

**Attachment 2**  
**Final Report from**  
**Dependent/Spouse Tuition Grant Policy Task Force**  
**March 1, 2010**

**Task Force:**

**Co-chairs:** Dr. Brian Niehoff, Office of the Provost  
Ms. Marcia Stockham, Hale Library

**Members:** Dr. Tom Vontz, College of Education  
Ms. Jennifer Gehrt, Human Resources  
Ms. Karlene Varnadore, Department of Agronomy  
Mr. Robert Gamez, Student Financial Assistance  
Ms. Becki Bohnenblust, Division of Biology

We appreciate the opportunity to work on this task force and to be a part of analyzing and developing a policy that can truly impact our employees and families at K-State.

### **Task Force Charge:**

Interim Provost Ruth Dyer and Faculty Senate President Melody LeHew established the Taskforce on the Dependent/Spouse Tuition Grant policy on October 12, 2009. The taskforce was formed in response to discussions between the Faculty Senate Leadership and the President's Cabinet regarding the need to review and possibly update the current Dependent Tuition Waiver policy. The formal charge to the task force was to:

- Review the current Dependent/Spouse Tuition Grant policy and assess the extent to which the program meets the original purpose – to be an employee benefit having a positive impact on recruitment and retention of employees and students.
- If necessary, recommend modifications to the current policy that will align with the original purpose.
- Gather appropriate data to evaluate the cost/benefit aspects of the policy.
- Identify any barriers for implementing the current or modified policy and develop recommendations for overcoming any barriers.

The task force met on October 22, 2009 to hear the charge from Interim Provost Dyer and Dr. LeHew. A goal was established to report back to the Provost and Faculty Senate by March 1, 2010. This report is submitted to fulfill that responsibility.

### **Contents of Report:**

- I. Executive Summary
- II. Process used by the task force to analyze current policy;
- III. Analysis of current program and recommendations; and
- IV. Rationale for our decision to propose an increase in the benefit to be available through the tuition assistance program.

## **I. Executive Summary**

To conduct the analysis, the task force gathered data from the last two years of the K-State policy, as well as information on the Dependent/Spouse assistance policies of a number of other institutions for comparison purposes. The administration of the current policy was found to reflect some inconsistencies in a few areas. In addition, for many reasons, the committee felt the amount of the assistance was relatively low compared to other institutions that have such policies. To address the administrative inconsistencies and to increase the amount of the tuition assistance offered, the task force has proposed a new policy. Some changes in the policy administration were to clarify the eligibility requirements for students and to allow students with outside financial aid to obtain more funding from the program than in the past. The most significant change to the policy is the proposed increase in the benefit offered. The task force proposes that, for an eligible full-time undergraduate student, the number of hours to be awarded through the grant program be increased from 3 credit hours per semester to 7 hours per semester. Projections suggest the change will likely require doubling the amount budgeted for the program. The task force felt this increase was justified as a means to positively affect faculty and employee morale in the current economic conditions, as well as to attract and retain quality faculty members.

## II. Process Used by Task Force to Analyze Current Program

In this section, we describe the process used by the task force to conduct our analysis of the current program. We also list the outside resources used in the analysis and discussions.

The task force met three times in the fall semester and met weekly from January 20, 2010 to February 10<sup>th</sup>. The meetings in the fall were devoted to developing a clear understanding of our current policy and how it has been administered. The meetings in the spring semester focused on the proposed changes of the policy and the form of the benefit (waiver vs. grant).

In order to conduct a thorough analysis of the current policy and to better understand how the K-State policy differed from similar policies at other institutions, it was necessary to gather data. The following list represents the information that we used as the basis for our discussions:

- Copy of K-State's current policy for Dependent/Spouse Tuition Grants;
- Copies of earlier drafts from the work of the previous task force in 2003;
- Copies of dependent tuition assistance policies from Regents' institutions,
- Information on similar policies at other Big 12 institutions, whether they had such policies and copies of the policies if they existed;
- Copies of Dependent/Spouse tuition assistance policies of other institutions, focusing on peers, land grants and others (including University of North Dakota, Colorado State University, Mississippi State University, University of Illinois system, University of Maine system, Oregon State University, University of Auburn-Montgomery, Montana University system).
- Costs of current program (number of students, total hours enrolled, net hours paid by program, total cost to KSU).
- Applicable Human Resource policies.
- Phone contact with six schools for additional information on costs of their programs for comparison purposes (Fort Hays State University, Pittsburg State University, University of Auburn-Montgomery, Mississippi State University, University of Nebraska, and Colorado State University).

The task force or the co-chairs also met with Jim Bach from the Controller's Office, Bruce Shubert (Vice President of Administration and Finance), and two representatives of the Faculty Senate Leadership Group (Drs. Melody LeHew and Judy Hughey). These meetings provided valuable perspectives for our discussions.

### **III. Analysis of Current Program and Recommendations for Improvement**

*Overview of the Current Program:* The original Dependent/Spouse tuition waiver policy was approved in 2005 and is shown in Appendix A. Usage rates for the past few years are shown later. Student Financial Assistance has administered the program since its inception. The program operates by providing “grants” toward students’ tuition in the amount of 3 credit hours per semester (at resident, on-campus tuition rates). The initial program was funded using Foundation accounts, but the program was put on the General Fund budget more recently. For the past few fiscal years, the Vice President for Administration and Finance has budgeted approximately \$400,000 for the program. The program has not exceeded this amount in any one year.

