

Investing in the Workforce:

South Dakota's Technical Institutes





South Dakota Technical Institutes

Our mission:

To meet South Dakota's evolving skilled workforce demand



South Dakota Technical Institutes

Today's Topics

- Performance
 - State of the Skilled Workforce
 - Challenges
- 



South Dakota Technical Institutes

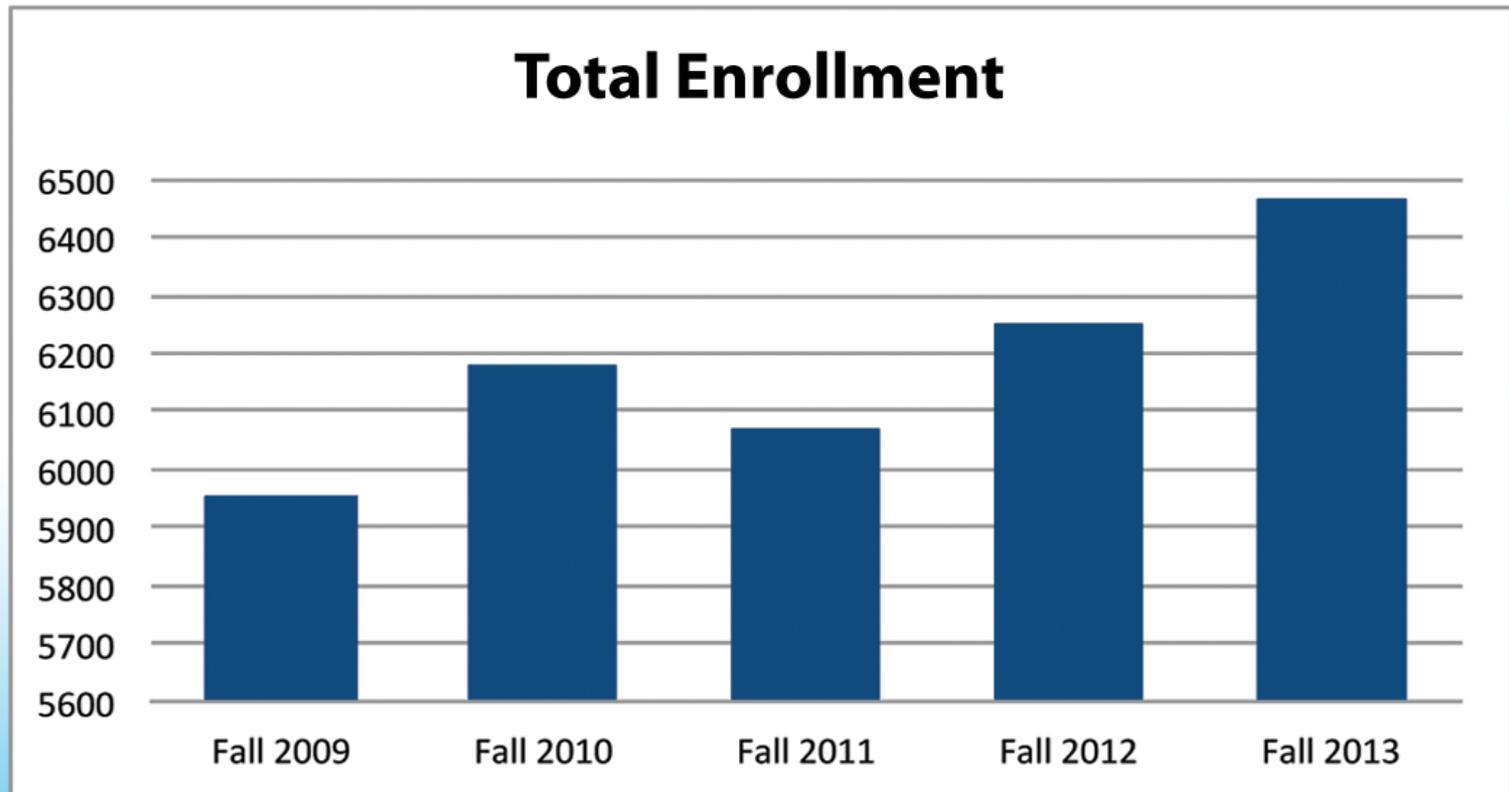
Performance





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Enrollment Growth





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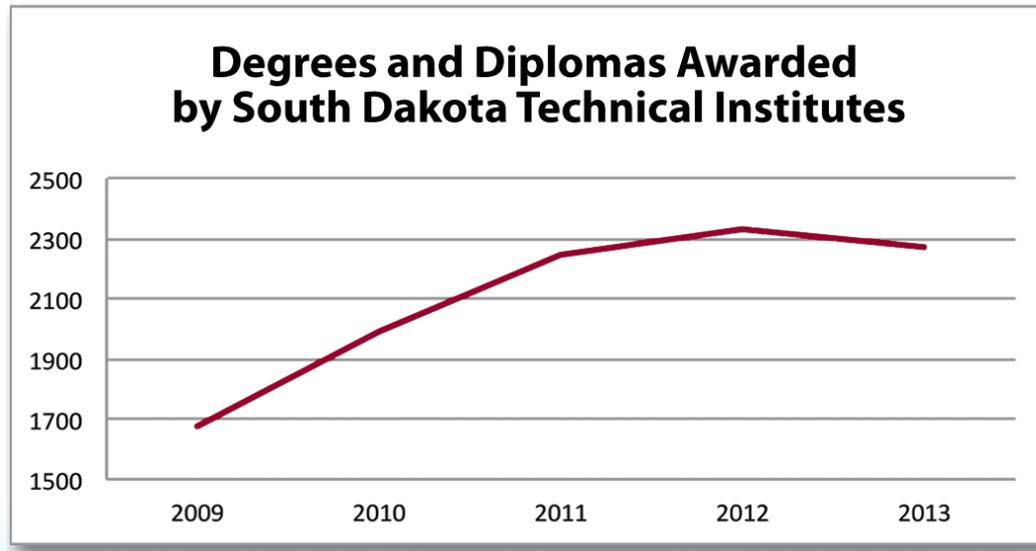
Enrollment by Cluster

