

SOUTH DAKOTA BOARD OF REGENTS

Budget and Finance
Consent

AGENDA ITEM: 6 – H
DATE: August 2-4, 2022

SUBJECT

FY23 Minnesota Reciprocity Agreement

CONTROLLING STATUTE, RULE, OR POLICY

[SDCL 13-53-6.2](#) – Reciprocal Agreements between South Dakota and Minnesota Boards

[BOR Policy 1:16](#) – Interstate Tuition Agreements

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

BACKGROUND / DISCUSSION

During the 1978 legislative session, the Board of Regents was given authority through SDCL 13-53B to execute a tuition reciprocity agreement with the state of Minnesota “with the specific aims of enhancing accessibility to programs, expanding the range of programs available, and promoting the greater economy of state finances.” The Board of Regents ratified their first agreement with Minnesota at the May 1978 Board meeting.

Each year the Board approves the rates for the program based on the current agreement. That agreement provides that the visiting student will pay the higher of their home-state tuition and fees or the campus attended. The rates approved are for fall/spring/summer as compared to other tuition rates that are summer/fall/spring.

Minnesota Students Enrolled in South Dakota Undergraduate or Graduate Program:

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

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

When determining which rate is paid, we include the General Activity Fee (GAF) and the laptop fee at DSU and SDSM&T. The Minnesota weighted undergraduate and graduate

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DRAFT MOTION 20220804_6-H:

I move to approve the Minnesota reciprocity rates for FY23 and authorize the Executive Director to execute the Memorandum of Understanding.

averages include tuition, Student Services Fee, and GAF. Minnesota Higher Education Service Office (MNHESO) has calculated the average rate to be \$359.67 per credit hour for undergraduates for the 22-23 school year. The rate a Minnesota undergraduate will pay will depend on the institution attended. The Minnesota weighted undergraduate rate is higher than the in-state rate at all schools.

Minnesota Undergraduate Student Attending a South Dakota University

South Dakota Resident Tuition and Fee Rate				
22-23 School Year Cost per Credit Hour				
	Tuition	Fees	Total	MN Student Will Pay
Black Hills State University	\$ 253.85	\$ 38.25	\$ 292.10	\$ 359.67
Dakota State University	\$ 253.85	\$ 67.23	\$ 321.08	\$ 359.67
Northern State University	\$ 253.85	\$ 40.95	\$ 294.80	\$ 359.67
SD School of Mines & Tech	\$ 260.55	\$ 78.35	\$ 338.90	\$ 359.67
South Dakota State University	\$ 259.10	\$ 50.85	\$ 309.95	\$ 359.67
University of South Dakota	\$ 259.10	\$ 55.30	\$ 314.40	\$ 359.67

The Minnesota combined rate for graduate tuition and fees of \$589.46 is higher than the tuition and fees at any of the South Dakota schools, therefore, a Minnesota graduate student will pay \$589.46 per credit hour at all South Dakota public universities.

Minnesota Graduate Student Attending a South Dakota University

South Dakota Resident Tuition and Fee Rate				
22-23 School Year Cost per Credit Hour				
	Tuition	Fees	Total	MN Student Will Pay
Black Hills State University	\$ 333.25	\$ 38.25	\$ 371.50	\$ 589.46
Dakota State University	\$ 333.25	\$ 40.65	\$ 373.90	\$ 589.46
Northern State University	\$ 333.25	\$ 40.95	\$ 374.20	\$ 589.46
SD School of Mines & Tech	\$ 338.90	\$ 49.60	\$ 388.50	\$ 589.46
South Dakota State University	\$ 340.15	\$ 50.85	\$ 391.00	\$ 589.46
University of South Dakota	\$ 340.15	\$ 55.30	\$ 395.45	\$ 589.46

Table 1 compares what a Minnesota undergraduate student would pay under the South Dakota/Minnesota Reciprocity Agreement to what a non-resident undergraduate student from a surrounding state would pay per credit hour. On average, in Fall 2022, a Minnesota undergraduate student attending a South Dakota university will pay \$64.61 per credit hour less than a non-resident undergraduate student from a surrounding state.

