

To Benefits Cmte  
from MAFS  
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# Tuition Exchange Program Proposal

## Executive Summary

Especially in an economic climate in which pay has been stagnant and employee benefits are being reduced, recruiting and retaining quality faculty and staff is challenging. Establishing a tuition exchange program among state universities is one means of partially offsetting those negatives and providing an important benefit/incentive to young and mid-career employees. The attached sample policy outlines one possible way such a program could be administered with minimal work and at almost no cost to the participating institutions.

## Overview/Rationale

While many universities offer reduced tuition at their own institution as a benefit to employees and their dependents, many children of employees would prefer to experience college life away from their parents and their hometowns and/or want to attend institutions that are a better fit for their academic needs. Many private universities are members of The Tuition Exchange or the Council of Independent Colleges, which facilitate such exchanges, albeit with numerous restrictions. Some states (such as Illinois) accommodate this desire by having exchange programs between state universities. If Missouri state universities were able to agree on the details, a similar exchange program could be established that would allow employee dependents to attend other public universities in the state.

## Sample Proposal: 50% Tuition Reduction

While a full-tuition reduction would be ideal, it would likely be met with much resistance, especially since no school currently offers full-tuition reductions for its own faculty/staff; the range is between 50-80% reduction. So, it makes sense to go with the lowest number, 50%, to prevent problems of some schools having a higher tuition reduction for their exchange students than for students attending their "home" university. Some particulars, which are detailed in the attached sample policy:

- 1) The tuition exchange program only applies to degree-seeking students who meet the IRS definition of a dependent—not spouses or other dependents.
- 2) The 50% tuition reduction would be treated like a scholarship, similar to a Neighboring States scholarship
- 3) The 50% tuition reduction could be combined with other institutional scholarships, but could not exceed the total cost of tuition and fees
- 4) Students receiving a D/F/W in a course will have the full tuition reduction amount for that course applied back to their account. In other words, students withdrawing or getting lower than a C will need to pay back the 50% reduction for that class.
- 5) All students in the program would still need to meet any admission criteria and apply and be formally admitted to the institution they wish to attend.

## Potential costs/drawbacks

On the whole, this program would not cost the state any additional revenues or incur any expenses. The cost to individual universities would be negligible at worst, as many schools would likely have roughly the same number of students imported as exported. Actually, because the 50% reduction is less than some schools currently offer their "home" students—

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and because some schools do not have a policy in place to recoup costs if the students get a D/F/W—some schools may actually benefit financially from the program.

The main potential drawback is that a couple universities/colleges may end up importing significantly more students than others, thus incurring a greater expense. But the number of students in the exchange program would amount to a tiny fraction of the total number of students enrolled and would not likely necessitate the need to hire additional full-time faculty.

### **Implementing the Tuition Exchange Proposal**

While a legislative approach is possible, trying to mandate exchanges between all state universities by legislative fiat is fraught with potential problems, not the least of which is that such an approach may take years to accomplish. The best way is for the universities to work together to create a consortium. The Missouri Association of Faculty Senates is perhaps the best vehicle for laying the groundwork for such a consortium. The steps involved would likely include the following:

- 1) Distributing this proposal outline and a sample policy guide document to MAFS members (such a sample has already been created by the coordinated efforts of the Missouri Western Faculty Senate and Staff Association).
- 2) Having Faculty Senate Presidents/Exec Committees at the individual institutions forward these documents to the staff organizations and fringe benefits committees at their institutions
- 3) Having these committees present final recommendations to join/form a tuition exchange consortium to the staff associations and faculty senates, and having these representative bodies approve these recommendations
- 4) Presenting these recommendations to the institutions' administration and Board of Governors

Naturally, some of the committees/institutions might have recommendations for changing/improving the sample policy guide document. Because all the institutions in the consortium would likely need to agree to the same basic principles, Faculty Senate presidents should communicate these revision recommendations to their colleagues via the MAFS listserv.

Other notes:

- This program, should a consortium be established, would likely begin in the Fall of 2015, although it might be possible to have a Fall 2014 start date if the bodies involved worked quickly.
- While the bottom-up approach is probably best, one other avenue would be to work through the council of state university presidents.

### **Evaluation**

After the first year or two of the program, the consortium members may wish to re-evaluate the consortium, tweaking any requirements that prove problematic. In addition, data should be collected on the numbers of students imported and exported from each institution. If there are large discrepancies, the consortium may wish to examine ways to limit the financial impact of those discrepancies (setting caps on the number of students imported or exported, creating a means for compensating institutions that import far more students than they export, etc.).