Below we discuss, point by point, our findings relative to the charge of the task force. We cover the following: (1) the inconsistencies and issues regarding the current policy and its administration, (2) our recommendations for modifications to the policy, (3) a cost/benefit analysis comparing the current policy to the possible implementation of the new policy, and (4) a discussion of possible barriers to implementing the new policy.

#### ***Inconsistencies and Issues Regarding the Current Policy and its Administration***

In our discussions, the task force identified a number of inconsistencies that have emerged over the years since the policy was originally enacted.

1. While the policy states that spouses and dependents must be full-time status in an undergraduate program or part-time status in a graduate program, the actual administration of the policy differed between spouses and dependents. Spouses have been provided with the tuition assistance whether full-time or part-time, undergraduate or graduate, and in some cases, had not been admitted into an academic program. This allowed spouses to take a single course during a semester. The incidence of this was very low. It did allow spouses of faculty members to further their education.
2. The policy requires applicants to use other tuition assistance and scholarships first, with the grant from the Dependent/Spouse Tuition Grant policy applied only after all such sources of funding have been exhausted, and only up to the balance of the student’s total tuition. This has resulted in students being denied the tuition assistance from the program, and, in a few cases, causing the students to enroll elsewhere.
3. The original approved policy excluded distance and online courses; however, this stipulation does not show up on the current version of the policy on the Student Financial Assistance website (<http://www.k-state.edu/sfa/grants/sdg.htm>). In determining grant amounts, Student Financial Assistance decided not to distinguish between online/distance or on-campus course hours. The amount of the grant for each participant was based on resident, on-campus tuition rates, thus there was no need to be concerned with whether the hours were on-campus or not, since the grant amount was not going to differ for online/ distance or on-campus courses.

4. There did not seem to be a very thorough system in place to check the eligibility of the employee or the Dependent/Spouse student on all requirements. We believe this to be a very low impact problem, but could have a larger influence if not controlled.
5. There was no system of reporting in place. Student Financial Assistance has kept records on those who have participated and the Vice President for Administration and Finance has a clear understanding of the budgeted costs for the program, but no follow-up reports were provided on a regular basis to the Provost's office, Faculty Senate, Human Resources, or other relevant parties.
6. There was a strong sentiment expressed in the task force that the amount of the grant (currently equivalent to resident on-campus tuition for 3 credit hours of coursework) was low compared to other institutions that have tuition assistance policies. The chart shown in Exhibit 1 shows the major features of Dependent/Spouse tuition waiver policies from a wide spectrum of institutions, and provides a comparison of K-State's policy to similar policies of other institutions.
7. Finally, there was a desire to examine the benefits and drawbacks of the tuition assistance in the form of a grant (as is currently used) compared to a tuition waiver.

#### ***Recommendations for Modification to Current Policy***

The task force proposed a number of changes to the current policy, all of which were aimed at tightening up the administration of the policy as well as increasing the attractiveness of the program. The proposed policy is shown in Appendix B. The modifications to the current policy are discussed below. Our rationale for each modification, if necessary, is shown in italics below the bullet point.

1. *Amount of tuition assistance:* The most significant change in the policy is that of the amount of assistance. After comparing our current level of benefit to the levels at other Regents, Big 12, land-grant, and peers, we decided to propose an increase in the benefit offered. We have proposed that undergraduates enrolled as full-time students should receive assistance equivalent to the resident on-campus tuition for 7 student credit hours of courses, up from the 3 credit hours of courses under the current policy. For part-time or graduate students, the benefit will remain the same at the resident on-campus tuition rate for 3 student credit hours of courses.
  - *There was a strong sentiment to increase the benefit to a rate equivalent to 50% of tuition. This level of benefit seems to be the "industry norm" for spouse and dependent tuition assistance programs, with some institutions as high as 100% of tuition. Data from Student Financial Assistance showed that past participants in the K-State program have enrolled in an average of 14 credit hours per semester. Thus, we felt that 7 hours would represent approximately 50% of tuition. All participants are still limited to eight semesters in which they can receive the benefit, so it will be in their best interest to enroll in at least 15 hours per semester to complete their degree programs on time using the tuition assistance.*

