

January 31, 2014

The Honorable Gene Pelowski, Jr., Chair
House Higher Education Finance and Policy Committee
491 State Office Building
100 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, Minnesota 55155-1206

Dear Representative Pelowski:

Minnesota Statute 136A.08, Subd. 7 requires the Minnesota Office of Higher Education to annually submit a report, before the last day in January, to the committees in the House of Representatives and the Senate with responsibility for higher education finance on:

- (1) participation in the tuition reciprocity program by Minnesota students and students from other states attending Minnesota postsecondary institutions under a reciprocity agreement;
- (2) reciprocity and resident tuition rates at each institution;
- (3) interstate payments and obligations for each state participating in the tuition reciprocity program in the prior year; and
- (4) summary statistics on number of graduates by institution, degree granted, and year of graduation for reciprocity students who attended Minnesota postsecondary institutions.

Enclosed you will find a copy of the Minnesota Office of Higher Education's *Tuition Reciprocity 2014 Annual Report* in compliance with 2013 Minnesota Statutes 136A.08, Subd. 7.

Sincerely,

A handwritten signature in blue ink that reads "Larry Pogemiller". The signature is fluid and cursive, with a large initial "L" and "P".

Larry Pogemiller
Commissioner

cc: Rep. Bud Nornes, Emily Adriaens, Mark Mallander, Amelia Cruver, Hue Nguyen, Matt Gehring,
Legislative Reference Library

Enclosure

MINNESOTA
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January 2014



Minnesota Tuition Reciprocity: 2014 Annual Report



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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 postsecondary education. The agency also serves as the state's clearinghouse for data, research and analysis on postsecondary enrollment, financial aid, finance and trends.

The Minnesota State Grant Program is the largest financial aid program administered by the Office of Higher Education, awarding up to \$150 million in need-based grants to Minnesota residents attending eligible colleges, universities and career schools in Minnesota. The agency oversees other state scholarship programs, tuition reciprocity programs, a student loan program, Minnesota's 529 College Savings Plan, licensing and early college awareness programs for youth.

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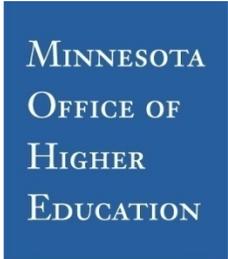
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Introduction

Minnesota's interstate tuition reciprocity agreements expand market choices and enrollment opportunities for state residents. Over 29,250 Minnesota residents enrolled in reciprocity institutions in Wisconsin, North Dakota, South Dakota, Iowa and Manitoba in fall 2012. Nearly 15,800 residents of Wisconsin, North Dakota, South Dakota, Iowa and Manitoba enrolled in Minnesota public postsecondary education institutions in fall 2012. Minnesota's tuition reciprocity agreements expand the student market for postsecondary institutions. Institutions can cast a wider recruitment net at competitive prices to attract the type of student they desire.

The body of this paper describes Minnesota's tuition reciprocity agreements, starting with the genesis of reciprocity, followed by the statutory basis for, student participation in and the administration and financing of reciprocity. The paper concludes with data on the outcomes of over 40 years of Minnesota's tuition reciprocity programs.

Minnesota Statutes 136A.08, Subd. 7 requires the Minnesota Office of Higher Education to prepare an annual tuition reciprocity report for the Minnesota Legislature. Specifically, the agency is required to report the following tuition reciprocity data.

- Participation
- Interstate Payments
- Tuition Rates
- Reciprocity Graduates from Minnesota Public Institutions

Tuition reciprocity enrollments, interstate payments, tuition rates and reciprocity graduates from Minnesota public postsecondary education institution data tables are provided in Attachments A, B, C and D respectively.

Participating Jurisdictions

A limited Minnesota-Wisconsin statewide tuition reciprocity agreement began in the late 1960s. Statewide tuition reciprocity emerged from a Minnesota and Wisconsin Governors' initiative in 1973.¹

The goals in initiating tuition reciprocity were

- to avoid postsecondary institution and program duplication and
- to expand postsecondary education opportunities for state residents.

State and provincial-wide agreements with other states and the Canadian province of Manitoba followed for the state of Minnesota, as identified in Table 1.

¹ See Associate Press, *Common Market, New Plan Eliminates Out-Of-State Tuition Fees*, September 14, 1973. (<http://news.google.com/newspapers?nid=1346&dat=19730914&id=xIROAAAIBAJ&sjid=cfoDAAAIBAJ&pg=7067,3779501>)

Table 1

Reciprocity Jurisdiction	Date of Inception
Wisconsin	1969
North Dakota	1975
South Dakota	1978
Manitoba	1989

Minnesota’s tuition reciprocity agreements include public postsecondary education institutions in the participating jurisdictions. All undergraduate and graduate programs of study are available to reciprocity students. Professional programs may or may not be included in the agreements.²

The state of Minnesota has had a limited reciprocity agreement between Iowa Lakes Community College and Minnesota West Community and Technical College since 1979. Periodically, the Minnesota Office of Higher Education has asked the Iowa Board of Regents to consider expanding tuition reciprocity to include all public institutions in Minnesota and Iowa. The Iowa Board of Regents has not been interested in establishing state-wide tuition reciprocity with Minnesota.³

Statutory Authority and Responsibility for Tuition Reciprocity

Minnesota Statutes 136A.08 Subd.2 authorizes the Minnesota Office of Higher Education to enter into tuition reciprocity agreements in consultation with the Commissioner of Minnesota Management and Budget and each affected Minnesota public postsecondary governing board. Tuition reciprocity agreements are not valid until approved by the University of Minnesota Board of Regents and the Minnesota State Colleges and Universities’ Board of Trustees as provided for in 2013 Minnesota Statutes 136A.08, Subd. 6.

- The agreements are ongoing and reviewed annually by the Minnesota Office of Higher Education.
- The agreements exist as long as the participating jurisdictions deem them to be beneficial.

² Minnesota’s statewide tuition reciprocity agreement with Wisconsin does not include Wisconsin technical colleges. Wisconsin technical colleges are operated at the local rather than the state level. Minnesota residents can attend Wisconsin technical colleges and pay the Wisconsin technical college Wisconsin resident tuition rate.

³ For further information see: Erin Jordan and Lisa Ross: *Colleges look to ‘steal’ students from outside to further growth*, Des Moines Register, September 7, 2006, Frank Santiago: *Out-of-state colleges lure few*, Des Moines Register, February 8, 2001, and *In-state tuition, out of state*, Chicago Tribune, November 19, 2007. A Minnesota resident is to be considered as an Iowa resident when applying for admission to Iowa Lakes Community College. A resident of the Iowa Lakes Community College attendance district is to be considered as a Minnesota resident when applying to Minnesota West Community and Technical College. Reciprocity students attending the participating institutions pay the resident tuition rate at the institution attended.

Statutory Purpose of Tuition Reciprocity

The purpose of tuition reciprocity is, as specified in Minnesota Statutes 136A.08 Subd. 2, for “. . . the mutual improvement of educational advantages for residents of this state and others states or provinces with whom agreements are made.”

Operationalizing the Statutory Purpose of Tuition Reciprocity

The mutual improvement of educational advantages for Minnesota residents and other states or provinces with whom agreements are made has been administratively operationalized by

- removing undergraduate and graduate non-resident public postsecondary institution admissions barriers, and,
- removing undergraduate and graduate non-resident public postsecondary institution tuition barriers.

State of Minnesota residents may attend public postsecondary education institutions in neighboring jurisdictions at a tuition rate they would pay at a comparable home state institution. Under the agreements, a Minnesota resident is to be considered for admission like a Wisconsin, North Dakota, South Dakota or Manitoba resident when applying to eligible public postsecondary institutions in those jurisdictions. Similarly, residents of those jurisdictions are considered as residents of Minnesota when applying for admission to eligible Minnesota public postsecondary education institutions.⁴

Administering Tuition Reciprocity

Staff of the Minnesota Office of Higher Education administers Minnesota’s tuition reciprocity agreements in consultation with staff of the Minnesota State Colleges and Universities, the University of Minnesota, the Minnesota Governor’s Office and the Minnesota Legislature. In addition, staff of the Minnesota Office of Higher Education works with staff at comparable agencies in jurisdictions with which Minnesota has a tuition reciprocity agreement.

Tuition reciprocity agreement language is broad.

- Details regarding reciprocity tuition rates and program operations are contained in annual administrative memoranda.
- Annual administrative memoranda documents are signed by the executive directors of higher education boards or agencies in each state before the start of the academic year and disseminated to public postsecondary education campuses.

Students apply for reciprocity through the higher education agency in their state of residence, although Minnesota’s agreements with the states of South Dakota and North Dakota allow some Minnesota residents to be approved for reciprocity on the campus they attend. After students are approved for

⁴ Removal of nonresident admissions barriers and nonresident tuition barriers, along with interstate payments, differentiates Minnesota’s state-wide tuition reciprocity agreements from student exchange programs, such as the Midwest Higher Education Compact’s Student Exchange Program, that sell excess capacity in a limited number of programs and public institutions at a discounted price.

reciprocity, each state's higher education agency generates a file of approved resident students for campuses in the neighboring reciprocity state so that student tuition and fee bills can be adjusted to reflect the appropriate reciprocity tuition rate. At the end of each term, each state agency collects term enrollment data for resident students from campuses in the neighboring state. The data are used in interstate reciprocity payment calculations, where applicable, at the end of each academic year.

Tuition Reciprocity Participation

More than 45,000 students from Minnesota, Wisconsin, North Dakota, South Dakota, Iowa and Manitoba participated in tuition reciprocity in fall 2012.⁵

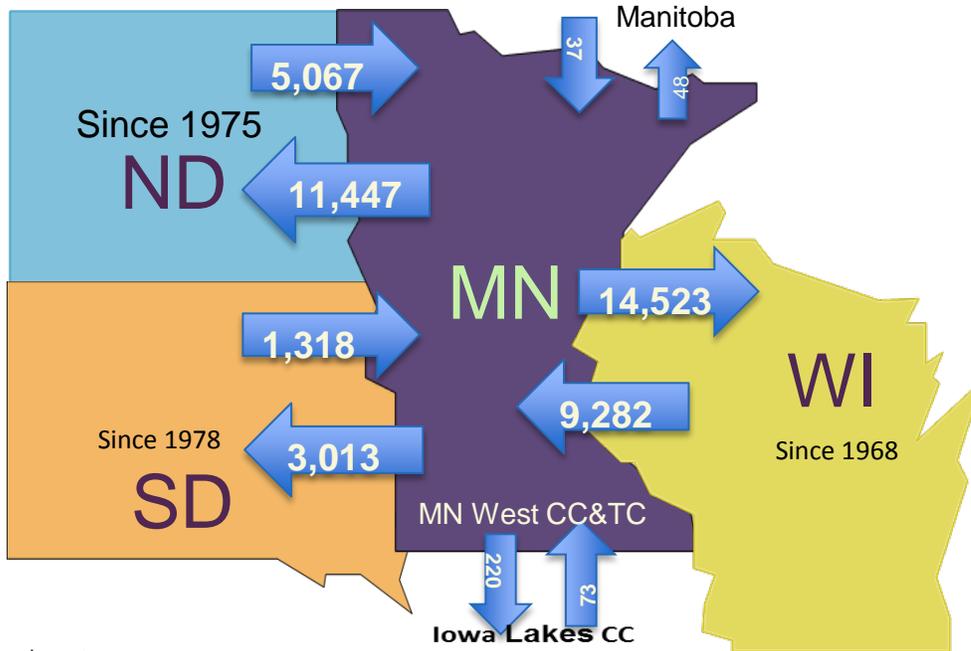
- Over 29,250 Minnesota resident reciprocity students enrolled in public postsecondary education reciprocity institutions in Wisconsin, North Dakota, South Dakota, Iowa and Manitoba.
- Roughly 15,800 reciprocity student residents of Wisconsin, North Dakota, South Dakota, Iowa and Manitoba enrolled in Minnesota public postsecondary education institutions.
- Nearly 95 percent of reciprocity students were undergraduates, the remaining 5 percent were graduate and/or professional students.

Minnesota's tuition reciprocity agreements with Manitoba and Iowa Lakes Community College enroll relatively few students each year. In fall 2012, 220 Minnesota resident reciprocity students were enrolled in the five campuses of Iowa Lakes Community College and 73 Iowa resident reciprocity students were enrolled in the five campuses of Minnesota West Community and Technical College. In fall 2012, 48 Minnesota resident reciprocity students were enrolled in Manitoba public postsecondary education institutions and 37 Manitoba resident reciprocity students were enrolled in Minnesota public postsecondary education institutions.

Over 99 percent of reciprocity students were enrolled under Minnesota's agreements with Wisconsin, North Dakota and South Dakota. Fall 2012 headcount enrollments under those agreements are shown on Figure 1.

⁵ See Attachment A for complete fall 2012 and historical tuition reciprocity enrollment data.

Figure 1: Minnesota-Wisconsin-North Dakota-South Dakota Tuition Reciprocity Fall 2012 Headcount Enrollment

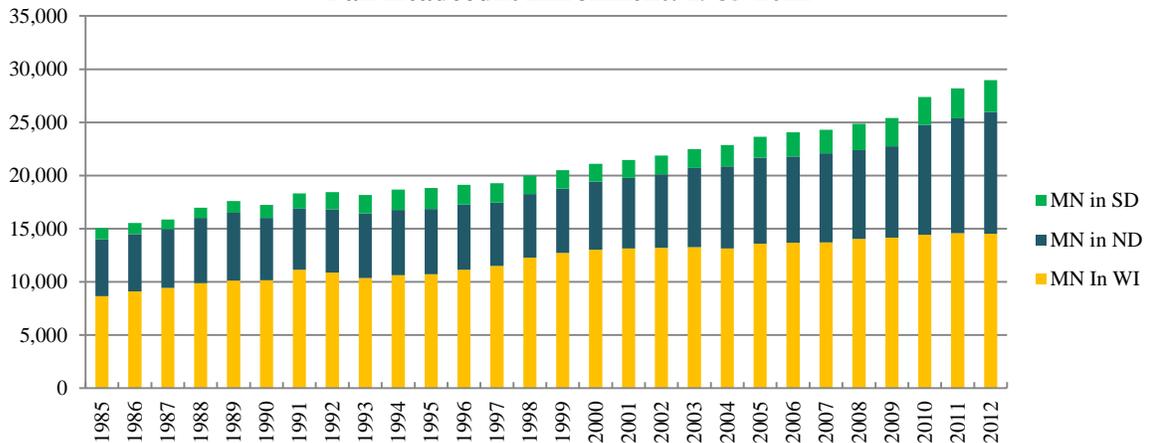


Fall 2012 Headcounts
Source: Minnesota Office of Higher Education

Tuition reciprocity fall headcount enrollments, from fall 1985 to fall 2012, in Minnesota's agreements with Wisconsin, North Dakota and South Dakota are shown in the following figures.

