

# South Dakota Department of Education

Presentation to the Joint Appropriations Committee  
February 8, 2017

# South Dakota Education Update 2017 Legislative Session

The Department of Education remains focused  
on our aspiration:

All students graduate college, career  
and life ready

# 2016-17 Highlights

## **Teacher supports:**

- Teacher pay increase
- Mentoring program
- National Board Certification reimbursement
- Paraprofessional scholarship program

## **School supports:**

- Innovation grants
- Shared service grants
- Workforce grants
- Native American Achievement Schools

## **Student supports:**

- Dual credit
- Virtual courses
- Career and technical education courses
- National Career Readiness Certificate

# Teacher Supports

Statewide teacher salary increases:

- 2015-16 average - \$41,940
- 2016-17 projected average - \$46,937
- Average increase – \$4997 or 11.9%
- Average statewide student expenditure increase:  
\$526/student

Increase averages by district size:

- $< 200 = \$653/\text{student}$
- $200 - 600 = \$579/\text{student}$
- $600 > = \$507/\text{student}$

# Teacher Supports

## *Mentoring*

The data

- 178 new teachers participating
- 155 mentors
- 51 districts
  - 34 contact hours required

## *National Board Certification*

### Data:

- 38 teachers and 4 counselors reimbursed for unfulfilled obligation
- 107 National Board Certified teachers in SD

## *Paraprofessional scholarship program*

- Grow your own program in high needs school districts
- Awarded to paraprofessionals with at least an associate degree
- Nine awards and six districts



# School Supports

## *Innovation grants*

- 43 grants awarded to schools
  - 40 districts
- \$2,282,974 in two different rounds
- Primarily used for training in customized learning, technology, & Maker's Spaces

## *Shared Services grants*

- 8 grants/ 11 districts/\$490,842
- Sharing staff to fill needs for:
  - Spanish
  - Art
  - English Language Learners

## *Workforce Education Grants*

Awarded for first time in 2016 from Building South Dakota fund

2016

- Up to \$1.5 million available.
- \$828,513 awarded to 9 districts.

2017

- Up to \$2.5 million available.
- \$250,000 can be awarded to private, nonprofit entities.
- As of January 2017, \$1,435,898 awarded to 6 districts.
- Anticipate additional awards in April 2017.

## *Native American Achievement School grants*

- Result of Native American Student Achievement Advisory Council recommendations
- Three grants awarded in two districts:
  - Smee (Wakpala)
  - Todd County (2)

# Student Supports

## *Dual Credit – FY 16*

- 2,139 - BOR/13,754 credits/94% pass rate
- 899 - technical institute/5,723 credits/88% pass rate
- 8 districts not participating
- \$48.33/credit offered to public, private, & home school students that meet entrance requirements
- Savings of over \$4.4 million to students statewide

# Student Supports

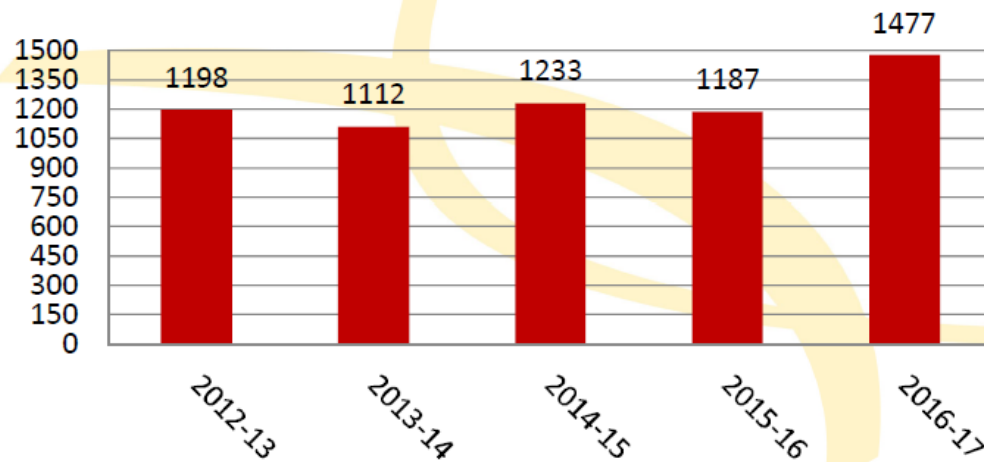
## *Advanced Placement*

- 3892 courses taken 2016-17
- AP courses in 34 areas
- Students receive high school and college credit if pass the exam with a 3 or above
- Offered in schools or online free program offered by the state for STEM related courses

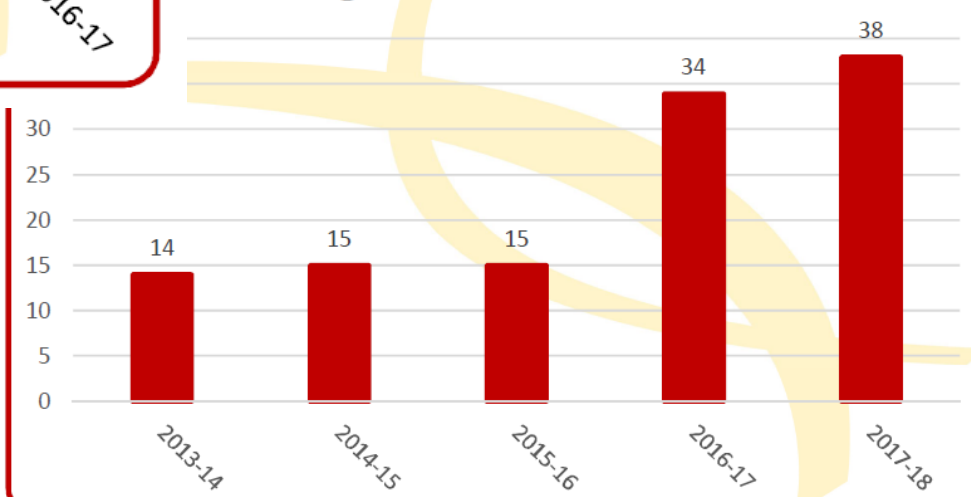
# Student Supports

## *E-Learning at Northern State*

### Total Students Served



### High School Courses



# Student Supports

## *Virtual Courses*

- 3521 courses taken
- Mixture of online and video conference delivery
- SD Virtual School provides a full high school curriculum that meets graduation requirements



