

Educational Benefits Available to Service Workers in Universities in the District of Columbia

Rationale

At a time when many consider free access to higher education to be a human right, it is time to examine how universities in the District of Columbia distribute free access to education to their own workers. Free tuition for the dependents of faculty and staff is a long-standing tradition but is this benefit available to everyone working on campuses in D.C.? And what is being done for the dependents of workers who want higher education but do not have the academic records needed for admission to the city's most selective universities?

Background

When privatization of service workers began in the 1980s, benefits such as free tuition and retirement contributions were sharply reduced in the universities of the District of Columbia. This report focuses on educational benefits, but a preliminary look at retirement benefits also found large disparities.

For some workers, the free tuition available at universities is one of the most valuable benefits an employee could enjoy. For a middle manager, free tuition of \$50,000 for a child at one of the area's private universities such as Georgetown or George Washington would add at much as 50% to an annual salary.

This benefit may now be influencing where people work. For example, a manager in Aramark in the area recently left Aramark to manage food services as an employee of American University. After two years at the University, he would qualify for free tuition for his dependents. This manager would then gain a tax-free benefit of \$46,980 a year per child.

Educational Benefits Today

As a reader will see in the following tables, educational benefits vary tremendously from campus to campus. Benefits usually depend on who employs the service workers.

- The employer matters a great deal. Service workers such the cleaners at Catholic University and Gallaudet University were never privatized and thus have the same educational benefits as faculty and white collar staff.
- But the employees of the food service vendors such as Aramark, Bon Appétit, and Sodexo on campuses across the city receive nothing. Workers who have been privatized such as food service workers receive NO educational benefits on any campus in the city.

- Age of the dependent also matters. On some campuses, dependents lose benefits after age 24. For other workers such as some of the cleaners at Georgetown University, the age limit is 30. See <https://benefits.georgetown.edu/tap/tapchildren>
- And the policy on providing benefits for students not admitted to universities varies from campus. American University will restore free tuition to dependents of all service workers on campus beginning in Fall 2017. However, it does not yet provide any tuition assistance to dependents unable to gain admission to the university.
- Georgetown provides a model in the area of tuition assistance to students not able to gain admission to the university. With its tuition assistance program (TAP), Georgetown funds tuition bills of dependents enrolled elsewhere until age 30. See <https://benefits.georgetown.edu/tap>

Food Service Workers

| University | Employer on Campus | Free Credit Classes for Workers at the University | Financial Support for Education of Workers Elsewhere e.g. at a Community College | Free Credit Classes for Dependents of Workers | Financial Support for Education of Dependents Elsewhere |
|--|---------------------------------|--|---|--|--|
| American University | Aramark | No | No | Yes | No |
| Catholic University | Aramark | No | No | No | No |
| Gallaudet University | Bon Appétit | No | No | No | No |
| Georgetown University | Aramark and Epicurean & Company | No | No | No | No |
| George Washington University | Aramark | No | No | No | No |
| Howard University | Sodexo | No | No | No | No |
| Trinity University | Metz | No | No | No | No |
| University of the District of Columbia | Perkins Hospitality | No | No | No | No |

Custodians-Cleaning Service Workers

| University | Employer on Campus | Free Credit Classes for Workers at the University | Financial Support for Education of Workers Elsewhere e.g. at a Community College | Free Credit Classes for Dependents of Workers | Financial Support for Education of Dependents Elsewhere |
|--|--|---|--|---|---|
| American University | Aramark | No | No | Yes (Fall 2017 Start) | No |
| Catholic University | University | Yes | No | Yes | No |
| Gallaudet University | University | Yes | ? | Yes | ? |
| Georgetown University | Some custodians are employed by P&R Enterprises and some by the University | No for Employees of P&R Enterprises Yes for GU Employees | No for Employees of P&R Enterprises Yes for GU Employees | No for Employees of P&R Enterprises Yes for GU Employees | No for Employees of P&R Enterprises Yes for GU Employees |
| George Washington University | Aramark | No | No | No | No |
| Howard University | Thompson Hospitality | Yes | Yes | Yes | Yes |
| Trinity University | Aramark | No | No | No | No |
| University of the District of Columbia | Motir | No | No | No | No |

Recommendation

Propose D.C. City Council legislation mandating equal educational benefits for all workers at local non-profits. City or federal legislation already influences minimum wages, health and welfare in the workplace, gender and racial equality, etc. Equal access to educational benefits could be considered another fundamental right subject to government regulation. This legislation would need to make it clear that all workers on a job site such as a university would receive the same educational benefits whether they worked directly for a university or for a vendor on site at the university.

Retirement Benefits

The information below is just a snapshot not a formal survey. It was obtained in conversations with workers and in calls to Aramark's employee benefit hotline at 855-528-2363, and by looking at UniteHere Local 23 contracts online at <https://www.unitehere23.org/contracts/>. Unfortunately many of these online contracts are out of date and have not been updated, but a reader will see that UniteHere does not have a standard contract in place, and that some workers such as the Sodexo workers at Howard University have no hope of retirement based on their work at Howard.

| University | Vendor | Contract Years | Vendor Retirement Contribution | Role |
|------------|---------|--|--|---------|
| Howard | Sodexo | 2012-2016 found online | \$.20 per hour worked | Worker |
| American | Aramark | Current 2017 from current contract effective 6/1/2016 | \$1.05 per hour worked. Assume 1520 hours for two 19 week semesters. | Worker |
| Georgetown | Aramark | Current 2017 Source: Aramark hotline | 6% match to 401 (k) | Worker |
| Georgetown | Aramark | Current 2017 Source: Aramark hotline | 62.5% match up to the first \$35,000 per year to 401 (k) | Manager |

So, disparities in benefits exist for workers represented by the same union such as the examples at Howard and American University.

And another set of disparities exist is not based on where you work, but rather your role in the company. Managers on the same campus, Georgetown, and from the same vendor, Aramark receive a 401 (k) match which is more than 10X the match available to the workers.

Financial Information

Finally, workers talked to on campuses knew little about how much was in their retirement account and would like to know more. It seems that financial education has not been a priority of the vendors or the unions.

There is proposed legislation at the federal level to require "employer sponsored retirement plans to provide participants with a projection of monthly income based on their savings." (See Wall Street Journal, "You Choose: \$1 Million Vs. \$5,000 Every Month?" by Shilomo Benartzi and Hal. E. Hershfield.)

Compiled by Jim McCabe May, 2017 for the D.C. Peace and Economic Justice Program of the American Friends Service Committee. (Questions, Email: jim.mccabe@humanrightsatau.org)