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Tuition Reciprocity Data Overview



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About the Minnesota Office of Higher Education

The Minnesota Office of Higher Education is a cabinet-level state agency providing students with financial aid programs and information to help them gain access to post-secondary education. The agency serves as the state's clearinghouse for data, research and analysis on post-secondary enrollment, financial aid, finance and trends.

The Minnesota State Grant Program, which is administered by the agency, is a need-based tuition assistance program for Minnesota students. The agency oversees tuition reciprocity programs, a student loan program, Minnesota's 529 College Savings Program, licensing and an early awareness outreach initiative for youth. Through collaboration with systems and institutions, the agency assists in the development of the state's education technology infrastructure and shared library resources.

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Introduction

The 2005 Minnesota Legislature instructed the Minnesota Office of Higher Education to prepare a data report for the 2006 Minnesota Legislature on tuition reciprocity. Specifically, the agency was required to report on the following tuition reciprocity data and provide the data before the last day in January.

- Enrollments
- Interstate payments
- Tuition rates

In addition, the agency was told it “must consider” collecting the following data.

Tuition reciprocity graduate numbers by Minnesota public institution by degree type; and the total number of tuition reciprocity graduates from Minnesota public institutions employed in Minnesota and their total earnings.

Substantive sections of the agency’s data report on enrollments, interstate payments, tuition rates and reciprocity graduates follow.

Background

Minnesota Statutes 136a.08 defines the purpose of tuition reciprocity as the mutual improvement of educational advantage for the residents of Minnesota and other states or provinces with whom agreements are made.

The state of Minnesota has state and provincial-wide tuition reciprocity agreements with the following jurisdictions:

- Wisconsin – since 1968
- North Dakota – since 1975
- South Dakota – since 1978
- Manitoba – since 1989

In addition, the state of Minnesota has a limited agreement between Iowa Lakes Community College and Minnesota West Community and Technical College.

Periodically the Minnesota Office of Higher Education has asked the Iowa Board of Regents if it would be interested in expanding tuition reciprocity to include all public institutions in Minnesota and Iowa. To date, the Iowa Board of Regents has not been interested in expanding reciprocity.

Minnesota Statute requires the University of Minnesota Board of Regents and the Minnesota State Colleges and University’s Board of Trustees to approve the state’s tuition reciprocity agreements. The agreements are ongoing and reviewed annually by the Minnesota Office of Higher Education.

Minnesota's tuition reciprocity agreements serve the following constituencies in these ways:

- Students – Non resident admissions and tuition barriers are removed for Minnesota students attending post-secondary institutions in reciprocity states.
- Minnesota taxpayers/General Fund – Educational opportunities are efficiently expanded to residents of Minnesota.
- Public post-secondary education institutions – Their market for students is expanded at competitive prices.

Minnesota's tuition reciprocity agreements expand enrollment opportunities by removing non-resident admission and non-resident tuition barriers to residents of the participating states. Removing non-resident admission and tuition barriers expands the market choices for students in choosing a post-secondary education institution that meets their educational needs.

A Minnesota resident is considered a resident of Wisconsin, North Dakota, South Dakota or Manitoba when applying for admissions to a public post-secondary education institution in those jurisdictions. A Minnesota resident is considered an Iowa resident when applying for admissions to Iowa Lakes Community College. Similarly, a resident of Wisconsin, North Dakota, South Dakota or Manitoba is considered a resident of Minnesota when applying for admission to a Minnesota public post-secondary education institution. A resident of the Iowa Lakes Community College attendance district is considered a Minnesota resident when applying to Minnesota West Community and Technical College.

Minnesota's agreements with Wisconsin and North Dakota are cost based. Costs are shared by students and each state's general fund with the following formula.

$$\begin{array}{r} \text{Marginal Instructional Costs per Student} \\ - \text{Tuition Paid per Student} \\ = \text{State General Fund Obligation per Student} \end{array}$$

Marginal instructional costs are defined as 64 percent of instructional costs. Minnesota was not required to make a tuition reciprocity payment to either Wisconsin or North Dakota for academic year 2004-2005, with the current payment calculation.

Research has shown Minnesota's tuition reciprocity agreements have been beneficial to the state (Peter Zetterberg and John Kellogg, How Many Reciprocity Student Remain in Minnesota After Graduation? University of Minnesota Office of Institutional Research, October 2002: 1).

The Minnesota Office of Higher Education maintains basic tuition reciprocity data on the agency's web site: www.ohe.state.mn.us.

Enrollment Data

There were nearly 42,000 students attending post-secondary institutions under reciprocity agreements, both in Minnesota and in neighboring states, in fall 2004.

For the past 20 years there has been a steady increase in the number of students participating in tuition reciprocity. In fall 1985, for example, there were slightly fewer than 26,000 tuition reciprocity students compared with nearly 42,000 students participated in tuition reciprocity in fall 2004. About 23,000 Minnesota residents and roughly 19,000 residents of Wisconsin, North Dakota, South Dakota, Iowa and Manitoba were enrolled in public post-secondary education institutions as tuition reciprocity students in fall 2004.

Minnesota's tuition reciprocity agreements with Manitoba and Iowa Lakes Community College enroll relatively few students each year. In fall 2004, 264 Minnesota residents were enrolled in the five campuses of Iowa Lakes Community College and 103 Iowa residents were enrolled in the five campuses of Minnesota West Community and Technical College. In fall 2003, the most recent year available, 14 Minnesota residents were enrolled in Manitoba and 54 Manitoba residents were enrolled in Minnesota.

The following enrollment data tables present fall headcount data from Minnesota's tuition reciprocity agreements with Wisconsin, North Dakota and South Dakota. Historical fall headcount enrollment data are presented from 1985 to 2004 and fall 2004 headcount enrollment data are presented by institution. The fall 2004 headcount enrollment data show that tuition reciprocity student participation is highest at public institutions located near Minnesota's borders.

Minnesota-Wisconsin Reciprocity Enrollment

The following tables present fall headcount enrollments in the Minnesota-Wisconsin tuition reciprocity agreement. Table 1 shows total fall headcount enrollments from fall 1985 to fall 2004. Tables 2 and 3 show fall 2004 headcount enrollments by institution attended.

Table 1
Minnesota-Wisconsin Tuition Reciprocity
Headcount Enrollment: 1985 - 2004

| Fall Term | Minnesota Residents Attending in Wisconsin | Wisconsin Residents Attending in Minnesota | Ratio |
|------------------|---|---|--------------|
| 1985 | 8,659 | 4,579 | 1.9 |
| 1986 | 9,112 | 4,746 | 1.9 |
| 1987 | 9,428 | 5,557 | 1.7 |
| 1988 | 9,876 | 6,204 | 1.6 |
| 1989 | 10,122 | 6,782 | 1.5 |
| 1990 | 10,140 | 7,412 | 1.4 |
| 1991 | 11,150 | 7,856 | 1.4 |
| 1992 | 10,877 | 8,245 | 1.3 |
| 1993 | 10,377 | 7,242 | 1.4 |
| 1994 | 10,646 | 7,515 | 1.4 |
| 1995 | 10,719 | 8,184 | 1.3 |
| 1996 | 11,137 | 8,585 | 1.3 |
| 1997 | 11,500 | 9,361 | 1.3 |
| 1998 | 12,290 | 9,559 | 1.3 |
| 1999 | 12,742 | 9,283 | 1.4 |
| 2000 | 13,022 | 9,414 | 1.4 |
| 2001 | 13,142 | 9,816 | 1.3 |
| 2002 | 13,209 | 10,487 | 1.3 |
| 2003 | 13,277 | 11,014 | 1.2 |
| 2004 | 13,139 | 11,409 | 1.2 |

Source: Minnesota Office of Higher Education

Table 2
Minnesota-Wisconsin Tuition Reciprocity
Headcount Enrollment by Institution: Fall 2004

| Minnesota Residents Attending | |
|--------------------------------------|------------------|
| Wisconsin Institutions | Headcount |
| UW Madison Undergraduate | 2,874 |
| UW River Falls Undergraduate | 2,502 |
| UW Eau Claire Undergraduate | 2,192 |
| UW Stout Undergraduate | 1,911 |
| UW LaCrosse Undergraduate | 1,076 |
| UW Superior Undergraduate | 914 |
| UW Stevens Point Undergraduate | 353 |
| UW Milwaukee Undergraduate | 241 |
| UW Madison Graduate | 157 |
| UW River Falls Graduate | 150 |
| UW Platteville Undergraduate | 147 |
| UW Superior Graduate | 100 |
| UW LaCrosse Graduate | 86 |
| UW Stout Graduate | 76 |
| UW Oshkosh Undergraduate | 73 |
| UW Green Bay Undergraduate | 72 |
| UW Milwaukee Graduate | 50 |
| UW Eau Claire Graduate | 50 |
| UW Whitewater Undergraduate | 44 |
| UW Parkside Undergraduate | 23 |
| Richland Undergraduate | 8 |
| UW Oshkosh Graduate | 6 |
| UW Stevens Point Graduate | 6 |
| UW Whitewater Graduate | 6 |
| Wood Undergraduate | 5 |
| Fox Valley Undergraduate | 3 |
| UW Green Bay Graduate | 3 |
| Marathon Undergraduate | 3 |
| Waukesha Cty. Undergraduate | 3 |
| Baraboo/Sauk Undergraduate | 2 |
| Marinette Undergraduate | 1 |
| Rock Cty. Undergraduate | 1 |
| Washington Cty. Undergraduate | 1 |
| Manitowoc Undergraduate | 0 |
| Sheboygan Undergraduate | 0 |
| Barron/Rice Lake Undergraduate | 0 |
| UW Platteville Graduate | 0 |
| Parkside Graduate | 0 |
| Fond du Lac Undergraduate | 0 |
| Total | 13,139 |

