

SOUTH DAKOTA BOARD OF REGENTS

Budget and Finance

AGENDA ITEM: 6 – A

DATE: April 1, 2020

SUBJECT:

FY21 On-Campus Tuition and Mandatory Fees

CONTROLLING STATUTE, RULE, OR POLICY

[SDCL 13-53-6](#) – Tuition Rates and Fees

[BOR Policy 5:5](#) – Tuition and Fees: General Procedures

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

BACKGROUND / DISCUSSION

Mandatory tuition and fees include tuition, the general activity fee, and the laptop fee for DSU and SDSM&T. Discipline fees along with housing and food service are not included in the calculation of the mandatory cost since they are not assessed to all students.

The FY21 proposal for tuition and mandatory fees attempts to keep the cost to students as low as possible in consideration of student access, service to students, and delivering the highest quality education possible to our students.

Cost Drivers

The Legislature adopted a 2.0% salary policy for all employees, including faculty, exempt, and CSA. The employer paid health care benefit cost increases \$738 for FY21. The annual premium rate will be \$10,809 for each benefit eligible employee. It is important to note that the state only provides funding for the general fund portion of the salary package. The federal and other funds are provided to the Regental system as authority. Funding for the increases for the federal and other funds portion needs to be raised internally. The Bureau of Finance and Management calculated the annual Consumer Price Index (CPI) for the last fiscal year at 2.0%. To keep student costs down, this inflationary increase will not be applied to the operating expense base budgets for tuition and all the fees.

(Continued)

DRAFT MOTION: 20200401_6-A:

I move to approve the FY21 On-Campus Tuition and Mandatory Fees as presented in Attachment I.

On-Campus Tuition Rates

The six universities receive general fund appropriations that are used to support on-campus operations. All courses taught on campus are offered at the Board approved on-campus tuition rate except for remedial courses which are offered at the off-campus rate. The special or reduced on-campus tuition rates are tied to the undergraduate and graduate base rates. A complete listing of on-campus tuition rates with the proposed increases for FY21 can be found in Attachment I.

USD Law School Tuition

The University of South Dakota Law School utilizes a semester-based tuition rate and a semester-based discipline fee. This tuition and fee structure simplifies the tuition and fee rates and encourages students to take more than the 90 credit hours required for graduation, thereby making it possible for the Law School to offer a broader curriculum that is more attractive to prospective students.

In keeping with BOR policy, the Law School tuition and fee costs should be comparable to regional law schools with a mission to attract students who want to practice law in their own state. South Dakota's FY20 costs are 2.3% below the average of the regional law schools, excluding the University of Minnesota-Twin Cities in the mix. The recommended increase to the Law School cost is commensurate with the USD graduate increase at 2.0%.

University of Iowa	\$27,343
Average	\$17,848
University of Wyoming	\$17,774
University of South Dakota	\$17,436
University of Nebraska--Lincoln	\$16,423
University of Montana	\$14,114
University of North Dakota	\$14,400

Sanford School of Medicine

Students attending the Sanford School of Medicine on the campus of the University of South Dakota pay the on-campus tuition rate set annually by the Board of Regents, plus the general activity fee for the first two years while in Vermillion.

The Board adopted the practice of comparing the Sanford School of Medicine, a community-based school, to other public community-based schools across the country for establishing annual cost. If the School of Medicine rates were below the community-based average, the tuition rate would increase by the amount below the average plus mandatory increases. If the Medical School were above the community-based average, it would increase by the graduate tuition rate increase.

