



Federal and Other FTE

Issue Brief No. 4 – January 2006

Synopsis: The Board of Regents' FY07 budget request includes a total of 96.9 federal and other funded full-time equivalent employees (FTE). This increase is needed to address growth in grants and contracts, as well as to provide authority to hire staff to meet the instructional needs for self-support enrollments, and to staff student service areas that are funded with student fees and auxiliary areas funded with fees for service.

Progress toward Board of Regents' Policy Goals

Goal #1 - Access: Every qualified South Dakotan shall have access to public postsecondary education.

Enrollments Continue to Grow – The total student headcount **enrollment is at an all-time high for fall 2005—30,720 students—which is an increase of 13 percent** over fall 2000. The regents are providing services to more students in more places than ever before.

Off-Campus Education Continues Strong Growth – Self-support headcount enrollment—representing distance education as well as Sioux Falls—has grown by 39 percent since fall 2000. Part of this growth is the USDSU center in Sioux Falls, which now serves 1,883 students.

Goal #2 – Quality: South Dakota public universities and special schools shall provide a quality educational experience.

Students Perform Above National Norms – Our students score higher on proficiency exams than the national mean. On 12 licensure and certification exams, our students exceed pass rates for six out of the eight areas where national norms are reported.

Staffing Levels Track Enrollments – It takes qualified faculty and staff to support the student body and deliver a quality educational experience. Additional staffing has been added and is tracking with our enrollments.

Goal #3: State Wealth: South Dakota public universities shall engage in activities designed to enhance the state's long-term economy.

Grant Funding Grows 124 Percent in Four Years – In just the last five years (FY00-05), **federal grant expenditures increased by \$33.9 million or 148 percent (\$22.9 million to \$56.8 million)!** The one-year increase from FY04 to FY05 was 11 percent! This growth supports the state's economic development and educational enrichment by supporting and broadening research activities. This activity alone has added 176 new FTE positions to the system from FY00 to FY04. No general fund tax dollars are used to support this growth.

Universities Continue to Add to State Wealth – The regents have focused on the Governor's 2010 research initiative and the universities have delivered. Projected federal grant funding continues at a brisk pace, with a total of 56.8 FTEs to be added in FY06 and FY07. This growth adds dollars to the state economy, is not funded by state taxes, and should NOT be considered growth in government.

Federal Grants and Contracts Boon to State Economy – It is estimated that 60 percent of the \$56.8 million in federal grant funds, or \$34.1 million, are spent directly in South Dakota. When applying an economic multiplier of 2.4, **the value to the state of federal research is \$81.8 million!**

Goal #4: Efficiencies: South Dakota public universities and special schools shall continue to seek means for improving efficiency in the delivery of educational services.

Students, Not the State, Fund Enrollment Growth – Since the formula was abandoned in FY99, the public university system no longer receives the approximately \$1,800 of state support for each additional student. The Board of Regents now must grow on the margin, with only tuition and fee revenues to support enrollment growth.

Student-to-Employee Ratio Remains Low – The student-to-employee ratio for the universities remains low, even with the growth in FTE. The added FTE provide services and instruction to the growing student population.

	FY00 Actual	FY06 Estimated
University Staffing (1)	3,719	4,052
Student Headcount	26,616	30,720
Students-to-Staff Ratio	7.2 to 1.00	7.6 to 1.00

(1) Excludes Agricultural Experiment Station, Cooperative Extension Service, School for the Deaf, School for the Blind and Visually Impaired, federal and other grants (other estimated), as these are not tied to university enrollments and services.

FY07 Full-Time Equivalent Employee Request – Federal and Other Funds

The requested 96.9 FTE represents 56.8 federal and other grants-funded FTE and 40.1 FTE funded with self-support and state-support tuition, student fees, room and board, and auxiliary revenues. NO NEW TAX DOLLARS would be used to support any of these requested FTE.

The 40.1 FTE represent additional faculty and support staff to provide services to a growing population of students being served at the universities, by distance education, and at USDSU in Sioux Falls:

- BHSU – 3.5 FTE Student Fees, 6.0 FTE Auxiliaries, 4.0 FTE Self-Support, 3.0 FTE Sales and Service
- SDSU – 1.0 FTE Student Fees, 2.0 FTE Auxiliaries, 1.0 FTE Self-Support Tuition
- USD – 1.4 FTE Student Fees, 8.7 FTE Self-Support Tuition
- USD Medical School – 4.4 FTE Student Fees, 2.1 State-Support Tuition
- BOR System Office – 2.0 Sales and Service, 1.0 Reorganization

FY06 to FY07 Request All Funds

FY06 Budgeted	5,282.4
FY06 Projected Need	<u>5,314.9</u>
Budget Shortfall	(32.5)
FY06 FTE Budgeted	5,282.4
FY07 FTE Recommended	<u>5,424.2</u>
Change	141.8
Added Services and Activities:	
SETI General Ed Agreement	(10.4)
PhD Programs	(24.5)
2010 Initiative Research Centers	<u>(10.0)</u>
Subtotal of New Services	(44.9)
Change Less New Services	96.9
Shortfall from FY06	<u>(32.5)</u>
Projected FY07 Growth	64.4