

Investing in the Workforce:

South Dakota's Technical Institutes





Skilled Workforce Advocacy Council

- Bob Faehn/KXLG Radio
 - Bruce Yakley/Trail King
 - Mike Jamison/TSP
 - Ben Snow/RC Economic Development
 - Wayne Baumberger/CAT
 - Steve Deutenhoffer/Ag Banking/Producer
 - Deb Fischer-Clemens/Avera
 - Mark Leddy/Valley Queen Cheese
 - David Lust/Gunderson Palmer
 - Bob Sahr/East River Electric
 - Mike Sheehan/Sheehan Mack
 - Tom Simmons/MIDCO
 - Jim Soukup/Soukup Construction
- 

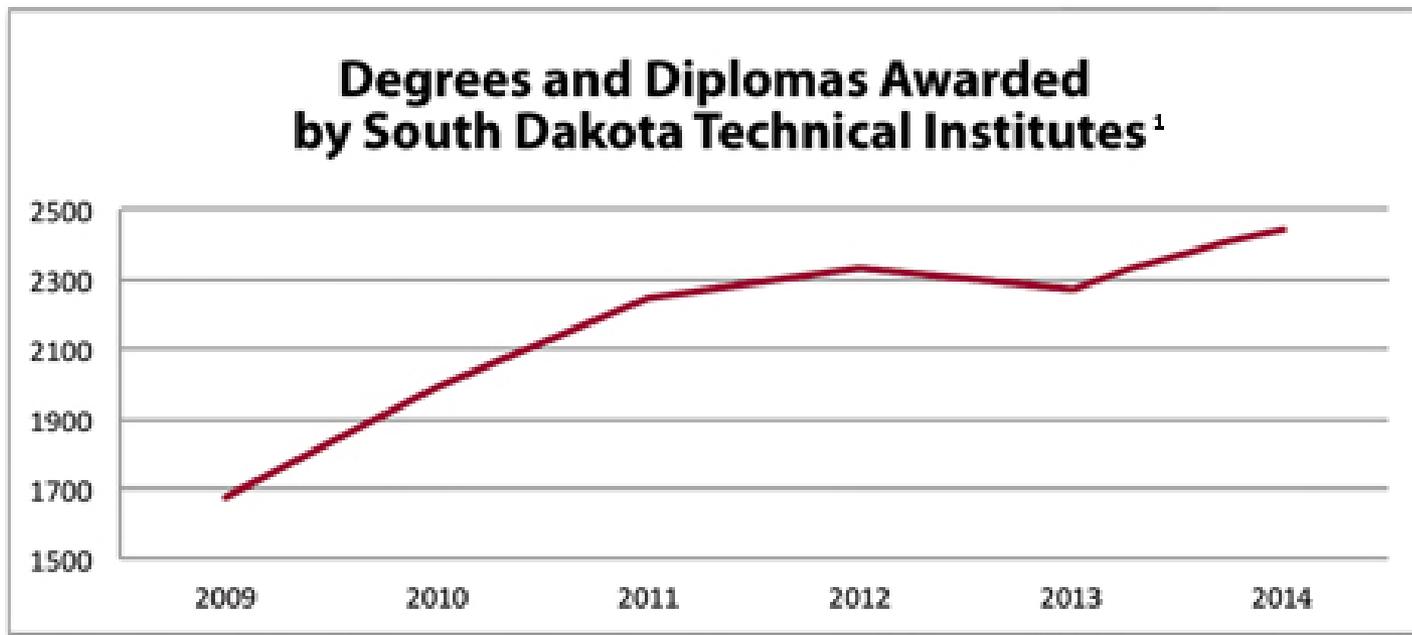


South Dakota Technical Institutes

Our mission:

