

Outline of Presentation

- I. Trends in Total Student Migration
- II. Trends in Regional Student Migration
- III. Projections of Total Out-Migration: 2021-2033
- IV. Differential Tuition at Public Four-Year Institutions
- V. Midwest Student Exchange (MSEP Background)
- VI. Summary for MSEP Consideration

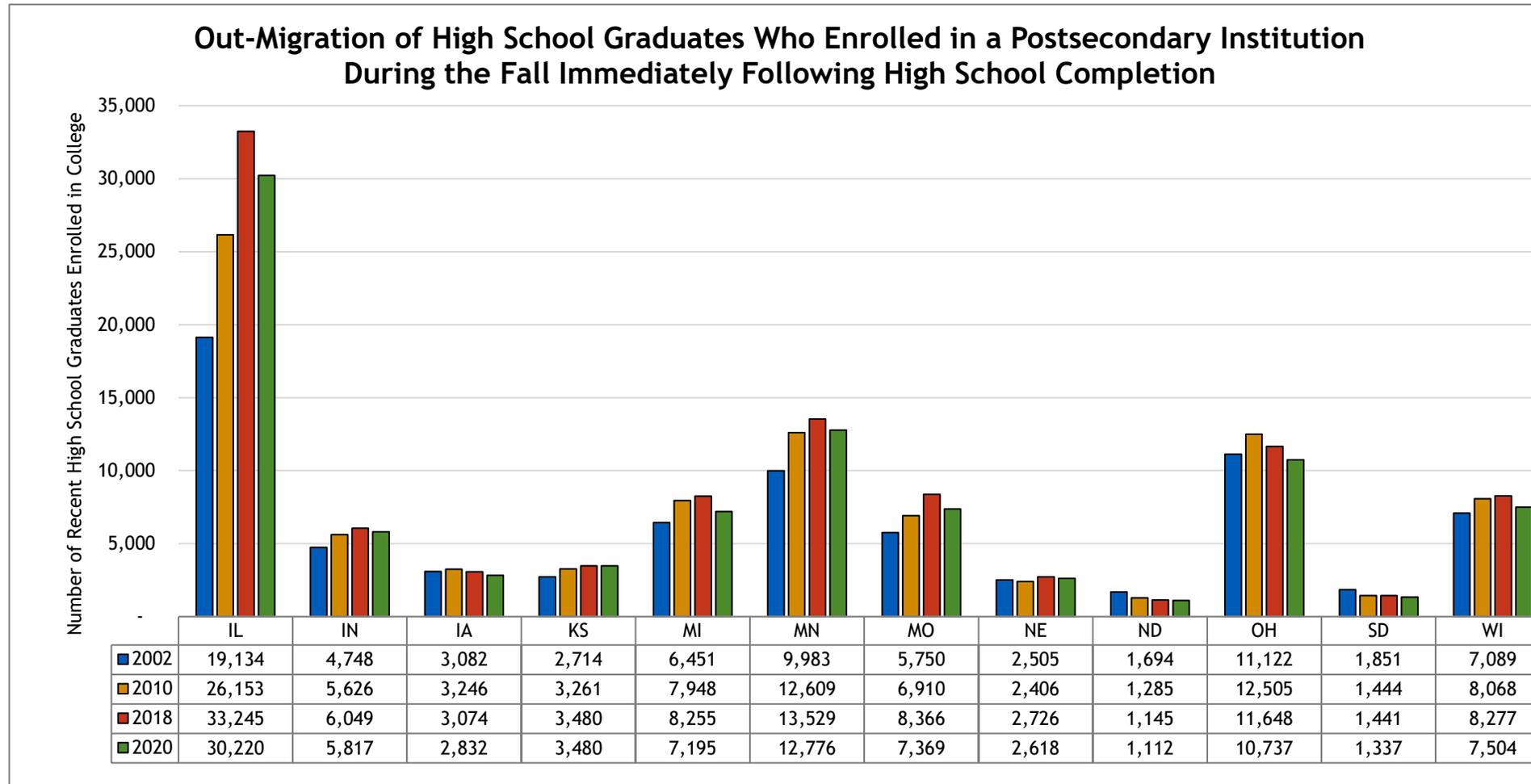
Trends in Total Student Migration:

To what extent are students crossing borders to enroll in college?

