

Revenue & Cost Addendum

Why Technical Education Per-Student Costs Are Relatively Fixed

	Tech Ed	Standard Ed
Type ¹	Skills Based	Knowledge Based
Lab Requirements	Heavy	Light
Equipment	Heavily Dependent	Not Dependent
Materials	Heavily Dependent	Primarily Textbooks
Instructors	Industry Tradespersons	Professional Educators
Student/Teacher Ratio	Low	Flexible
Cost/Student	Fixed	Flexible

¹Elements dictating inflexible costs:

Safety: Requires low student to teacher ratio

Equipment: Availability of costly training equipment dictates number of students trained

Lab Space: Large equipment requires large labs

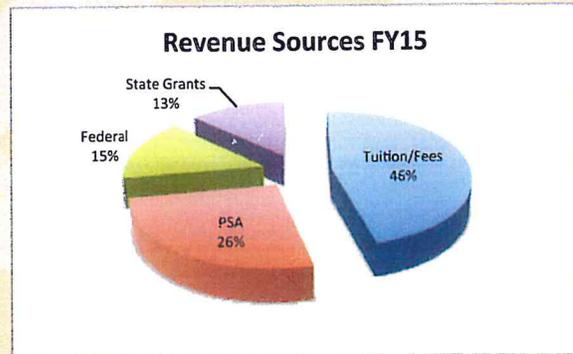
Instructors: Industry develops competitive salaries for highly skilled tradespersons sought by tech ed to teach

Operating Budget Provides for Many Categories of Operation

- Salaries and benefits
- Utilities
- Maintenance and repair (buildings)
- Maintenance and repair (equipment)
- Training materials
- Equipment purchases
- Other operating costs

Operating Budget Revenue Sources

- Per Student Allocation (PSA): **Recurring**
- Tuition & Program Fees: **Recurring**
- Federal Grants: **One-Time**
- State Grants: **One-Time**



Impact of Our Reduced PSA

- Increased student numbers combined with lower overall funding has resulted in a 25% reduction in PSA over 6 years (32% reduction over CPI)
- TIs have increased tuition and program fees to the point where they are less competitive
- Over half of technical institute students are low income (Pell grant eligible); higher tuition means higher costs to students who can least afford it
- Impending loss of federal grant funds will create a crisis for postsecondary technical education in South Dakota.

The Bottom Line

How will we pay for the training of the skilled workforce needed for continued economic growth?



800.657.4344
lakeareatech.edu



Mitchell Technical Institute

800.684.1969
mitchelltech.edu



800.247.0789
southeasttech.edu



800.544.8765
wdt.edu