

**SOUTH DAKOTA BOARD OF REGENTS**

**Budget and Finance**

**REVISED  
AGENDA ITEM: 9 – A  
DATE: June 23-24, 2021**

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**SUBJECT**

**Ellsworth Air Force Base Tuition Proposal**

**CONTROLLING STATUTE, RULE, OR POLICY**

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

**BACKGROUND / DISCUSSION**

Ellsworth Air Force Base invited BHSU, along with seven other universities, to respond to a Request for Proposal to offer on-installation education at EAFB beginning in the Fall of 2021. BHSU submitted this proposal on April 29<sup>th</sup>. It is anticipated that EAFB will make the announcement of the selected campus(es) the week of June 14 – 18.

A critical component for BHSU’s proposal to be competitive is the ability to offer a reduced tuition rate to all active-duty airmen, their spouses and dependents, and Department of Defense civilians that work on the base. This rate is equivalent to the already approved tuition rate of \$250 per credit hour for active-duty military for courses taken at BHSU-Rapid City and on the Internet.

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**DRAFT MOTION 20210624\_9-A:**

I move to approve the following special Ellsworth Air Force Base (EAFB) tuition rates: 1) \$250.00 per credit hour undergraduate rate for all active military and Department of Defense civilians who attend classes at EAFB, BHSU-RC, the Spearfish campus, and online with no additional fees, 2) a reduced undergraduate rate of \$250.00 per credit hour for spouses and dependents of active-duty service members for credits offered on-site at Ellsworth Air Force Base and online with no additional fees, and 3) a reduced graduate rate of \$300 per credit hour with no additional fees for all active military and Department of Defense civilians who attend classes at EAFB, BHSU-RC, the Spearfish campus, and online with no additional fees. These rates would become effective in Fall 2021 under the condition EAFB accepts the BHSU proposal described in the attachment.

BHSU is requesting the \$250 undergraduate tuition rate be extended to the following groups:

- Active-Duty Military at EAFB and BHSU-Spearfish
- Spouses & Dependents of Active-Duty Military at EAFB
- DOD Civilians at EAFB, BHSU-Rapid City, BHSU-Spearfish & Internet

In addition, BHSU is requesting a \$300 graduate tuition rate for the following:

- Active-Duty Military at EAFB and BHSU-Spearfish
- DOD Civilians at EAFB, BHSU-Rapid City, BHSU-Spearfish & Internet

There is significant potential for revenue growth by serving a new market at EAFB. There are currently 1,897 approved education plans at EAFB. Although not all of those plans will equate to credit hours taken from BHSU, National American University was serving 397 students when last on the Base.

#### **IMPACT AND RECOMMENDATIONS**

Although there are several rates that will decrease with this proposal, the total number of known credit hours currently provided at these rates are minimal. Current credit hour information on Department of Defense civilians and spouses/dependents is not available. The total revenue loss of \$505.20 will easily be recovered by the new credit hours provided on-site at the Base.

Attachment I provides additional rationale and financial information from BHSU in support of the Ellsworth Air Force Base tuition proposal.

#### **ATTACHMENTS**

Attachment I – Ellsworth Air Force Base Tuition Proposal Detail

## **EAFB Tuition Proposal**

*Submitted by BHSU – May 2021*

In October of 2014, BHSU proposed, and the Board of Regents approved extending the National Guard tuition benefit for undergraduate students to active-duty servicemen including reserves, active reserves, and active military at all University Center locations effective with the Spring 2015 semester. In May of 2015, the Board locked this rate in at \$250 per credit hour so the federal tuition assistance provided to airmen covers the full cost of attendance. That rate continues to this day.

Black Hills State University has been offering courses to military personnel from Ellsworth Air Force Base (EAFB) for nearly 60 years. BHSU had a physical presence on the military base for most of those years up until 2006. In 2006, Ellsworth's education building was repurposed to a financial services center, forcing BHSU to find alternate space to continue offering courses, programs, and services to the military and other students in the Rapid City area. BHSU's longstanding tradition of serving our military students continues at BHSU-Rapid City to this day; however, BHSU has not offered face-to-face courses on the Base since 2006. Approximately ten years ago a contract for on-base education was issued to National American University and they have been the sole on-site provider of post-secondary education at EAFB since that time.

In March 2021, BHSU was invited by EAFB, along with seven other universities who already have a presence at a military installation, to submit a proposal for voluntary post-secondary education onsite at EAFB. BHSU was the only local and the only Regental university invited to submit a proposal. BHSU submitted a [proposal](#) on April 29, 2021.