Source: Minnesota Office of Higher Education

Table 3
Minnesota-Wisconsin Tuition Reciprocity
Headcount Enrollment by Institution: Fall 2004

| Wisconsin Residents Attending | |
|--|------------------|
| Minnesota Institutions | Headcount |
| U of M - Twin Cities Undergraduate | 5,118 |
| Winona State University Undergraduate | 1,900 |
| U of M - Duluth Undergraduate | 829 |
| St. Cloud State University Undergraduate | 651 |
| U of M - Twin Cities Graduate | 477 |
| MN State University Mankato Undergraduate | 474 |
| Century College | 437 |
| Lake State Superior College | 323 |
| Rochester Community & Technical College | 128 |
| Winona State University Graduate | 117 |
| Inver Hills Community College | 101 |
| Minneapolis Community & Technical College | 90 |
| Metro State University Undergraduate | 89 |
| Vermilion Community College | 76 |
| Bemidji State University Undergraduate | 72 |
| U of M - Duluth Graduate | 57 |
| MN State University Moorhead Undergraduate | 51 |
| U of M - Morris Undergraduate | 46 |
| Fond du Lac Tribal and Community College | 39 |
| MN State University Mankato Graduate | 36 |
| Norman Dale Community College | 36 |
| U of M - Crookston Undergraduate | 32 |
| Anoka-Ramsey Community College | 27 |
| Itasca Community College | 26 |
| Southwest MN State University Undergraduate | 23 |
| Central Lakes College | 20 |
| Megabit Range Community & Technical College | 20 |
| North Hennepin Community College | 19 |
| St. Cloud State University Graduate | 19 |
| Ridgewater College | 17 |
| Riverland Community College | 13 |
| Minnesota West Community & Technical College | 13 |
| Rainy River Community College | 11 |
| Bemidji State University Graduate | 6 |
| Hibbing Community College | 6 |
| MN State University Moorhead Graduate | 3 |
| MN State Community & Technical College | 3 |
| Metro State University Graduate | 3 |
| Southwest MN State University Graduate | 1 |
| Northland Community & Technical College | 0 |
| Total | 11,409 |

Source: Minnesota Office of Higher Education

Minnesota-North Dakota Tuition Reciprocity Enrollment

The following tables present fall headcount enrollments in the Minnesota-North Dakota tuition reciprocity agreement. Table 4 shows total fall headcount enrollments from fall 1985 to fall 2004. Tables 5 and 6 show fall 2004 headcount enrollments by institution attended.

Table 4
Minnesota-North Dakota Tuition Reciprocity
Headcount Enrollment: 1985 - 2004

| Fall Term | Minnesota Residents Attending in North Dakota | North Dakota Residents Attending in Minnesota | Ratio |
|------------------|--|--|--------------|
| 1985 | 5,360 | 4,131 | 1.3 |
| 1986 | 5,385 | 4,240 | 1.3 |
| 1987 | 5,537 | 4,461 | 1.2 |
| 1988 | 6,144 | 4,630 | 1.3 |
| 1989 | 6,380 | 4,763 | 1.3 |
| 1990 | 5,873 | 5,160 | 1.1 |
| 1991 | 5,731 | 4,974 | 1.2 |
| 1992 | 5,936 | 4,742 | 1.3 |
| 1993 | 6,062 | 4,582 | 1.3 |
| 1994 | 6,120 | 4,003 | 1.4 |
| 1995 | 6,150 | 4,168 | 1.5 |
| 1996 | 6,129 | 4,295 | 1.4 |
| 1997 | 5,967 | 4,267 | 1.2 |
| 1998 | 5,967 | 4,560 | 1.2 |
| 1999 | 6,021 | 5,049 | 1.1 |
| 2000 | 6,393 | 5,357 | 1.2 |
| 2001 | 6,636 | 5,663 | 1.2 |
| 2002 | 6,912 | 5,818 | 1.2 |
| 2003 | 7,427 | 5,931 | 1.3 |
| 2004 | 7,732 | 5,816 | 1.3 |

Source: Minnesota Office of Higher Education

Table 5
Minnesota-North Dakota Tuition Reciprocity
Fall Headcount Enrollment by Institution: Fall 2004

| Minnesota Residents Attending | |
|--|------------------|
| North Dakota Institutions | Headcount |
| NDSU-Fargo Undergraduate | 3,663 |
| UND-Grand Forks Undergraduate | 3,122 |
| NDSCS-Wahpeton Undergraduate | 318 |
| UND-Grand Forks Graduate | 236 |
| NDSU-Fargo Graduate | 157 |
| Mayville State University Undergraduate | 83 |
| UND-Grand Forks Law | 55 |
| Valley City State University Undergraduate | 51 |
| Minot State University Undergraduate | 17 |
| Bismarck State College Undergraduate | 11 |
| Dickinson State University Undergraduate | 7 |
| Lake Region State College Undergraduate | 7 |
| NDSU-Bottineau Undergraduate | 4 |
| UND-Williston Undergraduate | 1 |
| Bismarck State College Graduate | 0 |
| Dickinson State University Graduate | 0 |
| Mayville State University Graduate | 0 |
| Minot State University Graduate | 0 |
| NDSCS-Wahpeton Graduate | 0 |
| NDSU-Bottineau Graduate | 0 |
| Lake Region State College Graduate | 0 |
| UND-Williston Graduate | 0 |
| Valley City State University Graduate | 0 |
| Total | 7,732 |

Source: Minnesota Office of Higher Education

Table 6
Minnesota-North Dakota Tuition Reciprocity
Headcount Enrollment by Institution: Fall 2004

| North Dakota Residents Attending | |
|---|------------------|
| Minnesota Institutions | Headcount |
| MN State University Moorhead Undergraduate | 2,448 |
| MN State Community & Technical College | 1,107 |
| Northland Community & Technical College | 761 |
| U of M - Twin Cities Undergraduate | 477 |
| St. Cloud State University Undergraduate | 171 |
| MN State University Moorhead Graduate | 128 |
| U of M - Crookston Undergraduate | 102 |
| U of M - Duluth Undergraduate | 97 |
| U of M - Twin Cities Professional | 83 |
| U of M - Twin Cities Graduate | 58 |
| Bemidji State University Undergraduate | 57 |
| MN State University Mankato Undergraduate | 50 |
| Alexandria Technical College | 31 |
| U of M - Morris Undergraduate | 20 |
| Rochester Community & Technical College | 19 |
| Minneapolis Community & Technical College | 19 |
| Southwest MN State University Undergraduate | 17 |
| Ridgewater College | 14 |
| Normandale Community College | 14 |
| Central Lakes College | 14 |
| St. Cloud State University Graduate | 12 |
| Century College | 10 |
| MN West Community & Technical College | 9 |
| Lake Superior College | 9 |
| Winona State University Undergraduate | 8 |
| NW Technical College - Bemidji | 7 |
| North Hennepin Community College | 7 |
| MN State College - Southeast Technical | 7 |
| Metro State University Undergraduate | 7 |
| St. Cloud Technical College | 6 |
| Hennepin Technical College | 6 |
| Bemidji State University Graduate | 6 |
| U of M - Duluth Graduate | 5 |
| MN State University Mankato Graduate | 5 |
| Anoka-Ramsey Community College | 5 |
| Itasca Community College | 4 |
| Southwest Minnesota State University Graduate | 3 |
| Inver Hills Community College | 3 |
| Vermilion Community College | 2 |
| St. Paul College | 2 |
| Fond du Lac Tribal and Community College | 2 |
| Riverland Community College | 1 |
| Rainy River Community College | 1 |
| Mesabi Range Community & Technical College | 1 |
| Anoka Technical College | 1 |
| Total | 5,816 |

Source: Minnesota Office of Higher Education

Minnesota-South Dakota Tuition Reciprocity Enrollment

The following tables present fall headcount enrollments in the Minnesota-South Dakota tuition reciprocity agreement. Table 7 shows total fall headcount enrollments from fall 1985 to fall 2004. Tables 8 and 9 show fall 2004 headcount enrollments by institution attended.

