



South Dakota Postsecondary Education Interim Committee

June 27, 2012



South Dakota **Technical Institutes**

In the beginning...

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- There was a need for post-secondary training to meet the workforce demand for employees with job ready skills.





- 1963 Vocational Education Act (Federal)
- 1965 South Dakota Legislature Passed legislation to establish a system to accommodate post-secondary technical schools.

Community Initiative Required



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- In order to start a school, the local community/school district had to donate land and buildings.
- Watertown was the first community to establish a school (1965) followed quickly by Rapid City & Sturgis (1966) and Mitchell & Sioux Falls (1968).
- The Sturgis and Rapid City Schools were combined in 1978.



- Initiative of local school and community leaders critical.
- Funding was assisted by the Manpower Development Training Act (Federal).
- Direct link to workforce development required - training programs had to be in areas where students could go directly into job market.

How Does a Post-Secondary Technical Institute Compare to a Community College?

s d t e c h e d . c o m



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- Technical Institute programs all have advisory committees which review curriculum content and technology.
- Technical Institute programs must demonstrate a demand for graduates and placement must meet federal standards
- Community Colleges offer a general education degree, designed for transfer to a bachelor degree granting college or university. In addition, some community colleges have technical programs.



South Dakota Technical Institutes

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South Dakota Technical Institutes 2015

Vision: Be the leader in Technical Education and training through excellence and innovation which enables our workforce to capitalize on the emerging technologies of the 21st century and assist South Dakota to impact economic development solutions in the global marketplace.

Mission: To meet South Dakota's evolving skilled workforce demand by providing quality graduates with the general aptitudes, knowledge, technical skills, and people skills necessary for entry into and advancement in their chosen career field.

Goals/Objectives:

- **People** - 1.5% increase in enrollment to fill industry demand for Technicians
- **Product** – Increase graduates; Placement rate of 93% in SD
- **Plant** – Adequate Safe facilities, refresh of equipment mandatory to graduate job-ready technicians
- **Plan** – South Dakota's Technical Institutes share a common direction and focus to promote economic prosperity for South Dakota.





South Dakota Technical Institutes

Current Statistics

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Fall 2011	Unduplicated Headcount	FTE	Graduates (Spring 2012)
LATI	1718	1541	630
MTI	1055	1137	421
STI	3175	2320	875
WDT	1224	978	335
TOTAL	7172	5976	2261





6 Months After Graduation:

2289 Graduates/2019 located (88%)

- 350 Continuing Education
- 1651 available for employment
- 1581 employed (96%)

1348 employed in field of study (85%)

1625 graduates remained IN SOUTH DAKOTA! (80.5%)



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Why is State Investment in the Technical Institutes important?

- **Technical Institute graduates annually infuse South Dakota's workforce with skilled labor.**
 - Critical Shortages in Manufacturing (Machinists, Welders, Electronics, Robotics, etc)
 - Shortage impedes SD ability to expand sectors
- **Allied Healthcare workers produced by techs (Nurses, Med Assistants, Rad Techs, Ultrasound Techs, Dental Assistants, Med Lab Techs, etc)**
- **Energy and Telecommunications Sectors**
- **Agriculture**
- **Technicians (Diesel, Automotive)**

TECH GRADS VITAL TO SOUTH DAKOTA'S FUTURE!





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“...There is literally a skills disconnect between skills in demand and skills in the labor force, between supply and demand.”

-- **Michael Brown**, Economist, Wells Fargo Securities, Bloomberg website,
April 8 2012





Independent Consultants referring to South Dakota's Technical Education:

“...With one exception, Montana, South Dakota has the lowest percentage of enrollment in 2-year colleges, 15%. ...the imbalance between these numbers seems to ignore the reality of present and future workforce needs. **According to the latest US Bureau of Labor Statistics Report less than a quarter of jobs in 2018 will require a 4-year degree or higher.** These data also show that the jobs requiring an Associate's Degree or certification will be the fastest growing segment of need.”

