

**SOUTH DAKOTA BOARD OF REGENTS**

**Budget and Finance**

**AGENDA ITEM: 7 – L**  
**DATE: December 13-14, 2023**

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**SUBJECT**

**Revised BOR Policies 5.5.1 – Tuition and Fees: On-Campus Tuition and 5.5.2 – Tuition and Fees: Off-Campus Tuition (First and Final Reading)**

**CONTROLLING STATUTE, RULE, OR POLICY**

[BOR Policy 5.5.1](#) – Tuition and Fees: On-Campus Tuition  
[BOR Policy 5.5.2](#) – Tuition and Fees: Off-Campus Tuition  
[SDCL Chapter 3-20](#) – Reduced Tuition at State Colleges and Universities

**BACKGROUND / DISCUSSION**

Throughout the HR Transformation subcommittee process, several subcommittees brought up the desire to expand the reduced tuition for state employees to distance education courses as an employee recruitment and retention incentive. Currently, state employees can only receive a reduced tuition benefit for on-campus courses, including those offered at BHSU – Rapid City and USD – Sioux Falls. In this changing labor market, it is critical that we continue to evaluate our total rewards package in order to remain competitive and differentiate Board of Regents institutions as employers of choice. This policy change was discussed by the HR steering committee and COPS.

The reduced tuition is limited to resident, benefit-eligible employees who have been continuously employed for one year or more; employees are only eligible for the reduced tuition rate for six credit hours per semester and are limited to space availability in the class. The benefit will equal one-half of the resident on-campus rate of tuition and does not include a reduction on student fees.

In addition, the proposed revisions replace the references to “off-campus” courses to distance education, adds the system definition for distance education, and revises the definition of “on-campus” to include the BHSU – Rapid City and USD – Sioux Falls campuses. These changes add clarity to the policies and align them with practice.

(Continued)

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**DRAFT MOTION 20231213\_7-L:**

I move to (1) waive the two-reading requirement of By-Laws Section 5.5.1, and (2) approve the first and final reading of the proposed revisions to BOR Policy 5.5.1 and 5.5.2 as outlined in Attachments I and II.

Revisions to BOR Policies 5:5:1 and 5:5:2 (First and Final Reading)

December 13-14, 2023

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### **IMPACT AND RECOMMENDATION**

This is the first and final reading of these policies. Board staff recommends approving the first and final reading of proposed revisions to BOR Policy 5.5.1 and BOR Policy 5.5.2 as outlined in Attachments I and II. Upon approval, the reduced tuition benefit would be available to state employees effective for the Spring 2024 semester.

### **ATTACHMENTS**

Attachment I – BOR Policy 5:5:1 Revisions

Attachment II – BOR Policy 5:5:2 Revisions

**SOUTH DAKOTA BOARD OF REGENTS****Policy Manual**

**SUBJECT:** Tuition and Fees: On-Campus Tuition

**NUMBER:** 5.5.1

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**A. PURPOSE**

To establish the tuition structure used for on-campus students; to document approved tuition reduction programs; and to delineate the distribution of tuition components.

**B. DEFINITIONS**

1. **Active Duty Military Personnel:** A person who is either in the military full time or in the Reserve or National Guard and placed on active duty status as authorized in Title 10, Title 5 and Title 32 of the Department of Defense Instruction 1205.18.
2. **Higher Education Facilities Fund (HEFF):** Represents 11.5% of all tuition collected and can be used for maintenance and repair of academic facilities, building new facilities, and paying rent on specific facilities as authorized in §13-53-15 and §13-53-15.3 and §13-51-2.
3. **On-Campus Tuition:** The charge, whether per credit hour, per semester, or annual, that is assessed to students taking courses delivered on campus, [including the Rapid City and Sioux Falls campuses](#), for the support of instruction and administrative costs.

**C. POLICY****1. On-Campus Tuition**

All courses taught on campus will be at the Board approved on-campus tuition rate except for remedial courses.