Measuring student migration

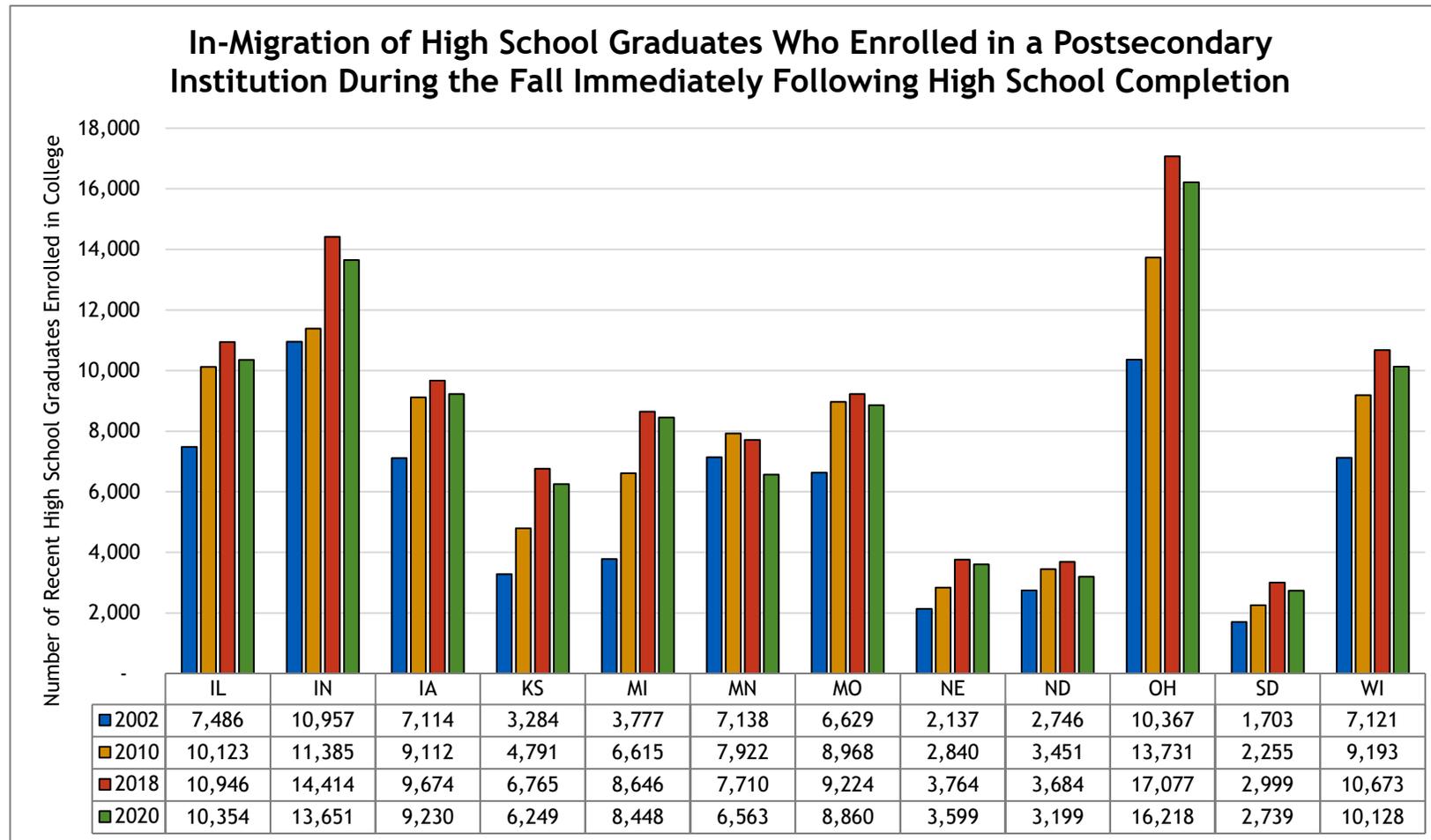
- College enrollment: only includes high school graduates who enrolled in a postsecondary institution during the fall immediately following high school completion.
- Total out-migration: the total number of state residents who enrolled out of state as first-time freshmen
- Total in-migration: the total number of out-of-state first-time freshmen enrolled in a particular state.
- Historical and recent trend: 2002, 2010, 2018, 2020

In most states, the out-migration of first-time students has increased or remained stable through 2018 but declined in 2020.