Table 7
Minnesota-South Dakota Tuition Reciprocity
Headcount Enrollment: 1985 - 2004

| Fall Term | Minnesota Residents Attending in South Dakota | South Dakota Residents Attending in Minnesota | Ratio |
|------------------|--|--|--------------|
| 1985 | 1,027 | 1,707 | 0.6 |
| 1986 | 1,038 | 1,950 | 0.5 |
| 1987 | 903 | 1,960 | 0.5 |
| 1988 | 968 | 2,098 | 0.5 |
| 1989 | 1,098 | 2,099 | 0.5 |
| 1990 | 1,233 | 2,051 | 0.6 |
| 1991 | 1,451 | 2,066 | 0.7 |
| 1992 | 1,638 | 1,965 | 0.8 |
| 1993 | 1,726 | 1,595 | 1.1 |
| 1994 | 1,923 | 1,512 | 1.3 |
| 1995 | 1,965 | 1,543 | 1.3 |
| 1996 | 1,867 | 1,623 | 1.2 |
| 1997 | 1,821 | 1,634 | 1.1 |
| 1998 | 1,754 | 1,821 | 1 |
| 1999 | 1,731 | 1,992 | 0.9 |
| 2000 | 1,683 | 2,133 | 0.8 |
| 2001 | 1,699 | 2,306 | 0.8 |
| 2002 | 1,775 | 2,109 | 0.8 |
| 2003 | 1,779 | 2,209 | 0.8 |
| 2004 | 2,003 | 2,152 | 0.9 |

Source: Minnesota Office of Higher Education

Table 8
Minnesota-South Dakota Tuition Reciprocity
Headcount Enrollment by Institution: Fall 2004

| Minnesota Residents Attending | |
|--|------------------|
| South Dakota Institutions | Headcount |
| SDSU - Brookings Undergraduate | 1,545 |
| Northern State University Undergraduate | 115 |
| SDSM&T Undergraduate | 96 |
| USD - Vermillion Undergraduate | 91 |
| SDSU - Brookings Graduate | 47 |
| USD - Vermillion Graduate | 43 |
| Black Hills State University Undergraduate | 31 |
| Dakota State University Undergraduate | 23 |
| SDSM&T Graduate | 12 |
| Black Hills State University Graduate | 0 |
| Dakota State University Graduate | 0 |
| Northern State University Graduate | 0 |
| Total | 2,003 |

Source: Minnesota Office of Higher Education

Table 9**Minnesota-South Dakota Tuition Reciprocity
Headcount Enrollment by Institution: Fall 2004**

| South Dakota Residents Attending | |
|--|------------------|
| Minnesota Institutions | Headcount |
| U of M - Twin Cities Undergraduate | 517 |
| MN State University Mankato Undergraduate | 433 |
| MN State University Moorhead Undergraduate | 315 |
| Southwest MN State University Undergraduate | 205 |
| St. Cloud State University Undergraduate | 177 |
| U of M - Twin Cities Graduate & Professional | 92 |
| MN West Community & Technical College | 89 |
| Southwest MN State University Graduate | 76 |
| Ridgewater College | 39 |
| U of M - Morris | 35 |
| Winona State University Undergraduate | 27 |
| U of M - Duluth Undergraduate | 25 |
| Minneapolis Community & Technical College | 17 |
| MN State University Mankato Graduate | 14 |
| Normandale Community College | 11 |
| U of M - Crookston | 10 |
| Rochester Community & Technical College | 8 |
| Bemidji State University | 7 |
| Lake Superior College | 7 |
| MN State Community & Technical College | 6 |
| North Hennepin Community College | 5 |
| St. Cloud State University Graduate | 5 |
| Riverland Community College | 4 |
| Central Lakes College | 4 |
| MN State University Moorhead Graduate | 4 |
| Inver Hills Community College | 4 |
| Century College | 4 |
| Itasca Community College | 3 |
| U of M - Duluth Graduate | 3 |
| Anoka-Ramsey Community College | 2 |
| Metropolitan State University Undergraduate | 2 |
| Metropolitan State University Graduate | 1 |
| Fond du Lac Tribal and Community College | 1 |
| Total | 2,152 |

Source: Minnesota Office of Higher Education

Interstate Payments

Minnesota implements a tuition reciprocity interstate payment calculation in reciprocity agreements with Wisconsin and North Dakota. An interstate payment calculation assigns some or all of the instructional costs associated with educating a reciprocity student to the student and to the student's home state general fund. A student pays a portion of the recognized cost of his or her education through tuition and fees. The general fund of a student's state of residence pays for a portion of the recognized cost of his or her education through an interstate payment calculation.

The conventional method of paying for the instructional cost of educating a reciprocity student is to start with the marginal cost of instructing a student. Marginal costs are what it costs to add one student to an existing classroom of students. Higher education marginal instructional costs are considered to be 64 percent of instructional costs. The tuition a student pays is subtracted from the marginal cost of instructing that student. The remaining marginal instructional cost is the responsibility of the general fund of a student's state of residence, as shown in the following formula.

$$\begin{array}{r}
 \text{Marginal Instructional Costs per Student} \\
 - \text{ Tuition Paid per Student} \\
 \hline
 = \text{ State General Fund Obligation per Student}
 \end{array}$$

All else being equal, increasing the tuition paid per student decreases a state's general fund obligation. Decreasing the tuition paid per student increases a state's general fund obligation. As tuition rates have increased, students have increasingly paid a larger share of tuition reciprocity marginal instructional costs through tuition. Table 10 shows the increasing role of tuition in paying for tuition reciprocity over the past five years in the Minnesota-Wisconsin tuition reciprocity agreement.

Table 10
Minnesota-Wisconsin Tuition Reciprocity
Who Pays for Tuition Reciprocity?
Student and State Share of Marginal Instructional Costs
2000-01 to 2004-05

| Year | Minnesota | | Wisconsin | |
|---------|-----------|-------|-----------|-------|
| | Students | State | Students | State |
| 2004-05 | 91% | 9% | 81% | 19% |
| 2003-04 | 84% | 16% | 74% | 26% |
| 2002-03 | 73% | 27% | 64% | 36% |
| 2001-02 | 69% | 31% | 62% | 38% |
| 2000-01 | 64% | 36% | 60% | 40% |

Source: Minnesota Office of Higher Education

Minnesota-Wisconsin Tuition Reciprocity Payment Calculation

The Minnesota-Wisconsin interstate payment method has remained essentially unchanged since first implemented. A marginal instructional cost financial obligation is computed for each state in the agreement. The Minnesota-Wisconsin tuition reciprocity payment calculation for academic year 2004-2005, the most recent year available, is shown in Table 11. Wisconsin's gross obligation to Minnesota was \$70.3 million for academic year 2004-2005. This figure was reduced by the \$57.0 million Wisconsin students paid in tuition to Minnesota public institutions, leaving \$13.3 million for the Wisconsin general fund. Minnesota's gross obligation to Wisconsin was \$72.9 million. Minnesota's gross obligation to Wisconsin was reduced by the \$66.1 million Minnesota students paid in tuition to Wisconsin public institutions, leaving \$6.8 million for the Minnesota general fund. Wisconsin's general fund obligation to Minnesota was \$6.5 million more than Minnesota's general fund obligation to Wisconsin, and Wisconsin made a \$6.5 million dollar payment to the Minnesota general fund for academic year 2004-2005.

Table 11
Minnesota-Wisconsin Tuition Reciprocity: 2004-2005

| Wisconsin's Obligation to Minnesota | | | | | |
|---|----------------------|---|------------------------------|----------------------------|----------------------------|
| Institution/ Type Study | Number of Credits | Marginal Instructional Costs/Credit | Gross State Obligation | Student Tuition Paid | Net State Obligation |
| MnSCU Two-Year | 33,615 | \$149.38 | \$5,021,408.70 | \$4,591,532.24 | \$429,876.46 |
| MnSCU Four-Year & UM Crookston UG | 95,402 | \$175.83 | \$16,774,445.75 | \$13,251,942.30 | \$3,522,503.45 |
| UM - Duluth UG | 23,664 | \$187.36 | \$4,433,687.04 | \$4,179,660.28 | \$254,026.76 |
| UM Twin Cities & Morris UG | 151,697 | \$214.62 | \$32,557,210.14 | \$28,628,151.76 | \$3,929,058.38 |
| MnSCU Four-Year Graduate | 2,860 | \$401.47 | \$1,148,003.47 | \$654,914.94 | \$493,088.53 |
| UM - Duluth Graduate | 1,259 | \$693.75 | \$873,431.25 | \$508,404.02 | \$365,027.23 |
| UM - Twin Cities Graduate | 12,471 | \$761.48 | \$9,496,417.08 | \$5,163,397.21 | \$4,333,019.87 |
| Totals | 320,967.00 | | \$70,304,603.42 | \$56,978,002.75 | \$13,326,600.67 |
| Share of Marginal Instructional Costs | | | | 81% | 19% |
| Minnesota's Obligation to Wisconsin | | | | | |
| Institution/ Type Study | Number of Credits | Marginal Instructional Costs/Credit | Gross State Obligation | Student Tuition Paid | Net State Obligation |
| UW Centers | 669.00 | \$149.38 | \$99,935.22 | \$85,601.89 | \$14,333.33 |
| UW Comprehensive UG | 265,961.00 | \$175.83 | \$46,763,922.63 | \$41,324,305.41 | \$5,439,617.22 |
| UW Milwaukee UG | 6,968.00 | \$187.36 | \$1,305,524.48 | \$1,610,947.58 | (\$305,423.10) |
| UW Madison UG | 81,820.00 | \$214.62 | \$17,560,208.40 | \$18,736,333.27 | (\$1,176,124.87) |
| UW Comprehensive Graduate | 9,647.00 | \$175.83 | \$3,872,981.09 | \$2,472,144.19 | \$1,400,836.90 |
| UW Milwaukee Graduate | 925.00 | \$693.75 | \$641,718.75 | \$393,611.94 | \$248,106.81 |
| UW Madison Graduate | 3,483.00 | \$761.48 | \$2,652,234.84 | \$1,461,739.36 | \$1,190,495.48 |
| Totals | 369,473.00 | | \$72,896,525.41 | \$66,084,683.64 | \$6,811,841.77 |
| Share of Marginal Instructional Costs | | | | 91% | 9% |
| Difference = Wisconsin Payment to Minnesota | | | | | 6,514,758.90 |

Source: Minnesota Office of Higher Education

Minnesota-North Dakota Payment Calculation

Payment History

The current Minnesota-North Dakota payment calculation was agreed to in 1995 and adopted for academic year 1996-97. Prior to 1996-97, Minnesota-North Dakota tuition reciprocity undergraduate and graduate students paid the resident tuition at the institution attended plus a 25 percent surcharge.

