
Introduction

Minnesota policy makers adopted a tuition reciprocity program to expand access to higher education.

For decades, Minnesota policy makers have taken steps to provide state residents with widespread access to higher education. Compared with other states, Minnesota has a large number of public colleges and universities, ensuring that most state residents are relatively close to a postsecondary campus.¹ Minnesota has also ranked high among states in its level of financial assistance to students, particularly through the State Grant Program.² In addition, Minnesota has tuition reciprocity agreements with several neighboring states, which allow Minnesotans to attend college in those states at reduced tuition (and allows residents of those states to attend college in Minnesota at reduced tuition).

In 2002, the Legislative Audit Commission asked our office to evaluate the tuition reciprocity program. Our study addressed the following questions:

- **What has been the extent of participation in the reciprocity program? How far do students travel to attend college under the reciprocity program, and what are their fields of study? What factors affect Minnesotans' decisions to attend college in reciprocity states?**
- **To what extent do Minnesotans who attend school in reciprocity states return to Minnesota after graduation? To what extent do residents of reciprocity states who attend Minnesota institutions stay in Minnesota after graduation?**
- **How do Minnesota's reciprocity agreements with different states vary? What are the merits of possible changes in the reciprocity agreements?**
- **What role should the Minnesota Legislature play in oversight of interstate reciprocity agreements?**

To conduct this study, we reviewed documents governing Minnesota's reciprocity program, including state laws, interstate agreements, and administrative memoranda. We examined literature regarding reciprocity programs in other states. We obtained data on program participants from the Minnesota Higher

¹ There are varying practices for counting institutions and campuses within states, but one leading source reported that Minnesota's number of public postsecondary "institutions" in 2000-01 ranked it tenth among states. See National Center for Education Statistics, *Digest of Education Statistics, 2001*, Table 245 (Washington, D.C., April 2002); <http://nces.ed.gov/pubs2002/digest2001/tables/dt245.asp>; accessed June 23, 2003.

² During 2001-02, Minnesota ranked seventh among states in the total amount of need-based financial aid provided to undergraduates; it ranked fourth in need-based aid per resident. Minnesota Higher Education Services Office, *Minnesota Maintains High National Ranking in Support for Need-Based Financial Aid* (St. Paul, May 1, 2003); <http://www.mheso.state.mn.us/mPg.cfm?pageID=1295>; accessed June 11, 2003.

Education Services Office, University of Minnesota, and Minnesota State Colleges and Universities (MnSCU) system, as well as higher education agencies in Wisconsin, North Dakota, and South Dakota. We examined trends in the number of reciprocity students since the program started more than 30 years ago. For Fall 2002 reciprocity students, we looked at the institutions they attended, the distance they traveled from home to attend school, and the fields of study in which they enrolled. We also interviewed representatives of higher education agencies in Minnesota and reciprocity states, as well as institution officials and student representatives.

To examine the reasons that Minnesota residents decided to attend school in reciprocity states, we sent surveys to a random sample of 1,200 Minnesotans who were enrolled as undergraduates in Wisconsin, North Dakota, or South Dakota schools in Fall 2002. We limited the survey to students who participated in the tuition reciprocity program for the first time in Fall 2002. We received responses from 597 students, or about a 50 percent response rate.

To assess the migration patterns of reciprocity students following graduation from college, we identified (1) reciprocity students from Wisconsin, North Dakota, and South Dakota who graduated from the University of Minnesota or MnSCU during the 1997-98 school year, and (2) Minnesotans who attended Wisconsin, North Dakota, or South Dakota institutions under the reciprocity program and finished their coursework during the 1997-98 school year.³ We examined the extent to which these students had Minnesota earnings during 2001, using wage data from the Minnesota Department of Employment and Economic Development's unemployment information system.

In addition, we modeled the possible impact of changes in Minnesota's reciprocity program, using formulas that participating states have developed to compute interstate reimbursement payments. We estimated the impact of individual factors—such as tuition changes—on interstate payments, assuming that other factors remained unchanged. We did not try to estimate the impact of changes in the reciprocity program on the decisions of students about where to attend school.

Chapter 1 provides background on the tuition reciprocity program and discusses differences in the tuition policies of Minnesota's reciprocity agreements with three neighboring states. Chapter 2 examines the characteristics of reciprocity students and factors that contributed to Minnesotans' decisions to enroll out of state. Chapter 3 discusses the extent of college-educated persons in Minnesota's population, and it examines the migration patterns of reciprocity program graduates. Chapter 4 examines interstate payments under the reciprocity program, including the likely impact on these payments that would result from various changes in tuition levels and reciprocity program policies. Chapter 5 discusses the Legislature's role in program oversight and miscellaneous policy options for the reciprocity program.

³ We did not have information on which reciprocity students actually graduated from other states' institutions, so we focused on categories of students who accumulated a large number of credits under the reciprocity program: at least 120 undergraduate credits, 50 to 119 undergraduate credits, or at least 24 graduate-level credits. We did not exclude persons who completed undergraduate work in 1997-98 and then did graduate-level work under the reciprocity program in subsequent years.