- 1.1. **Standard On-Campus Tuition Rates:** The Board sets tuition rates each spring that are effective for the following summer, fall and spring terms. The on-campus tuition rates are per credit hour rates for the following classifications of students:
  - Undergraduate resident
  - Undergraduate nonresident
  - Graduate resident
  - Graduate nonresident
- 1.2. The on-campus tuition rates are per semester for the following classifications of students:

- Law school resident
  - Law school nonresident
  - Pharmacy resident
  - Pharmacy nonresident
- 1.3. The on-campus tuition rates are per annual rates for the following classifications of students:
- Medical school resident
  - Medical school nonresident

## **2. Tuition Allocations**

- 2.1. All on-campus tuition collected shall be deposited 88.5% into the BOR system tuition fund and 11.5% into the higher education facilities fund with the exception of the first \$875,000 of Medical School tuition which shall be deposited 100% into the system tuition fund (SDCL 13-53-15).
- 2.2. Salary Competitiveness: Salary competitiveness is a component of tuition. The proceeds shall be used to enhance faculty and non-faculty exempt salaries. The Board will identify the per credit hour rate annually that is committed to the enhancement of salaries as part of the annual tuition and fee setting process.
- 2.3. Institutional Maintenance and Repair: The campuses are required to allocate a portion of each on-campus credit hour to maintenance and repair. The campus M&R dollars are retained locally in a separate fund and the revenue can only be expended on Board approved projects. The Board will identify the per credit hour rate that is to be committed to maintenance and repair as part of the annual tuition and fee setting process.
- 2.4. Critical Maintenance and Repair: The critical deferred maintenance bonds are supported by revenue from each on-campus tuition credit. The critical deferred maintenance funds are deposited centrally. The Board will identify the per credit hour rate that is to be committed to the critical maintenance and repair bonds as part of the annual tuition and fee setting process.
- 2.5. Technology Funds: The Board has identified a portion of each on-campus credit hour that is to be dedicated to technology investments. The technology investments include the amounts needed to support Regents Information Systems and the System Technology Fund. The Board will identify the per credit hour rate that is to be committed to these technology investments.

## **3. Board Approved Reduced Tuition Programs**

A university may request that the Board approve the use of reduced nonresident tuition rates to support enrollment strategies. A university may also request that the Board set differential tuition rates if necessary to maintain or increase the enrollment of selected types of students.

- 3.1. Persons 65 Years of Age or Older: The tuition for resident students sixty-five (65) years of age or older during the calendar year enrolled shall be 55% of the cost of resident tuition.
- 3.2. Graduate Fellows and Assistants: Resident graduate assistants and graduate student fellows shall be assessed 53% of the resident graduate tuition rate for all on-campus courses, nonresidents shall be assessed 63% (BOR Policy 5.17).
- 3.3. Reserve Officer Training Corps Cadets: South Dakota residents who are junior and senior students and who are contracted senior Reserve Officer Training Corps (ROTC) cadets shall be charged 50% of the undergraduate resident tuition rate established by the Board of Regents for not more than four semesters. (BOR, May 1989, pp. 531 and 533).

A senior cadet is eligible for the special tuition rate as long as he or she:

- remains a resident of South Dakota throughout each semester he or she has applied for benefits;
  - has met all the contract eligibility requirements for Senior ROTC and has signed the contract for the programs;
  - maintains satisfactory academic progress as defined by the United States Army or Air Force Cadet Command;
  - is not receiving a ROTC scholarship and is not a member of the simultaneous membership program.
- 3.4. Military Science Courses: Military Science courses offered to military science students shall be offered without payment of tuition. All other required fees shall apply.
  - 3.5. Western Regional Graduate Program (WRGP): Students from the WICHE states can participate in designated WRGP graduate programs at in-state tuition rates. Institutions shall submit to the Board the designated graduate programs participating in the WRGP as part of the Board's annual tuition and fee setting process. The Board's approval of tuition and fees shall include the list of WRGP programs authorized to offer in-state tuition rates to students from WICHE states.
  - 3.6. Western Undergraduate Exchange Tuition Rate for Residents of WICHE States: Undergraduate residents of WICHE states are eligible to attend any of the SD universities at 150% of the resident on-campus tuition rate. Students attending SDSM&T who are new freshmen and first-time transfers starting the summer of 2016 shall be charged the Western Undergraduate Exchange (WUE) tuition rate for undergraduate courses. The states included are: Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, North Dakota, Oregon, Utah, Washington, and Wyoming.
  - 3.7. Children of Alumni: Effective Summer 2015, non-resident undergraduate freshmen students or first-time transfers attending the same university from which one of their parents or legal guardian received a degree can attend at the resident on-campus

tuition rate. Eligibility criteria approved by the Board differ between institutions and are available from each university.