To meet South Dakota's evolving skilled workforce demand

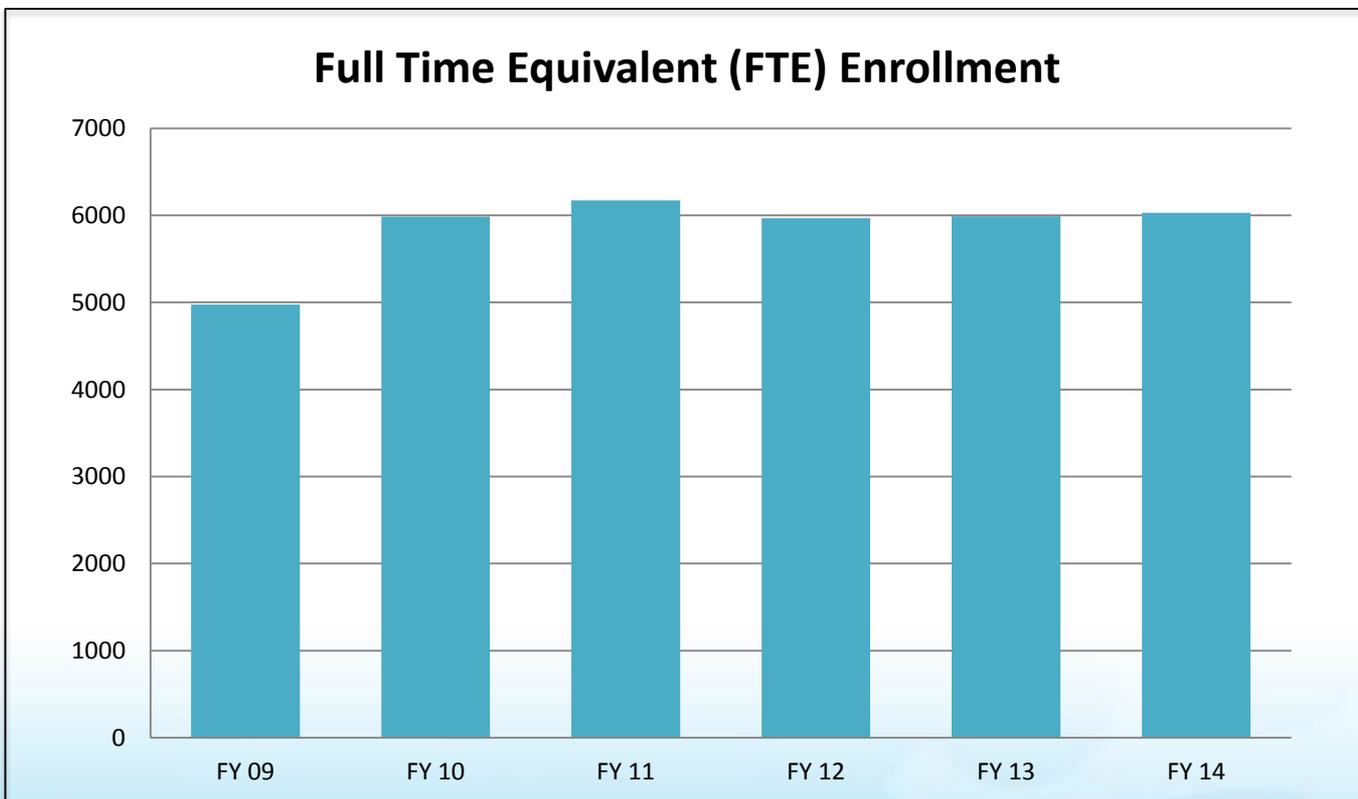
Increasing our Graduates



SD technical institutes produce **25%** of all postsecondary diploma/degree graduates in the SD public higher education system.²

¹South Dakota Technical Institutes, Performance Indicator: Appendix A, 2014. ²Integrated Postsecondary Education Data System (IPEDS). National Center for Education Statistics. FY2012.

FTEs: Holding Steady





What's the Bottom Line?