-- **Pressing the Advantage:** A Regional Growth Strategy for the I-29 Corridor, May 2010



Bureau of Labor Statistics, 2012:

- A Technical Institute graduate makes a **STARTING SALARY \$5,600/year** more on average than a HS graduate
 - \$39,200 of **ADDITIONAL** economic impact **PER STUDENT** their first year. (Income rolls over 7x.)
- Career average, a graduate will make **\$19,939/year** over a peer high school graduate (US census data)



Four Sources of Current Funding for Technical Institutes:

- State Appropriations
- Tuition/Fees
- Perkins (Federal Funds)
- Other (Donations, enterprise funds, grants)



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	Ongoing Funding in General Approp. Act	Legislative Allocation Repair and Maintenance	Legislative Allocation Program Development	Total	GOED Funding for Equipment	Total Funding/ Percentage increase
FY 01	13,979,215			13,979,215	1,962,614	15,941,829
FY 02	15,136,800			15,136,800	1,576,715	16,713,515 / 4.8%
FY 03	15,533,664			15,533,664	2,205,414	17,739,078 / 6.1%
FY 04	15,752,326			15,752,326	1,029,338	16,781,664 / (5.4%)
FY 05	16,993,467			16,993,467	402,913	17,336,380 / 3.3%
FY 06	16,960,433	1,400,000		18,360,433	729,840	19,090,273 / 10.1%
FY 07	18,076,536	360,000	800,000	19,236,536	810,367	20,046,903 / 5%
FY 08	19,127,140	360,000	800,000	20,287,140	890,628	21,177,768 / 5.6%
FY 09	19,487,140	1,000,000	2,000,000	22,487,140	0	22,487,140 / 6.2%
FY 10	20,176,600			20,176,600		20,176,600 / 2.1%
FY 11	21,115,827			21,115,827		21,115,827 / 4.7%
FY 12	20,447,502			20,447,502		20,447,502 / (3.2%)
FY 13	21,396,857			21,396,857*	**	21,396,857 / 4.6%

*\$500,000 from Legislature to establish Critical Need Scholarships not included.

