Department

700 Lavaca Street, 4th Floor

• Suite 420

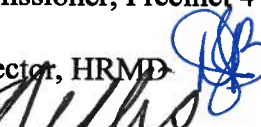
• Austin, Texas 78701

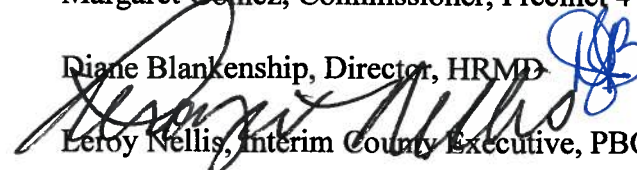
• (512) 854-9165 / FAX(512) 854-4203

MEMORANDUM

February 14, 2012

TO: Samuel T. Biscoe, County Judge
Ron Davis, Commissioner, Precinct 1
Sarah Eckhardt, Commissioner, Precinct 2
Karen L. Huber, Commissioner, Precinct 3
Margaret Gomez, Commissioner, Precinct 4

FROM: Diane Blankenship, Director, HRMD 

VIA:  Leroy Nellis, Interim County Executive, PBO

SUBJECT: Tuition/Fee Reimbursement Program

The current version of the tuition reimbursement program was established in 1995, and allows a regular, full-time employee to receive up to \$300 in tuition and fee reimbursement per semester. Our employees are appreciative of this financial assistance, which helps them to grow and develop professionally.

Members of the Court and many Elected and Appointed Officials have expressed an interest in both succession planning and assisting employees with developing career paths within Travis County. Career Ladders are one route to moving up within an organization. However, a strong Tuition Reimbursement Program can also be a fundamental piece in transitioning employees from classified to professional or from employee to supervisor.

Since the reimbursement caps have not been raised since 1995, Travis County's Tuition Reimbursement Program has not kept pace with most of our public sector market (see attachment of market comparison). In addition, the \$300 per semester cap covers much less of the tuition and fees for higher education than it did in 1995. In 1996, the average semester hour at Austin Community College in tuition and fees was \$29. Today, that same hour is about 2.5 times more expensive at \$73. In 1996 the average undergraduate semester hour at The University of Texas in tuition and fees was \$73. Today the cost is about 4.27 times more expensive at \$312. And an average undergraduate hour of tuition and fees at Texas State was about \$64 in 1996. Today it's more than 4 times that rate at approximately \$261 per semester hour. The County was able to reimburse employee's 80% of the cost of three semester hours at these institutions in 1996 based

on the lower costs noted above. Based on current costs and the continued \$300 semester cap, the County is still able to reimburse 80% for three semester hours at Austin Community College, but only 32% at the University of Texas and 38% at Texas State.

In order to keep pace with the rising cost of higher education and provide a benefit that will assist our employees in continuing to grow and develop, Staff recommends the revision of the Tuition Reimbursement Policy. A summary of the changes to the policy is highlighted below.

Reimbursement Caps

The current policy allows for \$300 per semester reimbursement, with a \$1,000 fiscal year cap. The proposed policy allows for a \$1,000 per semester reimbursement with a \$2,000 fiscal year cap for undergraduate courses. The City of Austin also has a \$2,000 annual reimbursement cap for employees. For graduate courses, the reimbursement goes up to \$1,500 per semester with a \$3,000 fiscal year cap. Graduate courses are significantly more expensive than undergraduate courses. The cost for three graduate hours at the University of Texas is \$1,058 compared to \$312, which is an additional \$746 per course. The additional amount available for graduate students is hoped to encourage employees to continue their education, when appropriate, after the completion of their undergraduate coursework.

Tenure/Turnover

In the current policy, any regular, full-time employee may apply for tuition reimbursement as of their first day with the County. In addition, there is no requirement for the employee to stay with the County for any period of time after the completion of classes. The revised policy draft requires an employee to have at least six months of tenure with the County prior to the start of any class for which he/she is seeking reimbursement. In addition, the revised policy requires that an employee remain with the County for six months after the end of any class for which he/she is seeking reimbursement.

As a side note, only one of the public sector employers we surveyed (Tarrant County) had a tenure requirement in their tuition reimbursement program. Also, in surveying Travis County's program for the last two years, employees who participated in the program had a turnover rate of just under 7%, neither significantly higher nor lower than the general employee population.

Taxation

Depending on the situation and the applicability of courses to the employee's current position, tuition reimbursement may be a taxable benefit. The current policy does not address this issue. The revised policy addresses the taxation issue.

Performance

The current policy allows for an 80% reimbursement for tuition and fees, up to the reimbursement cap. The proposed policy adds a performance component to the tuition reimbursement, giving 100% reimbursement for a grade in the "A" range, 90% reimbursement for a grade in the "B" range, and 80% reimbursement for a grade in the "C" range. Fee reimbursement stays at 80%. All of these reimbursements are subject to the new caps.

Reimbursement Timing

Currently, our employees are reimbursed approximately 3-4 months after the completion of classes. Under the proposed policy, the reimbursement would occur six months after completion of classes. This change is to ensure that the employee meets the tenure requirements of the policy prior to issuing reimbursement.