Table 1: Undergraduate (Fall 2022)

	<i>Minnesota Student Attending a South Dakota School</i>			<i>Non-Resident Undergraduate</i>		
	<i>(Weighted Average of Minnesota Resident Rate)</i>			<i>(FY22 South Dakota Advantage Rate)</i>		
	FY22			FY22		
	Tuition	Fees	Total	Tuition	Fees	Total
BHSU	\$321.42	\$ 38.25	\$359.67	\$ 357.25	\$ 38.25	\$395.50
DSU	\$292.44	\$ 67.23	\$359.67	\$ 357.25	\$ 67.23	\$424.48
NSU	\$318.72	\$ 40.95	\$359.67	\$ 357.25	\$ 40.95	\$398.20
SDSM&T	\$281.32	\$ 78.35	\$359.67	\$ 390.80	\$ 78.35	\$469.15
SDSU	\$308.82	\$ 50.85	\$359.67	\$ 376.10	\$ 50.85	\$426.95
USD	\$304.37	\$ 55.30	\$359.67	\$ 376.10	\$ 55.30	\$431.40

Table 2 compares what a Minnesota graduate student would pay under the South Dakota/Minnesota Reciprocity Agreement to what a non-resident graduate student from another state would pay per credit hour. On average, a Minnesota graduate student attending a South Dakota university will pay \$99 per credit hour less than a non-resident graduate student from another state.

Table 2: Graduate

	<i>Minnesota Student Attending a South Dakota School</i>			<i>Non-Resident Graduate</i>		
	<i>(Weighted Average of Minnesota Resident Rate)</i>			<i>(FY21 South Dakota Non-Resident Rate)</i>		
	FY22			FY22		
	Tuition	Fees	Total	Tuition	Fees	Total
BHSU	\$551.21	\$ 38.25	\$589.46	\$ 622.15	\$ 38.25	\$ 660.40
DSU	\$522.23	\$ 40.65	\$589.46	\$ 622.15	\$ 40.65	\$ 662.80
NSU	\$548.51	\$ 40.95	\$589.46	\$ 622.15	\$ 40.95	\$ 663.10
SDSM&T	\$511.11	\$ 49.60	\$589.46	\$ 680.25	\$ 49.60	\$ 729.85
SDSU	\$538.61	\$ 50.85	\$589.46	\$ 654.05	\$ 50.85	\$ 704.90
USD	\$534.16	\$ 55.30	\$589.46	\$ 654.05	\$ 55.30	\$ 709.35

South Dakota Undergraduate and Graduate Students Attending Minnesota Institutions:

The Reciprocity Agreement states that South Dakota students attending a Minnesota university pay the higher of the following two rates:

- **Rate 1:** The resident undergraduate or graduate tuition and fee rate at the university attended, using a banded divisor calculation; or
- **Rate 2:** The weighted undergraduate or graduate average of tuition and fee rates of the South Dakota public universities.

The rate a South Dakota undergraduate student will pay depends upon which Minnesota university the student attends. Since the South Dakota weighted undergraduate rate of \$310.50 is higher than the rates at Metro State University, Minnesota State Moorhead, and Winona State University, the weighted South Dakota rate will be used at these universities. At the others, South Dakota students attending would pay the Minnesota rate.

Table 3 illustrates what a South Dakota undergraduate student attending a Minnesota State University would pay under the South Dakota/Minnesota Reciprocity Agreement.

Table 3: Undergraduate***South Dakota Student Attending a Minnesota State University***

Minnesota Resident Tuition & Fee Rate

	Fall 2022 Cost Per Credit Hour	
	<u>MN Resident Tuition</u>	<u>SD Student Will Pay</u>
Bemidji State University	\$313.55	\$324.75
Minnesota State University-Mankato	\$326.70	\$364.25
Metro State University	\$285.70	\$310.50
Minnesota State University-Moorhead	\$294.59	\$310.50
Southwest State University	\$305.00	\$321.40
St. Cloud State University	\$341.22	\$360.70
Winona State University	\$277.40	\$310.50

The South Dakota weighted average rate for graduate tuition and fees of \$390.41 is lower than the individual school's graduate rates so South Dakota students will pay the Minnesota institutional rates. Table 4 illustrates what a South Dakota graduate student attending a Minnesota institution would pay under the South Dakota/Minnesota Reciprocity Agreement.

