

SUMMER PLANNING RETREAT

South Dakota Board of Technical Education // Thursday, June 29 and Friday, June 30, 2023

AGENDA

All times Mountain

DAY ONE

12:00pm	Lunch
1:00pm	Welcome & Introductions
1:30pm	Re-affirming Priorities
2:00pm	Attainment
3:30pm	Affordability
5:00pm	Break
6:00pm	Dinner

DAY TWO

8:00am	Breakfast
8:30am	Alignment
10:00am	Strategic Priorities Wrap-up
10:30am	FY25 Budget Request
11:30am	Lunch
12:00pm	Departure



WHY?

A strategic priorities document will benefit the system.

- Establish system-level **benchmarks** and **goals**.
- Develop a **shared language** among institutions.
- Use as a tool in **advocacy** and **engagement** with policymakers.
- Align **board** and **institutional** goals.



REAFFIRMING PRIORITIES

Our conversation over the next two days will be centered around three strategic priorities.

ATTAINMENT

Increasing the number of South Dakotans who attain high-quality postsecondary credentials.

AFFORDABILITY

Ensuring that technical education is affordable and offers a positive return on investment.

ALIGNMENT

Preparing learners and graduates for meaningful employment and continued education opportunities.



REAFFIRMING PRIORITIES

Each priority will include a **summary** statement, a measurable **goal**, and **metrics**.

SUMMARY

Provides additional context and clearly articulates the intention.

GOAL

Should be system-level and measurable. Goals will likely include a data point and timeline.

METRICS

List of indicators that impact the system goal and include unique targets for each institution when appropriate.



ATTAINMENT PRIORITY

Increasing the number of South Dakotans who **attain high-quality** postsecondary credentials.

* HIGHLIGHTS

South Dakota's increased attainment rate.

Increasing completion rate and number of unique graduates.

Continued strength in retention.



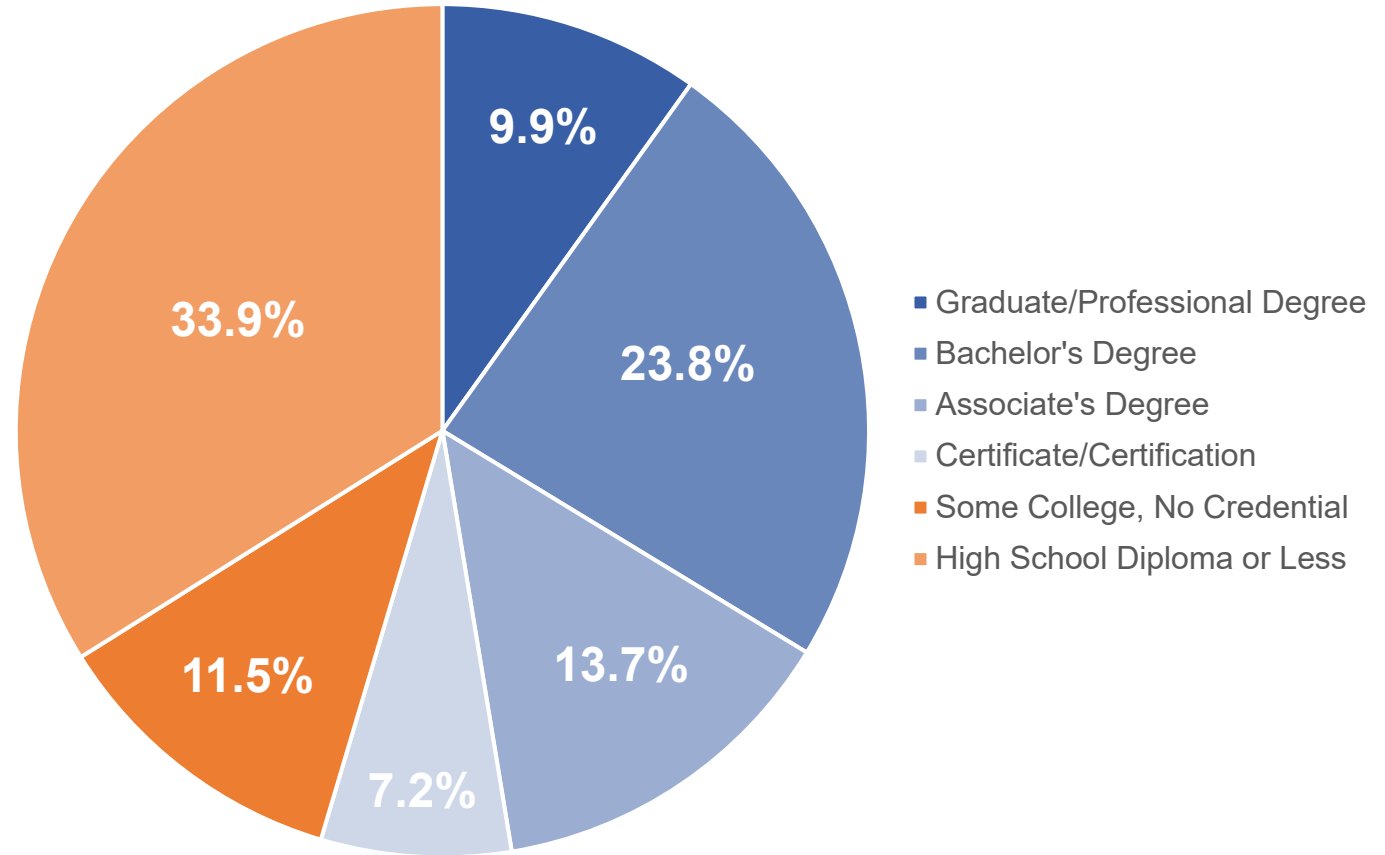
Post-Secondary Attainment in South Dakota

54.6%

of South Dakota adults (ages 25-64) have some type of postsecondary credential, an increase of **5.4%** since 2019.

