

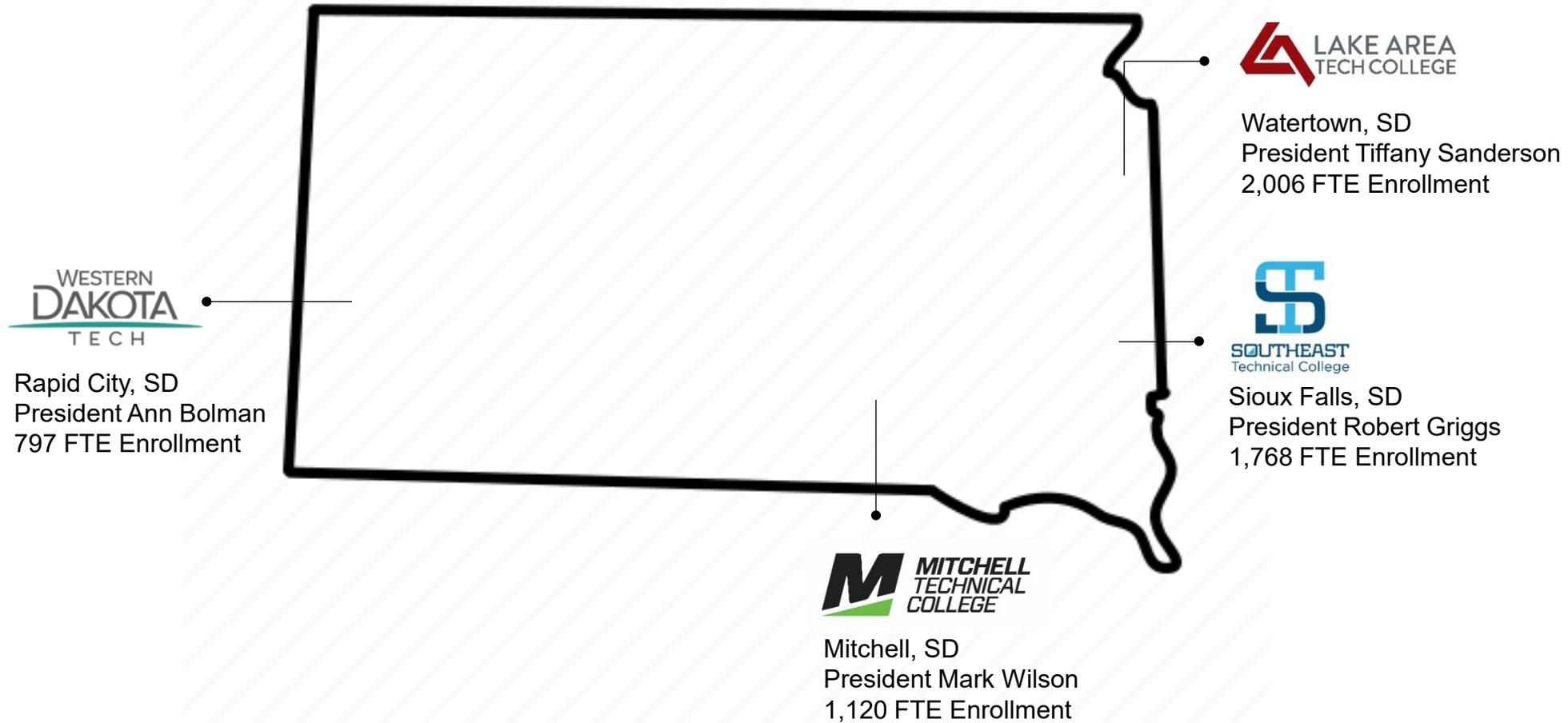
# Building the Next Generation of Skilled Professionals

Tuesday, January 24, 2023 | Joint Committee on Appropriations



# Board of Technical Education

## Technical Colleges



## Board of Technical Education

# 2023 Board Members

**Dana Dykhouse** First Premier Bank | Sioux Falls (Chair)

**Doug Ekeren\*** Avera Health | Yankton

**Brad Greenway** Greenway Pork | Mitchell

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**Dr. Kay Schallenkamp** Higher Education | Spearfish

