

The University Senate of Michigan Technological University

Proposal 45-19

(Voting Units: Full Senate)

Proposal to Change the Tuition Reduction Incentive Plan (TRIP) Benefit to 100% for Dependents, Spouses, and Designated Eligible Individuals

Introduction

Michigan Tech currently offers a 50% reduction on tuition for spouses and dependents of eligible University employees under the [Tuition Reduction Incentive Plan \(TRIP\)](#). The current TRIP benefit is not competitive with the in state, peer, and aspirational institutions Michigan Tech competes with for the recruitment and retention of quality faculty and staff. Therefore, the University Senate is proposing to change the current tuition reduction plan to a tuition remission plan, with a benefit change from the current 50% to 100%. Under the new Tuition Remission Incentive Plan (TRIP), coverage is extended to individuals who qualify as Designated Eligible Individuals (DEI).

Background/Rationale

The sharp rise in the cost of higher education is well established. National Center for Education Statistics for 2015-2016 place the average yearly cost for four-year institutions at \$26,120 per year, for a total cost of \$104,480 over four years. The comparable cost for the same four-year degree in 1989 was \$26,902 (\$52,892 adjusted for inflation). Meaning that between the academic years ending in 1989 and 2016, the cost for a four-year degree doubled. Over that period, the average annual growth rate for the cost to attend a four-year university was 2.6% per year.¹

However, figures from the Federal Reserve Bank of St. Louis, show that the average annual growth in wages was only 0.3% over the same time period. Meaning that the cost to attend a university increased nearly eight times faster than wages. While the cost of a four-year degree exploded to \$104,480, real median wages only went from \$54,042 to \$59,039 between 1989 and 2016. The discrepancy between the rise in cost of education and the rise in salaries is of concern for everyone, including Michigan Tech employees.

The 2019 [History of Total Compensation Michigan Tech, 2008-2017](#) report produced by the University Senate Fringe Benefits Committee, documents how the wages and benefits for Michigan Tech employees (like those of most Americans) have stagnated, placing Michigan Tech in the middle of the pack relative to peer institutions. Yet our long-term vision is to be among the

¹ <https://nces.ed.gov/>

most competitive research universities worldwide. Key to making that vision a reality is attracting and retaining top faculty, staff, and administrative personnel.

Table 1 shows the current utilization of TRIP benefits by eligible spouses and children dependents of employees at Michigan Tech from 2012 through 2018.² The utilization number represents the number of eligible individuals who utilized this benefit to any degree within a calendar year. That is to say, they took at least one course during one semester and applied under the current 50% tuition remission scheme. While the utilization rate might seem low, from a high of 13.1% in 2012 to the current level of 11.1% in 2018, these data are consistent with the AAUP’s “Annual Report” for 2016-17, which showed overall 10.1% usage rates for tuition remission benefits across all university types in the country (public and private).³

The current TRIP plan is only extended to spouses and qualifying dependent children of eligible employees. The proposed plan would further clarify eligibility for this policy by extending the program to Designated Eligible Individuals (DEI), e.g. domestic partners, as defined by the Office of Human Resources. The DEI program was introduced in 2008 to extend health care benefits to individuals not traditionally covered under these plans; serving primarily as a means of extending benefits to domestic partners.⁴

Table 1: TRIP Benefit Utilization from 2012 through 2018

Calendar Year	Eligible Employees	Child Dependents (18-25)	Spouse*	Total Dependent Eligibility	Dependent TRIP Utilization**	Utilization Rate
2012	1,377	508	1,029	1,537	202	13.1%
2013	1,370	473	1,024	1,497	201	13.4%
2014	1,369	466	1,023	1,489	186	12.5%
2015	1,397	475	1,044	1,519	179	11.8%
2016	1,431	478	1,069	1,547	177	11.4%
2017	1,447	507	1,081	1,588	184	11.6%
2018	1,476	476	1,103	1,579	176	11.1%
*Actual number of spouses represented for 2018. Due to difficulty in obtaining data for previous years, the percentage (~75%) is assumed to be stable and is carried back for previous years. All other columns represent actual numbers.						
**This represents the number spouses and dependent children who claimed TRIP benefits during the calendar year. The benefit might have been claimed for as little as 1 credit in 1 semester or for a full load over both semesters.						