2. *Employee eligibility*: Wording was slightly modified in the employee eligibility and definitions sections in order to fit the language and format of some of the best examples of policies that we reviewed. The only new wording added was to note that there was no service requirement for employee eligibility. In some plans, employees must have a year or so of service before their spouse and dependents can participate. We did not feel a service requirement fit with the spirit of a K-State policy.
3. *Dependent/Spouse eligibility*: For the student eligibility, we wanted to emphasize two ideas. First, spouses and dependents must be admitted into a degree-seeking academic program before they receive any assistance. This will be checked more thoroughly at the time of application. Second, we clarified the policy differences between spouses and dependents. Spouses may be enrolled as part-time students for either an undergraduate or a graduate program. Spouses who enroll as part-time undergraduates will be limited to a grant of 3 credit hours, instead of the proposed increase to 7 credit hours. Dependents must be full-time students for an undergraduate program but may be part-time students for a graduate program.
  - *Our rationale for this differentiation was due to the different objectives for the program – recruitment and retention. In recruiting new faculty, it would be important to be able to offer spouses the opportunity to complete an undergraduate degree or start a graduate degree. Since spouses might have childcare responsibilities, allowing them to attend part-time in either program would be important. Retention, on the other hand, would likely bring the focus on tuition assistance for dependents.*
  - *In addition, federal tax law allows scholarships (or grants) to be tax free only if the student is a candidate for a degree at an eligible institution. (Source: IRS Publication 970)*
4. *Academic progress requirement*: The current policy requires that students must “demonstrate satisfactory progress toward their intended degree” except for first time students. We removed the wording concerning first time students. We felt that handbook and program policies regarding satisfactory progress toward degrees were important to emphasize, and most addressed the special case of first time students. All students who receive the assistance must demonstrate satisfactory academic progress as defined by their respective programs of study.
5. *Dependent/Spouse tuition grant policy vs. employee tuition assistance policy*: To avoid any confusion, we added in a stipulation for the case when both spouses work for the university. If either spouse wants to enroll in classes, the applicable program is the Employee Tuition Assistance program, not the Dependent/Spouse Tuition Grant program. Since the two programs will now have different benefits, we felt it necessary to clarify this point to avoid future confusion. This suggests that the employee tuition assistance policy be reviewed in the future to avoid inconsistencies.
6. *Online & distance courses*: The original policy excluded online and distance courses from the waiver. In the administration of the program, however, such courses were

included in the mix of credit hours for which student grants were provided. Since the grants were limited to on-campus resident tuition rates, the differential tuition and fee rates for distance/online courses were irrelevant to the calculations. We decided to state clearly in the proposal that the policy covers both on-campus and online courses.

- *An increased number of our regular students take a mix of on-campus and online/distance courses. Since we have increased our offerings of online/distance courses and view such courses as having certain efficiencies over on-campus face-to-face courses, we saw little reason to limit the choices of spouses and dependents. In particular, we thought that spouses who have childcare responsibilities might find distance courses easier to work into their daily schedules.*

7. *DVM and graduate courses:* We also clarified that DVM students would receive the same benefit as graduate students who participate in the program. The tuition rates for the DVM courses are considerably higher than those for undergraduate students. In addition, we also clarified that students who might enroll in both undergraduate and graduate/DVM courses in the same semester would earn the benefit according to their primary program of study. Therefore, DVM students will receive the three credit hour DVM course benefit, but undergraduate students who enroll in a graduate class will receive the seven hours of credit according to their undergraduate major.

8. *Dual career benefit:* The current policy did not address the case where both spouses were employees of the university and their dependents seek tuition assistance. The key question was whether dependents in such cases should receive double the benefits through the program (e.g., 14 hours instead of 7 hours at for undergraduates). The task force decided that doubling the benefits for dual career spouses was inequitable. We added this limitation explicitly in the proposed policy.

- *While this policy is an employee benefit, it does not make sense that some participating students would receive twice the amount of the benefit. The example of medical benefits received by K-State employees is pertinent here. A visit to the doctor's office by a dependent is covered only up to the amount of the benefit for one employee; the coverage is not doubled. The tuition assistance through this program should be treated similar to medical benefits.*

9. *Application of other financial aid:* The task force also considered the practice of first exhausting the other financial aid and scholarships received by the participating student before applying the Dependent/Spouse Tuition Grant. We realized that K-State has probably lost some, and could lose more excellent students due to this aspect of the policy. We modified the policy so that the tuition assistance through the program would be provided in addition to other forms of financial aid up to the total cost of attendance (tuition plus fees, room and board, books).

- *If a prospective student is excellent to the point of receiving "full ride" scholarships that cover all of his/her tuition, then we should be willing to provide as much additional assistance as we can to entice them to attend K-State. There were about 20 students in the past year who were deemed ineligible to receive the tuition assistance for this reason.*



10. *Tuition assistance as a grant rather than a tuition waiver:* The tuition assistance will remain in the form of a grant rather than change to a tuition waiver. Grants are administered out of Student Financial Assistance but a waiver would require an additional administrative step in the Registrar's office, making administration more complex. K-State controls any decisions to change the level of grants and scholarships, but a waiver must be approved by the Kansas Board of Regents (KBOR). Such approval will also lead to increased oversight by the KBOR in the future, as waivers are generally approved with the intent that they will increase enrollments. In addition, tuition waivers (identified as "Qualified Tuition Reduction" in IRS Publications 970 & 15-B) are considered taxable income to the employee when provided to the dependent or spouse enrolled above the baccalaureate level; whereas grants and scholarships are not, in general. Finally, the amount of a grant based on a set number of credit hours is easier to determine compared to a waiver based on percentage of tuition, which could adjust throughout a semester. For these reasons, the task force decided to keep the tuition assistance offered through the program as a grant.