**Diana VanderWoude** Sanford Health | Sioux Falls

\*Term expiring, replacement to be appointed in winter 2023



By the Numbers

**Attainment in South Dakota  
Unduplicated Enrollment  
Full-Time Equivalent (FTE)  
Graduate Outcomes**

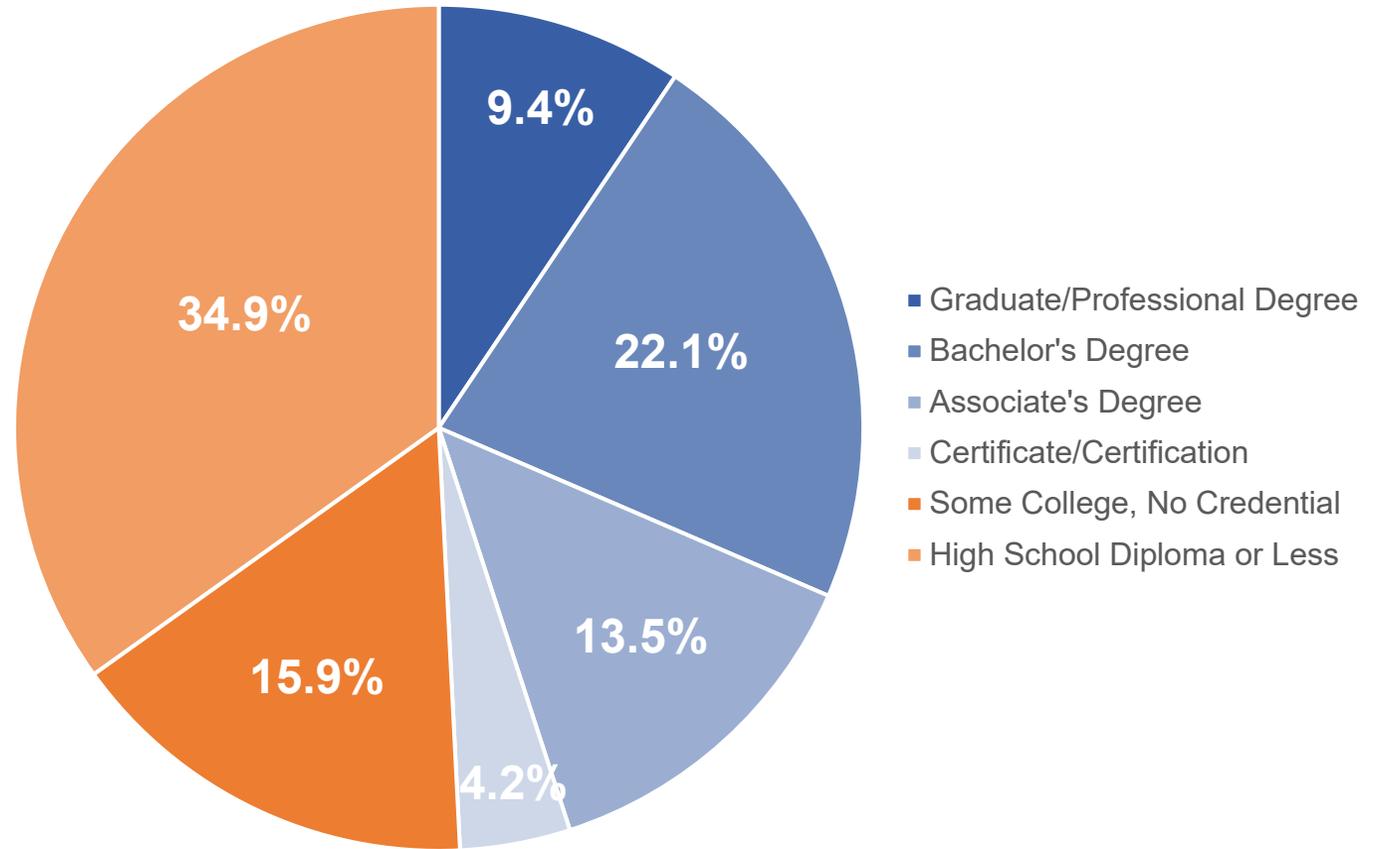


# Postsecondary Attainment in South Dakota

# 49.2%

of South Dakota adults (ages 25-64) have some type of postsecondary credential.

The national average is **51.9%**, an increase of ten percentage points since 2009.

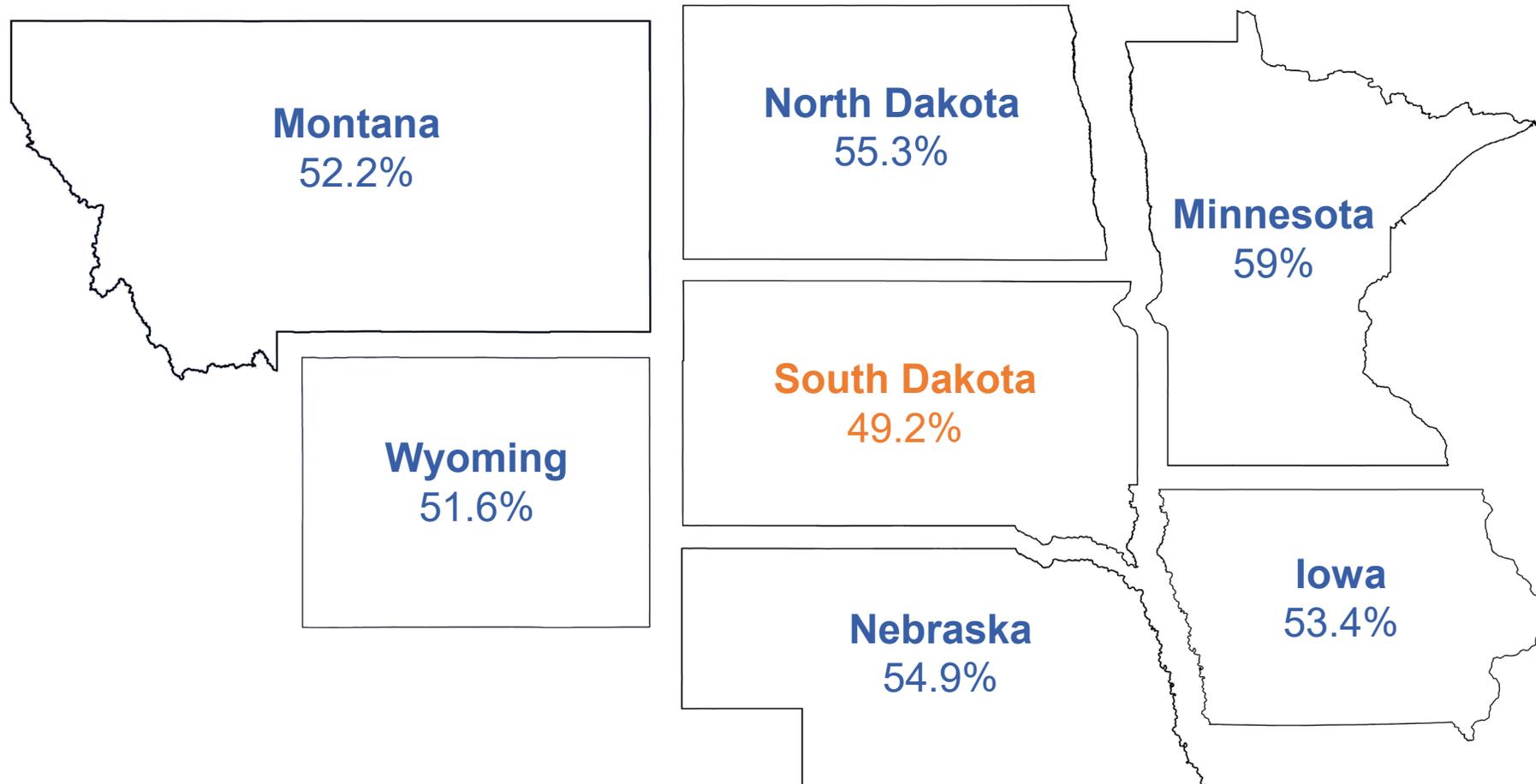


bote.sd.gov



# Attainment Rates in Neighboring States

Industry-recognized credentials, certificates, and diplomas are included in current rates for all states.



