



News Release

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Board Adjusts Tuition and Mandatory Fees for 2007-08

SIOUX FALLS, S.D. – The average undergraduate student at one of South Dakota’s six public universities will pay 6.3 percent more in tuition and mandatory fees next fall. The South Dakota Board of Regents set the rates Thursday for the academic year beginning this summer.

“In large part, inflation and the ever-rising costs of technology and utilities dictate our annual tuition rates,” Regents President Harvey C. Jewett explained. “This year, we received additional funding from the Legislature to help us address soaring utility expenses and pay for one-time technology purchases. Without that support, tuition rates would have been higher. We are very grateful for the lawmakers’ efforts.”

The weighted cost of tuition and mandatory fees paid by each South Dakota student is expected to increase by about \$346 next year. That means the average in-state undergraduate student taking 32 credit hours a year will pay \$5,822.96 for tuition and the two mandatory fees paid by all students—the university support fee and the general activity fee.

“When setting tuition rates, we must meet three top priorities,” Jewett said. “Those priorities are to fund the state salary policy adopted by the Legislature, continue ongoing efforts to be more competitive regionally in faculty salaries, and cover our costs, which continue to rise.”

Regents’ officials identified the most important cost drivers impacting tuition and fees in South Dakota as:

- **Salary policy and benefits package**—The Legislature this year approved a 3 percent salary hike and a \$223 health insurance premium increase for each employee. The regents only receive funding for state general-funded positions and must raise tuition, fees, and room and board to cover employees paid from those 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. But this particular salary increase does not cover any faculty or non-faculty exempt employees of the university system, so the regents must fund adjustments for those employees from other sources.
- **Inflationary increase**—The annual rate of inflation last fiscal year, as calculated by the state’s budget office, was 3.8 percent.

- **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 1 percent added for salary competitiveness this year will provide a total salary pool of 4 percent for faculty and non-faculty exempt employees. “Without this initiative, our faculty salaries would lag the regional market by more than 28 percent,” Jewett said. “By being more competitive, we have been able to recruit new faculty members and reward those who perform well.”

Today’s action also adjusts the university support fee (USF) to meet critical maintenance and repair of academic facilities at each campus. To take advantage of a favorable interest rate, the Legislature this year approved \$8.6 million in state bonding authority to address a backlog of critical campus projects. Part of the USF fee will increase \$1.12 per credit hour over and above the inflation rate to pay off these state bonds.