### ***Cost/Benefit Analysis of Current vs. Proposed Policy***

Using data provided from Student Financial Assistance, the task force was able to examine the costs of the current program for both the 2009 and 2010 fiscal years. We used those figures to project estimated costs of the proposed policy.

#### *Modifications that will increase costs:*

1. The new policy increased the benefit for undergraduates from 3 hours per semester to 7 hours per semester, assuming the students are enrolled full-time and admitted into an academic program.
2. Providing the benefit on top of other financial aid up to the total cost of attendance rather than the total cost of tuition only.

#### *Assumptions used for cost/benefit analysis:*

1. Number of applicants: For AY 2008-09, there were a total of 354 applicants for the program, with 568 grants provided (many applicants received two semesters of assistance). For AY 2009-10, there were 333 applications, with 534 grants provided. To be conservative (i.e., over-estimating the costs), we used the 2008-09 numbers to project future demand.
2. Since the modifications to the current policy might increase the attractiveness of the program, demand will likely increase. It is difficult to determine the likely increase. Also, some of the undergraduate students who currently participate in the program would not be eligible for benefits under the new policy (e.g., students who are less than full-time or those students who are not in a program). We examined three scenarios: (1) no increase in demand, (2) a modest demand increase of 5%, and (3) a higher increase of 10%. These scenarios are used for the calculations in the table below.
3. Tuition will increase in the future, but it is too early to predict exactly the amount of the increase. For simplicity purposes, we used current FY10 tuition rates (\$206.20 per credit hour for undergraduates, \$426 for DVM, and \$279.90 for graduates) in our projections.

Tuition rates for FY09 were \$198.47 for undergraduates, \$269.40 for graduates, and \$410 for DVM.

4. Aside from natural increases in tuition, there will be no additional costs to the DVM or Graduate levels of the program (i.e., the benefit remains the same for these programs under the new policy).

*Estimated Total Cost/Benefit of Proposed Policy*

Table 1 on the next page shows the actual costs of the current program for FY09 and FY10, and compares these figures to three projections. The first projection assumes no increase in the demand from spouses/dependents. The second projection assumes a 5% increase in demand for the program. The third assumes a 10% increase in demand.

This analysis shows that a relatively low increase in demand for program funding would more than double the current level of funding required for undergraduates (from \$262,057 to \$714,483). Although the program costs will more than double, the net tuition gained (as well as fees generated) suggests that the program would still have a positive impact on the university overall.

**Table 1 – Cost/Benefit Analysis of Proposed Program**

<b>Factor</b>	<b>Actual FY 09</b>	<b>Actual FY 10</b>	<b>Projected new policy 0% growth</b>	<b>Projected new policy 5% growth</b>	<b>Projected new policy 10% growth</b>
<b>Undergraduate</b>					
Number of grants thru program	450	432	450	472.5	495
SCH covered by program	1,350	1,296	3,150	3,308	3,465
Applicable tuition rate per SCH	\$198.47	206.20	\$206.20	\$206.20	\$206.20
Total cost of program grants	<b>\$260,320*</b>	<b>\$262,057*</b>	<b>\$649,530</b>	<b>\$682,110</b>	<b>\$714,483</b>
Total SCH for participants	5,978	5,995	5,978	6,277	6,576
Net SCH above hours covered	4,628	4,699	2,828	2,969	3,111
Net tuition gained via program	\$892,413	\$968,934	\$583,134	\$612,208	\$641,488
<b>Graduate</b>					
Number of grants thru program	101	88	101	101	101
SCH covered by program	303	264	303	303	303
Applicable tuition rate per SCH	\$269.40	\$279.90	\$279.90	\$279.90	\$279.90
Total cost of program grants	<b>\$75,260*</b>	<b>\$70,005</b>	<b>\$84,810</b>	<b>\$84,810</b>	<b>\$84,810</b>
Total SCH for participants	611	513	611	611	611
Net SCH above hours covered	308	249	308	308	308
Net tuition gained via program	\$76,502	\$69,695	\$86,209	\$86,209	\$86,209
<b>Veterinary Medicine</b>					
Number of grants thru program	17	14	17	17	17
SCH covered by program	51	42	51	51	51
Applicable tuition rate per SCH	\$410	\$426	\$426	\$426	\$426
Total cost of program grants	<b>\$20,910</b>	<b>\$17,892</b>	<b>\$21,726</b>	<b>\$21,726</b>	<b>\$21,726</b>
Total SCH for participants	336	268	336	336	336
Net SCH above hours covered	285	226	285	285	285
Net tuition gained via program	\$116,850	\$96,276	\$121,410	\$121,410	\$121,410
<b>Total costs of program grants</b>	<b>\$356,490</b>	<b>\$349,954</b>	<b>\$756,066</b>	<b>\$788,646</b>	<b>\$821,019</b>
Net tuition gained via program	\$1,085,765	\$1,134,905	\$790,753	\$819,827	\$849,107
*Amounts are not multiples of tuition rates since some students received partial grants due to upper limit of total tuition.					

It is important to note that one aspect of the current policy that will not be changed is: “Funds will be awarded on a first come-first served basis until budgeted resources are exhausted.” The Office of Administration and Finance must be able to responsibly budget the funds for the program.