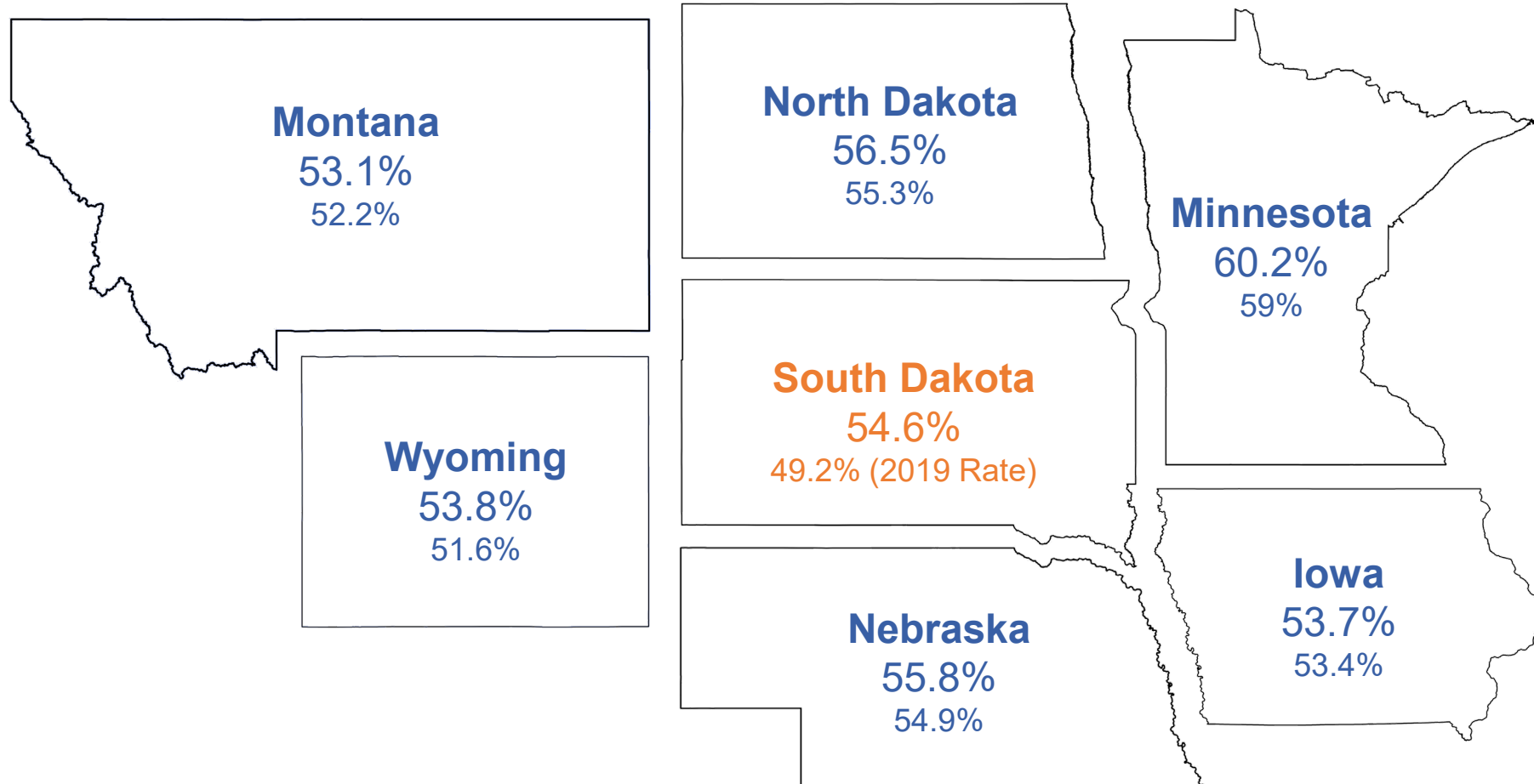
Lumina projects that by 2025, **60%+** of all jobs will require a credential.

The national average is **53.7%**, a 1.8% increase since 2019.



Attainment Rates in Neighboring States

As of 2019, industry-recognized credentials, certificates, and diplomas are included in current rates for all states.

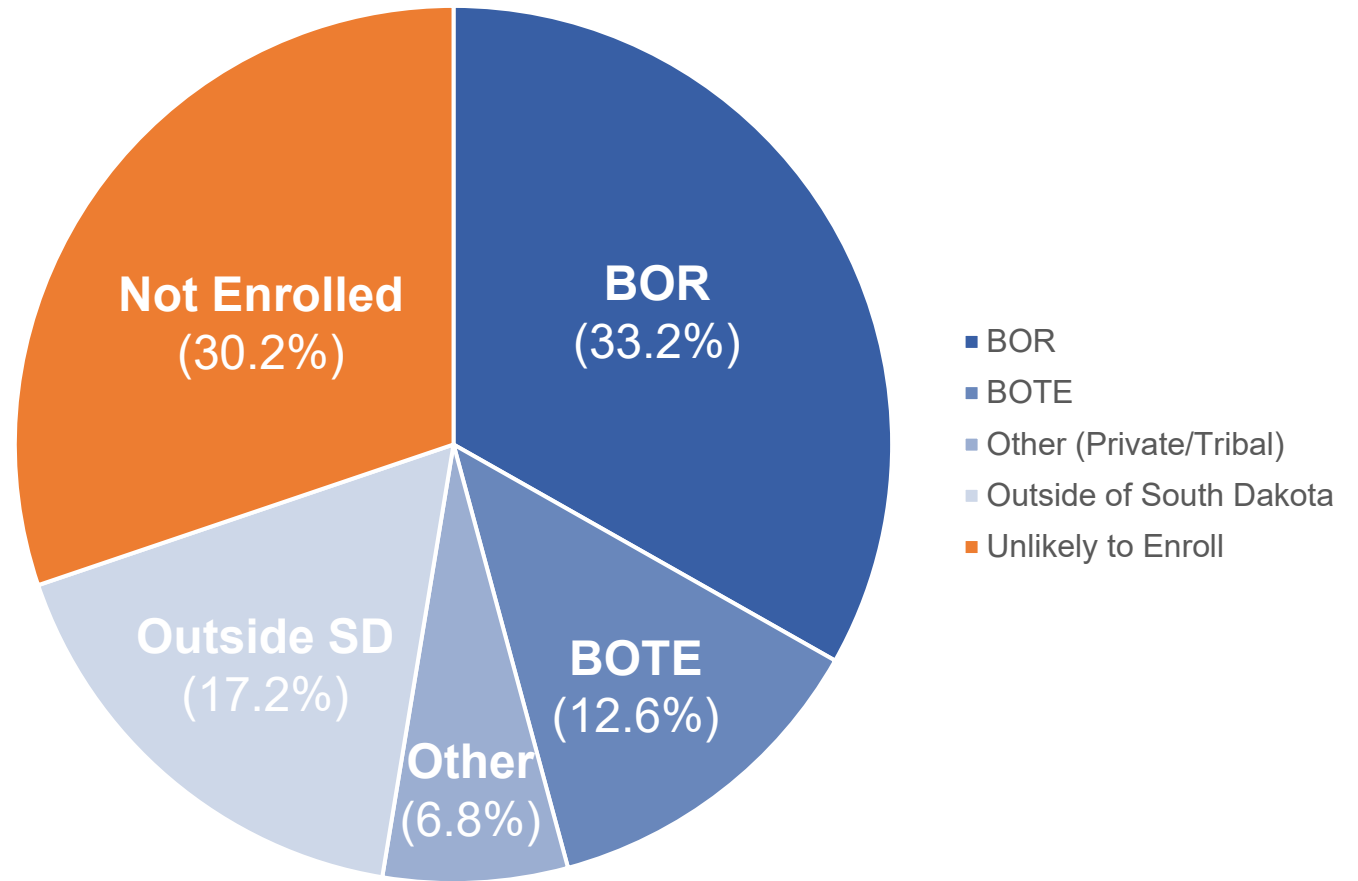


High School Graduate College-Going Trends

9,790

graduates from South Dakota public and private high schools each year.

Of that number, approximately **6,833** (69.8%) graduates are historically likely to enroll, while **2,957** (30.2%) are unlikely to enroll.