In addition, the two states computed an interstate payment calculation as follows:

Each state agrees that in the event that more students from one state receive educational services in the other state than occur in the reverse situation, the state sending the larger number of students shall pay the state educating the larger number of students an amount equal to 25 % of the resident undergraduate tuition at the University of North Dakota times the number of FTE (full-time-equivalent) students creating the difference except if the difference is less than 100 FTE students, no payment shall be required (*Minnesota-North Dakota Tuition Reciprocity Agreement, 1990*).

This method of interstate payment was known as the “gap method” and was based on the “gap number of students.” For descriptive purposes, the interstate payment calculation used in the Minnesota-North Dakota agreement prior to the 1996-97 academic year will be referred to as the “non-marginal instructional cost gap method” in the remainder of this section.

Why were changes made to the Minnesota-North Dakota interstate payment calculation in 1995? Minnesota public post-secondary institutions along the North Dakota border found the 25 percent tuition surcharge a barrier to recruiting North Dakota residents and asked to have the surcharge eliminated.

Minnesota representatives approached North Dakota with a proposal similar to the Minnesota-Wisconsin tuition reciprocity agreement. Reciprocity students would pay the resident tuition rate charged by a comparable home state institution and the states would settle up with a marginal instructional cost payment calculation.

The North Dakota University System was not interested in changing the agreement. They did not see the surcharge as a barrier to recruiting Minnesota residents, were not willing to forego the added tuition revenue from the 25 percent surcharge and found the Minnesota-Wisconsin interstate payment model unduly cumbersome. The North Dakota University System indicated they would consider changes that would, at a minimum, preserve the revenue stream produced by the sum of reciprocity student tuition payments with a 25 percent surcharge and the non-marginal instructional cost interstate payment method.

The solution to the impasse was to phase-out the 25 percent tuition surcharge and charge reciprocity students in the Minnesota-North Dakota agreement the higher of the two state tuition rates at comparable institutions. In addition, the two states agreed to an interstate payment calculation that would hold harmless the projected tuition reciprocity revenue stream to North Dakota. The states agreed to hold the tuition revenue collected by North Dakota institutions plus the results of the interstate payment calculation to roughly the equivalent level of revenue North Dakota had collected from the resident tuition rate plus a 25 percent surcharge and the non-marginal instructional cost gap method of payment.

Minnesota resident tuition rates were and are higher than North Dakota resident tuition rates. Under the terms of the 1995 agreement, Minnesota residents enrolled in North Dakota would pay the higher Minnesota resident tuition rate charged at a comparable home state institution and North Dakota residents enrolled in Minnesota would pay the Minnesota resident tuition rate. This enabled the North Dakota University System to capture a portion, but not all, of the 25 percent tuition surcharge over the resident tuition rate previously charged by North Dakota institutions and for Minnesota public institutions to collect as much in tuition revenue from North Dakota residents as from Minnesota residents, but without the surcharge.

The states built upon the existing payment method and initially agreed in 1995 that if the number of Minnesota residents enrolled in North Dakota public institutions was the same as the number of North Dakota residents enrolled in Minnesota public institutions, the states would call it even and there would be no interstate payment. If residents of one state enrolled in a greater number in the other's public institutions, then the state enrolling the greater number would receive a payment from the other state based on the greater number of students. For example, if 500 more Minnesota residents enrolled in North Dakota public institutions than North Dakota residents enrolled in Minnesota, then Minnesota would owe North Dakota the marginal instructional costs minus student paid tuition for the 500 Minnesota residents enrolled in North Dakota. This greater number of students was again referred to as the "gap number of students" and the payment calculation continued to be called the "gap method" of payment. The proposed payment calculation, however, introduced the idea of basing the payment on marginal instructional costs rather than ". . . an amount equal to 25 percent of the resident undergraduate tuition at the University of North Dakota times the number of FTE students" (*Minnesota-North Dakota Tuition Reciprocity Agreement, 1990*).

Under the terms of the 1995 agreement, Minnesota was prepared to pay North Dakota the marginal instructional costs associated with the gap number of students minus the tuition paid by the gap number of students.¹ Projections of the revenue stream to North Dakota based on students paying tuition at the higher of the two state tuition rates at comparable institutions and a marginal instructional cost based interstate payment calculation for the gap number of students resulted in more revenue to North Dakota than the revenue stream produced by students paying the resident tuition rate plus a 25 percent surcharge and the non-marginal instructional cost payment calculation.

An interstate payment calculation resulting in a revenue stream to North Dakota similar to resident tuition plus a 25 percent surcharge and the non-marginal instructional cost payment calculation, resulted in Minnesota and North Dakota agreeing to a larger tuition offset to the calculation than would have been necessary with a payment calculation based on the marginal instructional costs of the gap number of students minus the tuition payment by the gap number of students.

¹ There have been between 1.1 and 1.5 Minnesota residents enrolled in North Dakota public institutions for every 1.0 North Dakota resident enrolled in Minnesota public institutions. Minnesotans involved in the discussions with North Dakota in the mid 1990s could not foresee a time when there would be more North Dakota residents enrolled in Minnesota public institutions than Minnesota residents enrolled in North Dakota public institutions. Minnesota's population at roughly five million versus North Dakota's population under 700,000 suggested Minnesota would likely have an ongoing interstate payment to North Dakota.

Current North Dakota Payment Calculation

The tuition reciprocity payment calculation agreed upon by Minnesota and North Dakota in 1995 and used today follows:

The state receiving the lesser number of students shall pay the state receiving the greater number of students ... The payment shall be based on a marginal expenditure calculation as follows:

$$\begin{array}{r} \text{Operational Expenditure per FTE} \\ \times \text{ Marginal Expenditure Rate (64\%)} \\ = \text{Marginal Expenditure per FTE} \\ - \text{Resident Tuition Rate (NDSU)} \\ = \text{Remaining Marginal Expenditures per FTE} \\ \times \text{GAP FTE (Difference in state flow of students)} \\ = \text{Gross State Obligation} \\ - \text{Student Payment (Total Tuition Payment in Excess of Resident Tuition)} \\ = \text{Net State Obligation} \end{array}$$

The current payment calculation subtracts the North Dakota State University resident undergraduate tuition rate from marginal expenditures per FTE and subtracts the total tuition payment in excess of resident tuition for all Minnesota residents enrolled in North Dakota from gross state obligation. This practice reduces Minnesota's net state obligation more than if the calculation were based on the marginal instructional costs and the student paid reciprocity tuition for the gap number of students. Beginning in academic year 2002-2003, Minnesota's resulting net state obligation has been a negative number and, thus, no payment has been made.

A projection by the Office of Higher Education for academic year 2002-2003, for example, showed that Minnesota would have owed North Dakota over \$1 million based on the marginal instructional costs and tuition payments of the gap number of students. In contrast, by subtracting both the resident tuition rate from marginal instructional expenditures and the total tuition payment in excess of North Dakota resident tuition for all Minnesota residents enrolled in North Dakota from the gross state obligation, Minnesota did not owe North Dakota a tuition reciprocity payment for academic year 2002-2003.

Nevertheless, the 1995 agreement met the objectives of both Minnesota and North Dakota and resulted in:

- Elimination of the 25 percent tuition surcharged as requested by Minnesota institutions; and
- an interstate payment calculation producing a revenue stream to North Dakota that mirrored the revenue stream produced by the resident tuition rate plus a 25 percent surcharge and the non-marginal instructional cost gap payment method, as sought by the University of North Dakota System.

The Minnesota-North Dakota interstate payment calculation agreed to in 1995 remains in effect.

Table 12 shows the Minnesota-North Dakota interstate payment calculation for the most recently available academic year.

Table 12
Minnesota-North Dakota Tuition Reciprocity
Interstate Payment: 2003-2004

| | | |
|---|---|-------------|
| | Operational Expenditure per FTE | \$8,531 |
| | Marginal Expenditure Rate | 0.64 |
| x | Marginal Expenditure per FTE | \$5,460 |
| = | Resident Tuition Rate (NDSU/UND) | \$3,408 |
| - | Remaining Marginal Expenditures per FTE | \$2,052 |
| = | GAP FTE Students | 1,402 |
| x | Gross State Obligation | \$2,876,680 |
| - | Student Payment | \$3,411,036 |
| = | Net State Obligation | -\$534,356 |

Source: Minnesota Office of Higher Education

Historical Interstate Payment Data

Minnesota's tuition reciprocity interstate payment general fund obligations are presented in Table 13. Positive numbers represent a payment from the Minnesota general fund to either North Dakota or Wisconsin. Numbers in brackets () represent a payment from either North Dakota or Wisconsin to the Minnesota general fund.

