

**SOUTH DAKOTA BOARD OF REGENTS
PLANNING SESSION
AUGUST 11-12, 2015**

SUBJECT: Matching Tuition Policy with Institution Types

Most states differentiate between the cost to attend a research university and a comprehensive institution. This is done to recognize and support the broader research mission and the unique cost drivers that go along with that environment. Higher salaries across the institution, overhead to support research, equipment investment, graduate assistants, the high cost of graduate and doctoral programs, and space requirements are just some of the areas where the costs are recognized as being higher at research universities. In most states, if a student chooses to attend a typically larger research university, they will often pay a tuition price premium of \$2,000 or more per year. This structure supports the research environments and also makes the comprehensive schools more competitive on price.

- Historically, in South Dakota there has only been a slight tuition difference between the research and comprehensive institutions. The pricing difference started in 1970 and was in place through 1997. Tuition rates were standardized in 1998 and that remained in place until 2012. Rates were again differentiated between the sectors in 2013. SDSM&T was allowed to differentiate further on non-residents starting in FY15 and then residents in FY16.

SDBOR Tuition Structure History									
	<u>FY70</u>	<u>FY97</u>	<u>FY98</u>	<u>FY12</u>	<u>FY13</u>		<u>FY15</u>		<u>FY16</u>
<u>UG Res</u>						<u>UG Res</u>		<u>UG Res</u>	
B/D/N	\$10.50	\$51.45	\$54.00	\$114.30	\$124.20	B/D/N	\$133.10	B/D/N	\$139.00
M/S/U	\$11.50	\$53.00	\$54.00	\$114.30	\$129.90	M/S/U	\$138.80	S/U	\$144.70
								M	\$151.00
<u>UG NonRes</u>						<u>UG NonRes</u>		<u>UG NonRes</u>	
B/D/N	\$22.50	\$151.25	\$171.75	\$171.45	\$186.35	B/D/N	\$199.75	B/D/N	\$208.60
M/S/U	\$27.50	\$168.00	\$171.75	\$171.45	\$194.75	S/U	\$208.20	S/U	\$217.05
						M	\$233.20	M	\$253.00
<u>Grad Res</u>						<u>Grad Res</u>		<u>Grad Res</u>	
B/D/N	\$13.50	\$78.25	\$82.00	\$173.25	\$188.30	B/D/N	\$201.85	B/D/N	\$210.80
M/S/U	\$15.00	\$79.75	\$82.00	\$173.25	\$196.80	S/U	\$210.40	S/U	\$219.35
								M	\$224.65
<u>Grad NonRes</u>						<u>Grad NonRes</u>		<u>Grad NonRes</u>	
B/D/N	\$25.00	\$217.25	\$241.75	\$366.70	\$398.60	B/D/N	\$427.30	B/D/N	\$446.25
M/S/U	\$30.00	\$235.25	\$241.75	\$366.70	\$416.55	S/U	\$445.30	S/U	\$464.25
						M	\$470.30	M	\$500.10
Note: Does not reflect any special non-resident rates.									

- The following data from the Washington tuition survey shows that out of the 46 states that have both comprehensive and research universities, the average tuition and fee price difference between the sectors is \$2,180 (\$7,766 to 9,946). Only two states have a lower price difference than SD.

Resident Undergraduate Tuition & Required Fees 2013-2014							
Washington Student Achievement Council							
State	Research	Comp	Percent Different	State	Research	Comp	Percent Different
Alabama	\$9,450	\$8,670	9.0%	Nebraska	\$7,975	\$6,048	31.9%
Alaska	\$6,557			Nevada	\$6,603	\$6,570	0.5%
Arizona	\$10,391	\$9,870	5.3%	New Hampshire	\$16,496	\$12,693	30.0%
Arkansas	\$7,818	\$6,954	12.4%	New Jersey	\$13,499	\$12,858	5.0%
California	\$12,864	\$6,812	88.8%	New Mexico	\$6,846	\$4,723	45.0%
Colorado	\$10,347	\$6,925	49.4%	New York	\$8,426	\$7,091	18.8%
Connecticut	\$12,022	\$8,860	35.7%	North Carolina	\$8,123	\$5,871	38.4%
Delaware	\$12,112			North Dakota	\$7,508	\$6,201	21.1%
Florida	\$6,263	\$6,361	-1.5%	Ohio	\$10,037	\$9,561	5.0%
Georgia	\$10,262	\$6,911	48.5%	Oklahoma	\$7,340	\$5,219	40.6%
Hawaii	\$9,904			Oregon	\$9,703	\$7,875	23.2%
Idaho	\$6,524	\$6,318	3.3%	Pennsylvania	\$16,992	\$9,092	86.9%
Illinois	\$15,258	\$12,120	25.9%	Rhode Island	\$12,506	\$7,602	64.5%
Indiana	\$10,262	\$8,708	17.8%	South Carolina	\$10,816	\$9,386	15.2%
Iowa	\$8,061	\$7,685	4.9%	South Dakota	\$8,022	\$7,922	1.3%
Kansas	\$9,278	\$5,701	62.7%	Tennessee	\$10,062	\$7,713	30.5%
Kentucky	\$10,110	\$8,026	26.0%	Texas	\$9,790	\$7,914	23.7%
Louisiana	\$7,873	\$6,251	25.9%	Utah	\$7,457	\$4,990	49.4%
Maine	\$10,600	\$7,452	42.2%	Vermont	\$15,718	\$9,312	68.8%
Maryland	\$9,161	\$8,501	7.8%	Virginia	\$12,458	\$9,644	29.2%
Massachusetts	\$13,260	\$9,129	45.3%	Washington	\$12,397	\$8,600	44.2%
Michigan	\$13,142	\$10,174	29.2%	West Virginia	\$6,456	\$5,985	7.9%
Minnesota	\$13,620	\$7,344	85.5%	Wisconsin	\$10,403	\$7,724	34.7%
Mississippi	\$6,660	\$6,151	8.3%	Wyoming	\$4,404		
Missouri	\$9,415	\$6,752	39.4%				
Montana	\$6,044	\$4,943	22.3%	National Average	\$9,946	\$7,766	

Note: The survey tends to include the flagship university and a selected comprehensive institution.