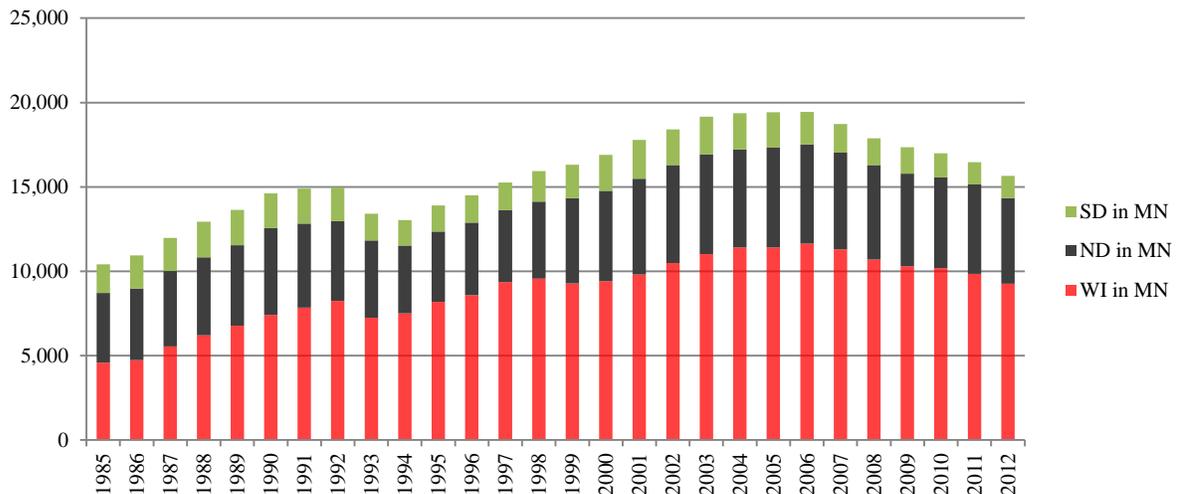
Minnesota residents have increasingly participated in tuition reciprocity from fall 1985 to fall 2012, as shown in Figure 2.

Figure 2: Minnesota Reciprocity Students Attending in Reciprocity States Fall Headcount Enrollment: 1985-2012



Reciprocity participation by residents of Wisconsin, North Dakota and South Dakota has varied from year-to-year; increasing between fall 1985 and 1992 and again from 1994 to 2006, but incrementally decreasing since, as shown in Figure 3.

**Figure 3: Reciprocity State Students Attending in Minnesota
Fall Headcount Enrollment: 1985-2012**



Tuition Reciprocity Enrollment Patterns

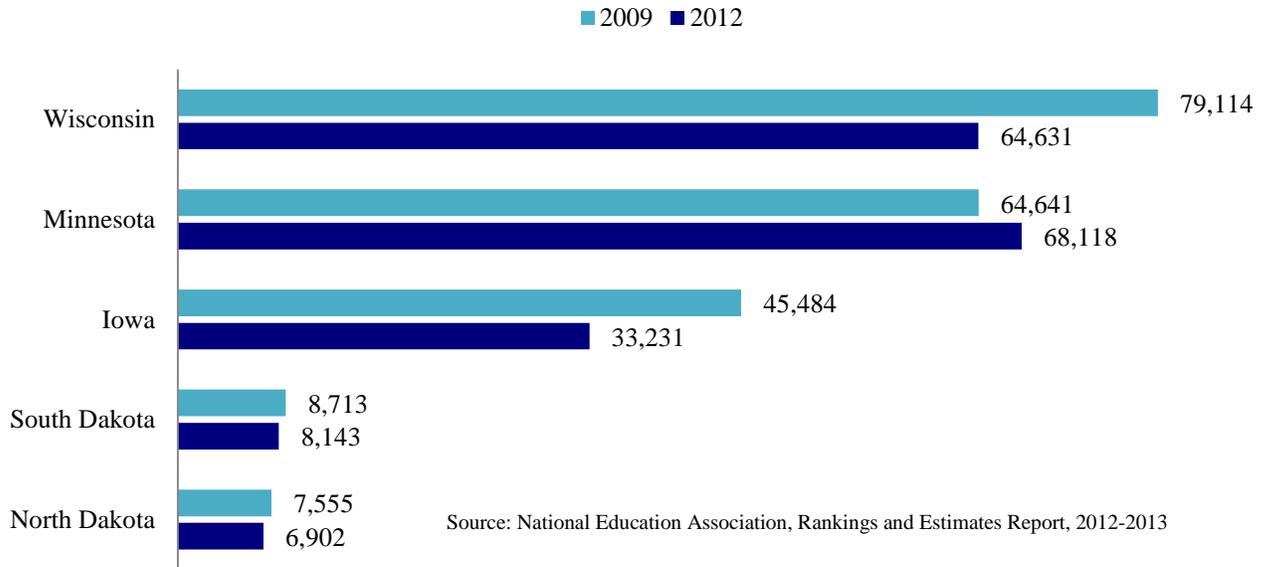
Tuition reciprocity enrollment patterns are a reflection of the following factors:

- The number of high school graduates in each participating state.
- The distribution of the population in the Upper Midwest.
- The proximity of public four-year reciprocity institutions to population centers and state borders.

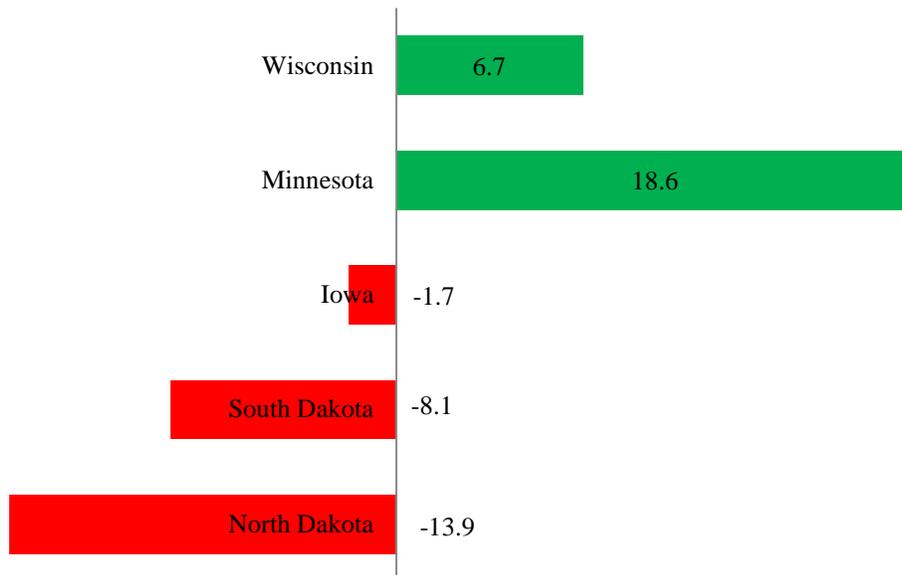
High School Graduates: The states of Wisconsin and Minnesota have had the most high school graduates among the reciprocity states. Figures 4a and 4b show numbers of high school graduates in each of the reciprocity states for 2009 and 2012 and the percent change in the number of high school graduates between 2000 and 2012.⁶ The data highlights the fact that reciprocity states face declining total numbers of high school graduates, likely due to demographic changes, with implications for college enrollments and increased competition for college students.

⁶ National Education Association, Rankings and Estimates Report, 2012-2013, [http://www.nea.org/assets/img/content/NEA_Rankings_And_Estimates-2013_\(2\).pdf](http://www.nea.org/assets/img/content/NEA_Rankings_And_Estimates-2013_(2).pdf)

**Figure 4a: Number of High School Graduates in Reciprocity States
2009 and 2012**



**Figure 4b: Percentage Change in Number of High School Graduates,
2001–02 to 2011–12**

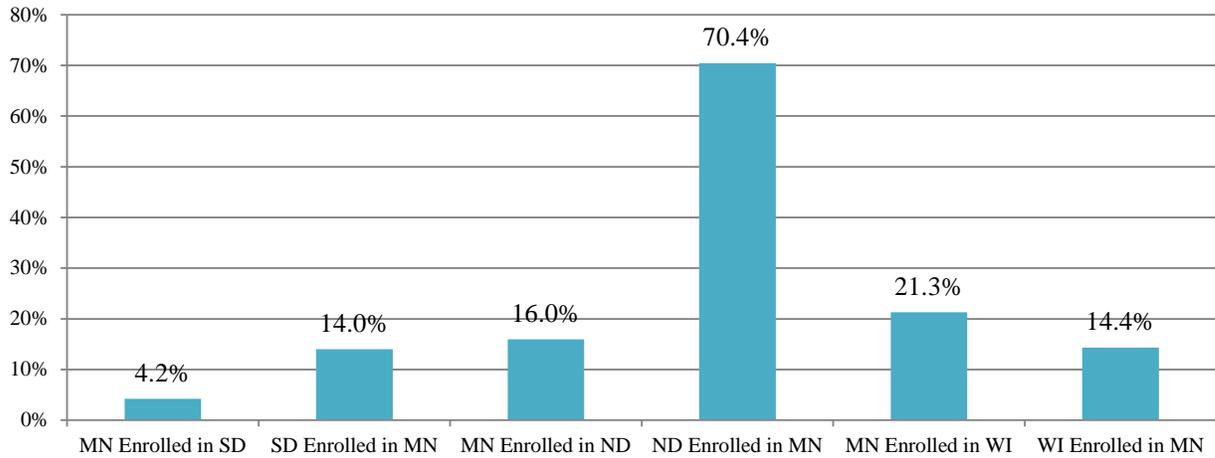


Source: National Education Association, Rankings and Estimates Report, 2012-2013

More Minnesota and Wisconsin residents participated in tuition reciprocity than residents of South and North Dakota. Nevertheless, given South Dakota and North Dakota’s lower high school graduation numbers, South and North Dakota residents participated in reciprocity proportionately more than

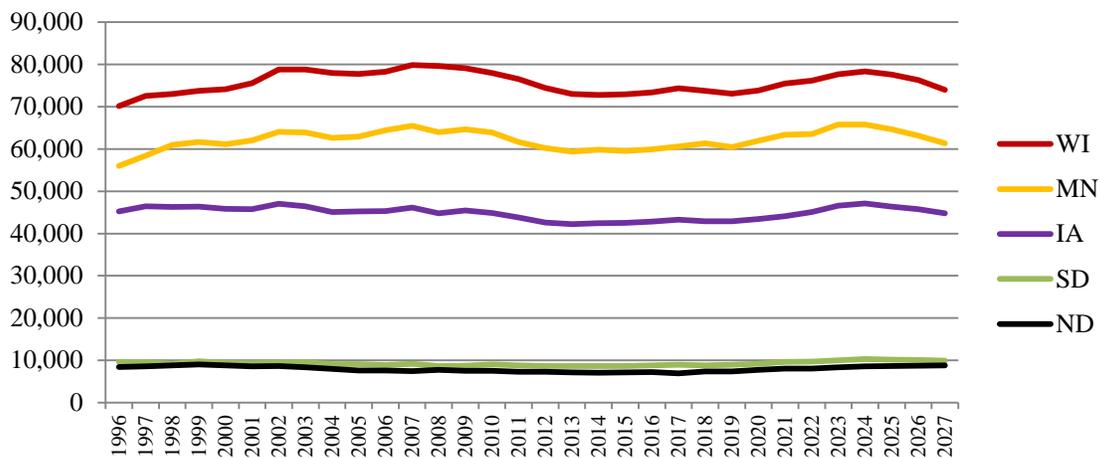
Wisconsin residents and North Dakota residents participated in reciprocity proportionately more than Minnesota residents, as shown on Figure 5.

Figure 5: Fall 2012 Reciprocity Headcount Enrollment as a Percent of 2012 High School Graduates: Minnesota, North Dakota, South Dakota and Wisconsin



Western Interstate Commission for Higher Education projections of high school graduates by state show the numbers of high school graduates are projected to slightly decrease in the reciprocity states after 2009, pick up in a decade, but trail off again in about 2024. The relative ranking among the reciprocity states is projected to remain the same, however, as shown in Figure 6.⁷

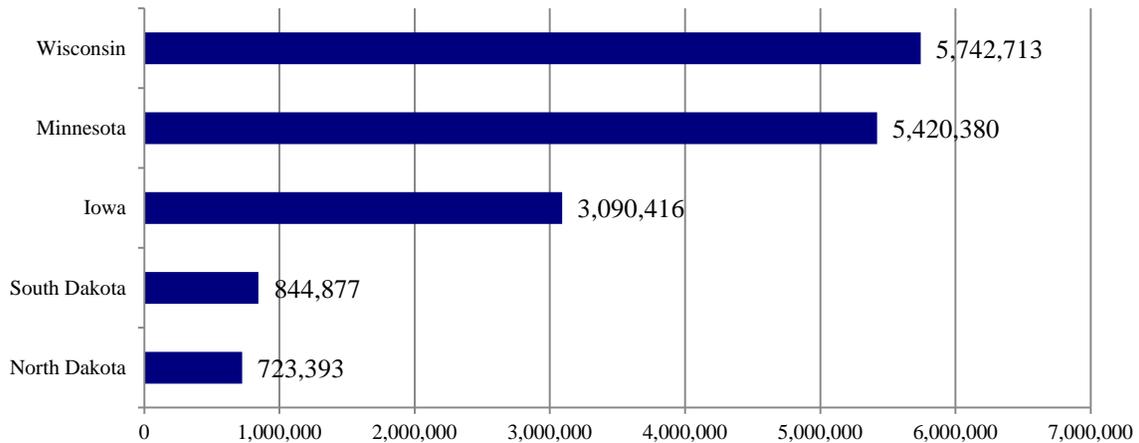
Figure 6: High School Graduates, Reciprocity States: 1996-2009 Actual, 2010-2027 Projected



⁷ Western Interstate Commission for Higher Education, *Knocking at the College Door, Projections of High School Graduates*, October 2013 (<http://www.wiche.edu/knocking-8th>).

State Population: As with high school graduates, the states of Wisconsin and Minnesota have the most residents and South and North Dakota the fewest among the Upper Midwest states. United States Census 2013 population estimates for the reciprocity states are shown in Figure 7.