Source: National Center for Education Statistics. *IPEDS: Fall Enrollment File.*

A significant number of first-time students migrate into MHEC states, though in-migration decreased in 2020.



Source: National Center for Education Statistics. *IPEDS: Fall Enrollment File.*

Projections of Total Out-Migration

How are levels of student migration projected to change over the next decade?

Some states in the Midwest will experience long-term declines in high school graduates by 2033-34, while others will experience increases. Most states will see growth in underrepresented graduates.

Projected Number of High School Graduates in the MHEC Region, 2021 to 2033

State	2021-22	2025-26	2029-30	2033-34	Percent Change		
					Total	White	Underrepresented Minority
Illinois	148,830	145,480	130,350	126,980	-15%	-18%	-15%
Kansas	36,880	38,420	35,970	34,360	-7%	-11%	0%
Michigan	107,390	103,880	100,430	100,370	-7%	-14%	-2%
Ohio	132,230	133,490	126,160	126,160	-5%	-14%	22%
Missouri	71,820	74,940	69,640	68,960	-4%	-9%	4%
Wisconsin	66,410	68,890	64,570	64,020	-4%	-13%	7%
Indiana	77,270	80,430	76,500	75,950	-2%	-10%	15%
Minnesota	68,940	72,120	69,790	70,590	2%	-8%	28%
Nebraska	25,950	26,710	26,050	26,690	3%	-5%	19%
Iowa	37,090	39,870	37,480	38,540	4%	-7%	46%
South Dakota	10,080	11,010	10,750	11,050	10%	0%	61%
North Dakota	7,650	8,650	9,100	10,520	38%	16%	105%
Midwest	790,540	803,890	756,790	754,190	-5%	-12%	6%

Source: Author's analysis. Western Interstate Commission for Higher Education. Knocking at the College Door, 10th edition. National Center for Education Statistics. *IPEDS: Fall Enrollment File*.

If enrollment and out-migration rates are sustained, the number of out-of-state first-time students is projected to decrease in the Midwest from 105,000 to 99,000 by 2033-34.

Projected Recent High School Graduates Enrolling Out of State, 2021 to 2033

State	2021-22	2025-26	2029-30	2033-34
Illinois	33,278	32,529	29,146	28,392
Kansas	3,682	3,836	3,591	3,430
Michigan	8,294	8,023	7,756	7,752
Ohio	12,070	12,186	11,516	11,516
Missouri	8,724	9,103	8,459	8,377
Wisconsin	8,354	8,666	8,122	8,053
Indiana	6,248	6,503	6,186	6,141
Minnesota	14,926	15,615	15,110	15,283
Nebraska	3,033	3,122	3,045	3,120
Iowa	3,224	3,466	3,258	3,350
South Dakota	1,674	1,829	1,786	1,835
North Dakota	1,275	1,441	1,516	1,753
Midwest	104,782	106,317	99,491	99,003

Source: Author's analysis. Western Interstate Commission for Higher Education. *Knocking at the College Door*, 10th edition. National Center for Education Statistics. *IPEDS: Fall Enrollment File*. Analyses do not account for differential probability of college enrollment and out-migration by demographic characteristics (e.g., race/ethnicity). The model assumes a constant rate of enrollment and out-migration.

