WORKFORCE INNOVATION
THROUGH TECHNICAL EDUCATION

Board of Education | March 14, 2016

LAKE AREA TECHNICAL INSTITUTE
It's your world.

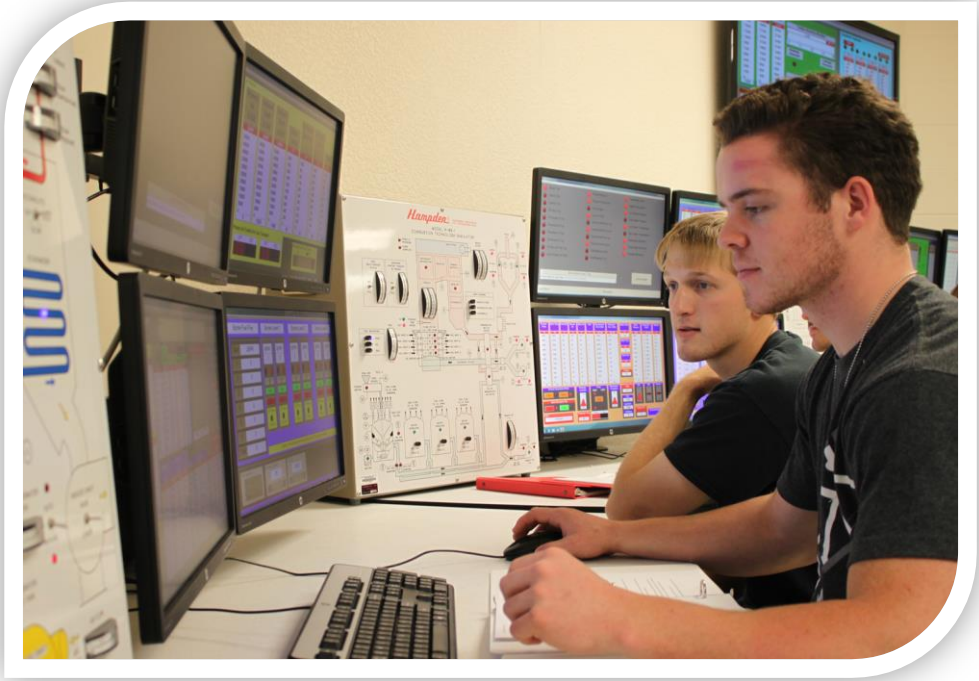
MTI

SOUTHEAST TECH

WDT
Western Dakota Tech

STRENGTHENING & INCREASING SOUTH DAKOTA'S WORKFORCE

- Educate **6,300 students** each year
- Provide technically skilled degrees (AAS, diploma, certificates)
- Offer a cost effective & timely route to successful, fulfilling employment



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STRENGTHENING & INCREASING SOUTH DAKOTA'S WORKFORCE

- SD employers count on a fresh infusion of talent each year – **2,500 graduates**
- More than **1,200 industry experts** help guide curriculum & programs
- **85%** of responding graduates remain in South Dakota to fill high-tech, high-need careers or continue their education

NATIONALLY RECOGNIZED

THE ASPEN INSTITUTE
ASPEN PRIZE
FOR COMMUNITY COLLEGE EXCELLENCE
TOP 150
2017

We're Proud to Be One of the
2009, 2010, 2011, 2012, 2013, 2014, 2015
THE CHRONICLE 2015 GREAT COLLEGES TO WORK FOR
HONOR ROLL

Academic Leaders' Tool of the Year for
(Western Academic Leadership Fo

BESTCOLLEGES.COM
BEST ONLINE PROGRAMS
2015

THE PRESIDENT'S HIGHER EDUCATION COMMUNITY SERVICE
HONOR ROLL

ACT®

MODELS OF EXCELLENCE

MILITARY FRIENDLY
MF'16
SCHOOL

SDTECHSWork2021

TECHNICAL INSTITUTE'S STRATEGIC PLAN

- **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.

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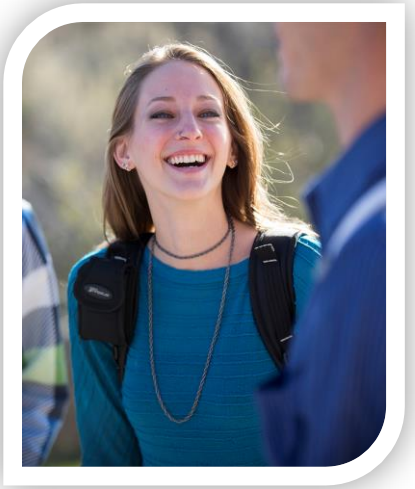
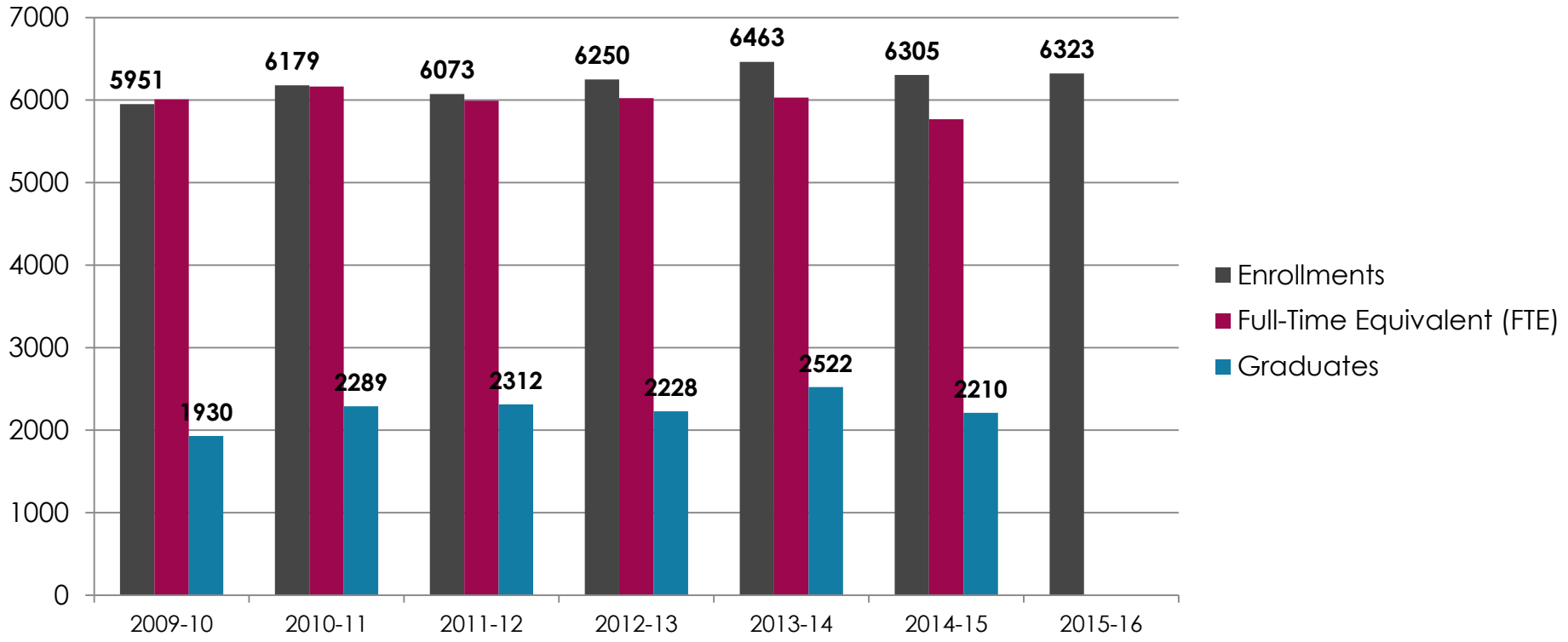
SDTECHsWork 2021



