

SOUTH DAKOTA BOARD OF REGENTS

Budget and Finance

AGENDA ITEM: 7 – E - REVISED

DATE: August 10, 2017

SUBJECT: FY18 Minnesota Reciprocity

History and Participation

During the 1978 legislative session, the Board of Regents was given authority through SDCL 13-53B to execute a tuition reciprocity agreement with the state of Minnesota “with the specific aims of enhancing accessibility to programs, expanding the range of programs available, and promoting the greater economy of state finances.” The Board of Regents ratified their first agreement with Minnesota at the May 1978 Board meeting.

Each year the Board approves the rates for the program based on the current agreement. That agreement provides that the visiting student will pay the higher of their home-state tuition and fees or the campus attended.

The table below provides the number of South Dakota and Minnesota students that participated in the Minnesota reciprocity agreement for fall 2014, 2015, and 2016.

	Undergraduate Students	Graduate Students	1 st Professional Students	Total
Fall 2014				
Minnesota Students Studying in South Dakota	3,152	159	4	3,315
South Dakota Students Studying in Minnesota	1,056	113	29	1,198
Fall 2015				
Minnesota Students Studying in South Dakota	3,221	145	20	3,386
South Dakota Students Studying in Minnesota	1,060	93	24	1,177
Fall 2016				
Minnesota Students Studying in South Dakota	3,272	174	15	3,461
South Dakota Students Studying in Minnesota	1,059	90	19	1,168

Data provided by Minnesota Office of Higher Education

(Continued)

DRAFT MOTION 20170810_7-E: I move approval of the Minnesota reciprocity rates for FY18 and authorize the Executive Director to execute the Memorandum of Understanding.

Minnesota Students Enrolled in South Dakota Undergraduate or Graduate Program:

The Administrative Memorandum of Understanding (MOU) with Minnesota Higher Education Service Office (MNHESO) states that Minnesota students attending a South Dakota university pay the higher of the following two rates:

- Rate 1: The resident undergraduate or graduate tuition and fee rate at the university attended; or
- Rate 2: The weighted undergraduate or graduate average of resident tuition and fee rates of nine Minnesota universities (UM Twin Cities and UM Morris are excluded.)

When determining which rate is paid we include the General Activity Fee (GAF) and the laptop fee at DSU and SDSM&T. The Minnesota weighted undergraduate and graduate averages include tuition, Student Services Fee, and GAF. Minnesota Higher Education Service Office (MNHESO) has calculated the average rate to be \$312.00 per credit hour for undergraduates. The rate a Minnesota undergraduate will pay will depend on the institution attended. The Minnesota weighted undergraduate rate is higher than the in-state rate at all schools except for SDSM&T, so the student would pay the average Minnesota rate everywhere but SDSM&T.

Minnesota Undergraduate Student Attending South Dakota University

South Dakota Resident Tuition & Fee Rate

	FY18 Cost Per Credit Hour			MN Student Will Pay
	Tuition	Fees	Total	
Black Hills State University	\$250.45	\$36.25	\$286.70	\$312.00
Dakota State University	\$239.70	\$65.20	\$304.90	\$312.00
Northern State University	\$239.70	\$36.30	\$276.00	\$312.00
School of Mines	\$246.00	\$74.90	\$320.90	\$312.00
South Dakota State University	\$239.70	\$41.65	\$281.35	\$312.00
University of South Dakota	\$239.70	\$52.70	\$292.40	\$312.00

The Minnesota combined rate for graduate tuition and fees of \$490.40 is higher than the tuition and fees at any of the South Dakota schools, therefore a Minnesota graduate student will pay \$490.40 per credit hour at all South Dakota public universities.

Since the GAF rates vary across the system, the tuition revenue per credit hour from Minnesota students varies, but the total per credit hour price is the same at all universities except for SDSM&T. The rates to be charged for undergraduate and graduate Minnesota students per credit hour are provided in the following table:

<i>Minnesota - Fall 2017-Spring 2018-Summer 2018 Reciprocity Rates</i>				
	Tuition	GAF	Laptop Fee	Total Tuition & Fees
Undergraduate				
BHSU	\$275.75	\$36.25		\$312.00
DSU	\$246.80	\$39.00	\$26.20	\$312.00
NSU	\$275.70	\$36.30		\$312.00
SDSM&T	\$246.00	\$47.60	\$27.30	\$320.90
SDSU	\$270.35	\$41.65		\$312.00
USD	\$259.30	\$52.70		\$312.00
Graduate				
BHSU	\$454.15	\$36.25		\$490.40
DSU	\$451.40	\$39.00		\$490.40
NSU	\$454.10	\$36.30		\$490.40
SDSM&T	\$442.80	\$47.60		\$490.40
SDSU	\$448.75	\$41.65		\$490.40
USD	\$437.70	\$52.70		\$490.40

Table 1 compares what a Minnesota undergraduate student would pay under the South Dakota/Minnesota reciprocity agreement to what a non-resident undergraduate student from another state would pay per credit hour. On average, a Minnesota undergraduate student attending a South Dakota university will pay \$88 per credit hour less than a non-resident undergraduate student from another state.

