REVIEW OF NORTHWEST INDEPENDENT COLLEGES

TUITION EXCHANGE

HISTORY

The Northwest Independent Colleges Tuition Exchange (NICTE) began in 1982. Lewis and Clark, Reed, University of Puget Sound, Whitman and Willamette are member institutions. The purpose of the program is to allow dependents of employees of member institutions to attend other member institutions without payment of tuition. Each member institution defines eligibility for their employees. Dependents must meet the normal admission standards of the institution in which they have applied. The exchange has a methodology to limit the differential between the number of participants an institution sends and receives to maintain a reasonable balance between participating institutions.

CURRENT STATE OF THE EXCHANGE

The exchange is not currently serving most institutions satisfactorily. Every institution, except Whitman, is on hold with at least one other institution. Lewis and Clark is on hold with three of the four other institutions. No institutions are able to send new participants to Whitman after fall 2010.

The current imbalances are problematic for most institutions. Employees are frustrated they cannot receive the benefit at their dependent's first choice because it happens to be on hold at the time. The program is financially challenging to both Lewis and Clark and Whitman because they are receiving significantly more participants than they are sending.

WHY THE SIGNIFICANT IMBALANCE NOW?

The exchange has often had institutions on hold status with at least one other institution. However, when one reviews the eligibility requirements and summary of benefits of each of the members, it is not surprising there are challenges. Following are the few challenges seen in the attached Undergraduate Education Benefits Program for Dependent Children:

- There is a large discrepancy in the number of eligible employees between member institutions. Some institutions have significantly more employees eligible to participate in the program.
- Most institutions require five years of service before employees are eligible. One only requires two years. One changed from one year to five years in 2008.

- The two institutions with the fewest number of eligible employees have the most generous tuition cash grant scholarship programs. These programs provide meaningful alternatives to the exchange program and likely lessen the number of participants they send in the exchange.

The above structured differences (size, eligibility, other benefits) make it likely the program will often be out of balance.

Options to Address Current Challenges

There are four primary options which should be considered:

1) Do nothing. The exchange has a mechanism to bring institutions in balance over time. Let the mechanism work.

2) Attempt to change the structured differences to obtain better balance. Options include all schools having the same eligibility requirements; striving for more similar other benefit programs such as the cash grant scholarship.

3) Schools who are not happy with the program choose to withdraw as provided in the agreement with 60 days notice prior to the start of the term for which their withdrawal is effective. Allow currently enrolled students to complete their educations.

4) Eliminate the program in an orderly fashion. Provide at least four years advance notice to allow employees time to plan alternatives and institutions time to evaluate their benefit offerings and to modify as they choose to do so. Once the exchange ends per the terms of the agreement, allow then enrolled students to complete their educations.

Conclusion

It seems the structural differences are significant enough, especially the difference in size, that the program will regularly have institutions out of balance. This is particularly challenging for employees who happen to have dependents of college age at the wrong time. A cash grant scholarship program is not limited by differentials in member institutions and, thus, employees are treated more consistently.

Given that a number of schools are not satisfied with the program and by current agreement can pull out on 60 days notice, it is far better to plan an orderly end to the plan than risk immediate departures. As such, it is recommended the Northwest Independent College Tuition Exchange end in four years, and all dependents participating at the time be allowed to continue per the terms of the agreement. Providing four years advance notice provides participating colleges time to evaluate and amend, if and as needed, their tuition benefit plans and provides a period of time in which employees can begin making alternate plans.

Each participating school will consider this recommendation this fall and consult with their boards as needed in early spring to enable agreement by the end of the fiscal year.

