

## **Tuition Assistance Task Force Report**

### **April 15, 2013**

The University Senate's Task Force on Tuition Assistance (see Appendix 1) was provided the following charges in the 2011-12 academic year (see Appendix 2). The task force met starting in the spring semester of 2012.

The task force reviewed existing policies at KU, peer institutions, and Kansas Regents Institutions. We attempted to gather information on the costs associated with these programs and only received information on the number participating and costs of KU's current program (207, \$277,000) and Kansas State University's more generous program (580, \$996,362). Children and dependents of faculty and staff at KU are also eligible to receive the Coca-Cola Scholarships at a maximum cost of \$1000 per scholarship. In this report, we describe the current KU tuition assistance program and compare it with peer institutions and other Kansas Regents institutions. The KU program is not as comprehensive as other Kansas Regents institutions nor does it compare favorably with peer institutions. We recommend that the University of Kansas expand the coverage of tuition assistance to dependents, spouses, and domestic partners, and increase the number of credit hours provided. We provide estimates of the cost of expanding KU's tuition assistance program. These costs should be considered rough estimates since if the program is expanded, more faculty and staff are expected to take advantage of this benefit.

### **Tuition Assistance at the University of Kansas, Regents Institutions, and Peer Institutions**

#### *KU Policies*

At the University of Kansas, full-time and part-time (working 50% or more) faculty and staff without a doctorate receive one course per term (up to 5 credits). They can receive up to 15 credits per year by taking a 5 credit course in each of the fall, spring, and summer semesters. An average of 207 faculty and staff took advantage of the tuition assistance benefit during the past five years with an estimated cost of \$277,000 per year.

The Coca Cola Merit Scholarship is also available for the children and dependents of benefits-eligible KU faculty and staff, including KU affiliates.

<<http://www2.ku.edu/~affordability/cgi-bin/coke-freshman>>. Incoming freshmen who qualify receive \$1,000 awards. Returning students may receive \$1,000, \$750, \$500 or \$250, depending on their cumulative grade-point average and funding availability. To be eligible, incoming freshmen must have a minimum composite ACT score of 24 and a 2.5 GPA or an ACT score of 21 and a 3.0 GPA. Scholarship winners must be full-time undergraduate students enrolled in at least 12 credit hours. To put things in perspective, the Coca Cola Merit Scholarship covers 3 credit hours per year at the current rate of \$293 per credit hour. The Coca Cola scholarship has not increased in value since its inception in 1998 despite the marked increase in tuition. In 2010, 247 students received the Coca Cola Scholarship. For the 2012-2013 academic year, 185 students received the Coca Cola Scholarship at a total cost of \$153,900.

### *Regents Institutions Policies*

In 2010 the Kansas Board of Regents permitted Regents' institutions to establish their own tuition assistance policies. A comparison of tuition assistance policies at Regents' institutions is included in Table 1. All Regents' institutions with the exception of KU have expanded their tuition assistance to cover dependents, and only Washburn and KU do not cover spouses. Only Wichita State covers domestic partners. Kansas State University has a much more generous tuition assistance policy, covering 14 credits per year for children of employees with a lifetime cap of 56 credits. Kansas State indicated that an average of 580 people received tuition assistance in the past four years for an estimated cost per year of \$996,362.<sup>1</sup> <<http://www.k-state.edu/sfa/forms/dsg1.pdf> other links are broken>.

### *Peer Institutions*

Table 2 shows the tuition assistance programs available at peer institutions including Indiana University, Ohio State University, University of Missouri-Columbia, University of Nebraska, University of North Carolina and University of Oregon. Only Kansas and Texas Tech do not cover spouses and only Kansas does not cover dependents. The dependent benefit ranges in generosity. At Ohio State if the dependent is a child of one employee, 50% of tuition for eight semesters (140 credit hours) are covered. The nets out to a maximum of \$4820 per year. The University of Missouri reimburses 50% of tuition for a maximum of 15 credit hours per year with a maximum of 140 credit hours for dependents. The University of Oregon subsidizes 30% of tuition for a maximum of 12 hours per year for employees, spouses, and dependents.

