

SOUTH DAKOTA BOARD OF REGENTS

Budget and Finance
Consent

AGENDA ITEM: 4 – I
DATE: August 7-8, 2019

SUBJECT:

FY20 Minnesota Reciprocity Agreement

CONTROLLING STATUTE, RULE, OR POLICY

[SDCL 13-53-6.2](#)

[BOR Policy 1:16](#) Interstate Tuition Agreements

[BOR Policy 5:5:1](#) Tuition and Fees: On-Campus Tuition

BACKGROUND/DISCUSSION

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 rates approved are for fall/spring/summer as compared to other tuition rates that are summer/fall/spring.

The table below provides the number of South Dakota and Minnesota students that participated in the Minnesota reciprocity agreement for fall 2016, 2017, and 2018.

| | Undergraduate Students | Graduate Students | 1 st Prof Students | Total |
|---|---------------------------|----------------------|----------------------------------|-------|
| 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 |
| Fall 2017 | | | | |
| Minnesota Students Studying in South Dakota | 3,253 | 165 | 21 | 3,439 |
| South Dakota Students Studying in Minnesota | 1,047 | 117 | 17 | 1,181 |
| Fall 2018 | | | | |
| Minnesota Students Studying in South Dakota | 3,133 | 147 | 21 | 3,301 |
| South Dakota Students Studying in Minnesota | 969 | 112 | 17 | 1,098 |

(Continued)

DRAFT MOTION: 20190807_4-I:

I move to approve the Minnesota reciprocity rates for FY20 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 \$323.10 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; therefore, the student would pay the average Minnesota rate everywhere but SDSM&T.

Minnesota Undergraduate Student Attending a South Dakota University

South Dakota Resident Tuition & Fee Rate

| | FY20 Cost Per Credit Hour | | | MN Student Will Pay |
|-------------------------------|---------------------------|---------|----------|---------------------|
| | Tuition | Fees | Total | |
| Black Hills State University | \$262.60 | \$37.70 | \$300.30 | \$323.10 |
| Dakota State University | \$251.35 | \$66.50 | \$317.85 | \$323.10 |
| Northern State University | \$251.35 | \$40.35 | \$291.70 | \$323.10 |
| School of Mines | \$257.95 | \$77.05 | \$335.00 | \$335.00 |
| South Dakota State University | \$256.55 | \$47.25 | \$303.80 | \$323.10 |
| University of South Dakota | \$256.55 | \$54.50 | \$311.05 | \$323.10 |

The Minnesota combined rate for graduate tuition and fees of \$530.15 is higher than the tuition and fees at any of the South Dakota schools, therefore a Minnesota graduate student will pay \$530.15 per credit hour at all South Dakota public universities.

Minnesota Graduate Student Attending a South Dakota University

South Dakota Resident Tuition & Fee Rate

| | FY20 Cost Per Credit Hour | | | MN Student Will Pay |
|-------------------------------|---------------------------|---------|----------|---------------------|
| | Tuition | Fees | Total | |
| Black Hills State University | \$339.05 | \$37.70 | \$376.75 | \$530.15 |
| Dakota State University | \$329.95 | \$40.05 | \$370.00 | \$530.15 |
| Northern State University | \$329.95 | \$40.35 | \$370.30 | \$530.15 |
| School of Mines | \$335.55 | \$48.85 | \$384.40 | \$530.15 |
| South Dakota State University | \$336.80 | \$47.25 | \$384.05 | \$530.15 |
| University of South Dakota | \$336.80 | \$54.50 | \$391.30 | \$530.15 |

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 a surrounding state would pay per credit hour. On average, a Minnesota undergraduate student attending a South Dakota university will pay \$13.15 per credit hour more than a non-resident undergraduate student from a surrounding state.