Matriculation Breakdown by Institution

Institution	Percent of Total Graduates
South Dakota State University	13.2
University of South Dakota	8.9
Lake Area Technical College	4.6
Black Hills State University	3.9
Southeast Technical College	3.7
Mitchell Technical College	3.1
Northern State University	2.6
Dakota State University	2.4
South Dakota School of Mines	2.1
Augustana University	1.9
University of Sioux Falls	1.4
Western Dakota Technical College	1.2
Dakota Wesleyan University	1.2
Mounty Marty University	.7
Oglala Lakota College	.7
Presentation College	.3
Sinte Gleska	.1

Based on recent enrollment trends, approximately

1,233

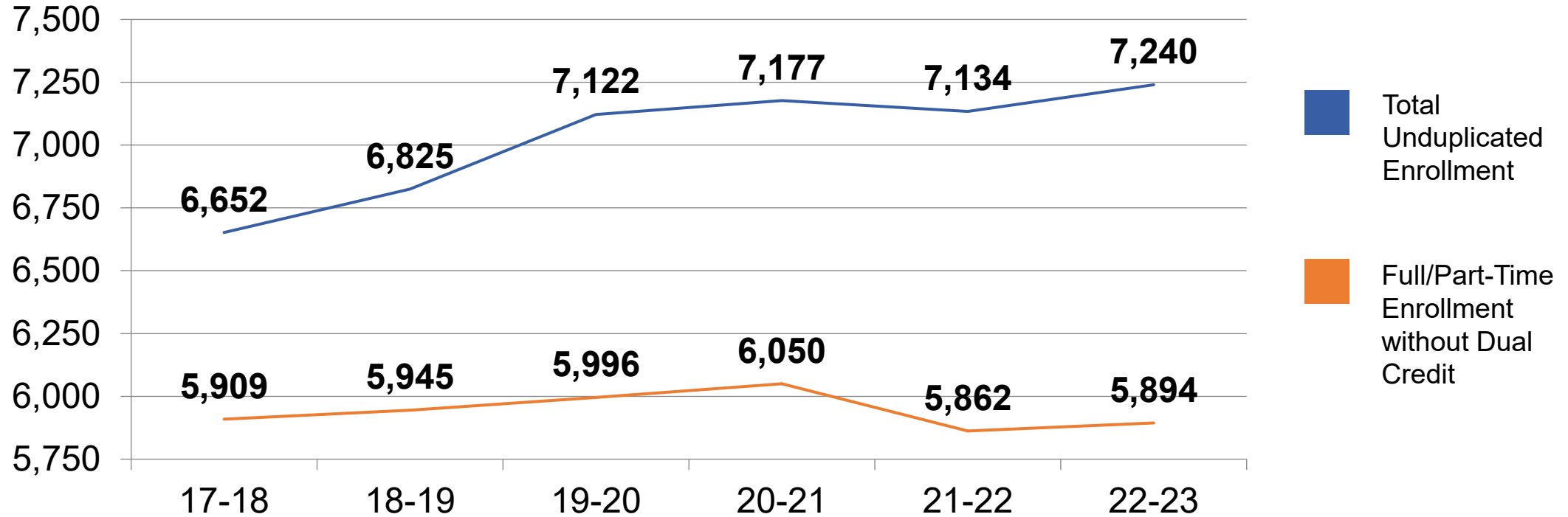
of **9,790** South Dakota high school graduates will matriculate directly to a technical college each year.

Approximately, **3,250** will matriculate to a public university.

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Technical College Enrollment Remains Steady

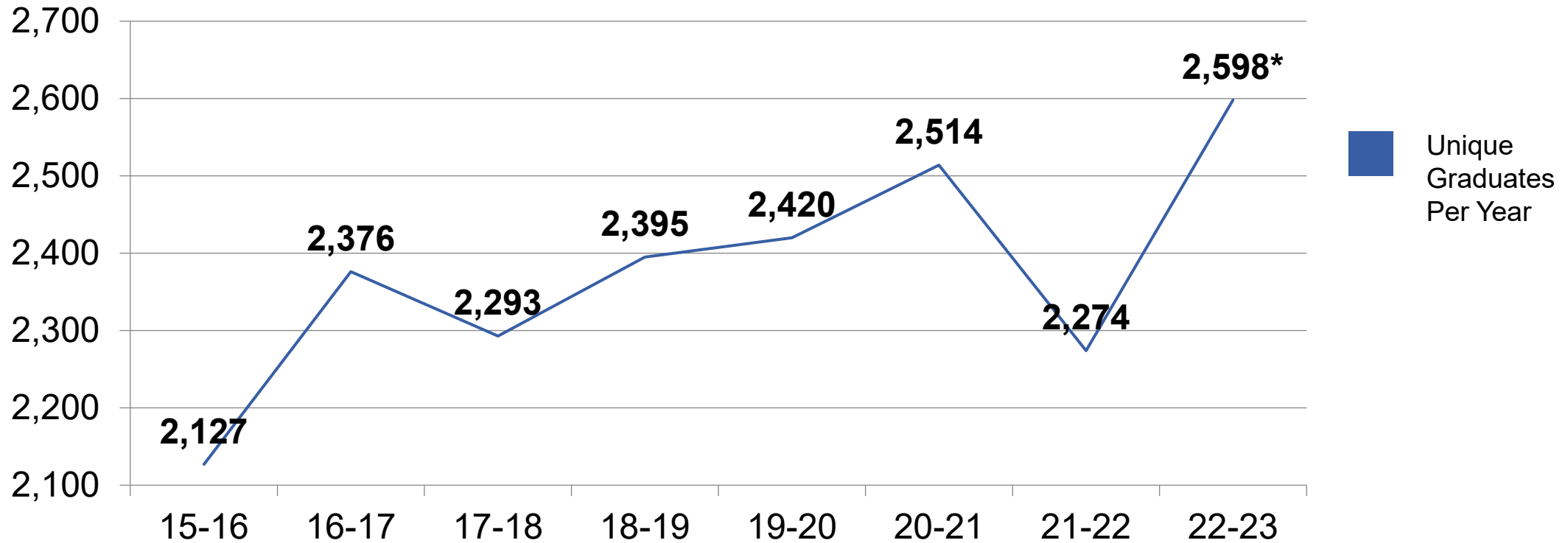


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Since 2017, enrollment in two-year public colleges **nationally** has declined by more than **19%** and by more than **14%** in South Dakota's **seven-state region**.



Graduate Numbers Rebound in Spring 2023



The system's **2021 retention rate** decreased to **74%** (from 78%), which had an impact on the total number of graduates in 2022. The **2022 rate** returned to **78%** and the projected* number of graduates increased in 2023.

Source [Appendix A](#) (2022), Projections from Technical Colleges



System Completion Rates Increasing

66.4%

of full-time students who enrolled for the first time in the fall of 2018, completed their credential within three years.

On average, the completion rate increases by **2.5** to **3%** when measured at four years.

The national average among public two-year colleges is **29%**.

Institution	2014-15	2015-16	2016-17	2017-18	2018-19	Average
LATC	71.6	71	72.3	68	73.7	71.3
MTC	68.4	78	73.1	72.9	74.6	73.4
STC	46.2	45.2	59	57	54.7	52.4
WDTC	30.7	43.3	50.9	40.9	51.8	43.5
System	60.6	63.4	66.3	62.8	66.4	60.1

Note The year listed represents the cohort, meaning that the 2015-16 cohort reflects on-time (150%) graduates in 2018-19. There was a dip in on-time completion rates among the 2017-18 cohort, likely impacted by the COVID-19 pandemic in 2020.



ATTAINMENT PRIORITY

Increasing the number of South Dakotans who **attain high-quality** postsecondary credentials.

DRAFT GOAL

The system will increase the number of unique graduates produced by **5%** per year each year between **2025** and **2030**.



Credential Completer Trajectory

Currently, the system produces approximately **2,600** unique graduates each year. South Dakota needs the system to produce more graduates annually. 2023 numbers include projections from the technical colleges. 2024 numbers are based on are based on the average annual growth rate for each institution between 2017 and 2023.