**Figure 7: State Population, Reciprocity States
2013 U. S. Census Estimates**



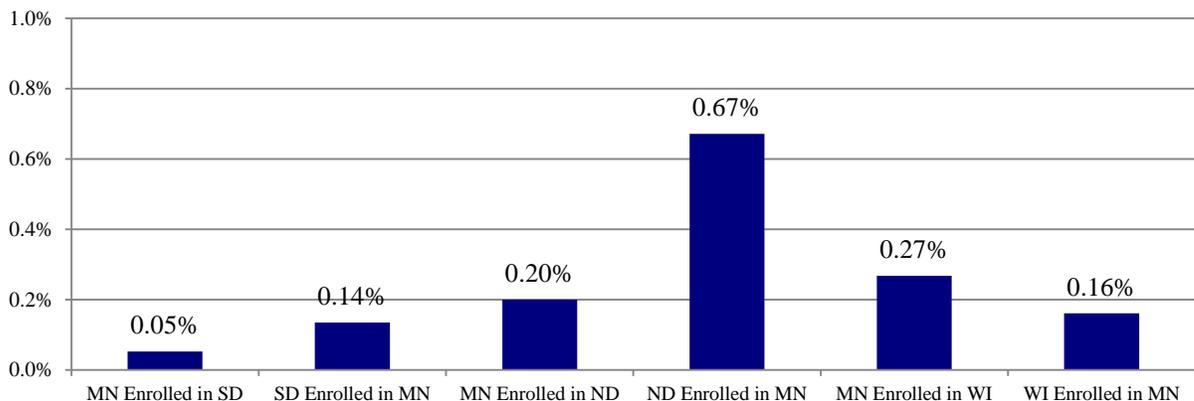
Significant numbers of South and North Dakota residents attended public postsecondary education institutions in Minnesota, given the disparities in state high school graduates and state populations.

Relative to each state’s population, proportionately more South and North Dakota resident reciprocity students attended in Minnesota than Minnesota resident reciprocity students attended in South and North Dakota, even though more Minnesotans attended in South and North Dakota than South and North Dakotans attended in Minnesota.

Proportionately more Minnesota reciprocity students attended in Wisconsin than Wisconsin reciprocity student attended in Minnesota, but the difference was less than in the case of Minnesota and the Dakotas.

Fall 2012 reciprocity headcount enrollment as a percent of the population of the states of Minnesota, South Dakota, North Dakota and Wisconsin is shown in Figure 8.

**Figure 8: Fall 2012 Reciprocity Headcount Enrollment As a Percent of 2013
State Population: Minnesota, South Dakota, North Dakota and Wisconsin**



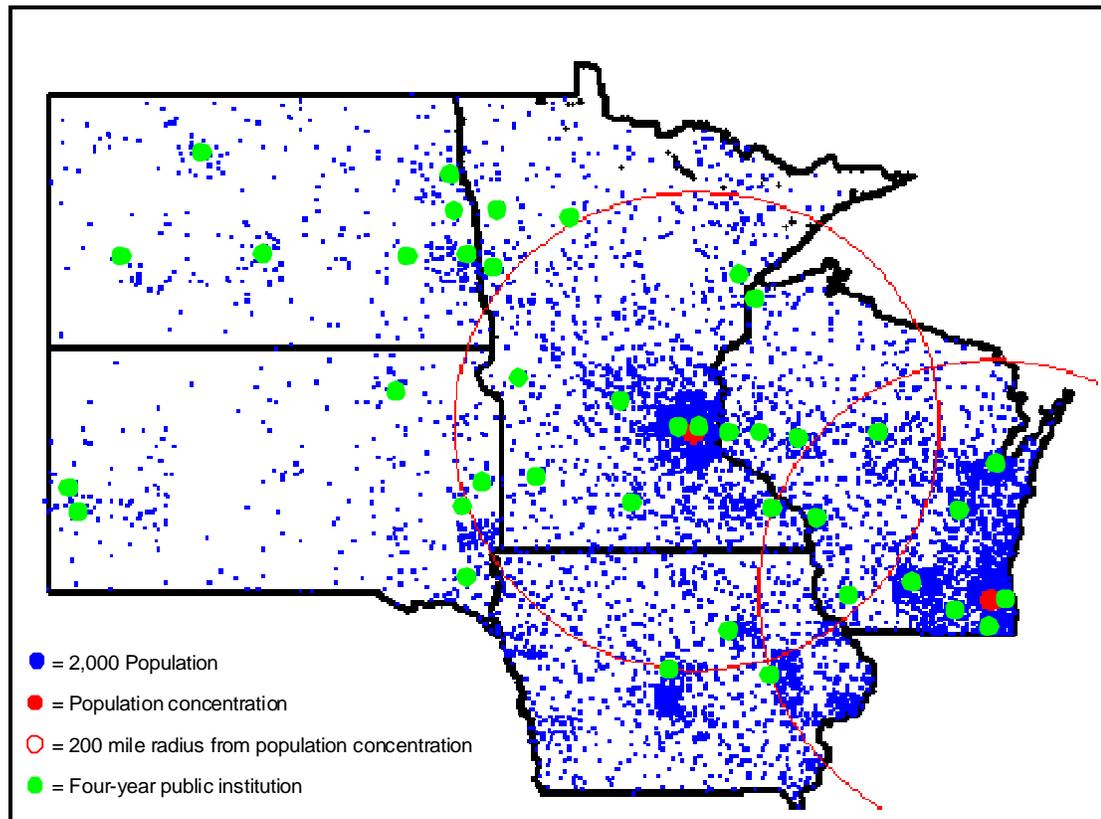
The next section of this paper describes the proximity of public four-year institutions to state population centers and state borders to help in further understanding tuition reciprocity enrollment patterns.

Proximity of Public Four-Year Reciprocity Institutions to State Population Centers and State Borders: In addition to state high school graduates and state populations, tuition reciprocity enrollment patterns reflect the proximity of public four-year postsecondary education institutions to state population centers and state borders.

Figure 9 shows the Upper Midwest population and the location of four-year public postsecondary institutions. Each blue dot in Figure 9 represents 2,000 people.

- There are two large population centers in the reciprocity states, the Twin Cities metropolitan area in Minnesota and the Milwaukee metropolitan area in Southeast Wisconsin, identified by the two red dots in Figure 9.
- Four-year reciprocity institutions, the green dots in Figure 9, attracting the largest number of reciprocity students are located roughly within or near a 200 mile radius, the red circle in Figure 9, of the Upper Midwest population centers and are generally concentrated along state borders.

Figure 9: Upper Midwest States: Population and Public Four-Year Institutions



Most Minnesota resident reciprocity students have enrolled at North Dakota State University-Fargo, the University of North Dakota-Grand Forks, South Dakota State University-Brookings and the following

University of Wisconsin campuses: Madison, River Falls, Stout, Eau Claire, LaCrosse and Superior, all within a four to six hour drive of the Twin Cities.

The University of Minnesota-Twin Cities and Winona State University on Minnesota's border with Wisconsin have enrolled the most Wisconsin resident reciprocity students.

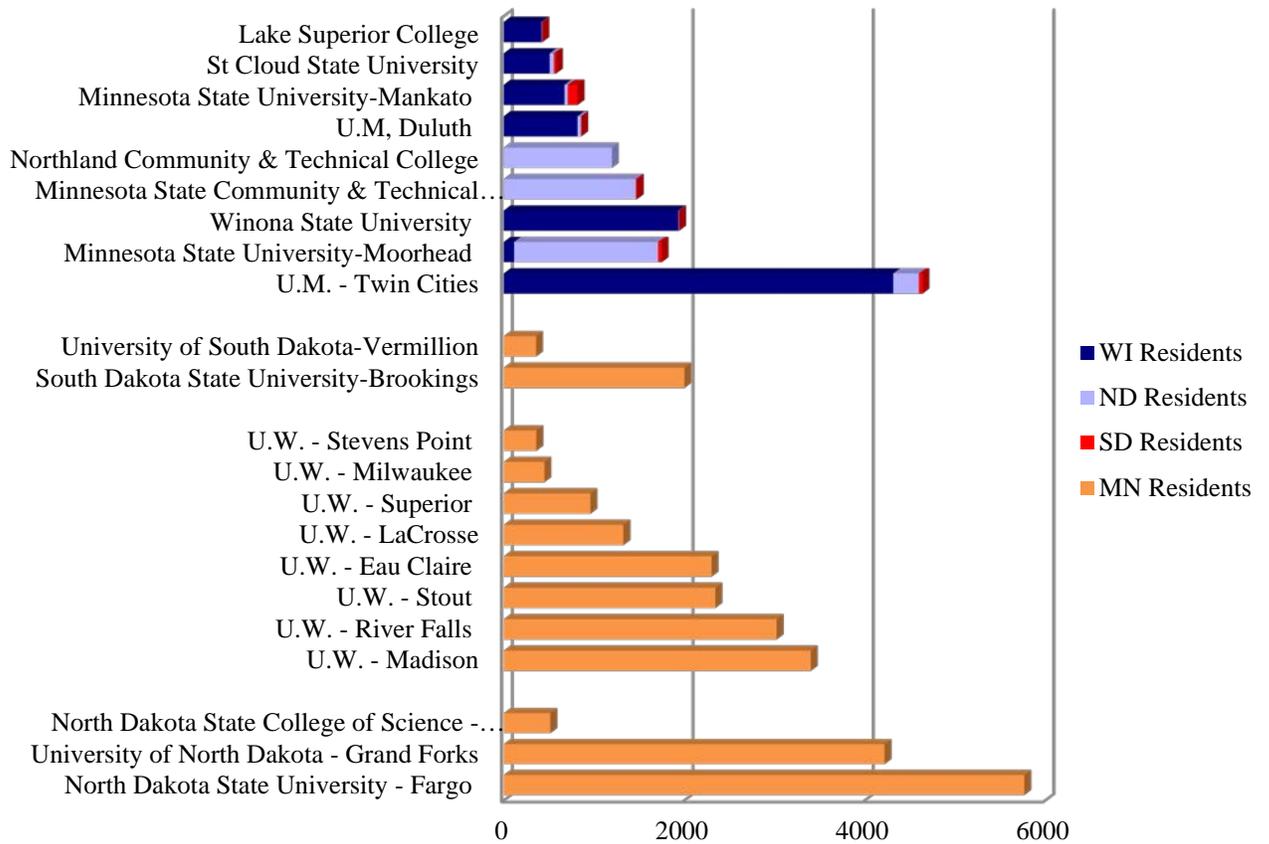
The distance from Wisconsin's population center, Milwaukee, to Minnesota has been cited as one possible reason why traditionally fewer Wisconsin resident reciprocity students have enrolled in Minnesota than Minnesota resident reciprocity students have enrolled in Wisconsin. This has led to speculation that the proximity of University of Wisconsin campuses of River Falls, Stout and Eau Claire to Minnesota's population center in the Twin Cities has resulted in more Minnesota resident reciprocity students enrolling in Wisconsin public postsecondary education institutions.

Three Minnesota public postsecondary institutions near Minnesota's border with North Dakota have enrolled the most North Dakota resident reciprocity students: Minnesota State University-Moorhead, Minnesota State Community and Technical College and Northland Community and Technical College. Minnesota's two-year campuses in northwest Minnesota have filled a need for two-year technical education historically lacking in North Dakota.

Most tuition reciprocity students have enrolled in institutions at or near Minnesota's border.

- Ninety public postsecondary education institutions are available to potential reciprocity students in Minnesota, Wisconsin, North Dakota, South Dakota, Iowa and Manitoba.
- Over 90 percent of fall 2012 reciprocity students were concentrated in 17 reciprocity institutions with most located near the borders of Minnesota, Wisconsin, North Dakota and South Dakota, as shown on Figure 10.
- Less than 10 percent of fall 2011 reciprocity students were enrolled over an additional 56 public postsecondary education institutions.

**Figure 10: Reciprocity Students Usually Attend Institutions Close to State Borders - Selection of Institutions with Large Numbers of Reciprocity Students
Fall 2012**



The University of Wisconsin-Madison enrolled a significant number of Minnesota resident reciprocity students and is not near the border with Minnesota, but is between a four and five hour drive from the Twin Cities.

Financing Tuition Reciprocity

Today, students shoulder primary responsibility for paying for Minnesota's tuition reciprocity agreements through the tuition they pay.

According to 2013 Minnesota Statutes 136A.08, Subd. 3 and 4, Minnesota's reciprocity agreements may include provision for interstate tuition reciprocity payments according to a formula mutually acceptable to the participating jurisdictions. If the agreements include such a provision, the statute specifies recognizing the tuition rates paid by reciprocity students and the number of reciprocity students enrolled in the payment calculations.

Minnesota's tuition reciprocity agreements with the states of Wisconsin and North Dakota include an interstate tuition reciprocity payment. The payment is a cost-based formula accounting for

- reciprocity student paid tuition and
- reciprocity student enrollments.

In the formula, a reciprocity student and the general fund of a reciprocity student's state of residence are responsible for the marginal instructional costs associated with educating a reciprocity student. The approach assumes each state has existing instructional costs of educating their own residents and adding additional non-residents will only marginally increase the cost of instruction at a rate less than full instructional cost.

- Marginal instructional costs are defined as what it costs to add one student to an existing classroom of students.
- Marginal instructional costs are set at 64 percent of the per-student instructional costs within Minnesota's tuition reciprocity agreements.

First, a reciprocity student pays a portion of the marginal instructional cost of his or her education through tuition. Second, the remaining marginal instructional costs are the responsibility of the general fund of a reciprocity student's state of residence, as shown in the following formula.