- 3.8. Active Duty Military Personnel: The undergraduate on-campus tuition rate assessed to active duty military personnel may not exceed the federal tuition assistance benefit for active duty military. In addition, active duty military personnel will not be charged mandatory or discipline fees.
- 3.9. South Dakota Advantage Program: Effective Summer 2019, first time freshmen or new transfer students from Colorado, Iowa, Montana, Nebraska, North Dakota and Wyoming shall be assessed the resident on-campus tuition rate. This reduced tuition rate is available only at the undergraduate level.
  - 3.9.1. The following undergraduate students previously awarded resident tuition will retain resident rates, within the system:
    - Colorado students attending BHSU or SDSM&T beginning with the summer of 2018;
    - Iowa students attending DSU, NSU, SDSU, or USD beginning with the summer of 2016;
    - Montana student attending BHSU beginning summer of 2018;
    - Nebraska student attending DSU, NSU, SDSM&T, SDSU, or USD beginning with the summer of 2018
    - North Dakota students attending NSU beginning with the summer of 2004;
    - Wyoming students attending BHSU beginning with the summer of 2013.

#### **4. Tuition and Fee Reductions and Waivers Established by the Legislature**

The Legislature has established several tuition and fee reductions and waivers for the benefit of specific groups of South Dakota residents. The information in this policy on the legislated reductions and waivers contains only excerpts from the South Dakota Codified Laws and is not intended to provide the necessary detail to administer the programs. Normal fees should be assessed unless specifically waived. SDCL must be referenced for specific guidelines and eligibility criteria. Current information about eligibility requirements is provided in SDCL and shall be available from the Executive Director's office.

- 4.1. Employees of the State of South Dakota (SDCL §3-20): Employees of the state who meet the following requirements and who are admitted to the university may be eligible for a 50% tuition reduction for state support undergraduate and graduate courses up to a maximum of six credit hours per semester. An employee of the state is eligible for tuition reduction as long as he or she:
  - is continuously employed by the state for a period of one year in a benefit eligible position;
  - is a bona fide resident of the state;

- maintains an academic grade of 2.0 or better;
- maintains an academic rating of competent or better in the most recent merit appraisal or is otherwise certified as competent by the immediate supervisor; and
- is a benefit-eligible employee.

Registration in any course at the reduced tuition rate shall be limited to space available, as determined by the President or designee; after all of the full-time or full tuition paying student have registered. The Board of Regents shall maintain an annual record of the number of participants and the tuition dollar value of such participation.

- 4.2. Members of the South Dakota National Guard (SDCL §33-6-5): Any member of the South Dakota National Guard can qualify for a reduced tuition benefit by meeting the following qualifications in SDCL §33-6-7:
- Be a member of the South Dakota Army National Guard Unit or Air National Guard Unit throughout each semester or vocational program for which the member applies for benefits;
  - Have satisfactorily completed required initial basic training;
  - Have satisfactorily performed duty upon return from basic training, including a minimum ninety percent attendance on scheduled drill dates and at annual training with the member's parent unit;
  - Maintain satisfactory academic progress; and
  - Provide proper notice to the institution at the time of registration for the term in which the benefits are sought.
- 4.3. Veterans and Others Who Performed War Service (SDCL §13-55-2): Veterans and others who performed active war service may pursue any undergraduate course or courses without payment of charges for tuition for each month of qualified service or major fraction thereof a month in academic time. No eligible person shall be entitled to less than one or more than four academic years of free tuition. Residence at the time of entry into military service or active war service shall not affect eligibility for this entitlement. Eligibility is limited to persons who reside in this state and who:
- are veterans or others as defined in SDCL §33-17-2;
  - are qualified for resident tuition;
  - comply with all the requirements for admission;
  - are not entitled to have such tuition paid by the United States or are entitled to receive in part from the United States for education and training allowance and in part the expenses of his or her subsistence, tuition, fees, supplies, books and equipment per SDCL §13-15-4.
- 4.4. Children and Spouses of National Guardsmen Disabled or Deceased in Line of Duty (SDCL §13-55-10): South Dakota residents under the age of 25 years whose father, mother, or spouse died or sustained a total permanent disability resulting from duty

as a member of the South Dakota National Guard, while on state active duty or any authorized training duty, shall be entitled to tuition without cost and be entitled to attend any course or courses of student.