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The following table provides the comparable tuition and fee costs:

University of South Carolina School of Medicine	44,232
Central Michigan University	43,055
Northeastern Ohio University College of Medicine and Pharmacy	42,200
City University of New York	41,912
Washington State - E.S.Floyd College of Medicine	39,369
Wright State-Boonshoft School of Medicine	38,038
Florida International University - Wertheim	38,013
University of Hawaii - Burns School of Medicine	37,444
Southern Illinois University School of Medicine	37,192
Eastern Virginia Medical School	35,980
East Tennessee State University - Quillen	35,027
University of South Dakota - Sanford School of Medicine	34,022
University of North Dakota School of Medicine	33,588
Average	32,695
Florida Atlantic University-Schmidt College of Medicine	31,750
Michigan State University College of Medicine	31,358
University of Nevada School of Medicine - Reno	31,210
University of Central Florida College of Medicine	29,680
Florida State University College of Medicine	26,658
Marshall University - Edwards School of Medicine	23,904
University of Texas-Austin - Dell Medical School	20,673
Texas Tech University School of Medicine-Foster	19,568
Texas Tech University School of Medicine	18,808
University of Texas Rio Grande Valley	18,298

The FY20 annual tuition plus mandatory fees for the School of Medicine is above the community-based average. The increase equivalent to the graduate tuition increase for USD, which is 2.0%, will be applied to the School of Medicine annual tuition rate for FY21.

South Dakota State University – Veterinary Medicine 2+2 Program

In July 2017 SDSU entered into a Memorandum of Understanding to explore a 2+2 Veterinary Program with the professional program in Brookings and the final two years of Doctor of Veterinary Medicine (DVM) degree at the University of Minnesota. The agreement was then approved by the Board of Regents at the December 2019 meeting (Item 5-K). The first class of students is scheduled to enroll in academic year 2021-2022, but SDSU would like to establish an approved fee structure for academic year 2020-2021 (fiscal year 2021) for use in communicating with potential students.

SDSU is proposing to charge “block” per semester tuition and discipline fees similar to other professional programs (Pharmacy, Law). Based on the agreement with the University of Minnesota, residents of South Dakota and Minnesota would pay resident rates at both

institutions. Out-of-state students will pay higher tuition and fees, as is the practice at both participating universities and for other veterinary schools.

SDSU is proposing to use the BOR approved resident graduate tuition rate (\$336.80 for FY20) to establish the veterinary resident tuition semester rate for the four semesters of the program taken at SDSU. For FY20 this would result in a resident semester rate of \$9,346 (using 111 credits taken at SDSU). Once the tuition rate is established, the resident semester discipline fee would then be calculated so that SDSU's resident tuition, discipline fee, and General Activity Fee (GAF) match that of University of Minnesota. Resident tuition and fees at the University of Minnesota for fiscal year 2020 was \$16,169 per semester, which would result in a requested resident discipline fee of \$5,512 (for a total SDSU tuition, discipline fee, and GAF cost of \$16,169 per semester).

SDSU is proposing to use the BOR approved non-resident graduate tuition rate (\$647.55 for FY20) to establish the veterinary non-resident tuition semester rate for the four semesters of the program taken at SDSU. For FY20 this would result in a non-resident semester rate of \$17,970 (using 111 credits taken at SDSU). Once the tuition rate is established, the non-resident semester discipline fee would then be calculated so that SDSU's non-resident tuition, discipline fee and GAF match that of University of Minnesota. Non-resident tuition and fees at the University of Minnesota for fiscal year 2020 was \$29,021 per semester, which would result in a requested non-resident discipline fee of \$9,740 (for a total SDSU tuition, discipline fee, and GAF cost of \$29,021 per semester).

In summary, to match the tuition and fees charged by the University of Minnesota SDSU is requesting:

1. Resident Rate (applies to SD and MN residents)
 - a. Resident Tuition (per semester): \$9,346
 - b. Resident Discipline fee (per semester): \$5,512
2. Non-Resident Rate (applies to all students who are not SD or MN residents)
 - a. Non-Resident Tuition (per semester): \$17,970
 - b. Non-Resident Discipline fee (per semester): \$9,740

It should be noted that Minnesota updates tuition rates in June, therefore, similar to MN Reciprocity rates, these rates would need to be updated annually at the August BOR meeting.

Minnesota Reciprocity Rates

Minnesota Reciprocity rates will not change until the fall 2020 semester when the FY21 rates will have been negotiated with the Minnesota Higher Education Service Office.

Mandatory Fees

Each student pays the campus’ general activity fee (GAF) per credit hour, and students at DSU and SDSM&T pay the mandatory laptop fee each semester. These are the fees included when determining the average mandatory cost increase for students.

