



TUITION-SETTING PROPOSAL FY25 | 2024-2025
South Dakota Board of Technical Education
April 9, 2024

The technical college system recently adopted a set of three strategic priorities, including attainment, affordability, and alignment. The setting of state-level tuition and fees should align with our system's priorities and support the goal of providing access to high-quality, affordable technical education to the state of South Dakota.

Each spring, the South Dakota Board of Technical Education sets 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 and/or program-specific fee payments and state resources to cover the overall cost of delivering technical education.

CONSIDERATIONS FY25 Forecast

The following considerations are based on revenue and expenditure projections for fiscal year 2025 and final appropriations decisions made during the 2024 Legislative Session.

Revenue Impacts

The Per Student Allocation (PSA) in FY25 will be increased to **\$6,232.68** (up from \$5,777.17/FTE in FY24). The FY25 PSA increase includes the following components:

- 4% increase to the PSA (+\$231.08/FTE).
- \$1,314,000 to support 4% increase to FY25 salary policy (+\$224.41/FTE, absorbed into PSA in FY25).

Other appropriations and fees which will impact FY25 revenues are outlined below.

- \$108,288 increase in maintenance and repair funding (\$1,801,861 in FY25, up from \$1,693,573 in FY24).
- \$4,800,000 in one-time funding for equipment.
- \$1,831,820 in tuition assistance, distributed to campuses at least \$10/credit hour.
- Level state tuition rate (\$124/credit hour in FY25).
- Level facility fee (\$36.00/credit hour in FY25).
- Level M&R and technology fee (\$6.00/credit hour in FY25).
- Commitment not to increase local fees in FY25.

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 \$2,494,930 to achieve 4% increase.
- Expectation to match 33% of equipment costs with local support.

PROPOSED STATE TUITION AND FEES RATES 2024-2025 (FY25)

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 2024-2025 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 2024-2025 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 (FY21-FY24) and Current Proposal (FY25)

	FY21	FY22	FY23	FY24	FY25 (proposed)
Tuition	\$131	\$134	\$134	\$134	\$134
(Tuition Assistance)	(\$10)	(\$10)	(\$10)	(\$10)	(\$10)
Facility Fee	\$36	\$36	\$36	\$36	\$36
M&R Fee	\$6	\$6	\$6	\$6	\$6
Total	\$163	\$166	\$166	\$166	\$166

SUMMARY

System leaders have committed to no increase in state-level or local tuition and fees in academic year 2024-2025. 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 2024-2025, the proposed non state-subsidized dual-credit rate is set at the same per credit rate as the state-subsidized dual-credit rate.