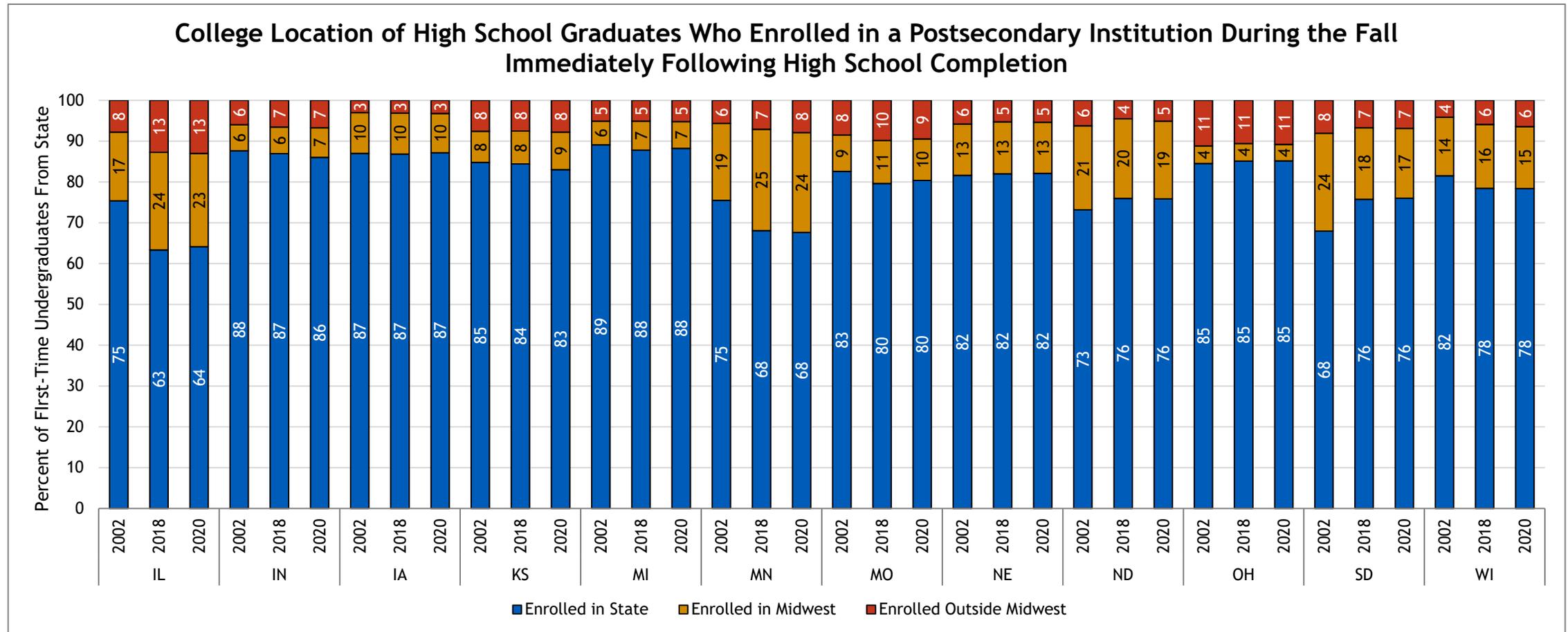


Trends in Regional Student Migration:

Do out-of-state students tend to leave or stay in the Midwest?