Table 13
Interstate Reciprocity Payments,
Academic Years 1975-76 - 2004-2005
Amount (\$ Millions)

| Year | To North Dakota | To Wisconsin |
|-------------|----------------------------|-------------------------|
| 1975-76 | \$0.00 | \$4.20 |
| 1976-77 | \$0.00 | \$5.50 |
| 1977-78 | \$0.00 | \$6.80 |
| 1978-79 | \$0.70 | \$8.10 |
| 1979-80 | \$0.80 | \$4.10 |
| 1980-81 | \$0.90 | \$5.60 |
| 1981-82 | \$1.00 | \$3.90 |
| 1982-83 | \$1.10 | \$5.30 |
| 1983-84 | \$0.10 | \$2.80 |
| 1984-85 | \$0.05 | \$2.70 |
| 1985-86 | \$0.00 | \$3.10 |
| 1986-87 | \$0.00 | \$3.90 |
| 1987-88 | \$0.00 | \$3.30 |
| 1988-89 | \$0.00 | \$4.60 |
| 1989-90 | \$0.00 | \$5.70 |
| 1990-91 | \$0.00 | \$6.60 |
| 1991-92 | \$0.35 | \$3.30 |
| 1992-93 | \$0.37 | \$2.50 |
| 1993-94 | \$0.60 | \$2.00 |
| 1994-95 | \$1.00 | \$1.70 |
| 1995-96 | \$2.70 | \$1.70 |
| 1996-97 | \$2.90 | (\$1.30) |
| 1997-98 | \$4.20 | (\$2.10) |
| 1998-99 | \$2.60 | \$2.60 |
| 1999-00 | \$2.20 | \$2.50 |
| 2000-01 | \$1.40 | \$2.40 |
| 2001-02 | \$0.43 | (\$0.30) |
| 2002-03 | \$0.00 | (\$3.10) |
| 2003-04 | \$0.00 | (\$6.10) |
| 2004-05 | \$0.00 | (\$6.51) |

Source: Minnesota Office of Higher Education

Tuition Rates

Minnesota Statutes 136a.08 defines the purpose of tuition reciprocity as the mutual improvement of educational advantage for the residents of Minnesota and other states or provinces with whom agreements are made. The state's agreements balance student, public institution and taxpayer interest and are linked to a series of tuition rate implementation objectives.

- Minnesota's tuition reciprocity agreements aim to avoid incentives or disincentives for students to leave their state of residence based on the tuition rates used in the agreements. The objective has been to expand market opportunities for students by removing tuition price differences at comparable institutions in the participating states.
- Minnesota's tuition reciprocity agreements aim to create a market in which public institutions in one state can compete with comparable institutions in the other state for students at a similar price.
- Minnesota's tuition reciprocity agreements aim to constrain the general fund costs of educating Minnesota students in reciprocity states to an amount similar to or less than the state's general fund cost of educating residents at in home-state institutions. Student-paid tuition is subtracted from the marginal instructional costs associated with education reciprocity students and is critical component in minimizing Minnesota's tuition reciprocity general fund costs.

In meeting these objectives, Minnesota and its reciprocity partners have experimented with setting tuition reciprocity tuition rates.

Tuition rates used in Minnesota's tuition reciprocity agreements reflect what the participating states and the particular interests within the states have agreed upon. Reciprocity tuition rate setting practices have not remained static. Since the inception of state-wide tuition reciprocity in the 1960s, the following tuition rate setting practices have been used:

- The resident tuition rate at the institution attended, with or without a surcharge;
- The resident tuition rate at a comparable institution in the student's state of residence, with or without a surcharge;
- The higher of the two-state resident tuition rates at comparable institutions.

Each approach to setting tuition reciprocity tuition rates has advantages and disadvantages. Each approach has the advantage of using resident tuition rates set by state governing boards as the starting point. Alterations to the resident tuition starting point, such as surcharges, have been initiated by state governing boards. Following are three tuition-setting approaches, with their advantages and disadvantages:

1) Students pay the resident tuition rate at the institution attended: This approach has the advantage for institutions enrolling a reciprocity student of collecting tuition revenue from the reciprocity student just as if the reciprocity student were a resident of the state of the enrolling the institution. Were this approach used in the Minnesota-Wisconsin agreement, however, it would likely result in Minnesota's general fund paying a larger share of marginal instructional costs for Minnesota residents attending in Wisconsin than some Minnesota residents attending in Minnesota.

This tuition rate-setting approach has the disadvantage of creating a market or price incentive for students to leave their state of residence, if their state of residence has higher resident tuition rates. For example, if the Minnesota-Wisconsin tuition reciprocity agreement were to use the resident tuition rate at the institution attended, Minnesota residents would have an incentive to attend lower priced Wisconsin institutions. Similarly, Wisconsin residents would have a disincentive to attend higher priced Minnesota institutions.

Tuition rates in Minnesota's agreements with Manitoba and Iowa Lakes Community College are based on students paying the resident tuition rate at the institution attended. A similar practice was initially used in Minnesota's agreements with Wisconsin, North Dakota and South Dakota, but abandoned because of the price incentive and disincentive effect on students. The Minnesota-North Dakota tuition reciprocity agreement, for example, experimented with charging reciprocity students the resident rate at the institution attended plus a 25 percent surcharge. This surcharge practice was abandoned, in large part, because Minnesota public institutions located near the North Dakota border viewed the surcharge as a barrier to successfully recruiting North Dakota residents.

2) Students pay the resident tuition rate at a comparable institution in the student's state of residence: The second approach to setting tuition reciprocity tuition rates has the advantage of avoiding price incentives or disincentives for students in choosing public institutions in the participating states. This approach is the most market like for students and for the states to the agreement. It has the disadvantage, however, of resulting in institutions in the state with higher resident tuition rates collecting less tuition revenue from a reciprocity student than from a resident student. When paired with an interstate payment calculation, the state with the greater marginal instructional costs not covered by student paid tuition collects a payment from the other state. The payment, however, is not made to the institution collecting less revenue from the reciprocity student when compared to a resident student, but instead, to the general fund of the state where the institution is located, as in the Minnesota-Wisconsin tuition reciprocity agreement.

This approach was used in the Minnesota-Wisconsin tuition reciprocity agreement from 1983 to 1998. In 1998, the tuition rate-setting practice in the Minnesota-Wisconsin agreement was altered by adding a surcharge to Wisconsin resident undergraduates attending the University of Minnesota-Twin Cities campus. The surcharge was set at 25 percent of the difference between the University of Minnesota-Twin Cities resident undergraduate tuition rate and the University of Wisconsin-Madison resident undergraduate tuition rate. In 1998, Minnesota and Wisconsin also agreed to charge the higher of the two-state resident tuition rates at comparable institutions for graduate and professional reciprocity students. Changes to the tuition rate practice in the Minnesota – Wisconsin tuition reciprocity agreement in 1998 were prompted by the University of Minnesota's desire to have graduate and professional students pay a larger share of the cost of instruction and the state of Wisconsin's desire to reduce the state's general fund obligation. This approach remains the current practice for undergraduate students at all other public institutions in the Minnesota-Wisconsin tuition reciprocity agreement.

3) Students pay the higher of the two-state resident tuition rates at comparable institutions: This approach has the advantage for institutions in the state with higher resident tuition rates. Similar to the first approach to setting reciprocity tuition rates; institutions in the higher-priced state collect tuition revenue at the same amount from reciprocity and resident students.

This approach is currently used in Minnesota's agreements with North Dakota and South Dakota and for graduate and professional students in Minnesota's agreement with Wisconsin. This approach to setting tuition reciprocity tuition rates results in price disincentives for students wanting to leave their state of

residence, if their state of residence has lower resident tuition rates. This is the case with Minnesota's agreements with North Dakota and South Dakota. Minnesota residents, however, can attend in North Dakota and South Dakota at a tuition and fee prices similar to comparable Minnesota institutions. The cost to the Minnesota general fund would increase were the higher of the two-state resident tuition rates to become practice in the Minnesota-Wisconsin tuition reciprocity agreement for undergraduate students. Wisconsin students would pay the higher Minnesota tuition rate and reduce Wisconsin's remaining marginal instructional cost obligation to Minnesota.²

Tuition rates used in Minnesota's tuition reciprocity agreements for 2005-2006 are found in tables 14 through 19 on the following pages.

² This is the finding of the Office of the Legislative Auditor. "Reducing or eliminating the tuition disparities between Minnesota and Wisconsin residents at Minnesota schools would increase Minnesota taxpayers' financial obligation to Wisconsin" (Office of the Legislative Auditor: Higher Education Tuition Reciprocity, September 2003: p. 49).

Tuition Rates: Minnesota-Wisconsin Tuition Reciprocity

Table 14 presents 2005-2006 tuition rates at Wisconsin institutions in the Minnesota-Wisconsin tuition reciprocity agreement. Table 15 presents 2005-2006 tuition rates at Minnesota institutions in the Minnesota-Wisconsin tuition reciprocity agreement.