Clusters	2009-10	2010-11	2011-12	2012-13	2013-14
Agriculture, Food & Natural Resources	421	377	436	492	578
Architecture & Construction	522	661	586	529	550
Arts, Audio-Video Technology & Communications	218	146	138	91	87
Business, Management & Administration	931	824	866	934	947
Finance	47	57	49	50	56
Health Science	1,329	1,481	1,435	1,435	1,452
Hospitality & Tourism	32	43	48	41	59
Human Services	211	275	302	296	311
Information Technology	466	600	587	543	524
Law, Public Safety & Security	233	240	231	215	223
Manufacturing	553	303	236	296	354
Marketing, Sales & Services	128	155	167	216	209
Science, Technology, Engineering & Mathematics	139	238	197	202	182
Transportation, Distribution & Logistics	510	574	557	568	584
Program Prep	211	205	238	342	347
TOTALS	5,951	6,179	6,073	6,250	6,463



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Degrees Awarded



SD TI's produce **33%** of all postsecondary diploma/degree graduates in the public higher education system.



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Underserved Populations: Low Income

Degrees Awarded to Low-Income Students					
	LATI	MTI	STI	WDT	System
2009	229	91	224	153	697
2010	218	140	327	177	862
2011	272	215	410	215	1,112
2012	359	183	518	217	1,277
2013	326	179	396	182	1,083

Low income: Students receiving Pell grants.



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Underserved Populations: Native American

Degrees Awarded to American Indian Students					
	LATI	MTI	STI	WDT	System
2009	6	5	4	29	44
2010	10	8	0	37	55
2011	8	11	14	28	61
2012	12	9	4	25	50
2013	13	22	14	23	72



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Completion Rate: 76%

Strategic Measure	National Rank
Completions of FTE Students	#1
First-year Retention Rate	#3

When comparing all two-year colleges nationwide, SD has the highest percentage of students who complete an Associate degree.





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Licensure Passing Rates

A survey of total passing rates for all students who completed a third-party examination shows nearly **90%** of exams taken were passed .



Technical Institute Placement

Tech grads seek employment in SD.

Data from the Class of 2012 indicates:

- 97% of graduates are employed
 - 85% stayed in state
 - More than 1,400 each year enter the SD workforce
- 



Technical Institute Placement

Placement data collection

- Reliable and verifiable; carefully documented and analyzed
- Based upon data collected from 90% of graduates
- Not just a survey; personal contact from a TI representative to understand the graduate's experience



Best Practices

Complete College America, a national nonprofit dedicated to improving college completion rates, recommends five “Game Changing” best practices.

SD TI’s measure up!



Technical Institute Best Practices

South Dakota is one of 33 states implementing the best reforms to help more students graduate.

“The Game Changers,” Complete College America



Technical Institute Best Practices

1. TI's have a long history of addressing labor market concerns

- New programs go through a careful vetting process to ensure there are jobs for completing graduates. Programs are not duplicated unless workforce demands exist.
- Using placement data to determine size and viability of programs



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Best Practices

- Capping enrollment to ensure just enough graduates are produced and to avoid saturation of the job market
- Analyzing wage data to ensure that graduates find employment in areas that will provide them an adequate living and not bury them in debt



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Best Practices

- Relying on close industry relationships to determine need for new programs or increased capacity for current programs
- All programs have defined and obvious workforce connections and active advisory boards
- Creating flexible ways for those already working to increase skill levels



Technical Institute Best Practices

Advisory committees at all TI's

- Provide advice, guidance and checks and balances
- Comprised of those working in the related industry
- Valuable partners in decision making at the institutional and program level



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Best Practices

- 2. TI's are well versed in exposing secondary students to skilled careers**
 - Experiential events on campuses
 - High school counselor events
 - SDACTE
 - Partnering with CTE instructors
 - Visiting high schools
 - Supporting academies & multi-districts
 - Dual enrollment/dual credit



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Best Practices

3. Providing opportunities for success to all students

- Specific program admissions standards exist so students admitted to programs have the needed academic ability to complete the program
- Students are kept in program cohorts to facilitate advising and retention



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Best Practices

4. Drug testing and background checks part of some program requirements

- Less chance for a graduate to lose out on a job opportunity because of a previously unreported issue
- Relevant to employment