Compared to the Kansas Regents' institutions and our peers, the University of Kansas does not provide comparable or competitive tuition assistance. Neither dependents nor spouses are covered. In addition, the value of KU's benefit to employees is low by comparison.

### **Proposal for Tuition Assistance:**

#### *Rationale for faculty and staff tuition assistance*

Tuition assistance is a recruiting and retention tool for highly qualified faculty, staff and students, and is closely aligned with Goals 1 and 5 of the *Bold Aspirations* strategic plan. Goal 1 seeks to "Strengthen recruitment, teaching and mentoring to prepare undergraduate students" with Goal 1-B specifically designed to "Strengthen the pipeline of undergraduates to and through KU." KU enrollment will continue to decline as the number of traditional college-aged students decline and the population of the state of Kansas remains stagnant. As KU aspires to increase first year retention rates as a Changing for Excellence Initiative (<http://cfe.ku.edu/enrollment/>), we feel confident that children and dependents of faculty and staff tend to be higher achievers and are more likely to be the kinds of students that KU would like to attract and retain.

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<sup>1</sup> Kansas State University was the only one of these queried (including our peer institutions) that provided data on the number of people receiving tuition assistance and the estimated cost.

Goal 5 of the *Bold Aspirations* strategic plan seeks to “Recruit, value, develop, and retain an excellent and diverse faculty and staff.” We view tuition assistance as closely aligned with goals 5a, 5b, and 5d which are designed to enhance the recruitment process, develop and retain leadership, and enhance the diversity of faculty and staff. For example, trailing spouses and partners of employees recruited to KU could avail themselves of the opportunity to obtain higher education. In a time when budget cuts to the university limit faculty pay, tuition assistance can serve as a kind of deferred compensation.

### **Policy Recommendations**

This committee recommends the following changes to the current tuition assistance policy:

1. Expand tuition assistance to cover faculty, staff, and their dependents, spouses, and domestic partners.<sup>2</sup>
2. Match Kansas State University in providing 7 credits per semester without expense. This would be comparable to KSU, IU and MU. Only Texas Tech, North Carolina, and Oregon would have less generous programs while Ohio State would provide more generous benefits.
3. All full-time and part-time employees who have at least 6 months of service would be eligible. We recommend no other admission fee waivers.

### *Costs of the Program*

We expect 200-400 additional students to take advantage of this program. This is a rough estimate given that we have no reliable data on who would qualify for tuition assistance as a spouse, partner, or dependent. Given the current KU tuition assistance numbers 207 students receive assistance for a cost of \$277,000 at an approximate cost of \$1338 per student per year. This suggests that the 207 students are taking approximately 4.5 credits per year.

The following estimates at FY2013 undergraduate credit rates assume that students are taking the maximum credits allowable per semester. As such, these estimates are an upper bound on expenses because the marginal cost of additional students is less than the full expense of the credit hours. In addition, if we assume that tuition assistance induces more students to attend KU and these students take a full credit load, the students would still be paying for the approximately 7 + additional credits for full-time enrollment. If 200 students took advantage of the program all taking 7 credits per semester, the cost to KU would be \$2051 per person per semester for a total of \$410,200 per semester. If up to 500 students take 7 credits of the program, the cost would be \$1,025,150 per semester.

We recommend that KU use savings from Changing for Excellence initiatives to pay for this expansion of tuition assistance.

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<sup>2</sup> We recommend using Ohio State’s method for identifying domestic partners.

## Sources for Tuition Assistance Policies

University of Kansas

[https://documents.ku.edu/policies/Human\\_Resources/TuitionAssistance.htm](https://documents.ku.edu/policies/Human_Resources/TuitionAssistance.htm)

University of Indiana [http://www.iu.edu/~uhrs/benefits/tuition\\_plan.html#eligibility](http://www.iu.edu/~uhrs/benefits/tuition_plan.html#eligibility)

Ohio State University [http://hr.osu.edu/benefits/eb\\_tuitionassistance.aspx](http://hr.osu.edu/benefits/eb_tuitionassistance.aspx)