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

Student-paid tuition is subtracted from the marginal instructional costs associated with educating reciprocity students and reduces Minnesota's tuition reciprocity general fund costs. All else being equal, increasing the tuition paid per student decreases a state's general fund obligation for tuition reciprocity. Conversely, decreasing the tuition paid per student increases a state's general fund obligation. Minnesota's tuition reciprocity agreements with Wisconsin and North Dakota are interstate marginal instructional cost agreements. Students, through tuition payments, reduce each participating state's marginal instructional costs.⁸

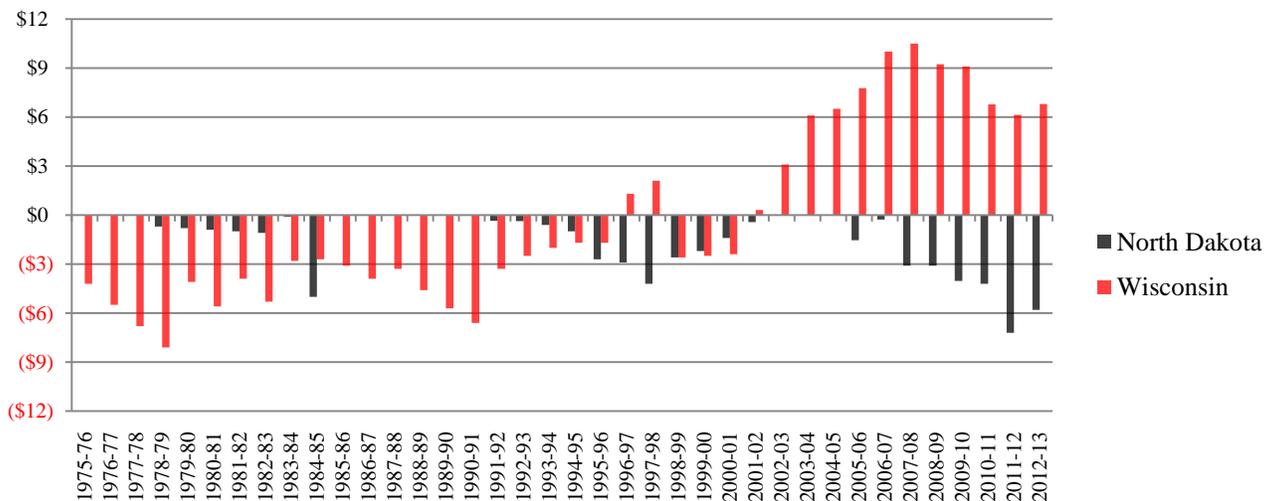
⁸ Calling Minnesota's agreements tuition reciprocity agreements rather than marginal instructional cost agreements is more palatable, albeit somewhat misleading and occasionally confusing to the public who may expect a student to pay the resident public postsecondary tuition rate at the institution the student attends in a reciprocity state.

Minnesota’s tuition reciprocity agreements and interstate payments reflect the relationship among state appropriations to public postsecondary governing boards, board allocation practices among instruction and non-instruction, and state and board tuition policies and rate-setting practices in each of the participating jurisdictions.

Minnesota’s general fund tuition reciprocity interstate payments to and from the states of Wisconsin and North Dakota, from 1975-76 through 2012-2013, are shown on Figure 11.

- Negative numbers represent interstate tuition payments made from Minnesota’s general fund to the general funds of Wisconsin (red bar) and North Dakota (black bar).
- Positive numbers represent interstate tuition reciprocity payments made by the general funds of Wisconsin (red bar) and North Dakota (black bar) to Minnesota’s general fund.

Figure 11: Interstate Tuition Reciprocity Payment History, 1975-76 to 2011-12
 Negative \$ = Cost to MN General Fund
 Positive \$ = Payment to MN General Fund (\$millions)



Minnesota-Wisconsin Tuition Reciprocity Interstate Payment: In the Minnesota-Wisconsin tuition reciprocity agreement, the interstate payment formula is applied annually by each state to the other state’s reciprocity students by level of instruction and associated marginal instructional costs on a per credit basis. The state with the larger state general fund obligation makes a payment to the other state calculated as the difference between the two state general fund obligations. Table 2 summarizes the most recent Minnesota-Wisconsin tuition reciprocity interstate payment and shows the \$6.8 million payment, the difference between (\$17.5) million and (\$24.3) million, from the state of Wisconsin to the state of Minnesota general fund based on academic year 2012-2013.

Table 2

Minnesota-Wisconsin Tuition Reciprocity

Interstate Payment: Academic Year 2012-2013 (\$ millions)

Payment Variable	WI Obligation to MN	MN Obligation to WI
Marginal Instructional Costs	\$72.3	\$93.3
- Student Paid Tuition	\$90.1	\$117.8
= Remainder	(\$17.8)	(\$24.5)

Difference = \$6.7 million WI Payment to MN General Fund

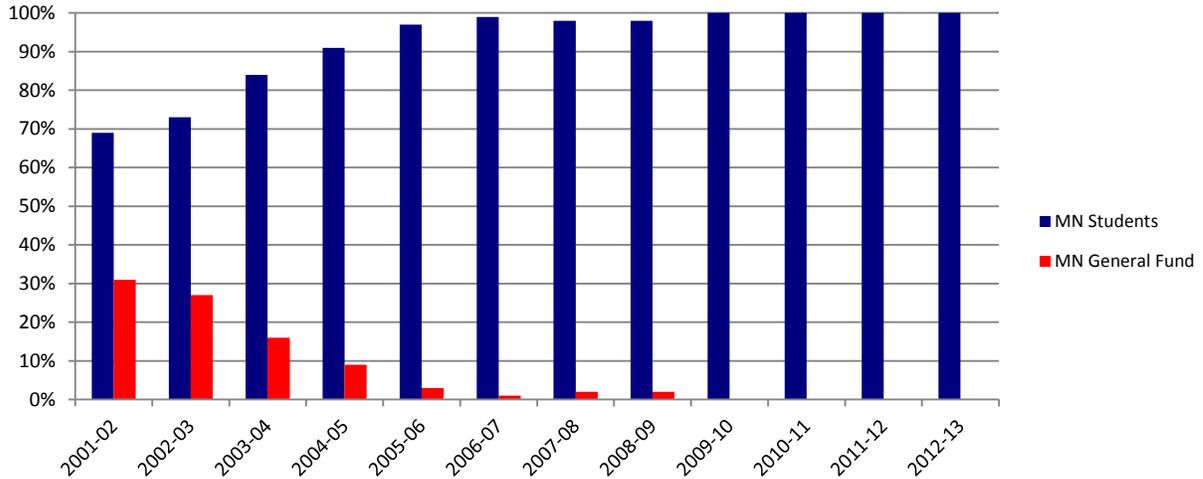
In addition to the \$6.7 million paid to Minnesota’s general fund, Wisconsin paid the University of Minnesota and the Minnesota State Colleges and Universities \$2.9 million in tuition supplement for academic year 2012-2013. This supplement was used by Wisconsin as a student financial aid tool to reduce the higher Minnesota resident undergraduate tuition rate charged to Wisconsin reciprocity students to a rate charged by a comparable Wisconsin public postsecondary institution. The state of Wisconsin and the state of Minnesota, along with the University of Minnesota and Minnesota State Colleges and Universities, have agreed to eliminate the tuition supplement payment after the 2014-15 academic year.

For additional detail on the Minnesota-Wisconsin 2012-13 interstate tuition reciprocity payment see Attachment B.

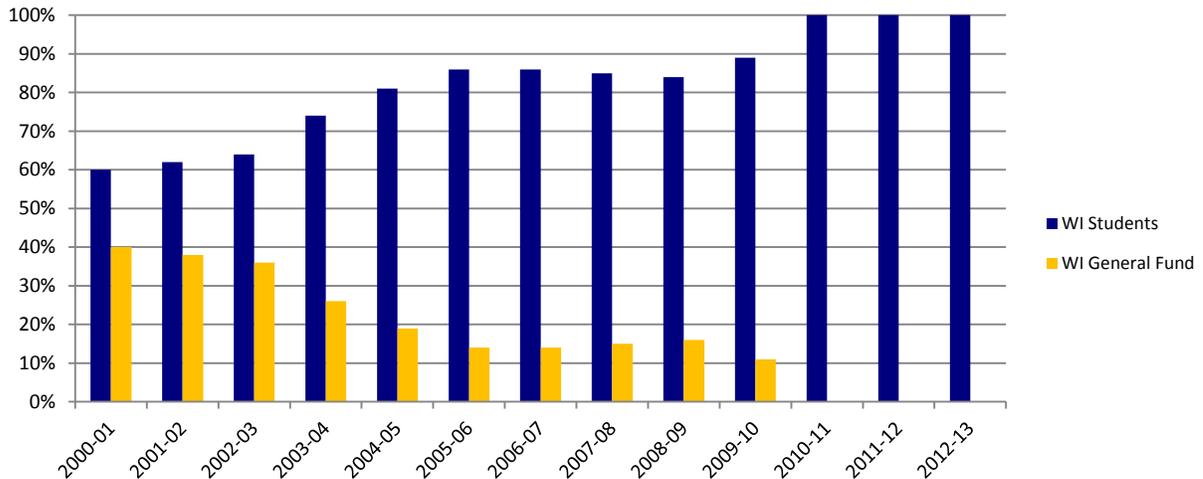
The tuition paid by Minnesota resident and Wisconsin resident reciprocity students exceeded their marginal instructional costs in academic year 2012-2013. Wisconsin’s payment to Minnesota’s general fund represented the difference in the amount of student tuition paid in excess of marginal instructional costs. Recent changes to the Minnesota-Wisconsin tuition reciprocity agreement, moving to the higher of the two state tuition rates at comparable institutions, will likely reduce future Wisconsin’s payments to Minnesota’s general fund, all else being equal.

Student paid tuition in the Minnesota-Wisconsin tuition reciprocity agreement has been increasing faster than marginal instructional costs. As such, responsibility for marginal instructional costs in the Minnesota-Wisconsin tuition reciprocity agreement has incrementally shifted from the state of Minnesota and the state of Wisconsin general funds to reciprocity students. In academic year 2012-2013 Minnesota and Wisconsin resident reciprocity students covered their marginal instructional costs with tuition, as shown in Figure 12 and Figure 13. The blue bar in each figure represents the student tuition share of marginal instructional costs. The red bar represents each state’s general fund share of marginal instructional costs. As shown, students paid for all of their marginal instructional costs with tuition in the Minnesota-Wisconsin tuition reciprocity agreement in academic year 2012-2013.

**Figure 12: Minnesota-Wisconsin Tuition Reciprocity
MN Students and MN General Fund Share of Marginal Instructional Costs**



**Figure 13: Minnesota-Wisconsin Tuition Reciprocity
WI Students and WI General Fund Share of Marginal Instructional Costs**



Minnesota-North Dakota Tuition Reciprocity Interstate Payment: The Minnesota-North Dakota tuition reciprocity agreement uses a marginal cost formula based on the state educating the greater number of students, defined as GAP FTE Students in the payment formula. Historically, more Minnesota residents have enrolled in North Dakota public postsecondary education institutions than North Dakota residents have enrolled in Minnesota public institutions and the state of Minnesota has made a reciprocity payment to the state of North Dakota.⁹

⁹ For a description of North Dakota’s success in attracting out-of-state residents to North Dakota public postsecondary education institutions see: Kevin Helliker. *Frigid North Dakota Is a Hot Draw For Out-of-State College Students*, Wall Street Journal, July 16, 2011 (<http://online.wsj.com/article/SB10001424052702304231204576406042109860376.html>).

In academic year 2012-2013, 6,393 more Minnesota resident full-time-equivalent (FTE) reciprocity students were enrolled in North Dakota public postsecondary education institutions than North Dakota resident full-time-equivalent reciprocity students enrolled in Minnesota public institutions. The Minnesota-North Dakota tuition reciprocity payment formula for academic year 2012-2013, showing the state of Minnesota’s \$5.8 million obligation to the state of North Dakota is shown in Table 3. A final “Student Payment” offset in the Minnesota-North Dakota payment formula further reduces the “Gross State Obligation” to arrive at the state of Minnesota’s share of marginal costs, “Net State Obligation.”¹⁰

Table 3

Minnesota-North Dakota Tuition Reciprocity

Interstate Payment: 2012-2013

	Operational Expenditure per FTE	\$12,595
	<u>Marginal Expenditure Rate</u>	<u>0.64</u>
x	Marginal Expenditure per FTE	\$8,061
=	<u>Resident Tuition Rate (NDSU/UND)</u>	<u>\$6,037</u>
-	Remaining Marginal Expenditures per FTE	\$2,024
=	<u>GAP FTE Students</u>	<u>6,393</u>
x	Gross State Obligation	\$12,936,511
-	<u>Student Payment</u>	<u>\$7,175,003</u>
=	Net State Obligation	\$5,761,508

Source: Minnesota Office of Higher Education

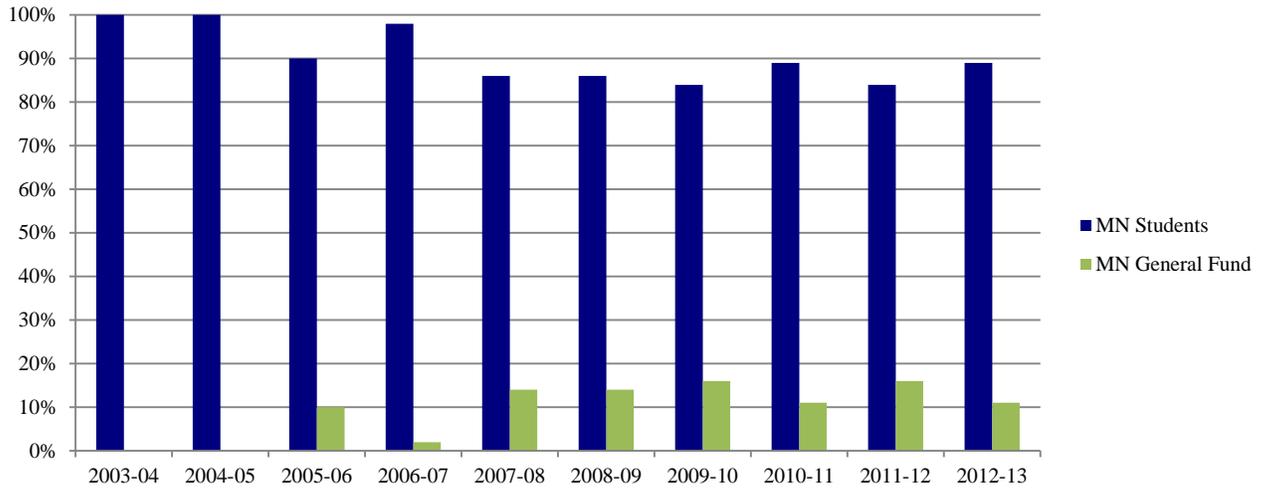
In the Minnesota-North Dakota tuition reciprocity agreement, North Dakota public postsecondary education operational expenditures and resident tuition rates have been increasing at a rate faster than the increase in Minnesota public postsecondary education tuition rates, thereby lowering the difference between the North Dakota resident tuition rates and the comparable Minnesota tuition rates that determine the “Student Payment” in the interstate payment calculation.¹¹ As such, the Minnesota resident reciprocity student share of marginal expenditures in the Minnesota-North Dakota agreement has varied.

In addition, Minnesota residents have increasingly chosen to attend in North Dakota resulting in upward pressure on Minnesota’s tuition reciprocity net state financial obligation to North Dakota, as shown on Figure 14.

¹⁰ See Appendix A of this report for the history and rationale for the student tuition payment offset in the Minnesota-North Dakota tuition reciprocity agreement.

¹¹ The “Student Payment” in the Minnesota-North Dakota calculation is defined as the difference between the resident undergraduate tuition rate at NDSU/UND and the comparable Minnesota resident undergraduate rate times the number of Minnesota resident FTE enrolled in North Dakota public postsecondary institutions.