² Report run by HR staff on 12/10/18

³ The Annual report of the Economic Status of the Profession, 2017-2018, *ACADEME*, March-April 2018, published by the AAUP

⁴ Michigan Tech Office of Human Resources [Designated Eligible Individual \(DEI\) Enrollment Form](#), June 23, 2015.

Table 2 shows a comparison of the TRIP benefits offered at other Michigan state institutions, as well as peer and aspirational institutions. What is clear from this comparison is that Michigan Tech’s TRIP benefit is modest when compared to other Michigan institutions and it is far behind the Carnegie Tier 1 research institutions we look to as aspirational peers. This is consistent with the overall findings of the Fringe Benefits Committee’s as well as the Finance and Institutional Planning Committee’s report to the senate, which demonstrate clearly that Michigan Tech has fallen significantly behind the top-tier research institutions in both salary and benefits. Therefore, when our declining competitiveness in salary and benefits is considered together with our less desirable geographic location, even more emphasis is put on the overall value of our total benefits package in attracting top research talent to our university.

Carnegie Mellon, Perdue, MIT, RIT, and NJIT all offer 100% tuition remission benefits to their employees for spouses/domestic partners and dependent children. More strikingly, Carnegie Mellon and MIT offer this exact same benefit regardless of where the dependents attend, as long as they attend an accredited program. RPI offers 50% of the cost (the same benefit currently offered at Michigan Tech) at any accredited program and 75% internally. These programs demonstrate a strong statement of confidence in the educational opportunities provided by their institutions; in essence they are saying, ‘why would you want your child/spouse to go anywhere else?’ As such, these institutions prominently feature these programs on their human resource websites as a point of pride.

Table 2: Comparison of Tuition Remission Benefits at Peer and Aspirational Institutions

Institution	Tuition Benefit Provided for Family
Ferris State	9 Credit hours or 30% waiver/semester if one parent employed, or 18 credit hours or 60% waiver/semester if both parents employed
Michigan State	50% Tuition
Northern Michigan	100% Tuition less fees
Wayne State	50% Tuition
University of Michigan	Employee fund established and scholarships giving on a case-by-case basis and by need
Cal-Poly	Fee waiver for up to 4 courses/ semester (Free tuition for CA residents)
Carnegie Mellon	100% for up to 8 terms (can also be applied to ANY ACCREDITED INSTITUTION)
Colorado School of Mines	50%
Georgia Tech	N/A
Missouri School of Science & Technology	50%
Grand Valley	50%
Purdue	100% for first degree, must be <26 years old
Rensselaer Polytechnic Institute	75% of tuition at RPI, 50% at ANY ACCREDITED INSTITUTION
Massachusetts Institute of Technology	100% of tuition at MIT (can also be applied to ANY ACCREDITED INSTITUTION)
Rochester Institutue of Technology	100%, maximum of 145 credit hours, must be <30 years old
New Jersey Institute of Technology	100% including all fees

Proposal

The Senate proposes that the University modify the current TRIP benefit to be a tuition remission program - going from 50% to 100% tuition coverage - henceforth known as the Tuition Remission Incentive Program (TRIP). TRIP eligible dependents would continue to include spouses and dependent children of eligible employees, with the addition of individuals, such as domestic partners, who would be eligible under the Designated Eligible Individual (DEI) criteria as currently established by the Office of Human Resources.

Key Benefits to the University Community

For relatively little cost, the University community would benefit greatly from an expansion of the TRIP benefit. The following is a list of some of those benefits, including:

- recruitment of top faculty and staff talent;
- retention of highly productive faculty and staff;
- increasing and broadening the sense of participation, camaraderie, and mutual “ownership” of the University among faculty and staff;
- increasing the sense of connection between faculty and staff with students when more faculty and staff have children in the student body;
- producing more educational opportunities for the community, as well as goodwill and pride within the community, when more local citizens receive direct benefit from the educational opportunities provided by the University.

References

[1] <https://nces.ed.gov/>

[2] Report run by HR staff on 12/10/18

[3] The Annual report of the Economic Status of the Profession, 2017-2018, *ACADEME*, March-April 2018, published by the AAUP

[4] Michigan Tech Office of Human Resources [Designated Eligible Individual \(DEI\) Enrollment Form](#), June 23, 2015.