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Tuition Reciprocity Data Overview



Author

Jack Rayburn
Research and Policy Analyst
Tel: 651-642-0593
jack.rayburn@state.mn.us

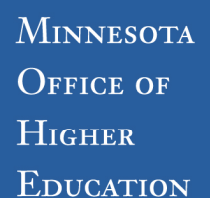
About the Minnesota Office of Higher Education

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

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

Minnesota Office of Higher Education

1450 Energy Park Drive, Suite 350
St. Paul, MN 55108-5227
Tel: 651.642.0567 or 800.657.3866
TTY Relay: 800.627.3529
Fax: 651.642.0675
E-mail: info@ohe.state.mn.us
www.getreadyforcollege.org
www.ohe.state.mn.us



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Introduction

Minnesota’s interstate tuition reciprocity agreements expand market choices and enrollment opportunities for state residents. Last academic year, about 23,700 Minnesota residents and roughly 19,500 residents of Wisconsin, North Dakota, South Dakota, Iowa and Manitoba were enrolled in public post-secondary education institutions as tuition reciprocity students in fall 2005.

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

- Enrollments
- Interstate payments
- Tuition rates

In addition, Minnesota Statutes 136A.08, Subd. 8 requires that the agency “must consider” collecting tuition reciprocity graduate numbers by Minnesota public institution by degree type, and the total number of tuition reciprocity graduates from Minnesota public institutions employed in Minnesota and their total earnings.

Background

The purpose of tuition reciprocity is the mutual improvement of educational advantage for the residents of Minnesota and other states or provinces with whom agreements are made.¹

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

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

The Minnesota Office of Higher Education is authorized to enter into tuition reciprocity agreements in consultation with the Commissioner of Finance and each affected public postsecondary board.² Tuition reciprocity agreements are not valid until approved by the University of Minnesota Board of Regents and the Minnesota State Colleges and University’s Board of Trustees.³ The agreements are ongoing and reviewed annually by the Minnesota Office of Higher Education.

Minnesota’s tuition reciprocity agreements serve students, taxpayers and public post-secondary education institutions in the participating jurisdictions.

¹ Minnesota Statutes 136A.08, Subd. 2.

² Minnesota Statutes 136A.08, Subd. 2.

³ Minnesota Statutes 136A.08, Subd. 6.

Students

The agreements remove non-resident admissions barriers. 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 public post-secondary education institutions in those jurisdictions. Similarly, a resident of Wisconsin, North Dakota, South Dakota or Manitoba is to be considered as a resident of Minnesota when applying for admission to a Minnesota public post-secondary education institution.

General Fund Interstate Payments

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

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

Marginal instructional costs are defined as 64 percent of instructional costs in the Minnesota-Wisconsin and the Minnesota-North Dakota agreements. Marginal instructional costs are what it costs to add one student to an existing classroom of students. The tuition paid per student is subtracted from the marginal instructional costs per student. Minnesota resident undergraduates attending in Wisconsin pay tuition at a rate charged by a comparable Minnesota institution. Wisconsin resident undergraduates attending in Minnesota generally pay tuition at a rate charged by a comparable Wisconsin institution; except Wisconsin resident undergraduates attending the University of Minnesota Twin Cities pay a surcharge equal to 25 percent of the difference between the University of Minnesota Twin Cities and the University of Wisconsin Madison resident undergraduate tuition rate. Graduate and professional students in the Minnesota-Wisconsin agreement pay the higher of the two state resident tuition rates. Minnesota residents attending in North Dakota pay tuition and fees at a rate charged by a comparable Minnesota institution. North Dakota residents attending in Minnesota pay tuition and fees at a rate charged by the institution attended.

Minnesota was not required to make a tuition reciprocity payment to Wisconsin for academic year 2005-2006. Minnesota's obligation to North Dakota for academic year 2005-2006 was \$1.5 million for the 2,631 more Minnesota residents enrolled in North Dakota than North Dakota residents enrolled in Minnesota. The \$1.5 million Minnesota general fund payment to North Dakota represented a payment of \$586 for each of the 2,631 additional Minnesota residents enrolled in North Dakota. Minnesota's per student payment to North Dakota was the equivalent of seven percent of the instructional costs associated with educating those 2,631 students.

Institutions

Minnesota's tuition reciprocity agreements also expand the student market for post-secondary institutions. Institutions can cast a wider net at competitive prices to attract the type of students they desire.

The Iowa Agreement

The state of Minnesota has had a limited 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.⁴

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.

Outcomes

Research has shown Minnesota's tuition reciprocity agreements have been beneficial to the state.⁵ Minnesota's percent of population 25 years and over with bachelor's degrees has consistently exceeded its reciprocity state neighbors.⁶

The Minnesota Office of Higher Education maintains basic tuition reciprocity data at: www.ohe.state.mn.us.

Reciprocity Participation

More than 43,000 students attended public post-secondary institutions with Minnesota's tuition reciprocity agreements in fall 2005.

For the past 20 years there has been a steady increase in the number of students participating in tuition reciprocity. In fall 1985, for example, there were slightly fewer than 26,000 tuition reciprocity students. Today the number is over 43,000. About 23,700 Minnesota residents and roughly 19,500 residents of Wisconsin, North Dakota, South Dakota, Iowa and Manitoba were enrolled in public post-secondary education institutions as tuition reciprocity students in fall 2005.

The following enrollment data tables present fall headcount data from Minnesota's tuition reciprocity agreements with Wisconsin, North Dakota and South Dakota. Historical fall headcount enrollment data are presented from 1985 to 2005, and fall 2005 headcount enrollment data are presented by institution. Fall 2005 headcount enrollment data show tuition reciprocity student enrollment was highest at public institutions located near Minnesota's borders.

⁴ 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 and Frank Santiago: "Out-of-state colleges lure few", Des Moines Register, February 8, 2001.

⁵ Peter Zetterberg and John Kellogg, How Many Reciprocity Student Remain in Minnesota After Graduation? University of Minnesota Office of Institutional Research, October 2002

⁶ U.S. Census Bureau, Current Population Survey, 2005 Annual Social and Economic Supplement.

Minnesota's tuition reciprocity agreements with Manitoba and Iowa Lakes Community College enroll relatively few students each year. In fall 2005, 203 Minnesota residents were enrolled in the five campuses of Iowa Lakes Community College and 85 Iowa residents were enrolled in the five campuses of Minnesota West Community and Technical College. In fall 2005, 26 Minnesota residents were enrolled in Manitoba and 42 Manitoba residents were enrolled in Minnesota.