Table 1: Undergraduate

	<i>Minnesota Student Attending South Dakota School</i> (Weighted Average of Minnesota Resident Rate)			<i>Non-Resident Undergraduate</i> (FY18 South Dakota Rate)		
	FY18			FY18		
	Tuition	Fees	Total	Tuition	Fees	Total
BHSU	\$275.75	\$36.25	\$312.00	\$350.45	\$36.25	\$386.70
DSU	\$246.80	\$65.20	\$312.00	\$337.35	\$65.20	\$402.55
NSU	\$275.70	\$36.30	\$312.00	\$337.35	\$36.30	\$373.65
SDSM&T	\$246.00	\$74.90	\$320.90	\$385.30	\$74.90	\$460.20
SDSU	\$270.35	\$41.65	\$312.00	\$347.95	\$41.65	\$389.60
USD	\$259.30	\$52.70	\$312.00	\$347.95	\$52.70	\$400.65

Table 2 compares what a Minnesota graduate student would pay under the South Dakota/Minnesota reciprocity agreement to what a non-resident graduate student from another state would pay per credit hour. On average, a Minnesota graduate student attending a South Dakota university will pay \$158 per credit hour less than a non-resident graduate student from another state.

Table 2: Graduate

	Minnesota Student Attending South Dakota School (Weighted Average of Minnesota Resident Rate)			Non-Resident Graduate (FY18 South Dakota Rate)		
	FY18			FY18		
	Tuition	Fees	Total	Tuition	Fees	Total
BHSU	\$454.15	\$36.25	\$490.40	\$603.35	\$36.25	\$639.60
DSU	\$451.40	\$39.00	\$490.40	\$587.50	\$39.00	\$626.50
NSU	\$454.10	\$36.30	\$490.40	\$587.50	\$36.30	\$623.80
SDSM&T	\$442.80	\$47.60	\$490.40	\$642.35	\$47.60	\$689.95
SDSU	\$448.75	\$41.65	\$490.40	\$605.05	\$41.65	\$646.70
USD	\$437.70	\$52.70	\$490.40	\$605.05	\$52.70	\$657.75

The rate increase for Minnesota students from FY17 to FY18 is summarized in the following table.

	Minnesota FY17 Rate	Minnesota Proposed FY18 Rate	\$ Increase	% Increase
Undergraduate	\$302.00	\$312.00	\$10.00	3.3%
Graduate	\$475.05	\$490.40	\$15.35	3.2%

South Dakota Undergraduate and Graduate Students Attending Minnesota Institutions:

The reciprocity agreement states that South Dakota students attending a Minnesota university pay the higher of the following two rates:

Rate 1: The resident undergraduate or graduate tuition and fee rate at the university attended; or

Rate 2: The weighted undergraduate or graduate average of tuition and fee rates of the South Dakota public universities.

The rate a South Dakota undergraduate student will pay depends upon which Minnesota University the student attends. Since the South Dakota weighted undergraduate rate of \$289.03 is higher than the in-state rate at Metropolitan State University, the South Dakota student would pay the average South Dakota rate while attending at institutions. South Dakota students attending the other State Universities would pay the Minnesota rate.

Table 3 illustrates what a South Dakota undergraduate student attending a Minnesota State University would pay under the South Dakota/Minnesota reciprocity agreement. Students

attending any of the University of Minnesota campuses will pay the Minnesota tuition and fee rates.

Table 3: Undergraduate
South Dakota Student Attending Minnesota State University
 Minnesota Resident Tuition & Fee Rate

	FY18 Cost Per Credit Hour			<u>SD Student Will Pay</u>
	<u>Tuition</u>	<u>Fees</u>	<u>Total</u>	
Bemidji State University	\$317.92	\$34.93	\$352.85	\$352.85
Minnesota State University-Mankato	\$299.10	\$32.83	\$331.94	\$331.94
Metro State University	\$227.53	\$34.43	\$261.96	\$289.03
Minnesota State University-Moorhead	\$308.71	\$35.17	\$343.88	\$343.88
Southwest State University	\$312.37	\$37.13	\$349.50	\$349.50
St. Cloud State University	\$295.60	\$37.80	\$333.40	\$333.40
Winona State University	\$307.38	\$66.73	\$374.11	\$374.11

The South Dakota weighted average rate for graduate tuition and fees of \$362.37 is lower than the individual school's graduate rates so South Dakota students will pay the Minnesota institutional rates. Table 4 illustrates what a South Dakota graduate student attending a Minnesota institution would pay under the South Dakota/Minnesota reciprocity agreement.