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Best Practices

5. Myriad efforts to give students every chance to succeed

- Students are enrolled in prescribed course tracks implemented in block scheduling to ensure they graduate on time
- Specific mentoring/advising programs have been created to maintain current high retention/graduation rates
- New academic recovery methods are being implemented to increase graduation rate of underprepared students



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Best Practices

6. Assessment projects that are meaningful in the real world of work

- Linked to accreditation
- Faculty driven



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It all adds up to a national ranking:

Two-Year Institutions	SD
Student Access & Success	A
Efficiency & Cost Effectiveness	B
Meeting Labor Market Demand	B



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State of the Workforce



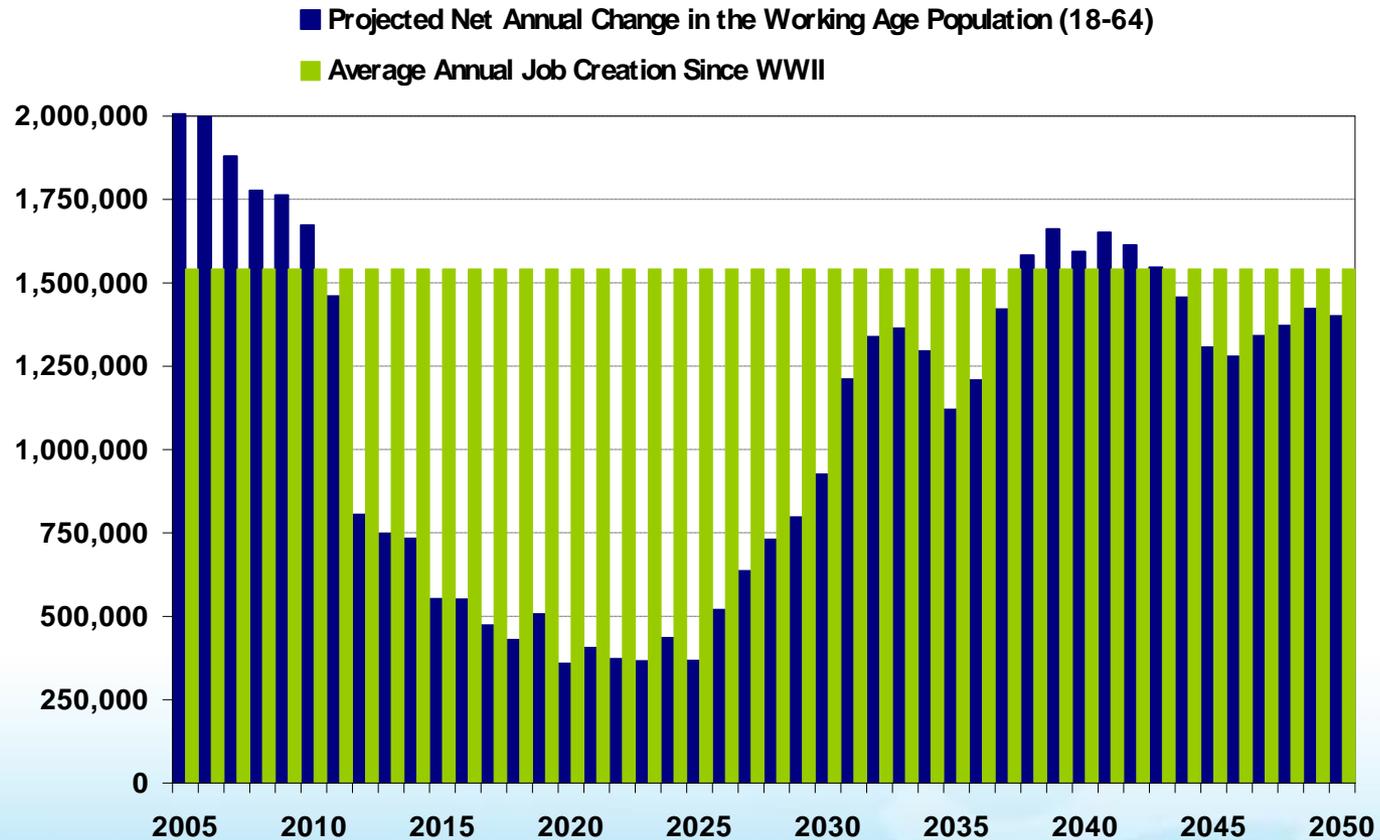
South Dakota's Companies Face a Critical Workforce Shortage

Simply put:

There are not enough skilled workers in South
Dakota.