# By the Numbers | Postsecondary Matriculation History

## High School Graduates College-Going Trends

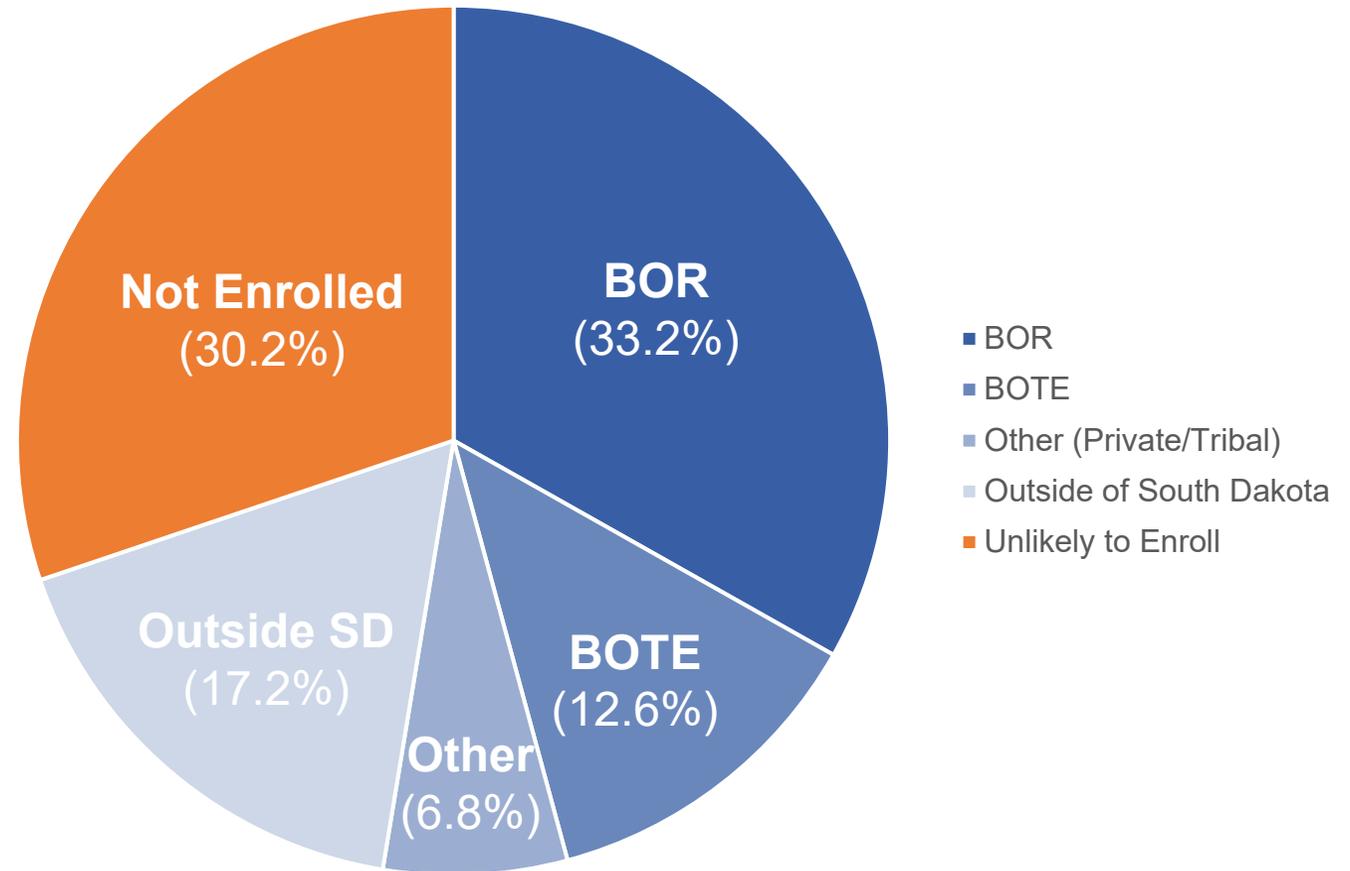
Approximately

# 9,790

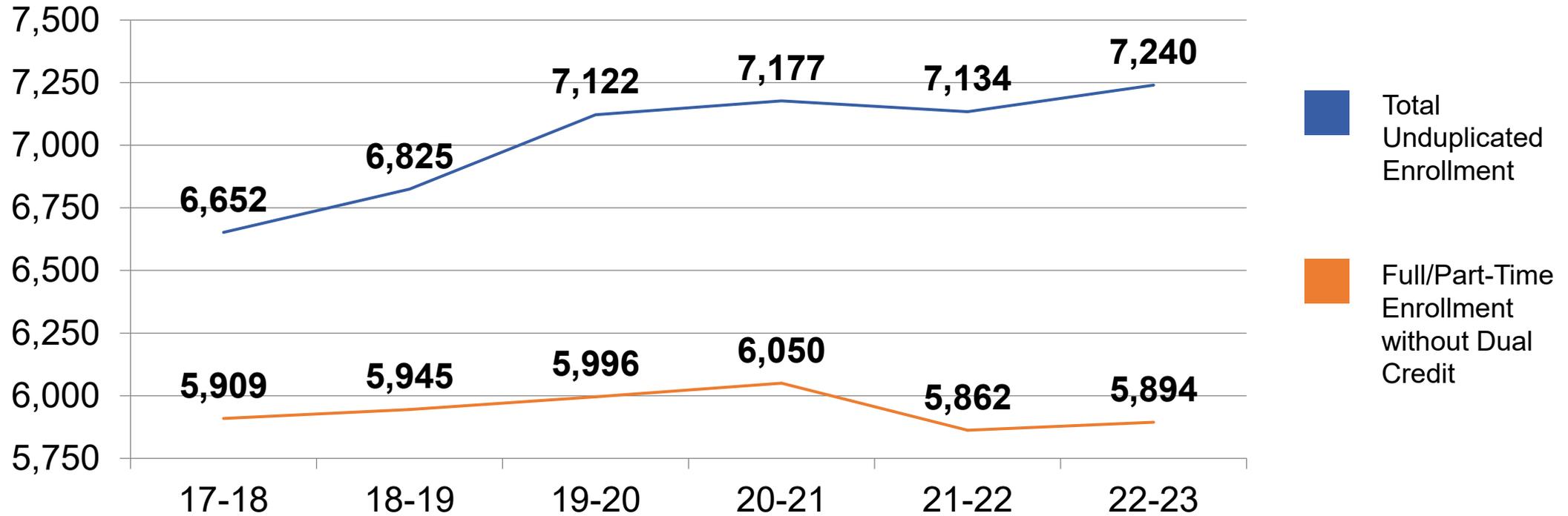
graduates from South Dakota public and private high schools each year.