Table 14
Minnesota-Wisconsin Tuition Reciprocity
2005-2006 Tuition

| Wisconsin Institutions | MN/WI | | Non-Resident |
|--|----------|-------------|--------------|
| | Resident | Reciprocity | |
| University of WI - Baraboo/Sauk | \$3,977 | \$3,576 | \$12,362 |
| University of WI - Barron/Rice Lake | \$3,977 | \$3,576 | \$12,677 |
| University of WI - Eau Claire - Graduate | \$5,619 | \$5,823 | \$16,229 |
| University of WI - Eau Claire - Undergraduate | \$4,414 | \$4,780 | \$14,459 |
| University of WI - Fond du Lac | \$3,977 | \$3,576 | \$12,677 |
| University of WI - Fox Valley | \$3,977 | \$3,576 | \$12,677 |
| University of WI - Green Bay - Graduate | \$5,619 | \$5,823 | \$16,229 |
| University of WI - Green Bay - Undergraduate | \$4,277 | \$4,780 | \$14,323 |
| University of WI - LaCrosse - Graduate | \$5,673 | \$5,823 | \$16,283 |
| University of WI - LaCrosse - Undergraduate | \$4,331 | \$4,780 | \$14,377 |
| University of WI - Madison - Graduate | \$8,072 | \$8,748 | \$23,342 |
| University of WI - Madison - Law | \$10,992 | \$16,940 | \$28,204 |
| University of WI - Madison - Undergraduate | \$5,618 | \$7,140 | \$19,618 |
| University of WI - Manitowoc | \$3,977 | \$3,576 | \$12,677 |
| University of WI - Marathon | \$3,977 | \$3,576 | \$12,677 |
| University of WI - Marinette | \$3,977 | \$3,576 | \$12,677 |
| University of WI - Marshfield-Wood | \$3,977 | \$3,576 | \$12,677 |
| University of WI - Milwaukee - Graduate | \$7,790 | \$8,748 | \$22,156 |
| University of WI - Milwaukee - Undergraduate | \$5,494 | \$7,157 | \$18,246 |
| University of WI - Oshkosh - Graduate | \$5,619 | \$5,823 | \$16,229 |
| University of WI - Oshkosh - Undergraduate | \$4,387 | \$4,780 | \$14,433 |
| University of WI - Parkside - Graduate | \$5,619 | \$5,823 | \$16,229 |
| University of WI - Parkside - Undergraduate | \$4,277 | \$4,780 | \$14,323 |
| University of WI - Platteville - Graduate | \$5,619 | \$5,823 | \$16,229 |
| University of WI - Platteville - Undergraduate | \$4,277 | \$4,780 | \$14,323 |
| University of WI - Richland | \$3,932 | \$3,576 | \$12,677 |
| University of WI - River Falls - Graduate | \$5,619 | \$5,823 | \$16,229 |
| University of WI - River Falls - Undergraduate | \$4,277 | \$4,780 | \$14,323 |
| University of WI - Rock Cty | \$3,977 | \$3,576 | \$12,677 |
| University of WI - Sheboygan | \$3,977 | \$3,576 | \$12,677 |
| University of WI - Stevens Point - Graduate | \$5,619 | \$5,823 | \$16,229 |
| University of WI - Stevens Point - Undergraduate | \$4,277 | \$4,780 | \$14,323 |
| University of WI - Stout - Undergraduate | \$4,744 | \$4,780 | \$15,078 |
| University of WI - Stout - Graduate | \$5,900 | \$5,900 | \$17,041 |
| University of WI - Superior - Graduate | \$5,619 | \$5,823 | \$16,229 |
| University of WI - Superior - Undergraduate | \$4,427 | \$4,780 | \$14,473 |
| University of WI - Washington | \$3,977 | \$3,576 | \$12,677 |
| University of WI - Waukesha Cty | \$3,977 | \$3,576 | \$12,677 |
| University of WI - Whitewater - Graduate | \$5,619 | \$5,823 | \$16,229 |
| University of WI - Whitewater - Undergraduate | \$4,427 | \$4,780 | \$14,824 |

Source: Minnesota Office of Higher Education

Table 15
Minnesota-Wisconsin Tuition Reciprocity
2005-2006 Tuition

| Minnesota Institutions | MN/WI | | Non-Resident |
|---|-----------------|--------------------|---------------------|
| | Resident | Reciprocity | |
| Alexandria Technical College | \$3,563 | \$3,563 | \$7,125 |
| Anoka Technical College | \$3,887 | \$3,887 | \$7,773 |
| Anoka-Ramsey Community College | \$3,198 | \$3,977 | \$6,396 |
| Bemidji State University | \$5,246 | \$4,358 | \$5,246 |
| Bemidji State University - Graduate | \$6,288 | \$5,823 | \$6,288 |
| Central Lakes College | \$3,481 | \$3,977 | \$3,481 |
| Century College | \$3,480 | \$3,977 | \$6,960 |
| Dakota County Technical College | \$3,714 | \$3,714 | \$7,428 |
| Fond Du Lac Community College | \$3,524 | \$3,977 | \$7,499 |
| Hennepin Technical College | \$3,525 | \$3,530 | \$7,674 |
| Hibbing Community & Tech College | \$3,498 | \$3,977 | \$4,800 |
| Inver Hills Community College | \$3,773 | \$3,977 | \$7,546 |
| Itasca Community College | \$3,696 | \$3,977 | \$4,845 |
| Lake Superior College | \$3,225 | \$3,977 | \$6,450 |
| Mesabi Range College | \$3,599 | \$3,977 | \$4,499 |
| Metropolitan State University | \$4,430 | \$4,358 | \$8,859 |
| Metropolitan State University - Graduate | \$5,368 | \$5,823 | \$10,002 |
| Minneapolis Comm & Tech College | \$3,666 | \$3,977 | \$7,332 |
| Minnesota State College - Southeast | \$3,698 | \$3,698 | \$3,698 |
| Minnesota State Comm & Tech College | \$3,837 | \$3,977 | \$3,837 |
| Minnesota State University, Mankato | \$4,682 | \$4,358 | \$10,030 |
| Minnesota State University, Mankato - Graduate | \$5,832 | \$5,823 | \$9,600 |
| Minnesota State University Moorhead | \$4,464 | \$4,358 | \$4,464 |
| Minnesota State University Moorhead - Graduate | \$5,500 | \$5,823 | \$5,832 |
| Minnesota West Comm & Tech College | \$3,827 | \$3,977 | \$3,827 |
| Normandale Community College | \$3,614 | \$3,977 | \$7,227 |
| North Hennepin Community College | \$3,761 | \$4,816 | \$6,962 |
| Northland Comm & Tech College | \$3,840 | \$3,977 | \$3,840 |
| Northwest Technical College - Bemidji | \$3,876 | \$3,876 | \$3,876 |
| Pine Technical College | \$3,300 | \$3,300 | \$6,600 |
| Rainy River Community College | \$3,668 | \$3,977 | \$4,586 |
| Ridgewater College | \$3,675 | \$3,977 | \$3,675 |
| Riverland Community and Tech College | \$3,627 | \$3,977 | \$3,627 |
| Rochester Comm & Tech | \$3,742 | \$3,977 | \$7,486 |
| South Central College | \$3,419 | \$3,419 | \$3,419 |
| Southwest Minnesota State University | \$5,016 | \$4,358 | \$5,016 |
| Southwest Minnesota State University - Graduate | \$5,988 | \$5,823 | \$5,988 |

Table 15 (continued)
Minnesota-Wisconsin Tuition Reciprocity
2005-2006 Tuition

| Minnesota Institutions | MN/WI | | |
|---------------------------------------|-----------------|--------------------|---------------------|
| | Resident | Reciprocity | Non-Resident |
| St. Cloud State University | \$4,760 | \$4,358 | \$10,332 |
| St. Cloud State University - Graduate | \$5,816 | \$5,823 | \$9,096 |
| St. Cloud Technical College | \$3,678 | \$3,678 | \$7,356 |
| St. Paul College | \$3,492 | \$3,492 | \$6,984 |
| U of M - Crookston | \$5,865 | \$4,358 | \$5,865 |
| U of M – Duluth | \$7,157 | \$5,494 | \$18,264 |
| U of M - Duluth - Graduate | \$8,748 | \$8,748 | \$15,848 |
| U of M – Morris | \$8,204 | \$5,618 | \$8,204 |
| U of M - Twin Cities | \$7,140 | \$6,000 | \$18,770 |
| U of M - Twin Cities - Graduate | \$8,748 | \$8,748 | \$15,848 |
| U of M - Twin Cities - Law | \$16,940 | \$16,940 | \$27,034 |
| Vermilion Community College | \$3,714 | \$3,977 | \$4,643 |
| Winona State University | \$4,940 | \$4,358 | \$8,886 |
| Winona State University - Graduate | \$6,019 | \$5,823 | \$9,066 |

Source: Minnesota Office of Higher Education

Tuition Rates: Minnesota-North Dakota Tuition Reciprocity

Table 16 presents 2005-2006 tuition rates at North Dakota institutions in the Minnesota-North Dakota tuition reciprocity agreement. Table 17 presents 2005-2006 tuition rates at Minnesota institutions in the Minnesota-North Dakota tuition reciprocity agreement.

Table 16
Minnesota-North Dakota Tuition Reciprocity
2005-2006 Tuition and Fees

| North Dakota Institutions | Resident | MN/ND | |
|--|----------|-------------|--------------|
| | | Reciprocity | Non-Resident |
| Bismarck State College - Undergraduate | \$3,356 | \$4,169 | \$8,010 |
| Dickinson State University - Undergraduate | \$4,154 | \$4,455 | \$9,713 |
| Lake Region State College | \$3,333 | \$4,383 | \$3,333 |
| Mayville State University - Undergraduate | \$4,943 | \$5,241 | \$10,454 |
| Minot State University - Graduate | \$5,210 | \$6,456 | \$12,855 |
| Minot State University - Undergraduate | \$4,092 | \$4,404 | \$9,870 |
| Minot State University -Bottineau Campus | \$3,202 | \$4,227 | \$7,502 |
| NDSCS-Wahpeton - Undergraduate | \$3,268 | \$4,040 | \$7,990 |
| NDSU-Fargo - Graduate | \$5,580 | \$6,728 | \$13,389 |
| NDSU-Fargo - Undergraduate | \$5,264 | \$5,660 | \$12,545 |
| University of ND - Grand Forks - Graduate | \$5,659 | \$6,761 | \$13,547 |
| University of ND - Grand Forks - Law | \$6,097 | \$6,761 | \$14,715 |
| University of ND - Grand Forks - Undergraduate | \$5,327 | \$5,693 | \$12,659 |
| University of ND - Williston - Undergraduate | \$3,189 | \$4,252 | \$4,457 |
| Valley City State University - Undergraduate | \$4,932 | \$5,240 | \$10,656 |