Five Percent Annual Growth (2025 – 2030)

	2022	2023	2024	2025	2026	2027	2028	2029	2030
LATC	774	883	913	959	1,007	1,057	1,110	1,166	1,224
MTC	464	524	544	571	600	630	661	694	729
STC	708	803	820	861	904	949	997	1,046	1,099
WDTC	328	388	409	430	451	474	497	522	548
System	2,274	2,598	2,686	2,821	2,962	3,110	3,265	3,428	3,600



Based on the current trajectory, the system would produce **3,291** graduates in **2030**.

The average annual growth rate, by institution, between 2017 and 2023 was LATC 3.4%, MTC 3.8%, STC 2.1%, and WDTC 5.4%.

Source [Appendix A](#) (2017-2022), 2023 Projections from Technical Colleges



Can we produce 1,000 more graduates in 2030?

TODAY

2,598

unique graduates earned a credential from one of South Dakota's technical colleges in academic year 2022-23.

This is an increase from **2,127** unique graduates in 2015-16.

BUSINESS AS USUAL

3,291

is the number of unique graduates the system is on pace to produce by 2029-30, based on recent growth and the current trajectory among institutions.

5% GOAL

3,600

is the number of unique graduates the system would produce in 2029-30 with a **5%** average annual increase between 2025 and 2030.

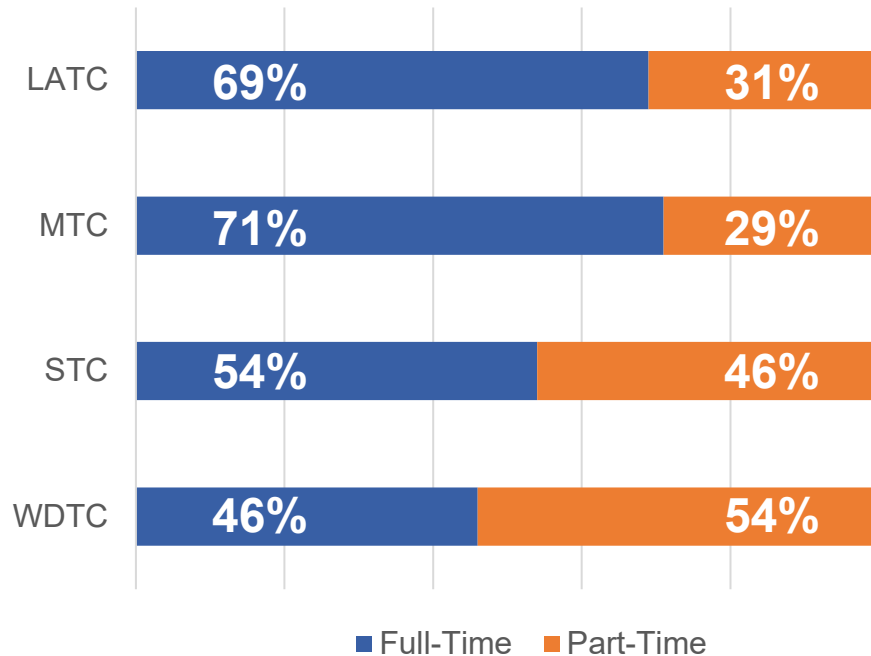


Understanding our Student Population

Better understanding the unique student population of each institution will help us identify opportunities for growth and determine ways each institution can contribute to overall the attainment goal.

Full-Time/Part-Time

Full-time students enroll in 15 credits/semester.



42.5%

of students were enrolled in at least some distance education in fall 2021.

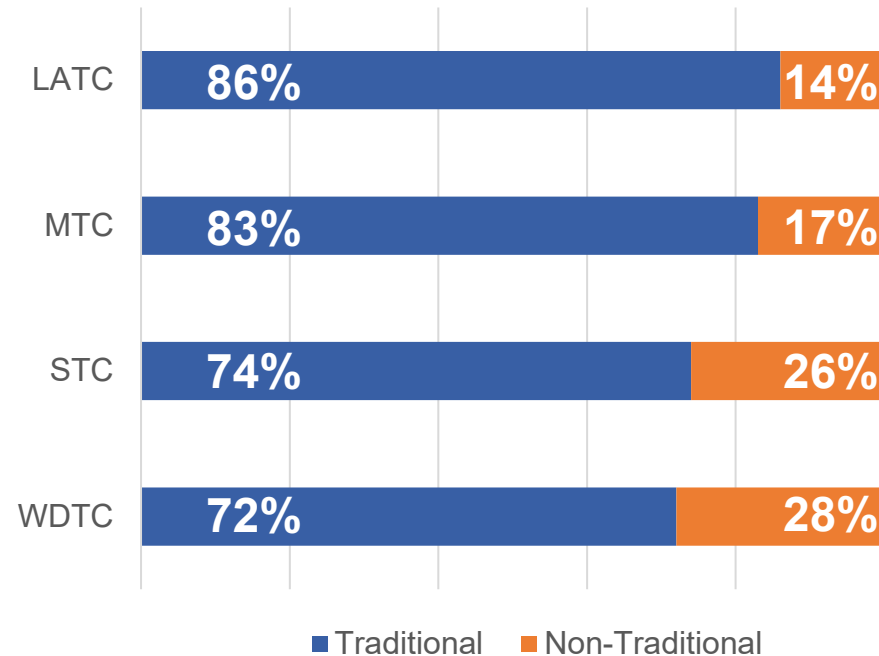


Understanding our Student Population

Better understanding the unique student population of each institution will help us identify opportunities for growth and determine ways each institution can contribute to overall the attainment goal.

Traditional/Non-Traditional

Non-Traditional-aged students are older than 24.



19%

of Build Dakota scholars in cohort eight (2022-23) were older than 24. Among them, 9% were 34 years old or older.



Postsecondary Attainment in Rural Counties

63

of South Dakota's 66 counties have attainment rates below the state's **54.6%** rate.

Credential holders in South Dakota tend to be clustered around population centers in counties such as Brookings, Clay, Hughes, and Lincoln counties.

33

of South Dakota's 66 counties have attainment rates below **40%**.

Counties with the state's lowest attainment rates are most rural and economically disadvantaged.