Approximately **6,833** (69.8%) graduates are historically likely to enroll, while **2,957** (30.2%) are unlikely to enroll.

**1,233** (12.6%) will enroll directly in a technical college in South Dakota.



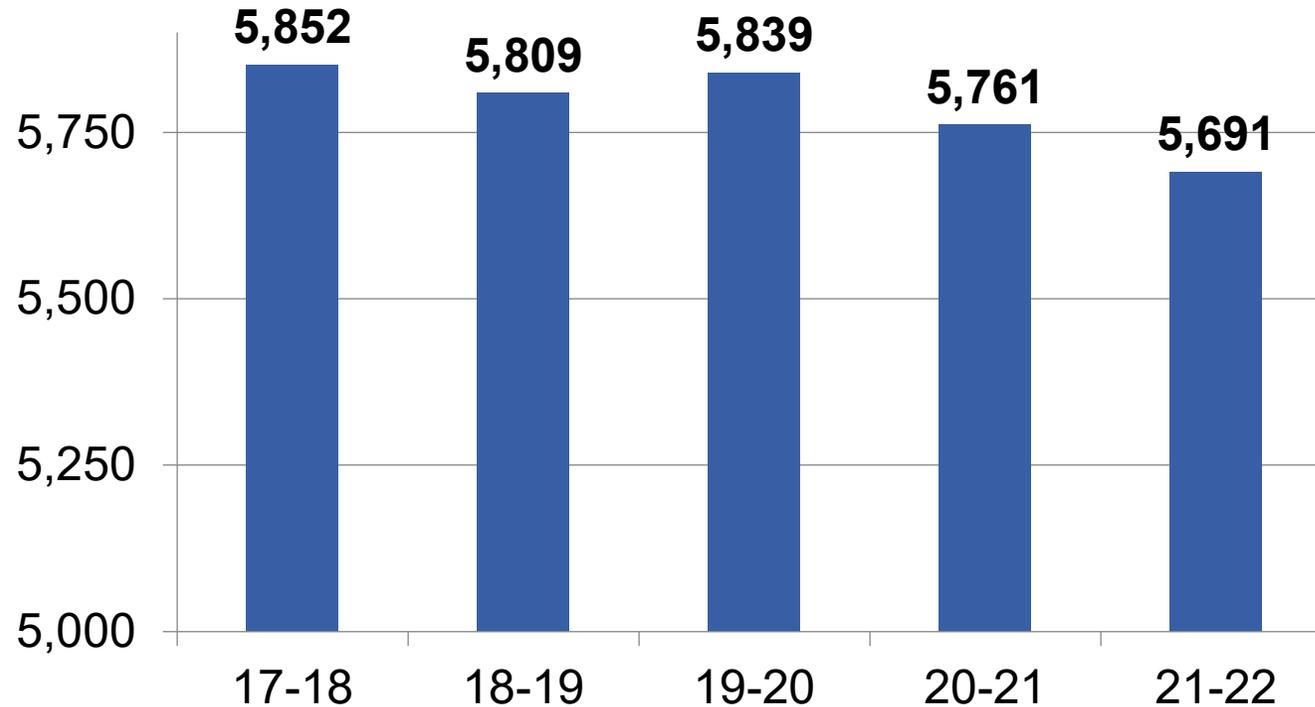
# Technical College Enrollment Steady



Since 2017, enrollment in two-year public colleges **nationally** has declined by more than **19%** and by more than **14%** in South Dakota's **seven-state region**.



# Student Full-Time Equivalent (FTE) History



The student FTE number is determined by dividing the total number of credits generated in an academic year by **30**, which is the assumed number of credits taken per year by a full-time student pursuing an Associate of Applied Science (AAS) degree (**170,730 credits/30=5,691 FTE**).



# Student FTE Breakdown by Institution

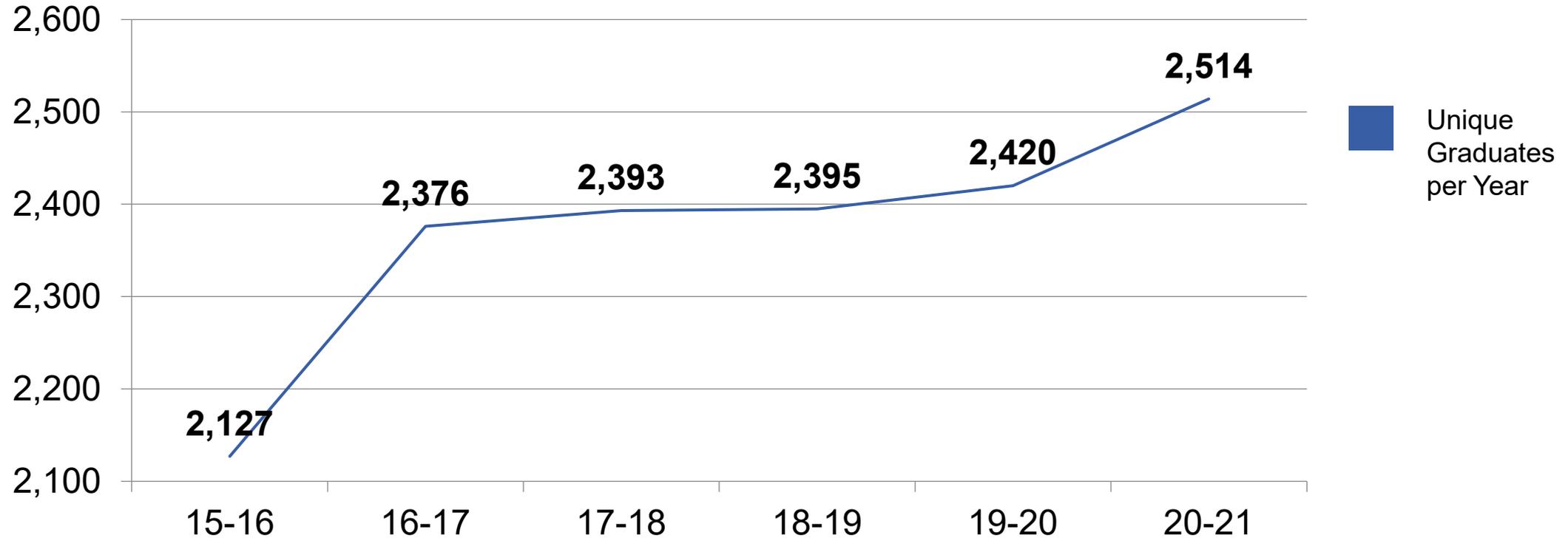
	2017-18	2018-19	2019-20	2020-21	2021-22
<b>LATC</b>	1,947	2,031	1,995	1,962	2,006
<b>MTC</b>	1,116	1,114	1,088	1,092	1,120
<b>STC</b>	1,958	1,892	1,918	1,861	1,768
<b>WDTC</b>	831	772	838	846	797
<b>Total</b>	<b>5,852</b>	<b>5,809</b>	<b>5,839</b>	<b>5,761</b>	<b>5,691</b>

Due to an increasing number of **part-time** students and those coming into the system having earned **dual-credits**, unduplicated enrollment is becoming a **less reliable predictor** of the FTE number.