Source: Minnesota Office of Higher Education

Table 17
Minnesota-North Dakota Tuition Reciprocity
2005-2006 Tuition and Fees

| Minnesota Institutions | MN/ND | | |
|---|----------|-------------|--------------|
| | Resident | Reciprocity | Non-Resident |
| Alexandria Technical College | \$3,857 | \$3,857 | \$7,419 |
| Anoka Technical College | \$4,308 | \$4,308 | \$8,194 |
| Anoka-Ramsey Community College | \$3,582 | \$4,308 | \$6,780 |
| Bemidji State University | \$6,016 | \$6,016 | \$6,016 |
| Bemidji State University - Graduate | \$7,058 | \$7,058 | \$7,058 |
| Central Lakes College | \$3,940 | \$3,940 | \$3,940 |
| Century College | \$3,880 | \$3,880 | \$7,360 |
| Dakota County Technical College | \$4,218 | \$4,218 | \$7,932 |
| Fond Du Lac Community College | \$3,975 | \$3,975 | \$7,950 |
| Hennepin Technical College | \$3,707 | \$3,712 | \$7,856 |
| Hibbing Community & Technical College | \$3,957 | \$3,957 | \$5,259 |
| Inver Hills Community College | \$4,179 | \$4,179 | \$7,952 |
| Itasca Community College | \$4,147 | \$4,147 | \$5,296 |
| Lake Superior College | \$3,474 | \$3,474 | \$6,699 |
| Mesabi Range College | \$4,027 | \$4,027 | \$4,927 |
| Metropolitan State University | \$4,682 | \$4,682 | \$9,111 |
| Metropolitan State University - Graduate | \$5,620 | \$5,620 | \$10,254 |
| Minneapolis Community & Technical College | \$4,028 | \$4,028 | \$7,694 |
| Minnesota State College - Southeast | \$4,055 | \$4,055 | \$4,055 |
| Minnesota State Community & Technical College | \$4,179 | \$4,179 | \$4,179 |
| Minnesota State University Moorhead | \$5,225 | \$5,225 | \$5,225 |
| Minnesota State University Moorhead - Graduate | \$6,261 | \$6,261 | \$6,593 |
| Minnesota State University, Mankato | \$5,402 | \$5,402 | \$10,750 |
| Minnesota State University, Mankato - Graduate | \$6,552 | \$6,552 | \$10,320 |
| Minnesota West Community & Technical College | \$4,172 | \$4,172 | \$4,172 |
| Normandale Community College | \$3,975 | \$3,975 | \$7,588 |
| North Hennepin Community College | \$4,070 | \$4,070 | \$7,271 |
| Northland Community & Technical College | \$4,222 | \$4,222 | \$4,222 |
| Northwest Technical College - Bemidji | \$4,125 | \$4,125 | \$4,125 |
| Pine Technical College | \$3,726 | \$3,726 | \$7,026 |
| Rainy River Community College | \$4,177 | \$4,177 | \$5,095 |
| Ridgewater College | \$4,134 | \$4,134 | \$4,134 |
| Riverland Community and Technical College | \$4,109 | \$4,109 | \$4,109 |
| Rochester Community & Technical College | \$4,268 | \$4,268 | \$8,012 |
| South Central College | \$3,818 | \$3,818 | \$3,818 |
| Southwest Minnesota State University | \$5,855 | \$5,855 | \$5,855 |
| Southwest Minnesota State University - Graduate | \$6,827 | \$6,827 | \$6,827 |

Table 17 (continued)
Minnesota-North Dakota Tuition Reciprocity
2005-2006 Tuition and Fees

| Minnesota Institutions | MN/ND | | Non-Resident |
|---------------------------------------|-----------------|--------------------|---------------------|
| | Resident | Reciprocity | |
| St. Cloud State University | \$5,330 | \$5,330 | \$10,902 |
| St. Cloud State University - Graduate | \$6,386 | \$6,386 | \$9,666 |
| St. Cloud Technical College | \$3,980 | \$3,980 | \$7,658 |
| St. Paul College | \$3,791 | \$3,791 | \$7,283 |
| U of M - Crookston | \$8,119 | \$8,119 | \$8,119 |
| U of M - Duluth | \$8,914 | \$8,914 | \$20,021 |
| U of M - Duluth - Graduate | \$10,479 | \$10,479 | \$17,579 |
| U of M - Morris | \$9,722 | \$9,722 | \$9,722 |
| U of M - Twin Cities | \$8,855 | \$8,855 | \$20,485 |
| U of M - Twin Cities - Graduate | \$10,076 | \$10,076 | \$17,176 |
| U of M - Twin Cities - Law | \$19,692 | \$19,692 | \$29,786 |
| Vermilion Community College | \$4,188 | \$4,188 | \$5,117 |
| Winona State University | \$6,673 | \$6,673 | \$10,619 |
| Winona State University - Graduate | \$6,752 | \$6,752 | \$9,799 |

Source: Minnesota Office of Higher Education

Tuition Rates: Minnesota-South Dakota Tuition Reciprocity

Table 18 presents 2005-2006 tuition rates at South Dakota institutions in the Minnesota-South Dakota tuition reciprocity agreement. Table 19 presents 2005-2006 tuition rates at Minnesota institutions in the Minnesota-South Dakota tuition reciprocity agreement.

Table 18
Minnesota-South Dakota Tuition Reciprocity
2005-2006 Tuition and Fees

| South Dakota Institutions | MN/SD | | |
|---|----------|-------------|--------------|
| | Resident | Reciprocity | Non-Resident |
| Black Hills State College - Graduate | \$4,749 | \$7,320 | \$10,165 |
| Black Hills State College - Undergraduate | \$4,754 | \$6,103 | \$9,741 |
| Dakota State University - Graduate | \$4,812 | \$7,320 | \$10,228 |
| Dakota State University - Undergraduate | \$4,832 | \$6,103 | \$9,819 |
| Northern State University - Graduate | \$4,706 | \$7,320 | \$10,122 |
| Northern State University - Undergraduate | \$4,700 | \$6,103 | \$9,687 |
| SD School of Mines & Technology - Graduate | \$4,752 | \$7,320 | \$10,168 |
| SD School of Mines & Technology - Undergraduate | \$4,757 | \$6,103 | \$9,744 |
| SDSU - Brookings - Graduate | \$4,731 | \$7,320 | \$10,147 |
| SDSU - Brookings - Undergraduate | \$4,732 | \$6,103 | \$9,719 |
| Univ of South Dakota - Vermillion - Law | \$8,038 | \$12,058 | \$16,003 |
| Univ of South Dakota - Vermillion - Graduate | \$4,809 | \$7,320 | \$10,225 |
| Univ of South Dakota - Vermillion - Undergraduate | \$4,829 | \$6,103 | \$9,816 |

Source: Minnesota Office of Higher Education

Table 19
Minnesota-South Dakota Tuition Reciprocity
2005-2006 Tuition and Fees

| Minnesota Institutions | MN/SD | | |
|---|-----------------|--------------------|---------------------|
| | Resident | Reciprocity | Non-Resident |
| Alexandria Technical College | \$3,857 | \$3,857 | \$7,419 |
| Anoka Technical College | \$4,308 | \$4,308 | \$8,194 |
| Anoka-Ramsey Community College | \$3,582 | \$4,481 | \$6,780 |
| Bemidji State University | \$6,016 | \$6,016 | \$6,016 |
| Bemidji State University - Graduate | \$7,058 | \$7,058 | \$7,058 |
| Central Lakes College | \$3,940 | \$4,918 | \$3,940 |
| Century College | \$3,880 | \$4,858 | \$7,360 |
| Dakota County Technical College | \$4,218 | \$4,218 | \$7,932 |
| Fond Du Lac Community College | \$3,975 | \$4,965 | \$7,950 |
| Hennepin Technical College | \$3,707 | \$3,712 | \$7,856 |
| Hibbing Community & Technical College | \$3,957 | \$4,940 | \$5,259 |
| Inver Hills Community College | \$4,179 | \$5,239 | \$7,952 |
| Itasca Community College | \$4,147 | \$5,186 | \$5,296 |
| Lake Superior College | \$3,474 | \$4,380 | \$6,699 |
| Mesabi Range College | \$4,027 | \$5,038 | \$4,927 |
| Metropolitan State University | \$4,682 | \$4,763 | \$9,111 |
| Metropolitan State University - Graduate | \$5,620 | \$5,620 | \$10,254 |
| Minneapolis Community & Technical College | \$4,028 | \$5,058 | \$7,694 |
| Minnesota State College - Southeast | \$4,055 | \$4,055 | \$4,055 |
| Minnesota State Community & Technical College | \$4,179 | \$5,257 | \$4,179 |
| Minnesota State University Moorhead | \$5,225 | \$5,225 | \$5,225 |
| Minnesota State University Moorhead - Graduate | \$6,261 | \$6,261 | \$6,593 |
| Minnesota State University, Mankato | \$5,402 | \$5,402 | \$10,750 |
| Minnesota State University, Mankato - Graduate | \$6,552 | \$6,552 | \$10,320 |
| Minnesota West Community & Technical College | \$4,172 | \$5,247 | \$4,172 |
| Normandale Community College | \$3,975 | \$4,991 | \$7,588 |
| North Hennepin Community College | \$4,070 | \$5,127 | \$7,271 |
| Northland Community & Technical College | \$4,222 | \$5,301 | \$4,222 |
| Northwest Technical College - Bemidji | \$4,125 | \$4,125 | \$4,125 |
| Pine Technical College | \$3,726 | \$3,726 | \$7,026 |
| Rainy River Community College | \$4,177 | \$5,208 | \$5,095 |
| Ridgewater College | \$4,134 | \$5,167 | \$4,134 |
| Riverland Community and Technical College | \$4,109 | \$5,128 | \$4,109 |
| Rochester Community & Technical College | \$4,268 | \$5,320 | \$8,012 |
| South Central College | \$3,818 | \$3,818 | \$3,818 |
| Southwest Minnesota State University | \$5,855 | \$5,855 | \$5,855 |
| Southwest Minnesota State University - Graduate | \$6,827 | \$6,827 | \$6,827 |