### ***Possible Barriers or Issues to Consider for Implementation***

The task force reviewed the procedures used by Student Financial Assistance regarding policy interpretation and administration of the current benefit and made recommendations to ensure consistency and fairness in the distribution of the benefit. We strongly recommend that all changes to the administrative aspects of the policy be implemented in the fall semester 2010, no matter when the new benefit would begin (FY11 or FY12).

The key administrative changes include:

- All recipients must be enrolled in an academic (degree seeking) program.
- The total tuition assistance each semester may be applied **in addition to** any financial aid received by the student, up to the cost of attendance at the university, which includes tuition, fees, room and board, books and supplies.
- Dependents of dual career spouses where both are employed at the university should not be eligible to receive double the benefit. A dual career situation will be treated the same as a case where only one spouse is an employee.
- Eligible employees must complete an application form each semester for each Dependent/Spouse who seeks tuition assistance. Applications must be signed by their department head for verification of eligibility.

In addition to policy changes, the task force recommends that Student Financial Assistance remain the administrator of the tuition assistance program, and that their oversight of the program include the following:

- Revise the current application form to ensure validation that employees meet the stated eligibility criteria. The form should be signed (and verified) personally by a department head.
- Track the recipients of this assistance and prepare an annual report using appropriate parameters for University administration, Classified Senate, and Faculty Senate.

A further general recommendation is to review the current Employee Tuition Assistance program and make recommendations that would bring it in closer alignment with the Dependent/Spouse Tuition Grant program.

## Rationale for Increased Benefit

The task force wanted to convey its rationale for proposing an increase (from 3 credit hours to 7 credit hours) in the Dependent/Spouse tuition grant benefit.

1. *Recruitment and Retention Tool.* The success or failure of any university is directly linked to its reputation. The reputation of a university mirrors the reputation and standing of its faculty and staff. By significantly increasing the Dependent/Spouse tuition benefit, Kansas State University becomes more attractive as it seeks to recruit and retain high-quality faculty and staff. Many of the universities with whom we compete offer a better Dependent/Spouse tuition benefit. This benefit is perhaps even more important for recruiting and retaining high-quality faculty in Manhattan, Kansas, which does not have additional community benefits that larger university cities often offer (e.g., wider variety of restaurants, entertainment, and activities).
2. *Faculty/Staff Morale.* The task force is aware of current economic conditions. Our position is that increasing the benefit now is even more important than in previous years. Faculty and staff did not receive raises last year, will not receive a raise this year, and likely will not receive one in the foreseeable future. Faculty morale often suffers under these conditions. Although faculty and staff are optimistic that a change in leadership will slowly change the culture of the university, rewarding that optimism with a tangible benefit makes good sense. Increasing the Dependent/Spouse tuition benefit will significantly increase faculty morale in a period of relatively low morale.
3. *Interpretation of Costs.* Projected costs were presented earlier in the report. However, the task force discussed the costs of the proposed policy in light of several factors.
  - At the rate of seven hours per semester for eight semesters, the maximum undergraduate benefit that could be attained is 56 credit hours. All undergraduate degrees require more than 112 credit hours. Thus, all students participating in the program would pay full tuition for more than half of their total credit hours.
  - Many of the students participating in the program would pay full fees, as well as full costs for housing, meals, athletic tickets, activities, and other KSU-sponsored items.
  - The less tangible costs of lost revenue to the university due to potential students who go elsewhere for their degrees is also a factor to be considered.
  - In general, our data showed that students who utilize this policy are spread across all colleges. Thus, the policy change should not require additional sections or courses.
  - The difference between the FY 09 amount of \$356,490 and the 10% demand estimate of \$821,019 is \$464,529. Considering that raises will not likely come for a three year period, such an increase in the benefit sends a positive message to faculty.
  - Most importantly, this benefit will attract and retain faculty. It is difficult to calculate the cost of turnover of our current faculty, or the cost of losing out on high quality candidates who opt to take jobs at other institutions. Faculty searches are an expensive undertaking, not to mention the lost revenue in grant dollars when high quality faculty members leave or choose not to come to K-State.