The FTE number is used to apply the Per Student Allocation (slides 19-21).



# Number of Technical College Graduates

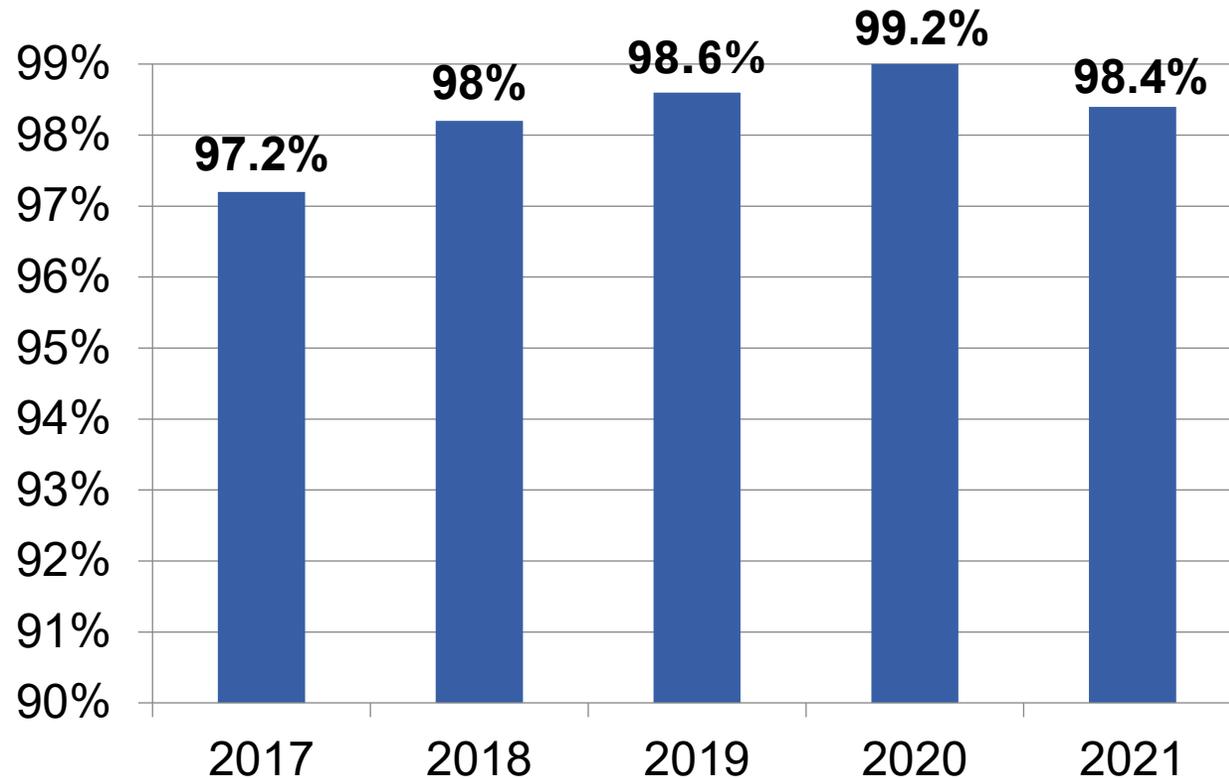


**Increasing completion rates** at each institution and **expanded capacity** in high-demand, high-need programs have led to a larger number of graduates produced per year by the system.

**54.2%** of students who enrolled for the first time in 2018 completed their credential within three years. The national average on-time completion rate is **29%**.



# Placement Rate Remains High



The Graduate Outcomes Report had a **response rate** of **96.2%**.

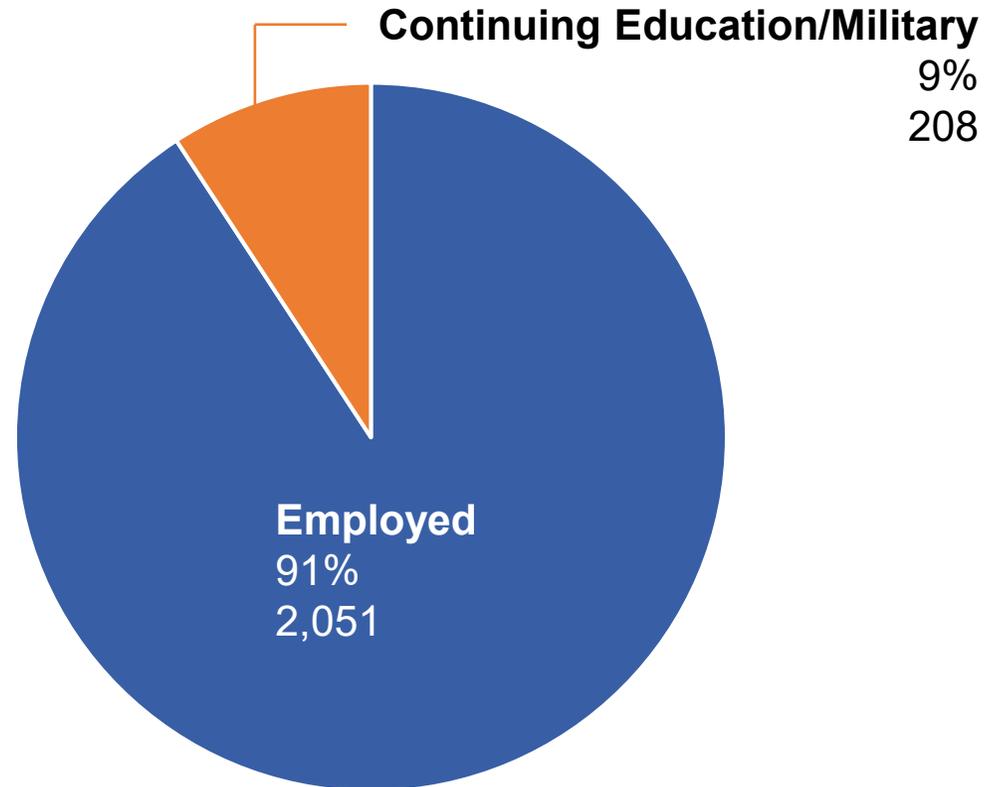
**Placed** respondents are those who identified as **employed**, **continuing education**, or **entering the military**.