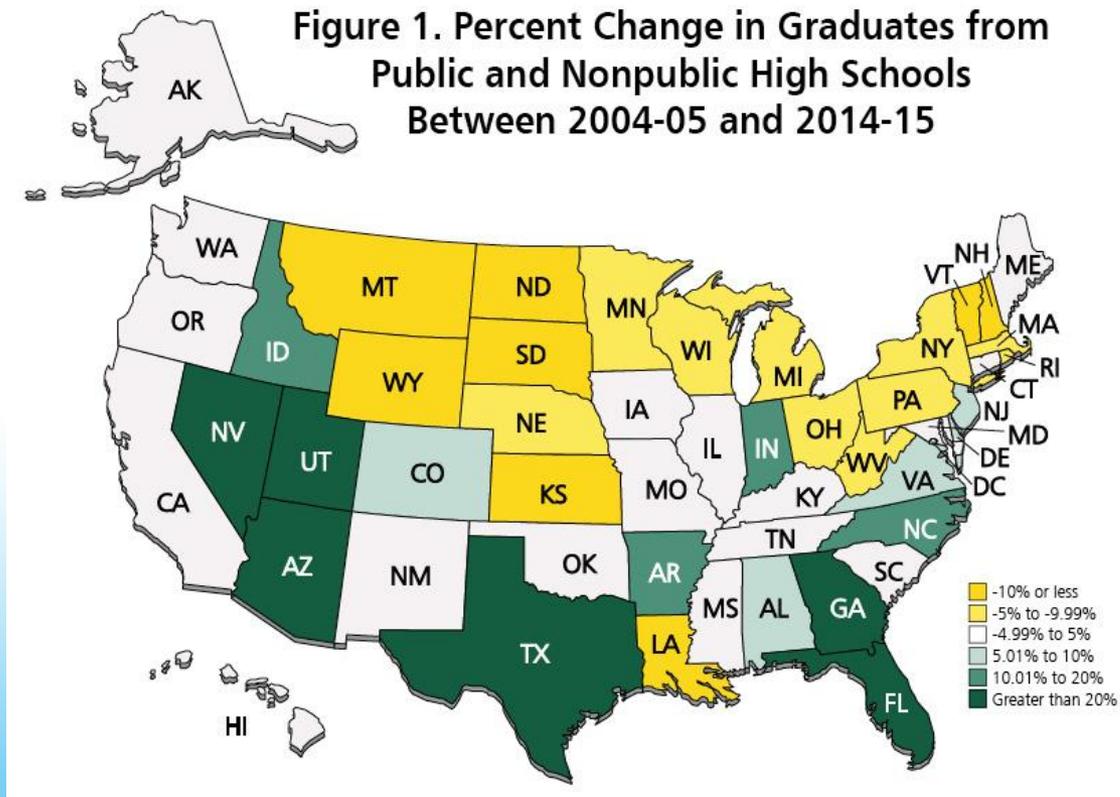
Factors Contributing to a Lack of Workers



Sources: TIP Strategies; U.S. Bureau of Labor Statistics; U.S. Census Bureau

Factors Contributing to a Lack of Workers

Declining/Stagnant High School Enrollment





Factors Contributing to a Lack of Workers

Geographic Disparity

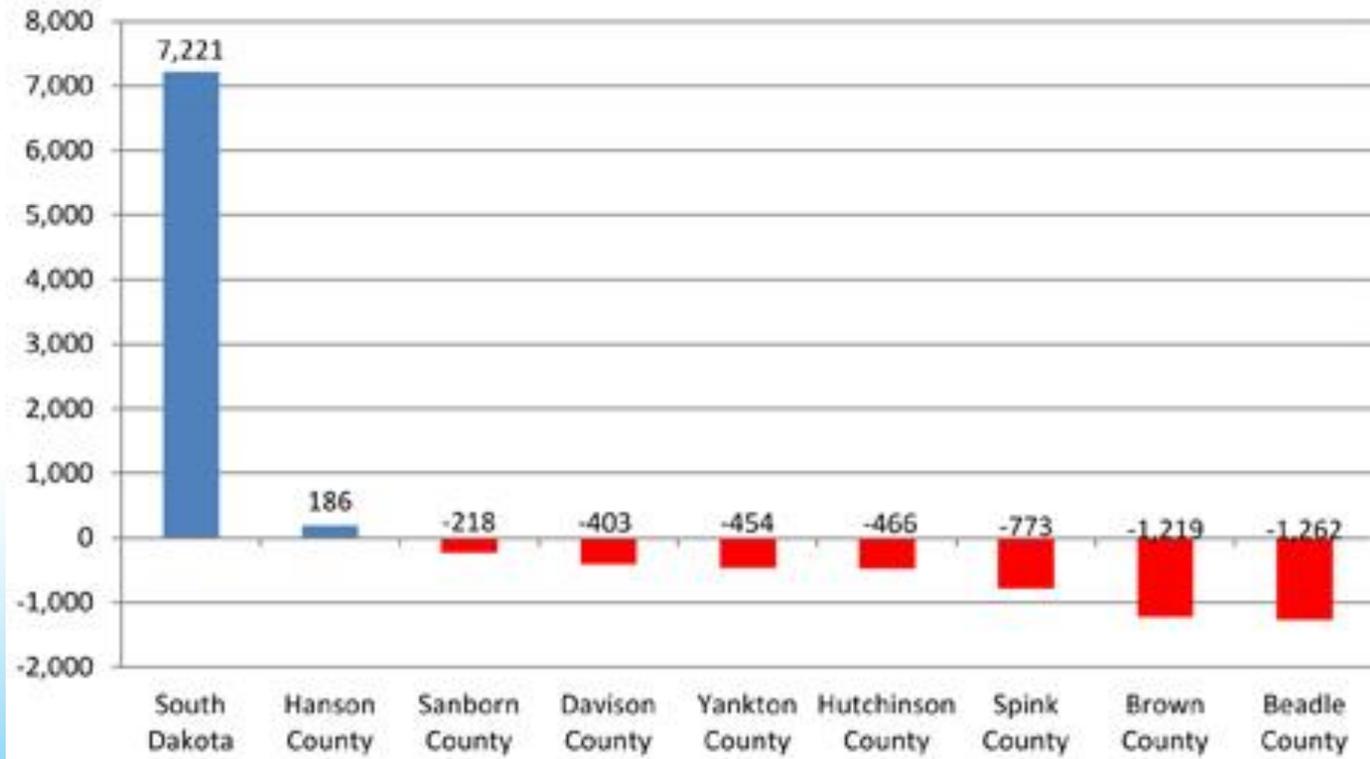
1. Population centers on the far east and far west sides of the state growing
2. An “empty bowl” stretching from Wall to Salem
3. James River Valley
(Aberdeen/Huron/Mitchell/Yankton) home to many manufacturing companies in need of workers