# Student Supports

## *Remediation*

- 154 students and 42 districts participated
  - 100 final assessments taken
  - 51% pass rate
- Allows students to complete remediation courses prior to entering college
- Significant cost savings and college preparation resulting in higher completion rates

## *Career & Technical Education*

### Data:

- 29,917 CTE students
- 10,383 CTE concentrators

### Why it Matters:

- Students engaged in CTE courses of interest to them tend to have better graduation rates
- Students who take two or more years of CTE in the same areas (concentrators) tend to persist in post-secondary to completion

## ***National Career Readiness Certificate***

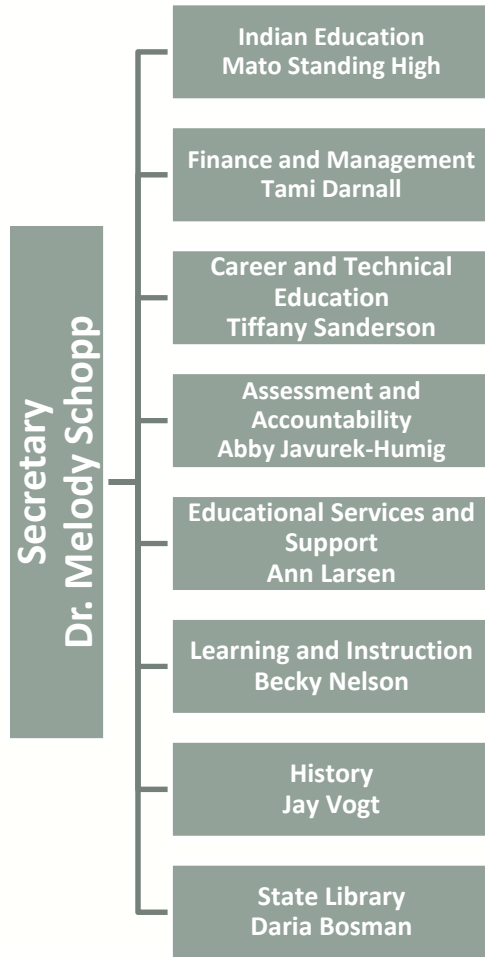
- 3665 students participated
  - 3440 or 93.86% received a certificate
  - More than doubled the number of students in three years
- Three assessments:
  - Applied math
  - Locating information
  - Reading for information
- Optional for school districts to use as another way to measure post high school readiness

# Legislator Resources:

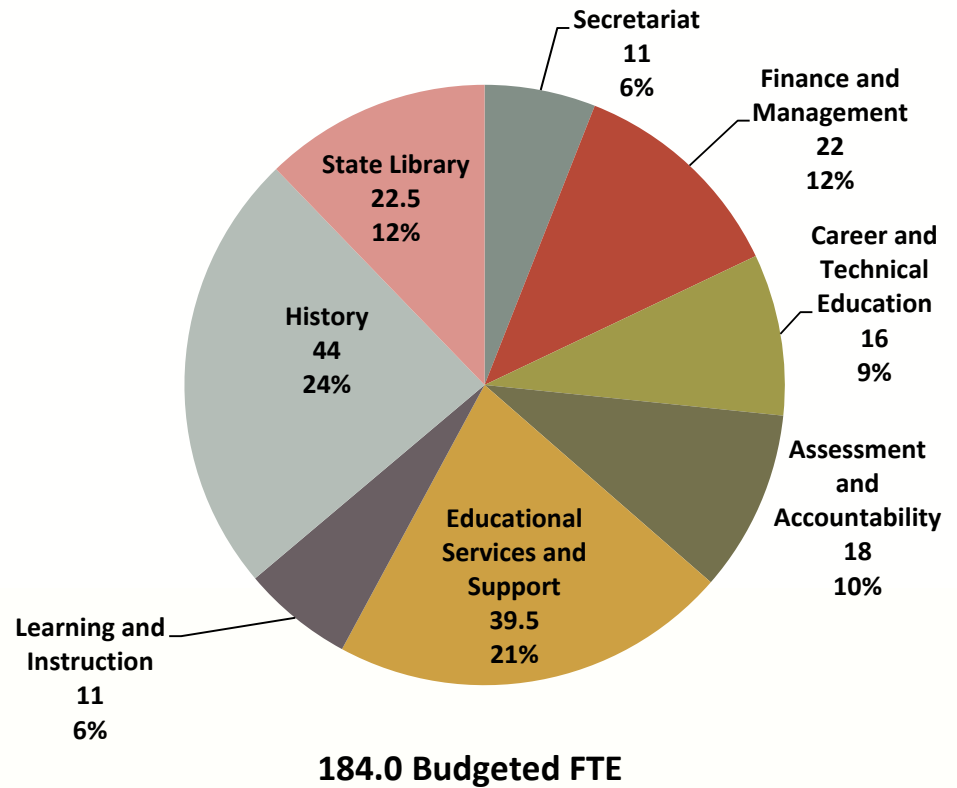
- Commonly requested legislative information:
  - <http://doe.sd.gov/secretary/2017legislature.aspx>
- Data Dashboards:
  - <http://doe.sd.gov/reportcard/dashboards/>