**Figure 14: Minnesota-North Dakota Tuition Reciprocity
MN Students and MN General Fund Share of Marginal Instructional Costs**



Additional detail on the Minnesota-North Dakota tuition reciprocity interstate payment calculation is in Attachment D.

Tuition Reciprocity: Tuition Rate Setting

With students shouldering primary responsibility for financing tuition reciprocity through tuition, how are reciprocity tuition rates set? Tuition rates used in Minnesota’s tuition reciprocity agreements are the tuition rates set by each state’s appropriate governing board. In nearly all cases, undergraduate, graduate and professional reciprocity students pay the higher of the two state resident tuition rates charged at comparable institutions.¹²

For example, a state of Minnesota resident undergraduate student attending the University of Wisconsin-Madison pays the resident undergraduate tuition he or she would pay at the University of Minnesota-Twin Cities. Minnesota’s public postsecondary education tuition rates are generally higher than the tuition rates at comparable institutions in the neighboring reciprocity states. This means Minnesota resident reciprocity students attending public postsecondary institutions in the states of Wisconsin, North Dakota and South Dakota pay the higher Minnesota tuition rate charged at a comparable Minnesota institution. Conversely, this means Wisconsin, North Dakota and South Dakota resident reciprocity students attending Minnesota public postsecondary education institutions pay the higher Minnesota tuition rate at the institution attended.

Minnesota’s tuition reciprocity agreements balance student, public postsecondary institution and taxpayer interests and are linked to a series of tuition rate implementation objectives.

¹² Reciprocity students in the Minnesota-Manitoba and the limited Minnesota-Iowa agreements pay the resident tuition at the institution attended. One remaining class of Wisconsin resident undergraduate students admitted prior to the 2008-2009 academic year pay a lower Wisconsin resident undergraduate tuition rate based on the rate at a comparable Wisconsin institution in 2012-2013. This practice was phased out after the 2011-2012 academic year. Other Wisconsin resident undergraduates at the University of Minnesota and MnSCU pay the higher Minnesota undergraduate tuition rate.

- Minnesota’s tuition reciprocity agreements aim to avoid incentives or disincentives for Minnesota resident students to leave their state of residence based on the tuition rates used in the agreements.
- Minnesota’s tuition reciprocity agreements aim to expand market opportunities for Minnesota residents 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 Minnesota’s general fund costs of educating a Minnesota resident at a reciprocity state institution to an amount similar to or less than Minnesota’s general fund cost of educating a Minnesota resident at a comparable Minnesota institution.

Tuition rates used in Minnesota’s tuition reciprocity agreements reflect agreement among the participating states and their public postsecondary education systems. Reciprocity tuition rate-setting practices have not remained static. Since the inception of statewide tuition reciprocity in the 1960s, the following reciprocity tuition rate setting practices have been used:

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

Each approach to setting reciprocity tuition rates has advantages and disadvantages. Each approach uses resident tuition rates set by state public system governing boards as the starting point. Alterations to the resident tuition rate starting point, such as surcharges, have been initiated by state public system governing boards. The three tuition-setting approaches, with their advantages and disadvantages, are described in the following section.

1) Students charged the resident tuition rate at the institution attended: This approach has the advantage for institutions of collecting tuition revenue from a reciprocity student just as if the reciprocity student were a resident of the state of the enrolling the institution. It also has the advantage of being readily understood by students and their families and benefits students from the higher price state attending in the lower priced state.

Conversely, this 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 a price incentive to attend lower priced Wisconsin institutions. Similarly, Wisconsin residents would have a disincentive to attend higher priced Minnesota institutions. In addition, were this approach to be used in the Minnesota-Wisconsin agreement, it would likely result in Minnesota’s general fund paying a larger share of marginal instructional costs for Minnesota residents attending in Wisconsin than for some Minnesota residents attending in Minnesota.

Tuition rates in Minnesota’s agreements with Manitoba and Iowa Lakes Community College are based on charging students 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 because Minnesota public institutions located near the North Dakota border viewed the surcharge as a barrier to successfully recruiting North Dakota residents.

2) Students charged the resident tuition rate at a comparable institution in the student's state of residence: The second approach to setting 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. 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. In the Minnesota-Wisconsin agreement, when this tuition rate setting approach was used, payments from Wisconsin to Minnesota resulting from the tuition reciprocity payment calculation were made to the Minnesota general fund and not to the Minnesota public postsecondary system collecting less revenue from a Wisconsin resident compared to a Minnesota resident.

The practice of charging students the resident tuition at a comparable institution in the student's state of residence 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 modified 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 Wisconsin's general fund obligation. Nevertheless, undergraduate students were charged the resident tuition rate at a comparable institution in the student's state of residence at all other public institutions in the Minnesota-Wisconsin tuition reciprocity agreement through 2007-2008.

3) Students charged the higher of the two-state resident tuition rates at comparable institutions: The third approach to setting reciprocity tuition rates has advantages 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 revenue at the same rate from reciprocity and resident students. Students charged the higher of the two-state resident tuition rates at comparable institutions results in price disincentives for students wanting to leave their state of residence, if their state of residence has lower resident tuition rates.

The higher of the two-state resident tuition rates at comparable institutions is current practice in Minnesota's reciprocity agreements with North Dakota and South Dakota, for all students, and with Wisconsin, for graduate and professional students and undergraduates admitted during or after the 2008-2009 academic year. After the 2011-2012 academic year, all Wisconsin undergraduate reciprocity students attending in Minnesota will be charged the higher of the two state undergraduate tuition rates.

Wisconsin Reciprocity Supplement: Minnesota resident tuition rates are currently higher than Wisconsin resident tuition rates for all campuses except the University of Wisconsin Centers, where

resident tuition rates are higher than the comparable Minnesota community college resident tuition rates. Wisconsin residents enrolling in all other Minnesota public institutions in 2008-2009 and after are charged the higher of the two state tuition rates at comparable Minnesota and Wisconsin institutions. All else being equal, the practice starting in 2008-2009 will reduce Wisconsin's general fund obligation to Minnesota and increase the tuition revenue collected by Minnesota four-year public institutions from Wisconsin undergraduate tuition reciprocity students.¹³

While Wisconsin resident students first enrolling in higher priced Minnesota institutions in 2008-2009 were charged the higher of the two state resident tuition rates at comparable institutions, payment of the higher Minnesota tuition rate has been divided between:

- the Wisconsin resident student paying the higher Minnesota tuition rate, and
- the Wisconsin Higher Education Aids Board, with a Wisconsin reciprocity supplement discounting the higher Minnesota rate charged the Wisconsin resident to the difference between the lower resident tuition rate at a comparable Wisconsin institution and the higher resident tuition rate at a comparable Minnesota institution.

Wisconsin's reciprocity supplement was established in conformity with Minnesota Statutes 136A.08 and Wisconsin Statutes Chapter 39.

Wisconsin's reciprocity supplement has been paid directly to the Minnesota public system enrolling the Wisconsin resident. The supplement has prevented Wisconsin residents from having to pay higher tuition to enroll at Minnesota institutions with a higher resident tuition rate. It also removed the problem of a Minnesota public institution collecting less revenue from enrolling a Wisconsin resident. The state of Wisconsin and the state of Minnesota, along with the University of Minnesota and Minnesota State Colleges and Universities, have agreed to eliminate the tuition supplement payment after the 2014-2015 academic year.

The tuition rate changes to the Minnesota-Wisconsin tuition reciprocity agreement, beginning in 2008-2009, should not result in changes for Minnesota residents attending in Wisconsin, as long as Minnesota resident tuition rates remain higher than the Wisconsin resident tuition rates at comparable Minnesota and Wisconsin institutions. Minnesotans attending in Wisconsin would be charged the higher Minnesota tuition rate.

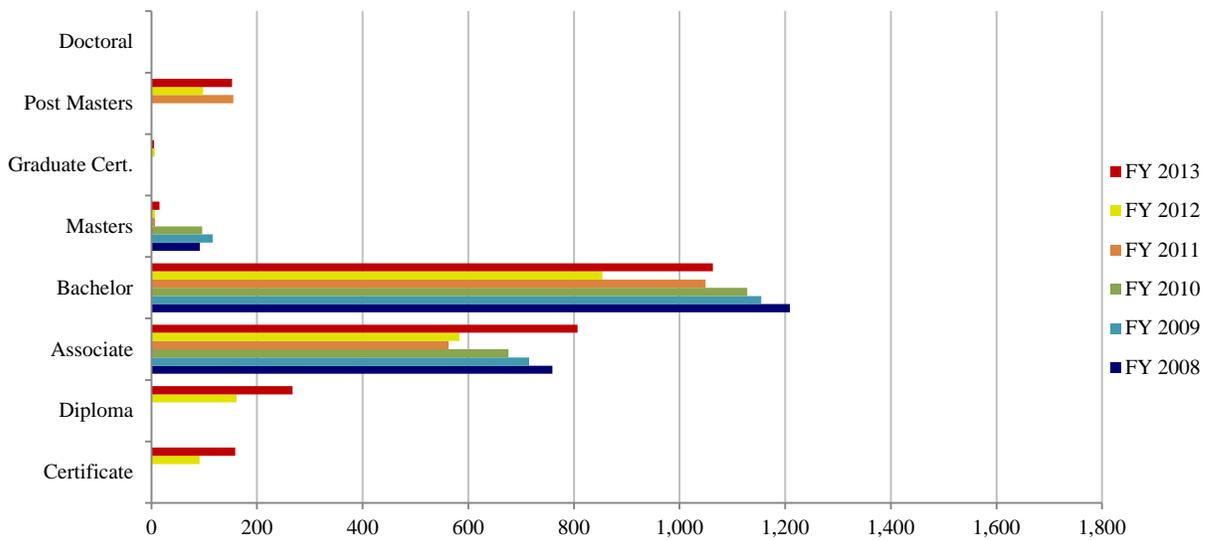
In summary, the state of Minnesota and the neighboring reciprocity jurisdictions have experimented with different tuition rate structures over the past 40 years. Reciprocity students alternatively have been charged the resident tuition rate at the institution attended the resident tuition rate at a comparable institution in the student's state of residence or the higher of the two state resident tuition rates at comparable institutions. In addition, the reciprocity jurisdictions have experimented with adding tuition surcharges to each rate setting approach. In the end, the higher of the two state resident tuition rates at comparable institutions without a tuition surcharge has emerged as the most acceptable approach. See Attachment C for academic year 2014-15 resident, reciprocity and non-resident tuition rates in the reciprocity states.

¹³ Consistent with the finding of the Minnesota 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).

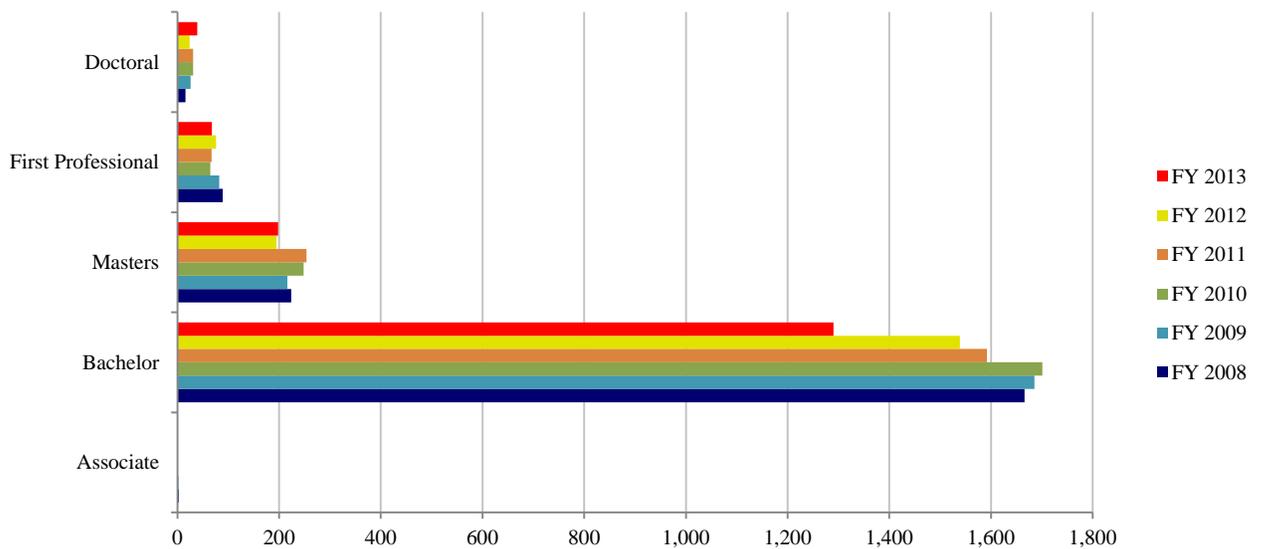
Tuition Reciprocity Graduates

Over 4,100 tuition reciprocity students enrolled in Minnesota public postsecondary education institutions earned certificates, diplomas or degrees in Fiscal year 2013. Fifty eight percent of all degrees earned were at the undergraduate level. There has been an increase of reciprocity student graduates in 2013 after continued modest decreases in the number of degrees earned by tuition reciprocity students enrolled at Minnesota State Colleges and Universities for the five previous years. However, the downward trend continued at the University of Minnesota. Figure 15 shows numbers of graduates for Minnesota State Colleges and Universities, and Figure 16, for the University of Minnesota. Tuition reciprocity graduate data for 2013 are in Attachment D.

**Figure 15: Minnesota State Colleges and Universities
Tuition Reciprocity Student Graduates**



**Figure 16: University of Minnesota
Tuition Reciprocity Student Graduates**



Tuition Reciprocity Outcomes

The statutory purpose of tuition reciprocity is the mutual improvement of educational advantage for the residents of Minnesota and other states or provinces with which agreements are made. The purpose of tuition reciprocity has remained the same since Minnesota first entered into a tuition reciprocity agreement with Wisconsin in 1969.¹⁴

Persistent growth in tuition reciprocity enrollment among Minnesotans demonstrates they have found tuition reciprocity to be to their educational advantage.

Incidental to the statutory purpose of tuition reciprocity, research and census data suggest Minnesota's tuition reciprocity agreements have been beneficial for the state, as well.

In Fiscal Year 2013, for example, Minnesota State Colleges and Universities awarded 2,469 certificates, diplomas, and degrees, and the University of Minnesota awarded 1,643 degrees and certificates to reciprocity students.

University of Minnesota researchers asked the question: "How many reciprocity students remain in Minnesota after graduation?" Using University of Minnesota Alumni Association data, Peter Zetterberg and John Kellogg found the following.¹⁵

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.

