



TUITION-SETTING PROPOSAL FY23 | 2022-2023
South Dakota Board of Technical Education
4/7/22

A primary goal of South Dakota's technical college system is to provide a high-quality, affordable education for all those who seek to become skilled professionals. Post-secondary education is an investment in both the student's future and the state's vitality. The four technical colleges in South Dakota recognize that the cost of a certificate, diploma or Associate of Applied Science degree must lead to well-compensated, fulfilling careers that meet the needs of employers throughout the state.

Each spring, the South Dakota Board of Technical Education set the tuition and state fee rates for the following academic year. The rates become effective on July 1st. The tuition and state fee rates that students pay are combined with revenues generated through local or program-specific fee payments and state resources to cover the overall cost of their educations.

CONSIDERATIONS FY23 Forecast

The following considerations are based on revenue and expenditure projections for fiscal year 2023 and final appropriations decisions made during the 2022 Legislative Session.

Revenue Impacts

- \$2,675,000 appropriation to support 6% salary and benefits increase for all full-time employees.
- 6% increase in the per student allocation (\$3,997.16/FTE in FY23, up from \$3,770.91/FTE in FY22).
- 6% increase in instructor salary support funding (\$3,438,528 in FY23, up from \$3,243,894 in FY22).
- \$332,696 increase in maintenance and repair funding (\$1,552,307 in FY23, up from \$1,219,611 in FY22).
- Level tuition buy-down (\$10.00/credit hour in FY23).
- Level state tuition rate (\$124/credit hour in FY23).
- Level facility fee (\$36.00/credit hour in FY23).
- Level M&R and technology fee (\$6.00/credit hour in FY23).
- Commitment not to increase local fees in FY23.

Expenditure Impacts

- Projected inflationary increases impacting a variety of costs (i.e. utilities, maintenance, supplies, technology, service contracts, etc.).
- Increased salary and benefits expenses totaling approximately \$2,675,000 to achieve 6% increase.
- Although the system will receive no funding support for equipment in FY23, institutions will still need to invest in certain high priority items.

PROPOSED STATE TUITION AND FEES RATES 2022-2023 (FY23)

Based on the details outlined above, the technical college system is proposing no increase to the state tuition rate or state level fees for the 2022-2023 academic year. This would maintain the tuition rate assessed to students at \$124 per credit hour (after applying the \$10/credit hour state-funded tuition buy-down). The facility fee would remain at \$36/credit hour and the maintenance and repair fee would remain at \$6/credit hour.

Table one on page two outlines all of the components which contribute to tuition and state fees.

Table 1 Proposed 2022-2023 Tuition and State Fees

Tuition	\$124/credit hour	Details The proposed rate assessed to students is \$121. State tuition buy-down supports an additional \$10.00/credit hour (without tuition buy-down support, the proposed rate would be \$134/credit hour.) Tuition supports all aspects of education and operations (i.e. faculty, classroom materials, utilities, etc.).
Facility Fee	\$36/credit hour	Details Facility fees are used for the technical institutes' payment on debt service coverage to pay down debt on facilities constructed through bond proceeds. The technical institute payment covers 73% of the annual payment and the State of South Dakota contributes the remaining 27%.
Maintenance and Repair Fee*	\$6/credit hour	Details Maintenance and repair dollars fund upkeep of land and facilities on the campuses. Examples include parking lots, heating systems, flooring and lights. Each technical institute works to match the fees collected from students with other institutional dollars.
Total Tuition and State Fees (assessed to students)	\$166/credit hour	Institutions assess local and program fees in addition to the state tuition and fees. *M&R Fee is collected locally.

Table 2 Tuition and State Fees History (FY19-FY22) and Current Proposal (FY23)

	FY19	FY20	FY21	FY22	FY23 (proposed)
Tuition	\$126	\$131	\$131	\$134	\$134
(Tuition Buy-Down)	(\$10)	(\$10)	(\$10)	(\$10)	(\$10)
Facility Fee	\$35	\$35	\$36	\$36	\$36
M&R Fee	\$5	\$5	\$6	\$6	\$6
Transition Fee	\$1	\$1			
Total	\$157	\$162	\$163	\$166	\$166

SUMMARY

System leaders have committed to no increase in state-level or local tuition and fees in academic year 2022-2023. This commitment is based on the state's ongoing support for increasing employee salaries, combined with six percent increases to the Per Student Allocation and Instructor Salary Support funding.

NON STATE-SUBSIDIZED DUAL-CREDIT RATE

The board should affirm a system-level non state-subsidized dual-credit rate. This rate would be assessed to dual-credits not subsidized through support from the state of South Dakota and should align with the expectations defined in SDCL 13-28-37.1. For academic year 2022-2023, the proposed non state-subsidized dual-credit rate is **\$145** per credit.