



News Release

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Board of Regents Sets Tuition and Fees for 2004-05

BROOKINGS – Tuition and fees will increase 5.5 percent at South Dakota’s six public universities next fall, the South Dakota Board of Regents decided Thursday. The board set the rates for the 2004-05 academic year at its meeting in Brookings.

In addition, the board agreed to fund the first year of a 3-year increase in the General Activity Fee paid by all students. That increase is specifically directed to support Title IX compliance and equity in athletics at all six public universities. This targeted GAF increase bumps the overall average increase in tuition and mandatory fees to 5.87 percent next year.

“We are committed to a modest, affordable increase in tuition and fees for the coming year,” said Regents President Harvey C. Jewett. “Many states are looking at increases much higher than this. I am confident this is manageable for our students, and will give us the resources needed to deliver a quality education.” Jewett noted that South Dakota’s increase compares favorably to other states like North Dakota, which recently approved tuition hikes ranging from 9 percent to 19 percent. Iowa’s Board of Regents has adopted increases between 7.92 percent and 9.58 percent at its major universities.

The weighted cost of tuition and mandatory fees paid by each South Dakota student is expected to increase by \$266 next year. That means the average South Dakota undergraduate student taking 32 credit hours a year will pay \$4,801.98 for tuition and the two mandatory fees paid by all students – the university support fee and the general activity fee.

“The board’s priority was three-fold—to meet state salary policy set by the Legislature, continue a successful program to make faculty salaries more competitive regionally, and cover our costs, such as technology, which continue to rise,” Jewett said.

Several cost drivers directly impact the rates being set:

- **Salary policy and benefits package**—The Legislature this year approved a 3 percent salary hike. The regents only receive funding for general-funded positions and must raise tuition, fees, and room and board to cover the employees paid from these sources. The Legislature also approved a 2.5 percent adjustment to “job worth” for Career Service

employees who fall below the mid-point of their salary range. This particular salary increase does not cover any faculty or non-faculty exempt employees of the regents. The benefits cost includes a health insurance increase of \$96—a 2 percent increase—per full-time employee. While the Legislature provided the dollars to cover this benefits increase for general-funded employees, the regents must raise the dollars internally to cover the increase for other regents' employees.

- **Inflationary increase**—The annual rate of inflation last fiscal year, as calculated by the state's budget office, was 2.2 percent. Much of the tuition and fees increase next year pays the salaries of Regents' employees whose positions are funded by fees, with the balance covering general inflationary costs to operate the campuses.
- **Salary Competitiveness Fee**—Since 1999, the Board of Regents has applied a special Salary Competitiveness Fee to help boost average salaries for its public university faculty relative to surrounding states. The additional one percent added for salary competitiveness will provide a total salary pool of 4 percent for faculty and non-faculty exempt employees in South Dakota. "The extra attention we've paid to faculty salaries over the past five years is paying dividends," Jewett said. "Without the enhancement program, our salaries would trail the market today by nearly 25 percent. Instead, we've narrowed the gap between our salaries and others in the region to less than 9 percent. This has clearly helped our universities recruit new faculty and better reward those who are performing well."

In addition, the Board of Regents today adopted two other proposals aimed at children of alumni and North Dakota residents who attend Northern State University at Aberdeen.

The regents approved a reduced out-of-state tuition rate, beginning this summer, for children of South Dakota public universities' alumni. The special "Children of Alumni" undergraduate tuition rate for qualifying out-of-state students will be assessed at 150 percent of the resident tuition rate. Currently, undergraduates who pay the full non-resident tuition rate in South Dakota are charged 318 percent more than residents.

A resident tuition rate for North Dakota freshmen and first-time transfers attending Northern State University was also approved to begin this summer. The change means an average North Dakota student carrying a full load at NSU would pay \$1,154 less for tuition and fees, based on current charges. A similar tuition program at NSU for North Dakota students was offered in the early 1990s but phased out when residency requirements changed. Regents' officials said since that time Northern has lost North Dakota students, and is currently down 2,300 credit hours in all North Dakota students attending the university. In approving today's change, board members said NSU has the academic and residential capacity to accommodate additional students on its campus.