

# WORKFORCE INNOVATION THROUGH TECHNICAL EDUCATION

## SDTECHS Work 2021

**Overarching Goal:** Provide quality postsecondary education and training to enable South Dakota's workforce and economy to grow.

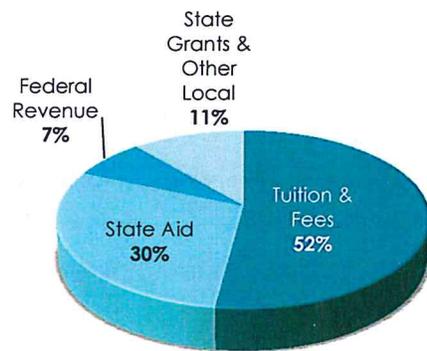
**Product:** Grow a technically skilled workforce prepared to meet the challenges of industry and continuing education.

**People:** Lead a system with the appropriate quality and quantity of instructors, staff and administrators.

**Plant:** Ensure facilities are adequate, safe and capable of meeting evolving industry demands and are conducive to learning.

### FY17 Proposed Budget - State Support to Technical Institutes

	Proposed Total FY17 Budget	Proposed FY17 Increase/Decrease
Prop. Total FY17 State Appropriation	\$24,908,796	
Prop. FY17 State Bond Payment	\$2,322,850	-\$386,107
Prop. Tuition Buy-Down Assistance	\$1,831,820	\$915,900
Prop. National Guard Tuition	\$161,088	\$161,088
Prop. FY17 Formula Distribution Amt.	\$20,593,038	\$1,026,956



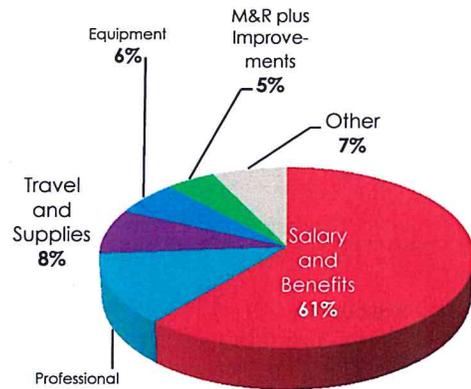
All TIs Budgeted FY17 Revenues

### FY16 Amendment

Available for Formula Distribution	\$19,566,082
Calculation of Need for Formula Distribution	\$19,586,314
(Under) or Over Need for Formula Distribution	(\$20,232)

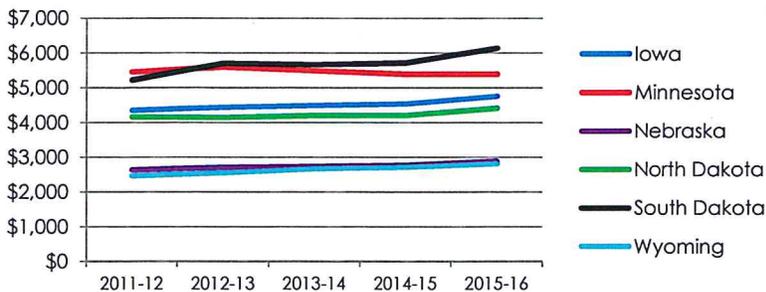
### Proposed One-Time Funding

Payoff Series 2007 Bonds	\$5,262,972
Payoff Series 2014A Bonds	\$1,543,698
TOTAL	\$6,806,670



FY17 Budgeted Expenses for All TIs

### Regional Competitiveness Public 2-Year Colleges, Tuition & Fees



## SD Technical Institute Per Student Allocation Calculation & Payment

### Formula

Total State Appropriation  
 - Bond Payment (debt service coverage)  
 - Other / one-time appropriations  


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 = **Available funds for formula distribution**

#### Full-time Equivalent (FTE) Calculation:

- 1 FTE = 30 credit hours per year
- Tuition, per credit = set by SD Board of Education
- Per Student Allocation = set by SD Legislature

#### Formula Factors:

1 = Standard cost program  
 3 = High cost program  
 5 = High cost, low-density program

**FTE Calculation** = Prior FY Tuition Collected / (30 credits \* \$104 tuition per credit)

**Calculation of need for formula distribution** = FTE \* per student allocation

**Baseline state aid received by each technical institute** = (Calculated need \* .25) / 4

*With remaining 75%, each technical institute receives funds based on formula factors and FTE for each program.*

**Weighted Per Student Value** = (Calculated Need – Baseline state aid) / [(5 \* High cost, low-density program FTE) + (3 \* High cost program FTE) + (1 \* Standard cost program FTE)]

#### Program category payment received by each technical institute =

[(high cost, low density (5) \* FTE in eligible programs) + (high cost (3) \* FTE in eligible programs) + (standard cost (1) \* FTE in eligible programs)] \* Weighted Per Student Value

Baseline state aid received by each technical institute  
 + Program category payment received by each TI  


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 = **Total state aid received by technical institute**

**Total state aid is divided into four equal, quarterly payments. Payments are based on FTE from the prior fiscal year.**

### FY16 Example

\$24,190,959 (FY16 State Appropriation)  
 - \$2,708,957 (FY16 bond payment)  
 - \$915,920 (tuition buy down)  
 - \$1,000,000 (SB55 – Build Dakota capacity grants)  


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 = **\$19,566,082** (total available for formula distribution)

#### Full-time Equivalent (FTE) Calculation:

- 1 FTE = 30 credit hours
- \$104 per credit (FY15 tuition assessed to students)
- \$3,395.71 (FY16 Per Student Allocation)
- \$17,996,029.32 = FY15 Tuition Collected by Technical Institutes

#### FY16 FTE:

\$17,996,029.32 / (30 credits \* \$104 tuition per credit) = **5,767.96 FTE**

#### Calculation of Need for Distribution in FY16:

5,767.96 FTE \* \$3,395.71 PSA = **\$19,586,314** (rounded)

#### Baseline state aid received by each school (25%):

\$19,586,314 \* .25 = \$4,891,520.50 / 4 = **\$1,222,880.13 per technical institute**

#### Program category payment (75%):

\$19,586,314 - \$4,891,520.50 = **\$14,674,561.50**

**Weighted Per Student Value** = \$14,674,561.50 / [(5 \* 7.6) + (3 \* 1,760.36) + (1 \* 4,000)] = **\$1,574.68**

#### Program Category Payments in FY16:

LATI = \$4,550,858  
 MTI = \$2,965,468  
 STI = \$5,276,710  
 WDT = \$1,881,525

#### Total FY15 State Aid per school:

LATI = \$1,222,880 + \$4,550,858 = **\$5,773,738**  
 MTI = \$1,222,880 + \$2,965,468 = **\$4,188,348**  
 STI = \$1,222,880 + \$5,276,711 = **\$6,499,591**  
 WDT = \$1,222,880 + \$1,881,525 = **\$3,104,405**

**SD Administrative Rule**  
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