Techs have a strong ROI for South Dakota:

- 97% of 2013 graduates are placed (employed/cont ed)
- 86% stayed in state (employed or continuing ed)
- 79% stayed in state & working in field of study
- 2nd highest completion rate in nation 2014
- More than 2,000 each year enter the SD workforce



South Dakota's Challenge

South Dakota's Companies Face a Critical Workforce Shortage

Simply put:

**There are not enough skilled
workers in South Dakota**

Growing Demands

- 
- Industry demand exploding
 - Growing Economic Opportunities
 - Baby boomers retiring
 - Demographics
 - Governor's Workforce Summits
 - SDWINs Program Initiatives
 - Build Dakota Scholarship



The Technical Institutes' Role

Prime providers of entry level skilled workers

- Limited unused capacity in high demand careers
- Your level of investment directly impacts the success and growth of industry and indirectly the economy of South Dakota by throttling or enabling technical institute throughput
- Additional Funding = Additional Skilled workers

Our Challenge

- We are receiving multiple increasing demands for skilled workers that we cannot fill
 - Recruiting adequate student numbers
 - Competition with other states
 - Capacity and funding constraints



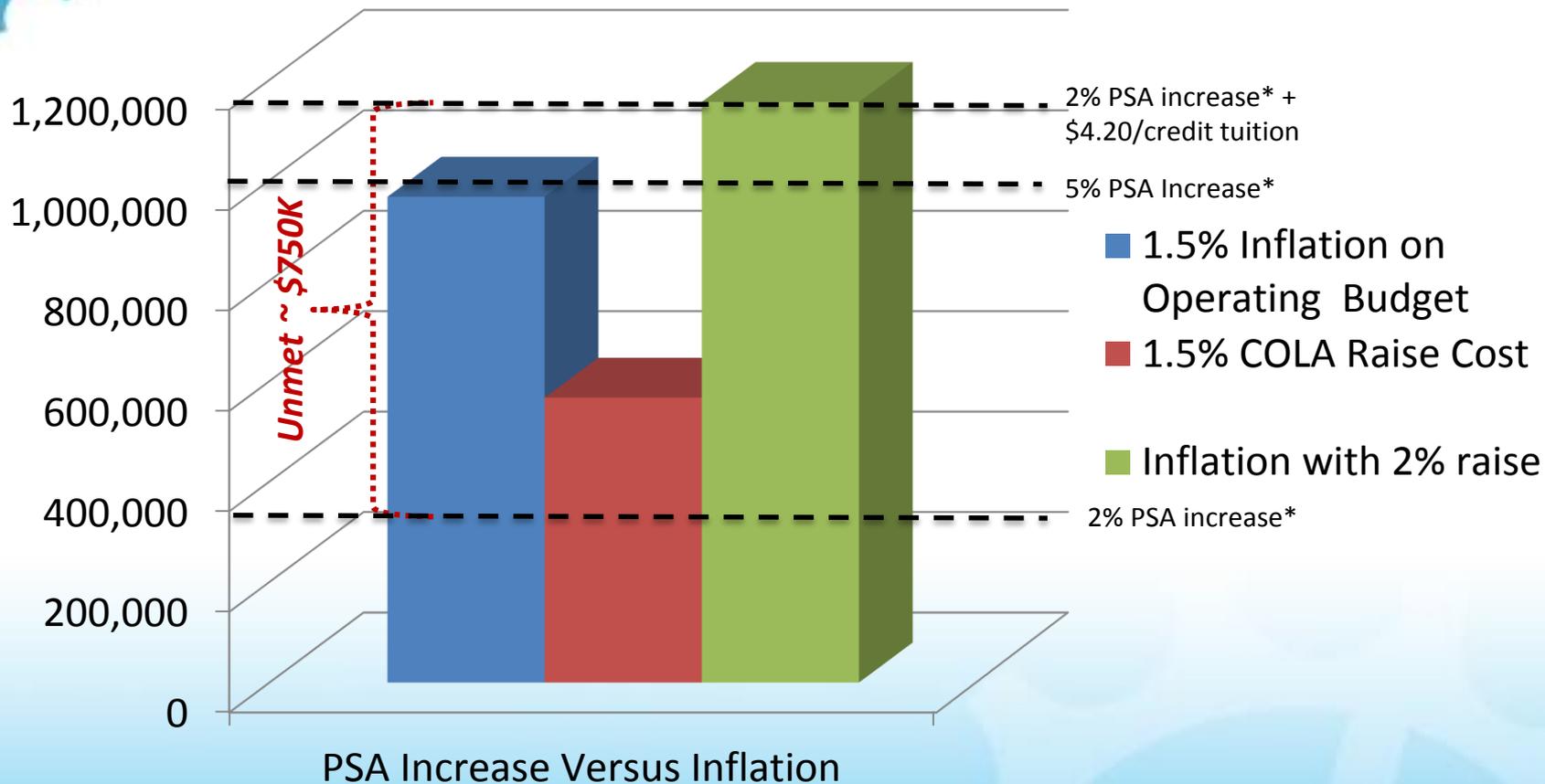
Build Dakota Scholarship Potential

- Very positive step to attract more students to skilled career education
- Potential for 300-600 students per year
- Money goes to SD Foundation and then pays for student tuition—does not pay for Technical Institutes' operating expenses
- State funding lags enrollment by 1 to 2 years

Positive Funding Support

- Recent equipment funding support (**one time**)
- Bonding support from State to support new buildings (**recurring capital costs**)
- 2% increase in Per Student Allocation

Impact of 2% PSA Increase



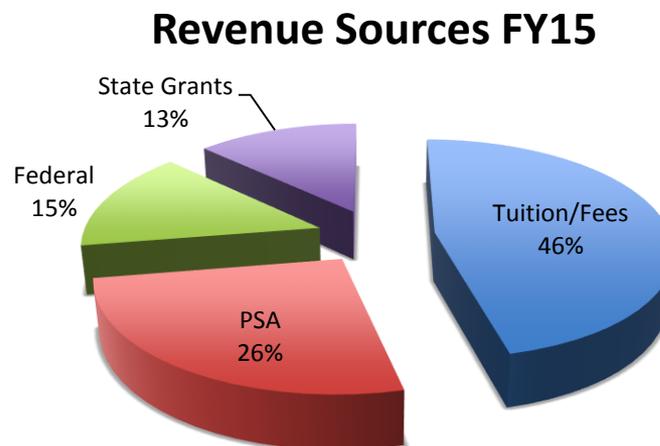
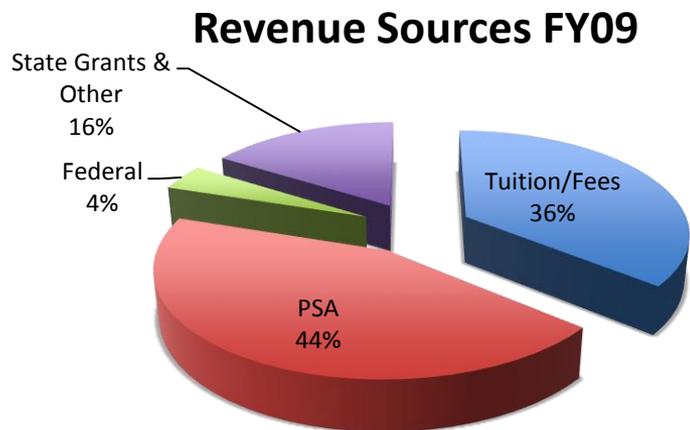
*PSA Increase based upon TI's 6000 FTE projection for FY15