- 4.5. Visually Impaired Persons (SDCL § 13-55-11 through 13-55-13): Residents of South Dakota who are visually impaired and who are eligible for admission may pursue any course of student without payment of tuition and fees that other students are required to pay directly to the university until they have received two hundred twenty-five (225) semester hours of credit or its equivalent.

A person shall be deemed to be visually impaired if he or she cannot, with use of correcting glasses, see sufficiently to perform ordinary activities for which eyesight is essential. The impairment shall be certified according to SDCL §13-55-11.1.

- 4.6. Children of Residents Who Died During Service in Armed Forces (SDCL §1355-6 through 13-55-9): Certain children of residents who died while in the service of the armed forces of the United States are entitled to free tuition and to any course or courses of study without the payment of any charges or costs, therefore:

4.6.1. Eligibility is limited to South Dakota residents under the age of twenty-five years.

4.6.2. The deceased parent, mother or father, must have been a veteran as defined in SDCL § 33-17-1, must have been a bona fide resident of South Dakota for at least six months immediately prior to entry into active services, and must have died from any cause while in the service of the armed forces of the United States.

- 4.7. Dependents of Prisoners or Missing in Action (SDCL §13-55-9): Dependents of prisoners of war or persons missing in action, upon being admitted to a university, shall be entitled to eight semesters or twelve quarters, free of tuition and mandatory fees, other than subsistence expenses, for either full- or part-time student, for so long as he or she is eligible.
- 4.8. Certain Elementary and Secondary Teachers and Vocational Instructors (SDCL §13-55-24): Certain elementary and secondary school teachers and vocational instructors may pursue any undergraduate or graduate course upon payment of 50% of tuition and 100% of required fees.

Eligibility is limited to teachers and vocational instructors who:

- are bona fide residents of South Dakota;
- are employed by an accredited school as a teacher as defined in Title 13;
- are required by state law, administrative rules or an employment contract to attend college as a condition of employment or to maintain a certificate to teach;
- are certified as eligible for this program by the school district or private school by which they are employed; and
- maintain an average academic grade of 3.0 or better.



The right of any teacher or vocational instructor to participate in this tuition reduction is limited to the space available, as determined by the President or designee; in any course after all of the full-time or full tuition paying student have registered.

An eligible teacher or vocational instructor may receive the tuition reduction for a maximum of six credit hours per academic year. For the purposes of this section, the academic year shall begin with the fall semester and include all of the following summer.

- 4.9. Survivors of Certain Fire Fighters, Certified Law Enforcement Officers and Emergency Medical Technicians (SDCL §13-55-22): If a firefighter or certified law enforcement officer or an emergency medical technician dies as a direct result of injuries received in performance of official duties, the survivor, upon being duly accepted for enrollment into any state-supported university of higher education or state-supported technical or vocational school, shall be allowed to obtain a bachelor's degree or vocational degree for so long as the survivor is eligible, free of any tuition. However, the bachelor's degree or vocational degree shall be earned within a thirty-six month or eight semester period or its equivalent.
- 4.10. Reciprocity Tuition Rate for Minnesota Residents (SDCL §13-53B): Minnesota residents shall be charged the rate established in the tuition reciprocity agreement between the South Dakota Board of Regents and the Minnesota Higher Education Coordinating Board. (See Policy 5.5.5 – Interstate Tuition Agreements.)
- 4.11. Resident Tuition for Rehabilitation Services Clients: All nonresidents who are receiving tuition support from the South Dakota Division of Rehabilitation Services are entitled to pay tuition at resident rates.