PRODUCT

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

ENROLLMENTS, FTE & GRADUATES



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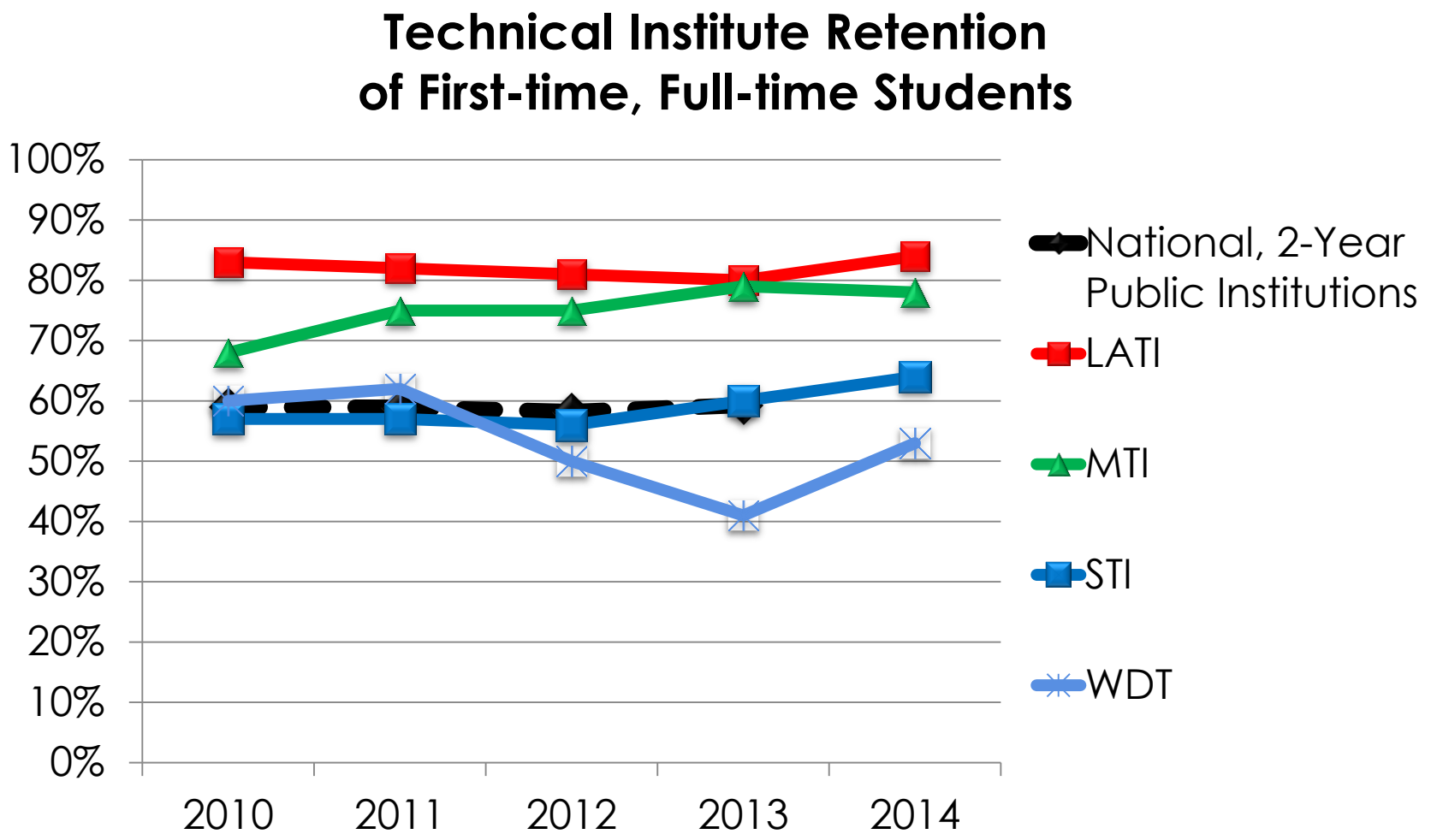
RETENTION

National 2-year institution retention is 59%. SD technical institutes averaged 73% in 2014.

Source: IPEDS Data Center

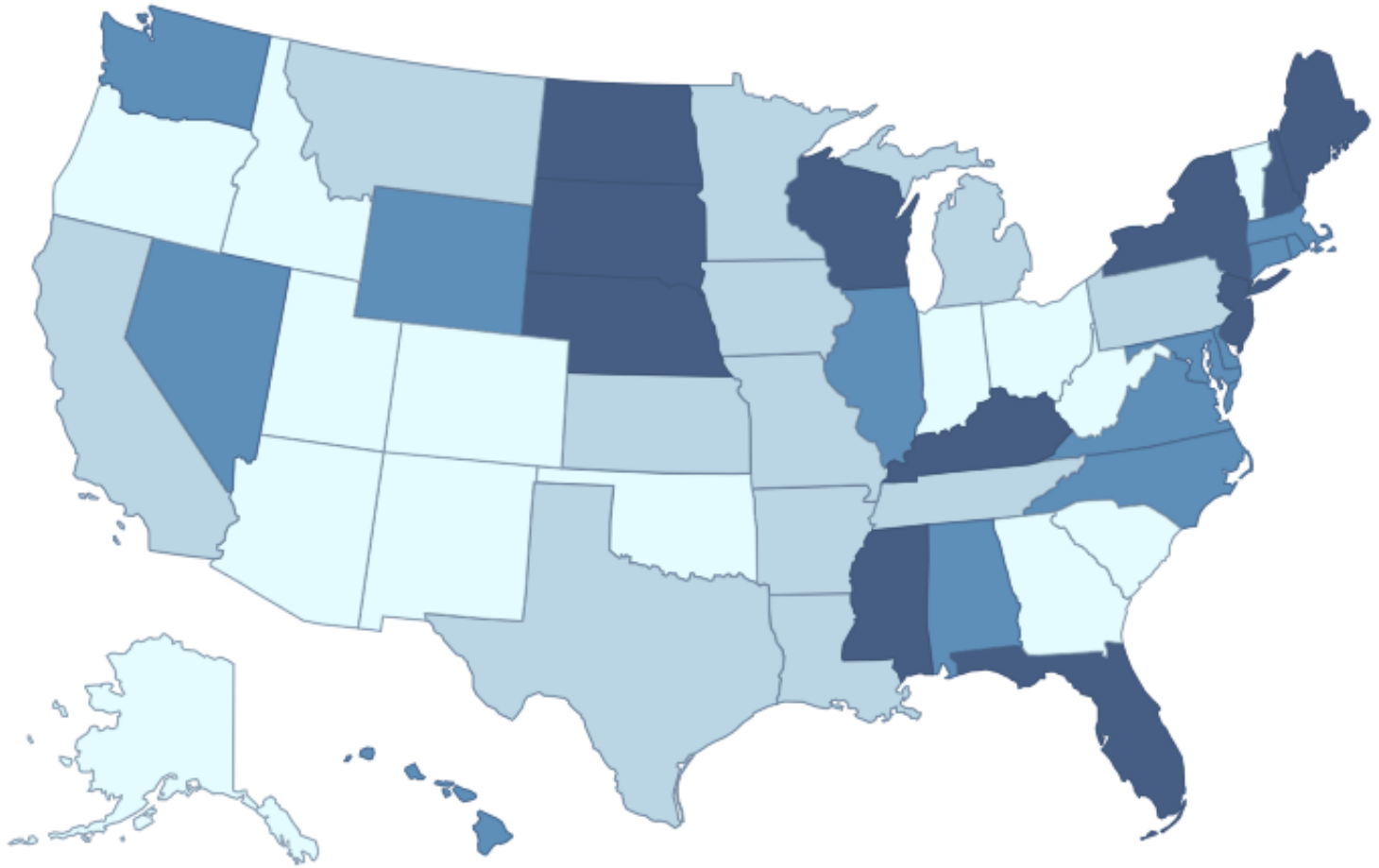


RETENTION

In 2010, SD technical institutes led the nation in retention at 65.5% as a system. NY came in 2nd at 60.7%.

Source: National Information Center for Higher Education Policymaking and Analysis

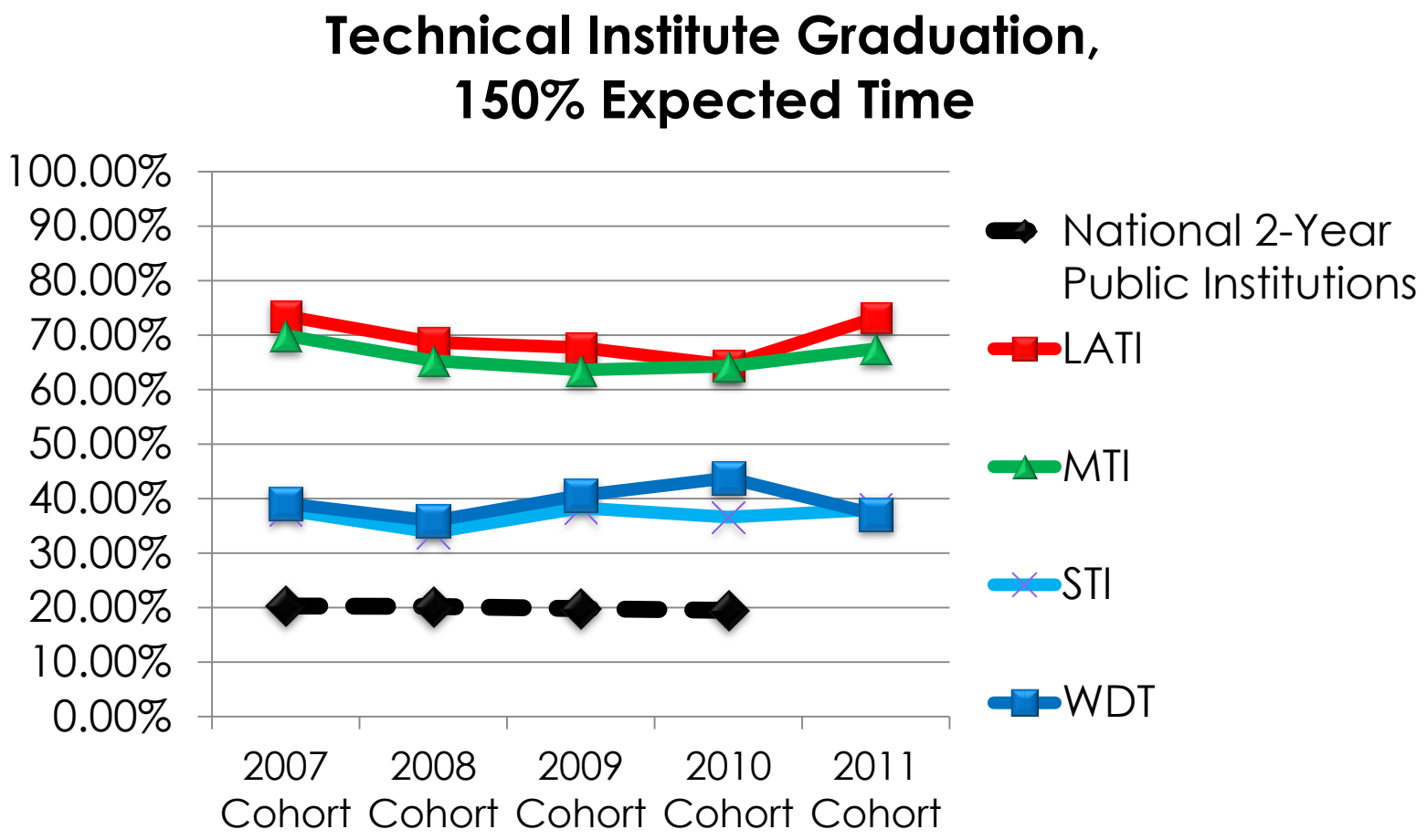
Retention Rates - First-Time College Freshmen Returning Their Second Year: Two-Year Public - 2010



