



# Board of Regents Work Session

September 2024

September 12, 2024

12:45 p.m.

West Committee Room, McNamara Alumni Center

## BOR - SEP 2024 - Work Session

### 1. Tuition Reciprocity: Overview and Framework

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# BOARD OF REGENTS DOCKET ITEM SUMMARY

Board of Regents Work Session

September 12, 2024

**AGENDA ITEM:** Tuition Reciprocity: Overview and Framework

Review

Review + Action

Action

Discussion

*This is a report required by Board policy.*

**PRESENTERS:**

Rachel Croson, Executive Vice President and Provost  
Raj Singh, Vice Provost and Dean of Undergraduate Education  
Gregory Sneed, Vice Provost for Enrollment Management

## PURPOSE & KEY POINTS

The purpose of this item is to provide the Board with an overview of the University’s tuition reciprocity agreements and framework. The presentation will include:

- the definition of reciprocity and a history of the University’s involvement;
- the current state of reciprocity, especially on the Twin Cities campus;
- the current landscape of evolving agreements; and
- the authority of the Board to participate in agreements.

## BACKGROUND INFORMATION

Tuition reciprocity agreements are authorized by [Minnesota Statutes Section §136A.08](#). It authorizes the Office of Higher Education (OHE) to enter into tuition reciprocity agreements in consultation with the Commissioner of Minnesota Management and Budget (MMB) and each Minnesota public postsecondary governing board.

Section III of Board of Regents Policy: [Tuition and Fees](#) describes the Board’s authority to enter into tuition reciprocity agreements as follows:

### **Subd. 3. Tuition Reciprocity Agreements.**

Subject to Board approval, the University may participate in tuition reciprocity agreements with other states and Canadian provinces. These agreements shall specify the extent to which tuition is waived. Consistent with state law, the president shall recommend to the Board for action any additions or modifications to reciprocity agreements. The Board affirms that participation in reciprocity agreements involving the remission of nonresident tuition is based on adequate funding from the state.

Tuition reciprocity agreements are not valid until approved by the Board and the Minnesota State Board of Trustees. The agreements are ongoing and reviewed annually by OHE, and can remain in effect as long as the participating states deem them to be beneficial.

## Tuition Reciprocity: Overview and Framework

### Background Materials

- Minnesota State Statutes [Section 136A.08](#): RECIPROCAL AGREEMENTS RELATING TO NONRESIDENT TUITION WITH OTHER STATES OR PROVINCES.
- Board of Regents Policy: [Tuition and Fees](#)
- MN Office of Higher Education Webpage: [Reduced Out-of-State Tuition Options](#)
- MN Office of Higher Education Report: [Minnesota Tuition Reciprocity Annual Report, Academic Year 2020-2021 \(Fiscal Year 2021\) February 1, 2024](#) (38 pages)
- University of Minnesota [Residency and Reciprocity Handbook](#) (6 pages)
- University of Minnesota [Reciprocity Q&A](#) (2 pages)

### Patterns of Interstate Freshman Enrollment at Four-Year Institutions within 12 Months of High School Graduation in the Upper Midwest, Fall 2022

In every even-numbered year, the United States Department of Education, through its Integrated Postsecondary Education Data System (IPEDS), collects data on the enrollment of new freshmen within twelve months of high school graduation at higher education institutions by the home state of the student. The tables below provide the headcounts of new freshmen at four-year institutions in the Upper Midwest by the home state of the student and the state of the institution where they enroll.