Factors Contributing to a Lack of Workers

Not enough people in the James River Valley

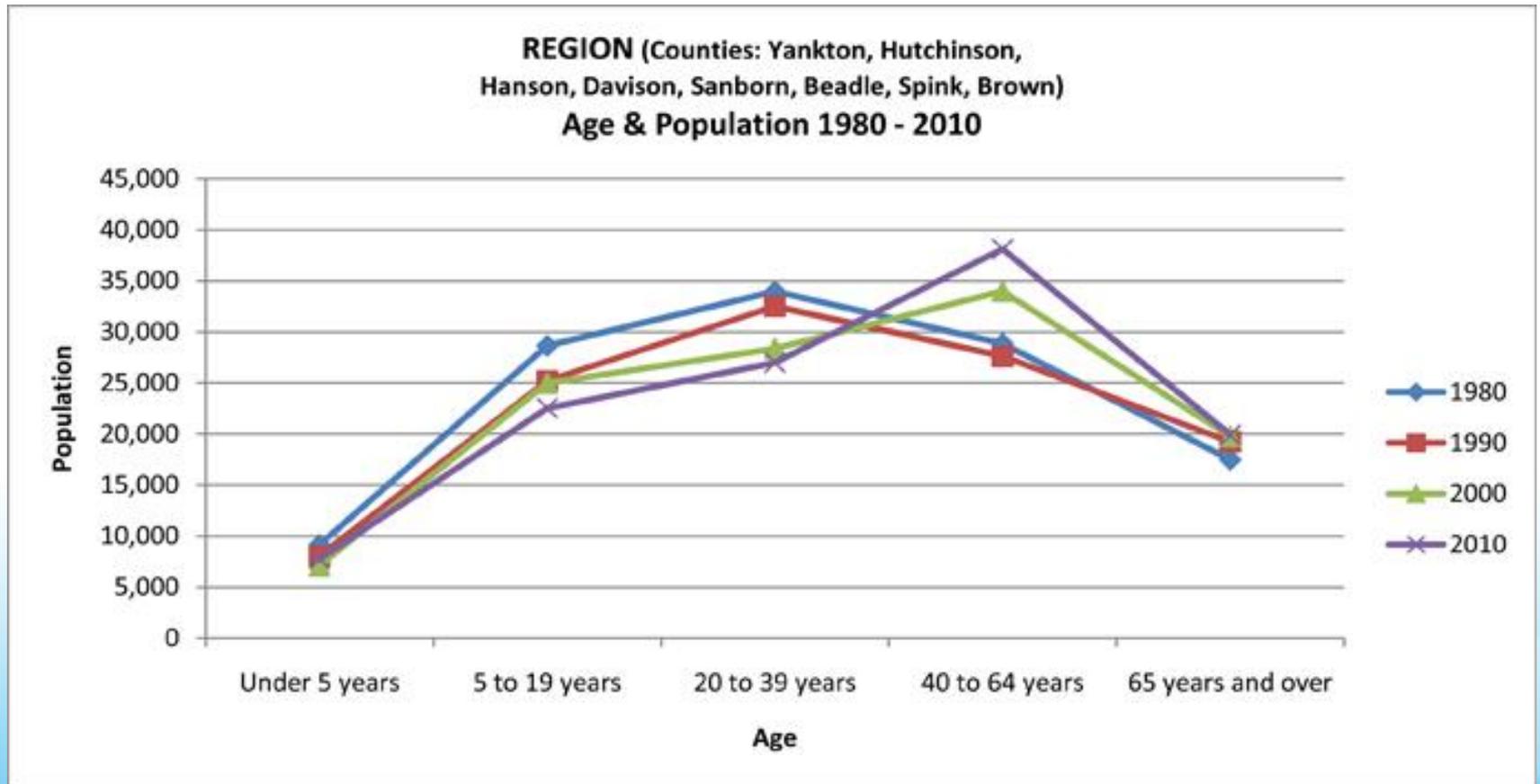
2000 - 2007 NET MIGRATION





Factors Contributing to a Lack of Workers

Not enough youth (District III)





Factors Contributing to a Lack of Workers

Increased recruitment of South Dakota high school students by surrounding states

1. Dramatic increase in marketing/recruitment
2. Surrounding states are lower cost
3. Students find internships or employment and don't return to SD



Factors Contributing to a Lack of Workers

Tuition & Fees Per			
State	Student	%	Rank
IA	\$2,495	21%	5
MN	\$2,927	25%	4
MT	\$3,194	20%	2
NE	\$1,522	13%	7
ND	\$3,125	20%	3
SD	\$4,155	35%	1
WY	\$1,640	10%	6



National Skills Mismatch

Nationally, we are oversubscribed to the WRONG skills!

