Board of Regents considers expanding in-state tuition to 3 more states

"With the higher education landscape changing drastically and some of the demographic challenges coming up in the next decade, borders are becoming less and less important. And everybody's vying for the same students."



The South Dakota Board of Regents will meet at South Dakota State University in Brookings, S.D., next week and discuss expanding its South Dakota Advantage Program that grants in-state tuition rates to residents of other states. (Jacob Boyko / South Dakota News Watch)

By Jacob Boyko

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BROOKINGS, S.D. (South Dakota News Watch) - The Board of Regents will consider an expansion to its South Dakota Advantage program next week that would grant resident tuition rates to three other states.

If the regents approve the measure, students from Minnesota, Kansas and Missouri will be able to attend South Dakota's six public universities at the same cost as South Dakota residents.

"It's becoming an increasingly competitive market and we're doing all we can to attract students to South Dakota," said Nathan Lukkes, executive director and CEO of SDBOR. "With the higher education landscape changing drastically and some of the demographic challenges coming up in the next decade, borders are becoming less and less important. And everybody's vying for the same students."

Universities face enrollment cliff

Since fewer children were born during the 2007-2009 recession, there will be fewer college-aged kids over the next several years. In order to mitigate enrollment declines, universities' outreach efforts will become more crucial than ever, said Tim Rave, regents president.

"It's no secret we're going to start pushing up against the enrollment cliff, as every university in the country is. And it's imperative that we get out in front of that to encourage as many students to come to South Dakota (as we can) and stay once they graduate," he said.

The South Dakota Advantage program, which began in fall 2019, granted in-state tuition rates for Iowa, Nebraska, North Dakota, Wyoming, Montana and Colorado residents. Illinois and Wisconsin were added to the list in 2023.

There is already a separate reciprocity agreement with Minnesota that allows residents to pay the higher amount between their home-state tuition and the South Dakota campus they attend, according to the Board of Regents. Bringing Minnesota into the program will save Minnesota residents attending a South Dakota public university upward of \$600 per semester.

лт капкіп, president of south Dakota school of Mines and Technology in каріd City, told News Watch south Dakota Advantage is making his university more competitive in farther-away markets.

"I think we've got over 350 Colorado students, probably about just under 15% of our students," he said. "We didn't have those kinds of numbers in the past."

SDBOR enrollment data show out-of-state enrollment growth for first-time freshmen from each state in the initial South Dakota Advantage program. The exception is Iowa, which along with Nebraska were already granted in-state tuition.

According to SDBOR, here are the enrollment changes of first-time freshmen from surrounding states between fall 2018 and fall 2023:

- Iowa: 483, 437
- Nebraska: 266, 402
- Colorado: 112, 149
- North Dakota: 64, 96
- Wyoming: 50, 82
- Montana: 21, 33

The data also show total nonresident enrollment climbing in the SDBOR system from 12,700 in fall 2021 to 13,308 in fall 2023.

Building the state's future

Lukkes told News Watch that 23% of nonresident graduates stayed in South Dakota after graduation in 2019. By 2022, it had risen to over 28%.

"Last year we had 793 nonresident graduates that stayed and entered the workforce in South Dakota," he said. "The year before was 768, and the year before that 742. It's a critical piece of our workforce puzzle as we continue to struggle with shortages in education, health care and business."

Shawn Hembolt, assistant vice president for enrollment management at South Dakota State University, agrees.

"We know that if we can get them here, enrolled at our university, have them spend four quality years here in South Dakota, the chances of them staying in South Dakota and helping enhance our workforce and our state is even greater," he said.

Scrapping the out-of-state tuition rate for nearby markets means the universities make less money off of each student. But Rankin said the program is a net gain overall.

"You're charging a little less to those out-of-state students coming in. But at the same time, you're hoping to bring in more students that wouldn't have come here in the first place," he said. "What we really want to see is that increased enrollment, which will make up for that decrease in tuition."

In-state tuition tips the scales

RuthAnn Holmes, a Wyoming native, is a senior at SDSU majoring in agricultural communication. After graduating high school in 2020, it wasn't very clear where she'd end up.



RuthAnn Holmes, an SDSU student from Hillsdale, Wyo., chose SDSU over other nearby universities because of its affordability. She is majoring in agricultural communication with minors in meat science and animal science. (Jacob Boyko / South Dakota News Watch)

"I had three big options," Holmes said. "I had Colorado State, Texas A&M and SDSU. They all have really strong animal science and meat science degrees I was interested in."

Holmes said being offered in-state tuition tipped the scales in favor of coming to South Dakota.

"I feel it's very important because I, by myself, am the one paying for tuition and I don't have assistance from my parents in paying for that," she said. "Paying in-state tuition made (college) a lot more financially available for me."

Holmes estimates SDSU's more affordable education saved her about \$20,000 from her second-choice pick, Colorado State University. She said she's open to staying in South Dakota after graduating.

Some distant states are closer than in-state points

Brock Brown, who serves on the regents as a student, said most of his classmates at the University of South Dakota School of Law are from out-ofstate, which shows the benefit of the lower tuition rates.

"Something they talk about constantly as the reason they chose to attend USD's law school is because of the cost compared to their own state," he said.

Brown also pointed out the distance between SDSU in Brookings and Black Hills State University in Spearfish is greater than the distance from SDSU to the Wisconsin, Missouri and Kansas borders.

The regents will discuss the proposed changes and may vote on the proposal at a Dec. 13-14 meeting at SDSU.

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