**MTI and LATI to fund designated WIN programs. (\$649,000)



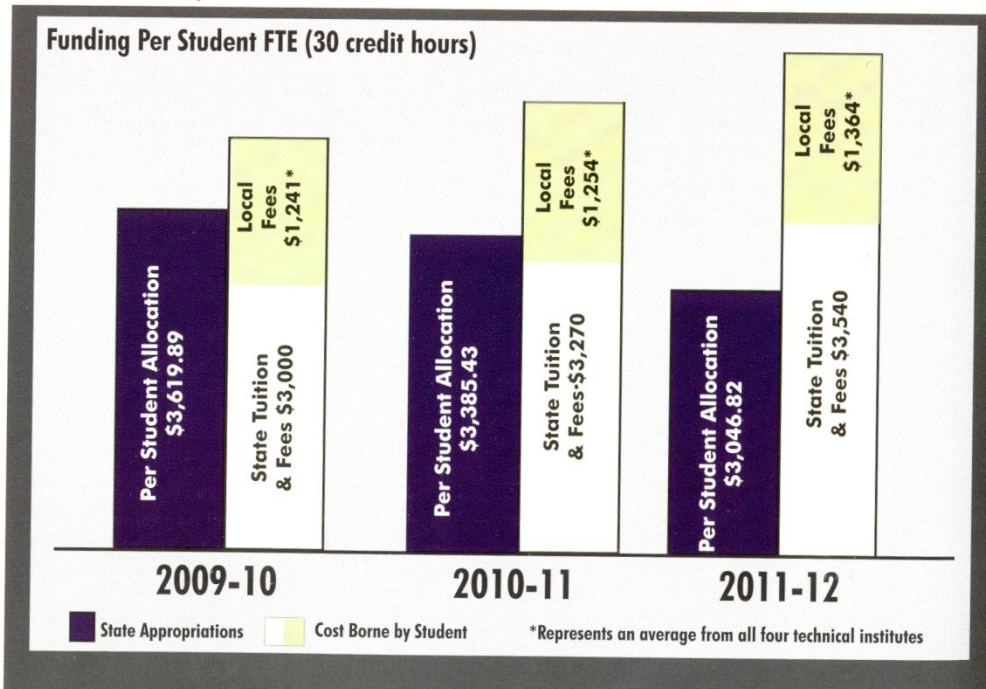


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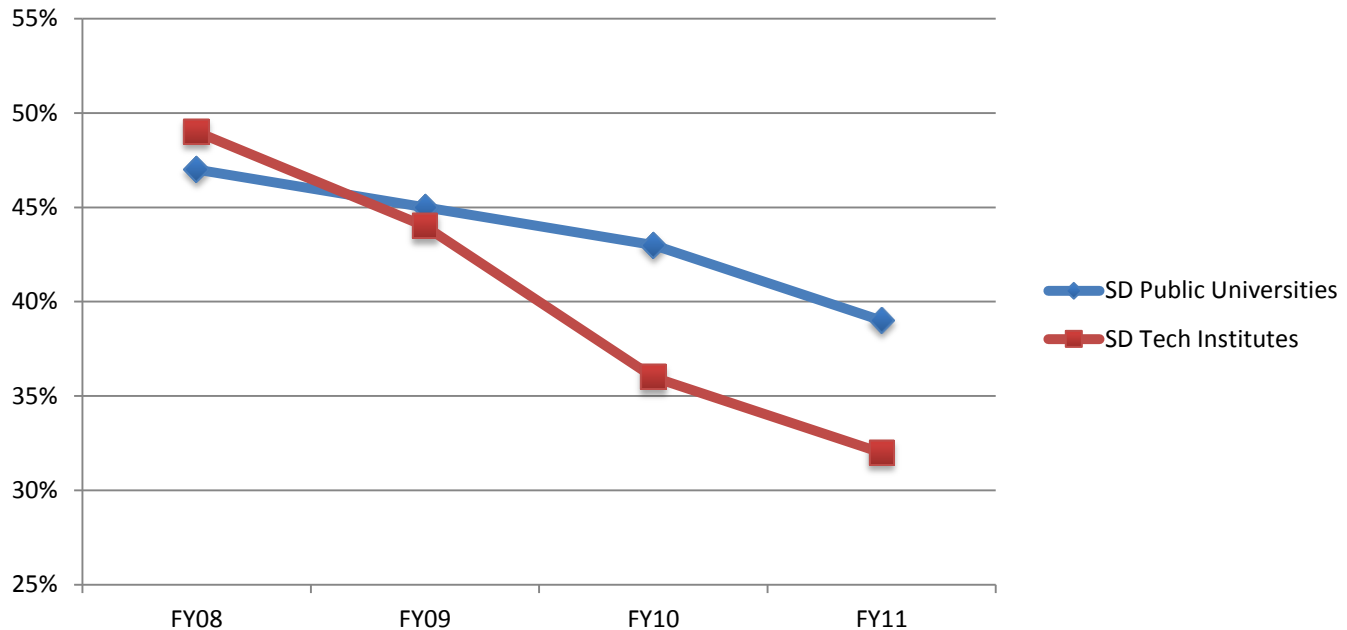
Budget a balancing act

During a time when states all across the nation have seen a decline in revenue, South Dakota is faring better than most. But that doesn't mean we haven't seen our share of struggles, and at the technical institutes, our students have been asked to shoulder more of that burden. Despite this, we continue to do all we can to keep costs down while still providing top-notch training in cutting-edge fields.





State Financial Support of SD Post-Secondary Ed 2007-Present





What would the Technical Institutes like to see the Legislative Committee accomplish?

- Take steps to make quality technical education affordable for students
- Closely examine the impact a shortage of skilled technical graduates has on South Dakota economy
- Develop strategies to target funding to invest in the training programs which have the biggest impact on various regions of the state