Fall 2022 Headcount Freshman Enrollment by Student Home State and State of Institution

State of School	Home State of Student				
	Iowa	Minnesota	North Dakota	South Dakota	Wisconsin
Iowa	9,978	1,473	6	141	624
Minnesota	233	16,532	388	234	2,366
North Dakota	28	2,100	2,827	158	123
South Dakota	507	1,021	115	3,134	75
Wisconsin	188	3,258	19	4	21,883
Other	2,050	5,996	371	796	4,510
<b>Total</b>	<b>12,984</b>	<b>30,380</b>	<b>3,726</b>	<b>4,467</b>	<b>29,581</b>

Fall 2022 Freshman Percentage of Home State Enrollment by State of Institution

State of School	Home State of Student				
	Iowa	Minnesota	North Dakota	South Dakota	Wisconsin
Iowa	76.8%	4.8%	0.2%	3.2%	2.1%
Minnesota	1.8%	54.4%	10.4%	5.2%	8.0%
North Dakota	0.2%	6.9%	75.9%	3.5%	0.4%
South Dakota	3.9%	3.4%	3.1%	70.2%	0.3%
Wisconsin	1.4%	10.7%	0.5%	0.1%	74.0%
Other	15.8%	19.7%	10.0%	17.8%	15.2%

**University of Minnesota System Headcount Enrollments by Home Location**

The University of Minnesota collects information on the geographic origin of students at the time of application, termed home location. Each campus draws students from a distinct mix of geographic areas based on the campus location, program offerings, and tuition pricing policies. While qualification for reciprocity tuition rates requires an application and is evaluated after admission, nearly all students from states included in tuition reciprocity agreements with the state of Minnesota ultimately either qualify for reciprocity tuition or otherwise qualify for in-state tuition rates. The tables below provide the most recent fall semester official undergraduate headcount enrollments by home location for all degree-seeking undergraduates.

Fall semester 2023 degree seeking undergraduate headcount by home location

Campus	Minnesota	Wisconsin	North Dakota	South Dakota	Reciprocity Subtotal	Other US + Intl	Total
Crookston	1,082	53	102	20	175	393	1,650
Duluth	6,363	739	81	15	835	277	7,475
Morris	754	26	18	52	96	130	980
Rochester	452	37	18	6	61	55	568
Twin Cities	21,407	3,598	272	270	4,140	4,922	30,469
System	30,058	4,453	491	363	5,307	5,777	41,142

Fall semester 2023 degree seeking undergraduate percentage by home location

Campus	Minnesota	Wisconsin	North Dakota	South Dakota	Reciprocity Subtotal	Other US + Intl
Crookston	65.6%	3.2%	6.2%	1.2%	10.6%	23.8%
Duluth	85.1%	9.9%	1.1%	0.2%	11.2%	3.7%
Morris	76.9%	2.7%	1.8%	5.3%	9.8%	13.3%
Rochester	79.6%	6.5%	3.2%	1.1%	10.7%	9.7%
Twin Cities	70.3%	11.8%	0.9%	0.9%	13.6%	16.2%
System	73.1%	10.8%	1.2%	0.9%	12.9%	14.0%

# Tuition Reciprocity: Overview and Framework

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**Rachel Croson**

Executive Vice President  
and Provost

**Raj Singh**

Vice Provost and Dean of Undergraduate  
Education

**Gregory Sneed**

Vice Provost for Enrollment Management



# What is Reciprocity?

- Programs for offering resident (or otherwise lower) tuition to residents of another state
- Agreements between states, which institutions choose to participate in
  - Benefits to students and families
  - Costs borne by Universities and States