Minnesota-Wisconsin Reciprocity Enrollment

The following tables present fall headcount enrollments in the Minnesota-Wisconsin tuition reciprocity agreement. Total fall headcount enrollment from fall 1985 to fall 2005 is shown in Table 1. Fall 2005 headcount enrollment by institution attended is shown in Tables 2 and 3.

Table 1
Minnesota-Wisconsin Tuition Reciprocity
Headcount Enrollment: 1985 - 2005

Fall Term	Minnesota Residents Attending in Wisconsin	Wisconsin Residents Attending in Minnesota	Ratio
1985	8,659	4,579	1.9
1986	9,112	4,746	1.9
1987	9,428	5,557	1.7
1988	9,876	6,204	1.6
1989	10,122	6,782	1.5
1990	10,140	7,412	1.4
1991	11,150	7,856	1.4
1992	10,877	8,245	1.3
1993	10,377	7,242	1.4
1994	10,646	7,515	1.4
1995	10,719	8,184	1.3
1996	11,137	8,585	1.3
1997	11,500	9,361	1.3
1998	12,290	9,559	1.3
1999	12,742	9,283	1.4
2000	13,022	9,414	1.4
2001	13,142	9,816	1.3
2002	13,209	10,487	1.3
2003	13,277	11,014	1.2
2004	13,139	11,409	1.2
2005	13,585	11,418	1.2

Source: Minnesota Office of Higher Education

Table 2
Minnesota/Wisconsin Tuition Reciprocity
Headcount Enrollment by Institution: Fall 2005

Minnesota Residents Attending Wisconsin Institutions	Headcount
U W Madison	3,174
U W River Falls	2,704
U W Eau Claire	2,217
U W Stout	2,187
U W LaCrosse	1,176
U W Superior	1,019
U W Stevens Point	361
U W Milwaukee	344
U W Platteville	139
U W Oshkosh	88
U W Green Bay	82
U W Whitewater	58
U W Parkside	17
U W Richland	7
U W Marathon	5
U W Waukesha Cty.	3
U W Wood	2
U W Fox Valley	1
U W Baraboo/Sauk	1
U W Manitowoc	0
U W Marinette	0
U W Rock Cty.	0
U W Sheboygan	0
U W Barron/Rice Lake	0
U W Washington Cty.	0
U W Fond du Lac	0
Total	13,585

Source: Minnesota Office of Higher Education

Table 3**Minnesota/Wisconsin Tuition Reciprocity****Headcount Enrollment; Fall 2005**

Wisconsin Residents Attending	
Minnesota Institutions	Headcount
U of M Twin Cities	5,620
Winona State University	1,965
U of M Duluth	915
St. Cloud State University	641
Minnesota State University Mankato	575
Century College	434
Lake Superior College	279
Rochester Community and Technical College	145
Inver Hills Community College	107
Minneapolis Community & Technical College	102
Metro State University	96
Bemidji State University	79
Vermilion Community College	64
Minnesota State University Moorhead	62
U of M Morris	43
Normandale Community College	40
U of M Crookston	38
Fond du Lac Tribal & Community College	37
Southwest Minnesota State University	28
Anoka-Ramsey Community College	27
Itasca Community College	19
Mesabi Range Community & Technical College	17
Ridgewater College	17
North Hennepin Community College	15
Minnesota West Community & Technical College	12
Central Lakes College	11
Hibbing Community College	9
Minnesota State Community & Technical College	8
Riverland Community College	7
Rainy River Community College	6
Northland Community & Technical College	0
Totals	11,418

Source: Minnesota Office of Higher Education

Minnesota-North Dakota Tuition Reciprocity Enrollment

The following tables present fall headcount enrollments in the Minnesota-North Dakota tuition reciprocity agreement. Fall headcount enrollment from fall 1985 to fall 2005 is shown in Table 4. Fall 2005 headcount enrollment by institution attended is shown in Tables 5 and 6.

Table 4
Minnesota-North Dakota Tuition Reciprocity
Headcount Enrollment: 1985 - 2005

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

Source: Minnesota Office of Higher Education

Table 5

Minnesota-North Dakota Tuition Reciprocity

Headcount Enrollment by Institution: Fall 2005

Minnesota Residents Attending	
North Dakota Institutions	Headcount
North Dakota State University Fargo	4,093
University of North Dakota Grand Forks	3,305
North Dakota State College of Science Wahpeton	430
Valley City State University	93
Mayville State University	85
Lake Region State College	36
Minot State University	18
Dickinson State University	14
Bismarck State College	12
University of North Dakota Williston	2
North Dakota State University Bottineau	1
<hr/>	
TOTAL	8,089

Source: Minnesota Office of Higher Education

Table 6**Minnesota-North Dakota Tuition Reciprocity
Headcount Enrollment by Institution: Fall 2005**

North Dakota Residents Attending	
Minnesota Institutions	Headcount
Minnesota State University Moorhead	2,488
Minnesota State Community & Technical College	1,189
Northland Community & Technical College	927
U of M Twin Cities	643
St. Cloud State University	159
U of M Duluth	94
U of M Crookston	89
Minnesota State University Mankato	63
Bemidji State University	53
Alexandria Technical College	30
Southwest Minnesota State University	22
Minneapolis Community & Technical College	16
Normandale Community College	16
Rochester Community and Technical College	15
Century College	15
Minnesota West Community & Technical College	13
Lake Superior College	12
Winona State University	11
U of M Morris	10
Ridgewater College	9
Northwest Technical College Bemidji	9
Inver Hills Community College	8
Central Lakes College	7
Metro State University	7
North Hennepin Community College	4
St. Cloud Technical College	4
Anoka-Ramsey Community College	3
Minnesota State College - Southeast Technical	3
Fond du Lac Tribal & Community College	3
Vermilion Community College	2
Hennepin Technical College	2
Itasca Community College	1
St. Paul College	1
South Central Technical College	1
Anoka Technical College	1
Dakota County Technical College	1
Riverland Community College	0
Hibbing Community College	0
Mesabi Range Community & Technical College	0
Pine Technical College	0
Rainy River Community College	0
Total	5,931

Source: Minnesota Office of Higher Education

Minnesota-South Dakota Tuition Reciprocity Enrollment

The following tables present fall headcount enrollments in the Minnesota-South Dakota tuition reciprocity agreement. Fall headcount enrollment from fall 1985 to fall 2005 is shown in Table 7. Fall 2005 headcount enrollment by institution attended is shown in Tables 8 and 9.