4. *Importance of the Proposed Benefit in Context.* The importance of an increased benefit must be discussed in the context of other factors at K-State. K-State salaries and benefits are low by almost every point of comparison (from K-State Fact Sheet, <http://www.k-state.edu/pa/statinfo/reports/faculty/salary09/report.pdf>).
  - The average salary of K-State faculty ranked last in the Big Twelve for the 19<sup>th</sup> consecutive year.
  - The average salary of K-State faculty is 13% below institutions in the Association of Public and Land-grant Universities (APLU).
  - Of 48 land-grant institutions in the United States, the average salary of K-State faculty ranks 41<sup>st</sup> (down from 40<sup>th</sup> last year).
  - Of 48 land-grant institutions in the United States, the total compensation (i.e., salary and benefits) of K-State faculty ranks 44<sup>th</sup>.
  - Of six peer institutions, the average salary of K-State faculty has ranked at or near the bottom (5<sup>th</sup> or 6<sup>th</sup>) for 20 consecutive years.
  - Manhattan, KS has the second highest cost of living among cities in the Big 12.
5. *Maintaining a Competitive Advantage.* Increasing the Dependent/Spouse tuition benefit will help KSU maintain their competitive advantage with other institutions with whom we compete for students and faculty. Some of the Big 12 and peer institutions offer a better Dependent/Spouse tuition benefit than does K-State. Every advantage we can garner would be helpful in recruiting. The task force surveyed 16 comparison institutions (see Exhibit 1). Ten of the 16 schools offered a better benefit than K-State's current benefit.
  - Fort Hays State. 100% undergraduate tuition waived after five years of service.
  - Pittsburg State. 100% undergraduate tuition waived after seven years of service.
  - University of Nebraska. 15 undergraduate hours waived per year.
  - Auburn University. 50% of undergraduate tuition waived.
  - Southern Illinois University. 50% of undergraduate tuition waived.
  - University of North Dakota. 50% of undergraduate tuition waived.
  - Maine Public Universities. 50% of undergraduate tuition waived.
  - Oregon State. 75% of undergraduate tuition waived.
  - Colorado State. 25% of undergraduate tuition waived.
  - Mississippi State. 50% of undergraduate tuition waived.
6. *Attracting Excellent Students to K-State.* An increased benefit will also attract additional high-quality dependents to K-State who might be tempted to attend other institutions.
7. *Making K-State a Top 50 Public University.* Increasing the dependent/spouse tuition benefit will help K-State achieve its goal of becoming a top 50 public institution. Such benefits help K-State attract and retain better faculty and classified staff, improve morale, and increase our competitive advantage with other institutions.
8. *Wise Use of Scarce Resources.* Overall, an increased dependent/spouse tuition benefit is a wise use of scarce resources at K-State. In our view, it is a relatively modest investment that will pay substantial dividends at Kansas State University.

## Appendix A

### Current Dependent/Spouse Tuition Grant Policy (from Student Financial Assistance website)

#### Application information

To be considered for the K-State Dependent/Spouse Grant for the 2009-2010 academic year, applicants must complete and submit the **2009-2010 K-State Dependent/Spouse Grant application** to the **Office of Student Financial Assistance**. Applicants must complete all three sections, including the signature requirements. We encourage applicants to carefully review the eligibility criteria presented below.

#### Eligibility criteria

- Applicant must be a spouse, daughter, or son of any currently employed full-time K-State employee. Dependents of employees of affiliated organizations (Alumni Association, Athletics, Child Development, Foundation, KSURF, Student Publications, Student Union, etc.) are not eligible.
- Applicant must complete the K-State Dependent/Spouse Grant Application. Funds will be awarded on a first come-first served basis until budgeted resources are exhausted.
- Recipients must be either full-time K-State undergraduate students or full/part-time K-State graduate students. All applicants except first-time students must demonstrate satisfactory academic progress as defined in the K-State Undergraduate and/or Graduate Catalog.
- The K-State General Scholarship Committee will handle these tuition reductions as part of an overall package of student financial assistance for individual students.
- Tuition reduction applicants must exhaust all available grants and scholarships for which they qualify before utilizing a tuition reduction benefit. The benefit will cover the balance up to 3 credit hours of tuition.
- The employee must be full-time at the beginning of the semester for which a tuition reduction is provided to his or her dependent or spouse.
- Eligible individuals will receive a tuition reduction equal to the amount of resident tuition assessed for a 3-hour course each semester (excluding any surcharges, privilege fees, or other special fees).
- Recipients may receive tuition reductions for up to eight academic semesters (fall and/or spring semesters only).
- This program will continue at its current level of funding for one year and then be re-evaluated for funding and policy specifics.

#### Definitions

Full-time K-State employee is defined as one who is at least 0.9 FTE and is in one of the following categories:

- Faculty includes all individuals with academic rank as defined in the **University Handbook**.
- Unclassified professionals include all individuals who do not hold academic rank and do not have a civil service classification.

- Classified employees include all individuals who have a state of Kansas Civil Service classification.

Regular appointments include all classified and unclassified appointments that are not designated as "term." The **University Handbook** includes the following definition of a term appointment: "Normally, a term appointment is used only when the need or the funding for a position is finite and is for a specified term no longer than one year. A term appointment carries no expectation of continued employment beyond the period stated in the contract. Service on a term appointment is not credited toward tenure. The Standards for Notice of Non-Reappointment do not apply."

A *dependent child* is a natural, step, adopted, or foster child under the age of 25, who is claimed as a dependent child for income tax purposes.

A *spouse* is a husband or wife as defined or recognized under Kansas state law for purposes of marriage, including common law.



## Appendix B

### Proposed Dependent/Spouse Tuition Grant Policy March 1, 2010

Spouses and dependent children of full-time, benefits eligible employees of the university may be eligible for tuition assistance.

#### I. Employee Eligibility

- a. A full-time K-State employee is defined as one on a regular appointment who is at least 0.9 FTE and is in one of the following categories:
  - Faculty, which includes all individuals with academic rank as defined in the **University Handbook**.
  - Unclassified professional, which includes all individuals who do not hold academic rank and do not have a civil service classification.
  - Classified employees, which include all individuals who have a state of Kansas Civil Service classification.