Source: Minnesota Office of Higher Education

Table 19 (continued)
Minnesota-South Dakota Tuition Reciprocity
2005-2006 Tuition and Fees

| Minnesota Institutions | MN/SD | | |
|---------------------------------------|-----------------|--------------------|---------------------|
| | Resident | Reciprocity | Non-Resident |
| St. Cloud State University | \$5,330 | \$5,330 | \$10,902 |
| St. Cloud State University - Graduate | \$6,386 | \$6,386 | \$9,666 |
| St. Cloud Technical College | \$3,980 | \$3,980 | \$7,658 |
| St. Paul College | \$3,791 | \$3,791 | \$7,283 |
| U of M - Crookston | \$8,119 | \$8,119 | \$8,119 |
| U of M - Duluth | \$8,914 | \$8,914 | \$20,021 |
| U of M - Duluth - Graduate | \$10,479 | \$10,479 | \$17,579 |
| U of M - Morris | \$9,722 | \$9,722 | \$9,722 |
| U of M - Twin Cities | \$8,855 | \$8,855 | \$20,485 |
| U of M - Twin Cities - Graduate | \$10,076 | \$10,076 | \$17,176 |
| U of M - Twin Cities - Law | \$19,692 | \$19,692 | \$29,786 |
| Vermilion Community College | \$4,188 | \$5,233 | \$5,117 |
| Winona State University | \$6,673 | \$6,673 | \$10,619 |
| Winona State University - Graduate | \$6,752 | \$6,752 | \$9,799 |

Source: Minnesota Office of Higher Education

Reciprocity Graduates

Degree Type by Minnesota Institution: The 2005 Minnesota Legislature specifically instructed the Minnesota Office of Higher Education to report “. . . summary statistics on the number of graduates by institution, degree granted and year of graduation. . . .” for reciprocity students who attend Minnesota postsecondary institutions. Tables 20 and 21 contain recent tuition reciprocity student graduation data by institution and degree type for Minnesota institutions.

Table 20
Minnesota State Colleges and Universities
Graduates Who Attended as Tuition Reciprocity Students
Academic Year 2003- 2004

| Institution | Degree Type | | | Total |
|---|-------------|--------------|------------|--------------|
| | Associate | Bachelor's | Master's | |
| Alexandria Technical College | 17 | | | 17 |
| Anoka-Ramsey Community College | 4 | | | 4 |
| Anoka Technical College | 6 | | | 6 |
| Central Lakes College | 8 | | | 8 |
| Century College | 51 | | | 51 |
| Dakota County Technical College | 12 | | | 12 |
| Fond du Lac Tribal and Community College | 2 | | | 2 |
| Hennepin Technical College | 4 | | | 4 |
| Inver Hills Community College | 20 | | | 20 |
| Lake Superior College | 60 | | | 60 |
| Minneapolis Community and Technical College | 12 | | | 12 |
| Minnesota State College - Southeast Technical | 47 | | | 47 |
| Minnesota State Community and Technical College | 191 | | | 191 |
| Minnesota West Community and Technical College | 14 | | | 14 |
| Normandale Community College | 11 | | | 11 |
| North Hennepin Community College | 2 | | | 2 |
| Hibbing Community College | 3 | | | 3 |
| Itasca Community College | 3 | | | 3 |
| Vermillion Community College | 24 | | | 24 |
| Northland Community and Technical College | 154 | | | 154 |
| Pine Technical College | 4 | | | 4 |
| Ridgewater College | 13 | | | 13 |
| Riverland Community College | 1 | | | 1 |
| Rochester Community and Technical College | 28 | | | 28 |
| St. Cloud Technical College | 7 | | | 7 |
| St. Paul College | 10 | | | 10 |
| South Central College | 2 | | | 2 |
| Subtotal Colleges | 710 | | | 710 |
| Bemidji State University | 2 | 28 | 2 | 32 |
| Metropolitan State University | | 34 | | 34 |
| Minnesota State University, Mankato | 3 | 135 | 19 | 157 |
| Minnesota State University, Moorhead | 14 | 484 | 38 | 536 |
| St. Cloud State University | 3 | 192 | 7 | 202 |
| Southwest Minnesota State University | | 33 | 28 | 61 |
| Winona State University | 15 | 314 | 28 | 357 |
| Subtotal Colleges | 37 | 1,220 | 122 | 1,379 |
| System Total | 747 | 1,220 | 122 | 2,089 |

Source: Office of the Chancellor Research and Planning

Table 21
University of Minnesota
Graduates Enrolled as Reciprocity Students
Academic Year 2003-2004

| Campus | Degree Type | | | | | Total |
|-------------|-------------|------------|----------|------------|----------|-------|
| | Associate | Bachelor's | Master's | First Prfl | Doctoral | |
| Crookston | 8 | 28 | | | | 36 |
| Duluth | | 138 | 14 | | | 152 |
| Morris | | 21 | | | | 21 |
| Twin Cities | | 1,156 | 129 | 68 | 20 | 1,373 |
| Total | 8 | 1,343 | 143 | 68 | 20 | 1,582 |

Source: University of Minnesota

Graduate Employment and Earnings

The 2005 Minnesota Legislature approved the following language:

The Minnesota Office of Higher Education must consider developing data collection procedures and agreements to monitor the extent to which students who attended Minnesota post-secondary institutions under reciprocity agreements are employed in Minnesota after graduation.

In addition, the 2005 Minnesota Legislature instructed the Minnesota Office of Higher Education to report the “. . . total number of reciprocity students employed in the state, and the total earnings of those graduates.”

For the Minnesota Office of Higher Education to report the total number of reciprocity students employed in the state and the total earnings of those graduates would require the University of Minnesota and the Minnesota State Colleges and Universities to provide the agency with Social Security numbers of tuition reciprocity graduates. In turn, the Office of Higher Education would have to supply the Social Security number of tuition reciprocity graduates to an agency of the state of Minnesota with employment and wage data who would determine the total number employed and total earnings. This sequence of sharing Social Security numbers, according to the agency’s attorney in the Attorney General’s Office, potentially conflicts with Minnesota’s Government Data Practices Act, the federal Family Education Rights and Privacy Act and the federal Privacy Act of 1974.³

Although the two numbers requested by the legislature, the total number reciprocity students employed in the state and the total earnings of those graduates, are not available, there is evidence to suggest Minnesota’s tuition reciprocity agreements have been beneficial to students and to the state.

Research from University of Minnesota provides greater insight to the utility of tuition reciprocity than the sum of tuition reciprocity graduate earnings and employment. University of Minnesota researchers have asked the question; How Many Reciprocity Students Remain in Minnesota After Graduation?

³ Minnesota Government Data Practices Act - Minn. Stat. Ch. 13 (supp.2005), Family Educational Rights and Privacy Act - 20 U.S.C. sec.1232g and 34 C.F.R. part 99, Privacy Act of 1974 - 5 U.S.C. sec. 552a

Using University of Minnesota Alumni Association data, Peter Zetterberg and John Kellogg found the following.

A very high percentage of reciprocity students currently live and work in Minnesota. For those with an undergraduate degree, 30-40 percent of students from Wisconsin, North Dakota, and South Dakota currently live and work in Minnesota (Peter Zetterberg and John Kellogg, *How Many Reciprocity Student Remain in Minnesota After Graduation?* University of Minnesota Office of Institutional Research, October 2002: 1).

A report titled *Stock and Flow of College Education Human Capital by State: 1989 to 1999*, and published in the *Postsecondary Educational Opportunity Newsletter*, October 2000, was cited by Zetterberg and Kellogg and data from that report led them to draw the following conclusions.

While large numbers of students from Wisconsin, North Dakota, and South Dakota choose to live and work in Minnesota following graduation, there is significant evidence that students from Minnesota who earn degrees at institutions in these other states return home. Between 1989 and 2000 the percent of Minnesota's population aged 25 and over with a baccalaureate degree increased from 21.5 percent to 28.0 percent. While there were also some gains in North Dakota, South Dakota, and Wisconsin, they were not nearly as significant. Note that in Minnesota a significant part of the gain was the result of the migration of people with baccalaureate degrees to the state. In other words the total increase in people with a baccalaureate degree was greater than the number of degrees awarded in the state. The increase due to migration was more than 140,000 for Minnesota, while North Dakota, South Dakota, and Wisconsin all lost people with baccalaureate degrees (net of in-state degree production). What explains Minnesota's success? Obviously, most Minnesota students who go to North Dakota, South Dakota, and Wisconsin for their education come home with their baccalaureate degrees while a very significant number of students from these other state who earn their degrees in Minnesota remain in Minnesota.

Minnesota clearly benefits in a very significant ways from the state's current reciprocity agreements (Zetterberg and Kellogg: 2).