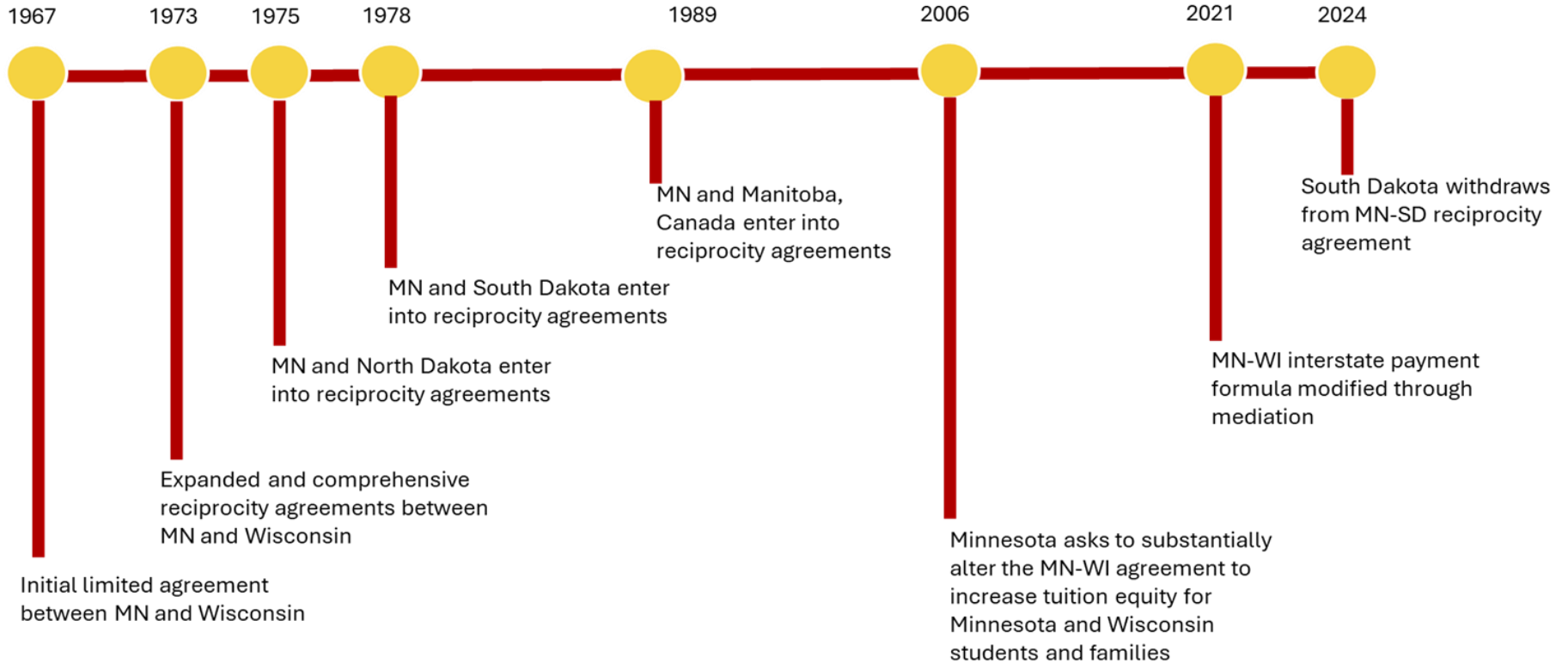
# Reciprocity History



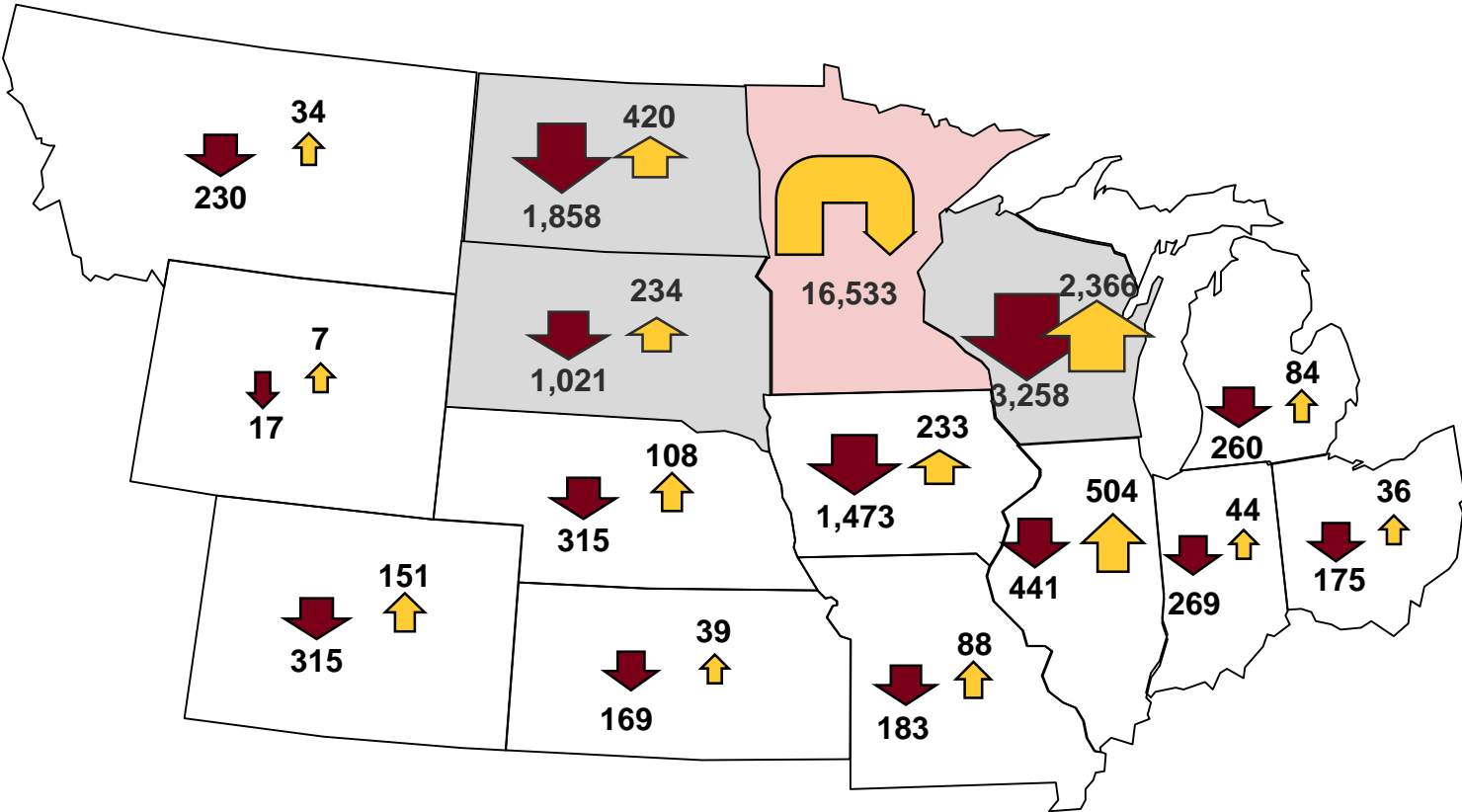
- 1973 Minnesota and Wisconsin Governors' initiative
  - establish a common market for college education
  - provide postsecondary opportunities for state residents
  - avoid program duplication
- Minnesota Statutes Section 136A.08, subdivision 2