Table 7
Minnesota-South Dakota Tuition Reciprocity
Headcount Enrollment: 1985 - 2005

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

Source: Minnesota Office of Higher Education

Table 8
Minnesota/South Dakota Tuition Reciprocity
Headcount Enrollment by Institution: Fall 2005
Minnesota Residents Attending in South Dakota

Institution	Headcount Enrollment
South Dakota State University Brookings	1,555
University of South Dakota Vermillion	122
Northern State University	116
South Dakota School of Mines & Technology	115
Black Hills State University	23
Dakota State University	23
Total	1,954

Source: Minnesota Office of Higher Education

Table 9
Minnesota/South Dakota Tuition Reciprocity
Minnesota Residents Attending in South Dakota
Fall 2005 Headcount Enrollment

Institution	Headcount Enrollment
U of M Twin Cities	615
Minnesota State University Mankato	443
Minnesota State University Moorhead	289
Southwest Minnesota State University	225
St. Cloud State University Undergraduate	178
Minnesota West Community & Technical College	105
U of M Morris	36
Ridgewater College	36
U of M Duluth	33
Winona State University	23
Rochester Community and Technical College	15
Bemidji State University	14
Minneapolis Community & Technical College	14
Lake Superior College	8
North Hennepin Community College	7
Minnesota State Community & Technical College	7
U of M Crookston	6
Metropolitan State University	6
Northland Community & Technical College	4
Century College	3
Anoka-Ramsey Community College	2
Central Lakes College	2
Itasca Community College	1
Inver Hills Community College	1
Normandale Community College	1
Riverland Community College	0
Hibbing Community College	0
Mesabi Range Community & Technical College	0
Fond du Lac Tribal & Community College	0
Total	2,074

Source: Minnesota Office of Higher Education

Interstate Payments

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

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

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

All else being equal, increasing the tuition paid per student decreases a state's general fund obligation. Conversely, decreasing the tuition paid per student increases a state's general fund obligation. As tuition rates have increased, students have increasingly paid a larger share of tuition reciprocity marginal instructional costs through tuition.

Minnesota-Wisconsin Tuition Reciprocity Payment Calculation

A financial obligation is computed based on marginal instructional costs for each state in the Minnesota-Wisconsin agreement. The Minnesota-Wisconsin tuition reciprocity payment calculation for academic year 2005-2006, the most recent year available, is shown in Table 10. Wisconsin's gross obligation to Minnesota was \$72.3 million for academic year 2005-2006. This figure was reduced by the \$62.0 million Wisconsin students paid in tuition to Minnesota public institutions, leaving \$10.3 million for the Wisconsin general fund. Minnesota's gross obligation to Wisconsin was \$74.4 million. Minnesota's gross obligation to Wisconsin was reduced by the \$72.9 million Minnesota students paid in tuition to Wisconsin public institutions, leaving \$2.5 million for the Minnesota general fund. Wisconsin's general fund obligation to Minnesota was \$7.8 million more than Minnesota's general fund obligation to Wisconsin, and Wisconsin made a \$7.8 million payment to the Minnesota general fund for academic year 2005-2006.

Table 10
Minnesota-Wisconsin Tuition Reciprocity
Academic Year 2005-2006
Wisconsin's Obligation to Minnesota

Institution/ Type Study	Number of Credits	Marginal Instructional Costs	Gross State Obligation	Student Tuition Paid	Net State Obligation
MnSCU Two-Year	32,765.00	\$149.92	\$4,912,128.80	\$4,833,168.59	\$78,960.21
MnSCU Four-Year & UM Crookston UG	97,581.50	\$174.30	\$17,008,455.45	\$14,523,062.03	\$2,485,393.42
U of M - Duluth Undergraduate	24,648.50	\$186.35	\$4,593,247.98	\$4,669,607.07	(\$76,359.10)
U of M Twin Cities & Morris UG	153,373.80	\$221.93	\$34,038,247.43	\$30,974,684.91	\$3,063,562.52
MnSCU Four-Year Graduate	2,793.00	\$399.36	\$1,115,412.48	\$687,446.50	\$427,965.98
U of M - Duluth Graduate	1,546.00	\$690.41	\$1,067,373.86	\$676,557.50	\$390,816.36
U of M - Twin Cities Graduate	12,268.00	\$778.28	\$9,547,939.04	\$5,607,528.09	\$3,940,410.95
Totals	324,975.80		\$72,282,805.04	\$61,972,054.69	\$10,310,750.35
Share of Marginal Instructional Costs				86%	14%

Minnesota's Obligation to Wisconsin

Institution/ Type Study	Number of Credits	Marginal Instructional Costs	Gross State Obligation	Student Tuition Paid	Net State Obligation
UW Centers	459.00	\$149.92	\$68,813.28	\$62,282.00	\$6,531.28
UW Comprehensive UG	268,450.50	\$174.30	\$46,790,922.15	\$44,281,304.85	\$2,509,617.30
UW Milwaukee UG	7,902.00	\$186.35	\$1,472,537.70	\$1,980,561.53	(\$508,023.83)
UW Madison UG	84,878.00	\$221.93	\$18,836,974.54	\$20,844,902.02	(\$2,007,927.48)
UW Comprehensive Graduate	9,698.00	\$399.36	\$3,872,993.28	\$2,626,005.35	\$1,246,987.93
UW Milwaukee Graduate	1,068.00	\$690.41	\$737,357.88	\$472,603.92	\$264,753.96
UW Madison Graduate	3,360.00	\$778.28	\$2,615,020.80	\$1,585,925.78	\$1,029,095.02
Total	375,815.50		\$74,394,619.63	\$71,853,585.45	\$2,541,034.18
Share of Marginal Instructional Costs				97%	3%

Difference = Wisconsin Payment to Minnesota \$7,769,716.17

Source: Minnesota Office of Higher Education

Minnesota students enrolled in Wisconsin paid 97 percent of Minnesota's 2005-2006 gross state obligation to Wisconsin through tuition. Wisconsin students enrolled in Minnesota paid 86 percent of Wisconsin's 2005-2006 gross state obligation through tuition, as shown in Table 10. Students have paid and increasing share of marginal instructional costs as tuition has increased. The increasing role of tuition in paying for tuition reciprocity over the past six years in the Minnesota-Wisconsin tuition reciprocity agreement is shown in Table 11.