Table 4: Graduate

	Fall 2022 Cost Per Credit Hour			<u>SD Student Will Pay</u>
	<u>Tuition</u>	<u>Fees</u>	<u>Total</u>	
Bemidji State University	\$494.95	47.125	\$542.08	\$542.08
Minnesota State University-Mankato	\$490.95	\$45.08	\$536.03	\$536.03
Metro State University	\$491.39	\$46.38	\$537.77	\$537.77
Minnesota State University-Moorhead	\$493.45	\$58.00	\$551.45	\$551.45
Southwest State University	\$486.00	\$53.21	\$539.21	\$539.21
St. Cloud State University	\$497.28	\$54.21	\$551.49	\$551.49
Winona State University	\$462.55	\$47.00	\$509.55	\$509.55

Minnesota Students Enrolled in South Dakota Professional Programs:

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

Pharmacy:

1. The total cost per credit hour for a SDSU resident PharmD student is \$599.90 (*Rate 1*).
2. The Minnesota PharmD total cost per credit hour equals \$1,252.71 (*Rate 2*).
3. 150% of Rate 1 equals \$900.45.
4. The Minnesota rate is the higher of the two but exceeds 150% of Rate 1 at the institution attended. Therefore, \$900.45 is the total cost per credit hour for Minnesota students. Based on 17 credit hours per semester, the tuition and fees assessed will be:

	<u>South Dakota Resident Rate</u>		<u>Proposed Minnesota Rate</u>	
	<u>Cr. Hour Rate</u>	<u>Semester Rate*</u>	<u>Cr. Hour Rate</u>	<u>Semester Rate</u>
FY23 Tuition	\$299.75	\$5,096.00	\$599.90	\$7,803.00
GAF	\$50.85	\$864.45	\$50.85	\$864.45
Pharmacy Program Fee	<u>\$249.70</u>	<u>\$4,245.20</u>	<u>\$249.70</u>	<u>\$4,245.20</u>
Total Tuition & Fees	\$600.30	\$10,205.65	\$900.45	\$12,912.65

Law School:

1. The USD Law School resident cost per credit hour is \$556.10 (*Rate 1*).
2. The Minnesota Law School cost per credit hour equals \$1,989.90 (*Rate 2*).
3. 150% of Rate 1 equals \$834.15.
4. Although the Minnesota rate is the higher of the two, the reciprocity rate for professional programs is not to exceed 150% of Rate 1 at the institution attended. Therefore, \$834.15 is the cost per credit hour for Minnesota students. Tuition and fees assessed will be:

	<u>South Dakota Resident Rate</u>	<u>Proposed Minnesota Rate</u>	
	<u>Semester Cost</u>	<u>Cr. Hour Rate</u>	<u>Semester Cost</u>
FY23 Tuition	\$5,868.00	\$669.25	\$10,039.00
GAF	\$829.50	\$55.30	\$829.50
Law School Program Fee	<u>\$1,644.00</u>	<u>\$109.60</u>	<u>\$1,644.00</u>
Total Tuition & Fees	\$8,341.50	\$834.15	\$12,512.50

School of Medicine:

1. The Sanford School of Medicine resident cost per credit hour, tuition only is \$773.60 (*Rate 1*).
2. The University of Minnesota Medical School cost per credit hour, tuition only is \$978.95 (*Rate 2*).
3. 150% of Rate 1 equals \$1,160.40.
4. The Minnesota rate is the higher of the two rates. Therefore, \$978.95 (*Rate 2*) is the cost per credit hour or an annual cost, before fees, of \$40,626.00.

	South Dakota Resident Rate	Proposed Minnesota Rate	
	<u>Annual Cost</u>	<u>Cr. Hour Rate</u>	<u>Annual Cost</u>
FY23 Tuition	\$32,105.00	\$978.95	\$40,626.00
GAF	<u>\$2,294.95</u>	<u>\$55.30</u>	<u>\$2,294.95</u>
Total Tuition & Fees	\$34,399.95	\$1,034.25	\$42,920.95

IMPACT AND RECOMMENDATIONS

The following table provides a comparison of the FY22 costs and the proposed FY23 costs for tuition and fees for a Minnesota student enrolled in a South Dakota institution.

	Tuition and Fees			
	<u>FY22</u>	<u>Proposed FY23</u>	<u>\$ Increase</u>	<u>% Increase</u>
Undergraduate Cr Hr.	\$345.93	\$359.67	\$13.74	3.98%
Graduate Cr Hr.	\$566.79	\$589.46	\$22.67	4.00%
	<u>FY22</u>	<u>Proposed FY23</u>	<u>\$ Increase</u>	<u>% Increase</u>
Pharmacy – Semester	\$12,802.65	\$12,912.65	\$110.00	0.01%
Law – Semester	\$12,512.50	\$12,512.50	\$0.00	0.00%
Medical - Annual	\$41,405.00	\$42,920.95	\$1,515.95	3.67%

The staff recommends approval of the FY23 Minnesota Reciprocity tuition rates.

ATTACHMENTS

None