# South Dakota Department of Education Budget Information

# Department Staffing



**FY2017 Budgeted FTE**



# FTE Utilization

- **FY2015 Utilization – 135.88**
  - Budgeted – 135, Utilization Rate 100.7%
- **FY2016 Utilization – 176.45**
  - Budgeted – 183, Utilization Rate 96.4%
- **Staff Turnover Rates**
  - FY2015 – 9.9%
  - FY2016 – 11.3%

# Long Term Vacancies

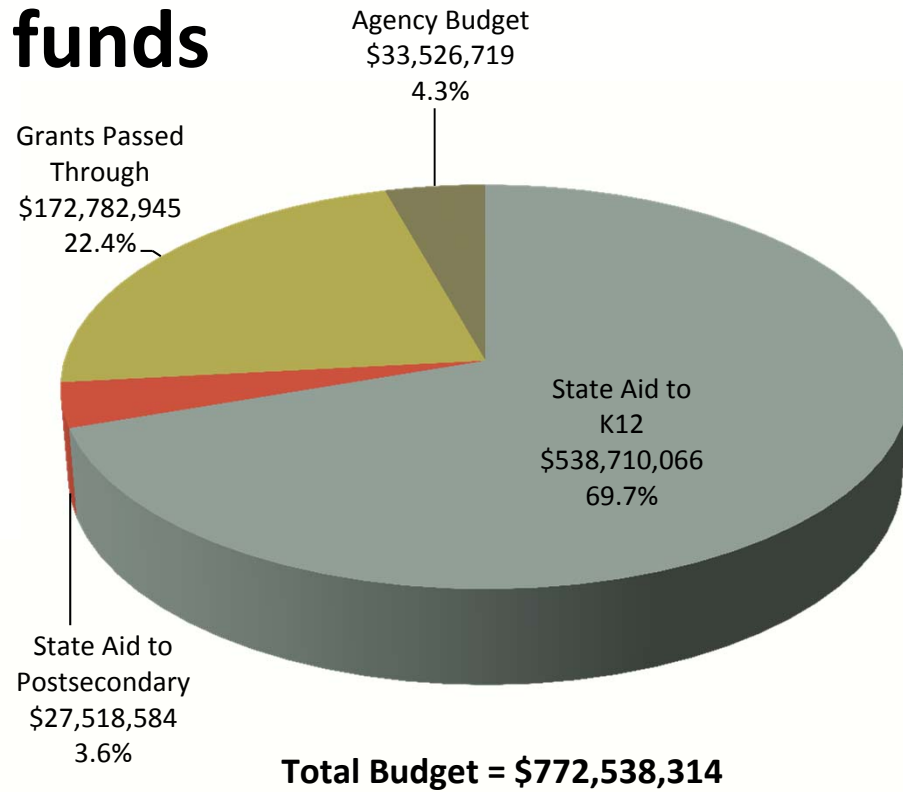
The department has three long term vacancies.

- **Education Program Representative II** – This position was appropriated through with the funding provided by Blue Ribbon Task Force.
- **Education Program Representative** – This position was appropriated through the funding provided by the Build Dakota Scholarship Program.
- **Secretary** – This position was appropriated through the funding provided by the Build Dakota Scholarship Program.