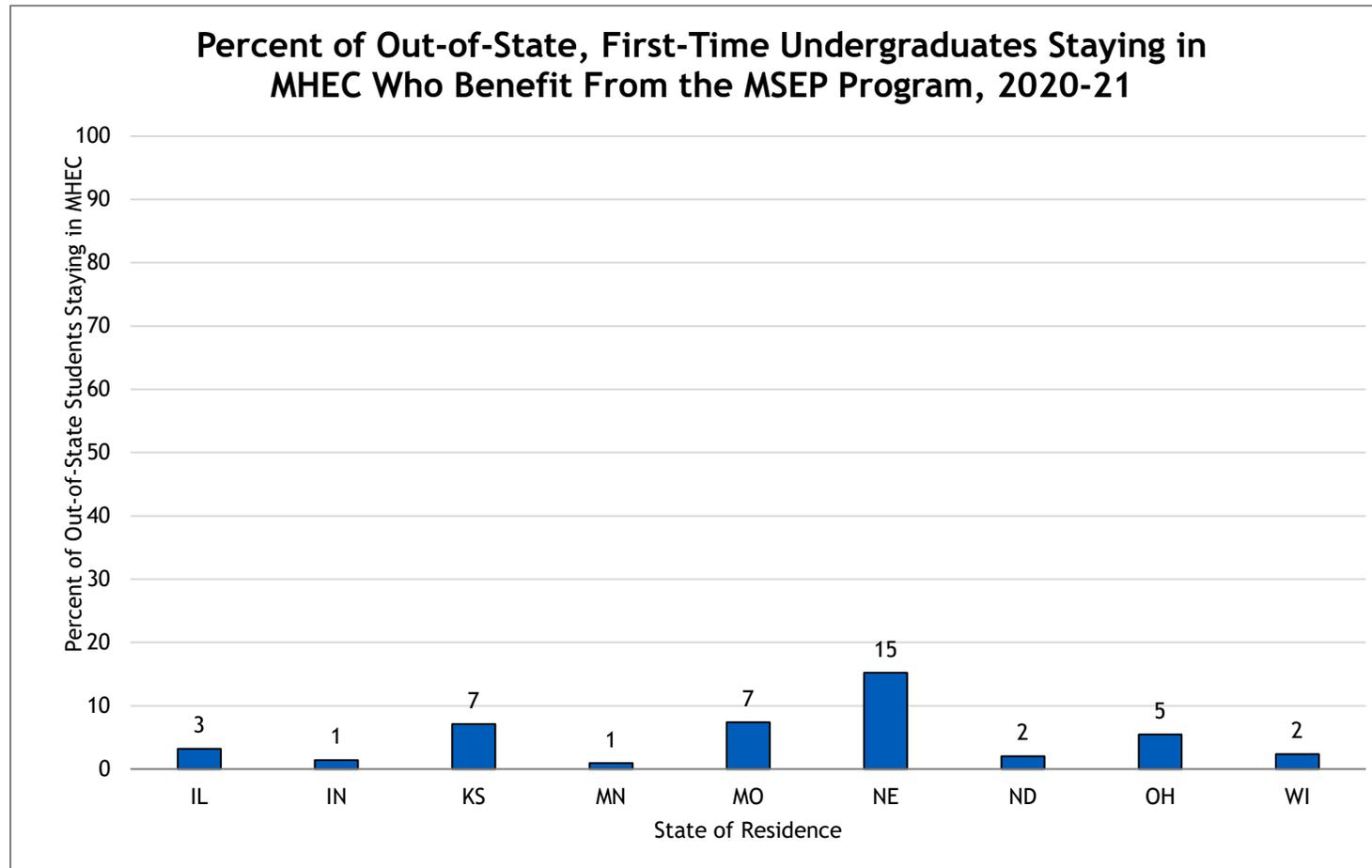
If they stay, how many participate in MSEP?

A larger share of students enroll within region than out of region in most states, and this share was stable or increased between 2002 and 2020 in most states.



Source: National Center for Education Statistics. *IPEDS: Fall Enrollment File.*

In MSEP states, 1 to 15 percent of first-time students enrolled at an out-of-state public four-year institution within the Midwest participate in MSEP.



Source: National Center for Education Statistics. *IPEDS: Fall Enrollment File*. Midwestern Higher Education Compact. *MSEP 2020-21 Enrollment Data*. Michigan had inactive status in 2020-21. Iowa and South Dakota do not participate in MSEP.

Differential Tuition at Public Four-Year Institutions

How has the tuition premium for out-of-state students changed over time?

Background

- Tuition and fees: the published sticker price for full-time enrollment.
- Differential tuition: Most public four-year institutions have higher tuition rates for students who are not residents of the state where the institution is located to account for past taxpayer contributions of state residents.

The out-of-state tuition premium at public flagship universities increased between 2010 and 2020 (except U-ND).