Table 11
Minnesota-Wisconsin Tuition Reciprocity
Who Pays for Tuition Reciprocity?
Student and State Share of Marginal Instructional Costs
2000-01 to 2005-06

Year	Minnesota		Wisconsin	
	Students	State	Students	State
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

Minnesota-North Dakota Payment Calculation

Payment History

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

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

Each state agrees that in the event that more students from one state receive educational services in the other state than occur in the reverse situation, the state sending the larger number of students shall pay the state educating the larger number of students an amount equal to 25 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.⁷

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.

How the Current Agreement Emerged

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

Minnesota representatives approached North Dakota with a proposal similar to the Minnesota-Wisconsin tuition reciprocity agreement 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 would, at a minimum, preserve the revenue stream produced by the current practice of tuition charges 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 that would hold harmless the projected tuition reciprocity revenue stream to North Dakota. The states agreed to hold the tuition revenue collected by North Dakota institutions plus the results of the interstate payment calculation to roughly the equivalent level of revenue North Dakota had collected from the resident tuition rate plus a 25 percent surcharge and the non-marginal instructional cost gap method of payment.

⁷ Minnesota-North Dakota Tuition Reciprocity Agreement, 1990.

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 enabled Minnesota public institutions to collect as much in tuition revenue from North Dakota residents as from Minnesota residents, but without the surcharge.

The two states built upon the existing payment method and initially agreed in 1995 that 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 marginal instructional costs rather than “. . . an amount equal to 25 percent of the resident undergraduate tuition at the University of North Dakota times the number of FTE students”⁸

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.⁹ Projections of the revenue stream to North Dakota based on students paying tuition at the higher of the two state tuition rates at comparable institutions and a marginal instructional cost based interstate payment calculation for the gap number of students resulted in more revenue to North Dakota than the revenue stream produced by 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 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 when compared to a marginal instructional cost calculation without an additional student payment subtraction.

⁸ Minnesota-North Dakota Tuition Reciprocity Agreement, 1990.

⁹ There have been between 1.1 and 1.5 Minnesota residents enrolled in North Dakota public institutions for every 1.0 North Dakota resident enrolled in Minnesota public institutions. Minnesotans involved in the discussions with North Dakota in the mid 1990s could not foresee a time when there would be more North Dakota residents enrolled in Minnesota public institutions than Minnesota residents enrolled in North Dakota public institutions. Minnesota's population at roughly five million versus North Dakota's population under 700,000 suggested Minnesota would likely have an ongoing interstate payment to North Dakota.

Current Minnesota-North Dakota Payment Calculation

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

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

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

The current payment calculation subtracts the North Dakota State University resident undergraduate tuition rate from marginal expenditures per FTE and subtracts the total tuition payment in excess of resident tuition for all Minnesota residents enrolled in North Dakota from gross state obligation. This practice reduces Minnesota's net state obligation more than if the calculation were based on the marginal instructional costs and the student paid reciprocity tuition for the gap number of students.

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 12.

Table 12

Minnesota-North Dakota Tuition Reciprocity

Interstate Payment: 2005-2006

	Operational Expenditure per FTE	\$9,576
	Marginal Expenditure Rate	0.64
x	Marginal Expenditure per FTE	\$6,129
=	Resident Tuition Rate (NDSU/UND)	\$4,375
-	Remaining Marginal Expenditures per FTE	\$1,754
=	GAP FTE Students	2,631
x	Gross State Obligation	\$4,614,560
-	Student Tuition Payment	\$3,073,146
=	Net State Obligation	\$1,541,414

Source: Minnesota Office of Higher Education

Historical Interstate Payment Data

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

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

Year	To North Dakota	To Wisconsin
1975-76	\$0.00	\$4.20
1976-77	\$0.00	\$5.50
1977-78	\$0.00	\$6.80
1978-79	\$0.70	\$8.10
1979-80	\$0.80	\$4.10
1980-81	\$0.90	\$5.60
1981-82	\$1.00	\$3.90
1982-83	\$1.10	\$5.30
1983-84	\$0.10	\$2.80
1984-85	\$0.05	\$2.70
1985-86	\$0.00	\$3.10
1986-87	\$0.00	\$3.90
1987-88	\$0.00	\$3.30
1988-89	\$0.00	\$4.60
1989-90	\$0.00	\$5.70
1990-91	\$0.00	\$6.60
1991-92	\$0.35	\$3.30
1992-93	\$0.37	\$2.50
1993-94	\$0.60	\$2.00
1994-95	\$1.00	\$1.70
1995-96	\$2.70	\$1.70
1996-97	\$2.90	(\$1.30)
1997-98	\$4.20	(\$2.10)
1998-99	\$2.60	\$2.60
1999-00	\$2.20	\$2.50
2000-01	\$1.40	\$2.40
2001-02	\$0.43	(\$0.30)
2002-03	\$0.00	(\$3.10)
2003-04	\$0.00	(\$6.10)
2004-05	\$0.00	(\$6.51)
2005-06	\$1.54	(\$7.77)

Source: Minnesota Office of Higher Education

Tuition Rates

Minnesota Statutes 136A.08, Subd. 2 defines the purpose of tuition reciprocity as the mutual improvement of educational advantage for the residents of Minnesota and other states or provinces with whom agreements are made. The state's agreements balance student, public institution and taxpayer interest and are linked to a series of tuition rate implementation objectives.

- Minnesota's tuition reciprocity agreements aim to avoid incentives or disincentives for Minnesota students to leave their state of residence based on the tuition rates used in the agreements. The objective has been to expand market opportunities for 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 general fund costs of educating a Minnesota resident in a reciprocity state to an amount similar to or less than the Minnesota's general fund cost of educating a Minnesota resident at a home-state institution. Student-paid tuition is subtracted from the marginal instructional costs associated with educating reciprocity students and is a critical component in minimizing Minnesota's tuition reciprocity general fund costs.

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

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

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

Each approach to setting tuition reciprocity tuition rates has advantages and disadvantages. Each approach has the advantage of using resident tuition rates set by state 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 pay 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.

This tuition rate-setting approach has the disadvantage of creating a market or price incentive for students to leave their state of residence, if their state of residence has higher resident tuition rates. For example, if the Minnesota-Wisconsin tuition reciprocity agreement were to use the resident tuition rate at the institution attended, Minnesota residents would have an incentive to attend lower priced Wisconsin institutions. Similarly, Wisconsin residents would have a disincentive to attend higher priced Minnesota institutions. 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 students paying the resident tuition rate at the institution attended. A similar practice was initially used in Minnesota's agreements with Wisconsin, North Dakota and South Dakota, but abandoned because of the price incentive and disincentive effect on students. The Minnesota-North Dakota tuition reciprocity agreement, for example, experimented with charging reciprocity students the resident rate at the institution attended plus a 25 percent surcharge. This surcharge practice was abandoned because Minnesota public institutions located near the North Dakota border viewed the surcharge as a barrier to successfully recruiting North Dakota residents.

