



MEMO

TO: Interim Joint Appropriations Committee

FROM: Postsecondary Technical Institute Presidents
Mike Cartney, Lake Area Technical Institute
Greg Von Wald, Mitchell Technical Institute
Jeff Holcomb, Southeast Tech
Mark Wilson, Western Dakota Tech

CC: SD Department of Education
Secretary Melody Schopp
Tami Darnall, Division of Finance & Management
Tiffany Sanderson, Division of Career & Technical Education

DATE: May 1, 2015

RE: \$1 Million Appropriation for Postsecondary Technical Institutes

Thank you for committing \$1,000,000 in general funds for the technical institutes to address high-need workforce areas. We understand the committee is continuing discussion on the distribution of funds. Today we submit a preliminary report detailing planned program enhancements and the high-need workforce areas to be addressed to inform your discussion.

The enclosed proposal outlines the ways in which funds would be invested in two situations: 1.) equal distribution of \$250,000 to each technical institute and 2.) distribution following the formula for FY2016. Should the committee chose to distribute funds following the formula for FY2016, each institute would receive the following amount:

LATI: \$271,848
MTI: \$213,529
STI: \$335,649
WDT: \$178,975

The creation of the Build Dakota Scholarship to train skilled professionals in the state's highest need fields is a win for South Dakota. In January 2015, the scholarship administration board approved each technical institute to award \$1,000,000 in scholarships for the 2015-16 school year. Approximately 260 students will receive full Build Dakota Scholarships between the \$4,000,000 from the scholarship fund and additional scholarship matches from business and industry.

We appreciate your support to increase capacity in these high need programs and ensure our facilities and equipment meet industry's expectations. In addition to the \$1,000,000 appropriated through the funds discussed here, the technical institutes are also making investments for things such as equipment, additional instructors, printing, mailing, and additional staff time to prepare for the increased enrollments in Build Dakota-eligible programs.

We look forward to communication following the committee's meeting on June 10th.

ENCLOSURES



WHAT IS IT?

The Build Dakota Scholarship is a new program created through a \$50 million dollar investment in South Dakota's young people, funded by a \$25 million donation from T. Denny Sanford and a \$25 million contribution by Gov. Dennis Daugaard from the South Dakota Future Fund.

PROGRAM DETAILS:

- Build Dakota Scholarships will be awarded for the 2015-16 school year to students entering 53 program options in 8 high-need industry areas at South Dakota's technical institutes.
- The goal of the scholarship is to fill the state's technical careers with skilled professionals.
- Both in-state students and out-of-state students are eligible for the scholarships.
- The scholarships will support tuition, fees, books and other required program expenses in the eligible technical institute programs.
- Recipients of the scholarships will commit to living and working in the state, in their field of study, for three years following graduation.
- In the first five years, a projected 300 scholarships will be awarded annually. Beyond the first five years, the endowment will support approximately 50 full-ride scholarships.

ELIGIBILITY REQUIREMENTS:

- Interest in the high-need workforce areas
- U.S. citizen or U.S. national
- Applicants need not be South Dakota residents
- Financial need
- Demonstrated aptitude through one or more of the following:
 - The National Career Readiness Certificate (NCRC) or other industry-recognized certifications in the career area
 - Technical, dual or concurrent credit courses taken in the career interest area
 - Career & Technical Education coursework completed in the career interest area
 - Work-based learning experiences, internships or work experience in the career interest area

STUDENT COMMITMENT:

In accepting scholarship awards, recipients will agree to:

- Enroll full-time in a technical institute program determined as a high-need workforce area in South Dakota
- Following graduation, work full-time in the field of study in South Dakota for a minimum of three years

APPLICATION INFORMATION:

Application information is available on the Build Dakota Scholarship web page, at:

<http://www.BuildDakotaScholarships.com>

CONTACT:

Deni Amundson at deni.amundson@state.sd.us or Keley Smith-Keller at Keley.SmithKeller@state.sd.us
South Dakota Department of Education; Division of Career & Technical Education





Frequently Asked Questions

1. WHAT IS THE BUILD DAKOTA SCHOLARSHIP PROGRAM?

A new scholarship program created through a \$50 million dollar investment funded by a \$25 million donation from T. Denny Sanford and a \$25 million contribution from the South Dakota Future Fund.