GRADUATION

National 2-year public graduation rate is 19%. SD technical institutes ranged from 37-73% in 2014 (2011 cohort).

Source: IPEDS Data Center

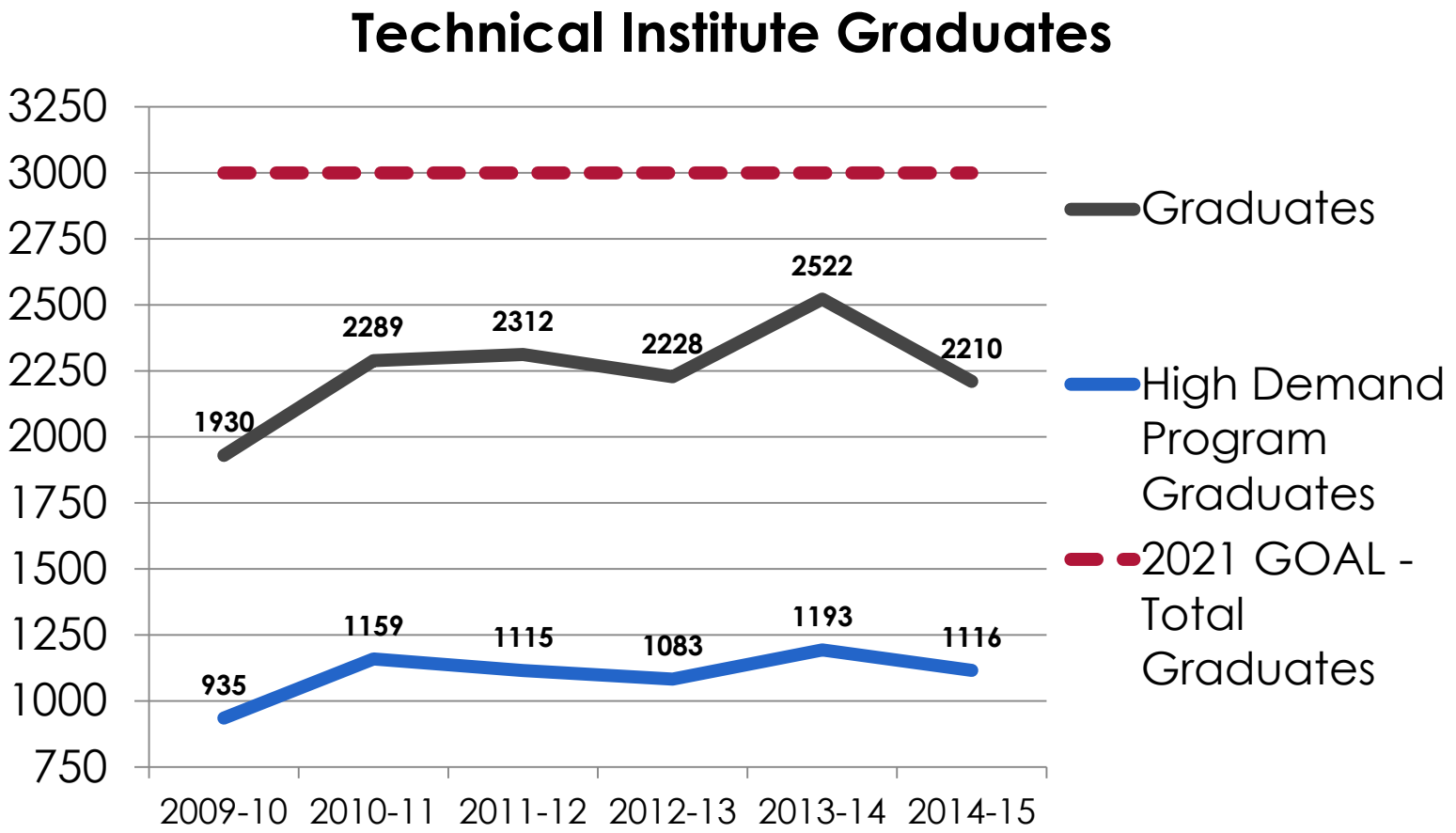


GRADUATION

As a system, the technical institutes are working to educate 3,000 graduates per year by 2021.

High demand programs are those eligible for the Build Dakota Scholarship.

Source: TI Placement Reports

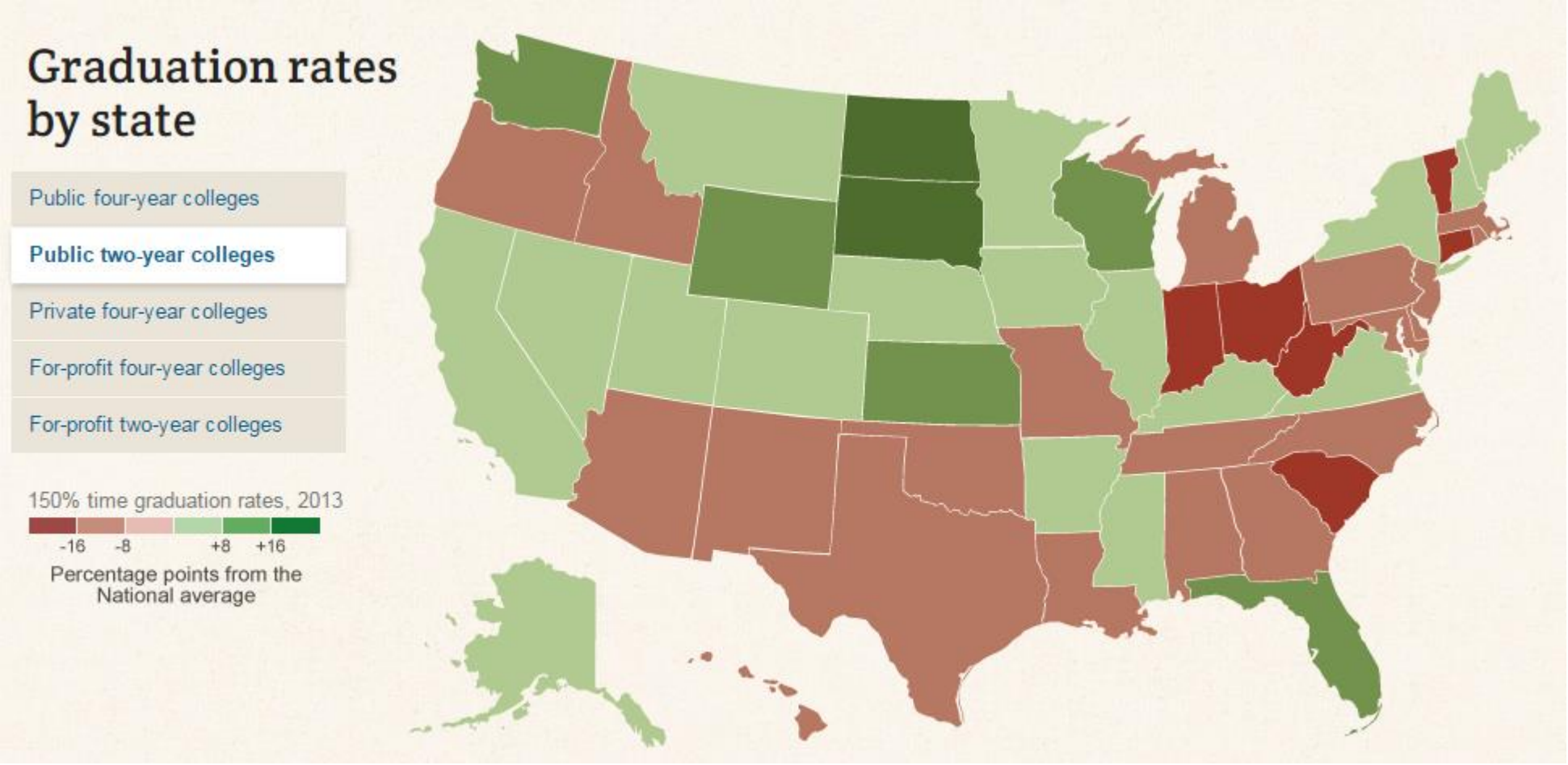


GRADUATION

In 2013, 51.2% of technical institute students graduated in 150% of expected time – highest in the country.

