



Monday, December 19, 2022

To Whom It May Concern:

Why did registration fees increase for the 2023 SkillsUSA State Leadership & Skills Conference (SLSC)?

There are several answers to this question, and I want to make sure you, as a SkillsUSA chapter advisor, student, CTE director, or other stakeholder, understand why. Keeping costs for conferences as low as we can always remains one of our top priorities – it is a tough line to walk while also ensuring we continue to make the student experience at our conferences the best it can be. With that, I wanted to compile and be honest regarding the leading reasons that went into this year's cost increase.

1. According to our records, the registration fee for SLSC has remained the same since at least 2013, but inflation spares no one.

Nearly every vendor and provider for the various services required for a successful SLSC have increased their prices. Prices have steadily increased since 2013, but we continued to grow our conference attendance to offset it and not have to pass that cost on to attendees. However, as we all have felt in our professional and personal lives, inflation post-pandemic has continued to rise at an unprecedented pace, and unfortunately, our conference attendance can no longer offset it.

2. We had 1,000 fewer attendees at our post-pandemic 2022 SLSC than we did at our pre-pandemic 2019 SLSC.

This equates to between \$80,000 and \$95,000 in revenue no longer available to pay for the various costs of the conference. For the 2022 SLSC, even after making several cost-saving decisions, our organization took an over **\$60,000 loss** on the event. Rather than raising conference fees last year, we viewed taking losses on conferences as an investment in the rebuilding of our organization. However, the fact is we cannot afford to take another \$60,000 loss as we move forward.

3. Costs, for the most part, are not tied to attendees, and when they are, they often exceed the registration fee.

Where we could make cost-saving decisions in 2022, we did. But in order to put on, at its core, the event our stakeholders expect, there are simply areas where we cannot compromise. For instance, here are some of the big-ticket expenses from the 2022 SLSC, that are not tied to how many attendees we have:

- ❖ Phoenix Convention Center meeting space rental: \$38,350
- ❖ Convention center electricity for all contest power needs: \$24,306.69
- ❖ Catering for judge and volunteer lunches: \$15,529.06
- ❖ Tables, chairs, forklifts, and other equipment rentals for the contest floor: \$13,084.76
- ❖ Internet access for contests that can't function without it: \$9,244.62
- ❖ Conference security (required by the convention center): \$7,377.74

On the item of internet access, as I know this was a hot-button issue for many this past year – the cost is \$120 per user, per day. If we provided internet access to everyone, registration fees would need to increase by \$120 more per attendee.

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4. We are locked into our contracts for 2023.

The majority of the costs I listed above are not up to us – they are required by the Phoenix Convention Center. We have to have it, and we have to use their exclusive vendors. The convention center contract for 2023 was signed in 2020, as part of our routine contract renewals. I have instructed our contract broker to look outward into all our options for 2024 and beyond, to ensure that the Phoenix Convention Center remains the most viable and best choice available to us for SLSC. That doesn't change our contractual obligations for 2023, and again, we cannot afford to take another \$60,000 loss. We are hopeful that attendance at SLSC will rise, as it has at our fall conferences this year. We are also hopeful that regional conferences will help in offsetting SLSC costs. Those hopes, along with the need to raise the registration fees, may help us avoid taking a loss on the conference. However, if our optimism is misplaced and attendance does not increase, or regional conferences do not offset costs, this increase in registration fees only takes care of about \$25,000 to \$30,000 of our loss. Any loss taken this year will continue to be an investment made in maximizing opportunities for student participation.

I know that a cost increase is never popular, but I am hopeful that you see the big picture of what we are up against as we work to deliver fiscally responsible, top-tier programming for Arizona's students. We will continue to make our conferences and programming as cost accessible as possible, while preserving the value of our student experiences. We will always continue to evaluate future conference costs to meet these deliverables. If you have any remaining questions or concerns on this topic, I am always willing to hear them out.

Best regards,

A handwritten signature in black ink that reads "Daniel Kelly".

Daniel Kelly
State Director
SkillsUSA Arizona

"Our responsibility begins and ultimately ends with the student as the key individual."
- Eugene Dorr, former Arizona State Supervisor of Vocational Education