Out-of-State Tuition and Fee Premiums at Public Flagship Universities in the Midwest, 2020-21

Institution	In-State Tuition and Fees	Out-of-State Tuition and Fees	Out-of-State Premium	10-Year Change in Out-of-State Tuition Premium
University of Illinois at Urbana-Champaign	\$16,600	\$34,050	\$17,450	4%
Indiana University Bloomington	\$11,220	\$37,600	\$26,380	19%
University of Iowa	\$9,610	\$31,570	\$21,960	13%
University of Kansas	\$11,170	\$28,030	\$16,860	11%
University of Michigan	\$15,950	\$52,270	\$36,320	26%
University of Minnesota: Twin Cities	\$15,140	\$33,440	\$18,300	258%
University of Missouri: Columbia	\$10,570	\$29,010	\$18,440	29%
University of Nebraska - Lincoln	\$9,560	\$26,690	\$17,130	23%
University of North Dakota	\$10,280	\$14,550	\$4,270	-62%
Ohio State University: Columbus Campus	\$11,520	\$33,500	\$21,980	30%
University of South Dakota	\$9,330	\$12,810	\$3,480	96%
University of Wisconsin-Madison	\$10,740	\$38,630	\$27,890	54%
U.S. Average	\$12,005	\$32,390	\$20,385	21%
Midwest Average	\$11,808	\$31,013	\$19,205	26%

Source: The College Board. *Trends in College Pricing 2020*. U.S. and Midwest Averages are unweighted. Estimates have been adjusted for inflation.

The out-of-state tuition premium at non-flagship public four-year institutions increased in 6 of 12 states between 2008 to 2018.

Out-of-State Tuition and Fee Premiums at Non-Flagship Public Universities in the Midwest, 2018-19

State	In-State Tuition and Fees	Out-of-State Tuition and Fees	Out-of-State Premium	10-Year Change in Out-of-State Tuition Premium
Illinois	\$13,211	\$19,560	\$6,349	-35%
Indiana	\$9,140	\$24,945	\$15,805	19%
Iowa	\$8,976	\$22,459	\$13,483	15%
Kansas	\$8,418	\$20,817	\$12,399	23%
Michigan	\$13,440	\$25,242	\$11,802	-4%
Minnesota	\$9,651	\$15,506	\$5,855	34%
Missouri	\$8,083	\$17,476	\$9,394	29%
Nebraska	\$7,660	\$16,919	\$9,259	18%
North Dakota	\$8,627	\$12,269	\$3,642	-61%
Ohio	\$10,643	\$20,999	\$10,355	-1%
South Dakota	\$9,012	\$12,372	\$3,360	-5%
Wisconsin	\$8,516	\$17,243	\$8,727	-7%
U.S. Average	\$9,651	\$22,645	\$12,993	18%
Midwest Average	\$10,417	\$20,786	\$10,368	2%

Source: National Center for Education Statistics. *IPEDS: Institutional Characteristics File. Fall Enrollment File.* U.S. and Midwest Averages are weighted. Estimates have been adjusted for inflation.

17 of 137 public four-year institutions in the Midwest (12%) do not have differential tuition rates.

Public Four-Year Institutions in the Midwest Without Differential Tuition for Non-Resident Enrollment in 2020-21

Illinois	Chicago State University	Minnesota	Bemidji State University
	Northern Illinois University		Southwest Minnesota State University
	Southern Illinois University-Carbondale		University of Minnesota-Crookston
	Southern Illinois University-Edwardsville		
	Western Illinois University	Nebraska	Peru State College
	Wayne State College		
Michigan		North Dakota	Dickinson State University
	Central Michigan University		Minot State University
	Eastern Michigan University		
	Ferris State University		
	Lake Superior State University		
	University of Michigan-Dearborn		

Source: Author's analysis of MHEC MSEP data.

