

2023 ACCOUNTABILITY REPORT

South Dakota Technical College System
Government Operations and Audit Committee
Thursday, October 19, 2023

EXECUTIVE SUMMARY



The South Dakota technical college system is comprised of four institutions, including:

- Lake Area Technical College, Watertown
- Mitchell Technical College, Mitchell
- Southeast Technical College, Sioux Falls
- Western Dakota Technical College, Rapid City

Each college offers a variety of high-quality credentials, including; associate of applied science degrees, diplomas, long and short-term certificates. Central to the mission of the institutions, and the system, is a commitment to prepare graduates to enter the state's workforce as skilled professionals.



Established in 2017, the Board provides system-level oversight and includes representation from a variety of industries and regions across the state. Current board members include:

- Dana Dykhouse (Chair), First PREMIER Bank, Sioux Falls
- Brian Sandvig (Vice Chair), Valley Queen Cheese, Milbank
- Terry Sabers (Secretary), Mitchell
- Doug Ekeren, Avera Sacred Heart Hospital, Yankton
- Brad Greenway, Greenway Pork, Mitchell
- Denny Law, Golden West Communications, Wall
- Joy Nelson, Haugan Nelson Realty/Joy Ranch, Watertown
- Dr. Kay Schallenkamp, retired university president, Spearfish
- Diana VanderWoude, Sanford Health, Sioux Falls

The attached report includes data related to **graduate outcomes, enrollment, and retention.**

GRADUATE OUTCOMES

The system produced **2,236** graduates during the 2021-22 academic year, with an on-time completion rate of **66.4%**.

According to the 2022 graduate outcomes report, which had an 96.9% response rate, the system's placement rate was **97.9%** (2,117). The placement rate includes those who are employed, continuing their education, or joining the military. The 2022 rate is a slight decrease from the 98.4% placement rate in 2021. Among those graduates who responded (2,168), **88.5%** (1,919) remained in South Dakota after graduation.

In academic year 2022-23, the system produced **2,598** graduates. Data for the Graduate Outcomes Report based on 2022-23 graduates is being collected and will be available in the coming months.

(Executive Summary continued on page two)

ENROLLMENT

According to the system's fall 2023 enrollment report, unduplicated enrollment (full-time, part-time and dual-credit) decreased by **325** students (7,240 students to **6,915**). The number of students participating in the dual-credit program decreased by **172** (1,346 students to **1,174**), driving much of the enrollment decline.

RETENTION

The system's retention rate, which measures the number of students who enroll in the institution one fall and return (or complete) the following fall, was at **78%** in the fall of 2022. Lake Area Technical College had a retention rate of 81%, Mitchell Technical College had a rate of 82%, Southeast Technical College had a retention rate of 75%, and Western Dakota Technical College had a rate of 71%. The updated retention rate will be available in the fall 2023 retention report, released in December.

KEY APPROPRIATIONS

In recent years, the State of South Dakota has supported additional appropriations to the technical college system through **Instructor Salary Support** funding, **Tuition Freeze/Salary Increase** dollars, and the implementation of a multi-year **Maintenance and Repair** funding plan. This report includes details regarding the impact of this funding and the method of distribution across the system.

Instructor Salary Support

Since FY17 (and the passage of HB 1182), instructor salary support funding designed to enhance the salaries of technical instructors has been appropriated to the system annually (in FY24 the appropriation is **\$3,679,225**). The Instructor Salary Support funding has had a positive impact on the retention and recruitment of quality instructors.

Those dollars are now included in the Per Student Allocation and distributed to the institutions using the funding formula, which aligns with administrative rule (24:59:05) updated in 2021.

Tuition Freeze/Salary Increase

The system received a **\$2,223,573** appropriation in FY24 to support a seven percent salary policy for all full-time faculty and staff, in exchange for a freeze in tuition and fees for the 2023-24 academic year. The system also froze tuition and fees in academic year 2022-23 and included an additional freeze in the FY25 budget request.