2. WHAT PROGRAMS OF STUDY QUALIFY FOR THE SCHOLARSHIP?

The Build Dakota Scholarship Administration Board approved the following high need industry areas for the program in 2015-16 at South Dakota's technical institutes:

Welding

Precision Machining

Automotive

Practical Nursing (select programs)

Building Trades/Construction

Energy Technician

Engineering Technician

Medical Laboratory Technician

The board will review and approve industry areas and eligible technical institute programs each year.

Specific program options at Lake Area Technical Institute, Mitchell Technical Institute, Southeast Technical Institute, and Western Dakota Technical Institute have been identified, approved and are listed on the scholarship website, www.BuildDakotaScholarships.com. Be aware that, while training programs for the identified high need areas may be available at each technical institute, not every training program will be eligible for the scholarship. Please refer to the approved programs list on the website.

3. WHAT COSTS ARE COVERED BY THE SCHOLARSHIP?

The scholarships will support tuition, fees, books and other required program expenses in the eligible program at South Dakota technical institutes.

4. IS THERE A CAP ON THE AMOUNT OF THE SCHOLARSHIP AWARD?

The scholarship covers tuition, fees and other required program expenses for Build Dakota scholars.

5. CAN OUT-OF-STATE STUDENTS APPLY?

Yes, they can. Both South Dakota students and out-of-state students are eligible for the scholarships.

6. WHO IS ELIGIBLE FOR THE SCHOLARSHIP?

The Build Dakota Scholarship program will begin with newly enrolled students in Fall 2015.

7. WHAT HAPPENS TO THE CRITICAL NEEDS WORKFORCE SCHOLARSHIP?

The technical institutes' Critical Needs Workforce Scholarship, which was funded for three years at \$500,000 a year, will be phased out as funds are reallocated to support the Build Dakota scholarship program. Students who received a Critical Needs Workforce Scholarship will be paid as was promised.

8. HOW CAN SOUTH DAKOTA BUSINESS AND INDUSTRY GET INVOLVED?

Businesses or industries interested in growing their talent pipeline and expanding the reach of the Build Dakota Scholarship program are invited to partner with either the Build Dakota program or with a technical institute offering a specific eligible program of interest.



2015-16 Build Dakota Eligible Programs, by Industry Area

Approved by the Build Dakota Board on February 13, 2015

Automotive

1. Automotive Technician at Southeast Technical Institute, 2 years, AAS Degree
2. Automotive Technology at Lake Area Technical Institute, 2 years, AAS Degree
3. Collision Repair & Refinish Technology at Southeast Technical Institute, 2 years, AAS Degree
4. Diesel Technology at Lake Area Technical Institute, 2 years, AAS Degree
5. Diesel Technology at Southeast Technical Institute, 2 years, AAS Degree
6. Farm Power Technology at Mitchell Technical Institute, 2 years, AAS Degree
7. Transportation Technology – Heavy Duty at Western Dakota Tech, 2 years, AAS Degree
8. Transportation Technology – Light Duty at Western Dakota Tech, 2 years, AAS Degree

Building Trades/Construction

1. Architectural Design & Building Construction at Mitchell Technical Institute, 2 years, AAS Degree
2. Building Trades Technology at Lake Area Technical Institute, 2 years, AAS Degree
3. Electrical Construction & Maintenance at Mitchell Technical Institute, 2 years, AAS Degree
4. Electrical Trades at Western Dakota Tech, 2 years, AAS Degree
5. Electrician at Southeast Technical Institute, 2 years, AAS Degree
6. Heating & Cooling Technology at Mitchell Technical Institute, 1 year, Diploma
7. Heating & Cooling Technology at Mitchell Technical Institute, 2 years, AAS Degree
8. Heavy Equipment Operator at Lake Area Technical Institute, 1 year, Diploma
9. Heavy Equipment Operator at Lake Area Technical Institute, 2 years, AAS Degree
10. HVAC at Southeast Technical Institute, 2 years, AAS Degree
11. HVAC/R Technology at Western Dakota Technical Institute, 2 years, AAS Degree
12. Industrial Maintenance Technology at Mitchell Technical Institute, 1 year, Diploma
13. Industrial Maintenance Technology at Mitchell Technical Institute, 2 years, AAS Degree
14. Mechanical Systems/Plumbing at Southeast Technical Institute, 1 year, Diploma
15. Residential Heating & Cooling Technology at Southeast Technical Institute, 1 year, Diploma