# Reciprocity Timeline



# Freshman In- and Out-Migration for 4-year Institutions: Fall 2022



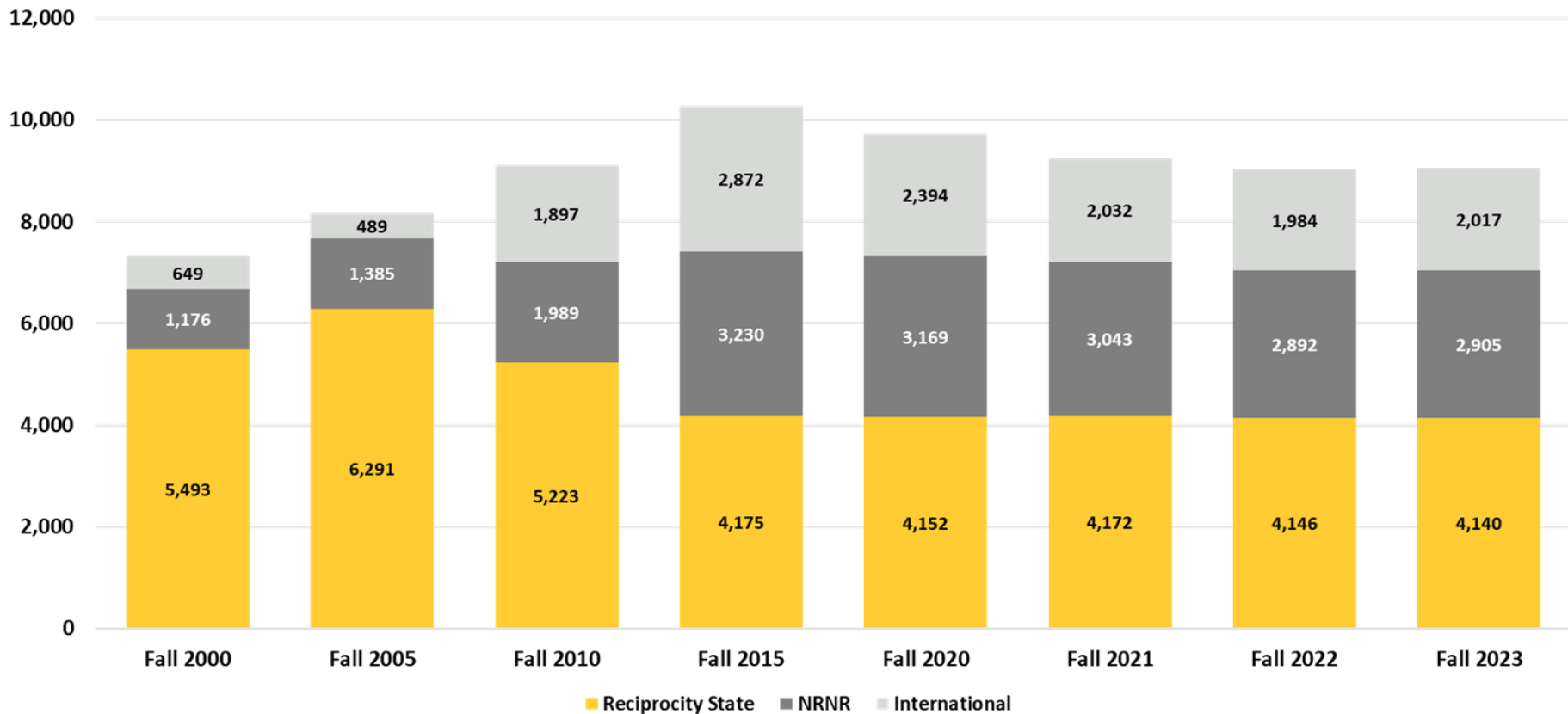
Source: IPEDS, Migration of New Freshmen Attending Four-Year Institutions and Graduating from High School in Last 12 Months