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. Data from the October 2000 Newsletter led Zetterberg and Kellogg to 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

¹⁴ Minnesota Statutes 136A.08, Subd 2.

¹⁵ Peter Zetterberg and John Kellogg, *How Many Reciprocity Student Remain in Minnesota After Graduation?* University of Minnesota Office of Institutional Research, October 2002, 1.

*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 states who earn their degrees in Minnesota remain in Minnesota.*¹⁶

Zetterberg and Kellogg concluded Minnesota clearly benefits in very significant ways from the state's reciprocity agreements.

Confirming this earlier finding, a recent study by the Federal Reserve Bank of Boston investigated the issue of retaining recent graduates by states where they received their degrees, focusing, in particular, on New England. They analyzed data for the classes of 1993, 2000, and 2008. The supplement data for all states shows that Minnesota does a good job over time at retaining recent graduates within the state, even as other reciprocity state have until recently generally not fared as well¹⁷. Table 4 compares Minnesota and reciprocity states with other states and Figure 17 compares reciprocity states over these years.

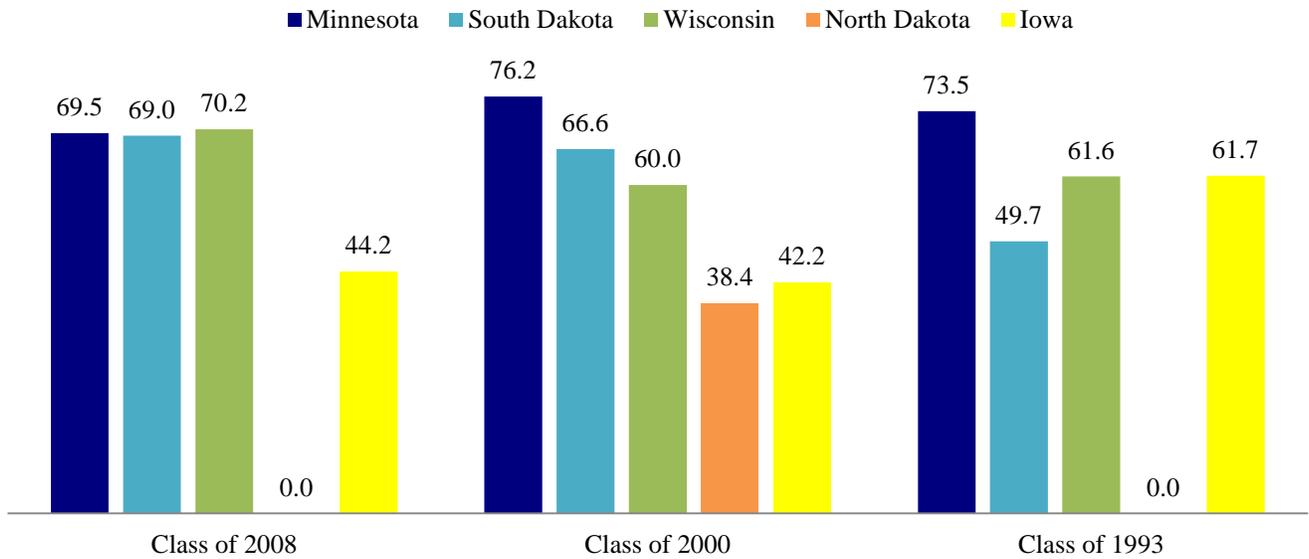
**Table 4. Tuition Reciprocity States - Retention of Recent Graduates Educated Within the State
Percent of Recent College Graduates Living in Same State as B.A. Institution One Year after Graduation**

State	Class of 2008	Class of 2000	Class of 1993	Rank (for 2000)
Minnesota	69.5	76.2	73.5	10
Reciprocity States				
South Dakota	69.0	66.6	49.7	22
Wisconsin	70.2	60.0	61.6	37
Iowa	44.2	42.2	61.7	42
North Dakota	N/A	38.4	N/A	43
US Average	69.4	69.2	72.1	
Other States				
Texas	86.8	86.7	87.3	2
California	87.3	84.4	86.9	3
Illinois	78.2	77.1	81.7	7
Washington	82.8	71.1	73.3	11
New York	76.4	70.7	71.2	12
North Carolina	66.7	69.7	69.5	14
Pennsylvania	67.6	63.4	67.0	29

¹⁶ Zetterberg and Kellogg, 2.

¹⁷ Alicia Sasser Modestino, *Retaining Recent College Graduates in New England: An Update on Current Trends* (please see data appendix for information on all states). Federal Reserve Bank of Boston, Policy Brief 13-2, May 2013

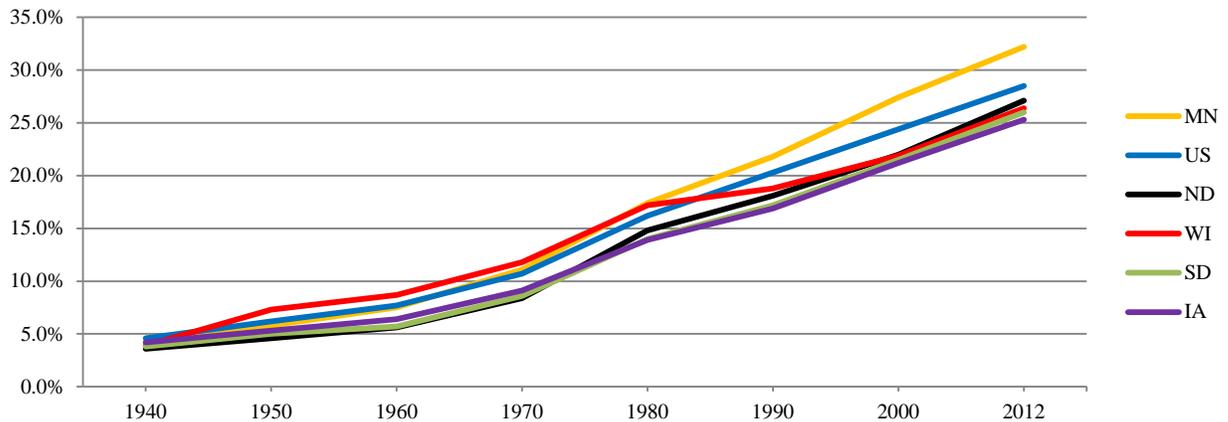
Figure 17: Recent Graduate Retention - Reciprocity States



In addition, recent United States Census Bureau human capital data corroborates Zetterberg and Kellogg’s findings.

- Minnesota has led the Upper Midwest in the percent of people 25 years and over who have completed a bachelor’s degree or higher.
- Minnesota was nearly four percentage points ahead of North Dakota, the Upper Midwest state nearest to Minnesota in the percent of people 25 years and over who have completed a bachelor’s degree or higher in 2012.
- Minnesota was over four percentage points above the national average in 2012.

Figure 18: Percent of Total Population 25 Years and Over With a Bachelor's Degree or Higher: Upper Midwest States & U.S. 1940 to 2012



Appendix A:

Minnesota-North Dakota Interstate Payment History

The current Minnesota-North Dakota payment calculation was agreed to in 1995 and implemented in academic year 1996-97. Prior to 1996-97, undergraduate and graduate students paid the resident tuition at the institution attended plus a 25 percent surcharge in the Minnesota-North Dakota tuition reciprocity agreement. 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 percent 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.¹⁸

This method of interstate payment was known as the “gap method” and was based on the difference in the number of students attending in one state versus the number attending in the other state.

Why were changes made to the Minnesota-North Dakota interstate payment calculation in 1995? Minnesota public postsecondary 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 interstate payment calculation. 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.

North Dakota University System representatives were 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 representatives indicated they would consider changes that, at a minimum, would preserve the revenue stream produced by the current practice of tuition with surcharges and the current method of interstate payment.

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 holding North Dakota harmless for the projected tuition reciprocity revenue stream under the pre-1995 agreement.

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. The agreement accomplished the following: it enabled the North Dakota University System to capture a portion, but not all, of the revenue from a 25 percent tuition surcharge over the resident tuition rate previously charged by North Dakota institutions. It also enabled Minnesota public institutions to collect as much in tuition revenue from North Dakota residents as from Minnesota residents, but without the surcharge.

¹⁸ Minnesota-North Dakota Tuition Reciprocity Agreement, 1990.

The two states built upon the existing payment method and initially agreed in 1995 if the number of Minnesota residents enrolled full-time in North Dakota public institutions was the same as the number of North Dakota residents enrolled full-time 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 full-time in North Dakota public institutions than North Dakota residents enrolled full-time in Minnesota, then Minnesota would owe North Dakota the marginal instructional costs minus student paid tuition for the 500 Minnesota residents enrolled full-time in North Dakota. The proposed payment calculation introduced the idea of basing the payment on 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.”¹⁹

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.²⁰ Projections of the revenue stream to North Dakota based on the new marginal instructional cost payment calculation resulted in more revenue to North Dakota than the revenue stream produced by having students pay the resident tuition rate plus a 25 percent surcharge plus the results of the non-marginal instructional cost payment calculation.

To preserve the revenue stream to North Dakota at roughly the amount prior to the 1995 agreement, the two states agreed to a larger student tuition offset than would have been necessary with a payment calculation based only on the marginal instructional costs of the gap number of students minus the tuition paid by the gap number of students. As such, the Minnesota-North Dakota tuition reciprocity interstate payment calculation understates Minnesota's obligation to North Dakota when compared to a marginal instructional cost calculation without an additional student payment subtraction.

¹⁹ Minnesota-North Dakota Tuition Reciprocity Agreement, 1990.

²⁰ There have been between 1.1 and 2.0 Minnesota residents enrolled in North Dakota public institutions for every 1.0 North Dakota residents 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, given the difference in Minnesota and North Dakota's population and high school graduates.

See also: Kevin Helliker. *Frigid North Dakota Is a Hot Draw For Out-of-State College Students*, Wall Street Journal, July 16, 2011 (<http://online.wsj.com/article/SB10001424052702304231204576406042109860376.html>).

For former Minnesota House Speaker Rod Searle's comments on an unsuccessful legislative effort in the 1960s to restructure Minnesota public postsecondary education similar to the most popular postsecondary education institutions selected by Minnesota resident reciprocity students in fall 2011, such as North Dakota State University-Fargo, see: Mark Fischenich, *A Life Remembered: Roy Schulz' legacy felt at every turn*, The Mankato Free Press, May 4, 2010 (<http://mankatofreepress.com/local/x1036628138/A-Life-Remembered-Roy-Schulz-legacy-felt-at-every-turn>).

Nevertheless, the 1995 agreement met Minnesota and North Dakota objectives 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 similar to the revenue stream produced by charging students 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. The Minnesota-North Dakota interstate payment calculation for the most recently available academic year is shown in Table 3 in the body of the report and Table B_3 in Attachment B.

Attachment A

Tuition Reciprocity Enrollments

Table A_1**Minnesota-Wisconsin Tuition Reciprocity****Headcount Enrollment: 1985 - 2012**

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	1.2
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
2005	13,595	11,418	1.2
2006	13,686	11,646	1.2
2007	13,726	11,308	1.2
2008	14,034	10,690	1.3
2009	14,152	10,310	1.4
2010	14,431	10,181	1.4
2011	14,590	9,848	1.5
2012	14,523	9,282	1.6

Source: Minnesota Office of Higher Education

Table A_2

Minnesota-Wisconsin Tuition Reciprocity

Headcount Enrollment: by Institution: Fall 2012

Minnesota Residents Attending in Wisconsin

Wisconsin Institutions	Headcount
U.W. - Madison	3,403
U.W. - River Falls	3,025
U.W. - Stout	2,346
U.W. - Eau Claire	2,304
U.W. - LaCrosse	1,327
U.W. - Superior	961
U.W. - Milwaukee	451
U.W. - Stevens Point	362
U.W. - Platteville	114
U.W. - Oshkosh	67
U.W. - Green Bay	64
U.W. - Whitewater	57
U. W. College System	29
U.W. - Parkside	13
Total	14,523

Source: Minnesota Office of Higher Education

Table A_3**Minnesota-Wisconsin Tuition Reciprocity****Headcount Enrollment: by Institution: Fall 2012**

Wisconsin Residents Attending in Minnesota	
Minnesota Institutions	Headcount
U.M. - Twin Cities	4,328
Winona State University	1,935
U.M, Duluth	820
Minnesota State University-Mankato	673
St Cloud State University	509
Lake Superior College	419
Century College	109
Minnesota State University-Moorhead	116
Metro State University	73
Bemidji State University	67
Vermilion Community College	54
U.M. - Crookston	52
Southwest Minnesota State University	24
Inver Hills Community College	15
Rochester Community & Technical College	15
Itasca Community College	14
U.M. - Morris	13
Rainy River Community College	9
Mesabi Range Community & Technical College	8
Fond du Lac Tribal & Community College	7
Hibbing Community College	6
Ridgewater College	5
Minneapolis Community & Technical College	3
Riverland Community College	3
Anoka-Ramsey Community College	2
Minnesota West Community & Technical College	1
Central Lakes College	1
Northland Community & Technical College	1
Total	9,282

Source: Minnesota Office of Higher Education

Table A_4**Minnesota-North Dakota Tuition Reciprocity****Headcount Enrollment: 1985 - 2012**

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
2005	8,089	5,931	1.4
2006	8,094	5,874	1.4
2007	8,361	5,721	1.5
2008	8,358	5,610	1.5
2009	8,609	5,492	1.6
2010	10,325	5,386	1.9
2011	10,790	5,295	2.0
2012	11,447	5,067	2.3

Source: Minnesota Office of Higher Education

Table A_5

Minnesota-North Dakota Tuition Reciprocity

Headcount Enrollment by Institution: Fall 2012

North Dakota Institutions	Headcount
Minnesota Residents Attending	
NDSU-Fargo	6000
UND-Grand Forks	4565
NDSCS-Wahpeton	517
Valley City State University	162
Mayville State University	100
Lake Region State College	28
Bismarck State College	27
Dickinson State University	17
Minot State University	16
Dakota College at Bottineau	9
UND-Williston	6
Total	11,447

Source: Minnesota Office of Higher Education

Table A_6**Minnesota-North Dakota Tuition Reciprocity****Headcount Enrollment by Institution: Fall 2012**

Minnesota Residents Attending North Dakota Institutions	Headcount
MN State University-Moorhead	1,716
MN State Cmty & Tech College	1,463
Northland Cmty & Tech College	1,198
University of MN-Twin Cities	349
University of MN-Crookston	81
Bemidji State University	53
St Cloud State University	55
MN State University-Mankato	45
University of MN-Duluth	43
Alexandria Technical College	17
St Cloud Technical College	6
Lake Superior College	6
Winona State University	5
Ridgewater College	5
NW Technical College-Bemidji	5
MN State College-SE Technical	4
MN West Cmty & Tech College	4
St Paul College	4
Southwest MN State University	3
Dakota County Technical College	2
Minneapolis Cmty & Tech College	1
Metro State University	1
Century College	1