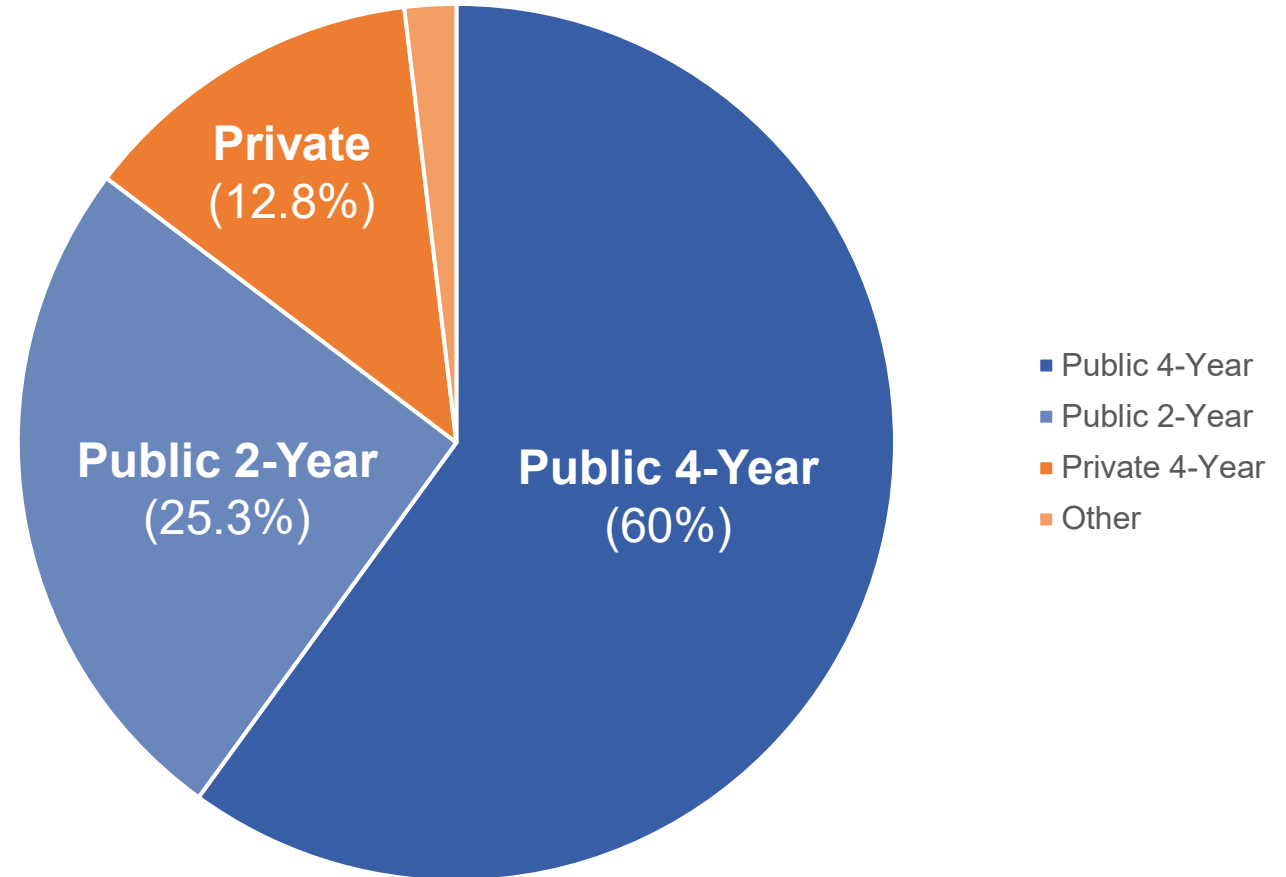


Some-College, No-Credential Population Growing

69,787

South Dakotans have completed some postsecondary credits, but have not earned a credential, as of 2021.

5,907 of them are considered *potential completers*, having made substantial academic progress some time in the past ten years.



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METRICS

The list of metrics will be cultivated by the **Institutional Effectiveness Task Force** and vetted through campus-level groups, before being brought back to the board. We hope that another outcome of this work is to use the metrics to develop a public-facing online dashboard.



AFFORDABILITY PRIORITY

Ensuring that technical education in South Dakota is **affordable** and offers a positive **return on investment**.

* HIGHLIGHTS

No tuition and fee increase since 2021.

One-time funding to support facilities and equipment.



Primary Revenue Sources

STATE APPROPRIATIONS

The system receives state funding through the Per Student Allocation (PSA), Instructor Salary Support, Tuition Assistance, M&R Funding, and Tuition Freeze line items.

STATE-LEVEL TUITION AND FEES

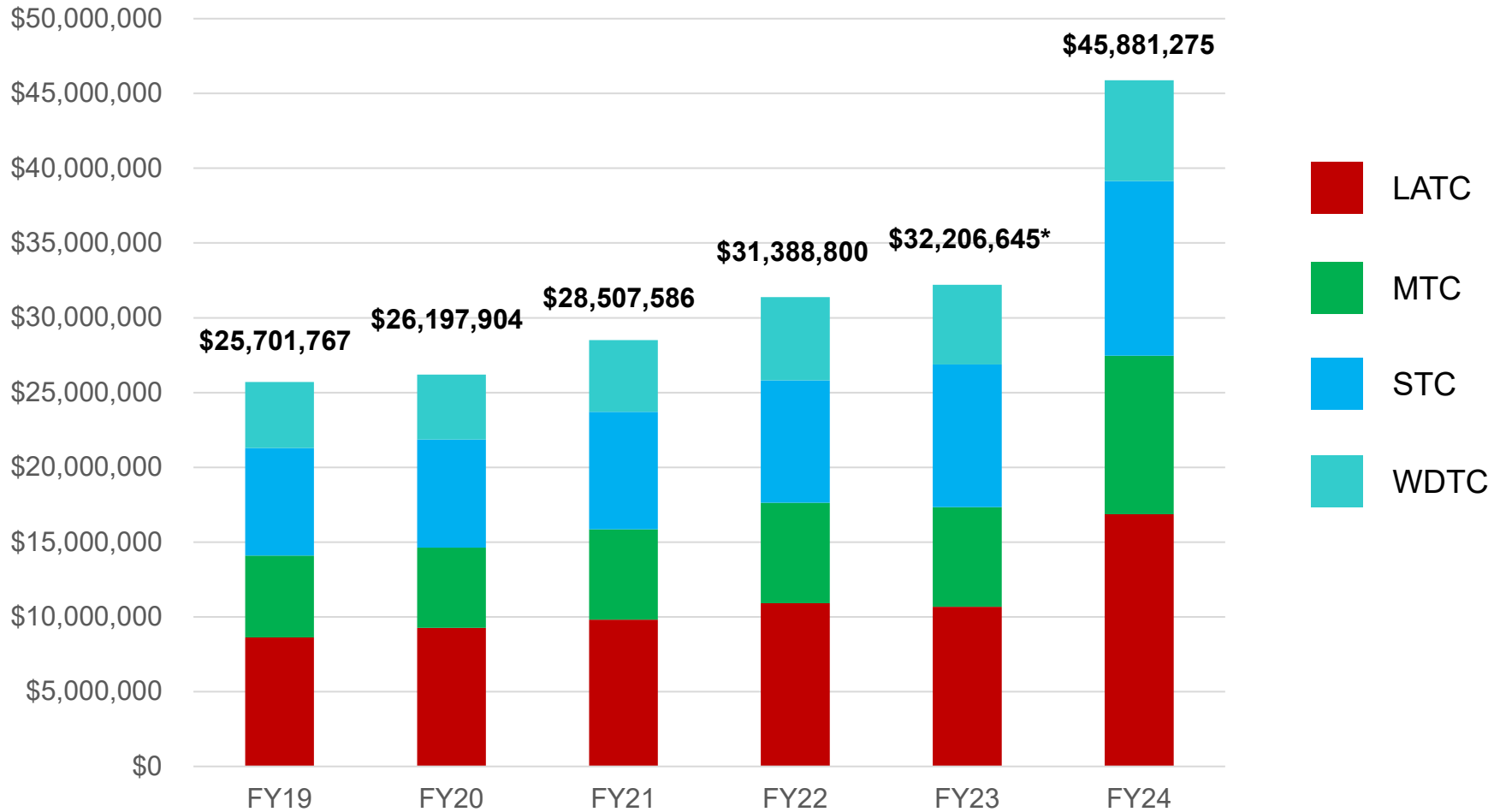
The Board is responsible for establishing the state-level tuition rate and fees (facility and M&R) .

