

**SOUTH DAKOTA BOARD OF REGENTS**

**Full Board**

**AGENDA ITEM: 23**

**DATE: April 1-2, 2015**

\*\*\*\*\*

**SUBJECT: Black Hills State University – Rapid City Proposal**

After delivering courses and programs in the Rapid City area for more than six decades at a variety of locations, the Board of Regents approved the construction of the University Center Rapid City in 2009. Since construction was completed in 2011, each of the six Regental institutions has offered various courses and programs at the center. However, despite the shared responsibility for the Center, Black Hills State University has continuously delivered roughly 90% of the courses since the Board began to aggressively target off-campus delivery more than a decade ago. The proposal in Attachment I seeks authority from the Board of Regents to rebrand the University Center Rapid City as Black Hills State University – Rapid City which would result in BHSU assuming the primary fiscal responsibility and administration of the facility. The collaboration between the other five Regental institutions would continue under the new framework which strives to further encourage expansion of institutional degree programs at the facility.

After review by the Board of Regents' central staff, the proposal was discussed by the Council of Presidents and Superintendents at their March 2015 meeting and BHSU requests approval from the Board to move forward with the proposal. During the Board meeting, President Jackson will provide a brief overview of the proposal and will be available to respond to questions from the Board.

\*\*\*\*\*

**RECOMMENDED ACTION OF THE EXECUTIVE DIRECTOR**

Approve the rebranding of the University Center Rapid City as Black Hills State University – Rapid City and grant administrative/financial authority to BHSU.



### Black Hills State University – Rapid City

Black Hills State University has been offering on-site face-to-face courses in Rapid City since the 1950's with a program at Ellsworth Air Force Base (EAFB) that has since expanded to serve the entire Rapid City region. Beginning in 2006, the educational facility at EAFB was converted to the financial services center; subsequently this facility was no longer available requiring programs to be relocated to multiple sites within Rapid City. The University Center Rapid City building was opened in April 2011 and allowed the consolidation of course offerings in a single location.

The UCRC represents a partnership among South Dakota's six public universities working cooperatively to deliver accessible, high-quality education in South Dakota's second largest city. The UCRC currently offers two doctoral programs, five master's programs, twenty-six bachelors' programs, ten associates programs, ten minors, and twelve certificate programs.

#### Enrollments

Enrollments at the UCRC grew significantly from Fall 2009 to Fall 2013. The following table identifies strong growth at UCRC in headcount (19.3%), FTE (40.5%), and sections offered (31.6%) over that five year period. The university centers in Pierre and Sioux Falls have struggled over the same time frame with double digit declines in all categories.

#### **Five Year Enrollment Trend (Fall 2009 - Fall 2013)**

	<u>Headcount</u>	<u>FTE</u>	<u>Sections</u>
Rapid City	19.3%	40.5%	31.6%
Sioux Falls	-18.3%	-12.6%	-12.9%
Pierre	-39.1%	-43.5%	-38.1%

*Source: University Centers FY14 Annual Report, October 2014 Board of Regents meeting*  
Enrollment at the University Center Rapid City experienced an enrollment decline in the Fall 2014 semester where a 7.8% decline in FTE was realized.

#### **Year to Year Enrollment Change (Fall 2011 – Fall 2014)**

Fall	UCRC			
	Headcount	% Change	FTE	% Change
2011	1,316		674.7	
2012	1,307	-0.7%	682.8	1.2%
2013	1,364	4.4%	703.4	3.0%
2014	1,254	-8.1%	648.5	-7.8%

*Source: Census Date Extract – Fall 2014*



Black Hills State University offered 89% of the total credit hours taught at UCRC in FY14. These 18,706 credit hours represent 20% of BHSU's total credit hour production in FY14. These courses are taught by 10 BHSU faculty housed at the UCRC; 27 BHSU faculty that travel from the Spearfish campus; and 26 BHSU adjunct faculty.

#### Credit Hour Production at UCRC – FY14

FY14	BHSU	DSU	NSU	SDSMT	SDSU	USD	System
Undergraduate	18,061	0	21	0	308	530	18,920
Graduate	<u>645</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>872</u>	<u>591</u>	<u>2,108</u>
Total	18,706	0	21	0	1,180	1,121	21,028
% of Total	89.0%	0.0%	0.1%	0.0%	5.6%	5.3%	100.0%

*Source: University Centers FY14 Annual Report, October 2014 Board of Regents meeting*

#### Current Structure

BHSU is currently the host university at UCRC providing the administrative oversight, including direct responsibility for the facility services and bookstore operations. BHSU's faculty and staff have a vested interest in the success of the Rapid City program more than any other university. It is part of who BHSU is and what BHSU does every day.