General Activity Fee (GAF)

The GAF supports student functions related to the co-curricular activities and operations of the student union buildings, including student organizations, cultural events, homecoming, student government, student newspapers, athletics, intramural activities, fine arts, and debt on student unions, athletic facilities and wellness facilities as approved by the Board. In accordance with Board policy, committees composed of a majority of student representatives are to recommend changes in the GAF to the presidents.

Comparable GAF Rates

Some of the universities have financed debt related to food service operations by including a facility fee on food service rates. In order to make an apple-to-apple comparison on student support related to student services and student unions, the facility fee needs to be included in the calculation. In the chart below, the projected facility revenue for BHSU, SDSM&T, and USD was divided by the number of projected credit hours for each institution. The quotient was then added to the FY21 proposed GAF so the numbers are comparable.

Comparable GAF Rate Review

	FY21 <u>Proposed Rate</u>	Additional Increase <u>Requested</u>	Facility Fee Converted to <u>Per Cr Hr. Rate</u>	Comparable <u>FY21 Rate</u>
BHSU	\$38.25	\$0.00	\$6.62	\$44.87
DSU	\$40.65	\$0.00		\$40.65
NSU	\$40.95	\$0.00		\$40.95
SDSM&T	\$49.60	\$0.00	\$1.36	\$50.96
SDSU	\$48.00	\$2.85		\$50.85
USD	\$55.30	\$0.00	\$2.62	\$57.92

SDSU GAF

At the March 2017 meeting, the Board supported SDSU’s proposal to phase out the bond and utility component of their food service rates over a four-year period and implement a GAF component that will increase over the same time period. The purpose of the change is to distribute the bond and utility fee burden evenly over more students through the GAF. This is the fairest approach to students that have already paid the full bond and utility fee as sophomores and juniors.

At the April 2019 meeting, the Board supported SDSU’s request to extend the conversion plan to a five-year plan, in order to accommodate another request from the Student Association’s GAF Strategic Plan. Since SDSU is not requesting any GAF increases from

the Strategic Plan for FY21, SDSU is requesting to finalize this transition in 4 years instead of 5. Year four of this request is an increase to GAF of \$ 2.85 and in concert SDSU would reduce the Bond and Utility Fee rate from \$94.15 to \$0.00, resulting in the completion of the transition approved in March 2017.

	<u>FY18</u>	<u>FY19</u>	<u>FY20</u>	<u>FY21</u>
Bond and Utility Fee Rate	\$143.30	\$102.65	\$94.15	\$0.00
GAF Rate	\$1.95	\$3.25	\$3.70	\$6.55
GAF Bond & Utility Increase	\$1.95	\$1.30	\$0.45	\$2.85

FY21 will be the fourth and final year of the revenue neutral plan.

Computer Lease Fees

DSU launched its mobile computing initiative at the start of the FY05 fall semester. SDSM&T launched its mobile computing initiative starting with the freshmen class in FY07. The per-semester fee is used to cover the cost to lease laptop/tablet PC's for full-time, on-campus students and to support the operating costs of the program. The cost of the mobile computing programs at DSU and SDSM&T are part of the mandatory costs paid by students. The fee increase at DSU will be 0.9% and at SDSM&T will be 1.1%.

IMPACT AND RECOMMENDATIONS

The recommended FY21 tuition and mandatory fee increases provide the necessary funding for the 2.0% salary policy for all employees, including faculty, exempt, and CSA. The cost of funding the non-general and non-federal salary increase and benefits is estimated at \$3.4M. The cost to provide employer paid health insurance will increase \$738, bringing the annual cost per benefit eligible employee to \$10,809. The funding for the non-general and non-federal health care increase is estimated at \$1.6M.

To cover the salary policy, the health care increase, and SDSU's GAF increase, the weighted average cost increase is \$185 or 2.0%. The impact to students within the system will range from (\$169) to \$263 more per year.