- **13—23 million unemployed**
- **Over 1,000,000 manufacturing jobs without skilled workers to fill them**
- **Almost half of 2010-11 graduating class with BA's are not employed in a job requiring a BA**
- **Harvard Study calls this a “Skills Gap”**



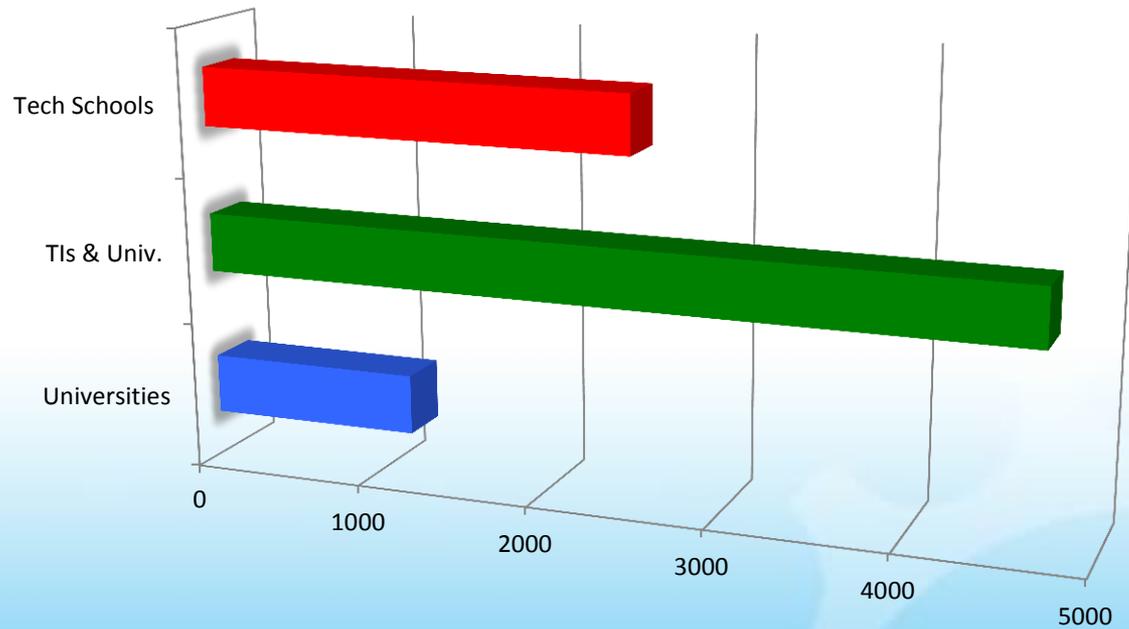
SD Labor Force Demand

SD WINS Critical Workforce Shortages

Mostly Technical Occupations	Projected New Jobs by 2020
Specialty Trades	540
Mechanics	390
Truck Drivers	645
First Line Supervisors	590
Welders	345
Technical and University Occupations	
Sales Representatives	850
Accounting/Finance	1,020
Nursing	2,150
Information Technology	695
University Occupations	
Teachers	915
Engineers	65
Physicians	130

SD Labor Force Demand

SD WINS Targeted Groups 2020 Projected Change Totals





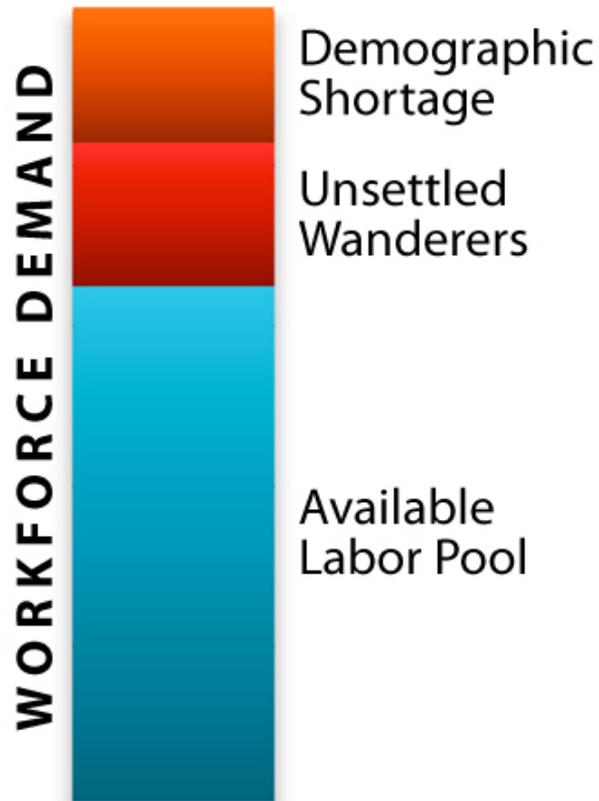
Educational Mismatch

- 45% of SD Public “College” students graduate in 6 years—40th in nation
- 71% of SD “Tech” students graduate in 3 years—1st in nation

College Board 2010 Report



Results—Unsettled Wanderers





Soon to get worse!