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

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

3) Students pay the higher of the two-state resident tuition rates at comparable institutions: This approach has 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 tuition revenue at the same amount from reciprocity and resident students.

Currently, Minnesota's agreements with North Dakota and South Dakota use this approach to setting tuition rates. The Minnesota-Wisconsin uses this approach for graduate and professional students.

Students paying the higher of the two 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. This is the case with Minnesota's agreements with North Dakota and South Dakota. Minnesota residents, however, can attend in North Dakota and South Dakota at a tuition and fee prices similar to comparable Minnesota institutions.

The cost to the Minnesota general fund would increase were the higher of the two resident tuition rates to become practice in the Minnesota-Wisconsin tuition reciprocity agreement for undergraduate students. Wisconsin students would pay the higher Minnesota tuition rate and reduce Wisconsin's remaining marginal instructional cost obligation to Minnesota.¹⁰

Tuition rates used in Minnesota's tuition reciprocity agreements for 2006-2007 are presented in Tables 14 through 19 on the following pages.

¹⁰ This is the finding of the Office of the Legislative Auditor. "Reducing or eliminating the tuition disparities between Minnesota and Wisconsin residents at Minnesota schools would increase Minnesota taxpayers' financial obligation to Wisconsin" (Office of the Legislative Auditor: Higher Education Tuition Reciprocity, September 2003: p. 49).

Tuition Rates: Minnesota-Wisconsin Tuition Reciprocity

Tuition rates at Wisconsin institutions in the Minnesota-Wisconsin tuition reciprocity agreement for 2006-2007 are shown in Table 14. Tuition rates at Minnesota institutions in the Minnesota-Wisconsin tuition reciprocity agreement for 2006-2007 are shown in Table 15.

Table 14
Minnesota-Wisconsin Tuition Reciprocity
Wisconsin Tuition Rates: 2006-2007*

Wisconsin Institutions	Resident	Reciprocity	Non-Resident
UW Baraboo/Sauk	\$4,268	\$3,794	\$11,252
UW Barron/Rice Lake	\$4,268	\$3,794	\$11,252
UW Eau Claire - Undergraduate	\$4,710	\$5,160	\$12,185
UW Eau Claire - Graduate	\$5,910	\$6,285	\$16,520
UW Fond du Lac	\$4,268	\$3,794	\$11,252
UW Fox Valley	\$4,268	\$3,794	\$11,252
UW Green Bay - Undergraduate	\$4,568	\$5,160	\$12,043
UW Green Bay - Graduate	\$5,910	\$6,285	\$16,520
UW LaCrosse - Undergraduate	\$4,623	\$5,160	\$12,098
UW LaCrosse - Graduate	\$5,965	\$6,285	\$16,575
UW Madison - Undergraduate	\$6,000	\$7,588	\$20,000
UW Madison - Graduate	\$8,454	\$9,302	\$23,724
UW Madison - Law	\$11,923	\$19,000	\$30,086
UW Manitowoc	\$4,268	\$3,794	\$11,252
UW Marathon	\$4,268	\$3,794	\$11,252
UW Marinette	\$4,268	\$3,794	\$11,252
UW Marshfield-Wood	\$4,268	\$3,794	\$11,252
UW Milwaukee - Undergraduate	\$5,868	\$7,605	\$15,470
UW Milwaukee - Graduate	\$8,164	\$9,302	\$22,530
UW Oshkosh - Undergraduate	\$4,678	\$5,160	\$12,153
UW Oshkosh - Graduate	\$5,910	\$6,285	\$16,520
UW Parkside - Undergraduate	\$4,568	\$5,160	\$12,043
UW Parkside - Graduate	\$5,910	\$6,285	\$16,520
UW Platteville - Undergraduate	\$4,568	\$5,160	\$12,043
UW Platteville - Graduate	\$5,910	\$6,285	\$16,522
UW Richland	\$4,268	\$3,794	\$11,252
UW River Falls - Undergraduate	\$4,568	\$5,160	\$12,043
UW River Falls - Graduate	\$5,910	\$6,285	\$16,520
UW Rock Cty	\$4,268	\$3,794	\$11,252
UW Sheboygan	\$4,268	\$3,794	\$11,252
UW Stevens Point - Undergraduate	\$4,568	\$5,160	\$12,043
UW Stevens Point - Graduate	\$5,910	\$6,285	\$16,520
UW Stout - Undergraduate	\$4,796	\$5,160	\$12,271
UW - Stout - Graduate	\$6,206	\$6,285	\$16,816
UW Superior - Undergraduate	\$4,718	\$5,160	\$12,193
UW Superior - Graduate	\$5,910	\$6,285	\$16,520
UW Washington	\$4,268	\$3,794	\$11,252
UW Waukesha Cty	\$4,268	\$3,794	\$11,252
UW Whitewater - Undergraduate	\$4,728	\$5,160	\$12,202
UW Whitewater - Graduate	\$5,910	\$6,285	\$16,520

* Does not include fees per Minnesota-Wisconsin agreement

Source: Minnesota Office of Higher Education

Table 15
Minnesota-Wisconsin Tuition Reciprocity
Minnesota Tuition Rates: 2006-2007*