Maintenance and Repair Funding

The overall replacement value of facilities in the technical institute system is \$323,506,305. The system partnered with the Office of Governor and Bureau of Finance and Management to develop a multi-year plan to grow the Maintenance and Repair (M&R) fund to two percent of the overall replacement value.

In FY24, year six of the plan, the system received an appropriation of **\$1,693,573**.

LOOKING AHEAD

The Board of Technical Education and the system's four institutions are developing strategic priorities focused on **attainment**, **affordability**, and **alignment**. The goals of this work include growing the number of credential completers produced by the system, ensuring credentials are affordable and provide a return on investment, and supporting academic programs that are aligned with industry needs.

The board will consider approval of the priorities and related goals at the December 2023 meeting.

SUPPORTING REPORTS

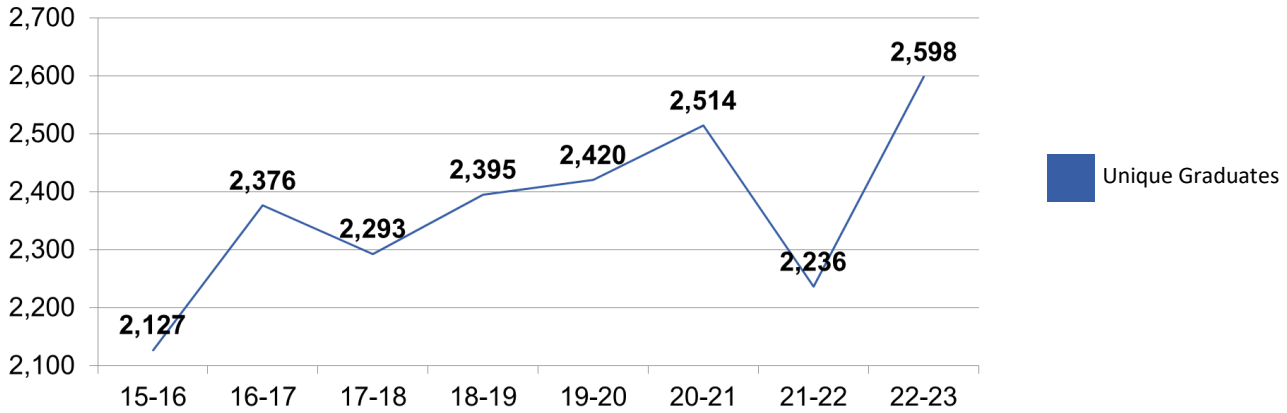
More in depth reports in each area can be found at the links below.

- 2021-22 [Placement Report](#)
- Fall 2023 [Enrollment Report](#)
- Fall 2022 [Retention Report](#)

GRADUATE OUTCOMES

With the exception of 2021-22, the system has continued to grow the number of graduates it produces each year. While a lower number of graduates in spring 2022 was expected, due to COVID impacting progression, graduate numbers rebounded to **2,598** in 2022-23. The graph below depicts the unique number of graduates produced each year between 2016 and 2023.

Graph 1 System Unique Graduates History (2016—2023)



Source Appendix A (2022), Projections from Technical Colleges (2023)

On-Time Completion

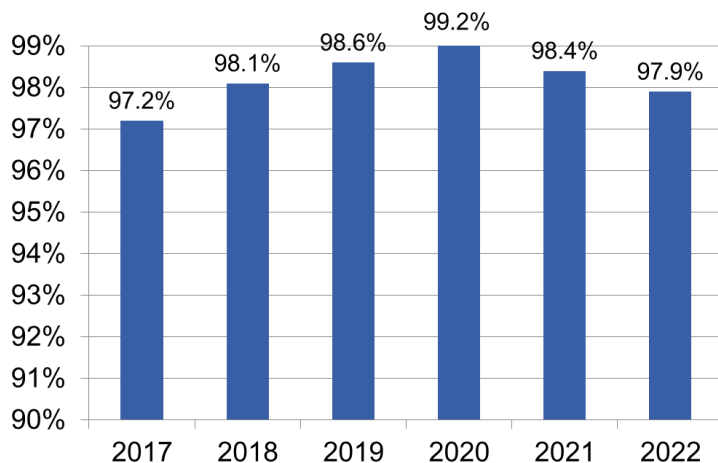
One way to increase the number of graduates produced by the system each year is to improve the on-time completion rate. The system's on-time completion rate improved from **60.6%** in 2017-18 to **66.4%** in 2021-22, which means that 66.4% of students who enrolled for the first-time in 2018-19 completed a credential by 2021-22. Among two-year public colleges, the national average completion rate is 29%.

