TUITION-SETTING PROPOSAL FY24 | 2023-2024
South Dakota Board of Technical Education
4/6/23

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 delivering technical education.

CONSIDERATIONS FY24 Forecast

The following considerations are based on revenue and expenditure projections for fiscal year 2024 and final appropriations decisions made during the 2023 Legislative Session.

Revenue Impacts
The Per Student Allocation (PSA) in FY24 will be increased to **$5,777.17** (up from $3,997.16/FTE in FY23). The following components (with FY24 increases) will now be included in the PSA and distributed using the existing funding formula.

- 7% increase to the PSA (+$279.80/FTE).
- 7% increase in instructor salary support (+$646.49/FTE, absorbed into PSA in FY24).
- $2,675,000 to support 6% increase to FY23 salary policy (+$470.04/FTE, absorbed into PSA in FY24).
- $2,183,571 to support 7% increase to FY24 salary policy (+$383.68/FTE).

Other appropriations and fees which will impact FY24 revenues are outlined below.

- $141,266 increase in maintenance and repair funding ($1,693,573 in FY24, up from $1,552,307 in FY23).
- $10,300,000 in funding for equipment (through the Governor's Office of Economic Development).
- $1,831,820 in tuition assistance, distributed to campuses at least $10/credit hour.
- Level state tuition rate ($124/credit hour in FY24).
- Level facility fee ($36.00/credit hour in FY24).
- Level M&R and technology fee ($6.00/credit hour in FY24).
- Commitment not to increase local fees in FY24.

Expenditure Impacts

- Projected inflationary increases impacting a variety of expenses (i.e. utilities, maintenance, supplies, technology, service contracts, etc.).
- Increased salary and benefits expenses totaling approximately $3,950,000 to achieve 7% increase.
- Expectation to match 33% of equipment costs with local support.

PROPOSED STATE TUITION AND FEES RATES 2023-2024 (FY24)

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 2023-2024 academic year. This would maintain the tuition rate assessed to students at $124 per credit hour. 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 2023-2024 Tuition and State Fees

Tuition	$124/credit hour	**Details** The proposed rate assessed to students is $124. State tuition assistance supports an additional $10.00/ credit hour (without tuition assistance, the proposed rate would be $134/credit hour.) Tuition supports all aspects of education and operations (i.e. personnel, materials, utilities, etc.).
Facility Fee	$36/credit hour	**Details** Facility fees are used for the technical colleges' payment on debt service coverage to pay down debt on facilities constructed through bond proceeds. The technical college 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 college 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 (FY20-FY23) and Current Proposal (FY24)

	FY20	**FY21**	**FY22**	**FY23**	**FY24** (proposed)
Tuition	$131	$131	$134	$134	$134
(Tuition Assistance)	($10)	($10)	($10)	($10)	($10)
Facility Fee	$35	$36	$36	$36	$36
M&R Fee	$5	$6	$6	$6	$6
Transition Fee	$1				
Total	**$162**	**$163**	**$166**	**$166**	**$166**

SUMMARY

System leaders have committed to no increase in state-level or local tuition and fees in academic year 2023-2024. This commitment is based on the state's ongoing support for increasing employee salaries, combined with seven percent increases to the Per Student Allocation and Instructor Salary Support.

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 2023-2024, the proposed non state-subsidized dual-credit rate is **$145** per credit.