Texas Tech University <http://www.depts.ttu.edu/opmanual/OP70.29.pdf>

[http://www.depts.ttu.edu/studentbusinessservices/ttudeptresources/emp\\_dep\\_sch.php](http://www.depts.ttu.edu/studentbusinessservices/ttudeptresources/emp_dep_sch.php)

University of Missouri-Columbia <http://www.umsystem.edu/totalrewards/benefits/education/>

University of Nebraska <http://nebraska.edu/faculty-and-staff/benefits/employee-and-dependent-scholarships.html>

University of North Carolina <http://hr.unc.edu/benefits/work-life-and-wellness/educational-programs/index.htm>

University of Oregon <http://hr.uoregon.edu/content/staff-rates-tuition>

Kansas State University [http://www.k-state.edu/hr/benefits/educ\\_opp.html](http://www.k-state.edu/hr/benefits/educ_opp.html)

Emporia State University <http://www.emporia.edu/humres/current-employee/employee-tuition-assistance-guideline.html>

Fort Hays State University <http://www.fhsu.edu/personnel/tuition-assistance/>

Pittsburg State University <http://www.pittstate.edu/office/hr/employee-benefits/tuition-assistance.dot>

Washburn University

<http://www.washburn.edu/faculty-staff/human-resources/wuprpm/benefits.html>

<http://www.washburn.edu/faculty-staff/human-resources/employee-benefits/frequently-asked-questions.html> <http://www.washburn.edu/admin/bor/archives/TuitionWaiver.060999.html>

Wichita State University

[http://webs.wichita.edu/?u=humanresources&p=/CurrentEmployees/Benefits/ta\\_guidelines/](http://webs.wichita.edu/?u=humanresources&p=/CurrentEmployees/Benefits/ta_guidelines/)

<http://webs.wichita.edu/?u=humanresources&p=/CurrentEmployees/Benefits/dependentspouseta>

[http://webs.wichita.edu/inaudit/ch3\\_43.htm](http://webs.wichita.edu/inaudit/ch3_43.htm)

## **Appendix 1: Taskforce Membership and Charges**

### Chair

Donna Ginther, Professor, Economics – FY12 chair

### Faculty representative

Jennifer Gleason, Assoc. Professor, Ecology & Evol. Biology (appointed 3/2012)

### Unclassified Staff representative

Susan Mercer

Associate Director

Institute for Policy & Social Research

### University Support Staff representative

Sheila Orth

Library Associate (appointed 3/2012)

### Student representative

Drew Harger (appointed 3/2012 to replace L. Johnson)

### Ex-Officio

Helen Dong

Associate Director

Budget Management and Fiscal Services

### Ex-Officio

Mary Ann Richey

Assistant Director, Budget Office

### Ex-Officio

Paulette Tasca

Employment Manager/Research Liaison

Human Resources and Equal Opportunity

## Appendix 2: Task Force on Tuition Assistance for Employees, Partners, and Dependents

*Revised & Approved by University Senate, 10/7/10*

*Revised & Approved by SenEx, 11/29/2011*

### Charges:

1. Investigate the desirability of KU's establishing a tuition assistance program for faculty and staff. Such assistance may include tuition waivers or tuition reductions, and the eligible students may include the dependents of faculty and staff members, the spouses and domestic partners of faculty and staff members, and/or faculty and staff members themselves.
2. Ascertain such assistance provided by existing programs, such as the tuition assistance program for staff members ([http://www.hreo.ku.edu/benefits\\_pay/benefits\\_info/tuition\\_assistance](http://www.hreo.ku.edu/benefits_pay/benefits_info/tuition_assistance)) and the Coca-Cola Scholarships ([http://admissions.ku.edu/freshmen/scholarships/freshman\\_scholarships.shtml](http://admissions.ku.edu/freshmen/scholarships/freshman_scholarships.shtml)).
3. Identify a set or sets of peer institutions and ascertain which do, and which do not, currently have more comprehensive tuition-assistance programs.
4. Estimate the likely annual cost *and benefit* of such a program for KU, and identify possible funding sources.
5. Consider the desirability and feasibility of provisions for comparable benefits or other equal treatment for faculty and staff at KU who do not have partners or dependents, whose partners or dependents do not go to college, or whose partners or dependents go to college somewhere other than KU.
6. If a more comprehensive tuition-assistance program seems desirable for KU, propose specific parameters for such a program. Parameters should address eligibility, degree of assistance, *admission process waivers*, and other policy details.