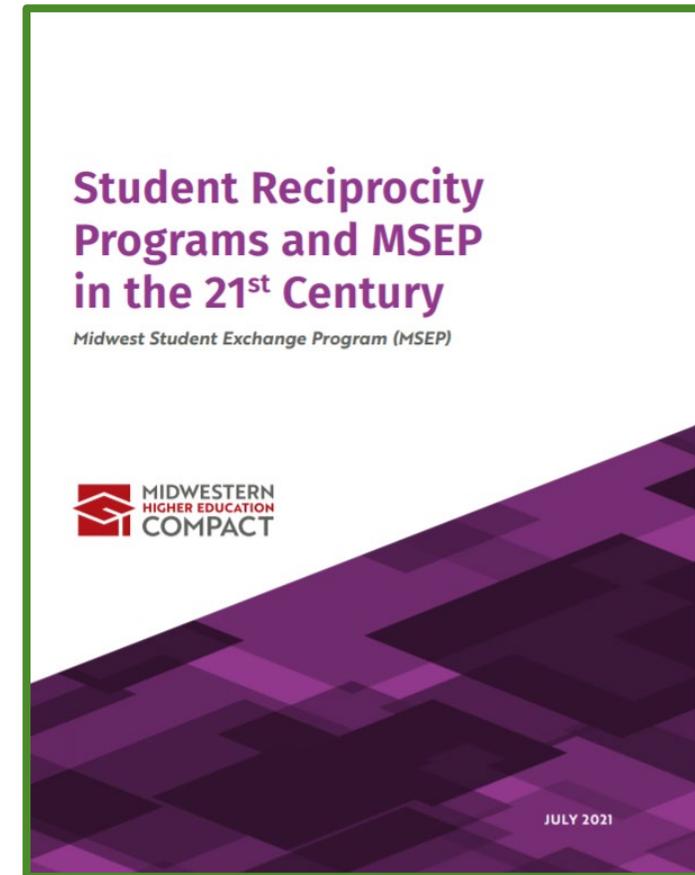
Assessing the Relevance of a Regional Student Exchange Program

1. To what extent are students crossing borders to enroll in college?
2. How are levels of student migration projected to change over the next decade?
3. Do out-of-state students tend to leave or stay in the Midwest? If they stay in the Midwest, how many participate in MSEP?
4. How has the tuition premium for out-of-state students changed over time?

Midwest Student Exchange Program (MSEP)

Student Reciprocity Programs and MSEP in the 21st Century

- Began in 1994
- Twenty-five years after its inception, MSEP still serves many of MHEC's stakeholders, but it does so within a radically altered higher education environment.
- This report highlights the current benefits of the program as well as areas for improvement.
- <https://bit.ly/MSEP21stCentury>



MSEP Goals

- The goals of MSEP are to
 - increase postsecondary education opportunities throughout the Midwest and
 - provide cost savings for students and families within the region as well as
 - assisting the two and four-year public and not-for-profit private institutions with an enrollment management tool.

Approved by the MSEP Council on June 22, 2021

MSEP States in the Midwest

Active status

- Indiana
- Kansas
- Minnesota
- Missouri
- Nebraska
- North Dakota
- Ohio
- Wisconsin

