

Regional Comparison of Post-Secondary Tuition & Fees



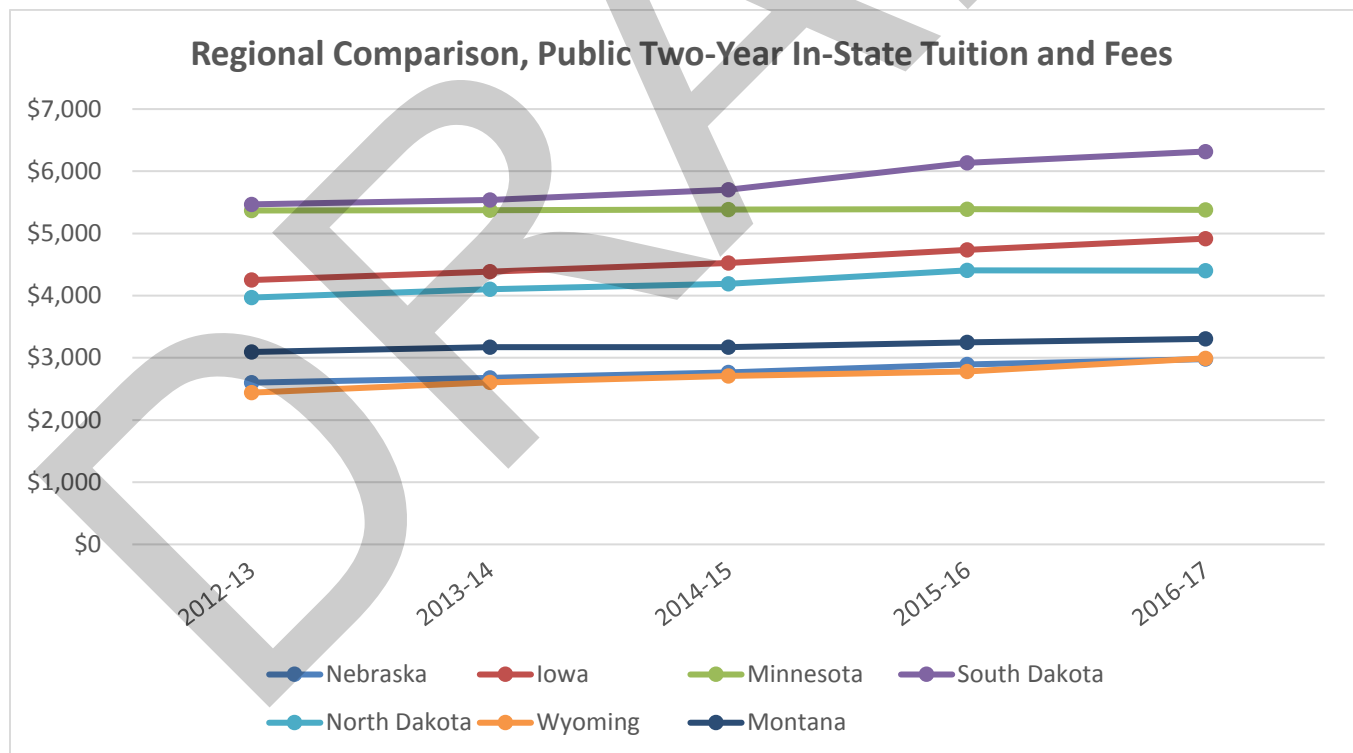
**ISSUE
MEMORANDUM
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Introduction

The average cost for tuition and fees for post-secondary education in the region has increased significantly over the years. South Dakota's technical institutes have the highest average resident tuition and fees in the region, while the state's public universities have the second highest average undergraduate resident tuition and fees in the region and the third lowest in the region for average graduate resident tuition and fees.

Tuition and Fees at Two-Year Institutions

Below is a graph showing a regional comparison of in-state tuition and fees for two-year public institutions, which includes South Dakota's technical institutes. This compares the average in-state tuition and fees for full-time students based on published prices. Regionally, South Dakota's two-year technical schools are the most expensive with tuition and fees costing about \$6,320 in the 2016-2017 school year. Nebraska is the lowest in the region, with tuition and fees amounting to about \$2,980 in the 2016-2017 school year.