Table 1: Undergraduate

| | <i>Minnesota Student Attending a South Dakota School</i> (Weighted Average of Minnesota Resident Rate) | | | <i>Non-Resident Undergraduate</i> (FY20 South Dakota Advantage Rate) | | |
|--------|---|---------|----------|---|---------|----------|
| | FY20 | | | FY20 | | |
| | Tuition | Fees | Total | Tuition | Fees | Total |
| BHSU | \$285.40 | \$37.70 | \$323.10 | \$262.60 | \$37.70 | \$300.30 |
| DSU | \$256.60 | \$66.50 | \$323.10 | \$251.35 | \$66.50 | \$317.85 |
| NSU | \$282.75 | \$40.35 | \$323.10 | \$251.35 | \$40.35 | \$291.70 |
| SDSM&T | \$257.95 | \$77.05 | \$335.00 | \$257.95 | \$77.05 | \$335.00 |
| SDSU | \$275.85 | \$47.25 | \$323.10 | \$256.55 | \$47.25 | \$303.80 |
| USD | \$268.60 | \$54.50 | \$323.10 | \$256.55 | \$54.50 | \$311.05 |

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 \$154 per credit hour less than a non-resident graduate student from another state.

Table 2: Graduate

| | <i>Minnesota Student Attending a South Dakota School</i> (Weighted Average of Minnesota Resident Rate) | | | <i>Non-Resident Graduate</i> (FY20 South Dakota Rate) | | |
|--------|---|---------|----------|--|---------|----------|
| | FY20 | | | FY20 | | |
| | Tuition | Fees | Total | Tuition | Fees | Total |
| BHSU | \$492.45 | \$37.70 | \$530.15 | \$632.60 | \$37.70 | \$670.30 |
| DSU | \$490.10 | \$40.05 | \$530.15 | \$616.00 | \$40.05 | \$656.05 |
| NSU | \$489.80 | \$40.35 | \$530.15 | \$616.00 | \$40.35 | \$656.35 |
| SDSM&T | \$481.30 | \$48.85 | \$530.15 | \$673.50 | \$48.85 | \$722.35 |
| SDSU | \$482.90 | \$47.25 | \$530.15 | \$647.55 | \$47.25 | \$694.80 |
| USD | \$475.65 | \$54.50 | \$530.15 | \$647.55 | \$54.50 | \$702.05 |

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 \$307.50 is higher than the in-state rate at Metropolitan State University, Minnesota State University Moorhead, Southwest State University and Winona State University, the South Dakota student would pay the average South Dakota rate while attending those 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.

Table 3: Undergraduate

South Dakota Student Attending a Minnesota State University

Minnesota Resident Tuition & Fee Rate

| | FY20 Cost Per Credit Hour | | | <u>SD Student Will Pay</u> |
|-------------------------------------|---------------------------|-------------|--------------|----------------------------|
| | <u>Tuition</u> | <u>Fees</u> | <u>Total</u> | |
| Bemidji State University | \$274.40 | \$47.74 | \$322.14 | \$322.14 |
| Minnesota State University-Mankato | \$289.15 | \$71.60 | \$360.75 | \$360.75 |
| Metro State University | \$234.36 | \$73.13 | \$307.49 | \$307.50 |
| Minnesota State University-Moorhead | \$246.16 | \$51.42 | \$297.58 | \$307.50 |
| Southwest State University | \$250.25 | \$48.71 | \$298.96 | \$307.50 |
| St. Cloud State University | \$289.15 | \$71.60 | \$360.75 | \$360.75 |
| Winona State University | \$251.30 | \$53.81 | \$305.11 | \$307.50 |

The South Dakota weighted average rate for graduate tuition and fees of \$383.05 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.

| | FY20 Cost Per Credit Hour | | | <u>SD Student Will Pay</u> |
|-------------------------------------|---------------------------|-------------|--------------|----------------------------|
| | <u>Tuition</u> | <u>Fees</u> | <u>Total</u> | |
| Bemidji State University | \$432.15 | \$45.13 | \$477.28 | \$477.28 |
| Minnesota State University-Mankato | \$427.45 | \$43.50 | \$470.95 | \$470.95 |
| Metro State University | \$404.09 | \$45.13 | \$449.22 | \$449.22 |
| Minnesota State University-Moorhead | \$404.45 | \$55.08 | \$459.53 | \$459.53 |
| Southwest State University | \$414.50 | \$48.17 | \$462.67 | \$462.67 |
| St. Cloud State University | \$414.45 | \$45.08 | \$459.53 | \$459.53 |
| Winona State University | \$415.80 | \$41.50 | \$457.30 | \$457.30 |