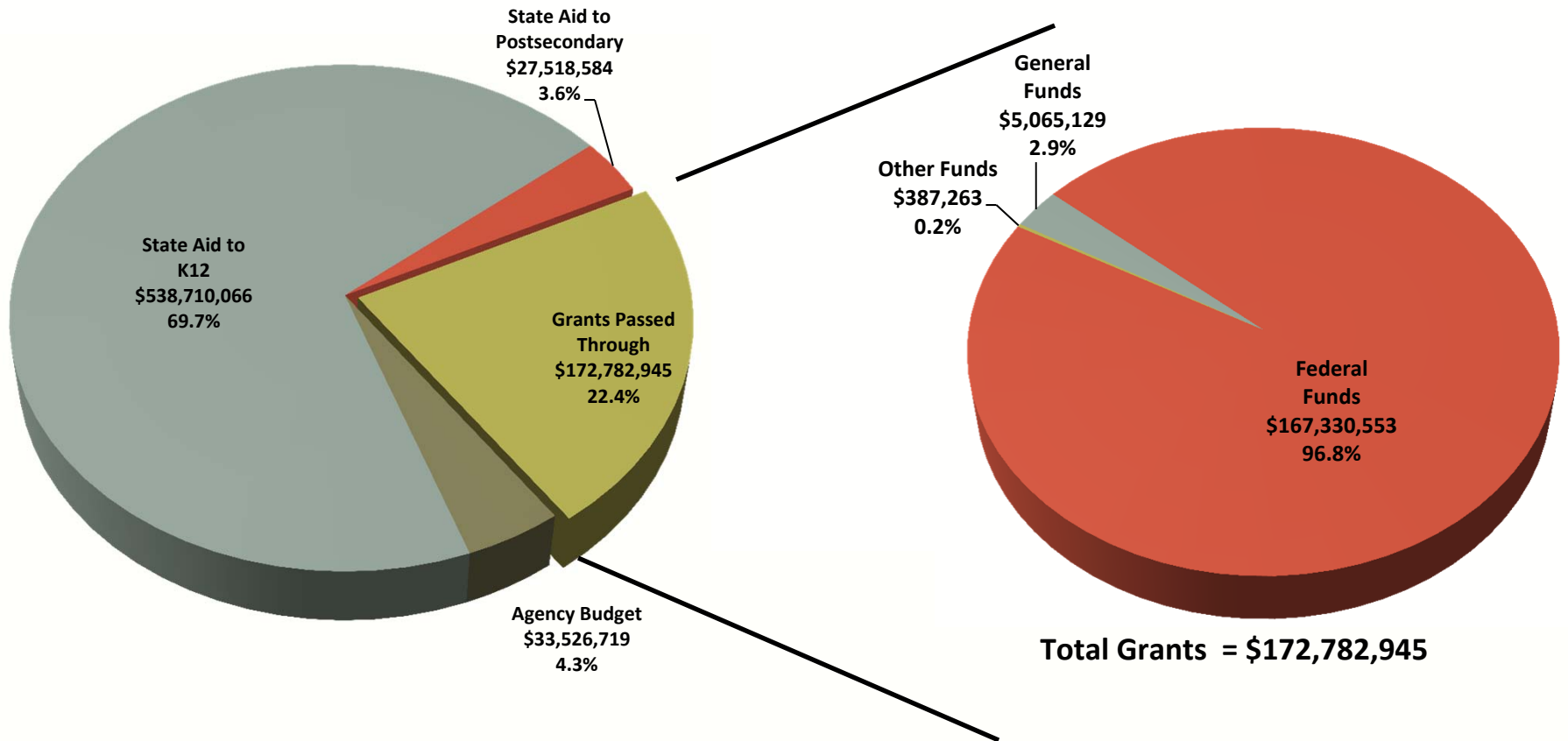
# FY18 Recommended Budget

- The department's budget consists primarily of funds that flow through the department to local school districts in the form of State Aid or federal grants

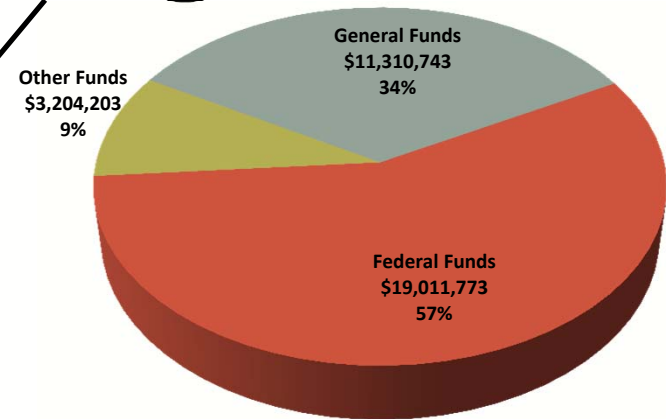
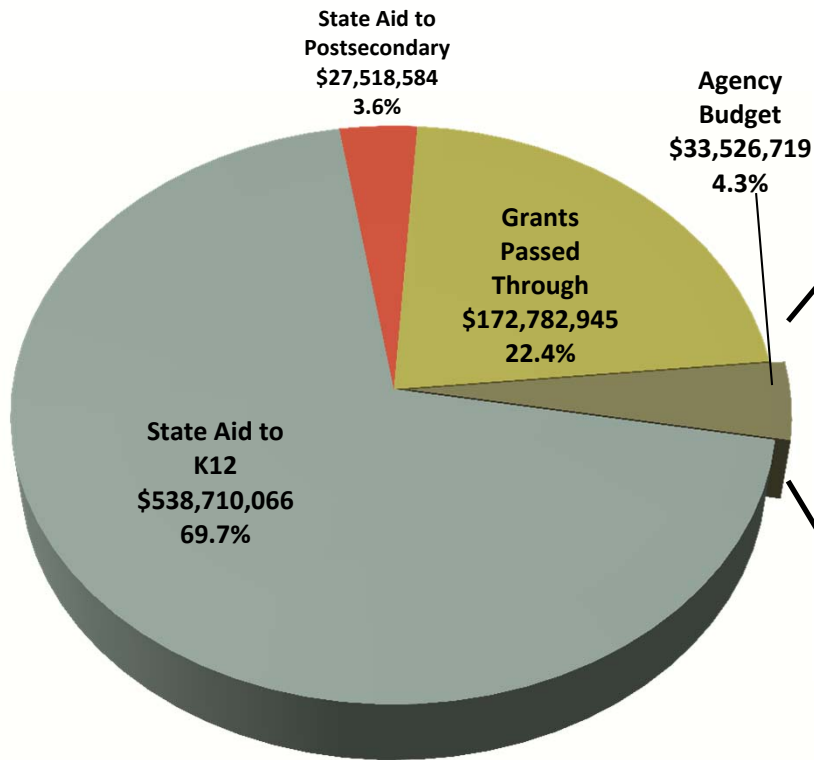