NOTE: Sisseton-Wahpeton Tribal College's graduation information was included in the SD 2-year public college report.

Source: The Chronicle of Higher Education

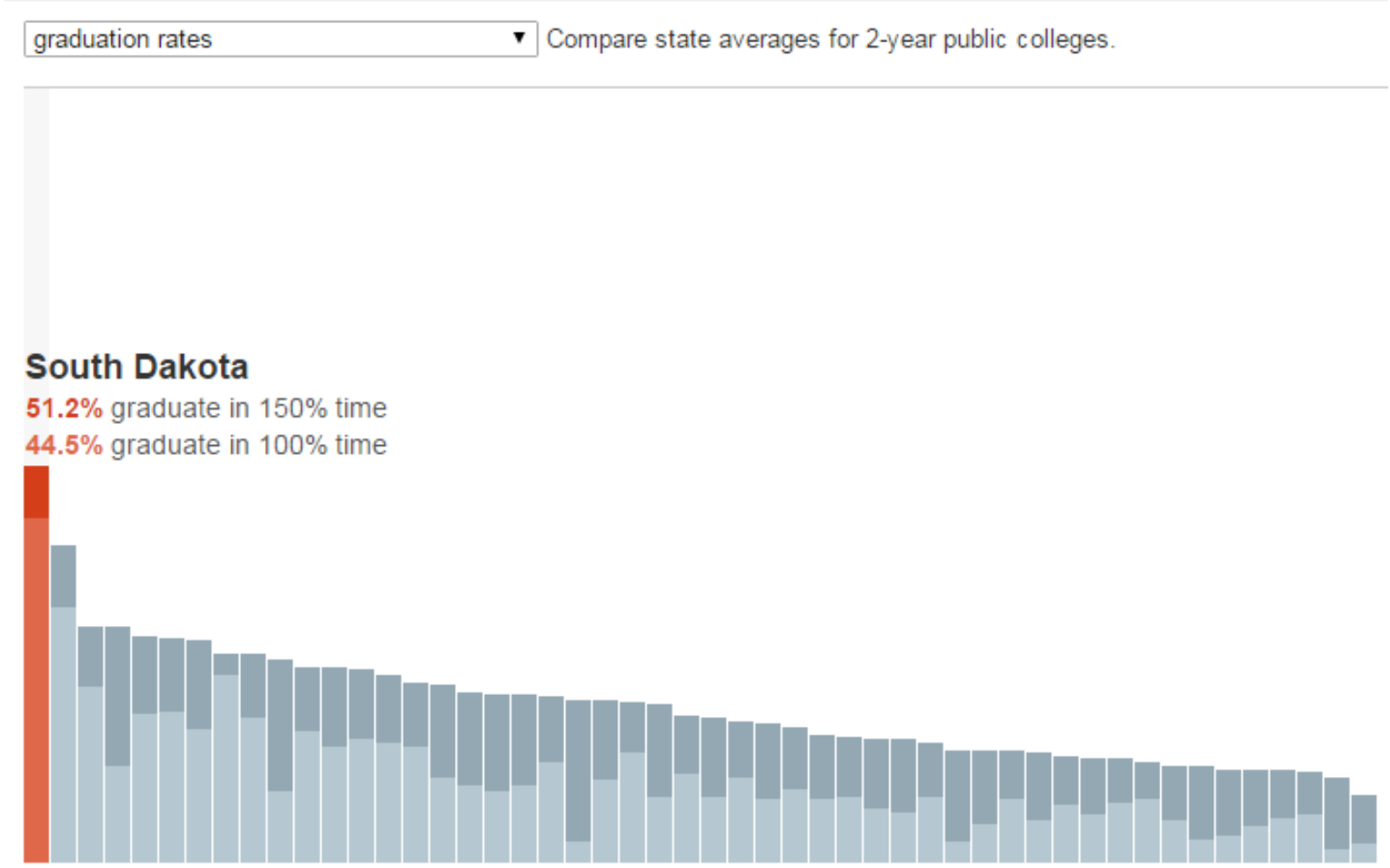


GRADUATION

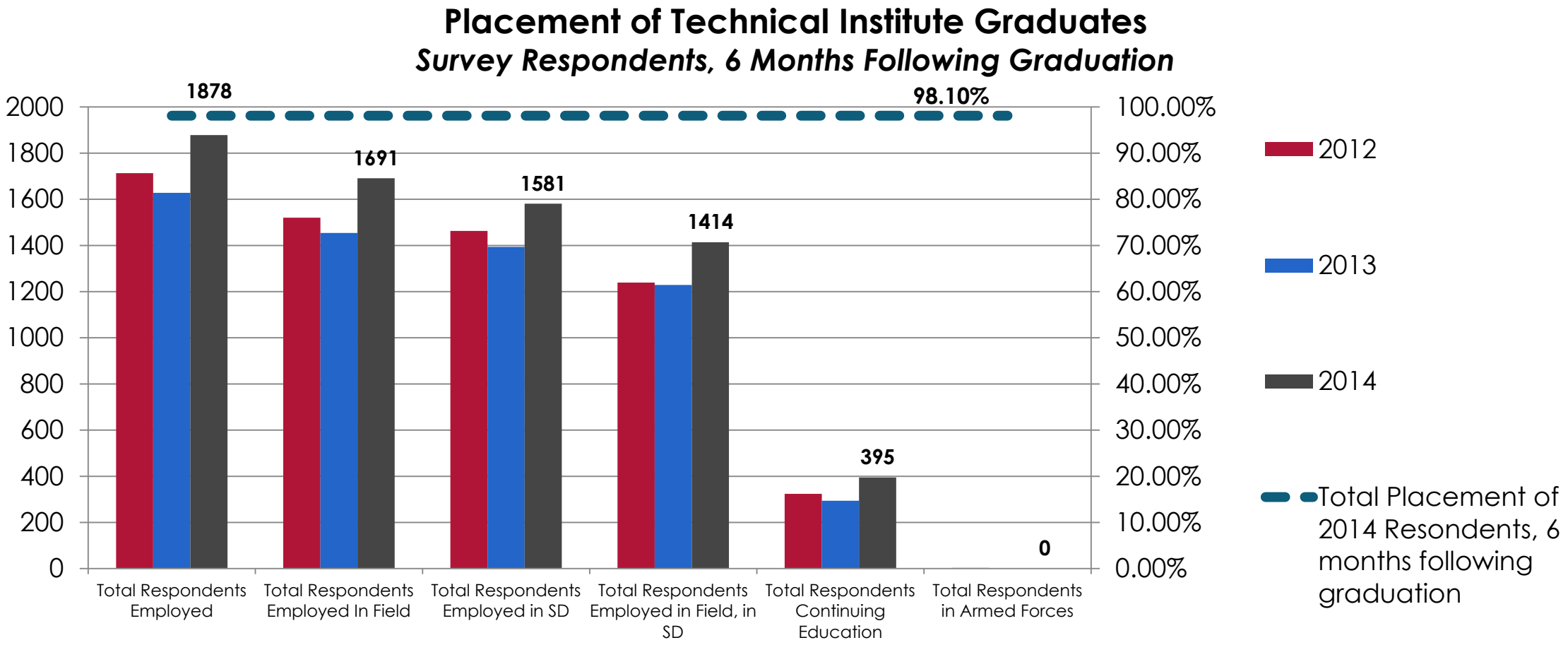
The national average was 19.4%. ND came in 2nd behind SD at 40.9%.

NOTE: Sisseton-Wahpeton Tribal College's graduation information was included in the SD 2-year public college report.