Graduate Placement

The graduate outcomes report measures the outcomes of graduates six months after graduation. The 2022 graduate placement report includes data on graduates from the fall of 2021, spring of 2022, and summer of 2022. The 2021-22 graduate survey had a **96.9%** (2,168 respondents) response rate. The 2022 data reported below is based on those graduates who responded, not all graduates.

According to the 2022 graduate outcomes report, the system's **placement rate** was **97.9%** (2,117), which includes those respondents who are employed, continuing their education, or in the military. The graph below outlines the system's placement rate history since 2017. Data for the 2023 graduate outcomes report is being collected.

Graph 2 System Graduate Placement Rates (2017—2022)



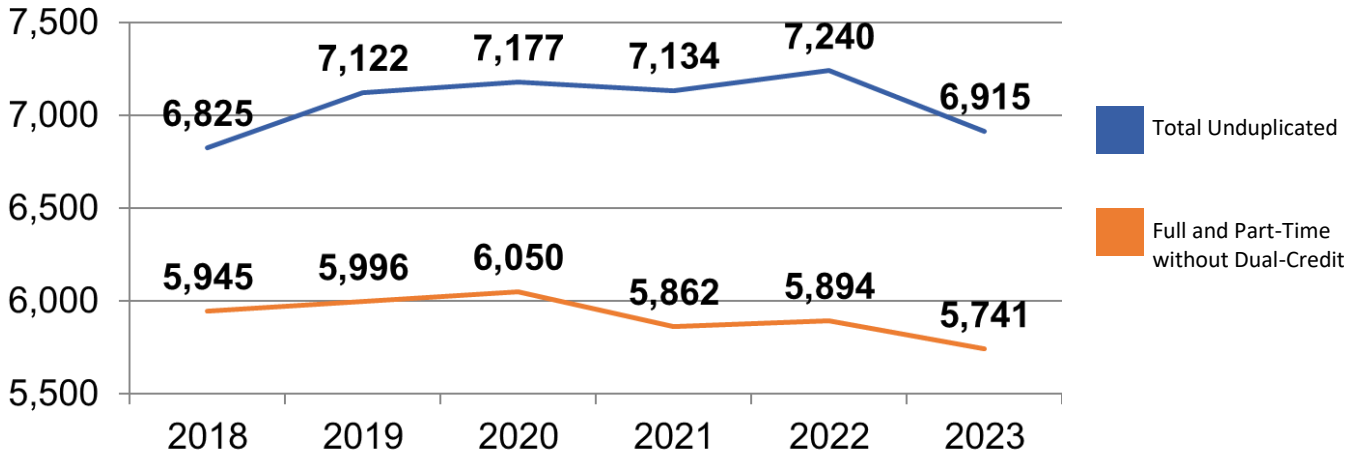
Source 2022 Graduate Outcomes Report

ENROLLMENT

According to fall 2023 enrollment data, **unduplicated enrollment** (full-time, part-time, dual-credit) in the technical college system has decreased by 325 students (7,240 students to 6,915) since fall 2022.

The graph below outlines the system’s total unduplicated enrollment history since 2018 and full-time and part-time enrollment without dual-credit students.

Graph 3 System Unique Graduates History (2018—2023)



Source Enrollment Report (Fall 2023)

The table below outlines the system’s unduplicated fall enrollment history since 2018. Fall 2023 data indicates a decrease in enrollment among full-time and part-time students and students enrolled in the dual-credit program.