Federal financial aid changes will **penalize students** who start their education at a Bachelor-level institution and then transfer to a two-year college. This **will adversely impact Tech Inst graduation rates in South Dakota.**





Wasted Resources

- Wasted federal Pell grant money (\$5,644/student annually)
- Wasted state aid
 - \$6,300/Regental student/annum
 - \$3,200/Tech student/annum
- Increased personal student loan debt
- Lost opportunity for student and SD economy



Skilled Career Appeal

Youth not attracted to certain types of careers.

- CTE programs have been eliminated from many high schools in favor of less expensive “general” programs of study
- Students with no chance of CTE experience have less exposure to technical careers
- Push towards a “college” career



Skilled Career Appeal

We must get more information about skilled careers to students at a younger age.

To level the field, the TI's should have access to the list of students enrolled in public education

Support HB1011 to modify the current law and allow the TI's to better inform families about career and technical education.



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Challenges





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To keep our economy growing, more skilled workers are needed. Our state needs to **increase investment** in our skilled workforce. The best way to grow a workforce is to produce highly qualified technical graduates.



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Historical Funding of the TI's

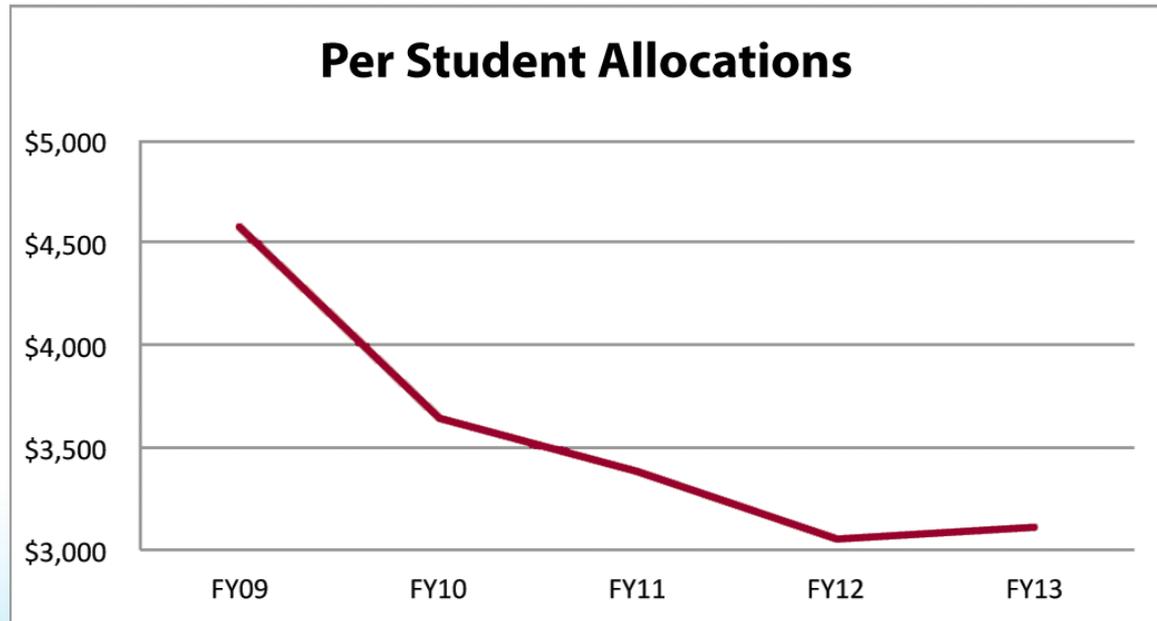
	FY09	FY10	FY11	FY12	FY13	% Change
Total Appropriations	\$22,487,140	\$18,117,425	\$20,261,820	\$18,797,502	\$19,246,838	-14%
Fulltime Equivalencies (FTEs)	4,919	4,974	5,985	6,170	6,197	+26%
Per Student Allocations	\$4,571	\$3,642	\$3,385	\$3,047	\$3,106	-32%

Factor in annual inflation and the drop is even more dramatic: a **38%** decline in the PSA since 2009!