# More than 90% Employed

# 91%

(2,051) of placed respondents (2,259) are employed, while 9% (208) are either continuing their education or entering the military.

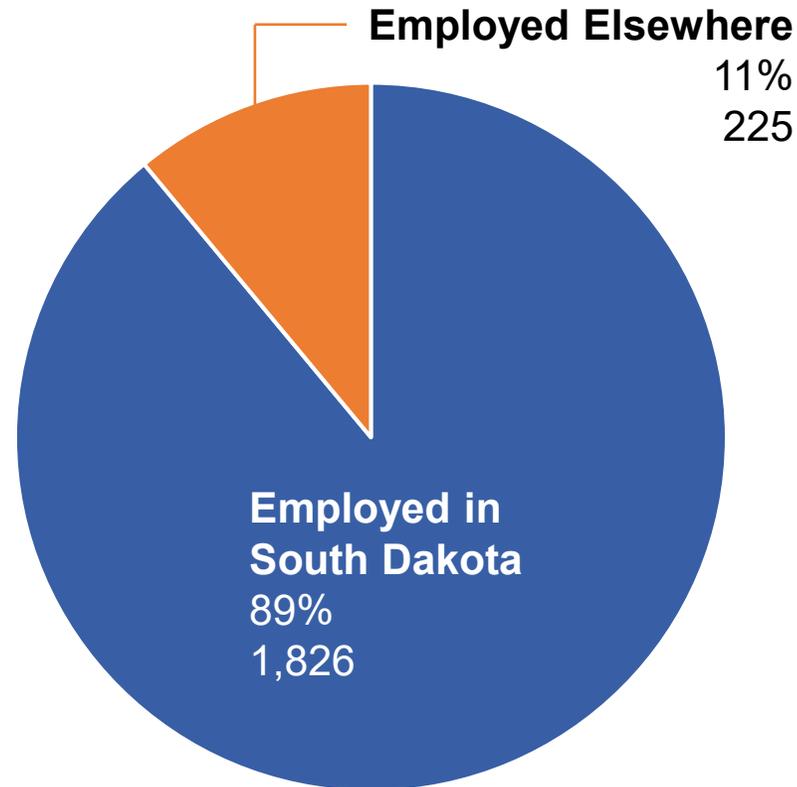


# Majority Employed in South Dakota

# 89%

(1,826) of employed respondents (2,051) are employed in South Dakota, while **11%** are employed elsewhere.

**93%** (1,696) of them are employed in their field in South Dakota.



FY23 Consolidated Budget

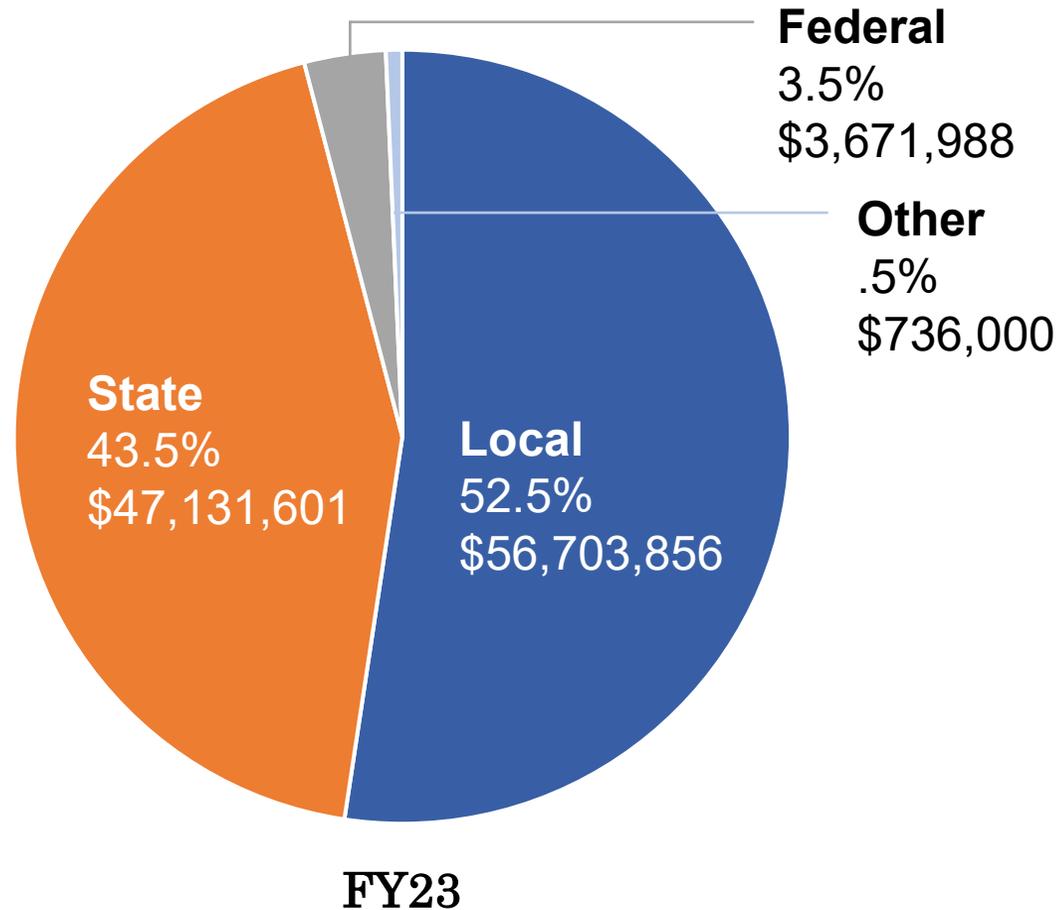
# Projected Revenue

# Projected Expenditures



# FY23 Consolidated Budget

## System-Level Projected Revenues



Description	FY22	FY23
Local	\$52,749,147	\$56,703,856
State	\$31,386,027	\$47,131,601
Federal	\$10,808,607	\$3,671,988
Other	\$504,857	\$736,000
<b>Total</b>	<b>\$95,448,639</b>	<b>\$108,243,445</b>