# FY18 Grants Passed Through

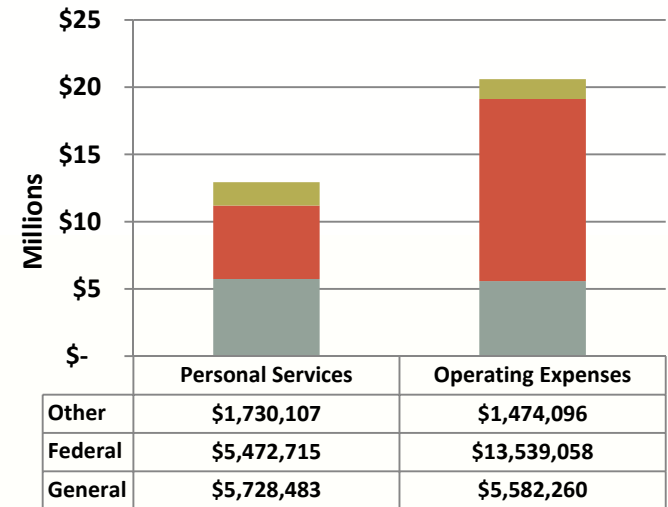
*(Not including State Aid)*



# FY18 Agency Budget



Total Agency Budget = \$33,526,719



# Agency Budget

# FY2018 Recommended Budget Changes

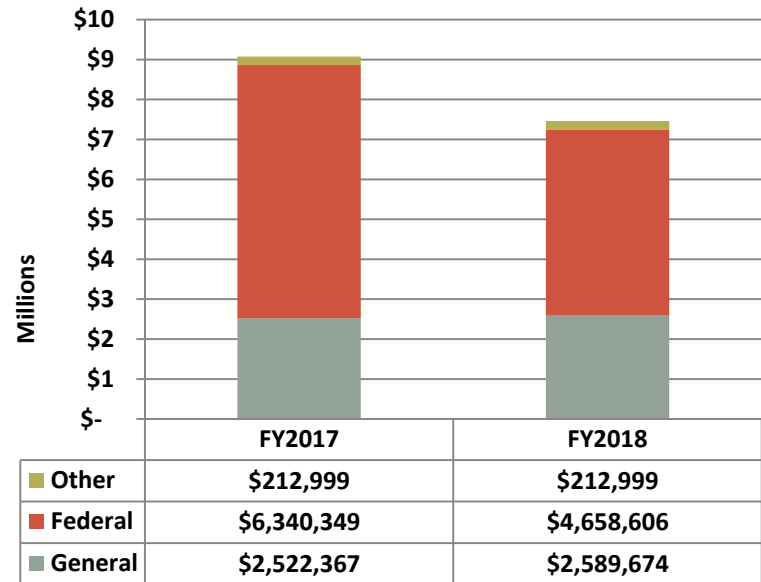
## Agency Budget

Major Budget Increases (Decreases)	General	Total	FTE	Outcome/Support
Grant and Contract Monitoring FTE	\$67,307	\$67,307	1.0	All Outcomes
Dual Credit	\$90,569	\$90,569		Graduate College, Career, and Life Ready
ESSA Accountability Compliance FTE	\$137,112	\$137,112	2.0	All Outcomes
FMAP Changes	\$(4,891)	\$0		
Authority Realignment	\$0	\$(1,831,743)		
<b>TOTAL</b>	<b>\$290,097</b>	<b>\$(1,536,755)</b>	<b>3.0</b>	

*Does not include budget for State Aid to K-12 or Postsecondary Technical Institutes*

# General Administration

- Includes budget supporting:
  - Secretary’s Office
  - Finance and Management



Major Budget Increases (Decreases)	General	Total	FTE
Grant and Contract Monitoring FTE	\$67,307	\$ 67,307	1.0
Authority Reduction	\$ 0	\$ (1,681,743)	
<b>TOTAL</b>	<b>\$ 67,307</b>	<b>\$ (1,614,436)</b>	<b>1.0</b>

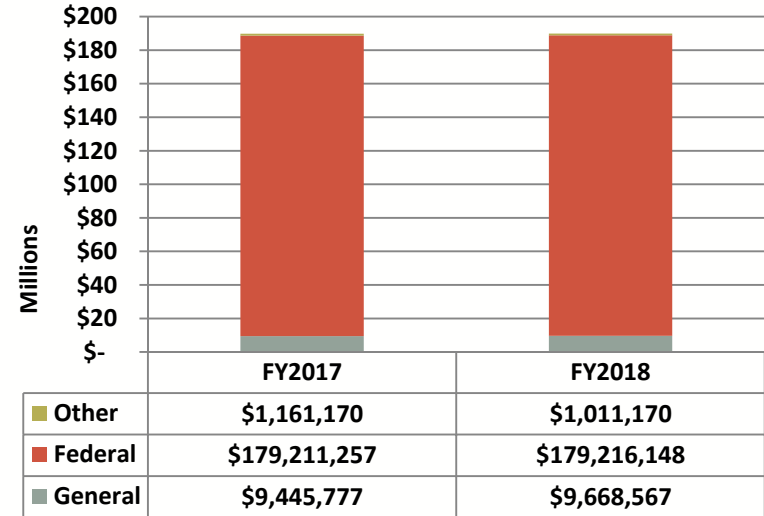
# **Grant and Contract Monitoring FTE**

**An FTE is requested to assist in the following areas:**

- **Assist with the increased request of Request for Proposals (RFP).**
- **Risk Assessment on all grant requests that are issued from the Contract and Budget Office.**
- **Fiscal Sub Recipient Monitoring of all grants that are issued from the Contract and Budget Office.**
- **Training of department and subrecipients of the duties and responsibilities of overseeing grants and contracts.**

# Education Services and Resources

- Career and Technical Education
- Assessment and Accountability
- Educational Services and Support
- Learning and Instruction

