

SOUTH DAKOTA BOARD OF REGENTS

Full Board

AGENDA ITEM: K – 9-REVISED

DATE: August 6, 2009

SUBJECT: Minnesota Reciprocity Rates

Under the Administrative Memorandum of Understanding (MOU) with Minnesota Higher Education Service Office (MNHESO), Minnesota students attending a South Dakota university pay the higher of the following two rates:

1. The resident undergraduate or graduate tuition and fee rate at the university attended; or
2. The weighted undergraduate or graduate average of tuition and fee rates of nine Minnesota universities (UM Twin Cities and UM Morris are excluded.)

The calculations include tuition, the University Support Fee (USF) and the General Activity Fee (GAF). The FY10 South Dakota resident combined tuition and fees rates per credit hour are less than the Minnesota weighted undergraduate and graduate averages. Therefore, Minnesota undergraduate and graduate students attending a South Dakota university will pay the Minnesota weighted average, regardless of the South Dakota university attended. Minnesota Higher Education Service Office (MNHESO) has calculated this rate to be \$246.15 per credit hour for undergraduates and \$381.35 per credit hour for graduates. This calculation includes tuition, USF and GAF. The proposed FY10 combined rates per credit hour for Minnesota residents are compared to South Dakota’s resident FY10 combined tuition and required fees rates in the following table:

South Dakota Combined Rate Comparison

	<u>Minnesota FY09 Rate</u>	<u>Minnesota Proposed FY10 Rate</u>	<u>\$ Increase</u>	<u>% Increase</u>	<u>South Dakota FY10 Rate</u>
Undergraduate	\$235.35	\$246.15	\$10.80	4.59%	\$211.67
Graduate	\$361.00	\$381.35	\$20.35	5.64%	\$260.56

(continued)

RECOMMENDED ACTION OF THE EXECUTIVE DIRECTOR

Approve the Minnesota Reciprocity Rates for FY10.

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The universities retain USF and GAF revenue at the approved rates for the fiscal year. The remainder of the Minnesota rate is state-support tuition, which is deposited into the system tuition and fee fund (80%) and the Higher Education Facilities Fund (HEFF) (20%). Since the USF and GAF rates vary across the system, the tuition revenue per credit hour from Minnesota students varies even though the total per credit hour price is the same at all universities. The allocation of the undergraduate and graduate Minnesota rates per credit hour is provided below.

Minnesota - Fall 2009, Spring 2010 and Summer 2010 Reciprocity Rates

	<u>Tuition</u>	<u>USF</u>	<u>GAF</u>	<u>Total Tuition & Fees</u>
Undergraduate				
BHSU	\$130.30	\$89.10	\$26.75	\$246.15
DSU	\$132.35	\$89.10	\$24.70	\$246.15
NSU	\$135.75	\$89.10	\$21.30	\$246.15
SDSM&T	\$124.60	\$89.10	\$32.45	\$246.15
SDSU	\$132.70	\$89.10	\$24.35	\$246.15
USD	\$122.25	\$89.10	\$34.80	\$246.15
Graduate				
BHSU	\$265.50	\$89.10	\$26.75	\$381.35
DSU	\$267.55	\$89.10	\$24.70	\$381.35
NSU	\$270.95	\$89.10	\$21.30	\$381.35
SDSM&T	\$259.80	\$89.10	\$32.45	\$381.35
SDSU	\$267.90	\$89.10	\$24.35	\$381.35
USD	\$257.45	\$89.10	\$34.80	\$381.35

Professional Programs

Minnesota students enrolled in the SDSU Doctor of Pharmacy (PharmD) 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.

Cost per credit hour for the professional programs includes tuition, USF, GAF, salary enhancement fee and special discipline fees. The following illustrates the methodology in determining the rates:

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Pharmacy:

1. The cost per credit hour for a SDSU resident Pharmacy Doctorate student is \$381.20 (Rate 1).
2. The Minnesota Pharmacy Doctorate cost per credit hour equals \$617.75 (Rate 2).
3. 150% of Rate 1 equals \$571.80.
4. Although the Minnesota rate is the higher of the two, the reciprocity rate for professional programs will not exceed 150% of Rate 1 at the institution attended. Therefore, \$571.80 is the cost per credit hour for Minnesota students. The tuition and fees assessed will be:

FY10 Tuition	\$329.60
USF	\$89.10
GAF	\$24.35
Salary Enhancement Fee	\$20.40
Discipline Fee per Credit Hour	<u>\$108.35</u>
Total Tuition & Fees	\$571.80

Law School:

1. The USD Law School resident cost per credit hour is \$345.80 (Rate 1).
2. The Minnesota Law School cost per credit hour equals \$916.45 (Rate 2).
3. 150% of Rate 1 equals \$518.70.
4. Although the Minnesota rate is the higher of the two, the reciprocity rate for professional programs will not exceed 150% of Rate 1 at the institution attended. Therefore, \$518.70 is the cost per credit hour for Minnesota students. Tuition and fees assessed will be:

FY10 Tuition	\$340.75
USF	\$89.10
GAF	\$34.80
Salary Enhancement Fee	\$29.35
Discipline Fee per Credit Hour	<u>\$24.70</u>
Total Tuition & Fees	\$518.70

School of Medicine:

1. The Sanford School of Medicine resident cost per credit hour is \$547.30 (Rate 1).
2. The University of Minnesota Medical School cost per credit hour equals \$572.75 (Rate 2).
3. 150% of Rate 1 equals \$820.95 or an annual cost of \$31,196.
4. The Minnesota rate is the higher of the two rates, but does not exceed 150% of Rate 1 at the institution attended. Therefore, \$572.75 (Rate 2) is the cost per credit hour or an annual cost of \$21,765.

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	<u>Per Credit Hour</u>	<u>Annual Cost</u>
FY10 Tuition	\$443.65	\$16,859.00
USF	\$89.10	\$3,385.80
GAF	\$34.80	\$1,322.40
Discipline Fee	<u>\$5.20</u>	<u>\$197.60</u>
Total Tuition & Fees	\$572.75	\$21,764.80

Keeping in mind that all fees remain on campus, the table below provides a comparison of the FY09 rates and the proposed FY10 rates for tuition and fees.

	<u>FY09</u>	<u>Proposed FY10</u>	<u>\$ Increase</u>	<u>% Increase</u>
Pharmacy	\$534.10	\$571.80	\$37.70	7.06%
Law	\$481.00	\$518.70	\$37.70	7.84%
Medical - Annual (Tuition & Fees)	\$20,987.80	\$21,764.80	\$777.00	3.70%