Source: The Chronicle of Higher Education



PLACEMENT


Placement of Technical Institute Graduates
Survey Respondents, 6 Months Following Graduation
1878
98.10%
1691
1581
1414
395
0
2000
1800
1600
1400
1200
1000
800
600
400
200
0
100.00%
90.00%
80.00%
70.00%
60.00%
50.00%
40.00%
30.00%
20.00%
10.00%
0.00%
Total Respondents Employed
Total Respondents Employed In Field
Total Respondents Employed in SD
Total Respondents Employed in Field, in SD
Total Respondents Continuing Education
Total Respondents in Armed Forces
2012
2013
2014
Total Placement of 2014 Resondents, 6 months following graduation

SDTECHS Work 2021

PEOPLE

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

WORKFORCE

	Admin.	Faculty			Staff		
		Full-time	**Adjuncts (FTE)**	**Overloads (FTE)**	**Professional / Technical**	**Civil Service**	**Part-Time**
LATI	8	100	18	10	25	48	10
MTI	4	79	.7	.6	33	17	3
STI	8	83	37.5	2	37	47	7.25
WDT	5	44	11	5	12	26	22
TOTAL	**25**	**306**	**67.2**	**17.6**	**107**	**138**	**42.25**

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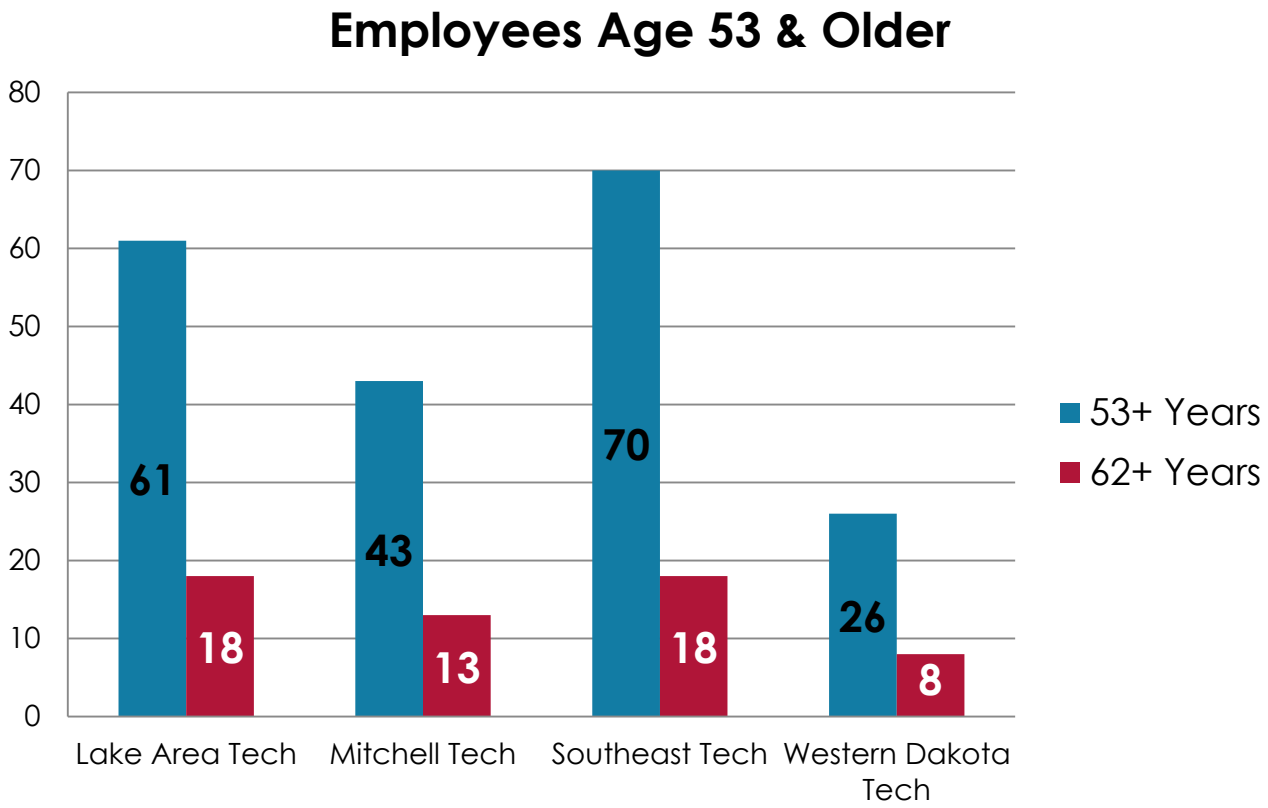
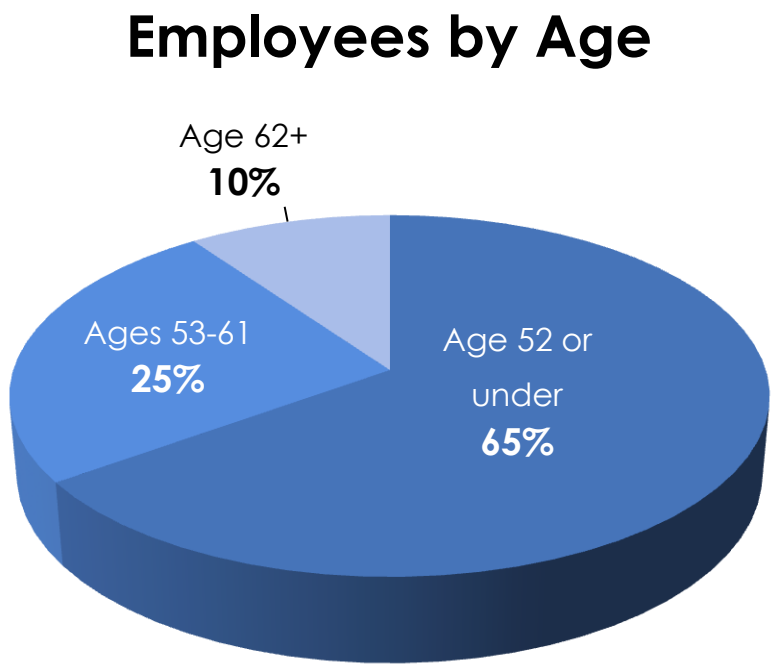
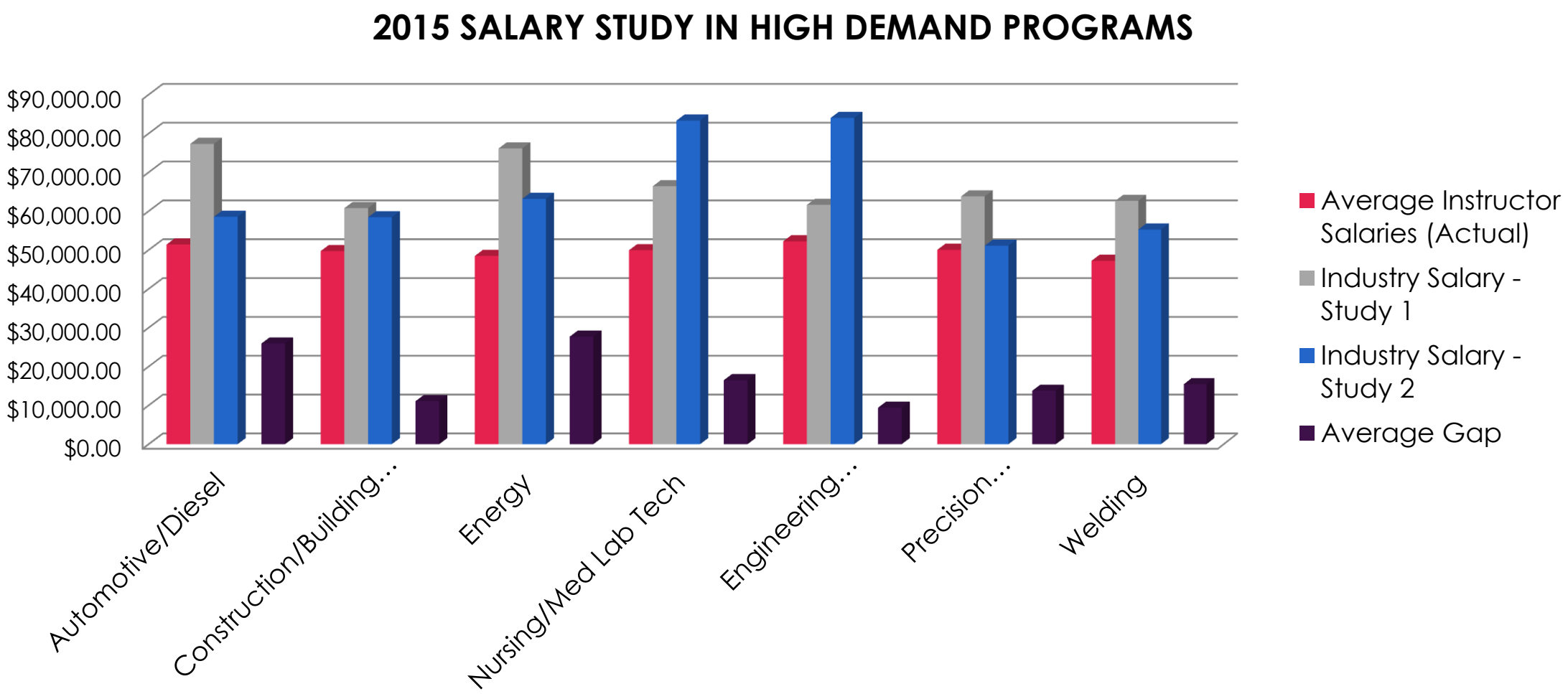
WORKFORCE

