

Department of Education

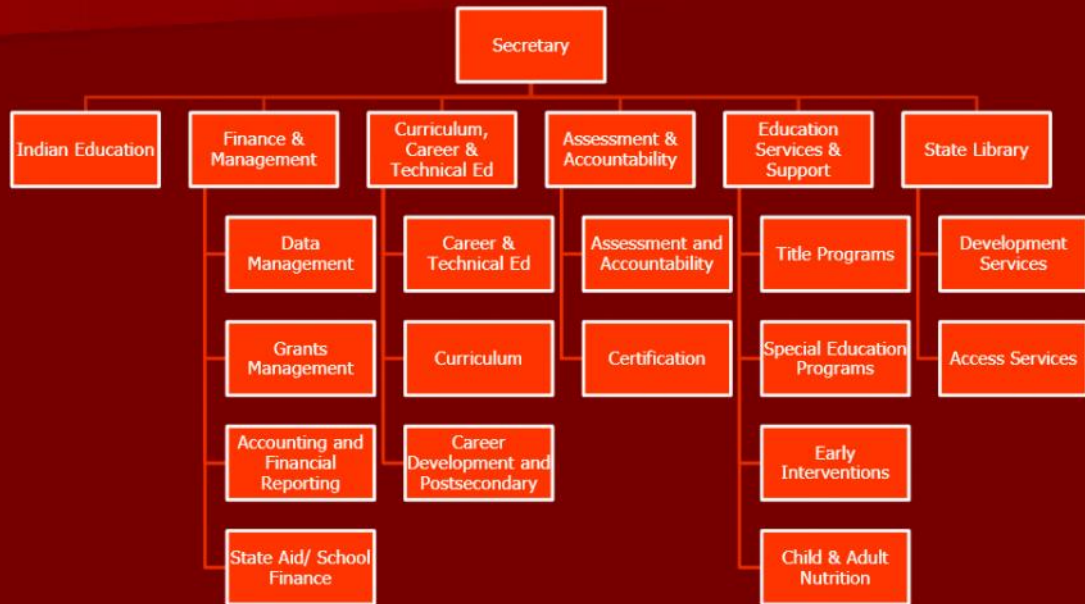
FY2014 Budget Overview
Presented to the Joint Appropriations Committee
January 22, 2013

south dakota
DEPARTMENT OF EDUCATION

DOE Mission Statement

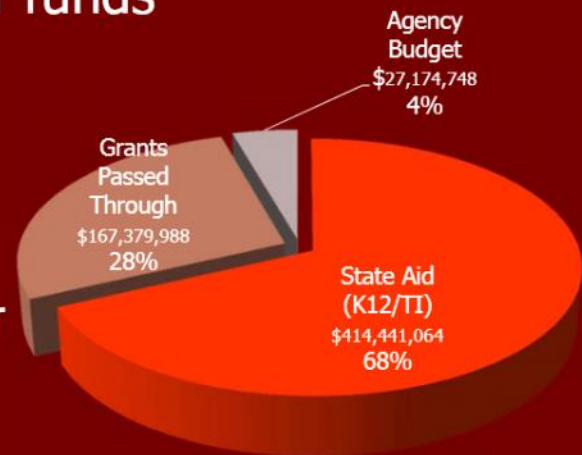
South Dakota's Department of Education is dedicated to enhancing *learning* through *leadership* and *service*.

Department Organization



FY14 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



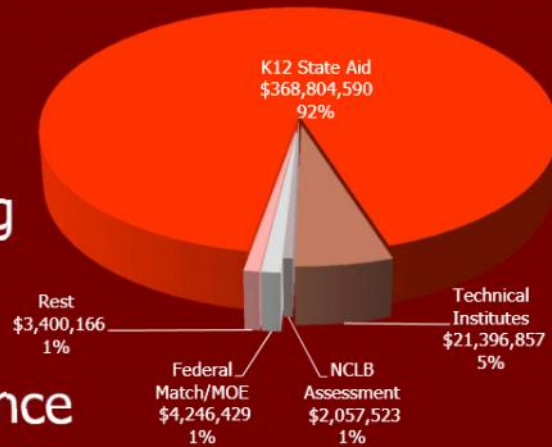
Total Budget = \$608,995,800

FY14 Governor Rec. Budget Compared to FY13 Operating

	FY13 Operating Budgeted	FY14 Recommended Budget	\$ Change	% Change
General Funds	\$399,905,565	\$423,203,637	\$ 23,298,072	5.8 %
Federal Funds	\$180,435,662	\$181,850,455	\$ 1,414,793	0.8 %
<u>Other Funds</u>	<u>\$ 3,719,451</u>	<u>\$ 3,941,708</u>	<u>\$ 222,257</u>	<u>6.0 %</u>
<u>Total</u>	<u>\$584,060,678</u>	<u>\$608,995,800</u>	<u>\$ 24,935,122</u>	<u>4.3 %</u>
FTE	133.0	134.0	1.0	0.75%