# How Many?

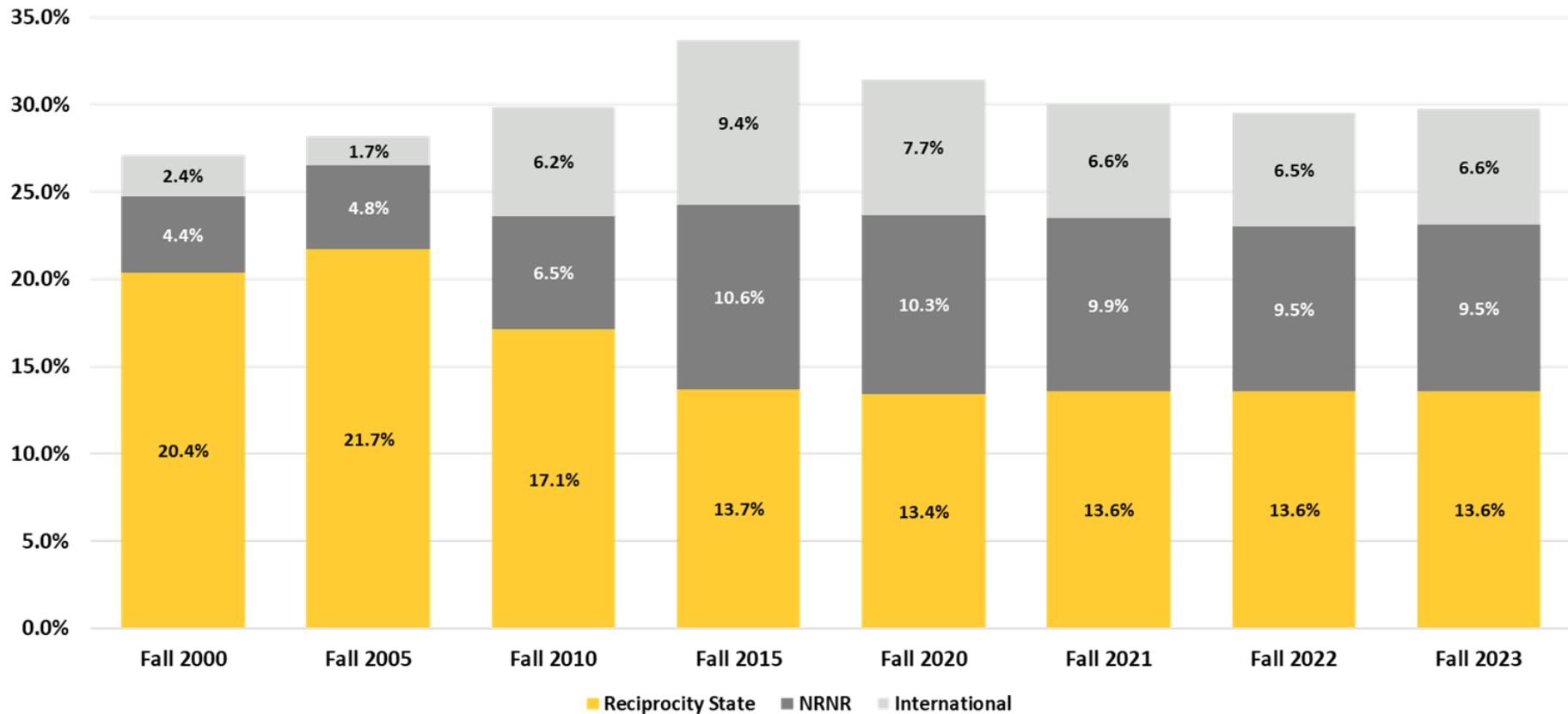
- Overall, 13% of enrolled students are from reciprocity states (systemwide and at UMTc)
- UMC and UMR do not differentiate between resident and non-resident tuition
- Starting Fall 2024, UMD also offers a single tuition rate for everyone in Midwest states, including these reciprocity states