Table 1 Unduplicated Enrollment (Full-time, Part-time, Dual-Credit) History (2018—2023)

	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Full-time/Part-time	5,945	5,996	6,050	5,862	5,894	5,741
Dual-Credit	880	1,126	1,127	1,272	1,346	1,174
Total	6,825	7,122	7,177	7,134	7,240	6,915

Source Enrollment Report (Fall 2023)

Dual-Credit Analysis

According to the Legislative Research Council’s 2019 Dual-Enrollment Program Study, participation in the dual-credit program is projected to begin leveling off after consistent growth since 2015. The system also saw sharp declines in the number of participating students from Rapid City Area Schools now that the district no longer subsidizes the student cost of the program.

National Trends

According to the Integrated Postsecondary Education Data System (IPEDS), enrollment in public, two-year institutions decreased by 5% between fall 2020 and fall 2021. Enrollment in this sector has declined by 22% since fall 2017.

The fall 2022 national data will be available in December.

Enrollment by Institution

The table below breaks down the enrollment history of each institution since 2018.

Table 2 Unduplicated Enrollment (Full-time, Part-time, Dual-Credit) History by Institution

	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
LATC						
Full-time/Part-time	1,904	1,843	1,890	1,809	1,816	1,720
Dual-Credit	341	385	327	381	422	459
Total	2,245	2,228	2,217	2,190	2,238	2,179
MTC						
Full-time/Part-time	1,099	1,081	1,059	1,067	1,065	1,015
Dual-Credit	124	110	125	166	169	161
Total	1,223	1,191	1,184	1,233	1,234	1,176
STC						
Full-time/Part-time	2,141	2,176	2,191	2,122	2,202	2,234
Dual-Credit	127	280	235	259	251	244
Total	2,268	2,456	2,426	2,381	2,453	2,478
WDC						
Full-time/Part-time	801	896	910	864	811	772
Dual-Credit	288	351	440	466	504	310
Total	1,089	1,247	1,350	1,330	1,315	1,082
System						
Full-time/Part-time	5,945	5,996	6,050	5,862	5,894	5,741
Dual-Credit	880	1,126	1,127	1,272	1,346	1,174
Total	6,825	7,122	7,177	7,134	7,240	6,915

Source Enrollment Report (Fall 2023)

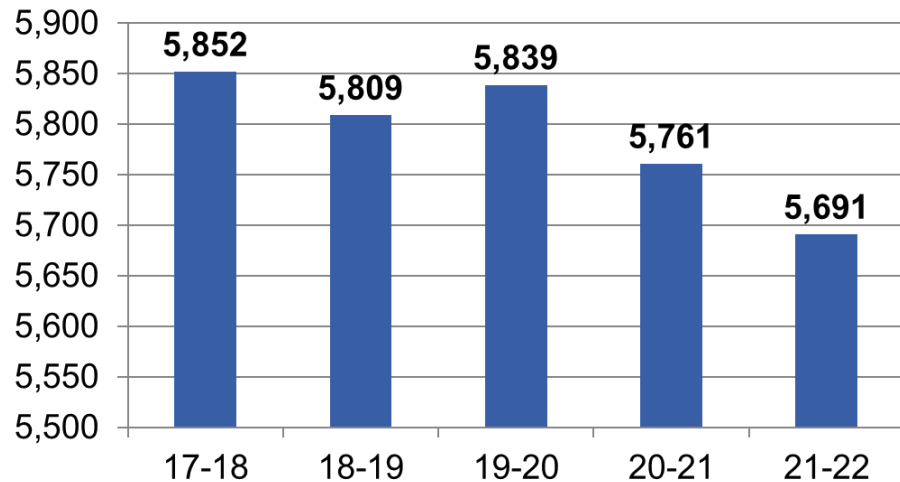
Full-Time Equivalent (FTE)

According to academic year 2021-22 enrollment data, the full-time equivalent (FTE) count in the technical college system was **5,691**. The FTE is determined by dividing the tuition collected by the product of the state tuition rate and 30 (30 credits per year equals a full-time student).