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Per Student Allocation





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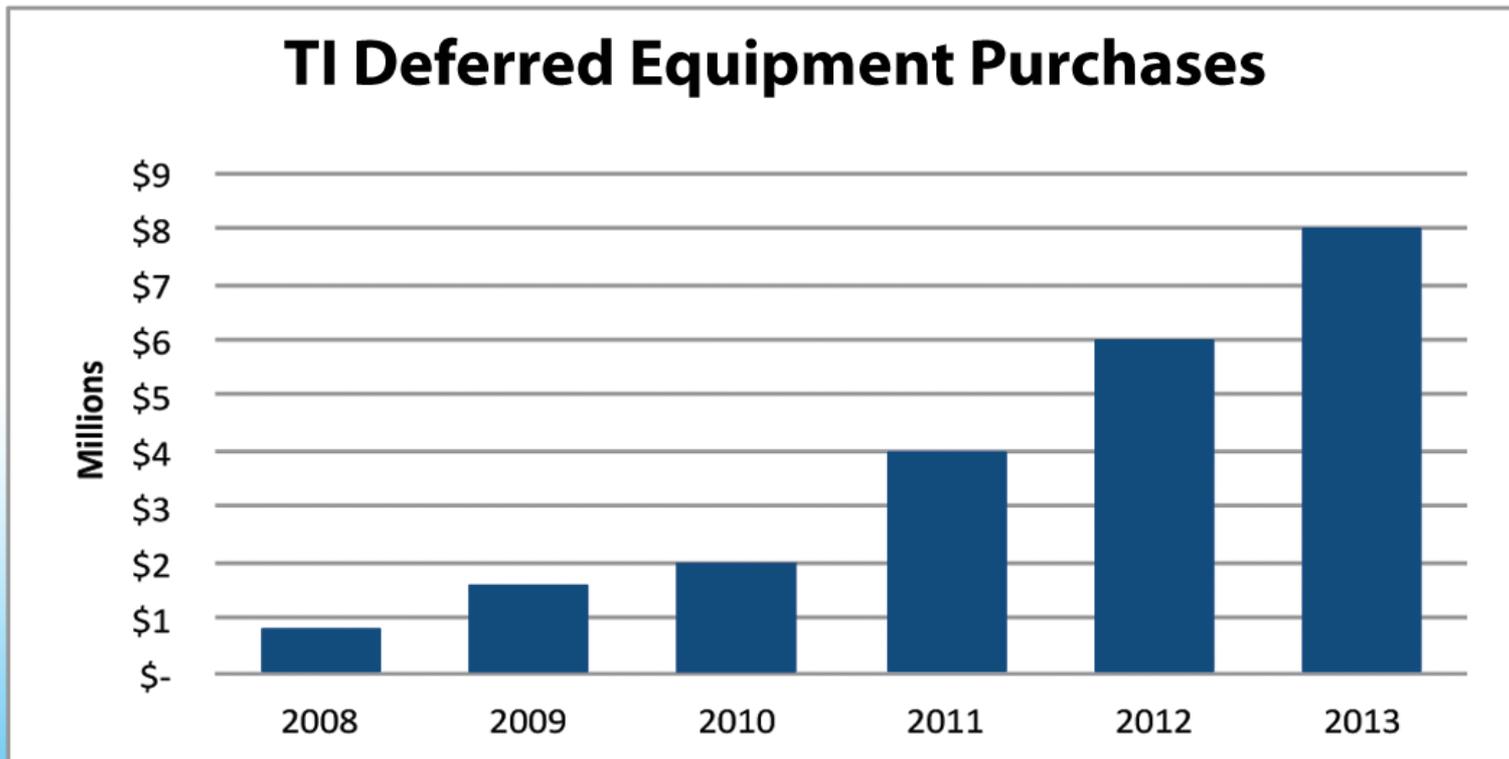
The decline in state aid is placing a burden on our students.

State	Tuition & Fees Per Student	%	Rank	State & Local Aid		Rank
IA	\$2,495	21%	5	\$4,338	35%	5
MN	\$2,927	25%	4	\$3,947	33%	6
MT	\$3,194	20%	2	\$5,830	36%	4
NE	\$1,522	13%	7	\$7,368	59%	2
ND	\$3,125	20%	3	\$6,005	34%	3
SD	\$4,155	35%	1	\$3,303	28%	7
WY	\$1,640	10%	6	\$8,878	58%	1



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Students must also have access to modern, safe, well-maintained equipment.





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To address these needs, the technical institutes are seeking support in four areas:

1. Scholarships
2. Equipment
3. Maintenance & Repair
4. Per Student Allocation



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1. Scholarships

The TI's have asked for reinstatement of the Critical Needs Workforce Scholarship fund to help with recruiting.

- ✓ The Governor's office has granted the request and made \$500,000 available for each of the next three years.



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2. Equipment

The TI's have asked for a one-time allocation of \$2.5 million for immediate equipment purchases.

- ✓ The Governor's Office of Economic Development has released \$3.2 million to the four schools for equipment.



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3. Maintenance & Repair

The TI's should be able to access the necessary funds to maintain and repair the new facilities on all four campuses.

- ⊙ Too many projects are being deferred. Costly repairs cannot continue to come from operating budgets.



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4. Per Student Allocation

The PSA should increase 8% annually until caught up.

- Ⓢ This begins the process of returning to 2010 levels; helps hold down tuition increases; and helps close the gap with industry for instructor pay.



South Dakota Technical Institutes Funding Challenges

Increasing the Per Student Allocation (PSA)

1. Keeps tuition cost down
2. Makes TI's more competitive with surrounding states
3. Allows for competitive wages for faculty vis-à-vis industry; TI's are losing highly skilled faculty to better paying industry jobs
4. Helps cover increased costs in areas like utilities, maintenance and repair



South Dakota Technical Institutes

A Circular Problem

- Not enough skilled workers coming out of tech schools leads to shortage of skilled workers
- Shortage of skilled workers leads to increased wages attractive to current faculty
- Current faculty leave for industry
- Recruiting instructors from industry at a lower wage leads to gaps in faculty expertise
- Less experienced faculty lead to lesser skilled graduates and lower attraction to the program



Invest in Educating Our Workforce in South Dakota

- The writing is on the wall—your skilled post-secondary educated population must increase for economic growth
 - We need to take a 10-15 year view of the workforce and develop a plan on how to address the critical shortages that are developing
- 

Thank you!

Questions?