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 PharmD student is \$592.45(Rate 1).
2. The Minnesota Pharm D total cost per credit hour equals \$1,246.57 (Rate 2).
3. 150% of Rate 1 equals \$888.70.
4. The Minnesota rate is the higher of the two, but exceeds 150% of Rate 1 at the institution attended. Therefore, \$888.70 is the total cost per credit hour for Minnesota students. The tuition and fees assessed will be:

| | <u>South Dakota Resident Rate</u> | | <u>Proposed Minnesota Rate</u> | |
|----------------------|-----------------------------------|-----------------------|--------------------------------|----------------------|
| | <u>Cr. Hour Rate</u> | <u>Semester Rate*</u> | <u>Cr. Hour Rate</u> | <u>Semester Rate</u> |
| FY20 Tuition | \$336.80 | \$5,046.00 | \$633.05 | \$7,834.00 |
| GAF | \$47.25 | \$803.25 | \$47.25 | \$803.25 |
| Pharmacy Program Fee | <u>\$208.40</u> | <u>\$3,520.10</u> | <u>\$208.40</u> | <u>\$3,520.10</u> |
| Total Tuition & Fees | \$592.45 | \$9,369.55 | \$888.70 | \$12,157.35 |

**based on 17 credits hours/semester*

Law School:

1. The USD Law School resident cost per credit hour is \$550.90 (Rate 1).
2. The Minnesota Law School cost per credit hour equals \$954.33 (Rate 2).
3. 150% of Rate 1 equals \$826.35.
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, \$826.35 is the cost per credit hour for Minnesota students. Tuition and fees assessed will be:

| | <u>South Dakota Resident Rate</u> | | <u>Proposed Minnesota Rate</u> | |
|------------------------|-----------------------------------|--|--------------------------------|----------------------|
| | <u>Semester Cost</u> | | <u>Cr. Hour Rate</u> | <u>Semester Cost</u> |
| FY20 Tuition | \$5,810.00 | | \$662.80 | \$9,942.00 |
| GAF | \$817.50 | | \$54.50 | \$817.50 |
| Law School Program Fee | <u>\$1,636.00</u> | | <u>\$109.05</u> | <u>\$1,636.00</u> |
| Total Tuition & Fees | \$8,263.50 | | \$826.35 | \$12,395.50 |

School of Medicine:

1. The Sanford School of Medicine resident cost per credit hour is \$815.00 (Rate 1).
2. The University of Minnesota Medical School cost per credit hour equals \$889.38 (Rate 2).
3. 150% of Rate 1 equals \$1,195.72 or an annual cost of \$50,733.75 based on 41.5 credit hours.
4. The Minnesota's rate is the higher of the two rates. Therefore, \$889.38 (Rate 2) is the cost per credit hour or an annual cost of \$36,908.75.

| | South Dakota Resident Rate | Proposed Minnesota Rate | |
|----------------------|----------------------------|-------------------------|--------------------|
| | <u>Annual Cost</u> | <u>Cr. Hour Rate</u> | <u>Annual Cost</u> |
| FY20 Tuition | \$31,787.00 | \$834.88 | \$34,647.00 |
| GAF | <u>\$2,261.75</u> | <u>\$54.50</u> | <u>\$2,261.75</u> |
| Total Tuition & Fees | \$34,048.75 | \$889.38 | \$36,908.75 |

IMPACT AND RECOMMENDATIONS

The following table provides a comparison of the FY19 costs and the proposed FY20 costs for tuition and fees for a Minnesota student enrolled in a South Dakota institution.

| | Tuition and Fees | | | |
|---------------------|------------------|----------------------|--------------------|-------------------|
| | <u>FY19</u> | <u>Proposed FY20</u> | <u>\$ Increase</u> | <u>% Increase</u> |
| Undergraduate Cr Hr | \$312.75 | \$323.10 | \$10.35 | 3.30% |
| Graduate Cr Hr | \$511.40 | \$530.15 | \$18.75 | 3.70% |
| | <u>FY19</u> | <u>Proposed FY20</u> | <u>\$ Increase</u> | <u>% Increase</u> |
| Pharmacy – Semester | \$11,758.65 | \$12,157.35 | \$398.70 | 3.30% |
| Law – Semester | \$12,029.00 | \$12,395.50 | \$366.50 | 3.05% |
| Medical - Annual | \$36,562.00 | \$36,908.75 | \$346.75 | .95% |

The staff recommends approval of the FY20 Minnesota Reciprocity tuition rates.

ATTACHMENTS

None