Source: The College Board, Annual Survey of Colleges

Nationally, South Dakota is ranked 47th for the affordability of average in-district tuition and fees at public two-year institutions. Below is a table displaying the rankings of 49 states with the regional states and United States average bolded. (Note: Alaska is not included because it does not have a separate community college system.)

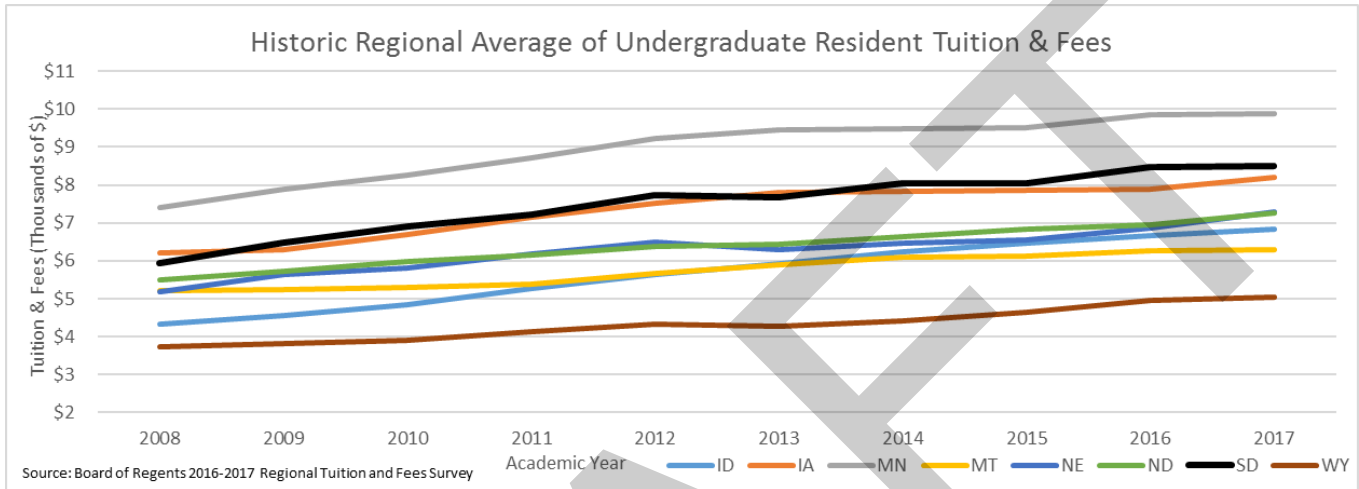
Ranking of Average 2016-17 In-District Tuition and Fees at Public Two-Year Institutions						
Ranking	State	In-District Tuition and Fees		Ranking	State	In-District Tuition and Fees
1	CA	\$1,430		25	LA	\$4,090
2	NM	\$1,660		26	CT	\$4,190
3	TX	\$2,410		27	WA	\$4,200
4	NC	\$2,420		28	RI	\$4,270
5	AZ	\$2,550		29	CO	\$4,280
6	MS	\$2,770		30	TN	\$4,280
7	KS	\$2,890		31	WI	\$4,290
8	NV	\$2,910		32	AL	\$4,390
9	NE	\$2,980		33	ND	\$4,400
10	WY	\$2,990		34	IN	\$4,410
11	FL	\$3,240		35	MD	\$4,420
12	MO	\$3,250		36	OH	\$4,530
13	MT	\$3,300		37	NJ	\$4,720
-	US	\$3,520		38	OR	\$4,760
14	AR	\$3,600		39	KY	\$4,910
15	MI	\$3,600		40	IA	\$4,920
16	ME	\$3,640		41	SC	\$4,940
17	DE	\$3,660		42	VA	\$4,950
18	UT	\$3,690		43	PA	\$5,160
19	GA	\$3,700		44	NY	\$5,260
20	OK	\$3,790		45	MN	\$5,380
21	HI	\$3,850		46	MA	\$5,870
22	IL	\$3,890		47	SD	\$6,320
23	WV	\$3,950		48	NH	\$6,530
24	ID	\$4,030		49	VT	\$7,740

Source: The College Board, Annual Survey of Colleges



Regional Tuition and Fees at Public Universities Over the Last Ten Years

The cost for an undergraduate resident to attend any regional public university has increased significantly over the last ten years. In the 2007-2008 academic year, South Dakota had an average cost of \$5,952 per year for tuition and fees, while the 2016-2017 year was \$8,504, a 43% increase. This compares to a CPI inflation rate of 14% over the same period. South Dakota currently has the second highest resident tuition and fees in the region, while ten years ago South Dakota was the third highest. The graph below provides the historic regional average of undergraduate resident tuition and fees.¹



The following heat table shows the regional average year-over-year percent change in tuition and fees for undergraduate residents. Dark green represents a yearly increase greater than 7%, while medium green is an increase of 5%-7%, and the light green an increase between 3% and 5%. Most states had large increases for academic years 2009-2012.