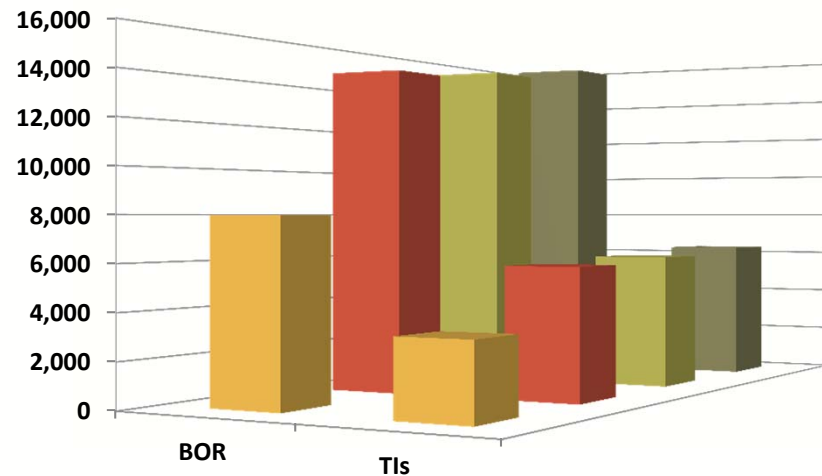


Major Budget Increases (Decreases)	General	Total	FTE
Dual Credit Program	\$90,569	\$90,569	
ESSA Accountability Compliance FTE	\$137,112	\$137,112	2.0
Authority Realignment	\$0	\$(150,000)	
Birth to Three Program FMAP Changes	\$(4,891)	\$0	
<b>TOTAL</b>	<b>\$ 222,790</b>	<b>\$77,681</b>	<b>2.0</b>



# Dual Credit Program

<b>Estimated FY18 Credits</b>	<b>22,026</b>
<b><u>State share/credit</u></b>	<b><u>\$96.67</u></b>
<b>Total Need</b>	<b>\$2,129,253</b>
<b><u>FY17 base budget</u></b>	<b><u>\$2,038,684</u></b>
<b>Increase from FY17 to FY18</b>	<b>\$ 90,569</b>



	BOR	TIs
2015	7,970.2	3,286.1
2016	14,449.8	5,789.5
2017 Projected	14,972.0	6,004.0
2018 Projected	15,721.0	6,305.0

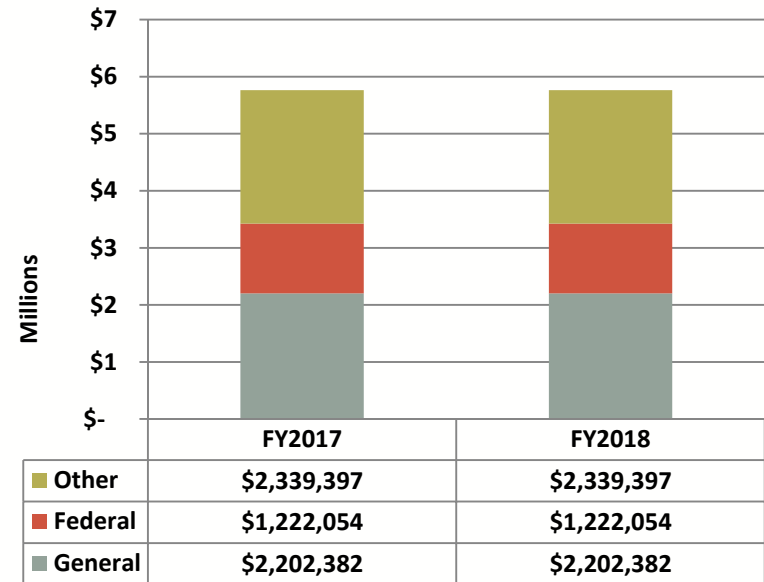
# ESSA Accountability

**A total of \$659,812 is being requested to develop and maintain the accountability report cards needed to meet the requirements of ESSA**

- 2.0 FTE and \$137,112 in the Division of Assessment and Accountability**
- \$527,700 within the Technology in Schools Budget for support for the SD STARS vendor**

# History

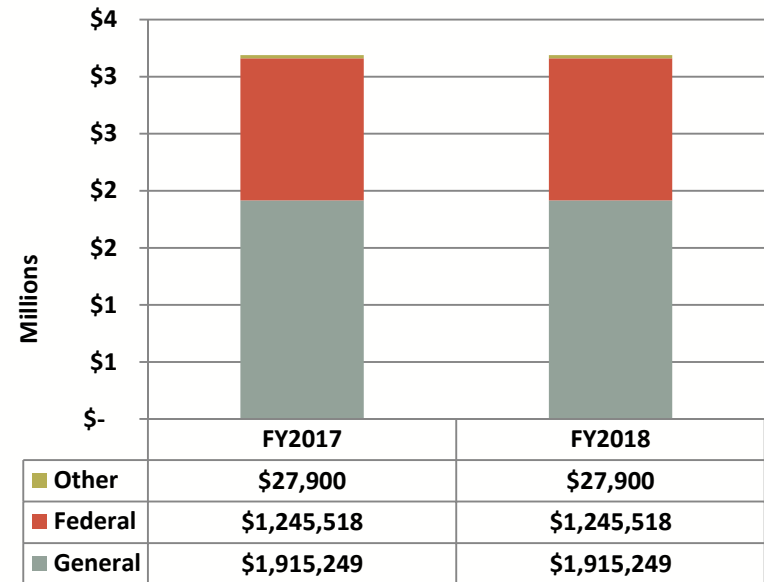
- Includes budget supporting:
  - Cultural Heritage Center
  - Historical Preservation Center
  - Archaeological Research Center



Major Budget Increases (Decreases)	General	Total
	\$ 0	\$ 0
<b>TOTAL</b>	<b>\$ 0</b>	<b>\$ 0</b>

# State Library

- Includes budget supporting:
  - Development Services
  - Access Services



Major Budget Increases (Decreases)	General	Total	FTE
	\$0	\$0	
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	

