

# Department of Education

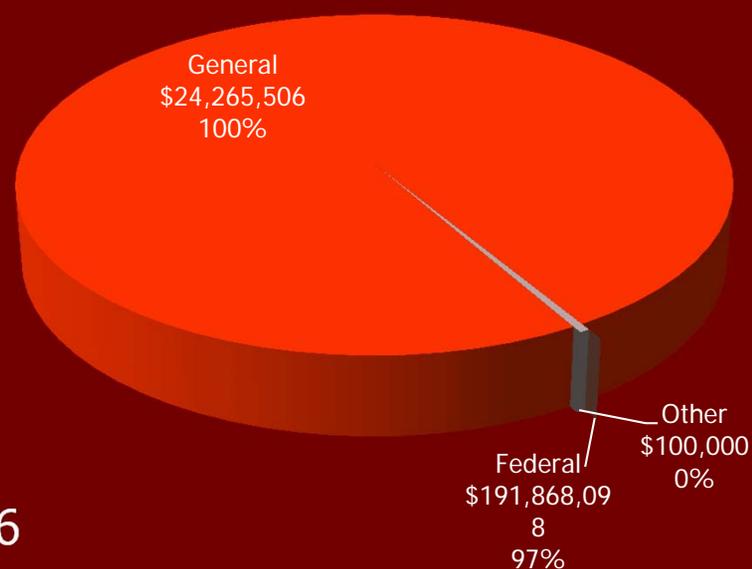
## FY2016 Technical Institute Budget Overview

Presented to the Joint Appropriations Committee  
January 22, 2015

# Technical Institute Budget – State Funds

- Includes support for:
  - Per Student Allocation  
\$3,329.13(FY15)
    - FY16 Rec = \$3,395.71
  - Bonding Set-aside  
\$ 2,525,880 (FY15)
    - FY16 Rec = \$2,712,248
  - Tuition Buy Down  
\$915,920 (FY15)
    - No change recommended for FY16
  - Maintenance and Repair Fund
    - \$437,533 recommended in FY16

FY2015 Budgeted



# Technical Institutes

## Budget Increases & Decreases

| Postsecondary State Aid                           | General Funds     | Total Funds       |
|---|-------------------|-------------------|
| Postsecondary Technical Institutes Formula – 2.0% | \$ 59,911         | \$ 59,911         |
| Technical Institute Bonding                       | \$ 186,368        | \$ 186,368        |
| Maintenance and Repair                            | \$ 437,533        | \$ 437,533        |
| <b>TOTAL</b>                                      | <b>\$ 638,812</b> | <b>\$ 638,812</b> |

# Technical Institute Formula Budget

|   |    |                   |
|---|----|-------------------|
| <b><i>FY16 Full-Time Equivalent Student Count</i></b> |    | <b>6,150</b>      |
| <b>Multiplied by: 2015-2016 Funding per FTE</b>       |    |                   |
| 2014-2015 School Year Funding per FTE                 | \$ | 3,329.13          |
| Increased by 1.5% (CPI-W or 3% whichever is less)     | \$ | 49.94             |
| Additional 0.5% to get to 2%                          | \$ | 16.64             |
| <b>2014-2015 Funding per FTE</b>                      | \$ | <b>3,395.71</b>   |
| <b>FY16 Formula Need</b>                              | \$ | <b>20,883,617</b> |
| <b>FY15 Formula Budget</b>                            | \$ | <b>20,823,706</b> |
| <b>FY16 Formula Need less FY15 Budget</b>             | \$ | <b>59,911</b>     |

# Technical Institute Bonding – State Share

- For FY16, the annual bond payment is projected to be \$8,136,745
  - Based on issuing \$20M in new bonds this year
- The state is obligated to pick up at least 1/3 of the amount paid by the technical institutes for the annual bond payment
  - Technical Institute Share      \$5,424,497
  - State Share (1/3)                      \$2,712,248
  - TOTAL                                      \$8,136,745
- FY15 budgeted amount is \$2,525,880
  - Increase of \$186,368

# Projected Debt Service Schedule

AS OF OCTOBER 30, 2014

| <u>Fiscal Year</u> | <u>Student<br/>Facility Fee<br/>Revenues</u> | <u>State<br/>Appropriation</u> | <u>Debt Service</u> | <u>Debt<br/>Service<br/>Coverage</u> |
|--------------------|--|--------------------------------|---------------------|--------------------------------------|
| (projected) 2015   | \$5,040,000                                  | \$2,216,941 *                  | \$6,650,824         | 1.190                                |
| (projected) 2016   | \$5,090,400                                  | \$2,712,248                    | \$8,136,745         | 1.032                                |
| (projected) 2017   | \$5,141,640                                  | \$2,711,014                    | \$8,133,043         | 1.038                                |
| (projected) 2018   | \$5,192,880                                  | \$2,707,616                    | \$8,122,848         | 1.045                                |

## FY15 Tuition Buy Down

- \$915,920 was appropriated beginning in FY15 to buy down the tuition rate
- The result was that tuition for FY15 was able to stay at \$104 per credit hour
  - Would have increased to \$109 without funding
- Continued funding at the same level is recommended for FY16
  - No additional funding recommended for FY16

# Maintenance and Repair Funding

- The Governor's budget also included \$437,533 to assist in the maintenance and repair Technical Institute buildings

# For More Information

[www.doe.sd.gov](http://www.doe.sd.gov)