

# A STEP-BY-STEP GUIDE TO EVOLVING

# FROM TUITION REIMBURSEMENT

# TO TUITION DISBURSEMENT

## KEY COMPONENTS AND CONSIDERATIONS

- 1 State the business case.** What does your organization seek to gain from its tuition assistance program (TAP)?
- 2 Establish a participation baseline.** Measure current TAP participation, graduation rates, retention rates vs. overall employee population, etc. This can include a survey to determine what, if any, impact changing the program's payment process is likely to have on participation.
- 3 Analyze expected gains.** Include projected increase in program participation, increase in employee retention, cost savings from decreased voluntary turnover, increase in employee productivity, reduced recruiting costs, and other relevant factors.
- 4 Determine resources.** Include both financial and non-financial resources available to execute changes to the current program, and whether changes will result in ongoing increased or decreased administrative costs.
- 5 Choose the best-fit new plan for the organization.** Determine which plan best meets the needs of your employees. The simplest is a complete shift from reimbursement to disbursement/prepayment. But a hybrid plan can vary the payment process and be customized to fit the needs of varied workforces or workforce members.
- 6 Pilot and implement.** Implement the best-fit plan changes in a pilot phase. Include robust communication of the mechanics and benefits of the change—first to all managers and leaders, then to all affected employees—and updates to employment branding, talent acquisition, and other talent programs impacted by tuition assistance to ensure the appeal of upfront payment is maximized.
- 7 Continue to monitor and measure program success.** Make adjustments as necessary to achieve optimal impact.

### PLAN TYPES

High-performance organizations are evolving from tuition *reimbursement* to a tuition *disbursement* model, which can take the form of prepayment or payment upon completion. Making that transition removes a significant barrier to participation for many employees, enabling them to use tuition assistance programs; and for employers, increasing take-up rates and improving outcomes.

As detailed in the infographic *Understanding the Key Elements of Successful Tuition Assistance Programs*, high-performance organizations are more likely to use a modern tuition assistance program to attract, develop, and retain quality talent and to address current and future organizational needs.

In many tuition assistance programs organizations pay tuition, fees, and textbook costs for participants' education. But using a reimbursement model can greatly limit employees' interest in such programs, as some cannot afford upfront costs or a sometimes-lengthy wait to be reimbursed.



## TYPES OF OPPORTUNITIES



Disbursement only offered for **approved education providers that are designated partners** (e.g., local community colleges or specific online vendors). This can involve negotiating preferred rates with some providers, or their agreement to accept payment after each semester or program concludes (typical timing of current worker reimbursement for program costs).



Disbursement only offered for **specific educational opportunities related to employee career development and organizational business objectives**. Other programs still use reimbursement.

## EMPLOYEES INCLUDED



Disbursement offered to **all employees**, regardless of full- or part-time status, wage rates, fields of study or educational providers.



Disbursement only offered for **hourly and lower-wage workers**—who cannot afford to wait for reimbursement—or for those **seeking their first bachelor's degree**.



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