Regional Average Year over Year Percent Change in Tuition & Fees: Undergraduate Residents									
	2009	2010	2011	2012	2013	2014	2015	2016	2017
ID	5.3%	6.2%	9.1%	7.1%	4.9%	5.1%	3.8%	3.1%	2.7%
IA	1.1%	6.7%	6.5%	5.5%	3.6%	0.2%	0.4%	0.4%	4.0%
MN	6.4%	4.9%	5.6%	5.7%	2.6%	0.3%	0.2%	3.5%	0.5%
MT	0.5%	1.0%	1.8%	5.3%	3.6%	3.6%	0.5%	2.1%	0.7%
NE	8.8%	3.3%	6.5%	4.7%	-3.1%	3.0%	1.2%	5.0%	5.9%
ND	4.2%	4.4%	3.1%	3.5%	1.1%	3.1%	2.9%	1.7%	4.6%
SD	8.8%	6.6%	4.5%	7.0%	-0.6%	4.7%	0.0%	5.4%	0.3%
WY	1.8%	2.8%	5.4%	5.0%	-1.3%	2.9%	5.5%	6.8%	1.9%

Source: Board of Regents 2016-2017 Regional Tuition and Fees Survey

A similar trend is seen in undergraduate nonresident tuition and fees. The ten-year change in tuition and fees for undergraduate nonresidents is greater than the increase for residents. South Dakota's ten-year average change for undergraduate nonresidents was 61%, which is the largest increase among the regional states. The South Dakota undergraduate nonresident average cost was \$7,272 per year in the 2007-2008 academic year compared to the current average of \$11,732 for tuition and fees.²

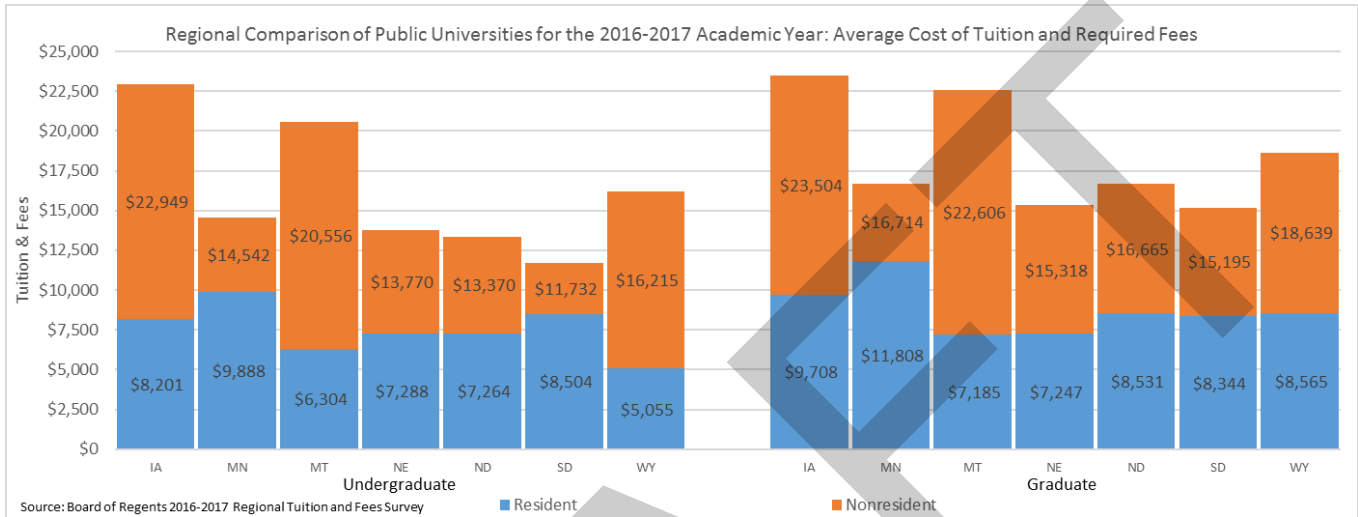
¹ The dollar amounts mentioned in this memo are based on tuition and any mandatory fees for 30 credit hours per year for undergraduate and 24 credit hours for graduate.