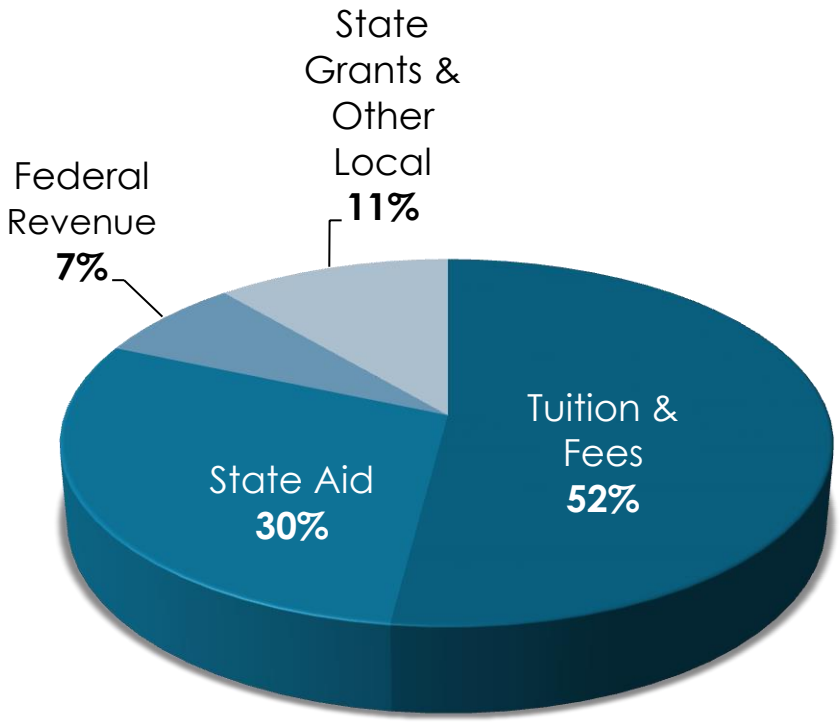

Employees Age 53 & Older
80
70
60
50
40
30
20
10
0
61
18
43
13
70
18
26
8
Lake Area Tech
Mitchell Tech
Southeast Tech
Western Dakota Tech
53+ Years
62+ Years


Employees by Age
Age 62+
10%
Ages 53-61
25%
Age 52 or under
65%

WORKFORCE

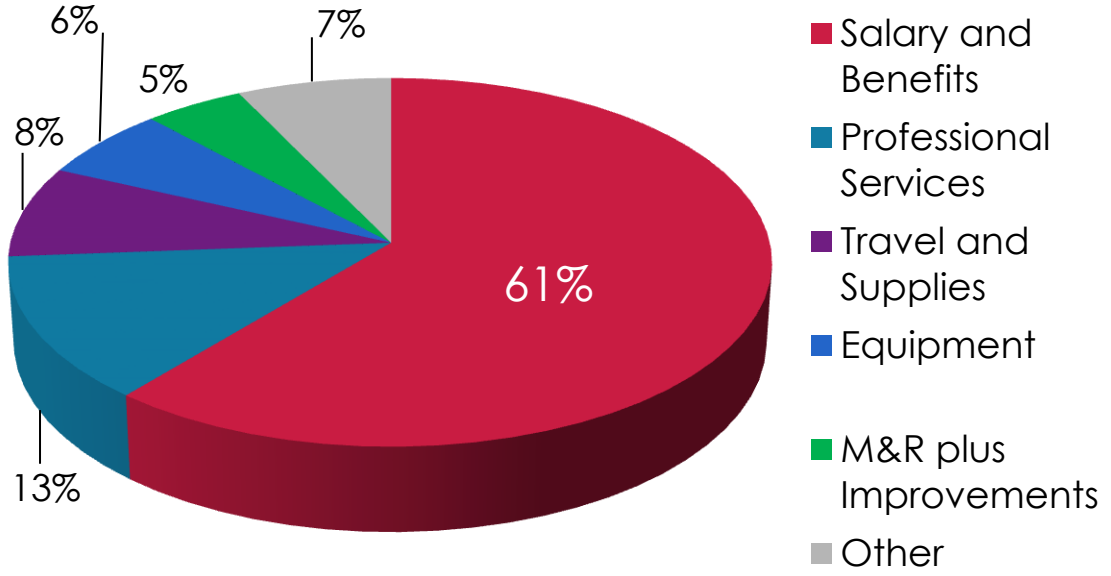

2015 SALARY STUDY IN HIGH DEMAND PROGRAMS
$90,000.00
$80,000.00
$70,000.00
$60,000.00
$50,000.00
$40,000.00
$30,000.00
$20,000.00
$10,000.00
$0.00
Automotive/Diesel
Construction/Building…
Energy
Nursing/Med Lab Tech
Engineering…
Precision…
Welding
Average Instructor Salaries (Actual)
Industry Salary - Study 1
Industry Salary - Study 2
Average Gap