## **5. Reduced Tuition Program Limitation**

A student is only eligible to participate in one reduced tuition program at any point in time. The student will be assigned the appropriate student type that provides the student with the greatest reduced tuition benefit.

## **FORMS / APPENDICES:**

None

## **SOURCE:**

BOR October 2014; August 2006; June 2011; April 2013; March 2016; December 2016; June 2017; March 2018; August 2019; October 2023 (Clerical).

## SOUTH DAKOTA BOARD OF REGENTS

### Policy Manual

**SUBJECT:** Tuition and Fees: ~~Off-Campus~~Distance Education Tuition

**NUMBER:** 5.5.2

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#### A. PURPOSE

To establish the tuition structure for ~~off-campus~~distance education students; to document approved tuition reduction programs; and to delineate the distribution of tuition components.

#### B. DEFINITIONS

1. **Active Duty Military Personnel:** A person who is either in the military full time or in the Reserve or National Guard and placed on active duty status as authorized in Title 10, Title 5 and Title 32 of the Department of Defense Instruction 1205.18.
2. **Distance Education:** As defined by federal regulations, distance education courses use one or more of the technologies listed below to deliver instruction to students who are separated from the instructor or instructors and to support regular and substantive interaction between the students and the instructor or instructors, either synchronously or asynchronously. The technologies that may be used to offer distance education include: 1.) the internet, 2.) one-way and two-way transmissions through open broadcast, closed circuit, cable, microwave, broadband lines, fiber optics, satellite, or wireless communications devices, 3.) audio conference, or 4.) other media used in course in conjunction with any of the technologies listed previously. As further defined by SARA policy, distance education also includes interactive video and correspondence courses or programs.
- 2.3. **Off-Campus Distance Education Tuition:** The per credit hour charge that is assessed to students taking courses delivered thru distance learning~~off-campus~~ for the support of instruction and administrative costs.
- 3.4. **Remedial Courses:** Courses delivered ~~either on or off campus~~through distance education to students requiring additional assistance in the areas of English, Reading, or Mathematics in an effort to achieve expected competencies in these core academic skill areas.

#### C. POLICY

##### 1. ~~Off-Campus~~Distance Education Tuition

All courses offered ~~off-campus and at the Centers will be at off-campus~~via distance education will be at tuition rates established by the Board unless authorized by the Legislature and approved by the Board.

- 1.1. Standard ~~Off-Campus~~Distance Education Tuition Rates: The Board sets tuition rates each spring that are effective for the following summer, fall and spring terms. This

rate is comprised of the ~~off-campus~~distance education tuition rate plus an eleven and one-half percent (11.5%) Higher Education Facilities Fund (HEFF) component, and a surcharge for the support of the Electronic University Consortium (EUC).

- 1.2. Per Credit Hour Rates: The ~~off-campus~~distance education tuition rates are per credit hour rates for undergraduate and graduate students. There is no distinction between resident and nonresident students as there is with on-campus tuition.
- 1.3. Remedial On-Campus Courses: These courses will be assessed an amount equal to the undergraduate ~~off-campus~~distance education tuition rate. No fees are to be charged in addition to this rate.

## 2. Tuition Allocations

- 2.1. All ~~off-campus~~distance education tuition collected shall be deposited 88.5% into the BOR system tuition fund and 11.5% into the Higher Education Facilities Fund.
- 2.2. General Activity Fee: The campuses are required to allocate the equivalent of the per credit hour General Activity Fee (GAF) to the institution's GAF pool of funds for all ~~off-campus~~distance education credit hours taken by on-campus students.
- 2.3. Salary Competitiveness: The Board will identify the per credit hour amount that is to be committed to the enhancement of salaries as part of the annual tuition and fee setting process. The campuses are required to allocate the equivalent of the per credit hour amount to enhance faculty and non-faculty exempt salaries. The annual revenue committed to salary enhancement from ~~off-campus~~distance education tuition applies to all ~~off-campus~~distance education credit hours taken by on-campus students.
- 2.4. Institutional Maintenance and Repair: The Board will identify the per credit hour amount that is to be committed to maintenance and repair (M&R), as well as the critical deferred maintenance bonds, as part of the annual tuition and fee setting process. The campuses are required to allocate the equivalent of the per credit hour amount to be committed to local M&R. The campus M&R dollars are retained locally in a separate fund and the revenue can only be expended on Board approved projects. The annual revenue committed to M&R from off-campus tuition applies to all ~~off-campus~~distance education credit hours taken by on-campus students.
- 2.5. Technology Funds: The Board will identify the per credit hour amount that is to be committed to technology investments as part of the annual tuition and fee setting process. The campuses are required to allocate the equivalent of the per credit hour amount to be committed to technology investments. The technology investments include the amounts needed to support Regents Information Systems and the System Technology Fund, as well as campus technology. The annual revenue committed to technology investments from off-campus tuition applies to all ~~off-campus~~distance education credit hours taken by on-campus students.