Total 5,067

Source: Minnesota Office of Higher Education

Table A_7

Minnesota-South Dakota Tuition Reciprocity

Headcount Enrollment: 1985 - 2012

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	1.0
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
2005	1,954	2,074	0.9
2006	2,284	1,926	1.2
2007	2,224	1,707	1.3
2008	2,494	1,575	1.6
2009	2,662	1,552	1.7
2010	2,632	1,425	1.8
2011	2,823	1,315	2.1
2012	3,013	1,318	2.3

Source: Minnesota Office of Higher Education

Table A_8

Minnesota-South Dakota Tuition Reciprocity

Headcount Enrollment by Institution: Fall 2012

Minnesota Residents Attending in South Dakota

South Dakota Institution	Headcount
South Dakota State University - Brookings	2,080
University of South Dakota - Vermillion	411
South Dakota School of Mines & Technology	203
Northern State University	171
Dakota State University	116
Black Hills State University	32

Total 3,013

Source: Minnesota Office of Higher Education

Table A_9**Minnesota-South Dakota Tuition Reciprocity****Headcount Enrollment by Institution: Fall 2012**

South Dakota Residents Attending in Minnesota

Minnesota Institution	Headcount
University of MN-Twin Cities	392
MN State University-Mankato	315
MN State University-Moorhead	202
Southwest MN State University	192
St Cloud State University	91
MN West Cmty & Tech College	33
Winona State University	20
University of MN-Duluth	17
University of MN-Crookston	13
Bemidji State University	10
Metro State University	8
MN State Cmty & Tech College	6
Ridgewater College	4
Minneapolis Cmty & Tech College	3
Anoka-Ramsey Cmty College	2
University of MN-Morris	2
St Paul College	2
Inver Hills Community College	2
Vermilion Community College	1
Northland Cmty & Tech College	1
South Central College	1
Lake Superior College	1

Total 1,318

Source: Minnesota Office of Higher Education

Attachment B

Tuition Reciprocity Interstate Payments

Table B_1
Minnesota-Wisconsin Tuition Reciprocity
Academic Year 2012-2013

Minnesota's Obligation to Wisconsin

Institution/Type of Study	Number of Credits	Marginal Instructional Costs	Gross State Obligation	Student Tuition Paid	Net State Obligation
			\$56,180.36		
U.W. College System	662.00	\$198.87	\$345,013.98	\$410,759.31	-\$65,745.33
U.W. Comprehensive Undergraduate	285,556.1	\$261.41	\$35,785,577.48	\$42,223,508.81	-\$6,437,931.33
U.W.-Milwaukee Undergraduate	10,196.03	\$765.52	\$2,854,624.08	\$3,033,008.09	-\$178,384.01
U.W.-Madison Undergraduate	90,001.00	\$296.33	\$26,669,996.33	\$37,602,604.14	-\$10,932,607.81
U.W. Comprehensive Graduate	10,626.50	\$278.91	\$23,702,311.08	\$28,399,097.87	-\$4,696,786.79
U.W.-Milwaukee Graduate	1,533.00	\$665.84	\$1,020,732.72	\$1,015,796.31	\$4,936.41
U.W-Madison Graduate	3,729.00	\$765.52	\$2,854,624.08	\$3,033,008.09	-\$178,384.01
State of WI Obligation to MN	402,303.63		\$93,312,923.26	\$117,798,892.59	-\$24,485,969.33
Share of Gross State Obligation			100%	125%	-25%

Wisconsin's Obligation to Minnesota

Institution/Type of Study	Number of Credits	Marginal Instructional Costs	Gross State Obligation	Student Tuition Paid	Net State Obligation
MnSCU Two-Year	16,219.00	\$153.08	\$2,672,275.07	\$2,482,850.44	-\$189,432.28
MnSCU Four-Year & U.M. Crookston Undergraduate	97,048.00	\$198.87	\$22,122,090.49	\$19,299,935.76	-\$2,826,608.00
U.M-Duluth Undergraduate	22,045.00	\$216.25	\$4,767,231.25	\$8,501,828.07	-\$3,740,199.32
U.M.-Morris & Twin Cities Undergraduate	115,743.00	\$296.33	\$34,298,123.19	\$45,153,684.69	-\$11,029,489.87
MnSCU Graduate	2,474.00	\$345.61	\$855,039.14	\$859,492.41	-\$4,453.27
U.M-Duluth Graduate	2,053.00	\$665.84	\$1,366,636.60	\$1,403,027.95	-\$36,391.35
U.M.-Twin Cities Graduate	11,991.00	\$765.52	\$9,179,350.32	\$9,062,970.58	\$116,379.74
State of MN Obligation to WI	267,914		\$72,347,805.18	\$90,053,546.26	-\$17,705,741.08
Share of Gross State Obligation			100%	123%	-23%
Difference in Net State Totals = Wisconsin payment to Minnesota General Fund					\$6,780,228.00
Wisconsin Tuition Supplement Payment to the U.M. Board of Regents and the MnSCU Board of Trustees					\$2,815,787.00
Total Wisconsin Payment					\$9,596,015.00

Source: Minnesota Office of Higher Education

Table B_2

Minnesota-Wisconsin Tuition Reciprocity

Who Pays for Tuition Reciprocity?

Student and State Share of Marginal Instructional Costs

2000-01 to 2012-13

Academic Year	Minnesota		Wisconsin	
	Students	State	Students	State
2012-13	100%	0%	100%	0%
2011-12	100%	0%	100%	0%
2010-11	100%	0%	100%	0%
2009-10	100%	0%	89%	11%
2008-09	98%	2%	84%	16%
2007-08	98%	2%	85%	15%
2006-07	99%	1%	86%	14%
2005-06	97%	3%	86%	14%
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

Table B_3**Minnesota-North Dakota Tuition Reciprocity****Interstate Payment: Academic Year 2012-2013**

	Operational Expenditure per FTE	\$12,595
	Marginal Expenditure Rate	0.64
x	Marginal Expenditure per FTE	\$8,061
=	Resident Tuition Rate (NDSU/UND)	\$6,037
-	Remaining Marginal Expenditures per FTE	\$2,024
=	GAP FTE Students	6,393
x	Gross State Obligation	\$12,936,511
-	Student Payment	\$7,175,003
=	Net State Obligation	\$5,761,508

Source: Minnesota Office of Higher Education

Table B_4
Minnesota-North Dakota Tuition Reciprocity
Who Pays for Tuition Reciprocity?
Student and State Share of Marginal Instructional Costs
2003-04 - 2012-13

Academic Year	Minnesota	
	Students	State
2012-13	83%	17%
2011-12	84%	16%
2010-11	89%	11%
2009-10	84%	16%
2008-09	86%	14%
2007-08	86%	14%
2006-07	98%	2%
2005-06	90%	10%
2004-05	100%	0%
2003-04	100%	0%

Source: Minnesota Office of Higher Education

Table B_5
Interstate Reciprocity Payments,*
Academic Years 1975-76 - 2012-2013
(\$ Millions)

MN General Fund		
Year	North Dakota	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	(\$5.00)	(\$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
2005-06	(\$1.54)	\$7.77
2006-07	(\$0.28)	\$10.00
2007-08	(\$3.10)	\$10.50
2008-09	(\$3.10)	\$9.23
2009-10	(\$4.03)	\$9.10
2010-11	(\$4.20)	\$6.77
2011-12	(\$7.20)	\$6.13
2012-13	(\$5.76)	\$6.78

* Figures in brackets denote Minnesota's General Fund payments.
 Positive figures denote payments to Minnesota's General Fund.
 Source: Minnesota Office of Higher Education

Attachment C

Tuition Reciprocity Tuition Rates

Table C_1
Minnesota-Wisconsin Tuition Reciprocity
Wisconsin Tuition Rates 2013-2014*

Wisconsin Institution	Resident	Reciprocity	Non-Resident
University of WI - Baraboo/Sauk	\$5,159	\$5,159	\$12,143
University of WI - Barron/Rice Lake	\$5,361	\$5,361	\$12,345
University of WI - Eau Claire - Graduate	\$8,786	\$9,528	\$17,917
University of WI - Eau Claire - Undergraduate	\$8,709	\$8,709	\$16,282
University of WI - Fond du Lac	\$5,173	\$5,173	\$12,157
University of WI - Fox Valley	\$5,025	\$5,025	\$12,009
University of WI - Green Bay - Graduate	\$9,018	\$9,760	\$18,149
University of WI - Green Bay - Undergraduate	\$7,676	\$8,171	\$15,249
University of WI - LaCrosse - Graduate	\$8,790	\$9,392	\$17,921
University of WI - LaCrosse - Undergraduate	\$8,769	\$8,769	\$16,342
University of WI - Madison - Graduate	\$11,858	\$16,138	\$25,184
University of WI - Madison - Undergraduate	\$10,403	\$13,190	\$26,653
University of WI - Manitowoc	\$5,314	\$5,314	\$12,298
University of WI - Marathon	\$5,115	\$5,115	\$12,099
University of WI - Marinette	\$5,095	\$5,095	\$12,079
University of WI - Marshfield-Wood	\$5,374	\$5,374	\$12,358
University of WI - Milwaukee - Graduate	\$11,596	\$16,217	\$24,061
University of WI - Milwaukee - Undergraduate	\$9,300	\$12,929	\$19,029
University of WI - Oshkosh - Graduate	\$8,619	\$9,361	\$17,750
University of WI - Oshkosh - Undergraduate	\$7,401	\$7,772	\$14,974
University of WI - Parkside - Graduate	\$8,658	\$9,400	\$17,789
University of WI - Parkside - Undergraduate	\$7,316	\$7,811	\$14,889
University of WI - Platteville - Graduate	\$8,706	\$9,448	\$17,837
University of WI - Platteville - Undergraduate	\$7,484	\$7,859	\$15,057
University of WI - Richland	\$5,379	\$5,379	\$12,363
University of WI - River Falls - Graduate	\$8,789	\$9,531	\$17,920
University of WI - River Falls - Undergraduate	\$7,721	\$8,086	\$15,294
University of WI - Rock Cty	\$5,108	\$5,108	\$12,092
University of WI - Sheboygan	\$5,096	\$5,096	\$12,080
University of WI - Stevens Point - Graduate	\$8,749	\$9,491	\$17,880
University of WI - Stevens Point - Undergraduate	\$7,578	\$8,073	\$15,151
University of WI - Stout - Graduate	\$10,066	\$9,630	\$16,008
University of WI - Stout - Undergraduate	\$8,968	\$9,055	\$20,638
University of WI - Superior - Graduate	\$9,051	\$9,793	\$18,182
University of WI - Superior - Undergraduate	\$7,946	\$8,204	\$15,519
University of WI - Washington	\$5,094	\$5,094	\$12,078
University of WI - Waukesha Cty	\$5,092	\$5,092	\$12,076
University of WI - Whitewater - Graduate	\$8,546	\$9,288	\$17,677
University of WI - Whitewater - Undergraduate	\$7,578	\$7,852	\$15,151

* Resident and Reciprocity rates do not include fees per Minnesota-Wisconsin agreement
Source: Minnesota Office of Higher Education

Table C_2
Minnesota-Wisconsin Tuition Reciprocity
Minnesota Tuition Rates 2013-2014*

Minnesota Institution	Resident	Reciprocity	Non-Resident
Alexandria Technical & Community College	\$5,302	\$5,302	\$5,302
Anoka Technical College	\$5,567	\$5,567	\$5,567
Anoka-Ramsey Community College	\$5,005	\$5,005	\$5,005
Bemidji State University-Graduate	\$9,757	\$9,757	\$9,757
Bemidji State University-Undergraduate	\$8,123	\$8,123	\$8,123
Central Lakes College	\$5,393	\$5,393	\$5,393
Century College	\$5,360	\$5,360	\$5,360
Dakota County Technical College	\$5,693	\$5,693	\$5,693
Fond Du Lac Tribal & Community College	\$5,256	\$5,256	\$5,256
Hennepin Technical College	\$5,122	\$5,122	\$5,122
Hibbing Community College	\$5,308	\$5,329	\$6,490
Inver Hills Community College	\$5,272	\$5,272	\$5,272
Itasca Community College	\$5,307	\$5,328	\$6,489
Lake Superior College	\$4,937	\$5,269	\$9,354
Mesabi Range College	\$5,293	\$5,314	\$6,475
Metropolitan State University - Graduate	\$8,385	\$8,385	\$16,457
Metropolitan State University - Undergraduate	\$6,642	\$6,984	\$13,227
Minneapolis Community & Technical College	\$5,350	\$5,350	\$5,350
Minnesota State College - Southeast Technical	\$5,639	\$5,639	\$5,639
Minnesota State Community & Technical College	\$5,290	\$5,290	\$5,290
Minnesota State Univ - Mankato - Graduate	\$9,417	\$9,417	\$9,417
Minnesota State Univ - Mankato - Undergraduate	\$7,558	\$7,561	\$17,811
Minnesota State University Moorhead - Graduate	\$9,009	\$9,009	\$17,097
Minnesota State University Moorhead - Undergraduate	\$7,819	\$7,819	\$14,267
Minnesota West Community & Technical College	\$5,661	\$5,661	\$5,661
Normandale Community College	\$5,694	\$5,694	\$5,694
North Hennepin Community College	\$5,447	\$5,447	\$5,447
Northland Community & Technical College	\$5,517	\$5,517	\$5,517
Northwest Technical College - Bemidji	\$5,481	\$5,481	\$5,481
Pine Technical College	\$5,081	\$5,081	\$9,676
Rainy River Community College	\$4,729	\$4,750	\$6,505
Ridgewater College	\$5,390	\$5,390	\$5,390
Riverland Community and Technical College	\$5,510	\$5,510	\$5,510
Rochester Community & Technical College	\$5,623	\$5,623	\$5,623
South Central College	\$5,370	\$5,370	\$5,370
Southwest Minnesota State University - Graduate	\$9,704	\$9,704	\$9,704
Southwest Minnesota State University - Undergraduate	\$8,062	\$8,062	\$8,062
St. Cloud State University - Graduate	\$9,204	\$9,204	\$13,863
St. Cloud State University - Undergraduate	\$7,514	\$7,601	\$15,114
St. Cloud Technical and Community College	\$5,301	\$5,301	\$5,301
St Paul College	\$5,198	\$5,198	\$5,198