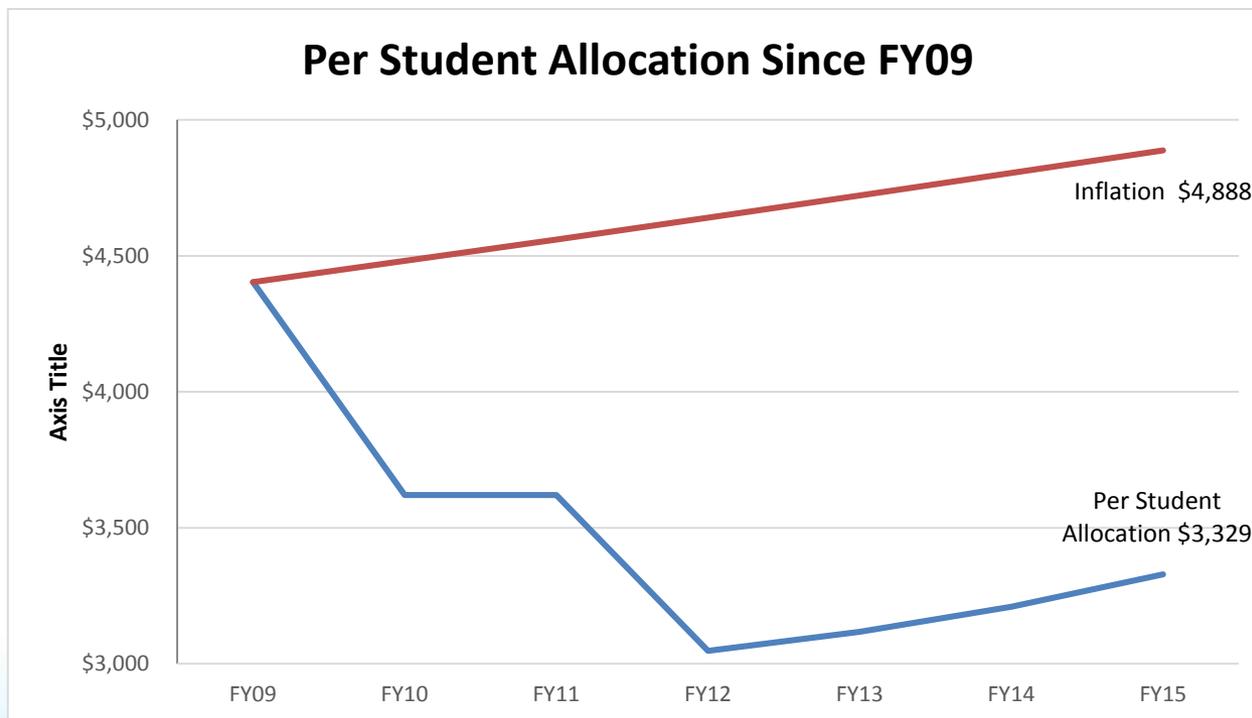
Funding additional workforce

- Need \$750K to address current shortfall
- Additional Equipment and Instructors to meet increasing demands – estimated \$1M in FY16
- M&R funding to maintain buildings and equipment
- The Technical Institutes' only tool is to increase the burden on our students

Where do our operating funds come from?



Per Student Allocation Decline



Blue = Actual PSA FY09-FY15. **Red** = Projected PSA calculated using US inflation calculator.

Blue Line Legislative Appropriation and Dept. of Education Calculations.



Tuition & Competition

The increase in tuition is an increasing barrier to entry and making SD less competitive.

State	Tuition & Fees Per			State & Local Aid		
	Student FY12	%	Rank	FY12	%	Rank
IA	\$2,630	20	5	\$4,859	37	5
MN	\$3,010	28	4	\$3,705	33	6
MT	\$3,522	22	2	\$6,662	40	3
ND	\$3,216	18	3	\$6,544	34	4
NE	\$1,701	13	7	\$7,711	56	2
SD	\$4,352	37	1	\$2,506	21	7
WY	\$1,724	11	6	\$9,211	59	1



Take Aways

- Without significant increase in funding, only recourse is to increase Tuition/Fees to sustain operations
- In 2-3 years Federal Grant money is gone creating fiscal cliff
- Build Dakota Scholarships create 300-600/year student increase without operational funding increase—unsupportable w/o additional Funds

Thank you!

Questions?