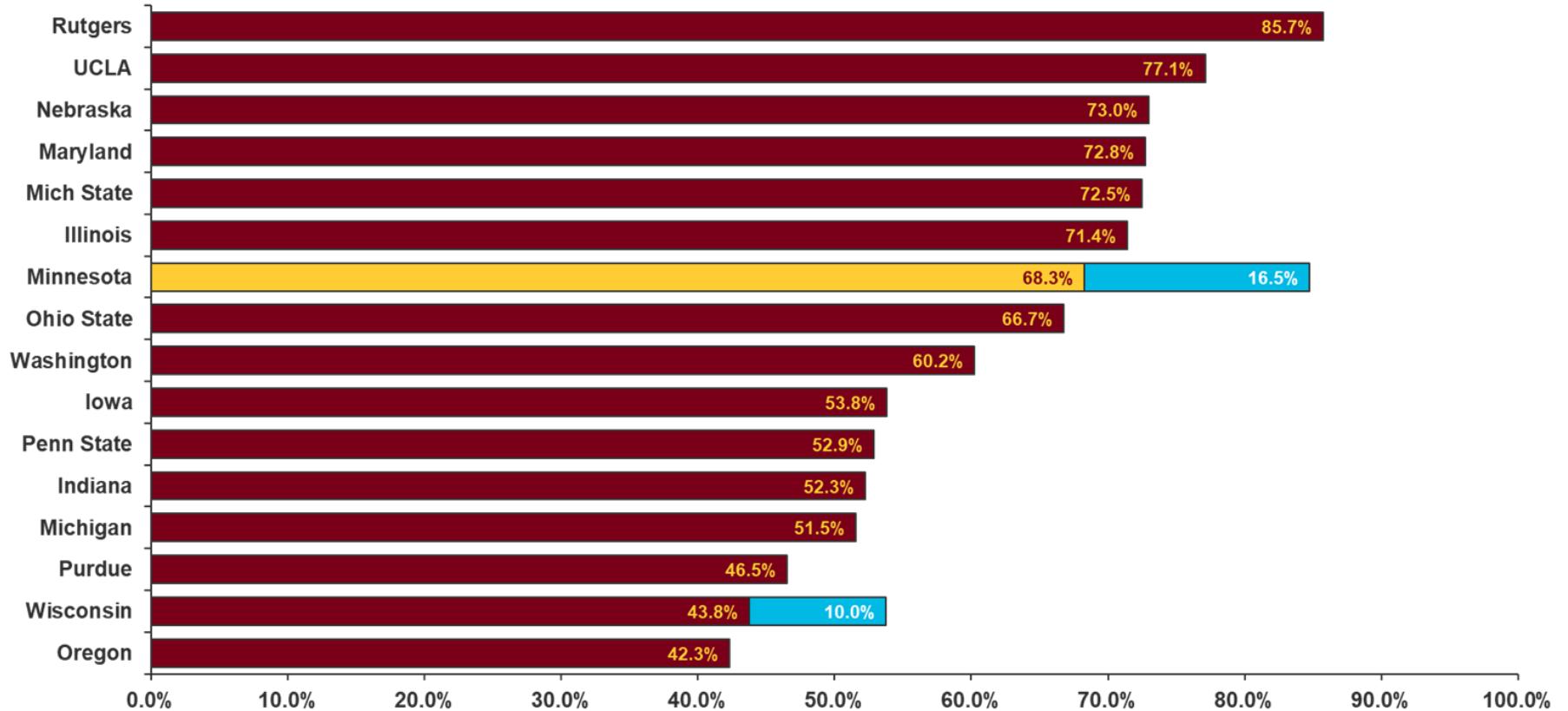
# Twin Cities Undergraduate Enrollments



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# UMTC and Public Big10 -- Fall 2022 New Freshmen