NORTHWEST INDEPENDENT COLLEGES
UNDERGRADUATE EDUCATION BENEFITS PROGRAM FOR DEPENDENT CHILDREN
AUGUST 2010

		Lewis & Clark	Puget Sound	Reed	Whitman	Willamette
Annual Total Tuition Benefits Cost Per FTE (2008-09 PACCON Survey)		• $2,160	• $3,065	• $1,470	• $2,342	• $1,937
100% Tuition Remission/ Waiver at Home Institution	*FTE / Years of Service Requirements*	• 0.70 FTE • 100% after 1 year for FT faculty/staff • After 3 years for PT faculty/staff (0.48<0.70 FTE), prorated	• 0.75 FTE • 50% first 2 years • 100% 2+ years	• 0.50 FTE • After 6 years if hired 1993 or later • After 3 years if hired before 1993 • Benefits prorated based on FTE (0.50 and greater)	• No minimum FTE • After 2 years • Prorated based on FTE	• 0.75 FTE • After 5 years • After 1 year if hired before 1/1/1998
Northwest Independent Colleges (NIC) Tuition Exchange Scholarship	*FTE / Years of Service Requirements*	• 0.70 FTE • After 5 years if hired 9/1/08 or later • After 1 year if hired before 9/1/08	• 0.75 FTE • After 2 years	• Full-time • After 6 years if hired 1993 or later • After 3 years if hired before 1993	• 0.75 FTE • After 5 years	• 0.75 FTE • After 5 years
	Number of faculty/staff who meet eligibility criteria (excluding length of service requirement)	• 689 faculty/staff members at 0.70 FTE or higher (currently, 598 meet length of service requirements)	• 678 faculty/staff members at 0.75 FTE or higher (currently, 556 meet length of service requirement)	• 258 eligible (93 faculty + 165 staff)	• 430	• 626 faculty/staff members at 0.75 FTE or higher (currently, 469 meet length of service requirements)
	Balance / Hold Status as of spring 2010 report unless otherwise noted	• Cannot send to: o Reed (-25.33) o PS (-27.67) o Whitman (-50) • Can send to: o Willamette (15.67)	• Cannot send to: o Willamette (-35) o Whitman (-31) Fall estimate • Can to send to: o L&C (27.67) o Reed (-22)	• Cannot send to Whitman (-34) • Can send to o L&C (25.33), o Puget Sound (22) o Willamette (34)	• Can send to all schools o L&C (50) o Reed (34) o Puget Sound (28) o Willamette (28)	• Cannot send to: o Reed (-34) o Whitman (-28 as of spring 2010; on hold starting fall 2010) • Can send to: o L&C (-15.67) o Puget Sound (35)

UNDERGRADUATE EDUCATION BENEFITS PROGRAM FOR DEPENDENT CHILDREND
AUGUST 2010

Scholarship		Lewis & Clark	Puget Sound	Reed	Whitman	Willamette
National Tuition Exchange, Inc. (TE) Scholarship	*FTE / Years of Service Requirements*	• 0.70 FTE • After 5 years if hired 9/1/08 or later • After 1 year if hired before 9/1/08	• 0.75 FTE • After 2 years	N/A - not a member of Tuition Exchange, Inc.	N/A - not a member of Tuition Exchange, Inc.	• 0.75 FTE • After 5 years
Tuition Cash Grant Scholarship	*FTE / Years of Service Requirements*	• 0.70 FTE • After 5 years if hired 9/1/08 or later • After 1 year if hired before 9/1/08 • Prorated if <1000 hours per year and has 10+ years of service	N/A –Puget Sound has a grandfathered program from the 1970s with only 1 or 2 eligible faculty and staff remaining	• 0.50 FTE • After 6 years if hired 1993 or later • After 3 years if hired before 1993 • Benefits prorated based on FTE (0.50 and greater)	• After 5 years	N/A – Willamette has no cash grant program
	Institutions Covered	• Any undergraduate program		• Any accredited higher education institution	• Any accredited higher education institution	
	Scholarship Amount	• FY11: $4,000/year ($16,000 lifetime maximum per dependent) • FY12: $5,000/year ($20,000 lifetime maximum per dependent)		• 2/3 tuition at college attending, capped at 2/3 Reed tuition • Subject to Reed budgetary ability	• Limited to 1/2 Whitman tuition	