LOCAL FEES

Each college has a unique fee structure and sets local level fees assessed to students.



Ongoing + Equipment + Salary Increase Funding



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*FY23 does not include \$20,000,000 in one-time funding to support facility and water projects.



Appropriations Breakdown Prior to FY24

Ongoing Funding

	FY19	FY20	FY21	FY22	FY23	FY24
Per Student Allocation (PSA)	\$3,522.26	\$3,610.32	\$3,682.53	\$3,770.91	\$3,997.16	\$4,276.96
Instructor Salary Support	\$3,030,000	\$3,105,750	\$3,167,865	\$3,243,894	\$3,438,528	\$3,679,225
Maintenance & Repair	\$223,675	\$505,103	\$505,103	\$1,219,611	\$1,552,307	\$1,693,573
Tuition Assistance	\$1,831,820	\$1,831,820	\$1,831,820	\$1,831,820	\$1,831,820	\$1,831,820
Salary Increase/Tuition Freeze	-	-	-	-	\$2,675,000	\$4,858,573

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One-Time Funding

	FY19	FY20	FY21	FY22	FY23	FY24
Equipment (67% Match)	-	-	\$1,500,003	\$3,366,196	-	\$9,476,664



Appropriations Breakdown in FY24 and Beyond

Ongoing Funding

	Description	FY24
Per Student Allocation (PSA)	Funding Formula + ISS + Salary Increase	\$5,777.18
Maintenance & Repair	Matched locally through M&R fee	\$1,693,573
Tuition Assistance	Reduces the state tuition rate by \$10/credit	\$1,831,820

Distribution

The **Per Student Allocation** is delivered according to FTE production and distributed using the funding formula (slide 27). The PSA now includes Instructor Salary Support and Salary Increase line items.

Maintenance & Repair funding is distributed based on square footage of state-owned facilities.

Institutions receive \$10/credit hour in **Tuition Assistance**, thus reducing the state tuition rate by \$10/credit hour.



Per Student Allocation Funding Formula

30

credits equal one full-time equivalent (FTE).

If the system generates 180,000 credits in an academic year, that number is divided by 30 and the system's FTE number is 6,000.

Final FTE numbers are determined using tuition *collected*, not tuition *billed*.

25%

of the overall PSA appropriation is distributed evenly among the four institutions.

These dollars cover basic operations necessary to run a college, regardless of size.

The remaining **75%** is distributed according to a weighted FTE model.



State Appropriations by College (FY24)

LATC	MTC	STC	WDTC
FY24 Ongoing Funding \$12,166,719	FY24 Ongoing Funding \$7,593,012	FY24 Ongoing Funding \$10,694,535	FY24 Ongoing Funding \$5,950,345
FY24 FTE 2,007	FY24 FTE 1,120	FY24 FTE 1,768	FY24 FTE 797
Funding per FTE \$6,062	Funding per FTE \$6,779	Funding per FTE \$6,049	Funding per FTE \$7,466

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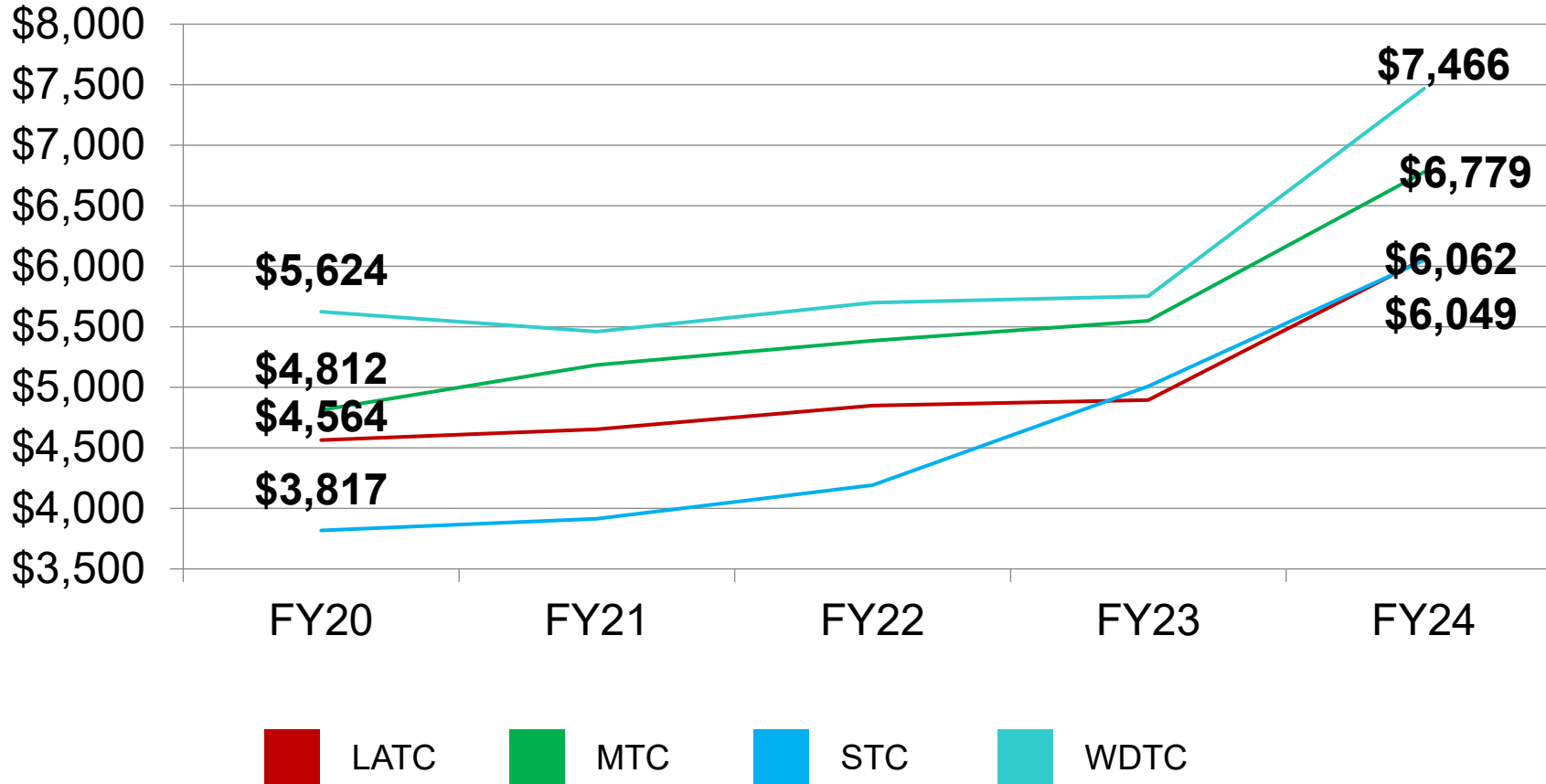
The average funding amount per FTE in the system in FY24 will be **\$6,397**.