Energy Technicians

1. Energy Operations at Lake Area Technical Institute, 2 years, AAS Degree
2. Energy Technology at Lake Area Technical Institute, 2 years, AAS Degree
3. Propane & Natural Gas Technologies at Mitchell Technical Institute, 1 year, Diploma
4. Wind Turbine Technology at Mitchell Technical Institute, 2 years, AAS Degree

Engineering Technicians

1. Civil Engineering Technology at Southeast Technical Institute, 2 years, AAS Degree
2. Computer-Aided Drafting at Western Dakota Tech, 2 years, AAS Degree
3. Construction Management Technology at Southeast Technical Institute, 2 years, AAS Degree
4. Electronic Systems Technology at Lake Area Technical Institute, 2 years, AAS Degree
5. Environmental Engineering Technician at Western Dakota Tech, 2 years, AAS Degree
6. Land Surveying Science at Southeast Technical Institute, 2 years, AAS Degree
7. Mechanical Engineering Technology at Southeast Technical Institute, 2 years, AAS Degree
8. Telecommunications at Mitchell Technical Institute, 2 years, AAS Degree

Licensed Practical Nursing (select options)

1. Licensed Practical Nursing (LPN) at Southeast Technical Institute, 1 year, Diploma
2. Practical Nursing at Lake Area Technical Institute, 1 year, Diploma
3. Practical Nursing at Western Dakota Tech, 1.5 years, Diploma

Medical Lab Technicians

1. Medical Lab Technician at Lake Area Technical Institute, 2 years, AAS Degree
2. Medical Laboratory Technology at Mitchell Technical Institute, 2 years, AAS Degree

Precision Manufacturing

1. Automation Controls/SCADA at Mitchell Technical Institute, 2 years, AAS Degree
2. Electronics Technology at Southeast Technical Institute, 2 years, AAS Degree
3. Mechatronics Technology at Southeast Technical Institute, 2 years, AAS Degree
4. Precision Machining at Lake Area Technical Institute, 2 years, AAS Degree
5. Precision Machining at Western Dakota Tech, 1 year, Diploma
6. Precision Technology at Mitchell Technical Institute, 2 years, AAS Degree
7. Robotics at Lake Area Technical Institute, 2 years, AAS Degree

Welding

1. Welding & Manufacturing Technology at Mitchell Technical Institute, 1 year, Diploma
2. Welding & Manufacturing Technology at Mitchell Technical Institute, 2 years, AAS Degree
3. Welding at Southeast Technical Institute, 1 year, Diploma
4. Welding at Western Dakota Tech, 2 years, AAS Degree
5. Welding Technology at Lake Area Technical Institute, 2 years, AAS Degree
6. Welding Technology at Lake Area Technical Institute, 1 year, Diploma



Summary of Investments

FY2015 Funds for Planned Program Enhancements at South Dakota's Technical Institutes

Report - May 1, 2015

Formula Distribution Scenario

	Funding Amount	Program Investments	Types of Expenses
Lake Area Technical Institute	\$ 271,848.00	Building Trades Energy General Education Heavy Equipment Operator Practical Nursing Precision Machining Robotics Welding	Facility improvements, instructors & equipment
Mitchell Technical Institute	\$ 213,529.00	Farm Power Mechanic Electrical Construction & Maintenance Welding	Instructors & equipment
Southeast Tech	\$ 335,649.00	Automotive Tech Collision Repair & Refinish Tech Diesel Tech Mechanical Engineering Tech	Equipment
Western Dakota Tech	\$ 178,975.00	Environmental Engineering Tech HVAC	Lab renovations & equipment

Equal Distribution Scenario

	Funding Amount	Program Investments	Types of Expenses
Lake Area Technical Institute	\$ 250,000.00	Building Trades Energy General Education Heavy Equipment Operator Practical Nursing Precision Machining Robotics Welding	Facility improvements, instructors & equipment
Mitchell Technical Institute	\$ 250,000.00	Farm Power Mechanic Electrical Construction & Maintenance Welding	Instructors & equipment
Southeast Tech	\$ 250,000.00	Automotive Tech Collision Repair & Refinish Tech Diesel Tech Mechanical Engineering Tech	Equipment
Western Dakota Tech	\$ 250,000.00	Environmental Engineering Tech HVAC	Lab renovations & equipment