In FY21, BHSU provided 136 credit hours to active military students. In 2006, the last year BHSU was on-site at the Base, 1,054 credit hours were provided documenting the potential for credit hour growth by being on-site. EAFB currently has 3,324 airmen with 1,874 approved education plans documenting a significant opportunity to provide education on-site at the base. Spouses, dependents, and classified staff will also enroll in courses at the Base increasing the total pool of potential students on the Base. Additional airmen will be arriving at the Base in the next few years for the B-21 Bomber mission as well.

Although EAFB has been very pleased with BHSU's overall proposal, one critical component that makes our proposal less competitive is a reduced tuition rate for spouses and dependents of active military, for Department of Defense civilians that work on the Base and for a reduced graduate rate. This has been communicated to our campus by officials at EAFB who are reviewing proposals. Based on the value of being a sole or partner provider of educational services at EAFB, BHSU is requesting that the reduced tuition rate of \$250 per credit hour currently offered to active military be extended to all active military and Department of Defense civilians who attend classes at EAFB, BHSU-RC, the Spearfish campus, and online. In addition, the reduced rate of \$250 for undergraduates for spouses and dependents of active-duty service members is requested for credits offered on-site at the Base and on-line. A reduced graduate rate of \$300 per credit hour is also requested. These are the specific reduced tuition rates that will be necessary for BHSU to be

competitive against other universities who have submitted a proposal to be the onsite educational provider at EAFB.

Although there are several rates that will decrease with this proposal, the total number of known credit hours currently provided at these rates are minimal. Current credit hour information on Department of Defense civilians and spouses/dependents is not available. The total revenue loss of \$505.20 will easily be recovered by the new credit hours provided on-site at the Base.

The requested rate changes and revenue impact are summarized below.

	Undergraduate				
	Current Rate	Proposed Rate	Rate Change	SCH	Revenue Change
<b>Active Military</b>					
BHSU-RC	\$250.00	\$250.00	\$0.00	36	\$0.00
Spearfish*	\$292.10	\$250.00	(\$42.10)	12	(\$505.20)
EAFB	NA	\$250.00	New	0	New Revenue
Online	\$250.00	\$250.00	\$0.00	88	\$0.00
<b>Spouses &amp; Dependents</b>					
BHSU-RC	\$354.75	\$354.75	\$0.00	NA	\$0.00
Spearfish*	\$292.10	\$292.10	\$0.00	NA	\$0.00
EAFB	NA	\$250.00	New	0	New Revenue
Online	\$354.75	\$250.00	(\$104.75)	NA	NA
<b>DOD Civilians</b>					
BHSU-RC	\$354.75	\$250.00	(\$104.75)	NA	NA
Spearfish*	\$292.10	\$250.00	(\$42.10)	NA	NA
EAFB	NA	\$250.00	New	0	New Revenue
Online	\$354.75	\$250.00	(\$104.75)	NA	NA
	Graduate				
	Current Rate	Proposed Rate	Rate Change	SCH	Revenue Change
<b>Active Military</b>					
BHSU-RC	\$470.45	\$300.00	(\$170.45)	0	\$0.00
Spearfish*	\$371.50	\$300.00	(\$71.50)	0	\$0.00
EAFB	NA	\$300.00	New	0	New Revenue
Online	\$470.45	\$300.00	(\$170.45)	0	\$0.00
<b>Spouses &amp; Dependents</b>					
BHSU-RC	\$470.45	\$470.45	\$0.00	NA	NA
Spearfish*	\$371.50	\$371.50	\$0.00	NA	NA
EAFB	NA	\$300.00	New	NA	NA
Online	\$470.45	\$300.00	\$0.00	NA	NA
<b>DOD Civilians</b>					
BHSU-RC	\$470.45	\$300.00	(\$170.45)	NA	NA
Spearfish*	\$371.50	\$300.00	(\$71.50)	NA	NA

EAFB	NA	\$300.00	New	NA	NA
Online	\$470.45	\$300.00	(\$170.45)	NA	NA

\* *Spearfish rate includes on-campus tuition plus the GAF.*

BHSU has a strong history of providing educational offerings to the military at EAFB, but enrollment opportunities are limited when on-site education is not an option. Reducing the tuition rate to one that is equivalent to the federal tuition assistance offered through Post 911 GI bill, will give BHSU the best opportunity to regain the partnership with EAFB for on-site education and exponentially expand the credit hour generation for military students.

In FY20, 903 individual EAFB airmen enrolled in higher education courses. National American was providing educational credits to 396 active military under the current MOU. BHSU may be able to meet these educational needs for these EAFB airmen, their spouses and dependents, and Department of Defense civilians if this tuition rate proposal is approved. Even if each of those 396 airmen only took one 3 credit hour course an additional \$297,000 in tuition revenue would be generated. That doesn't include spouses, dependents, or DOD civilians. These credit hours and revenue will be new to BHSU and will allow BHSU to reclaim our history of serving active military students at EAFB.