Tuition Refund Program Survey (3/11)

| | Travis County |
|--------------------|--|
| Do you have TRP | Yes |
| Workforce size | ≈4,500 |
| TRP budget | \$42,440.00 |
| Fees eligible | Tuition & required fees |
| Eligible Employees | Full-time regular |
| Eligible Classes | College credit related to current job or reasonable advancement |
| Class Limits | 2 per semester which can't exceed 7 hours. |
| Amount Reimbursed | 80% of out of pocket expenses, not to exceed \$300 per semester |
| Comments | We average 65 applicants with approx. 58 finishers each semester |

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Tuition Refund Program Survey (3/11)

| | Bexar County Linda Amaro 210.335.2643 | Dallas County Susan Bethal 214.653. 6045 | Tarrant County Larry Wilson 817.884.2744 | COA Human Resources 974.3400 | LCRA Human Resources Nina Marburger 473.3200 | City of R.R. Karin Holland 512.671.270 1 | Williamson County HR- Michelle |
|-------------------------------|--|---|---|---|---|---|---|
| Do you have TRP | YES | NO | YES | YES | YES | YES | NO |
| Workforce size | 4,800 Approx. | 7,000 + | 4,300 | 10,000 + | 2,253 | 850 | 1,500 |
| TRP budget | \$210,000 for FY 2010-2011 | NA | \$175,000 | 340,000 | 500,000 | \$50,000 | NA |
| Fees eligible | Tuition and mandatory fees only, no books or parking reimbursement | NA | Tuition Only | Tuition for classes only | Tuition and Books | Tuition only | NA |
| Eligible Employees | FT and PT | NA | All employees | FT and PT only | All full-time and part-time, regular employees who have completed six months of employment as of the course or program start date, have received a "Met Expectations" or better performance rating on their last performance review and have submitted proper documentation. | Regular full- time employees with six or more months of service | NA |
| Eligible Classes | Degree sought can be related to any position with the County | NA | Credit classes resulting in a letter grade | Anything related to City field Classes must be offered by | All courses must be taken for a grade. Courses cannot be taken on a credit/non- | Anything related to City field. Classes must be | NA |

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Tuition Refund Program Survey (3/11)

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|---------------------|---|----|--|---|--|--|----|
| | | | | an accredited school or university | credit basis. If the course does not provide a letter grade, a pass/fail grade will be accepted. An approved course of study may consist of an individual course or an entire degree program (Associates, Bachelors, or Masters only) that is offered by an accredited educational institution. | offered by an accredited school or university and must have the opportunity to be taken for a grade. | |
| Class Limits | 2 courses per semester with a maximum of 6 courses per year | NA | Continuing Education (non-credit) not reimbursed. Doctoral work limited to the departments that require or prefer that degree (PH and ME) Eight classes per calendar year limit. | Unlimited - 2,000 per year per employee | The decision by an employee's managers to approve or deny a request will be based on an assessment of the cost and the nature of the course, the employee's current and future assignments and potential impact on the employee's ability to meet his or her work responsibilities. If approved by the employee's first and second level | Provides up to \$2,000 in education assistance per fiscal year to eligible employees. These funds are allocated on a first-come, first-served basis. | NA |

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Tuition Refund Program Survey (3/11)

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|--------------------------|---|----|---|---|---|---|----|
| | | | | | managers, the Application is then forwarded to Human Resources. Human Resources will review the Application and make a final determination of the employee's eligibility to participate in the Program. Upon approval and processing by Human Resources, the employee will receive a copy of the approval for his or her records. | | |
| Amount Reimbursed | <p>100% for an A 90% for a B 80% for a C For undergraduate</p> <p>100% for A 90% for B And 0% for C or below For Graduate programs</p> <p>80% reimbursement for continuing education or</p> | NA | Maximum is \$690 per courses and \$900 for Graduate courses | <p>2, 000 per year, per employee</p> <p>For undergraduate Level A B or C</p> <p>For Graduate Level A or B</p> | <p>Full-time, Regular (40 hrs/wk)- 80% of eligible expenses</p> <p>Part-time, Regular (30 – 39 hrs/wk)- 60% of eligible expenses</p> <p>Part-time, Regular (20 – 29 hrs/wk)- 40% of eligible expenses</p> | The employee must obtain a grade of 'C' or better for undergraduate level classes or a grade of 'B' or better for graduate level classes. | NA |

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Tuition Refund Program Survey (3/11)

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|-----------------|--------------------|----|---|--|--|--|----|
| | non-graded courses | | | | | | |
| Comments | | NA | <p>Recipients must remain with the County for two years following the last courses reimbursed. Three years ago , I started a recognition ceremony in CC for those employees who complete degrees in a given year. The Commissione rs love it. We will have our first law degree recipient recognized this year.</p> | | <p>For all course reimbursement requests: Fee statement Proof of payment Grade statement - A final grade of "C" or above is required for all undergraduate-level courses. A final grade of "B" or above is required for all graduate-level courses. A final standing of "Pass" is required for courses designated as Pass/Fail. For all book reimbursement requests: Course syllabus or other documentation listing required textbooks Proof of payment 3. For all other reimbursement requests: Proof of payment</p> | <p>GED testing is also included in the Education Assistance program.</p> | NA |

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