Table 4: Graduate
South Dakota Student Attending Minnesota University
 Minnesota Resident Tuition & Fee Rate

	FY18 Cost Per Credit Hour			<u>SD Student Will Pay</u>
	<u>Tuition</u>	<u>Fees</u>	<u>Total</u>	
Bemidji State University	\$403.50	\$43.67	\$447.17	\$447.17
Minnesota State University-Mankato	\$395.60	\$41.04	\$436.64	\$436.64
Metro State University	\$373.61	\$43.04	\$416.65	\$416.65
Minnesota State University-Moorhead	\$374.00	\$43.96	\$417.96	\$417.96
Southwest State University	\$392.50	\$46.42	\$438.92	\$438.92
St. Cloud State University	\$383.41	\$47.25	\$430.66	\$430.66
Winona State University	\$388.17	\$43.00	\$431.17	\$431.17

Minnesota Students Enrolled in South Dakota Professional Programs:

Minnesota students enrolled in the SDSU Doctor of Pharmacy (Phar.D.) program, the USD Law School, or the Sanford School of Medicine pay the higher of two state rates:

Rate 1: The resident professional cost per credit hour at the institution attended; or

Rate 2: The resident cost per credit hour at a comparable professional school in the student's home state, except that cost per credit hour for reciprocity students enrolled in professional programs will not exceed 150% of resident cost per credit hour at the institution attended.

Pharmacy:

1. The total cost per credit hour for a SDSU resident Pharmacy Doctorate student is \$555.30 (Rate 1).
2. The Minnesota Pharmacy Doctorate total cost per credit hour equals \$1,187.00 (Rate 2).
3. 150% of Rate 1 equals \$832.95.
4. The Minnesota rate is the higher of the two, but exceeds 150% of Rate 1 at the institution attended. Therefore, \$832.95 is the total cost per credit hour for Minnesota students. The tuition and fees assessed will be:

	South Dakota Resident Rate		Proposed Minnesota Rate	
	Cr. Hour Rate	Semester Rate	Cr. Hour Rate	Semester Rate
FY18 Tuition	\$314.70	\$4,718.00	\$592.35	\$7,428.00
GAF	\$41.65	\$708.05	\$41.65	\$703.44
Pharmacy Program Fee	<u>\$198.95</u>	<u>\$3,352.00</u>	<u>\$198.95</u>	<u>\$3,352.00</u>
Total Tuition & Fees	\$555.30	\$8,778.05	\$832.95	\$11,483.44

Law School:

1. The USD Law School resident cost per credit hour is \$518.80 (Rate 1).
2. The Minnesota Law School cost per credit hour equals \$1,836.00 (Rate 2).
3. 150% of Rate 1 equals \$778.20.
4. Although the Minnesota rate is the higher of the two, the reciprocity rate for professional programs is not to exceed 150% of Rate 1 at the institution attended. Therefore, \$778.20 is the cost per credit hour for Minnesota students. Tuition and fees assessed will be:

	South Dakota Resident Rate	Proposed Minnesota Rate	
	Semester Cost	Cr. Hour Rate	Semester Cost
FY18 Tuition	\$5,429.00	\$621.35	\$9,320.50
GAF	\$790.50	\$52.70	\$790.20
Law School Program Fee	<u>\$1,562.00</u>	<u>\$104.15</u>	<u>\$1,562.00</u>
Total Tuition & Fees	\$7,781.50	\$778.20	\$11,672.70

School of Medicine:

1. The Sanford School of Medicine resident cost per credit hour is \$768.50
2. (Rate 1).
3. The University of Minnesota Medical School cost per credit hour equals \$876 (Rate 2).
4. 150% of Rate 1 equals \$1,153 or an annual cost of \$47,039, based on 41.5 credit hours.
5. The Minnesota's rate is the higher of the two rates. Therefore, \$876.00 (Rate 2) is the cost per credit hour or an annual cost of \$36,354.00

	<u>South Dakota Resident Rate</u>	<u>Proposed Minnesota Rate</u>	
	<u>Annual Cost</u>	<u>Cr. Hour Rate</u>	<u>Annual Cost</u>
FY18 Tuition	\$29,703.00	\$823.30	\$34,167.00
GAF	<u>\$2,187.00</u>	<u>\$52.70</u>	<u>\$2,187.00</u>
Total Tuition & Fees	\$31,890.00	\$876.00	\$36,354.00

The following table provides a comparison of the FY17 costs and the proposed FY18 costs for tuition and fees for a Minnesota student enrolled in a professional program.

	<u>Tuition and Fees</u>			
	<u>FY17</u>	<u>Proposed FY18</u>	<u>\$ Increase</u>	<u>% Increase</u>
Pharmacy – Semester	\$11,241.30	\$11,483.44	\$242.14	2.1%
Law – Semester	\$10,811.25	\$11,672.70	\$861.45	8.0%
Medical - Annual	\$36,395.00	\$36,354.00	-\$41.00	-0.01%

South Dakota students attending the University of Minnesota, regardless of which campus, and enrolled in a professional program, will pay the Minnesota resident tuition and fees rate.