Regular appointments include all classified and unclassified appointments that are not designated as "term." The **University Handbook** includes the following definition of a term appointment: "Normally, a term appointment is used only when the need or the funding for a position is finite and is for a specified term no longer than one year. A term appointment carries no expectation of continued employment beyond the period stated in the contract. Service on a term appointment is not credited toward tenure. The Standards for Notice of Non-Reappointment do not apply."

- b. There is no service requirement for the employee to be eligible for this program.
- c. Employees of affiliated organizations (e.g., Alumni Association, Athletics, Foundation, KSURF, Student Publications, Student Union, etc.) are not eligible for the benefit.
- d. Dependent/Spouse Definitions:
  - i. "Spouse" is a husband or wife as defined or recognized under Kansas state law for purposes of marriage, including common law.
  - ii. "Dependent" refers to a natural, step, adopted, or foster child under the age of 25, who is unmarried and claimed as a dependent child for income tax purposes.
- e. Spouses who are eligible to receive this tuition assistance must be admitted to a degree-seeking graduate, undergraduate or professional academic program at Kansas State University and may be part-time students. Dependent children must

be admitted into a degree-seeking graduate, undergraduate, or professional academic program. Dependents must be full-time students (enrolled in at least 12 hours of credit) if undergraduates, but may be part-time if enrolled in a graduate program. All spouses and dependents must be admitted into such programs in the semester for which they are applying for tuition assistance. Spouses or dependents not admitted into an academic program will not be eligible for this tuition assistance.

- f. To maintain eligibility to continue receiving tuition assistance, spouses and dependent children must demonstrate satisfactory academic progress toward their intended degrees as defined in the K-State Undergraduate and/or Graduate Catalog.
- g. If both spouses are employees of the university, then neither spouse is eligible to receive tuition assistance from this program. They are eligible to apply for assistance with the Employee Tuition Assistance program.

## II. Guidelines of the Program

- a. The tuition assistance from this program is limited to the cost of undergraduate or graduate level resident on-campus courses taken at the Kansas State University Manhattan campus or the K-State College of Technology Salina campus, and DVM courses taken at the College of Veterinary Medicine. All courses offered either on campus or through the Division of Continuing Education will be included for the purposes of tuition assistance, but the amount of the tuition grant will be based on the costs of resident on-campus tuition rates.
- b. The tuition assistance is only for classes taken during the fall or spring semesters.
- c. For spouses or dependents enrolled as full-time undergraduate students, the amount of the assistance provided will be equal to the cost of resident on-campus tuition up to a maximum of 7 credit hours of courses per semester. For spouses or dependents enrolled in graduate programs or the College of Veterinary Medicine, the amount of the assistance provided will be equal to the cost of resident on-campus tuition up to a maximum of 3 credit hours of courses per semester.
- d. If a dependent/spouse is enrolled in some combination of undergraduate, graduate, or DVM courses, the amount of the assistance will be based on the student's primary program (undergraduate, graduate, or DVM).
- e. In the case where both parents of the dependent are eligible employees of the university, the dependent will only be eligible for a maximum of 7 credit hours per semester for undergraduate courses or a maximum of 3 credit hours per semester for graduate or DVM courses.

- f. The tuition assistance will be provided during no more than 8 semesters in the spouse or dependent's academic career, no matter how many courses are taken in any of those semesters.
- g. The total tuition assistance each semester may be applied in addition to any financial aid received by the student, up to the cost of attendance at the university, which includes tuition, fees, room and board, books and supplies.
- h. Funds will be awarded on a first come-first served basis until budgeted resources are exhausted.
- i. Student Financial Assistance will provide a report of applications and grants provided at the end of each fiscal year, and distribute the report to the Provost, the Vice President for Administration and Finance, Faculty Senate, and Classified Senate.

### III. Application for a Tuition Grant

- a. Eligible employees must complete an application form for each Dependent/Spouse who seeks tuition assistance. The applications must be signed by their department head for verification of eligibility.
- b. The program will be administered through the Student Financial Assistance. Applications are available through this office.

**Exhibit 1**  
**Dependent Tuition Waiver Program Comparison**

<b>School</b>	<b>1 EE Req</b>	<b>2 Who is eligible?</b>	<b>3 Courses covered</b>	<b>4 Spouse vs. dependent</b>	<b>5 GPA req</b>	<b>6 Amt of Waiver</b>	<b>7 Sem</b>	<b>8 Time Limit</b>	<b>9 Who Admin</b>	<b>10 Both parents EEs?</b>	<b>11 Waiver vs. other aid</b>
KSU – current	FT EEs (but not of affiliates- Found, Athletics, KSURF, etc)) No service req.	Spouse as recognized in KS & dep children as defined by IRS, up to age 25 Must be FT if UG & PT as Grad	On-campus in Man. or Salina (no DCE courses) Grad & UG	Policy the same, but spouses are allowed to take classes part-time	No	3 sch per semester Resident Tuition only, no fees	F & Sp only	8 acad sems.	Finan. Aid	No policy	no excess allowed, other aid applied first, then waiver to the balance
Oklahoma U		EEs only									
U Texas		EEs only									
Nebraska- Lincoln	FT EE No service req, open to retired EEs also	Spouse as recognized in Nebraska & dependent children as defined by IRS under age of 24, unmarried, FT status required for dep, not for spouse	Only UG courses on campuses of NU (no policy for online courses) No Grad courses	Dependents must be FT but not spouses	No	Up to 15 sch per yr, no more than 9 per sem. Resident tuition only, no fees	All	None	Not clear	No policy	no excess allowed, other aid applied first, then waiver to the balance