The numbers above are based on current Full-Time Equivalent (FTE) projections. **Ongoing funding** includes the funding formula, instructor salary support, maintenance and repair funding, tuition assistance, and tuition freeze/salary increase funding. **It does not include one-time equipment funding.**

Source State Appropriations History (June 2023)



History of Ongoing Funding by Student FTE



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Source State Appropriations History (June 2023)



History of State-Level Tuition and Fees

	FY19	FY20	FY21	FY22	FY23	FY24
Tuition	\$126	\$131	\$131	\$134	\$134	\$134
Tuition Assistance	(\$10)	(\$10)	(\$10)	(\$10)	(\$10)	(\$10)
Facility Fee	\$35	\$35	\$36	\$36	\$36	\$36
Maintenance & Repair Fee	\$6	\$6	\$6	\$6	\$6	\$6
Total	\$157	\$162	\$163	\$166	\$166	\$166

Note Maintenance and Repair Fee includes \$1.00/credit Transition Fee which was approved separately prior to FY21.

The system agreed to maintain the FY22 level of tuition and fees in FY23 and FY24, in exchange for an ongoing appropriations increase to cover a six percent (FY23) and seven percent (FY24) salary increase for all faculty and staff. This total was **\$2,675,000** in FY23 with an additional **\$2,183,000** applied in FY24, for a combined total of **\$4,858,000** in FY24.

Source Tuition Setting Proposal (2023)



Cost of Attendance Report

Institution	Avg State Tuition	Avg State Fees	Avg Local Fees	Avg Total Cost
LATC	\$8,659	\$2,933	\$8,294	\$19,886
MTC	\$8,738	\$2,960	\$7,773	\$19,471
STC	\$8,157	\$2,763	\$10,286	\$21,207
WDTC	\$7,852	\$2,659	\$13,810	\$24,321

The chart above provides costs for an Associate of Applied Science (AAS) degree. Averages are based on the **minimum cost of attendance**, considering the **most efficient path to a credential**.

LATC's **Professional Fixed Wing Pilot** AAS program, within the Transportation, Distribution & Logistics Career Cluster, includes an estimated cost of \$47,088 in local fees associated with flight time and FAA testing. Because these costs are not typical for AAS programs at LATC, the program was removed from the Average Local Fees and Average Total Cost totals above.

Source Cost of Attendance Report (2023)



Comparing the Cost of Nursing Programs

LPN Diploma (CIP 51.3901)

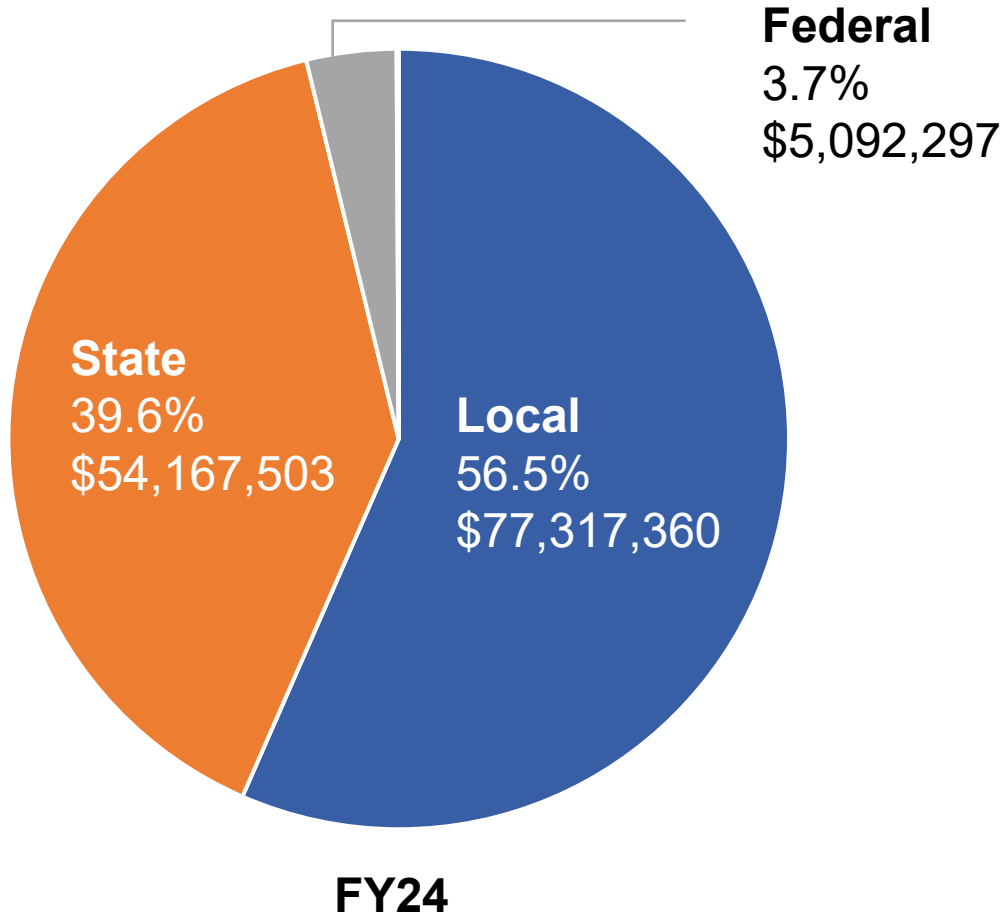
Institution	State Tuition	State Fees	Local Fees	Total Cost
LATC	\$5,518	\$1,869	\$6,652	\$14,039
MTC	\$6,572	\$2,226	\$7,574	\$16,372
STC	\$5,456	\$1,848	\$9,250	\$16,554
WDTC	\$5,580	\$1,890	\$9,313	\$16,783

RN (LPN to RN) AAS (CIP 51.3801)

Institution	State Tuition	State Fees	Local Fees	Total Cost
LATC	\$5,084	\$1,722	\$6,204	\$13,010
MTC	\$6,944	\$2,352	\$8,001	\$17,297
STC	\$4,836	\$1,638	\$7,525	\$13,999
WDTC	\$5,084	\$1,722	\$10,300	\$17,106