Minnesota Institutions	Resident	Reciprocity	Non-Resident
Alexandria Technical College	\$3,810	\$3,810	\$7,620
Anoka Technical College	\$4,042	\$4,042	\$8,085
Anoka-Ramsey Community College	\$3,390	\$4,268	\$6,780
Bemidji State University - Undergraduate	\$5,700	\$4,652	\$5,700
Bemidji State University - Graduate	\$6,816	\$6,285	\$6,816
Central Lakes College	\$3,760	\$4,268	\$3,760
Century College	\$3,810	\$4,268	\$4,620
Dakota County Technical College	\$4,082	\$4,082	\$8,164
Fond Du Lac Community College	\$3,764	\$4,268	\$7,527
Hennepin Technical College	\$3,760	\$3,760	\$7,530
Hibbing Community & Technical College	\$3,778	\$4,268	\$4,722
Inver Hills Community College	\$3,962	\$4,268	\$7,925
Itasca Community College	\$3,844	\$4,268	\$4,805
Lake Superior College	\$3,450	\$4,040	\$6,672
Mesabi Range College	\$3,779	\$4,268	\$4,724
Metropolitan State University - Undergraduate	\$4,830	\$4,652	\$9,660
Metropolitan State University - Graduate	\$5,856	\$6,285	\$11,712
Minneapolis Community & Technical College	\$3,922	\$4,268	\$7,845
Minnesota State College - Southeast	\$3,994	\$3,994	\$7,988
Minnesota State Community and Technical College	\$3,990	\$4,268	\$3,990
Minnesota State University Mankato - Undergraduate	\$5,104	\$4,652	\$10,932
Minnesota State University Mankato - Graduate	\$6,358	\$6,285	\$10,464
Minnesota State University Moorhead	\$4,888	\$4,652	\$9,776
Minnesota State University Moorhead - Graduate	\$6,023	\$6,285	\$12,044
Minnesota West Community and Technical College	\$4,085	\$4,268	\$4,085
Normandale Community College	\$3,868	\$4,268	\$7,737
North Hennepin Community College	\$3,948	\$4,268	\$7,310
Northland Community & Technical College	\$4,170	\$4,268	\$4,170
Northwest Technical College - Bemidji	\$4,226	\$4,226	\$4,226
Pine Technical College	\$3,645	\$3,645	\$7,290
Rainy River Community College	\$3,815	\$4,268	\$3,815
Ridgewater College	\$3,896	\$4,268	\$3,896
Riverland Community & Technical College	\$3,915	\$4,427	\$3,915
Rochester Community & Technical College	\$3,930	\$4,498	\$7,860
South Central College	\$3,824	\$3,824	\$3,824

Table 15 (continued)**Minnesota-Wisconsin Tuition Reciprocity****Minnesota Tuition Rates: 2006-2007***

Minnesota Institutions	Resident	Reciprocity	Non-Resident
Southwest Minnesota State University - Undergraduate	\$5,400	\$4,652	\$5,400
Southwest Minnesota State University - Graduate	\$6,446	\$6,285	\$6,446
St. Cloud State University - Undergraduate	\$5,044	\$4,652	\$10,951
St. Cloud State University - Graduate	\$6,165	\$6,285	\$9,642
St. Cloud Technical College	\$3,899	\$3,899	\$7,798
St. Paul College	\$3,835	\$3,835	\$7,671
U of M Crookston	\$6,225	\$4,652	\$6,225
U of M Duluth	\$7,605	\$5,868	\$18,713
U of M Duluth - Graduate	\$9,302	\$9,302	\$16,400
U of M Morris	\$8,720	\$6,000	\$8,720
U of M Twin Cities	\$7,588	\$6,397	\$19,218
U of M Twin Cities - Graduate	\$9,302	\$9,302	\$16,400
U of M Twin Cities - Law	\$19,000	\$19,000	\$28,500
Vermilion Community College	\$3,863	\$4,268	\$4,829
Winona State University - Undergraduate	\$5,386	\$4,786	\$9,686
Winona State University - Graduate	\$6,562	\$6,285	\$9,882

* Does not include fees per Minnesota-Wisconsin agreement

Source: Minnesota Office of Higher Education

Tuition Rates: Minnesota-North Dakota Tuition Reciprocity

Tuition rates at North Dakota institutions in the Minnesota-North Dakota tuition reciprocity agreement for 2006-2007 are shown in Table 16. Tuition rates at Minnesota institutions in the Minnesota-North Dakota tuition reciprocity agreement for 2006-2007 are shown in Table 17.

Table 16
Minnesota-North Dakota Tuition Reciprocity
North Dakota Tuition Rates: 2006-2007*

North Dakota Institutions	Resident	Reciprocity	Non-Resident
Bismarck State College - Undergraduate	\$3,052	\$3,856	\$8,148
Dickinson State University - Undergraduate	\$3,646	\$3,923	\$9,735
Mayville State University - Undergraduate	\$3,614	\$3,889	\$9,649
Minot State University - Undergraduate	\$3,790	\$4,078	\$10,116
Minot State University - Graduate	\$5,013	\$6,285	\$13,384
Minot State University-Bottineau Campus	\$2,830	\$3,856	\$7,556
North Dakota State College of Science Wahpeton - Undergraduate	\$3,054	\$3,856	\$8,154
North Dakota State University Fargo - Undergraduate	\$4,774	\$5,142	\$12,747
North Dakota State University Fargo - Graduate	\$5,120	\$6,285	\$13,671
University of North Dakota Grand Forks - Undergraduate	\$4,786	\$5,142	\$12,780
University of North Dakota Grand Forks - Graduate	\$5,148	\$6,285	\$13,746
University of North Dakota Grand Forks - Law	\$5,780	\$6,285	\$15,432
Lake Region State College	\$2,780	\$3,856	\$2,780
University of North Dakota Williston - Undergraduate	\$2,740	\$3,856	\$4,109
Valley City State University - Undergraduate	\$3,753	\$4,038	\$10,020
Valley City State University - Graduate	\$4,993	\$6,285	\$13,332

* Does not include fees per Minnesota-North Dakota agreement

Source: Minnesota Office of Higher Education

Table 17**Minnesota-North Dakota Tuition Reciprocity
Minnesota Tuition and Fee Rates: 2006-2007***