REVENUES & EXPENDITURES

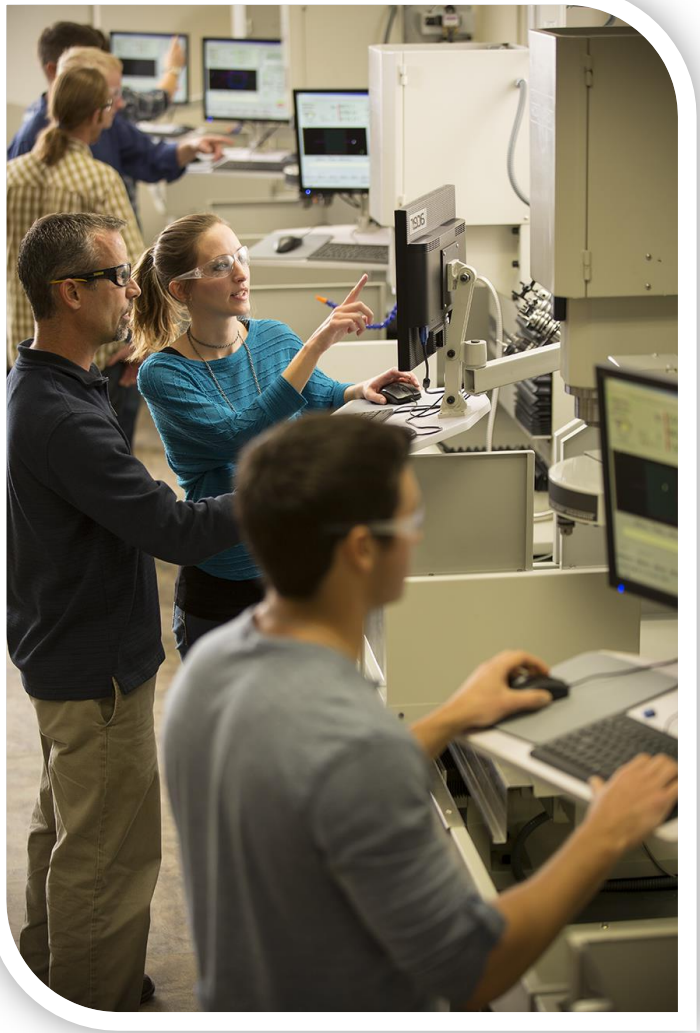


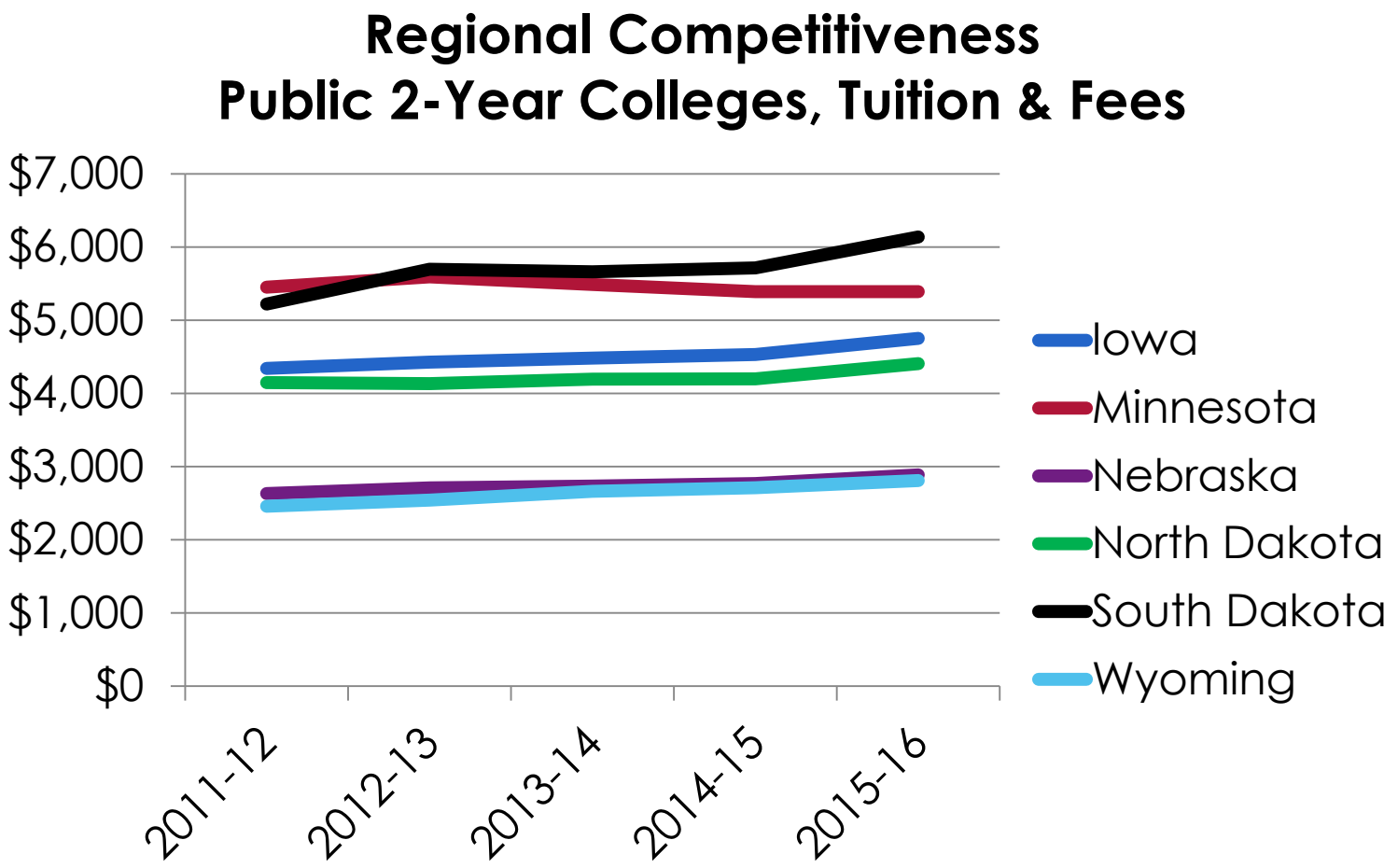
Budgeted FY17 Revenues for All TIs

FY17 Budgeted Expenses for All TIs



STUDENT AFFORDABILITY





Source: collegeboard.org, 2015 Dollars

EXAMPLES OF CHANGES & EFFICIENCIES

System Efficiencies:

- Programs are not duplicated unless the labor market demands increased capacity and training sites in multiple locations.
- All programs are reviewed annually on workforce demands, program enrollment, retention, and placement to determine if there is value in continuing them.
- New programs emerge or existing programs are revamped based on industry guidance.
- The distribution of the state appropriation supports efficient operations and ensures the most dollars go to high-demand and high-cost programs.
- Funds have been pooled between the technical institutes to seed program development, facilities maintenance and secondary to postsecondary transitions.
- Schools have jointly applied for and operated grants.

EXAMPLES OF CHANGES & EFFICIENCIES

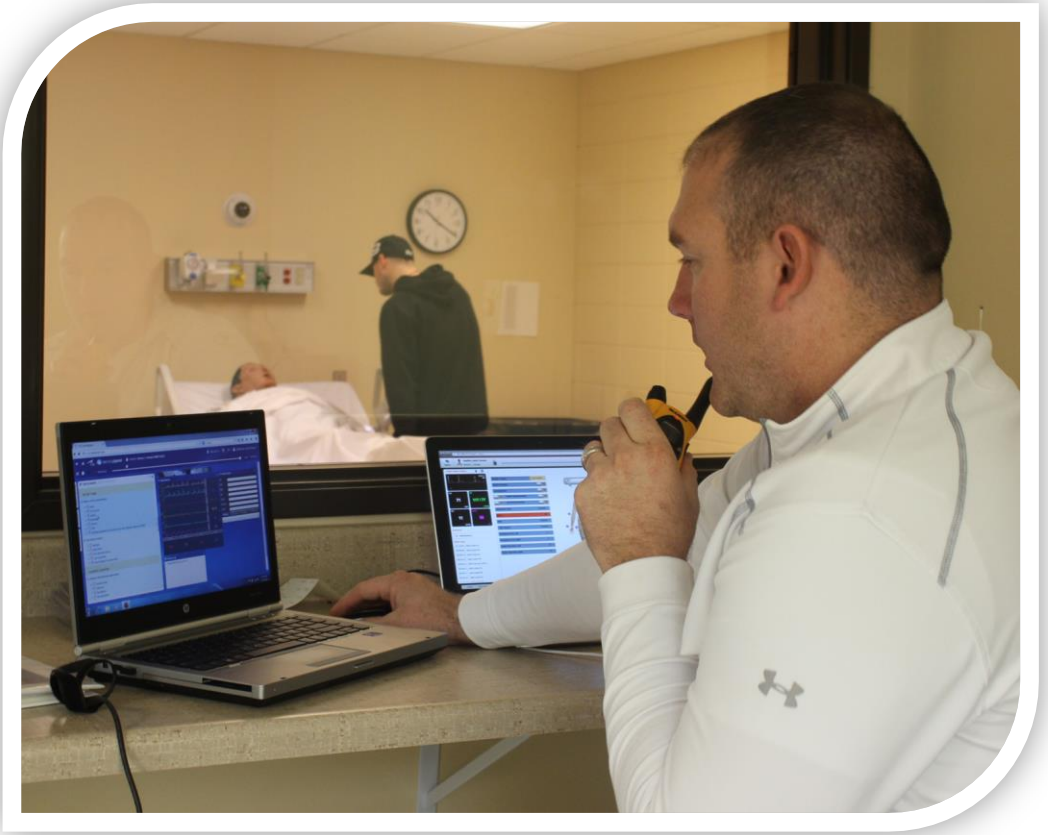
Institutional Efficiencies:

- Industry partners provide both funding and in-kind contributions.
- Student to faculty ratios are balanced to ensure safe and effective learning environments without offering inefficiently staffed programs or courses.
- Technology and equipment upgrades have slowed except where supported with federal or state grant dollars.
- Downsized or ended programs with lessened workforce needs
- Downsized instructors in programs
- Little to no equipment purchased outside of federal or state grants
- Little to no out-of-state travel unless required for grants or accreditation
- Replaced inefficient fixtures/appliances with energy efficient components
- Outsourced IT and Custodial services for savings

EXAMPLES OF CHANGES & EFFICIENCIES

Institutional Efficiencies:

- Outsourced Food Services for savings
- Froze adjunct and overload compensation
- Raised standard class sizes for non-lab classes
- Run multiple shifts of programs
- Heavier reliance online/hybrid options

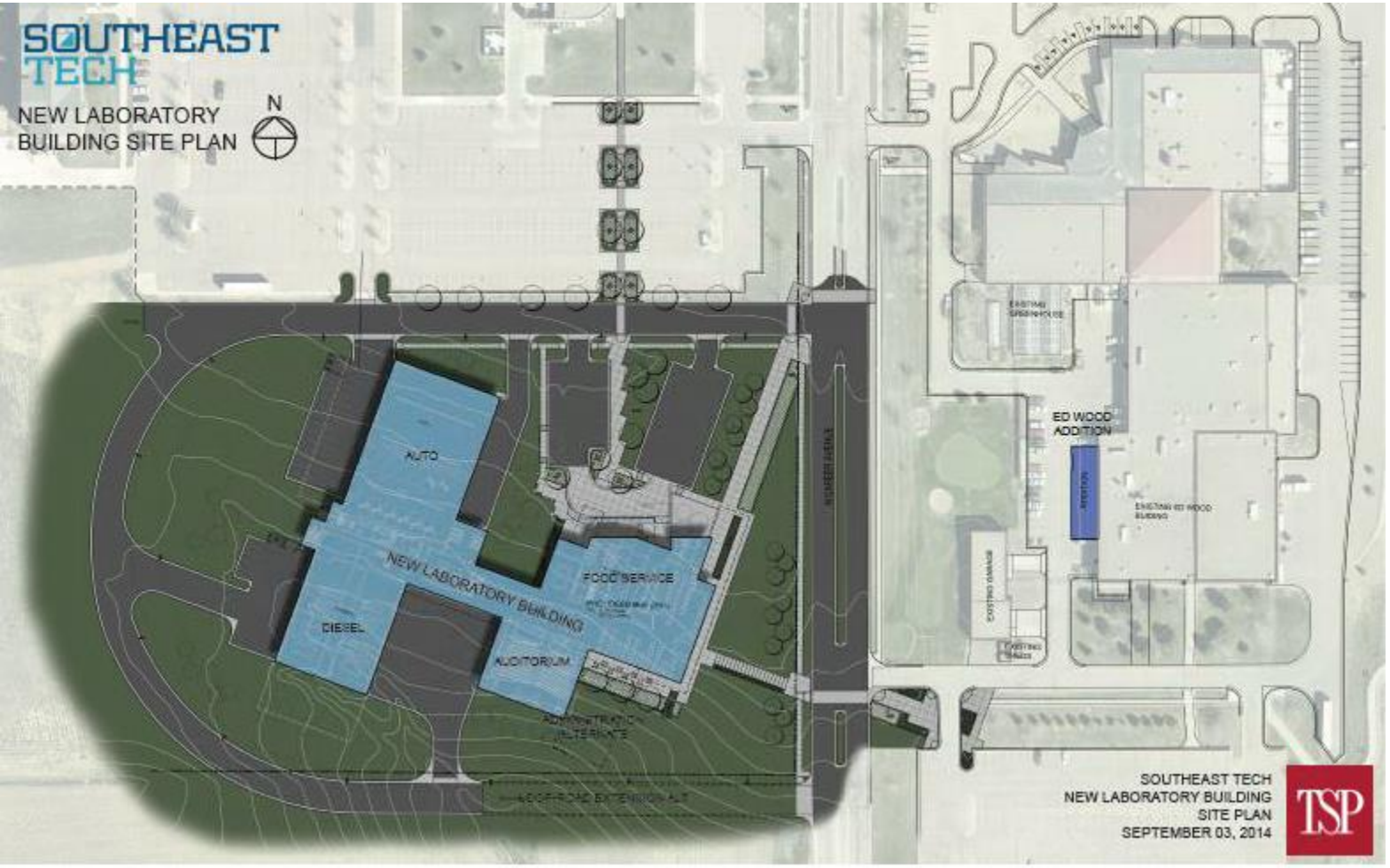


SDTECHsWork2021

PLANT

Ensure facilities are adequate, safe & capable of meeting industry demands & are conducive to learning.