Table C_2 (continued)
Minnesota-Wisconsin Tuition Reciprocity
Minnesota Tuition Rates 2013-2014*

Minnesota Institution	Resident	Reciprocity	Non-Resident
University of Minnesota - Crookston	\$11,448	\$11,448	\$11,448
University of Minnesota - Duluth	\$12,787	\$12,787	\$16,452
University of Minnesota - Duluth - Graduate	\$16,075	\$16,075	\$24,057
University of Minnesota - Morris	\$12,583	\$12,583	\$12,583
University of Minnesota - Twin Cities	\$13,620	\$13,620	\$19,870
University of Minnesota - Twin Cities - Graduate	\$16,417	\$16,417	\$24,399
Vermilion Community College	\$5,323	\$5,344	\$6,505
Winona State University - Graduate	\$9,578	\$9,578	\$13,950
Winona State University - Undergraduate	\$8,736	\$8,736	\$14,227

* Resident and Reciprocity rates do not include fees per Minnesota-Wisconsin agreement

Source: Minnesota Office of Higher Education

Table C_3
Minnesota-North Dakota Tuition Reciprocity
North Dakota Tuition Rates 2013-2014*

North Dakota Schools	Resident	Reciprocity	Non-Resident
Bismarck State College - Undergraduate	\$4,173	\$4,585	\$9,904
Dakota College at Bottineau	\$4,020	\$4,407	\$5,631
Dickinson State University - Undergraduate	\$5,847	\$6,411	\$8,198
Lake Region State College	\$4,003	\$4,003	\$4,003
Mayville State University - Graduate	\$7,779	\$9,417	\$7,779
Mayville State University - Undergraduate	\$6,353	\$6,910	\$8,675
Minot State University - Graduate	\$7,642	\$7,642	\$7,642
Minot State University - Undergraduate	\$6,087	\$6,087	\$6,087
NDSCS-Wahpeton - Undergraduate	\$4,094	\$4,511	\$9,902
NDSU-Fargo - Graduate	\$8,000	\$9,835	\$19,349
NDSU-Fargo - Undergraduate	\$7,540	\$8,301	\$18,122
University of ND - Grand Forks - Graduate	\$7,975	\$9,764	\$19,039
University of ND - Grand Forks - Undergraduate	\$7,508	\$8,247	\$17,793
Valley City State University - Undergraduate	\$6,516	\$7,096	\$14,596
Williston State College	\$4,140	\$4,503	\$4,140

* Resident and Reciprocity rates do not include fees per Minnesota-North Dakota agreement

Source: Minnesota Office of Higher Education

Table C_4
Minnesota-North Dakota Tuition Reciprocity
Minnesota Tuition Rates 2013-2014*

Minnesota Institution	Resident	Reciprocity	Non-Resident
Alexandria Technical & Community College	\$5,302	\$5,302	\$5,302
Anoka Technical College	\$5,567	\$5,567	\$5,567
Anoka-Ramsey Community College	\$5,005	\$5,005	\$5,005
Bemidji State University-Graduate	\$9,757	\$9,757	\$9,757
Bemidji State University-Undergraduate	\$8,123	\$8,123	\$8,123
Central Lakes College	\$5,393	\$5,393	\$5,393
Century College	\$5,360	\$5,360	\$5,360
Dakota County Technical College	\$5,693	\$5,693	\$5,693
Fond Du Lac Tribal & Community College	\$5,256	\$5,256	\$5,256
Hennepin Technical College	\$5,122	\$5,122	\$5,122
Hibbing Community College	\$5,308	\$5,308	\$6,490
Inver Hills Community College	\$5,272	\$5,272	\$5,272
Itasca Community College	\$5,307	\$5,307	\$6,489
Lake Superior College	\$4,937	\$4,937	\$9,354
Mesabi Range College	\$5,293	\$5,293	\$5,293
Metropolitan State University - Graduate	\$8,385	\$8,385	\$16,457
Metropolitan State University - Undergraduate	\$6,642	\$6,642	\$13,227
Minneapolis Community & Technical College	\$5,350	\$5,350	\$5,350
Minnesota State College - Southeast Technical	\$5,639	\$5,639	\$5,639
Minnesota State Community & Technical College	\$5,290	\$5,290	\$5,290
Minnesota State Univ - Mankato - Graduate	\$9,417	\$9,417	\$9,417
Minnesota State Univ - Mankato - Undergraduate	\$7,558	\$7,558	\$17,811
Minnesota State University Moorhead - Graduate	\$9,009	\$9,009	\$17,097
Minnesota State University Moorhead - Undergraduate	\$7,819	\$7,819	\$14,267
Minnesota West Community & Technical College	\$5,661	\$5,661	\$5,661
Normandale Community College	\$5,694	\$5,694	\$5,694
North Hennepin Community College	\$5,447	\$5,447	\$5,447
Northland Community & Technical College	\$5,517	\$5,517	\$5,517
Northwest Technical College - Bemidji	\$5,481	\$5,481	\$5,481
Pine Technical College	\$5,081	\$5,081	\$9,676
Rainy River Community College	\$4,729	\$4,750	\$6,505
Ridgewater College	\$5,390	\$5,390	\$5,390
Riverland Community and Technical College	\$5,510	\$5,510	\$5,510
Rochester Community & Technical College	\$5,623	\$5,623	\$5,623
South Central College	\$5,370	\$5,370	\$5,370
Southwest Minnesota State University - Graduate	\$9,704	\$9,704	\$9,704
Southwest Minnesota State University - Undergraduate	\$8,062	\$8,062	\$8,062
St. Cloud State University - Graduate	\$9,204	\$9,204	\$13,863
St. Cloud State University - Undergraduate	\$7,514	\$7,514	\$15,114
St. Cloud Technical and Community College	\$5,301	\$5,301	\$5,301
St Paul College	\$5,198	\$5,198	\$5,198

Table C_2 (continued)
Minnesota-North Dakota Tuition Reciprocity
Minnesota Tuition Rates 2013-2014*

Minnesota Institution	Resident	Reciprocity	Non-Resident
University of Minnesota - Crookston	\$11,448	\$11,448	\$11,448
University of Minnesota - Duluth	\$12,787	\$12,787	\$16,452
University of Minnesota - Duluth - Graduate	\$16,075	\$16,075	\$24,057
University of Minnesota - Morris	\$12,583	\$12,583	\$12,583
University of Minnesota - Twin Cities	\$13,620	\$13,620	\$19,870
University of Minnesota - Twin Cities - Graduate	\$16,417	\$16,417	\$24,399
Vermilion Community College	\$5,323	\$5,323	\$6,505
Winona State University - Graduate	\$9,578	\$9,578	\$13,950
Winona State University - Undergraduate	\$8,736	\$8,736	\$14,227

* Resident and Reciprocity rates do not include fees per Minnesota-Wisconsin agreement

Source: Minnesota Office of Higher Education

Table C_5**Minnesota-South Dakota Tuition Reciprocity
South Dakota Tuition & Fee Rates 2013-2014***

South Dakota Institutions	Resident	Reciprocity	Non-Resident
Black Hills State College - Graduate	\$7,743	\$10,690	\$13,154
Black Hills State College - Undergraduate	\$7,557	\$8,636	\$9,617
Dakota State University - Graduate	\$7,654	\$10,690	\$13,065
Dakota State University - Undergraduate	\$8,166	\$8,636	\$10,226
Northern State University - Graduate	\$7,700	\$10,690	\$13,111
Northern State University - Undergraduate	\$7,503	\$8,636	\$9,563
SD School of Mines & Technology - Graduate	\$8,302	\$10,690	\$14,539
SD School of Mines & Technology - Undergrad	\$9,229	\$8,636	\$12,061
SDSU - Brookings - Graduate	\$7,889	\$10,690	\$13,526
SDSU - Brookings - Undergraduate	\$7,713	\$8,636	\$9,795
Univ of South Dakota - Vermillion - Graduate	\$7,250	\$10,690	\$13,773
Univ of South Dakota - Vermillion - Undergrad	\$7,755	\$8,636	\$10,104

* Includes fees per Minnesota-South Dakota agreement

Source: Minnesota Office of Higher Education

Table C_6
Minnesota-South Dakota Tuition Reciprocity
Minnesota Tuition & Fee Rates 2013-2014*

Minnesota Institution	Resident	Reciprocity	Non-Resident
Alexandria Technical & Community College	\$5,302	\$5,302	\$5,302
Anoka Technical College	\$5,567	\$5,567	\$5,567
Anoka-Ramsey Community College	\$5,005	\$5,414	\$5,005
Bemidji State University-Graduate	\$9,757	\$9,757	\$9,757
Bemidji State University-Undergraduate	\$8,123	\$8,123	\$8,123
Central Lakes College	\$5,393	\$5,842	\$5,393
Century College	\$5,360	\$5,813	\$5,360
Dakota County Technical College	\$5,693	\$5,693	\$5,693
Fond Du Lac Tribal & Community College	\$5,256	\$5,704	\$5,256
Hennepin Technical College	\$5,122	\$5,122	\$5,122
Hibbing Community College	\$5,308	\$5,753	\$6,490
Inver Hills Community College	\$5,272	\$5,720	\$5,272
Itasca Community College	\$5,307	\$5,752	\$6,489
Lake Superior College	\$4,937	\$5,352	\$9,354
Mesabi Range College	\$5,293	\$5,738	\$5,293
Metropolitan State University - Graduate	\$8,385	\$8,385	\$16,457
Metropolitan State University - Undergraduate	\$6,642	\$7,899	\$13,227
Minneapolis Community & Technical College	\$5,350	\$5,350	\$5,350
Minnesota State College - Southeast Technical	\$5,639	\$5,639	\$5,639
Minnesota State Community & Technical College	\$5,290	\$5,743	\$5,290
Minnesota State Univ - Mankato - Graduate	\$9,417	\$9,417	\$9,417
Minnesota State Univ - Mankato - Undergraduate	\$7,558	\$7,899	\$17,811
Minnesota State University Moorhead - Graduate	\$9,009	\$9,009	\$17,097
Minnesota State University Moorhead - Undergraduate	\$7,819	\$7,899	\$14,267
Minnesota West Community & Technical College	\$5,661	\$6,145	\$5,661
Normandale Community College	\$5,694	\$6,149	\$5,694
North Hennepin Community College	\$5,447	\$5,912	\$5,447
Northland Community & Technical College	\$5,517	\$5,982	\$5,517
Northwest Technical College - Bemidji	\$5,481	\$5,481	\$5,481
Pine Technical College	\$5,081	\$5,081	\$9,676
Rainy River Community College	\$5,323	\$5,768	\$6,505
Ridgewater College	\$5,390	\$5,845	\$5,390
Riverland Community and Technical College	\$5,510	\$5,974	\$5,510
Rochester Community & Technical College	\$5,623	\$6,086	\$5,623
South Central College	\$5,370	\$5,370	\$5,370
Southwest Minnesota State University - Graduate	\$9,704	\$9,704	\$9,704
Southwest Minnesota State University - Undergraduate	\$8,062	\$8,062	\$8,062
St. Cloud State University - Graduate	\$9,204	\$9,204	\$13,863
St. Cloud State University - Undergraduate	\$7,514	\$7,899	\$15,114
St. Cloud Technical and Community College	\$5,301	\$5,301	\$5,301
St Paul College	\$5,198	\$5,198	\$5,198

Table C_6 (continued)
Minnesota-South Dakota Tuition Reciprocity
Minnesota Tuition & Fee Rates 2012-2013*

Minnesota Institution	Resident	Reciprocity	Non-Resident
University of Minnesota - Crookston	\$11,448	\$11,448	\$11,448
University of Minnesota - Duluth	\$12,787	\$12,787	\$16,452
University of Minnesota - Duluth - Graduate	\$16,075	\$16,075	\$24,057
University of Minnesota - Morris	\$12,583	\$12,583	\$12,583
University of Minnesota - Twin Cities	\$13,620	\$13,620	\$19,870
University of Minnesota - Twin Cities - Graduate	\$16,417	\$16,417	\$24,399
Vermilion Community College	\$5,323	\$5,768	\$6,505
Winona State University - Graduate	\$9,578	\$9,578	\$13,950
Winona State University - Undergraduate	\$8,736	\$8,736	\$14,227

* Includes fees per Minnesota-South Dakota agreement

Source: Minnesota Office of Higher Education

Attachment D

Tuition Reciprocity Graduates

Table D_1

University of Minnesota

Graduates Enrolled as Reciprocity Students

Academic Year 2012-2013

Campus	Degree Type							Total
	Associate	Bachelor's	Master's	First Prfl	Doctoral	Certificate – pre-bachelor	Certificate – post-bachelor	
Crookston		34						34
Duluth		174	11		4	5	6	189
Morris Twin Cities		3						3
		1,079	187	68	35	27	10	1,369
Total		1,290	198	68	39	32	16	1,595

Source: University of Minnesota

Table D_2

Minnesota State Colleges & Universities: Preliminary Fiscal Year 2013 Graduates Who Attended as Tuition Reciprocity Students:

Institution	Degree Type							Total	
	Certificate	Diploma	Associate	Bachelor's	Graduate Certificate	Master's	Post-master's		Doctorate
Alexandria Technical College			8						8
Anoka-Ramsey Community College			1						1
Century College	2	6	28						36
Dakota County Technical College	3	4	8						15
Fond du Lac Tribal & Community College			4						4
Hennepin Technical College			1						1
Inver Hills Community College			8						8
Lake Superior College	30	14	70						114
Minneapolis Community & Technical College			1						1
Minnesota State College - Southeast Technical	29	79	69						177
Minnesota State Community & Technical College	17	57	299						373
Minnesota West Community & Technical College	13	21	19						53
North East Higher Education District									
Itasca Community College	1		3						4
Rainey River Community College			2						2
Vermillion Community College			10						10
Northland Community & Technical College	57	60	232						349
Northwest Technical College - Bemidji	1	1	1						3
Pine Technical College	4	13	7						24
Ridgewater College		8	6						14
Riverland Community College		1	1						2
Rochester Community & Technical College		1	4						5
St. Cloud Technical College		2	6						8
St. Paul College	2		2						4
South Central College			1						1
Subtotal Colleges	159	267	791						1,217
Bemidji State University				34			2		36
Metropolitan State University				22			4		26
Minnesota State University Mankato			3	154		1	20		178
Minnesota State University Moorhead			4	363	2	9	36		414
St. Cloud State University			4	100		3	18		125
Southwest Minnesota State University				22			54		76
Winona State University			5	368	3	2	19		397
Subtotal Universities			16	1,063	5	15	153		1,252
Total: Colleges and Universities	159	267	807	1,063	5	15	153		2,469

Source: Minnesota State Colleges and Universities