The costs of the current operation are distributed to the partner universities based on credit hour production. BHSU funds \$1,012,183 of the FY15 operating budget of \$1,137,285. NSU's budget contribution is \$1,137; SDSU's is \$63,689; and USD's is \$60,276.

#### Brand Identity

The UCRC currently lacks brand identity. Members of the Rapid City community regularly question how the UCRC fits into the higher education system in SD. Questions arise on how a class or degree is transcribed; what institution is named on the diploma; or even what the facility is used for. Even though some signage is provided throughout the city and off of I-90, these questions continue to arise. The current lack of brand identity also affects students who want a greater affiliation with a university and an opportunity to participate in university related clubs and organizations. The more students are engaged, the more likely they are to complete their educational goals.

#### Proposal

BHSU proposes to rebrand the UCRC as Black Hills State University – Rapid City, providing a Regental State comprehensive university in Rapid City. This coupled with more defined academic programs, additional partnership programs with other state universities, additional Associate of Arts degrees, more dual credit courses, improved signage, and stronger awareness within Rapid City will provide a clear brand identity and degree opportunity to the students and the community, leading to increased enrollment and engagement throughout the Rapid City region.



The operations of the center will remain unchanged in that all Regental universities will continue to be encouraged to offer courses and programs in Rapid City through collaborative efforts with BHSU. BHSU will cover the cost of the administration, including the current \$125,102 currently paid by NSU, SDSU and USD. UCRC shared employees will become BHSU employees, but all other employees will remain employed by their current university.

At the current rate of \$312.90 per credit hour less the \$26.62 HEFF contribution, BHSU will need to add 14.5 new full time students in Rapid City to recover the increased administrative costs. These additional students will be gained through marketing, targeting Rapid City area schools, and targeted scholarships to steer students toward BHSU in Rapid City.

### Advantages

The rebranding to Black Hills State University Rapid City will allow BHSU to react to the drop in enrollment immediately and before the trend of declining enrollments at other University Centers in South Dakota impacts Rapid City in future years. The timing of this change is imminent as the prime recruiting period has already begun for the Fall 2015 semester.

With the increasing cost of education, more students are looking for educational opportunities close to home. Providing a university brand to the UCRC operation will entice Rapid City region students, including those currently choosing NAU or WDTI, to enroll at a state university. These commuter students are choosing not to travel for their educational pursuits, so it will not impact on-campus enrollments at BHSU or other Regental universities. It does make BHSU a major competitor with NAU, Chadron, and WDTI, who are currently taking students away from the Regental system.

Once a student enrolls in Black Hills State University general education courses in Rapid City, there is a much greater chance they will graduate from one of the Regental universities offering courses in Rapid City or elsewhere. This opportunity will be emphasized as other Regental universities have an incentive to offer more programs in Rapid City since there is no administrative cost assessed to them. Students enrolled in BHSU general education courses could transition to a degree program from another university through a two plus two or three plus one program. This may also include offering the final year on-line to save the east river universities the costs of teaching in Rapid City.

The current financial model where all universities retain the tuition generated from credit hours they offer and pay the direct instructional costs of offering those courses will not change so each university will manage their own offerings at this site in Rapid City. The goal is to gain additional students into the regental system.

### Meeting the Goals of the Board of Regents

According to the SD Department of Education National Student Clearinghouse, 34% of SD high school graduates do not attend any postsecondary institution. Only 33% enroll in Regental universities and 33% attend other institutions including technical institutes, out of state institutions and private institutions. Serving the Rapid City market with a State university brand will help improve the percentage of students choosing to pursue postsecondary educational opportunities, meeting the Board's goal to increase our market share.



There are two primary reasons students decide not to pursue higher education after high school both of which can be addressed with a stronger university brand in Rapid City. First, students have a perception that they are not prepared for higher education and second, they are concerned with the cost. By offering more and different degree programs in Rapid City, students are able to begin their education with significant cost savings by either staying at home with their parents, saving approximately \$7,500 per year, or by remaining in their current home and retaining their current employment.

The Board of Regents is trying to help the at risk student succeed. These at risk groups include both Native Americans and non-traditional students. Nearly half of the UCRC headcount is 24 or above and nearly 9% are Native Americans. Strengthening the Rapid City Regental program will help these at risk groups succeed.

BHSU assured the regental presidents that it would continue to develop well defined academic programs with regental universities to further meet the needs of students West River.