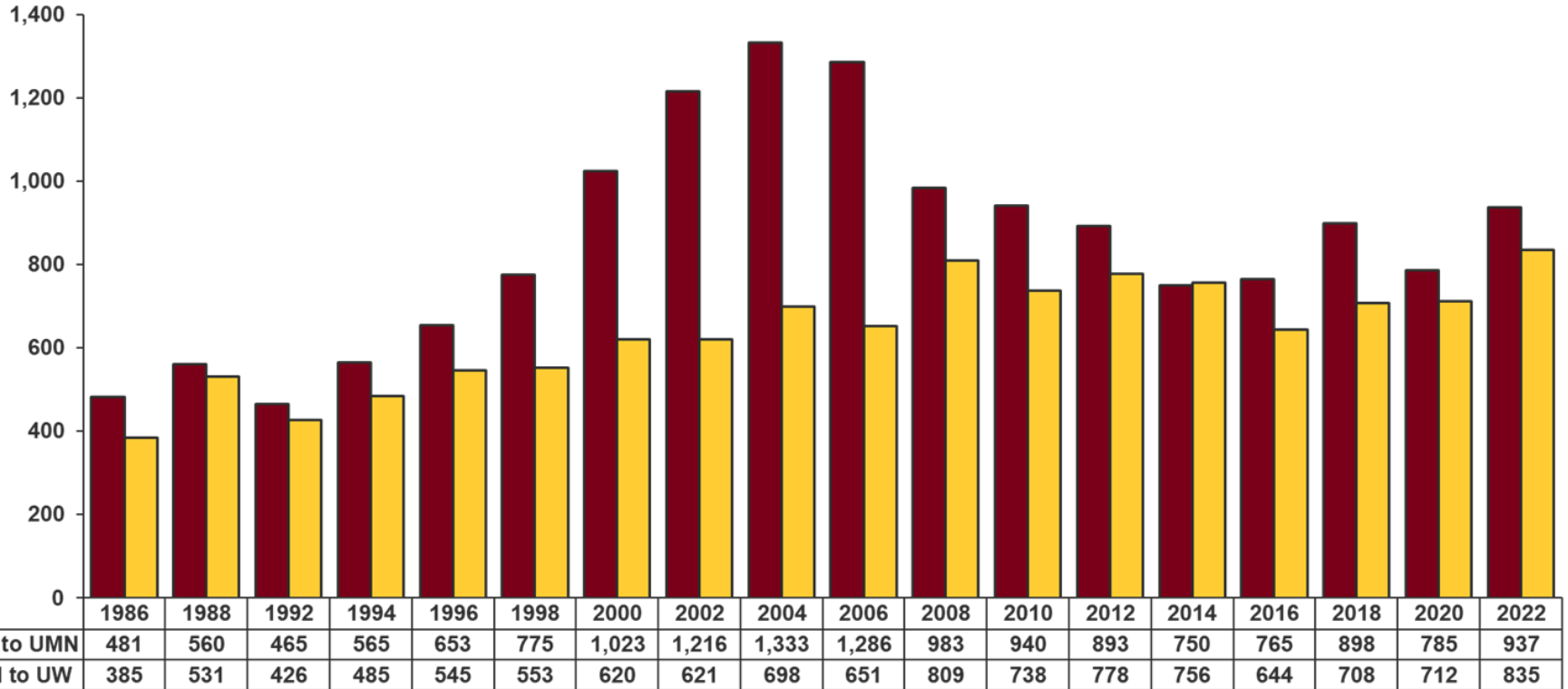


Source: IPEDS; Blue bars represent reciprocity state enrollments at Minnesota and Wisconsin





# UMTC and UW-Madison: New Freshmen



# Recent Changes: South Dakota



- December 2023, the South Dakota Board of Regents terminated the reciprocity agreement with Minnesota
- South Dakota Board of Regents expanded the [Dakota Advantage program](#) resident tuition for Colorado, Illinois, Iowa, Minnesota, Montana, Nebraska, North Dakota, Wisconsin, and Wyoming
- Beginning Fall 2024, MN residents will begin paying the SD resident rate and SD residents will begin paying the MN non-resident rate



# Recent Changes: Wisconsin

- Wisconsin moved oversight of reciprocity for the Wisconsin four-year colleges from the State of Wisconsin Higher Educational Aids Board to the University of Wisconsin System Office
- Minnesota and Wisconsin recently concluded mediation regarding interstate payments for tuition reciprocity.



# Interstate Reciprocity Payments

- Charges are netted out
  - Payments from Wisconsin are deposited in the State's General Fund (\$4M-\$7M)
  - Payments to North Dakota are a line item in the Minnesota Office of Higher Education allotment (\$7M-\$11M)
- UMN receives tuition paid by the student themselves, but not a share of these payments.



# A Few Nuances



- When MN students take advantage of reciprocity rates, they are not eligible for state-based financial aid (e.g. State Grant, North Star Promise,...)
- Complicated landscape of which graduate and professional programs are included/excluded

# Board of Regents Authority

- MN Constitution and UMN Charter vests the Board of Regents with the power to regulate and prescribe [tuition and fees](#)
- Reciprocity agreements are between the states (or province); the University is not a party to them.
  - Because only parties can modify agreements, the University cannot modify those agreements
- Reciprocity statute: The Board of Regents must approve an agreement if it wants to participate in it



# Conclusion and Questions

- History, purpose, context and current state of reciprocity
- Costs and Benefits
- Questions?