# One Time Requests

# One Time Requests

Reason for Amendment	General Funds	Total Funds	Outcome/Support
Perkins Data Enhancements	\$0	\$ 80,000	Graduate College, Career, and Life Ready
Postsecondary Technical Institutes Revision	\$(694,160)	\$(694,160)	
State Aid to General Education Formula Revision	\$(20,348,774)	\$(20,348,774)	
<b>TOTAL</b>	<b>\$(21,042,934)</b>	<b>\$(20,962,934)</b>	

# FY2017 Technical Institute Formula Revision

<b>FY2017 Budget Student FTE</b>	<b>5,905.0</b>
<b>FY2017 Actual Student FTE</b>	<b>5,707.5</b>
<b><u>Difference</u></b>	<b><u>197.5</u></b>
<b>X PSA of \$3,514.67</b>	<b>\$694,160*</b>

*\*difference due to rounding of FTE*

# FY2017 State Aid Formula Revision

Change to General Education Budget	State Funding Impact	% Variance
Higher Formula Need	\$843,439	0.1%
Higher local effort than budgeted	\$(5,181,871)	(1.6)%
Lost local effort less than budgeted	\$(624,140)	(16.3)%
½ Year property tax relief	(\$19,229,938)	(50.9)%
State Aid to Special Ed Formula Shortfall	\$2,843,736	
Reserved for other expenses (Jump Start, Cross Border)	\$1,000,000	
<b>Total Revision to FY2016 State Aid Budget</b>	<b>(\$20,348,774)</b>	<b>(4.5)%</b>



# State Aid

# State Aid Programs

- **State Aid to General Education**
- **State Aid to Special Education**
- **Sparsity**
- **National Board Certified Teachers**
- **Technology in Schools**

# State Aid to K-12

## Budget Increases & Decreases

K12 State Aid	General Funds	Total Funds	Outcome/Support
State Aid to General Education	\$6,152,384	\$6,152,384	All Outcomes
State Aid to Special Education	\$0	\$0	All Outcomes
Sparsity	\$5,892	\$5,892	All Outcomes
Technology in Schools	\$0	\$50,252	All Outcomes
Accountability Systems Support	\$527,700	\$527,700	All Outcomes
<b>TOTAL</b>	<b>\$6,846,447</b>	<b>\$6,896,699</b>	

# General State Aid Calculations: Total Teacher Compensation

State Aid Fall Enrollment	\$	133,417.93
Statewide Target Teacher Ratio	\$	14.50
<b>Statewide Target Number of Teachers</b>	<b>\$</b>	<b>9,198.08</b>
<b>Multiplied by: 2017-2018 Target Teacher Compensation</b>		
FY2017 Target Teacher Salary	\$	48,500.00
Increased by 1% (CPI-W or 3% whichever is less)	\$	485.00
<b>FY2018 Target Teacher Salary</b>	<b>\$</b>	<b>48,985.00</b>
<b>Increased by Benefit Rate</b>		<b>29%</b>
<b>Equals FY2018 Target Teacher Compensation</b>	<b>\$</b>	<b>63,190.65</b>
<b>FY2018 Total Teacher Compensation</b>	<b>\$</b>	<b>581,232,541</b>

# General State Aid Calculations: Overhead and Total Need

<b>FY2018 Total Teacher Compensation</b>	<b>\$</b>	<b>581,232,541</b>
<b>Overhead Rate</b>		<b>31%</b>
<b>FY2018 Overhead Need</b>	<b>\$</b>	<b>180,182,088</b>
<b>Plus Other Revenue to be Equalized</b>	<b>\$</b>	<b>257,799</b>
<b>Equals FY2018 Overhead Need</b>	<b>\$</b>	<b>180,439,887</b>
<b>FY2018 Overhead Rate</b>		<b>31.04%</b>
<i>Divide Overhead Need by Total Teacher Compensation</i>		
<b>TOTAL FORMULA NEED</b>	<b>\$</b>	<b>761,672,429</b>

# General State Aid Calculations: Other Adjustments and Statewide Need

<b>TOTAL FORMULA NEED</b>	<b>\$</b>	<b>761,672,429</b>
<b>Plus Other Adjustments:</b>		
Alternative Formula Need	\$	3,161,216
ELL Adjustment	\$	3,593,976
Plus Technology and Assessment Adjustment	\$	13,807,711
Plus Sparsity	\$	2,015,561
<b>Total Other Adjustments</b>	<b>\$</b>	<b>22,578,464</b>
<b>TOTAL STATEWIDE NEED</b>	<b>\$</b>	<b>784,250,893</b>

# General State Aid Calculations: State Share

<b>TOTAL STATEWIDE NEED</b>	<b>\$ 784,250,893</b>
<b>Less: Statewide Local Effort</b>	
Local Effort - Property Taxes	\$ 316,860,038
Local Effort - Other Revenues Equalized	\$ 257,799
Adjust for districts whose local effort exceeds need	\$ 3,407,327
<b>Total Fiscal Year 2018 State Aid</b>	<b>\$ 470,540,382.07</b>
<b>Fiscal Year 2017 Budgeted:</b>	
State Aid to General Ed	\$ 448,404,255
Technology and Assessment Adjustment	\$ 13,280,011
Sparsity	\$ 2,009,669
<b>Total FY2017 Budgeted:</b>	<b>\$ 463,693,935</b>
<b>FY2018 Need less FY2017 Budgeted</b>	<b>\$ 6,846,447</b>

# Other Items in State Aid Budget

- **Lead Deadwood Career Tech Academy**
- **Children Placed in Residential Treatment Centers**
- **Jump Start Scholarship**
- **Cross Border Agreements**
- **Deadwood Gaming Revenue**