The FTE number is verified through the approval of Appendix A by the Board of Technical Education. The system is projecting a flat FTE number for academic year 2022-23 (FY24). The previous academic year's FTE is used to apply the Per Student Allocation each fiscal year.

The graph below outlines the FTE history of the system dating back to academic year 2017-18.

Graph 4 System Full-time Equivalent History (2017—2022)



Source Appendix A (2022)

The table below outlines FTE numbers at each institution since academic year 2017-18.

Table 3 Full-time Equivalent Breakdown by Institution (2018—2022)

	2017-18	2018-19	2019-20	2020-21	2021-22
LATC	1,947	2,031	1,995	1,962	2,006
MTC	1,116	1,114	1,088	1,092	1,120
STC	1,958	1,892	1,918	1,861	1,768
WDTC	831	772	838	846	797
Total	5,852	5,809	5,839	5,761	5,691

Source Appendix A (2022)

Predicting FTE Performance

As student behaviors evolve, predicting the system's FTE number based on enrollment is becoming increasingly difficult. The system continues to provide more opportunities for part-time students, which makes projecting the total number of credits generated each semester a challenge.

RETENTION

The official retention rate measures students who enroll in an institution one fall and return to the institution (or complete prior to) the following fall. High school students are not included in retention statistics. The South Dakota technical college system’s retention rate in fall 2022 was **78%**. The system’s fall 2023 retention report will be shared at the board’s December meeting.

The table below outlines the system’s retention rate history since 2017.

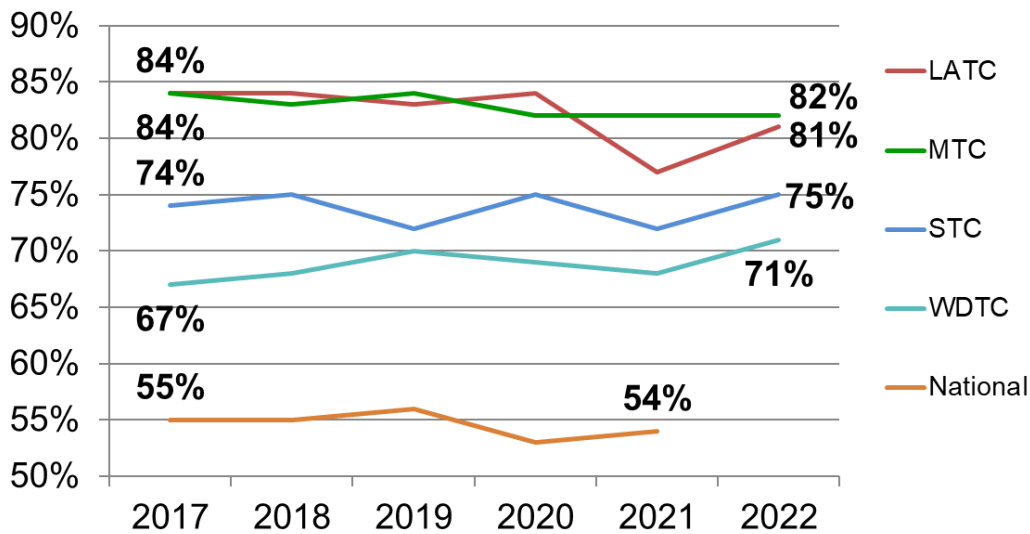
Table 4 System Retention Rate History (2017—2022)

	2017	2018	2019	2020	2021	2022
System	78%	78%	78%	78.2%	74%	78%

Source Retention Report (Fall 2022)

The graph below provides a history of retention rates by institution since fall 2017.

Graph 5 Retention Rate History by Institution (2017—2022)



Source Retention Report (Fall 2022)

National Notes

According to the Integrated Postsecondary Education Data System (IPEDS), the retention rate among public, two-year institutions between the fall of 2020 and the fall of 2021 was **54%**.