² Note: The nonresident rates do not reflect any reciprocity agreements or other tuition reduction programs between states. Therefore, a nonresident student could possibly attend a given institution at a lower cost than indicated in this memo.



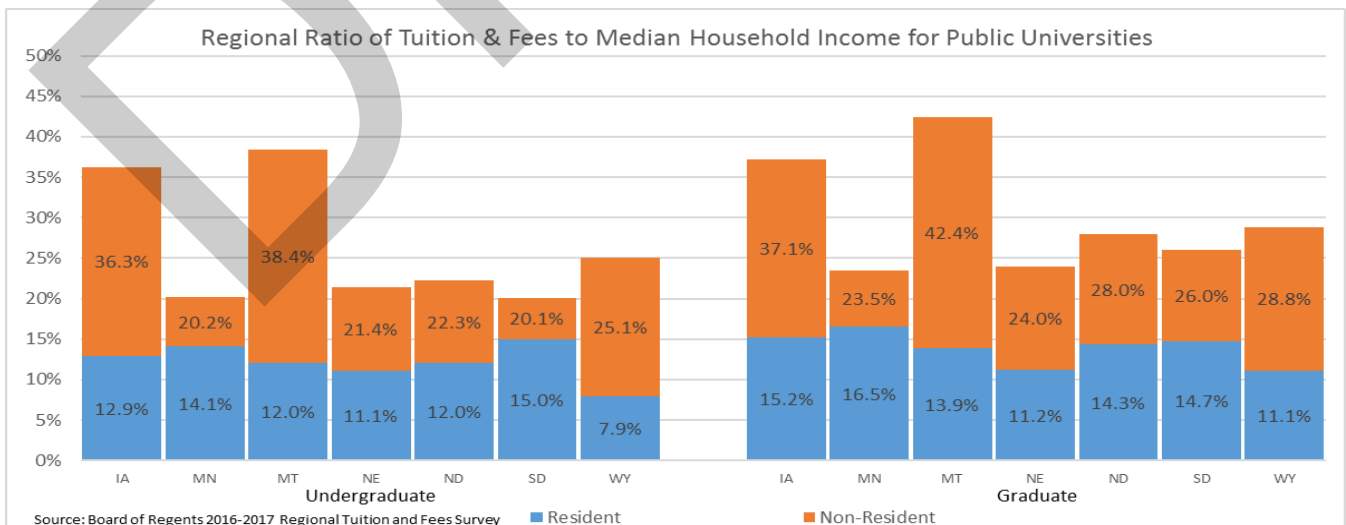
Regional Tuition and Fees at Public Universities for the Academic Year 2016-2017

South Dakota's public universities currently have the second highest average undergraduate resident cost for tuition and fees in the region at \$8,504 per year, with only Minnesota having a higher average cost of \$9,888. However, South Dakota's public universities have the lowest average undergraduate nonresident cost for tuition and fees in the region at \$11,732 per year compared to North Dakota, the next lowest, at \$13,370. The graph below provides the regional average tuition and fees for academic year 2016-2017 by state.ⁱ