# State Aid to Special Education

	FY2018		
	Funding Per		
Disability Level	Disability Level	Dec. 1 2017 Child Count	FY2018 Local Need
Level 1	\$ 5,510.56	14,592.6	\$ 80,413,398
Level 2	\$ 12,717.92	2,966	\$ 37,721,351
Level 3	\$ 16,209.49	356	\$ 5,770,578
Level 4	\$ 15,719.64	1,256	\$ 19,743,868
Level 5	\$ 28,076.99	413	\$ 11,595,797
Level 6	\$ 8,087.07	323	\$ 2,612,124
<b>FORMULA NEED</b>			<b>\$ 157,857,115</b>
<b>Plus Adjustments:</b>			
Extraordinary Cost Fund Allocation			\$ 4,000,000
SDSBVI Summer Program			\$ 200,000
<b>STATEWIDE LOCAL NEED</b>			<b>\$ 162,057,115</b>
Less: Statewide Local Effort			\$ 119,487,030
Adjust for districts whose local effort exceeds			\$ 20,724,635
<b>Total FY2018 State Aid</b>			<b>\$ 63,294,720</b>
<i>Current MOE</i>			<i>\$ 64,587,054</i>
<b>FY2017 Budget for State Aid</b>			<b>\$ 64,587,054</b>
<b>FY2018 Increase Needed*</b>			<b>\$ -</b>

## **FY2016 Extraordinary Cost Fund (ECF)**

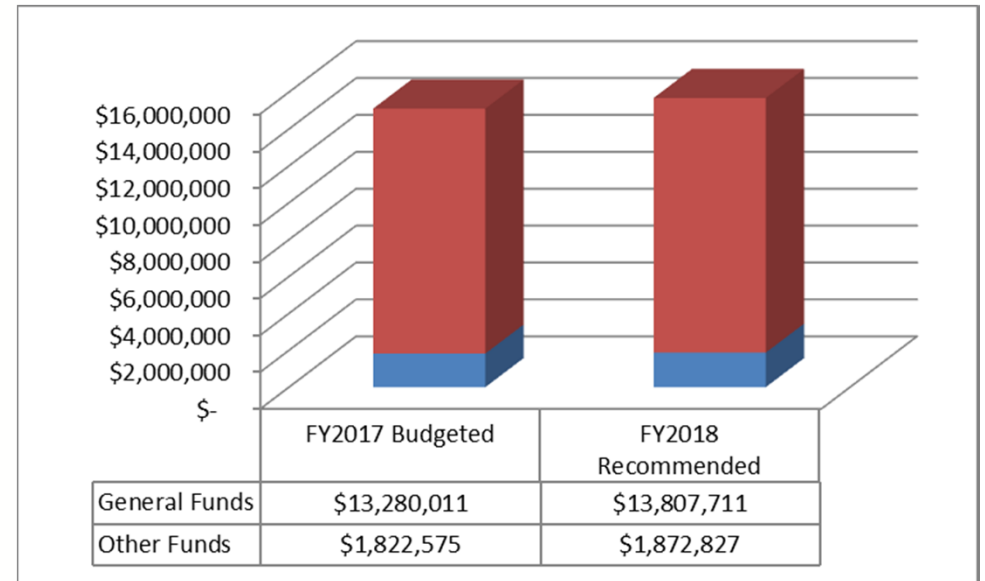
- **26 School districts awarded funding**
- **Total awards equaled \$4,559,803**
  - **Awards ranged from \$11,529 to \$610,033**
    - 19 awards were less than \$200,000
    - 4 were between \$200,000 and \$300,000
    - 3 were between \$500,000 and \$600,000
- **\$4,940,197 available for FY2017**
  - **\$4,000,000 budgeted**
  - **\$940,197 carried forward from FY2016**

# Sparsity Formula

- **School districts that meet certain criteria are considered to be sparse.**
  - Fall enrollment per square mile  $\leq 0.50$
  - Fall enrollment  $\leq 500$
  - Land area  $\geq 400$  square miles
  - At least 15 miles to nearest high school
  - Levies at the maximum level
- **These districts are eligible for payment of up to 75% of the general state aid per student equivalent for each student with a maximum payment of \$110,000**
- **A list of districts receiving sparsity funding can be found on Page 15 of the LRC briefing document**

# Technology in Schools

- Includes budgets supporting:
  - Connecting
  - Information Systems
  - Support for Schools



Major Budget Increases (Decreases)	General	Total
K12 Data Center	\$0	\$37,252
SD STARS Support	\$0	\$13,000
ESSA Accountability Support	\$527,700	\$527,700
<b>TOTAL</b>	<b>\$ 527,700</b>	<b>\$577,952</b>

# Workforce Education Fund Distributions

- **Secondary CTE programs = \$2,500,000**
  - **Workforce Education Grants**
- **Any amount remaining used for one-time education enhancement programs that are defined annually and approved by the legislature.**

# Workforce Education Grant Awards

- **FY2016:**
  - \$1,500,000 available
  - \$828,513 awarded
- **FY2017:**
  - \$2,500,000 available
  - \$1,435,898 awarded
    - Anticipate additional awards in April 2017
- **FY2018:**
  - \$1,526,524 anticipated to be available at this time

# One-Time Education Enhancement

- **FY2016:**
  - **\$250,000 for SDSMT Summer Math Program**
- **FY2017**
  - **\$1,760,000 for Native American Achievement Schools Grants**
  - **\$440,000 for Paraprofessional Scholarships**
- **FY2018:**
  - **No funds anticipated to be available at this time**

# For More Information

[www.doe.sd.gov](http://www.doe.sd.gov)