Minnesota Institutions	Resident	Reciprocity	Non-Resident
Alexandria Technical College	\$4,179	\$4,179	\$7,989
Anoka Technical College	\$4,464	\$4,464	\$8,507
Anoka-Ramsey Community College	\$3,804	\$3,804	\$7,194
Bemidji State University - Undergraduate	\$6,489	\$6,489	\$6,489
Bemidji State University - Graduate	\$7,605	\$7,605	\$7,605
Central Lakes College	\$4,238	\$4,238	\$4,238
Century College	\$4,244	\$4,244	\$5,054
Dakota County Technical College	\$4,586	\$4,586	\$8,668
Fond Du Lac Community College	\$4,215	\$4,215	\$7,978
Hennepin Technical College	\$3,947	\$3,947	\$7,717
Hibbing Community & Technical College	\$4,237	\$4,237	\$5,181
Inver Hills Community College	\$4,368	\$4,368	\$8,331
Itasca Community College	\$4,303	\$4,303	\$5,264
Lake Superior College	\$3,927	\$3,699	\$7,149
Mesabi Range College	\$4,253	\$4,253	\$5,198
Metropolitan State University - Undergraduate	\$5,082	\$5,082	\$9,912
Metropolitan State University - Graduate	\$6,108	\$6,108	\$11,964
Minneapolis Community and Technical College	\$4,284	\$4,284	\$8,207
Minnesota State College - Southeast	\$4,351	\$4,351	\$8,345
Minnesota State Community & Technical College	\$4,331	\$4,331	\$4,331
Minnesota State University Mankato - Undergraduate	\$5,840	\$5,840	\$11,668
Minnesota State University Mankato - Graduate	\$7,094	\$7,094	\$11,200
Minnesota State University Moorhead - Undergraduate	\$5,720	\$5,720	\$10,608
Minnesota State University Moorhead - Graduate	\$6,855	\$6,855	\$12,876
Minnesota West Community & Technical College	\$4,460	\$4,460	\$4,460
Normandale Community College	\$4,320	\$4,320	\$8,189
North Hennepin Community College	\$4,257	\$4,257	\$7,619
Northland Community & Technical College	\$4,590	\$4,590	\$4,590
Northwest Technical College Bemidji	\$4,490	\$4,490	\$4,490
Pine Technical College	\$4,071	\$4,071	\$7,716
Rainy River Community College	\$4,325	\$4,325	\$4,325
Ridgewater College	\$4,355	\$4,355	\$4,355
Riverland Community & Technical College	\$4,427	\$4,427	\$4,427
Rochester Community & Technical College	\$4,498	\$4,498	\$8,428
South Central College	\$4,223	\$4,223	\$4,223

Table 17 (continued)

Minnesota-North Dakota Tuition Reciprocity
Minnesota Tuition and Fee Rates: 2006-2007*

Minnesota Institutions	Resident	Reciprocity	Non-Resident
Southwest Minnesota State University	\$6,240	\$6,240	\$6,240
Southwest Minnesota State University - Graduate	\$7,286	\$7,286	\$7,286
St. Cloud State University - Undergraduate	\$5,718	\$5,718	\$11,625
St. Cloud State University - Graduate	\$6,839	\$6,839	\$10,316
St. Cloud Technical College	\$4,302	\$4,302	\$8,201
St. Paul College	\$4,134	\$4,134	\$7,970
U of M Crookston	\$8,568	\$8,568	\$8,568
U of M Duluth - Undergraduate	\$9,448	\$9,448	\$20,556
U of M Duluth - Graduate	\$11,147	\$11,147	\$18,245
U of M Morris	\$10,312	\$10,312	\$10,312
U of M Twin Cities - Undergraduate	\$9,410	\$9,410	\$21,040
U of M Twin Cities - Graduate	\$11,147	\$11,147	\$18,245
U of M Twin Cities - Law	\$22,205	\$22,205	\$31,705
Vermilion Community College	\$4,367	\$4,367	\$5,333
Winona State University - Undergraduate	\$7,099	\$7,099	\$11,399
Winona State University - Graduate	\$7,275	\$7,275	\$10,595

* Includes Tuition and Fees per the Minnesota-North Dakota agreement

Source: Minnesota Office of Higher Education

Tuition Rates: Minnesota-South Dakota Tuition Reciprocity

Tuition rates at South Dakota institutions in the Minnesota-South Dakota tuition reciprocity agreement for 2006-2007 are shown in Table 18. Tuition rates at Minnesota institutions in the Minnesota-South Dakota tuition reciprocity agreement for 2006-2007 are shown in Table 19.

Table 18

Minnesota-South Dakota Tuition Reciprocity

South Dakota Tuition & Fee Rates: 2006-2007*

South Dakota Institutions	Resident	Reciprocity	Non-Resident
Black Hills State College - Undergraduate	\$5,001	\$6,498	\$6,192
Black Hills State College - Graduate	\$4,986	\$7,854	\$10,617
Dakota State University - Undergraduate	\$5,060	\$6,498	\$6,251
Dakota State University - Graduate	\$5,033	\$7,854	\$10,664
Northern State University - Undergraduate	\$4,962	\$6,498	\$6,153
Northern State University - Graduate	\$4,955	\$7,854	\$10,586
South Dakota School of Mines & Technology - Undergraduate	\$4,989	\$6,498	\$6,180
South Dakota School of Mines & Technology - Graduate	\$4,977	\$7,854	\$10,608
South Dakota State University Brookings - Undergraduate	\$5,052	\$6,498	\$6,243
South Dakota State University Brookings - Graduate	\$5,027	\$7,854	\$10,658
University of South Dakota Vermillion - Undergraduate	\$5,072	\$6,498	\$6,263
University of South Dakota Vermillion - Graduate	\$5,043	\$7,854	\$10,674
University of South Dakota Vermillion - Law	\$8,327	\$12,491	\$16,610

* The Minnesota-South Dakota agreement includes resident fees at the institution attended.

Source: Minnesota Office of Higher Education

Table 19**Minnesota-South Dakota Tuition Reciprocity
Minnesota Tuition and Fee Rates: 2006-2007***

Minnesota Institutions	Resident	Reciprocity	Non-Resident
Alexandria Technical College	\$4,179	\$4,179	\$7,989
Anoka Technical College	\$4,464	\$4,464	\$8,507
Anoka-Ramsey Community College	\$3,804	\$4,818	\$7,194
Bemidji State University - Undergraduate	\$6,489	\$6,489	\$6,489
Bemidji State University - Graduate	\$7,605	\$7,605	\$7,605
Central Lakes College	\$4,238	\$5,362	\$4,238
Century College	\$4,244	\$5,383	\$5,054
Dakota County Technical College	\$4,586	\$4,586	\$8,668
Fond Du Lac Community College	\$4,215	\$5,340	\$7,978
Hennepin Technical College	\$3,947	\$3,947	\$7,717
Hibbing Community & Technical College	\$4,237	\$5,367	\$5,181
Inver Hills Community College	\$4,368	\$5,553	\$8,331
Itasca Community College	\$4,303	\$5,452	\$5,264
Lake Superior College	\$3,927	\$4,959	\$7,149
Mesabi Range College	\$4,253	\$5,383	\$5,198
Metropolitan State University - Undergraduate	\$5,082	\$5,082	\$9,912
Metropolitan State University - Graduate	\$6,108	\$6,108	\$11,964
Minneapolis Community & Technical College	\$4,284	\$4,284	\$8,207
Minnesota State College - Southeast	\$4,351	\$4,351	\$8,345
Minnesota State Community & Technical College	\$4,331	\$5,524	\$4,331
Minnesota State University Mankato - Undergraduate	\$5,840	\$5,840	\$11,668
Minnesota State University Mankato - Graduate	\$7,094	\$7,094	\$11,200
Minnesota State University Moorhead - Undergraduate	\$5,720	\$5,720	\$10,608
Minnesota State University Moorhead - Graduate	\$6,855	\$6,855	\$12,876
Minnesota West Community & Technical College	\$4,460	\$5,881	\$4,460
Normandale Community College	\$4,320	\$5,477	\$8,189
North Hennepin Community College	\$4,257	\$5,437	\$7,619
Northland Community & Technical College	\$4,590	\$5,837	\$4,590
Northwest Technical College - Bemidji	\$4,490	\$4,490	\$4,490
Pine Technical College	\$4,071	\$4,071	\$7,716
Rainy River Community College	\$4,325	\$5,466	\$4,325
Ridgewater College	\$4,355	\$5,520	\$4,355
Riverland Community & Technical College	\$4,427	\$5,286	\$4,427
Rochester Community & Technical College	\$4,427	\$5,673	\$8,428
South Central College	\$4,223	\$4,223	\$4,223

