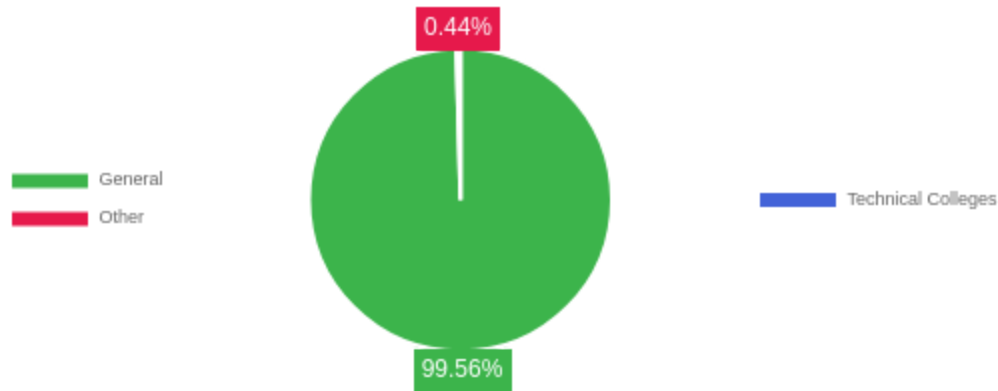


Board of Technical Education

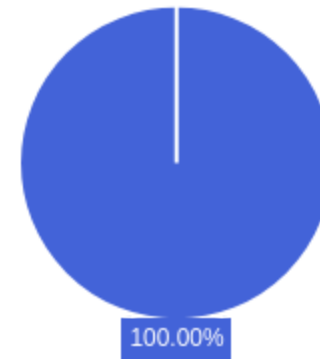
Fiscal Year 2026 Budget Brief Summary

Information contained in this document is based on the Governor's FY2026 Budget and may not correspond with the final budget adopted by the Legislature.

Source of Funds



Distribution of General Funds



Key Personnel

- Nick Wendell, Executive Director
- Scott DesLauriers, Deputy Director

Board of Technical Education

The Board of Technical Education provides oversight and support to South Dakota's four technical colleges. Since its inception, the Board has worked to shift the public perception of the value of technical education to individuals, communities, and industries throughout the state.

The board's responsibilities include the approval of all new academic programs and credentials, the continuing review of existing programs, the establishment of state-level tuition and fees, and the approval of large-scale building projects. Board staff are responsible for the distribution of state funding, the academic program approval process, data management and reporting, and a variety of strategic initiatives.

Board of Technical Education Budget Units

- Technical Colleges (1222)

Major Items Summary - Board of Technical Education

	Agency Request					Governor's Recommendation				
	General	Federal	Other	Total	FTE	General	Federal	Other	Total	FTE
FY 2026 Base Budget	\$42,519,082	\$0	\$185,696	\$42,704,778	3.0	\$42,519,082	\$0	\$185,696	\$42,704,778	3.0
1. Bond/Lease Payment Adjustments	\$135,647	\$0	\$0	\$135,647	0.0	\$135,647	\$0	\$0	\$135,647	0.0
2. Continuation of Contract for Labor Market Data	\$144,162	\$0	\$0	\$144,162	0.0	\$0	\$0	\$0	\$0	0.0
3. Inflation of Technical Colleges PSA	\$1,087,697	\$0	\$0	\$1,087,697	0.0	\$442,300	\$0	\$0	\$442,300	0.0
4. Maintenance and Repair	\$487,483	\$0	\$0	\$487,483	0.0	(\$824,007)	\$0	\$0	(\$824,007)	0.0
5. Priority Equipment Purchases	\$9,000,000	\$0	\$0	\$9,000,000	0.0	\$0	\$0	\$0	\$0	0.0
6. Subscription to Facility Condition Assessment Software	\$25,000	\$0	\$0	\$25,000	0.0	\$0	\$0	\$0	\$0	0.0
7. Technical Colleges Enrollment Changes	\$430,972	\$0	\$0	\$430,972	0.0	\$0	\$0	\$0	\$0	0.0
8. Tuition Buydown	\$526,950	\$0	\$0	\$526,950	0.0	\$0	\$0	\$0	\$0	0.0
FY 2026 Total Budget	\$54,356,993	\$0	\$185,696	\$54,542,689	3.0	\$42,273,022	\$0	\$185,696	\$42,458,718	3.0
Change from Base Budget	\$11,837,911	\$0	\$0	\$11,837,911	0.0	(\$246,060)	\$0	\$0	(\$246,060)	0.0
% Change from Base Budget	27.8%	0.0%	0.0%	27.7%	0.0%	(0.6%)	0.0%	0.0%	(0.6%)	0.0%

1. Bond/Lease Payment Adjustments

	General	Federal	Other	Total	FTE
Agency Request	\$135,647	\$0	\$0	\$135,647	0.00
Governor's Recommendation	\$135,647	\$0	\$0	\$135,647	0.00

The agency requests an increase of **\$135,647** in **general funds** for bond/lease payment adjustments. This increase will maintain the state's share for technical college bond debt service at 27%.

