

SOUTH DAKOTA BOARD OF REGENTS

Full Board

AGENDA ITEM: 20

DATE: October 8-9, 2014

SUBJECT: Active Serviceman Tuition Proposal

Background

Black Hills State University has been offering courses to military personnel from Ellsworth Air Force Base (EAFB) for over 50 years. BHSU had a physical presence on the military base for the majority of those years. In 2006, Ellsworth’s education building was repurposed to a financial services center, causing BHSU to find alternate space to offer public higher education 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 the University Center Rapid City location.

BHSU is Military Friendly

BHSU was recently named to the 2015 list of Military Friendly Schools by Victoria Media for the fifth consecutive year. BHSU has also been named to the *Military Times* “Best for Vets: Business Schools” in 2013 and 2014. It has also made the *Military Times* “Best for Vets: Colleges” for two years in a row. In addition four BHSU faculty and staff have received the South Dakota Employer Support of the Guard and Reserve (ESGR) Patriot Award. BHSU experienced a 22 percent increase in veteran or veteran dependent students this year. Over a five-year time period, there has been a 76 percent increase in veteran students.

Current Tuition Rates for Military

In FY15, undergraduate military students pay one of two tuition rates at the UCRC:

SD National Guard Members	\$246.35
All Other Students including Active Military	\$312.90

Members of a South Dakota National Guard unit receive a benefit of fifty percent of the resident state-support tuition rate as defined in SDCL 33-6-5.2. This benefit is currently \$66.55 per credit hour. The Department of Military and Veterans Affairs reimburses the SD Board of

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RECOMMENDED ACTION OF THE EXECUTIVE DIRECTOR

Approve the extension of the National Guard tuition benefit for undergraduate students for active duty serviceman (Reserves, Active Reserves and Active Military) at all University Center locations effective Spring 2015.

Regents universities for this tuition reduction; so, although National Guard members pay less than other military personnel, the universities are receiving the full \$312.90 per credit hour in revenue.

Proposed Military Tuition Rate

Black Hills State University is proposing the extension of the National Guard undergraduate tuition benefit to active military and reserve students at UCRC. These students would pay \$246.35 per credit hour in FY15. The only difference from the National Guard benefit is that this is a revenue reduction to BHSU, since no reimbursement will be received from the Department of Military and Veterans Affairs.

The federal government currently provides federal tuition assistance up to a maximum of \$250 per credit hour to military students, so this reduced rate will cover the full cost of a military student's education. National American University is currently offering a military rate in Rapid City, providing a competitive disadvantage for BHSU and other Regental universities offering courses to the military in Rapid City.

FY14 Enrollments & Revenue

In FY14, a total of 122 credit hours were taken by active military and reserve students at UCRC as identified below. These credit hours were offered exclusively by BHSU and USD.

	BHSU	USD	Total
Active Military	89	11	100
Reserves	22	0	22
Total	111	11	122

Current revenue from these 122 credit hours totals \$38,174 as detailed below:

	BHSU	USD	Total
Active Military	\$27,848	\$3,442	\$34,732
Reserves	\$6,884	\$0	\$6,884
Total	\$31,290	\$3,422	\$38,174

Introducing a military rate of \$246.35 per credit hour for all active and reserve military students will result in a reduction in revenue of \$8,039 assuming credit hours remain at the current level.

	BHSU	USD	Total
Active Military	(\$5,923)	(\$732)	(\$6,655)
Reserves	(\$1,384)	\$0	(\$1,384)
Total	(\$7,307)	(\$732)	(\$8,039)

In order to remain revenue neutral, an additional 33 credit hours or just over one full-time equivalent are needed. These FTE could come from any active service military service area, which would include the reserves and active duty military.

Department of Defense Memorandum of Understanding

All Board of Regents universities have signed the Memorandum of Understanding with the Department of Defense. According to agreement, tuition rates must be the same for all service branches at a single location as noted below.

4.a. One Single Tuition Rate. All Service members attending the same educational institution, at the same location, enrolled in the same course, will be charged the same tuition rate without regard to their Service component. This single tuition rate includes active duty Service members and the National Guard and Reservists who are activated under Title 10 and using Title 10 Military Tuition Assistance, in order to assure that tuition rate distinctions are not made based on the Service members' branches of Service.

BHSU is requesting the reduced rate for active and reserve military, but this requires all universities offering courses at the UCRC to participate. The only other Regental university to enroll military students at the UCRC is currently USD. If other universities enroll military students in their courses at UCRC, the reduced rate will need to be assessed as well.

Veterans

If the benefit is extended to active serviceman, the one group of military students that are excluded from the 50% tuition benefit is veterans. These service members receive benefits from the Post 911 GI bill and vocational rehab that cover 100% of their tuition and fee bill in most cases, so a reduced tuition rate does not provide any additional benefit for them.

Implementation

BHSU requests this tuition benefit to take effect with the Spring 2015 semester.

Recommendation

If the proposed benefit were to be offered at all the Centers and not just BHSU, the impact is minimal. In FY14, a total of 153 credit hours were taken by active military and reserve students at UCSF as identified below. There were no hours at CUC.

	<u>DSU</u>	<u>SDSU</u>	<u>USD</u>	<u>Total</u>
Active Military	3	0	3	6
Reserves	37	61	49	147
Total	40	61	52	153

Current revenue from these 153 credit hours totals \$37,691 as detailed below:

	DSU	SDSU	USD	Total
Active Military	\$939	0	\$939	\$1,878
Reserves	\$11,577	\$19,087	\$15,332	\$45,996
Total	\$12,516	\$19,087	\$16,271	\$47,874

Introducing a military benefit that results in a rate of \$246.35 per credit hour for all active and reserve military students will result in a reduction in revenue of \$10,047 assuming credit hours remain at the current level.

	DSU	SDSU	USD	Total
Active Military	(\$200)	0	(\$199)	(\$399)
Reserves	(\$2,327)	(\$4,060)	(\$3,261)	(\$9,648)
Total	(\$2,527)	(\$4,060)	(\$3,460)	(\$10,047)

In order to remain revenue neutral, an additional 41 credit hours or about 1.5 full-time equivalent are needed.

Future

Going forward, BHSU and Center administrators will take a look at graduate rates and distance courses taken by the military. We will also want to think about the \$250 maximum reimbursement as we set rates in the future.