Inactive status

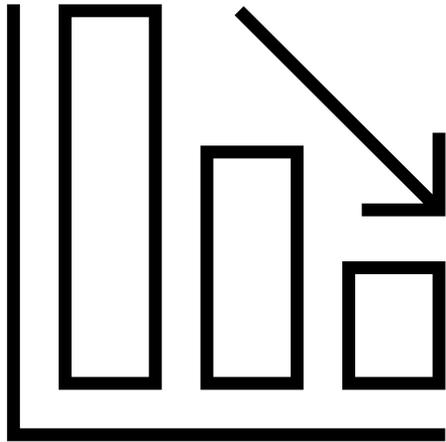
- Illinois
- Michigan

Does not currently participate

- Iowa
- South Dakota

Lower MSEP Usage By Students

- Slow decline starting 2018

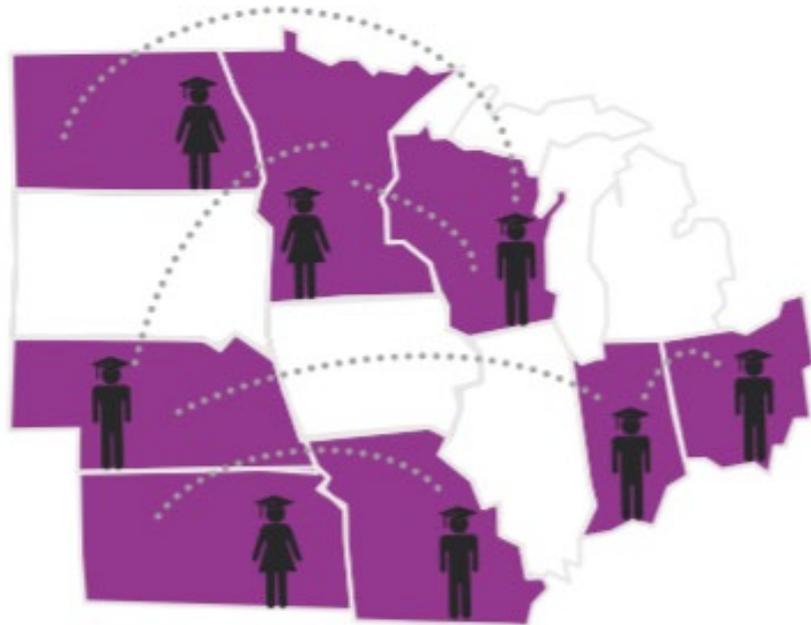


Why?

1. Lack of marketing by institutions
2. Misunderstanding of what the program is
3. Employee turnover at institutions
4. Growth of institutions and states not participating

Increasing Rate of Institutions and States Not Participating

- Almost 20 institutions have withdrawn from participation since 2018 and two states



Why?

1. Lack of institutions meeting program participation requirements
2. Change in tuition structure
3. Institutions are providing a better financial aid package than the MSEP discount
4. States want to keep residents in-state for postsecondary education to avoid out migration

Current Policies Restricting Growth

1. State participation is voluntary and thus leads to institutions unable to provide the MSEP discount.
2. Public institutions agree to charge students no more than 150% of the in-state resident tuition rate.
3. MSEP programs in public institutions shall be available to students only at the degree level at which the student's home state agrees to receive MSEP students.

Why Look to Modify the Program?

1. Ensure we continue to meet the goals of MSEP
2. Encourage students to stay in the Midwest region
3. Address shifts in the postsecondary education market and workforce needs to remain relevant
4. Keep pace with the other compacts' student exchange programs

Recommendations for MSEP Growth

1. Update and optimize MSEP policies to attract and retain students in the Midwest
 - a) Research various student exchange and reciprocity programs at the other compacts to model best practices
2. Improve, expand, and support MSEP data collection
3. Increase marketing

Summary

A significant number of college-going high school graduates will continue to enroll at out-of-state institutions.

- The out-migration of recent high school graduates increased from 2002 to 2018 in every Midwestern state except in the Dakotas, though most states experienced a decline in 2020.
- If enrollment and out-migration rates are sustained, the number of students enrolling out of state will decrease by 2033 in seven MHEC states and increase in five states.
- Data on regional migration show that out-of-state students who enroll at a postsecondary institution more commonly stay in the Midwest. The percentage staying in the Midwest remained stable or increased between 2002 and 2020 in most states.

The role of MSEP in student migration has been limited.

- The vast majority of out-of-state students in the Midwest do not participate in MSEP.
 - Approximately 85 to 99 percent of out-of-state students from Midwestern states enrolled at a public four-year institution in the Midwest do not receive an MSEP discount.

Differential tuition rates are still commonplace at public four-year institutions.

- Differential tuition rates in the Midwest range from \$3,000 to \$16,000 on average at non-flagship public four-year institutions.
- The historical trend shows that tuition premiums for out-of-state students at non-flagship public four-year institutions mainly increased or remained stable over the past decade.
 - The tuition premium for out-of-state students *increased* over the past decade in six states.
 - The tuition premium for out-of-state students *decreased by less than 10%* over the past decade in four states.
 - The tuition premium for out-of-state students *decreased by more than 10%* over the past decade in two states.

Findings and Next Steps

Three Scenarios

1. Keep things the same
2. Add marketing and work to expand as WICHE and NEBHE have done.
3. Develop and transform MSEP into a broader program with more cost savings and assistance in finding those cost savings.

Discussion Time

Thank you!