The governor recommends this request.

2. Continuation of Contract for Labor Market Data

	General	Federal	Other	Total	FTE
Agency Request	\$144,162	\$0	\$0	\$144,162	0.00
Governor's Recommendation	\$0	\$0	\$0	\$0	0.00

The agency requests an increase of **\$144,162** in **general funds** for continuation of a contract for labor market data. The [contract](#) is for access to Lightcast's [Analyst](#) software and is set to end May 1, 2026. Approval of this request would enable the contract to continue through the end of FY2028.

Under this contract, the BOTE system office as well as all four technical colleges have access to Analyst. Analyst is a tool for analyzing labor market data, including statewide and regional industry trends, the kinds of workers employers are hiring, and the long-term occupational outlooks for different careers. Access to this data helps the BOTE and the technical colleges conduct labor market forecasting and adjust their curriculum, programming, and marketing accordingly.

Continuation of this contract could be funded with ongoing or one-time appropriations, with the agency preferring ongoing.

The governor does not recommend this request.

3. Inflation of Technical Colleges PSA

	General	Federal	Other	Total	FTE
Agency Request	\$1,087,697	\$0	\$0	\$1,087,697	0.00
Governor's Recommendation	\$442,300	\$0	\$0	\$442,300	0.00

The agency requests an increase of **\$1,087,697** in **general funds** for 3% PSA inflation.

The FY25 PSA is \$6,245.97 and would increase to \$6,433.35 for FY26 under this request.

*The governor recommends an increase of **\$442,300** in **general funds** for 1.25% PSA inflation. The PSA would increase to \$6,324.04 for FY26 under this recommendation.*

4. Maintenance and Repair

	General	Federal	Other	Total	FTE
Agency Request	\$487,483	\$0	\$0	\$487,483	0.00
Governor's Recommendation	(\$824,007)	\$0	\$0	(\$824,007)	0.00

The agency requests an increase of **\$487,483** in **general funds** for funding maintenance and repair at 2%.

Maintenance and Repair (M&R) refers to the maintenance and repair of state-owned buildings. Governor Daugaard set a goal of M&R funding equal to 2% of building replacement value, which is an industry standard for commercial buildings. The rationale behind 2% funding is to prevent M&R being deferred and thus creating the need for major projects in the future. Funding was at 2% for FY2017 and has been maintained at a percentage above 1.5% in the years since, a pattern from which the Governor’s recommendation of 1.25% for FY2026 would be a break.

The Office of the State Engineer maintains a list of projects anticipated to be completed over the next 3-5 years. Those projects are included in the Bureau of Finance and Management’s Five-Year Capital Expenditure Plan. This year’s report can be found [here](#).

*The governor recommends a decrease of **(\$824,007)** in **general funds** to fund maintenance and repair at 1.25%.*

5. Priority Equipment Purchases

	General	Federal	Other	Total	FTE
Agency Request	\$9,000,000	\$0	\$0	\$9,000,000	0.00
Governor's Recommendation	\$0	\$0	\$0	\$0	0.00

The agency requests an increase of \$9,000,000 in general funds for priority equipment purchases.

The technical colleges submit annual equipment planning forecasts to the BOTE in which they rank items by priority from 1 (highest priority) to 3.

Priority is determined by factors including:

- Urgency (needed in the current fiscal year)
- Needed to implement new technology (often recommended by industry/advisory councils)
- Needed to grow program capacity (additional equipment may be required by accreditation)
- Private sponsorship (dollars available to match state investment)

For FY26, the total cost of equipment requests from the colleges was \$15 million. \$9 million is the cost for priority one items.

If this ongoing increase is approved, it would be incorporated into the PSA beginning with FY26, in which it would add \$1,537.15. In future budgets it would be subject to the same inflationary increases as the rest of the PSA.

The BOTE believes incorporating equipment purchases into the PSA would provide more stability and predictability as well as help build relationships with donors.

The governor does not recommend this request.

6. Subscription to Facility Condition Assessment Software

	General	Federal	Other	Total	FTE
Agency Request	\$25,000	\$0	\$0	\$25,000	0.00
Governor's Recommendation	\$0	\$0	\$0	\$0	0.00

The agency requests an increase of \$25,000 in general funds for a subscription to Facility Condition Assessment (FCA) software. If this request is funded, the BOTE would work to be included in the Office of the State Engineer’s (OSE) contract with FOS of Cannon Design, a vendor with which the OSE is currently working.

