

**BOARD OF TRUSTEES
MINNESOTA STATE COLLEGES AND UNIVERSITIES
*INFORMATION ITEM***

Minnesota State Colleges and Universities Reciprocity Agreements With Other States

Background

The purpose of tuition reciprocity agreements is to expand educational opportunities for Minnesota residents and residents of the states or provinces with whom agreements are made. There are three primary parties benefiting from these agreements. Students benefit by removing admissions and tuition barriers encountered with attending institutions outside of Minnesota. Institutions benefit from reciprocity agreements by expanding their market to nonresident students. The State of Minnesota and the participating states or provinces mutually benefit by creating an efficient way to expand educational opportunities to their residents.

Minnesota Statute 136A.08 (Attachment A) contains language specific to reciprocity. Currently, the Minnesota Higher Education Services Office negotiates and administers agreements for the State of Minnesota. All agreements are reviewed and approved by the University of Minnesota Board of Regents and the Minnesota State Colleges and Universities Board of Trustees. Agreements are ongoing and are reviewed annually or as needed.

Reciprocity Agreements

The 2004-2005 Reciprocity Tuition Rates table (Attached B) summarizes the current reciprocity agreements for the 2004-2005 academic year. These agreements vary from each other in terms of tuition charged to students. Typically, students from participating states or provinces would be charged more or the same as the Minnesota resident tuition rate.

The Wisconsin reciprocity agreement is unlike other agreements. Since the Wisconsin agreement bands tuition for all university and community and consolidated college students taking 12 to 18 credits, the amount charged per semester could be more or less than the Minnesota resident tuition. The Wisconsin reciprocity rate of \$2,038 per semester for 12 to 18 credits is less than the banded Minnesota resident rate at the three state universities who band tuition above 12 credits by \$150 to \$413 more per semester. For the remaining universities that do not band, a full-time student from Minnesota pays \$2,178 compared to the Wisconsin tuition rate of \$2,083 for all credits between 12 and 18.

A Wisconsin resident paying less than a Minnesota resident does not appear to be an issue for the colleges. Typically, Wisconsin residents attending community, consolidated, or technical colleges in Minnesota are charged the Minnesota resident tuition rate or more depending upon the number of credits.

Student Reciprocity Enrollment

FY2004 full year equivalent (FYE) from Reciprocity States table (Attachment C) compares reciprocity FYE with total FYE by institution. In FY2004, 12,071 of the system's 135,819 FYE were from reciprocity states or provinces and represent 8.9% of the system's total enrollment. Reciprocity FYE account for 10% or less of total enrollment at approximately 85% of MnSCU institutions. The five institutions with a significant number of reciprocity students are located near the borders Minnesota shares with participating states.

Wisconsin and North Dakota residents enroll at MnSCU institutions at a higher rate than residents from the other reciprocity states or provinces. Total enrollment from Wisconsin and North Dakota combined represent 85% of the system's FYE enrollment from reciprocity states or provinces. The next highest state with residents attending MnSCU institutions is South Dakota with a total of 1,558 (12.9%) FYE. The Midwest Student Exchange Program attracts students from Michigan, Missouri, Kansas, and Nebraska, but only generates 1.5% of the total reciprocity FYE. Finally, the reciprocity agreements with Iowa and Manitoba attract an insignificant number of FYE. In FY2004, less than 1% of the total reciprocity FYE were from Iowa or Manitoba.

Current Negotiations

The agreements with North Dakota and South Dakota have been reopened and are currently under negotiation. Items under negotiations, however, do not pertain to MnSCU institutions and are confidential at this time.

The Wisconsin agreement directs the exchange of an annual memo of understanding. One item discussed for inclusion in that memo is a request from Winona State University to negotiate a way within the agreement to address the impact if the new university tuition rate adjustment were to be approved by the Board. Over 20% of the students at Winona State University come from Wisconsin and not having an accommodation for a different rate for those students would severely impact funding available for the new university development. No resolution of this has been reached at this time.

Date Presented to the Board: April 20, 2005