Among full-time students the national retention rate was **61%**, while the retention rate among part-time students was **45%**. Institutions with a larger percentage of part-time and non-traditional students tend to have lower retention rates. In South Dakota, the student populations at Southeast Technical College and Western Dakota Technical College have a higher percentage of part-time students than the populations of Lake Area Technical College and Mitchell Technical College.

KEY APPROPRIATIONS

In recent years, the State of South Dakota has supported additional appropriations to the technical college system through **Instructor Salary Support** funding (made possible by the passage of HB 1182), **Tuition Freeze/Salary Increase** dollars (originated in FY23), and the implementation of a multi-year **Maintenance and Repair** funding plan. Additional details regarding each are outlined below.

Instructor Salary Support

Since FY17 (2016-17 academic year), the technical college system has received an annual appropriation designed to support salary enhancement for eligible instructors. The initial appropriation was \$3,000,000 and has increased incrementally each fiscal year since then. In FY24, the appropriation is **\$3,679,225**.

Prior to FY23, the Board of Technical Education approved revisions to administrative rule (24:59:05) and the proposed revisions were approved by the Interim Rules Review Committee. The updated rule shifted the distribution model to align with the funding formula and the Instructor Salary Support dollars were rolled up into the Per Student Allocation.

The table below outlines the distribution among the four institutions between FY19 and FY23. The far right column includes the projected* distribution in FY24.

Table 5 Instructor Salary Support Funding Distribution by Institution (FY19 through FY24)

	FY19	FY20	FY21	FY22	FY23	FY24*
LATC	\$1,360,396.95	\$1,507,647.48	\$1,479,985	\$1,519,287	\$1,161,683	\$1,243,001
MTC	\$890,201.82	\$856,937.31	\$858,070	\$844,476	\$718,559	\$768,858
STC	\$163,664.02	\$84,455.20	\$95,589	\$80,469	\$1,000,190	\$1,070,202
WDTC	\$615,664.21	\$656,710.01	\$734,221	\$799,660	\$558,097	\$597,164
Total	\$3,030,000.00	\$3,105,750.00	\$3,167,865	\$3,243,894	\$3,438,529	\$3,679,225

Salary Increase Funding

In FY23 and FY24, the technical college system received additional ongoing appropriations to support a salary policy increase for all full-time faculty and staff in exchange for a commitment to freeze all tuition and fees in academic years 2022-23 and 2023-24.

The table below outlines the distribution among the four institutions in FY23 and the projected* distribution in FY24. The FY23 distribution was based on projected need. The FY24 distribution will rely on the funding formula and the Tuition Freeze/Salary Increase dollars were rolled up into the Per Student Allocation.

Table 6 Tuition Freeze/Salary Increase Funding Distribution by Institution (FY13 and FY24)

	FY23	FY24*
LATC	\$810,000	\$1,641,434
MTC	\$505,000	\$1,015,309
STC	\$830,000	\$1,413,248
WDTC	\$490,000	\$788,582
Total	\$2,635,000	\$4,858,573

Maintenance & Repair (M&R) Funding

The overall replacement value of facilities in the technical college system is \$323,506,305. The system partnered with the Office of Governor and Bureau of Finance and Management to develop a multi-year plan to grow the Maintenance and Repair (M&R) fund to 2% of the overall replacement value.

In FY24, year six of the plan, the system received a state appropriation of **\$1,693,573**. The institutions agreed that the funding would only be applied to state-owned facilities and the distribution formula would not include childcare or cold storage facilities. The FY24 breakdown is outlined below:

- Lake Area Technical College—\$428,499 (368,805 square feet)
- Mitchell Technical College—\$360,165 (317,261 square feet)
- Southeast Technical College—\$556,657 (479,110 square feet)
- Western Dakota Technical College—\$348,252 (299,737 square feet)

LOOKINGAHEAD

The Board of Technical Education and the system's four institutions are developing strategic priorities focused on **attainment, affordability, and alignment**. The goals of this work include growing the number of credential completers produced by the system, ensuring credentials are affordable and provide a return on investment, and supporting academic programs that are aligned with industry needs.

The board will consider approval of the priorities and related goals at the December 2023 meeting.

CONTACT

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