FCA software provides users with accurate and up-to-date reports about the conditions of state-owned assets, which helps with capital improvement planning in terms of identifying and prioritizing repairs and modifications, providing metrics on the risks and impacts of asset failures, and generating cost estimates for different actions.

The governor does not recommend this request.

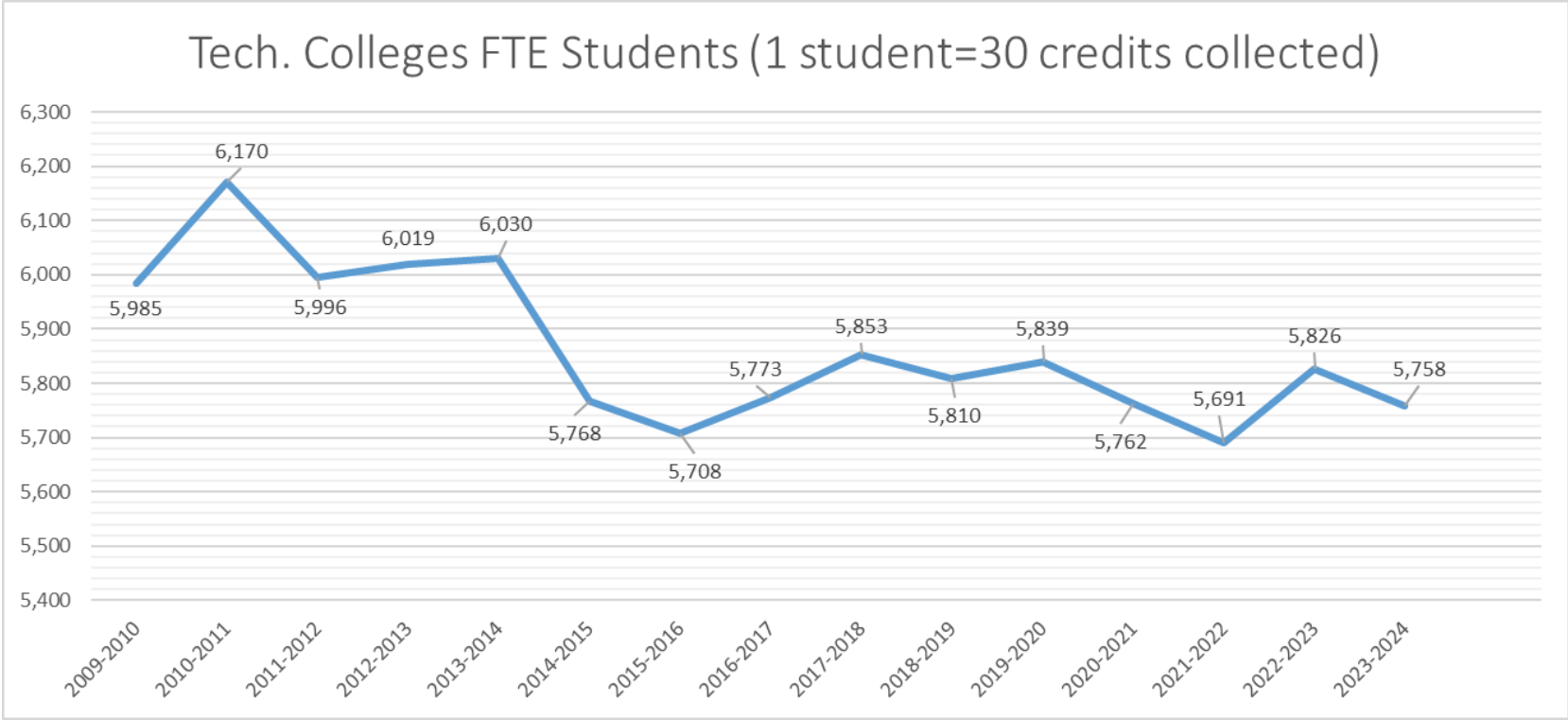
7. Technical Colleges Enrollment Changes

	General	Federal	Other	Total	FTE
Agency Request	\$430,972	\$0	\$0	\$430,972	0.00
Governor's Recommendation	\$0	\$0	\$0	\$0	0.00

The agency requests an increase of \$430,972 in general funds for formula funding based on enrollment changes.

The BOTE projected an increase of 69 FTE over its budgeted FY2025 FTE. 69 * \$6,245.97(the current per student allocation, or PSA)=\$430,972.

The graph below shows actual FTE students across all four technical colleges since the 2009-2010 academic year.



The governor does not recommend this request.

8. Tuition Buydown

	General	Federal	Other	Total	FTE
Agency Request	\$526,950	\$0	\$0	\$526,950	0.00
Governor's Recommendation	\$0	\$0	\$0	\$0	0.00

The agency requests an increase of **\$526,950** in **general funds** for a tuition buydown.