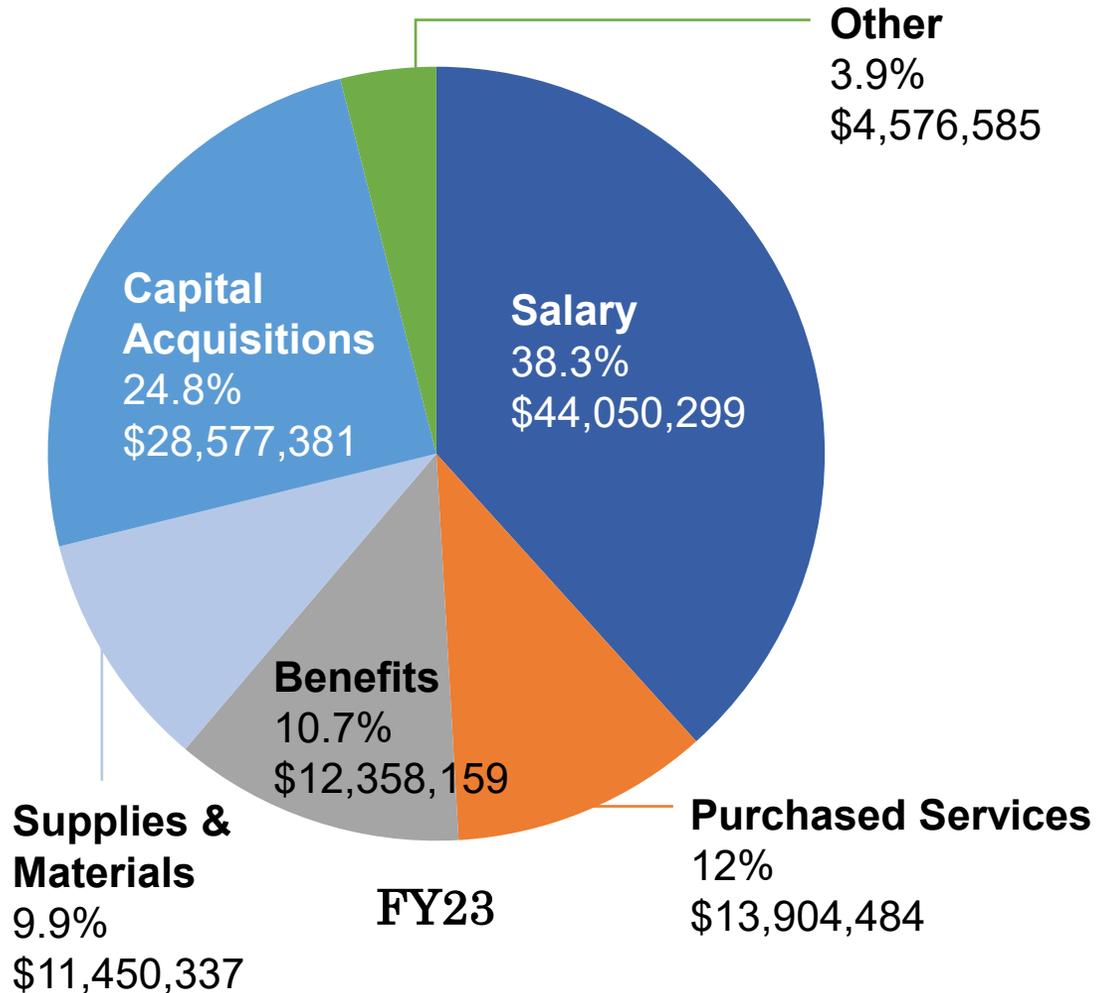
**Note** Federal funding in FY22 included Higher Education Emergency Relief Funds. State funding in FY23 included facility projects at LATC, MTC, and STC.

**52.5%** of revenues across the system are generated from tuition and fees **paid by students**.



## FY23 Consolidated Budget

# System-Level Projected Expenditures



Description	FY22	FY23
Salary	\$41,085,397	\$44,050,299
Benefits	\$12,061,399	\$12,358,159
Purchased Services	\$12,996,013	\$13,904,484
Supplies & Materials	\$12,941,143	\$11,450,337
Capital Acquisitions	\$13,050,075	\$28,577,381
Other	\$5,747,875	\$4,576,585
<b>Total</b>	<b>\$97,881,903</b>	<b>\$114,917,246</b>

**Note** Capital Acquisitions in FY23 reflect large-scale building/renovation projects at LATC, MTC, and STC.

**49%** of expenditures across the system are committed to **salary and benefits** for personnel.



FY24 Budget Request | Recommended and Updated

**Per Student Allocation**  
**Instructor Salary Support**  
**Maintenance and Repair**  
**Tuition Assistance**  
**Data and Finance Analyst**



# FY24 Budget Request | Recommended Per Student Allocation (PSA)

## Purpose

The Per Student Allocation (PSA) supports a wide variety of general expenses required to operate a college, including; personnel, facilities, technology, utilities, safety and security, recruitment efforts, and communications.

## Recommendation

FY24 Recommended	<b>\$4,197.02</b> (5% increase)
FY24 Request	\$4,276.96 (7% increase)
FY23 PSA	\$3,997.16

## Distribution

The PSA is appropriated based on the full-time equivalent number (FTE) from the previous academic year.

FTE is determined by dividing the total credits earned by 30, which is considered a full-time student.

The FY24 recommendation was built using a projected FTE number of **5,810**, the updated FTE total is **5,691**.

1a. [Technical Education Summary Brief FY24, Item 7, Page 6](#)

1b. [Technical Education Detailed Brief FY24, Item 6 \(1222\), Page 7](#)



# Increasing the PSA to Freeze Tuition and Fees

## Purpose

By applying additional dollars, designed to implement a **5% salary policy** for all employees in FY24, the state and the system will be able to partner to **freeze tuition and fees** for academic year 2023-2024.

## What does the proposed FY24 PSA total include?

**\$3,997.16**

● — +\$199.86/FTE

The **FY23 PSA** is **\$3,997.16** and the FTE is 5,691.

The projections on this slide are built using 5,691 as the FY24 FTE number.