**Table 1: Regents Institution Tuition Assistance Policies**

<b>Regents Institution</b>	<b>Coverage</b>	<b>Credit hours provided per sem EMPL</b>	<b>Credit hours provided per sem SPOUSE</b>	<b>Credit hours provided per sem CHILD</b>	<b>Credit hours provided per year EMPL</b>	<b>Credit hours provided per year SPOUSE</b>	<b>Credit hours provided per year CHILD</b>	<b>Lifetime Cap EMPL</b>	<b>Years of service required</b>
University of Kansas	FT, PT	1 class up to 5hrs (no faculty)			3 classes up to 15hrs				6 months
Kansas State University	FT, Civil, Spouse, Child	1 class up to 3hrs	7, pt time students only, no summers	7, full time students only, no summers	3 classes up to 9hrs	6	14	8 Semesters for spouse or child	0
Emporia State University	FT, PT, Spouse, Child	6	20% for yr 1 with 20% more per year after	20% for yr 1 with 20% more per year after	18				1
Ft. Hays State University	FT, Spouse, Child	6	12 undergrad or 9 grad	undergrad only, 3 years at 20%, 20% more per year after, no summers					1 for self or spouse, 3 for child
Pittsburg State University	FT, Spouse, Child	100% up to 3hrs, over 3 coverage varies (no faculty)	6	min{20*years of service, 100} %	9			8 Semesters for child	1 (ft) or 2 (pt)
Washburn University	FT, PT, Retiree, LDD, Child	1 class		50% (if dep of ft empl) or 25+% (if dep of pt empl, retired, disabled, or deceased), undergrad only	3 classes				1 for self or 0 for child
Wichita State University	FT, PT, Spouse, Partner, Child	1 class up to 5hrs (non-teaching employees only)	7 undergrad or 3 grad (part or full time), no summers	7 undergrad (must be full-time, 12+ hrs) or 3 grad (full or part time), no summers	3 classes up to 13hrs (non-teaching employees only)	14	14	8 Semesters for child	0

**Table 2: Peer Institution Tuition Assistance Policies**

Institution	Offers Tuition Assistance?	Credit hours provided per sem EMPL	Credit hours provided per sem SPOUSE	Credit hours provided per sem CHILD	Credit hours provided per year EMPL	Credit hours provided per year SPOUSE	Credit hours provided per year CHILD	Lifetime Cap EMPL	Years of service required
University of Kansas	FT, PT	1 class up to 5hrs (no faculty)			3 classes up to 15hrs				6 months
Indiana University	FT, Retirees, LDD, Spouse, Partner, Child	varies by campus (approx 4.5 hrs)	1/3 of spouse allowance	50% UL				Child (BA or 140 Hours)	0
Ohio State University (M)	FT, PT, Civil, Spouse, Partner, Child	up to \$9640 or 10hrs (75+% FTE only)	18A	18A				8 sem & 140hrs for Spouse or Child	0
Texas Tech University	FT, Child	1 class up to 4hrs		varies	3 classes up to 10hrs		varies	N	
University of Missouri - Columbia (M)	FT, Retiree, Spouse, Child	75% up to 6hrs	50% up to 6hrs	50% up to 6hrs	75% up to 15hrs	50% up to 15hrs	50% up to 15hrs	140 Hours for Spouse or Child	0/5
University of Nebraska, Lincoln	FT, Retiree, Spouse, Child	6	6T	6T	15	15T	15T		0
University of North Carolina at Chapel Hill (M)	FT (Spouse, Child Scholarships)				6				0 / 1
University of Oregon	FT, PT, Retiree, Spouse, Partner, Child	30% up to 12hrs	30% up to 12hrs	30% up to 12hrs					0