Under this request, state tuition assistance would increase to \$13 per credit from \$10 per credit. The amount of this request comes from multiplying \$3 by the projected credits for FY26 (5,855 FTE * 30=175,650 credits).

Each year, the BOTE sets the state tuition rate and state-level fees for facilities and maintenance and repair, as well as the amount for tuition assistance, which defrays the cost students pay per credit. The table below shows state-level tuition and fees since FY21. *FY26** is based on what the agency reports that it would likely consider if the Governor’s FY26 recommended budget for the BOTE were adopted.

State-Level Tuition and Fees						
	FY21	FY22	FY23	FY24	FY25	FY26*
Tuition	\$131	\$134	\$134	\$134	\$134	\$140
(Tuition Assistance)	(\$10)	(\$10)	(\$10)	(\$10)	(\$10)	(\$10)
Facility Fee	\$36	\$36	\$36	\$36	\$36	\$36
M&R Fee	\$6	\$6	\$6	\$6	\$6	\$11
Total	\$163	\$166	\$166	\$166	\$166	\$177

The technical colleges themselves also establish separate program and/or institution fees, which are approved by their local boards. Both state and institution-level tuition and fees were frozen from FY23 through FY25.

The governor does not recommend this request.

Board of Technical Education Budget Request							
By Fund Category	FY 2023 Actual	FY 2024 Actual	FY 2024 Budget Revised	FY 2025 Budget	FY 2026 Agency Request	FY 2026 Governors Recommended	Change From FY2025
General	\$34,599,767	\$44,717,303	\$44,933,961	\$42,519,082	\$54,356,993	\$42,273,022	(\$246,060)
Federal	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$185,696	\$185,696	\$185,696	\$185,696	\$0
Total	\$34,599,767	\$44,717,304	\$45,119,657	\$42,704,778	\$54,542,689	\$42,458,718	(\$246,060)

By Program	FY 2023 Actual	FY 2024 Actual	FY 2024 Budget Revised	FY 2025 Budget	FY 2026 Agency Request	FY 2026 Governors Recommended	Change From FY2025
Technical Colleges	\$34,599,767	\$44,717,304	\$45,119,657	\$42,704,778	\$54,542,689	\$42,458,718	(\$246,060)
Total	\$34,599,767	\$44,717,304	\$45,119,657	\$42,704,778	\$54,542,689	\$42,458,718	(\$246,060)
By Object Expenditure Personnel Costs	FY 2023 Actual	FY 2024 Actual	FY 2024 Budget Revised	FY 2025 Budget	FY 2026 Agency Request	FY 2026 Governors Recommended	Change From FY2025
	\$242,540	\$292,219	\$346,963	\$366,972	\$366,972	\$366,972	\$0
Salaries	\$196,482	\$234,631	\$275,490	\$291,560	\$291,560	\$291,560	\$0
Benefits	\$46,059	\$57,588	\$71,473	\$75,412	\$75,412	\$75,412	\$0
Operating Expenditures	FY 2023 Actual	FY 2024 Actual	FY 2024 Budget Revised	FY 2025 Budget	FY 2026 Agency Request	FY 2026 Governors Recommended	Change From FY2025
	\$34,357,226	\$44,425,084	\$44,772,694	\$42,337,806	\$54,175,717	\$42,091,746	(\$246,060)
Travel	\$23,376	\$22,794	\$31,797	\$43,123	\$43,123	\$43,123	\$0
Contractual Services	\$1,797,326	\$1,857,122	\$2,087,046	\$2,155,722	\$2,435,531	\$2,291,369	\$135,647
Supplies	\$2,628	\$2,202	\$5,670	\$5,700	\$5,700	\$5,700	\$0
Grants	\$32,532,544	\$42,536,549	\$42,645,951	\$40,132,276	\$51,665,378	\$39,750,569	(\$381,707)
Capital Outlay	\$1,352	\$6,418	\$2,230	\$985	\$25,985	\$985	\$0
Total	\$34,599,767	\$44,717,304	\$45,119,657	\$42,704,778	\$54,542,689	\$42,458,718	(\$246,060)
Full-Time Equivalent (FTE)	2.0	2.43	3.0	3.0	3.0	3.0	0.00

Funding Sources (Governor's Recommended)

	General	Federal	Other	General%	Federal%	Other%
POSTSECONDARY TECHNICAL INSTIT	\$0	\$0	\$185,696	0.0%	0.0%	100.0%
STATE GENERAL FUND	\$42,273,022	\$0	\$0	100.0%	0.0%	0.0%

Governor's Recommend FY23 Supplemental Bill Changes - Board of Technical Education

Technical Colleges Formula

- Decrease of **(\$182,551)** in **general funds** for the Technical Colleges Formula. Actual FTE student enrollment based on credits collected for the 2023-2024 academic year came in lower than projected (5,758.28 vs. 5,786).