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Proposed FY21 Resident Undergraduate Mandatory Tuition and Fee Increase

	<u>FY20 Cost</u>	<u>FY21 Cost</u>	<u>\$ Increase</u>	<u>% Increase</u>
Black Hills State University	\$9,009.00	\$8,839.50	(\$169.50)	(1.9%)
Dakota State University	\$9,535.50	\$9,712.50	\$ 177.00	1.9%
Northern State University	\$8,751.00	\$8,920.50	\$ 169.50	1.9%
SD School of Mines &Technology	\$10,050.00	\$10,236.00	\$186.00	1.9%
South Dakota State University	\$9,114.00	\$9,376.50	\$ 262.50	2.9%
University of South Dakota	\$9,331.50	\$9,510.00	\$ 178.50	1.9%
System Weighted Cost	\$9,250.82	\$9,436.04	\$ 185.22	2.0%

ATTACHMENTS

Attachment I – Proposed FY21 On-Campus Tuition and Mandatory Fee Schedule

South Dakota Board of Regents
Proposed FY21 On-Campus Tuition and Mandatory Fees

	Current Rate	\$ Increase	% Increase	FY21 Rate
Black Hills State University				
Undergraduate - Per Credit Hour				
Resident	\$262.60	-\$6.20	-2.4%	\$256.40
State Employee, ROTC, Teacher Certification	\$131.30	-\$3.15	-2.4%	\$128.15
Over Sixty-Five	\$144.40	-\$3.40	-2.4%	\$141.00
Remedial ⁽⁷⁾	\$351.25	\$7.05	2.0%	\$358.30
Child of Alumni ⁽³⁾	\$262.60	-\$6.20	-2.4%	\$256.40
South Dakota Advantage ⁽⁴⁾	\$262.60	-\$6.20	-2.4%	\$256.40
Western Undergraduate Exchange ⁽²⁾	\$367.45	-\$6.70	-1.8%	\$360.75
Nonresident	\$367.45	-\$6.70	-1.8%	\$360.75
Minnesota Reciprocity - SU2019 - BHSU	\$275.85			\$275.85
Graduate - Per Credit Hour				
Resident	\$339.05	-\$2.50	-0.7%	\$336.55
State Employee, Teacher Certification	\$169.50	-\$1.25	-0.7%	\$168.25
Graduate Assistant	\$179.70	-\$1.30	-0.7%	\$178.40
Over Sixty-Five	\$186.45	-\$1.30	-0.7%	\$185.15
Nonresident	\$632.60	-\$4.30	-0.7%	\$628.30
Nonresident Graduate Assistant	\$213.55	-\$1.55	-0.7%	\$212.00
Minnesota Reciprocity - SU2019 - BHSU	\$474.50			\$474.50
Western Regional Graduate Program ⁽⁵⁾	\$339.05	-\$2.50	-0.7%	\$336.55
Dakota State University, Northern State University				
Undergraduate - Per Credit Hour				
Resident	\$251.35	\$5.05	2.0%	\$256.40
State Employee, ROTC, Teacher Certification	\$125.65	\$2.50	2.0%	\$128.15
Over Sixty-Five	\$138.25	\$2.75	2.0%	\$141.00
Remedial ⁽⁷⁾	\$351.25	\$7.05	2.0%	\$358.30
Child of Alumni ⁽³⁾	\$251.35	\$5.05	2.0%	\$256.40
South Dakota Advantage ⁽⁴⁾	\$251.35	\$5.05	2.0%	\$256.40
Western Undergraduate Exchange ⁽²⁾	\$353.70	\$7.05	2.0%	\$360.75
Nonresident	\$353.70	\$7.05	2.0%	\$360.75
Minnesota Reciprocity - SU2019 - DSU	\$246.85			\$246.85
Minnesota Reciprocity - SU2019 - NSU	\$272.80			\$272.80
Graduate - Per Credit Hour				
Resident	\$329.95	\$6.60	2.0%	\$336.55
State Employee, Teacher Certification	\$164.95	\$3.30	2.0%	\$168.25
Graduate Assistant	\$174.90	\$3.50	2.0%	\$178.40
Over Sixty-Five	\$181.50	\$3.65	2.0%	\$185.15
Nonresident	\$616.00	\$12.30	2.0%	\$628.30
Nonresident Graduate Assistant	\$207.85	\$4.15	2.0%	\$212.00
Minnesota Reciprocity - SU2019 - DSU	\$471.70			\$471.70
Minnesota Reciprocity - SU2019 - NSU	\$471.45			\$471.45
Western Regional Graduate Program ⁽⁵⁾	\$329.95	\$6.60	2.0%	\$336.55
South Dakota School of Mines & Technology				
Undergraduate - Per Credit Hour				
Resident	\$257.95	\$5.15	2.0%	\$263.10
State Employee, ROTC, Teacher Certification	\$129.00	\$2.60	2.0%	\$131.60
Over Sixty-Five	\$141.90	\$2.85	2.0%	\$144.75
Remedial ⁽⁷⁾	\$351.25	\$7.05	2.0%	\$358.30
Child of Alumni ⁽³⁾	\$257.95	\$5.15	2.0%	\$263.10