Build Dakota Program Expansion Costs

Program	Item Description	Total Cost
Energy	Biofuels trainer	\$ 10,000.00
Energy	Solar Panel Installation	\$ 10,000.00
Energy	Power Plant Operator Simulation stations (2)	\$ 30,000.00
General Education	Overloads	\$ 9,000.00
Heavy Equipment Operator	Heavy Equipment Supplies/ Maintenance and repair	\$ 15,000.00
Practical Nursing	2 Nursing clinical adjuncts to add two remote cohorts of 8 students each	\$ 8,000.00
Precision Machining	Additional Power for Precision Machining Lab	\$ 30,000.00
Precision Machining, Practical Nursing and Robotics	Offices for additional instructors (\$210 per office per month plus \$3000 for IT)	\$ 16,500.00
Precision Machining, Robotics and General Ed	IT Infrastructure Enhancements: Upgrade of 8 Switches and replace fiber to increase bandwidth to 10gig as well as upgrade the Access points to increase coverage for the wireless equipment	\$ 75,000.00
Precision Machining, Robotics and General Ed	Utilities - Building open on weekends and extended hours (currently \$11,000/month)	\$ 31,348.00
Precision Machining, Robotics and General Ed	Custodian for extended hours and weekends	\$ 12,000.00
Precision Machining, Robotics, Welding and Energy	Additional Supplies (Welding Rods, Metal, Lubricants, etc.)	\$ 25,000.00
		\$ 271,848.00

NOTE: Funding for four additional instructors, welding booths, and a High Performance Engine Machining Dynamometer, as well as any amounts listed exceeding LATI's distribution from recent SB55 adjustment, will be covered by LATI.



Build Dakota Program Expansion Costs

Program	Item Description	Total Cost
Electrical Construction & Maintenance	Equipment - Ladders	\$ 2,560
Farm Power Mechanic	Instructor - FY 15	\$ 39,221
Farm Power Mechanic	Instructor - FY 16	\$ 77,138
Multiple Build Dakota-eligible programs	Equipment Refresh	\$ 70,000
Welding	Instructor - FY 16	\$ 64,069
		\$ 252,988.29

**If funds are distributed following the formula, equipment purchases will be backed down to \$30,000.*

SOUTHEAST TECH

Build Dakota Program Expansion Costs

Program	Item Description	Total Cost
Automotive Tech	A/C Charger, Reclaimer	\$ 16,000.00
Automotive Tech	Brake Lathe - On Car Style	\$ 9,000.00
Automotive Tech	Hoist - Above Ground	\$ 30,000.00
Collision Repair & Refinish Tech	Hydraulic Hosit - 6T Capacity	\$ 20,000.00
Collision Repair & Refinish Tech	Computerized Frame Measuring System	\$ 106,000.00
Collision Repair & Refinish Tech	Pro Spotter, i5	\$ 25,000.00
Collision Repair & Refinish Tech	Wasterborne Gun Washer - Drester 1000	\$ 28,000.00
Diesel Tech	Fork Lift - 6T Capacity	\$ 40,000.00
Diesel Tech	Hot Water Parts Washer	\$ 10,000.00
Diesel Tech	75-Ton Capacity Press	\$ 15,000.00
Mechanical Engineering Tech	3-D Color Printer w/software	\$ 36,000.00
		\$ 335,000.00

**If funds are split equally, equipment purchases will be backed down to \$250,000.*



Build Dakota Program Expansion Costs

Program	Description	Costs
Environmental Engineering Tech	New science lab to accommodate EET labs. Costs will be for renovation, hoods, and lab equipment.	\$ 150,000.00
HVAC	HVAC lab will be moved from Rushmore building to previous Collision Repair lab. Costs will be for lab renovation and equipment needed for expansion.	\$ 300,000.00
Total		\$ 450,000.00

**Funds received from the \$1,000,000 appropriation will be put toward the total needed investment for facility improvements and equipment.*