Texas A&M		Scholarships 50% Merit & 50% need									
Colorado	FT EEs	Scholarship of \$750 per yr to attend any acad inst in CO									
Kansas		EEs only UG competitive scholarships only for first time UG students									
OSU		EEs only									
Pitt. State	Benefits- eligible EEs with 1 full year of service	Dependent as defined by IRS under age 25, unmarried, no spouses, FT or PT status, but degree seeking	UG classes only	No spouses are covered	2.5	Gradual: 1yr=20% 2yrs=40% 3yrs=60% 4yrs=80% 5yrs=100% Resident tuition only, no fees	All	Up to 8 sems	Apply to HR, not clear	No policy	no excess allowed, other aid applied first, then waiver to the balance
Ft Hays St	FT EEs, completed 36 months of service	Lawful spouse, dependent as defined by IRS under age 25, unmarried, FT or PT status	On campus only, UG or Grad, no online or non-credit	Treated same	2.0 for UG, 3.0 for Grad	Gradual: 3yrs=20% 4yrs=40% 5yrs=60% 6yrs=80% 7yrs=100% Tuition only, no fees; limit up to 12 hrs UG & 9 hrs Grad	F & Sp only	No limit	Apply to HR, Fin Aid posts amts.	No policy	Caveat suggests no excel allowed- Tuition Assist. Schols...may require adjust- ment of other aid

U Auburn, Montgomery	FT EEs	Spouse (of opposite sex) in Alabama law, dependent child up to age 24, unmarried, FT or PT	Credit classes only	Treated same	2.0	50% of tuition	All	No limit	HR	No policy	Once AUM Schols exceed 50% of tuition, then student is no longer eligible. Policy does not apply to outside schols.
Southern Illinois Univ	FT EEs with 7 yrs employmt at univ.	Children of EEs, FT or PT, under age 25, UG only	Any classes	No spouses	No	50% of tuition (State mandated waivers at 3% of estimated tuition)	All	4 yrs	Finan. Aid Office	No policy	Waivers cannot be paid in excess of the lesser of the amount granted or the amt of tuition and fees charged
U. North Dakota	Benefit-eligible EEs	Spouse and dependent children defined as unmarried & 25 yrs of age or younger if FT student, 22 yrs of age & under who rely on parents for significant financial support (If	UG & Grad classes, excluding prof. pgms (Law & Medicine) & con ed courses. Courses where tuition flows to an outside entity are excluded.	Spouses treated same	Not if on acad prob.	50% of billed tuition (regardless of resident, non-res, etc), no fees are waived	All	No limit in policy	HR	Max waiver for dep of 2 elig EEs is 50%	Waivers cannot be paid in excess of financial aid package. In accordance with Fed regulations, tuition waiver will be used as financial resource and part of student's financial aid package. Finan Aid office may

		spouse or dep is an EE, then only eligible for EE waiver)									need to adjust aid if amt of tuition waiver along with other aid exceeds student's eligibility.
Maine Pub Univs	FT regular EEs; PT eligible also at ½ benefits	Spouse, domestic partner, or dependent children (IRS definition); FT	UG & Grad classes, no mini-course, or non-semester courses, Grad pgm courses only	All the same	No	50% of tuition, no fees waived	All	No limit seen	HR	No policy	Not noted in policy
Oregon St	.5 FTE EEs may transfer their privileges to domestic partner or deps.	Spouse or domestic partner & dependent children (IRS definition)	UG or Grad	All same	No	Courses at 25% of per credit resident UG tuition (75% waiver), no fees waived	All	No limit	HR	No policy	Not noted in policy
Colorado St	.5 FTE or higher EEs regular or special appt.	Spouse, domestic partner, dependent (IRS definition) or child of domestic partner (tax dependent of domestic partner), degree-	UG or Grad, on-campus only	All same	No	25% of student's share of resident UG of Grad tuition, not including fees	F or Sp only	No limit	Stud Fin Servs.	No policy	Waiver is applied and possibly other financial aid is reduced so total amount of aid does not exceed cost of attending CSU

		seeking, enrolled in on- campus credits									
Mississippi St Univ	Reg. benefits- eligible EEs (.5 FTE), retirees too	Dependent children, less that 25 yrs of age, unmarried, no spouses	UG classes only, excl. extension, indep study, distance learning fees, DVM tuition and non-cred courses	No spouses in program	No	Tuition remission of 50%, if both parents are EEs, then 100%, not including fees	All	Until UG degree is earned	HR	If both are EEs, then 100% waiver	Children on full scholarship are not eligible, less than full are eligible