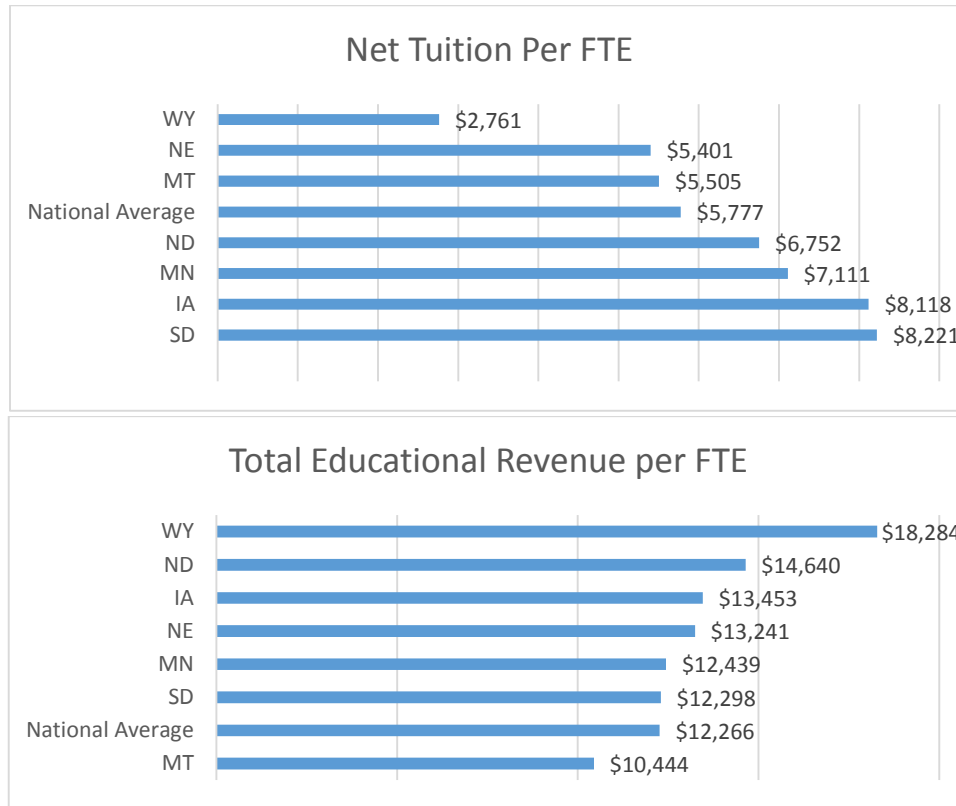
- The salary data in the Fact Book generally supports the premise that salaries across the research universities tend to be higher. DSU does however pay the highest salaries at the associate professor level. Based on past analysis, DSU tends to pay closer to market than the other schools which appears to be driven by their technology focus.

	Professor	Associate Professor	Assistant Professor	Instructor
BHSU	\$74,848	\$65,586	\$57,323	\$46,389
DSU	\$85,219	\$84,367	\$65,026	\$45,769
NSU	\$73,238	\$62,055	\$52,730	\$52,248
SDSMT	\$105,073	\$82,164	\$70,314	\$51,022
SDSU	\$88,906	\$74,671	\$66,439	\$50,901
USD	\$94,839	\$69,080	\$64,316	\$47,866
Sanford SOM	\$98,573	\$77,314	\$64,141	\$60,768
System	\$89,842	\$72,962	\$64,208	\$51,067

Note: Figures represent a 9-month contract.

Source: BOR Human Resource Information System as of October 23, 2014.

- The SD system has used discipline fees to capture additional tuition revenues to support high cost disciplines. When looking at the surrounding states, most of the states also use discipline fees in addition to higher tuition to differentiate research universities and high cost disciplines.
- When the structure was changed in 2013, the differential tuition rate provided uncommitted dollars to the three research universities. The comprehensive schools received a tuition and fee increase that covered all salary policy, health insurance and inflationary costs for that fiscal year.
- When looking at our tuition and fee rates and trying to determine what is appropriate, it is important to understand where we stand in comparison to other states. The State Higher Education Finance report shows that South Dakota's tuition is already significantly higher in the region and above the national average, yet because of low state funding our funding per FTE is around the national average. These data would suggest that raising tuition and fees further will only create affordability and access problems for students.



The Board may wish to consider the following questions surrounding the difference in the tuition rates between the comprehensive and research universities:

- 1. If we do not give them additional tuition dollars, how do we provide base dollars to support research?*
- 2. Should the research universities be allowed to increase their tuition rates to reflect market conditions and provide resources to support their broader research mission? Are the research universities interested in doing so?*
- 3. Is the tuition price difference a benefit or burden to the comprehensive universities from a competitive vantage point?*
- 4. Is the concern about resources for the comprehensive schools or one of tuition standardization?*
- 5. Without a comprehensive cost study, do we really have a good basis to say one sector is funded better than another?*
- 6. What comparisons would help the board determine appropriate tuition and fee levels?*
- 7. Are we interested in a comprehensive study that might point to the need to realign resources?*