FACILITY EXPANSION SOUTHEAST TECH



- New construction and renovations to Ed Woods Center to house diesel, collision repair, and auto programs
- Allows program capacities to double
- Opening Fall 2016
- Supported through state bonds, $20 Million

FACILITY EXPANSION

SOUTHEAST TECH

FACILITY EXPANSION

- New construction and renovations for diesel and public safety programs, medical simulation labs, cafeteria, and multi-purpose room
- Moves all programs on one campus
- Supported with state bonds, $18.5 Million
- Staggered completions through May 2017

FACILITY EXPANSION

2016 LEGISLATIVE SESSION RECAP

Strong Support for Students & Instructors

- **FY17 Funding :**
  - Freeze state tuition
  - Buy-down bonds
  - Shift funding for National Guard members' tuition support
  - Increase per student allocation (PSA) to $3,487.39 (up 2.7%)
  - Salary support for instructors in high-need programs
- **Policy:**
  - Move postsecondary instructor credentialing to local responsibility

FY17 APPROVED BUDGET

- Postsecondary State Aid - $1,188,045
  - Per Student Allocation (PSA) - $1,026,956
  - National Guard Tuition Assistance - $161,088
- Tuition Buy-Down - $915,900

FY17 APPROVED BUDGET

- **Tuition Buy-Down - $915,900**
  - Keep state tuition at $109 per credit hour in FY17
    - Facility Fee = $35 per credit
    - Maintenance & Repair Fee = $5 per credit
    - Technology Fee = $1 per credit
  - Existing tuition buy down ($915,920) alleviates students paying approximately $5 per credit in state tuition
  - FY17 buy-down ($915,900) will fund approximately $10 per credit hour

STATE AID – FY17 APPROVED BUDGET

- Distribution of state aid detailed in **SD Administrative Rule 24:10:42:28**
- **25%** of total distributed to each institute for baseline operations
- Remaining **75%** distributed based on cost of programs by weighted program factors
  - High cost, low density programs (Factor = 5)
  - High cost programs (Factor = 3)
  - Standard cost programs (Factor = 1)
- Total state aid divided into **four equal, quarterly payments**
- Payments are based on **FTE from the prior fiscal year**

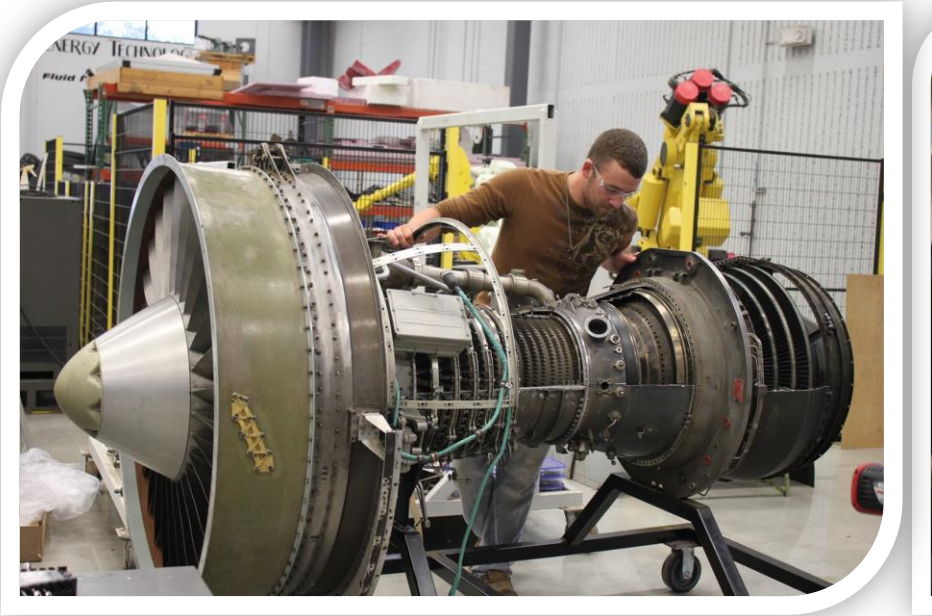
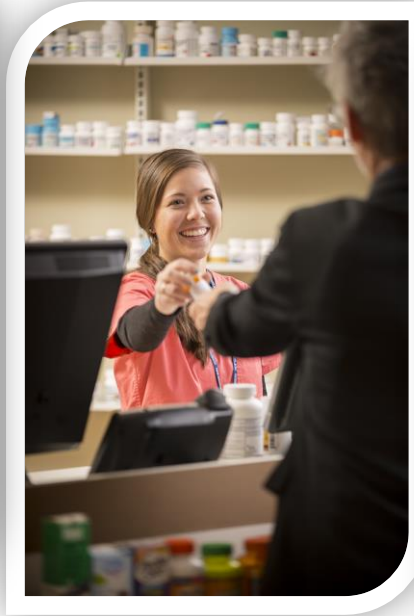
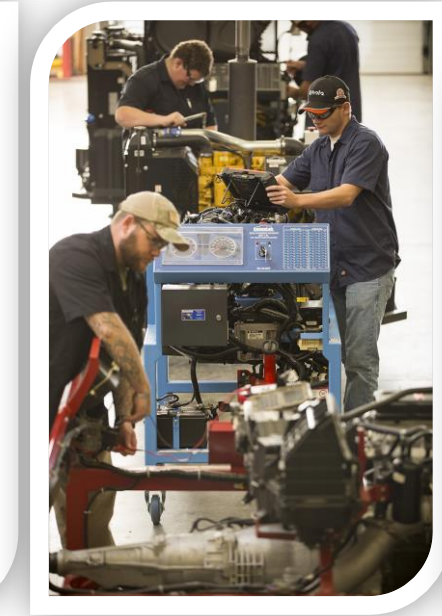
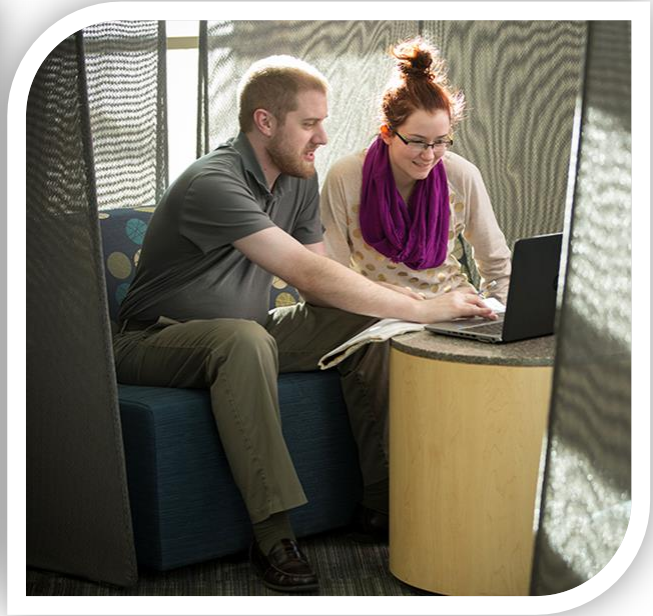
FY17 APPROVED BUDGET

- Support for Instructor Salaries
  - Provided through an amendment in HB 1182
  - *"From the proceeds of this Act, each year…three percent shall be dedicated to increasing instructor salaries to competitive levels at postsecondary technical institutes."*
  - Policy proposal at May meeting:
    - Increase capacity in high-need programs
    - Move salaries for instructors in high-need programs closer to industry's market value

ONE-TIME FUNDING

- **One-Time Proposed Funding in FY16: $6,806,670**
  - Payoff Series 2007 Bonds: $5,262,972
  - Payoff Series 2014A Bonds: $1,543,698
- Pay off higher interest bonds, resulting in a $386,107 decrease in general funds for the state's portion of the bond payment
- Savings will be utilized to buy-down tuition

THANK YOU

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