## 3. ~~Off-Campus~~Distance Education Reduced Tuition Programs

Legislated and Board approved tuition and fee reductions and waivers apply only to on-campus courses and programs except where noted below. (SDCL §13-55-23)

- 3.1. South Dakota National Guard Members (SDCL §33-6-5): The undergraduate and graduate ~~off-campus~~distance education tuition rates assessed to members of the South Dakota National guard may be reduced by the tuition benefit provided for on-campus courses, the benefit will equal one-half of the resident on-campus tuition rate. This benefit is applied after the federal tuition benefits and may not exceed 100% of the tuition costs.
- 3.2. Active Duty Military Personnel: The undergraduate ~~off-campus~~distance education tuition rate assessed to active duty military personnel may not exceed the federal tuition assistance benefit for active duty military.
- 3.3. Employees of the State of South Dakota: State employees ~~attending a University Center~~, who meet the eligibility requirements for reduced tuition, will receive the same tuition reduction as that provided for on-campus courses up to a maximum of six credit hours per semester. The benefit will equal one-half the resident on-campus tuition rate for undergraduate or graduate courses. ~~for any face-to-face course at a Center.~~
- 3.3.1. Employees of the state who meet the following requirements and who are admitted to the university may be eligible for a 50% tuition reduction for distance education undergraduate and graduate courses up to a maximum of six credit hours per semester. An employee of the state is eligible for tuition reduction as long as he or she:
- 3.3.1.1. Is continuously employed by the state for a period of one year in a benefit eligible position;
- 3.3.1.2. Is a bona fide resident of the state;
- 3.3.1.3. Maintains an academic grade of 2.0 or better;
- 3.3.1.4. Maintains an academic rating of competent or better in the most recent merit appraisal or is otherwise certified as competent by the immediate supervisor; and
- 3.3.1.5. Is a benefit-eligible employee.
- 3.3.2. Registration in any course at the reduced tuition rate shall be limited to space available, as determined by the President or designee; after all of the full-time or full tuition paying student have registered. The Board of Regents shall maintain an annual record of the number of participants and the tuition dollar value of such participation.
- 3.4. Elementary or Secondary Teacher or Vocational Instructor (SDCL §13-55-24): Certain elementary and secondary school teachers and vocational instructors pursuing any undergraduate or graduate ~~off-campus course~~, distance education course, or other course not subsidized by the general fund, will receive the same tuition reduction as that provided for on-campus courses. The benefit will equal one-half the resident on-campus tuition rate.

Eligibility is limited to teachers and vocational instructors who:

- are bona fide residents of South Dakota;

- are employed by an accredited school as a teacher as defined in Title 13;
- are required by state law, administrative rules or an employment contract to attend college as a condition of employment or to maintain a certificate to teach;
- are certified as eligible for this program by the school district or private school by which they are employed; and
- maintain an average academic grade of 3.0 or better.

The right of any teacher or vocational instructor to participate in this tuition reduction is limited to the space available, as determined by the President or designee; in any course after all of the full-time or full tuition paying students have registered.

An eligible teacher or vocational instructor may receive the tuition reduction for a maximum of six credit hours per academic year. For the purposes of this section, the academic year shall begin with the fall semester and include all of the following summer.

## **FORMS / APPENDICES:**

None

## **SOURCE:**

BOR October 2004; June 2011; April 2013; May 2013; December 2014; May 2016; June 2017; June 2018; May 2019; October 2023 (Clerical); [December 2023](#).