South Dakota Board of Regents
Proposed FY21 On-Campus Tuition and Mandatory Fees

	Current Rate	\$ Increase	% Increase	FY21 Rate
South Dakota Advantage ⁽⁴⁾	\$257.95	\$5.15	2.0%	\$263.10
Western Undergraduate Exchange ⁽²⁾	\$386.95	\$7.75	2.0%	\$394.70
Nonresident	\$404.00	\$8.10	2.0%	\$412.10
Minnesota Reciprocity - SU2019 - SDSM&T	\$249.70			\$249.70
Graduate - Per Credit Hour				
Resident	\$335.55	\$6.70	2.0%	\$342.25
State Employee, Teacher Certification	\$167.80	\$3.35	2.0%	\$171.15
Graduate Assistant	\$177.90	\$3.55	2.0%	\$181.45
Over Sixty-Five	\$184.60	\$3.70	2.0%	\$188.30
Nonresident	\$673.50	\$13.45	2.0%	\$686.95
Nonresident Graduate Assistant	\$211.40	\$4.25	2.0%	\$215.65
Minnesota Reciprocity - SU2019 - SDSM&T	\$462.95			\$462.95
Western Regional Graduate Program ⁽⁵⁾	\$335.55	\$6.70	2.0%	\$342.25
South Dakota State University, University of South Dakota				
Undergraduate - Per Credit Hour				
Resident	\$256.55	\$5.15	2.0%	\$261.70
State Employee, ROTC, Teacher Certification	\$128.25	\$2.55	2.0%	\$130.80
Over Sixty-Five	\$141.10	\$2.80	2.0%	\$143.90
Remedial ⁽⁷⁾	\$351.25	\$7.05	2.0%	\$358.30
Child of Alumni ⁽³⁾	\$256.55	\$5.15	2.0%	\$261.70
South Dakota Advantage ⁽⁴⁾	\$256.55	\$5.15	2.0%	\$261.70
Western Undergraduate Exchange ⁽²⁾	\$372.40	\$7.45	2.0%	\$379.85
Nonresident	\$372.40	\$7.45	2.0%	\$379.85
Minnesota Reciprocity - SU2019 - SDSU	\$269.00			\$269.00
Minnesota Reciprocity - SU2019 - USD	\$259.10			\$259.10
Graduate - Per Credit Hour				
Resident	\$336.80	\$6.75	2.0%	\$343.55
State Employee, Teacher Certification	\$168.40	\$3.35	2.0%	\$171.75
Graduate Assistant - USD	\$178.50	\$3.55	2.0%	\$182.05
Over Sixty-Five	\$185.25	\$3.70	2.0%	\$188.95
Nonresident	\$647.55	\$12.95	2.0%	\$660.50
Nonresident Graduate Assistant - USD	\$212.20	\$4.25	2.0%	\$216.45
Minnesota Reciprocity - SU2019 - SDSU	\$467.65			\$467.65
Minnesota Reciprocity - SU2019 - USD	\$457.75			\$457.75
Western Regional Graduate Program ⁽⁵⁾	\$336.80	\$6.75	2.0%	\$343.55
South Dakota State University, University of South Dakota				
Pharmacy & Allied Health Programs ⁽⁶⁾				
Resident - Per Semester	\$4,885.00	\$97.70	2.0%	\$4,982.70
Nonresident - Per Semester	\$10,450.00	\$209.00	2.0%	\$10,659.00
Nonresident - Per Credit Hour	\$851.20	\$17.00	2.0%	\$868.20
Minnesota Reciprocity - SU2019 - Semester	\$7,594.00			\$7,594.00
Minnesota Reciprocity - SU2019 - Credit Hour	\$612.25			\$612.25
Law School				
Resident - Semester	\$5,624.00	\$112.50	2.0%	\$5,736.50
Graduate Assistant - Credit Hour	\$198.70	\$3.95	2.0%	\$202.65
Nonresident - Per Semester	\$14,988.00	\$299.75	2.0%	\$15,287.75
Nonresident w/ LSAT 155 or Higher - Per Semester	\$5,624.00	\$112.50	2.0%	\$5,736.50
Nonresident Graduate Assistant	\$236.25	\$4.75	2.0%	\$241.00
Minnesota Reciprocity - SU2019 - Semester	\$9,634.25			\$9,634.25