Consolidated Budget Report // Revenues



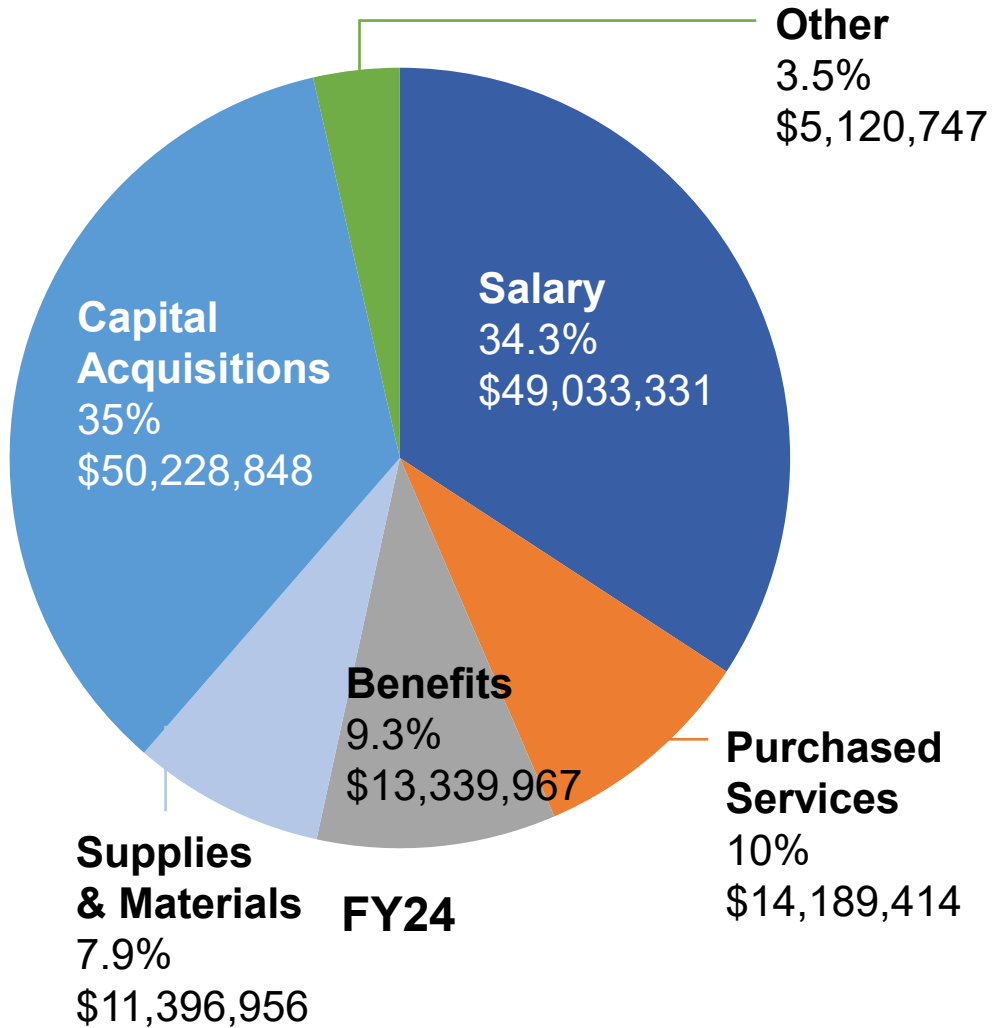
Description	FY23	FY24
Local	\$56,758,093	\$77,317,360
State	\$47,515,673	\$54,167,503
Federal	\$5,990,121	\$5,092,297
Other	\$721,000	\$121,000
Total	\$110,984,887	\$136,698,160

Note FY24 includes \$22,009,497 in local revenue coded as contributions and donations.

29.7% of FY24 revenue is projected to be generated through tuition and fees **paid by students**.



Consolidated Budget Report // Expenditures



Description	FY23	FY24
Salary	\$44,132,203	\$49,033,331
Benefits	\$12,362,359	\$13,339,967
Purchased Services	\$13,817,484	\$14,189,414
Supplies & Materials	\$11,486,071	\$11,396,956
Capital Acquisitions	\$30,890,361	\$50,228,848
Other	\$4,538,700	\$5,120,747
Total	\$117,227,179	\$143,309,263

43.6% of expenditures across the system are committed to **salary and benefits** for personnel.

Source Consolidated Budget Report (2023), Data is based on projected budgets



AFFORDABILITY PRIORITY

Ensuring that technical education in South Dakota is **affordable** and offers a positive **return on investment**.

DRAFT GOAL

Every AAS program in the system will maintain a cost to earnings premium of **5.0** or lower by **2030**.



Price to Earnings Premium

Defining affordability is more complex than just considering the cost of a credential. Credentials have differing earning potential, which is better reflected in the price to earnings premium, based on an equation proposed by various public organizations and outlined below.

Proposed Equation

Cost of a Credential

(Post-Enrollment Earnings – Typical High School Graduate Salary in South Dakota)

=

Number of Years to Recoup
the Cost of a Credential



Price to Earnings Premium

The equation below relies upon actual data from **Vehicle Maintenance and Repair Technologies/Technicians** (47.06 CIP code) programs in the system. All four institutions have a program with this CIP code. The cost used below is an average of the four program costs, the actual premium will be calculated using institution-level data.

$$\frac{\$24,725}{(\$50,639 - \$36,046)} = 1.69$$

cost of AAS (47.06 CIP) years to recoup credential cost

AAS year five salary – high school diploma salary



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ALIGNMENT PRIORITY

Preparing learners and graduates for meaningful **employment** and **continued education** opportunities.

* HIGHLIGHTS

General Education and Statewide Nursing Articulation Agreements.
Consistently high placement rates.



Placement Rates Remain High

87%

of 2021-22 graduates were either **employed in South Dakota** or continuing their education within six months of graduation.

The system has maintained a **97 to 99% placement rate** over the past five years.

The average hourly wage of those employed in their field was **\$23.49/hour**.

2021-22 Graduates

Career Cluster	Employed in South Dakota
Health Science	570 / 717
Architecture & Construction	237 / 329
Business, Management, & Administration	144 / 181
Transportation, Distribution, & Logistics	142 / 203
Agriculture, Food, & Natural Resources	112 / 172

Note Of 717 Health Science graduates, 62 identified as continuing education.



History of Year Five In-State Employment

2001-2005

70%

of 2001 to 2005 employed graduates were employed in the state five years after graduation.

LATC	75%
MTC	67%
STC	70%
WDTC	65%

2006-2010

72%

of 2006 to 2010 employed graduates were employed in the state five years after graduation.

LATC	77%
MTC	70%
STC	70%
WDTC	70%

2011-2015

71%

of 2011 to 2015 employed graduates were employed in the state five years after graduation.

LATC	73%
MTC	62%
STC	74%
WDTC	71%



Transfer Rates Among Technical College Students

21.4%

of students who enrolled in a technical college between 2014 and 2021, transferred to another institution within **eight years**.

Among them, **33.1%** (1,490) transferred to another two-year college and **66.9%** (3,012) transferred to a four-year institution.

27

is the average number of credits earned by a student prior to transferring.

About **half** of all students who transferred between two and eight years after their initial enrollment, **earned a credential before transferring**.



Meeting Student, Partner, and Industry Needs

STATEWIDE NURSING AGREEMENT

Nursing leadership from the four technical colleges, South Dakota State University, and the University of South Dakota collaborated to develop a statewide agreement which promotes seamless transferability among nursing programs at public institutions in the state. The agreement is designed to remove barriers for students and improve retention among healthcare professionals. It was approved by the BOTE in May and BOR in June.

COMPETENCY-BASED EDUCATION

The system has explored the competency-based model through an agreement with Western Governors University (signed in spring 2022) and a pilot effort led by Southeast Technical College (ongoing).

UPSKILL PROGRAM

Launched during the pandemic through a partnership with the Department of Labor and Regulation, the UpSkill program has been extended into a pilot with the Department of Corrections.



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Increase the year five in-state placement rate by **5%** by 2030.

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WHAT'S NEXT

In the coming months, staff will work with campus leaders to affirm goal language and define metrics in each priority area.

ATTAINMENT DRAFT GOAL

The system will increase the number of unique graduates produced by **5%** per year each year between **2025** and **2030**.

AFFORDABILITY DRAFT GOAL

Every AAS program in the system will maintain a cost to earnings premium of **5.0** or lower by **2030**.

ALIGNMENT DRAFT GOAL

Increase the year five in-state placement rate by **5%** by **2030**.



FY25 BUDGET REQUEST



CONSIDERATIONS

- The **inflationary rate** will most likely return to normal range (3-4%).
- Unless revenues exceed expectations, the availability of **one-time** dollars will likely decrease.
- The state has made considerable **ongoing** investments in the system in recent years (i.e. salary increase and PSA increase in FY23 and FY24).
- The BOR request (approved at their June meeting) will include a tuition freeze/salary increase request for the third year.