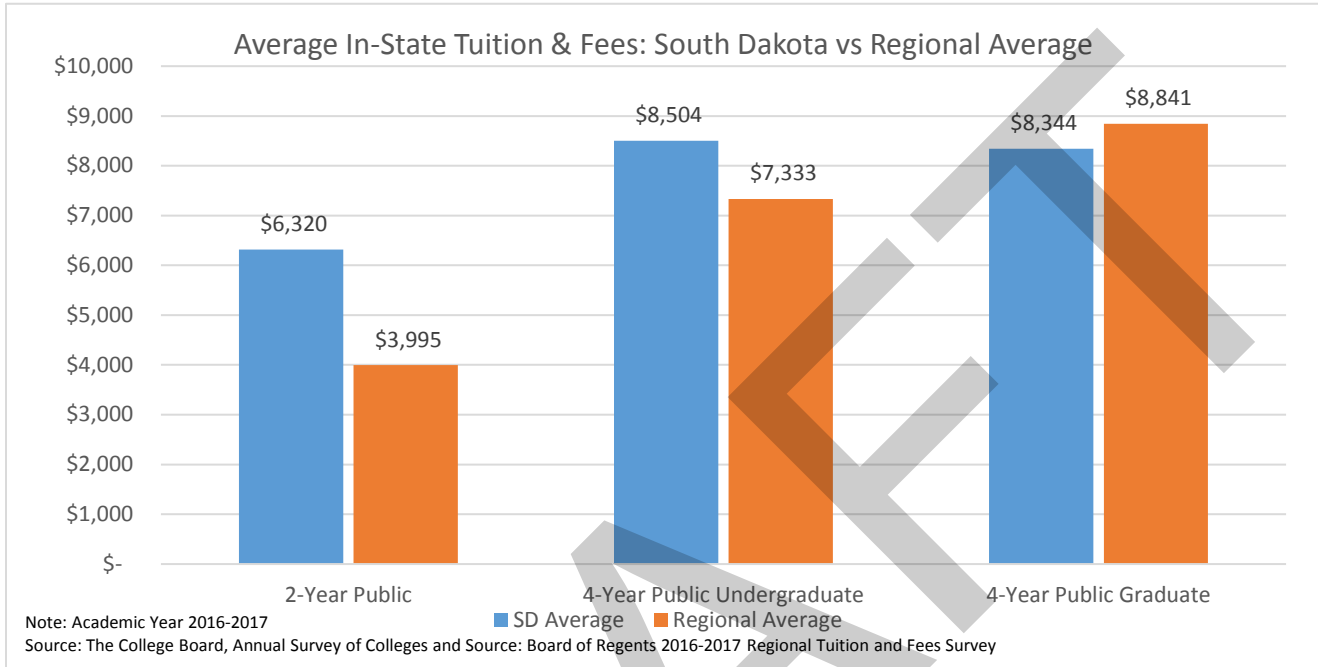
Regional Ratio of Tuition & Fees to Median Household Income for Public Universities

Looking at the ratio of tuition and fees to median household income provides insights into the outcome tuition and fees has on family contributions towards college and how income may be a factor in tuition and fees. In 2015, South Dakota had an average median household income of \$55,065, while other states in the region were at \$68,730 (MN), \$57,415 (ND), \$60,925 (WY), \$60,855 (IA), and \$51,395 (MT). South Dakota had an undergraduate resident ratio of 15%, meaning a year of undergraduate tuition and fees is 15% of the median household income in South Dakota. As the ratio increases, more income would go towards tuition and fees. South Dakota had the highest regional ratio of resident tuition and fees to median household income in 2015. However, South Dakota also had the lowest undergraduate nonresident ratio in the region at 20.1%. The below graph provides the average regional ratios of tuition and fees to median household income for public universities.



Conclusion

Tuition and fees have been increasing significantly for students at post-secondary institutions across the nation. South Dakota's technical institutes have the highest average resident tuition and fees in the region, while the state's public universities have the second highest average undergraduate resident tuition and fees in the region and the third lowest in the region for average graduate resident tuition and fees.



For the South Dakota two-year public institutions to reduce their resident tuition and fees from the state average of \$6,320 to a regional average of \$3,995, the two-year institutions would need an additional \$13,333,875. The table below provides the additional dollars that would be needed for South Dakota to reach a resident tuition and fees amount comparable to the regional surrounding states.

Additional Dollars Needed in South Dakota to Reach Comparable Tuition & Fees in Regional States for the 2016-2017 Academic Year

	2-Year Public	
	Yearly State Average Resident Tuition & Fees	Additional Dollars Needed for Tuition & Fees*
Nebraska	\$2,980	\$19,154,900
Wyoming	\$2,990	\$19,097,550
Montana	\$3,300	\$17,319,700
Regional Avg.	\$3,995	\$13,333,875
North Dakota	\$4,400	\$11,011,200
Iowa	\$4,920	\$8,029,000
Minnesota	\$5,380	\$5,390,900
South Dakota	\$6,320	\$0

* 2-year public is based on 5,735 student FTEs
 Note: 4-year public undergraduate student FTEs were not available.

This issue memorandum was written by Jeff Mehlhaff and Stephanie Gruba, Fiscal Analysts on 06/02/2017 for the Legislative Research Council. It is designed to supply background information on the subject and is not a policy statement made by the Legislative Research Council.