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	Current Rate	\$ Increase	% Increase	FY21 Rate	
Minnesota Reciprocity - SU2019 - Credit Hour	\$642.25			\$642.25	
Medical School					
Resident & INMED Program - Annual	\$30,772.00	\$615.45	2.0%	\$31,387.45	
Nonresident - Annual	\$73,740.00	\$1,474.80	2.0%	\$75,214.80	
Minnesota Reciprocity - Annual	\$34,335.00			\$34,335.00	
Veterinary Science 2+2					
Resident Tuition - Per Semester (new for FY21)				\$9,346.00	
Non-Resident Tuition - Per Semester (new for FY21)				\$17,970.00	
FY20 Mandatory Fees ⁽¹⁾					
General Activity Fee - Credit Hour	BHSU	\$37.70	\$0.55	1.5%	\$38.25
	DSU	\$40.05	\$0.60	1.5%	\$40.65
	NSU	\$40.35	\$0.60	1.5%	\$40.95
	SDSM&T	\$48.85	\$0.75	1.5%	\$49.60
	SDSU	\$47.25	\$6.20	13.1%	\$53.45
	USD	\$54.50	\$0.80	1.5%	\$55.30
	Computer Lease Fee - Semester	DSU	\$396.75	\$3.75	0.9%
SDSM&T		\$423.00	\$4.50	1.1%	\$427.50

- Notes:** All rates are effective at the end of the 2019 spring term.
SD National Guard members may be eligible for a benefit of 50% of the in-state resident tuition after federal tuition benefits are applied, but the benefits in total may not exceed 100% of the tuition cost. The graduate benefit is limited to 32 credit hours.
- (1) The mandatory fees are added to the on-campus tuition cost for a total cost per credit hour. Special discipline fees may also apply to certain courses and are in addition to on-campus tuition and mandatory fees.
 - (2) States participating in the Western Undergraduate Exchange program: Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, North Dakota, Oregon, Utah, Washington, and Wyoming. The SDSM&T rate is available only to new freshman and first-time transfers starting the summer of 2016.
 - (3) The BHSU rate is available only to new Wyoming freshmen and first-time transfers starting the summer of 2013.
 - (4) The South Dakota Advantage Program, starting summer 2019, is for new freshmen and transfers from Colorado, Iowa, Montana, Nebraska, North Dakota and Wyoming.
 - (5) The Western Regional Graduate Program (WRGP) allows master's, graduate certificate, and Ph.D. students who are residents of the WICHE member states to enroll in high-quality programs at 60 public institutions outside of their home state and pay resident tuition. For a list of South Dakota's programs offered through WRGP, please visit this site: <https://www.wiche.edu/wrgp>
 - (6) Allied Health includes Nursing, Dental Hygiene, Occupational Therapy, Physician Assistant Studies, Physical Therapy, HSC Paramedic Specialization, and MS Human Biology
 - (7) These rates are the total per credit hour cost. No additional fees will be assessed.