**\$4,197.02**

● — +\$470.04/FTE

The **FY24 recommended inflationary rate increase** is **5%**, bringing the PSA to **\$4,197.02**.

**\$4,667.06**

● — +\$274.00/FTE

In FY23, the system received **\$2,675,000** to achieve a **6% salary policy**. Rolling the recommended funding into the FY24 PSA would increase the total by **\$470.04**.

**\$4,941.06**

To provide a **5% salary policy** and **freeze tuition and fees** in FY24, the system would need an additional **\$1,559,694**. The funding would increase the FY24 PSA by an additional **\$274**.



# Increasing the PSA to Freeze Tuition and Fees

# \$4,941.06

The **FY24 PSA** includes the recommended **5% inflationary rate** increase (up to \$4,197.02) and absorbs the **FY23 6% salary policy/tuition freeze** funding (\$2,675,000) and provides funding for a **5% salary policy/tuition freeze** (\$1,559,694).

Based on **\$31,193,877** which is 55.3% of projected FY23 salary and benefits expenses (slides 16-17).



# FY24 Budget Request | Recommended

# Instructor Salary Support

## Purpose

Instructor Salary Support (ISS) funding is primarily applied to the salaries of technical instructors and is designed to ensure our technical instructor salaries remain within their industry's fair market wage range. The funding is essential in the recruitment and retention of high-quality technical instructors.

## Recommendation

FY24 Recommended	<b>\$3,610,454</b> (5% increase)
FY24 Request	\$3,679,225 (7% increase)
FY23 ISS Appropriation	\$3,438,528

## Distribution

As of FY23, Instructor Salary Support funding is distributed using the same funding formula as the Per Student Allocation (PSA) funding.

- 1a. [Technical Education Summary Brief FY24, Item 2, Page 2](#)
- 1b. [Technical Education Detailed Brief FY24, Item 1 \(1225\), Page 14](#)



# FY24 Budget Request | Recommended

## Instructor Salary Support

### Distribution

Instructor Salary Support funding will be distributed using the funding formula in FY23 and FY24. Based on current enrollment trends, the distribution breakdown for FY24 is projected below.

	FY20	FY21	FY22	FY23*	FY24
<b>LATC</b>	\$1,507,648	\$1,479,985	\$1,519,287	\$1,161,682	\$1,219,766
<b>MTC</b>	\$856,937	\$858,069	\$844,476	\$718,559	\$754,487
<b>STC</b>	\$84,455	\$95,589	\$80,469	\$1,000,190	\$1,050,199
<b>WDTC</b>	\$656,710	\$734,221	\$799,660	\$558,097	\$586,002
<b>Total</b>	<b>\$3,105,750</b>	<b>\$3,167,865</b>	<b>\$3,243,894</b>	<b>\$3,438,528</b>	<b>\$3,610,454</b>

\*FY23 is the first year Instructor Salary Support dollars are distributed using the funding formula.

- 1a. Technical Education Summary Brief FY24, Item 2, Page 2
- 1b. Technical Education Detailed Brief FY24, Item 1 (1225), Page 14



# FY24 Budget Request | Recommended

# Maintenance and Repair

## Purpose

FY24 is year six of a six-year plan to grow a matching Maintenance and Repair (M&R) fund equal to **1.75%** of the replacement value of all state-owned facilities (**\$338,010,066** in FY24).

State dollars are matched with local dollars (generated, in part, through a \$6.00/credit hour M&R fee paid by students) to maintain facilities and cover the cost of other large-scale projects (i.e. parking lot resurfacing, roof and HVAC repairs).

## Recommendation

FY24 Recommended	<b>\$1,693,573</b> (\$141,266 increase, 1.75% goal)
FY24 Request	\$2,271,920 (\$719,613 increase, 2% goal)
FY23 M&R Appropriation	\$1,552,307

## Distribution

M&R funding is distributed according to the square footage of **state-owned** facilities on each campus.

1a. [Technical Education Summary Brief FY24, Item 3, Page 3](#)

1b. [Technical Education Detailed Brief FY24, Item 2 \(1222\), Page 5](#)



# FY24 Budget Request | Recommended Maintenance and Repair

## Distribution

M&R funding is distributed according to the square footage of state-owned facilities on each campus. FY23 (\$323,506,305 replacement value) and FY24 (projected) distribution totals are outlined below.

	FY23	FY24*	Sq. Ft.
<b>LATC</b>	\$387,245	\$424,125	368,805 ft <sup>2</sup>
<b>MTC</b>	\$333,124	\$364,850	317,261 ft <sup>2</sup>
<b>STC</b>	\$503,065	\$550,976	479,110 ft <sup>2</sup>
<b>WDTC</b>	\$314,723	\$344,697	299,737 ft <sup>2</sup>

\*Based on the FY24 M&R recommendation and current square footage of state-owned facilities.

1a. [Technical Education Summary Brief FY24, Item 3, Page 3](#)

1b. [Technical Education Detailed Brief FY24, Item 2 \(1222\), Page 5](#)



# FY24 Budget Request | Recommended Tuition Assistance

## Purpose

Tuition Assistance funding is used to directly reduce the state tuition rate and create greater affordability for students.

## Recommendation

FY24 Recommended	<b>\$1,831,820</b>
FY24 Request	\$1,831,820
FY23 Appropriation	\$1,831,820

## Distribution

**\$10.00/credit hour** in Tuition Assistance funding is applied to the state tuition rate. In FY23, the state tuition rate was set at **\$124.00/credit hour** and would have been set at \$134.00/credit hour without Tuition Assistance funding.

1b. Technical Education Detailed Brief FY24, Item 1 (1224), Page 11



# FY24 Budget Request | Recommended

## Data and Finance Analyst

### Purpose

The proposed Data and Finance Analyst will assist the system office in the development and maintenance of state-level reports, financial management, and basic board operations.

### Recommendation

FY24 Recommended **\$86,634** (1.0 FTE)  
FY24 Request \$86,634 (1.0 FTE)

Description	Projected Cost
Salary	\$56,376
Benefits	\$17,641
Travel	\$4,826
Technology	\$5,796
Supplies	\$1,995
<b>Total</b>	<b>\$86,634</b>

- 1a. Technical Education Summary Brief FY24, Item 5, Page 4
- 1b. Technical Education Detailed Brief FY24, Item 4 (1222), Page 6



**Thank you for your continued support of technical education.**