Table 19 (continued)

Minnesota-South Dakota Tuition Reciprocity

Minnesota Tuition and Fee Rates: 2006-2007*

Minnesota Institutions	Resident	Reciprocity	Non-Resident
Southwest Minnesota State University - Undergraduate	\$6,240	\$6,240	\$6,240
Southwest Minnesota State University - Graduate	\$7,286	\$7,286	\$7,286
St. Cloud State University - Undergraduate	\$5,718	\$5,718	\$11,625
St. Cloud State University - Graduate	\$6,839	\$6,839	\$10,316
St. Cloud Technical College	\$4,302	\$4,302	\$8,201
St. Paul College	\$4,134	\$4,134	\$7,970
U of M Crookston	\$8,568	\$8,568	\$8,568
U of M Duluth	\$9,448	\$9,448	\$20,556
U of M Duluth - Graduate	\$11,147	\$11,147	\$18,245
U of M Morris	\$10,312	\$10,312	\$10,312
U of M Twin Cities - Undergraduate	\$9,410	\$9,410	\$21,040
U of M Twin Cities - Graduate	\$11,147	\$11,147	\$18,245
U of M Twin Cities - Law	\$22,205	\$22,205	\$31,705
Vermilion Community College	\$4,367	\$5,522	\$5,333
Winona State University - Undergraduate	\$7,099	\$7,099	\$11,399
Winona State University - Graduate	\$7,275	\$7,275	\$10,595

* The Minnesota-South Dakota agreement includes resident fees at the institution attended.

Source: Minnesota Office of Higher Education

Reciprocity Graduates

Minnesota Statutes 136A.08, Subd. 8 instructs the Office of Higher Education to report “. . . summary statistics on the number of graduates by institution, degree granted and year of graduation. . . .” for reciprocity students who attend Minnesota postsecondary institutions. Tuition reciprocity student graduation data by institution and degree type, for the most recent years available, follow.

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

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

Source: Office of the Chancellor Research & Planning

Table 21
University of Minnesota
Graduates Enrolled as Reciprocity Students
Academic Year 2005-2006

Campus	Degree Type					Total
	Associate	Bachelor's	Master's	First Prfl	Doctoral	
Crookston	2	31				33
Duluth		141	20			161
Morris Twin Cities		25				25
		1,299	131	67	16	1,513
Total	2	1,496	151	67	16	1,732

Source: University of Minnesota

Minnesota Statutes 136A.08, Subd. 8 also provides the following:

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

Minnesota Statutes 136A.08, Subd. 8 instructs the Office to report the “. . . total number of reciprocity students employed in the state, and the total earnings of those graduates,” after considering developing the appropriate data collection procedures.

The Minnesota Office of Higher Education has considered developing the data collection procedures in Minnesota Statutes 136A.08, Subd. 8 in order to report the two numbers requested. For the Minnesota Office of Higher Education to report the total number of reciprocity students employed in the state and the total earnings of those graduates would require the University of Minnesota and the Minnesota State Colleges and Universities to provide the agency with Social Security numbers of tuition reciprocity graduates. In turn, the Office of Higher Education would have to supply the Social Security numbers of tuition reciprocity graduates to an agency of the state of Minnesota with employment and wage data which would determine the total number employed and total earnings. This sequence of sharing Social Security numbers, according to the agency’s attorney in the Attorney General’s Office, potentially conflicts with Minnesota’s Government Data Practices Act, the federal Family Education Rights and Privacy Act and the federal Privacy Act of 1974.¹¹

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

Research from the University of Minnesota provides greater insight into the utility of tuition reciprocity than the sum of tuition reciprocity graduate earnings and employment. 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.

¹¹ Minnesota Government Data Practices Act - Minn. Stat. Ch. 13 (supp.2005), Family Educational Rights and Privacy Act - 20 U.S.C. sec.1232g and 34 C.F.R. part 99, Privacy Act of 1974 - 5 U.S.C. sec. 552a

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.¹²

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 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.

Zetterberg and Kellogg concluded Minnesota clearly benefits in a very significant ways from the state's current reciprocity agreements.¹³

Recent United States Census data corroborates Zetterberg and Kellogg's findings. Minnesota ranked eighth among the states and the District of Columbia in the percent of population 25 years and over with bachelor's degrees in 2005. Moreover, Minnesota was the only state in the upper midwest to rank in the upper quintile of states on this measure. Minnesota's tuition reciprocity partners, North Dakota, South Dakota, Iowa and Wisconsin, all ranked in the lower half of states in the percent of population 25 years and over with bachelor's degrees.

¹² Zetterberg and Kellogg, 1.

¹³ Zetterberg and Kellogg, 2.

The percent of population 25 years and over with bachelor's degrees in the reciprocity states in 2005 is described in Table 22.

Table 22
Percent of Population 25 Years and Over With Bachelor's Degree
Reciprocity States: 2005

State	Percent
Minnesota	34.2%
North Dakota	27.2%
South Dakota	25.0%
Wisconsin	25.0%
Iowa	24.5%

Source: U.S. Census Bureau, Current Population Survey,
2005 Annual Social and Economic Supplement
Internet Release Date: October 26, 2006
<http://www.census.gov/population/socdemo/education/cps2005/tab13.xls>

The Office of Higher Education examines upper Midwest state labor force education attainment data as part of its ongoing administration of Minnesota's tuition reciprocity agreements. Demographic trends in the upper Midwest and the strength of Minnesota's economy suggest the relative position of Minnesota among reciprocity states, as shown in Table 22, is likely to continue in the foreseeable future.