FY13 General Fund Budget

- General Funds within the Department's budget consist mostly of aid to schools and funding required to meet federal program match or maintenance of effort requirements



Student Outcomes

- Students enter 4th grade proficient or advanced in reading
- Students enter 9th grade proficient or advanced in math
- The gap for Native American students is eliminated
- Students graduate high school ready for postsecondary or the workforce

Foundational Supports

- Students have access to high quality standards and instruction
- Students are supported by effective teachers and leaders
- Students enter schools that provide an environment conducive to learning
- Students have opportunities to engage in 21st century learning

Budget Increases & Decreases

Agency Budget

	General Funds	Total Funds	FTE	Outcome/Support
Teacher Evaluation Software	\$320,880	\$320,880		Effective Teachers/Leaders
Accuplacer/MyFoundation Labs	\$120,000	\$120,000		Graduate HS ready for postsecondary/workforce
NCRC Work Keys	\$218,250	\$218,250		Graduate HS ready for postsecondary/workforce
Advanced Placement Courses	\$169,700	\$169,700		Graduate HS ready for postsecondary/workforce
GearUp Grant		\$2,320,736		The gap for Native American students is eliminated
Longitudinal Data System Grant		\$1,104,058		Data/tools to measure outcomes and supports
Budget FTE	\$ 31,832	\$ 63,660	1.0	Access to high quality standards and instruction
CANS Inspections	\$ 27,965	\$ 33,409		Provide an environment conducive to learning
CANS Match	\$ 40,359	\$ 40,359		Provide an environment conducive to learning
Birth to Three		\$(224,327)		
ARRA Reduction		\$(1,835,000)		
Technical Institute M&R Fund		\$220,000		
Bureau Billings	\$ 31,025	\$ 43,780		

Budget Increases & Decreases State Aid

	General Funds	Total Funds	Outcome/Support
State Aid to General Education	\$15,358,189	\$15,358,189	
State Aid to Special Education	\$ 6,291,437	\$ 6,291,437	
Sparsity	\$ 24,579	\$ 24,579	
Consolidation Incentives	\$ (78,000)	\$ (78,000)	
Postsecondary Technical Institutes Formula	\$ 657,685	\$ 657,685	
Technology in Schools	\$ 580,000	\$ 580,000	Students have opportunities to engage in 21st century learning
Technical Institute Scholarships (197mw)	\$ (500,000)	\$ (500,000)	
Bureau Billings	\$ 4,171	\$ 5,727	

Division Budgets

General Administration

- Includes budget supporting:

- Secretary's Office
- Board of Education
- Indian Education
- Finance & Management
- Delivery Unit



- FY14 Recommended Budget:

- Total Change..... \$3,503,995
- General Fund Increase.... \$ 44,308

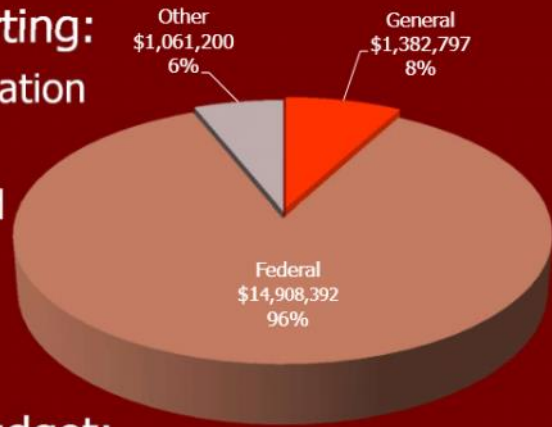
General Administration Budget Increases & Decreases

	General Funds	Total Funds	FTE	Outcome/Support
GearUp Grant		\$2,320,736		The gap for Native American students is eliminated
Longitudinal Data System Grant		\$1,104,058		Data/tools to measure outcomes and supports
Budget FTE	\$ 31,832	\$ 63,660	1.0	Access to high quality standards and instruction
Bureau Billings	\$ 12,476	\$ 15,541		

Division of Curriculum, Career, & Technical Education

- Includes budget supporting:

- Career & Technical Education
- Curriculum
- Career Development and Postsecondary



- FY14 Recommended Budget:

- Total Change..... \$ 728,289
- General Fund Increase.... \$ 508,175

Curriculum, Career, & Technical Education

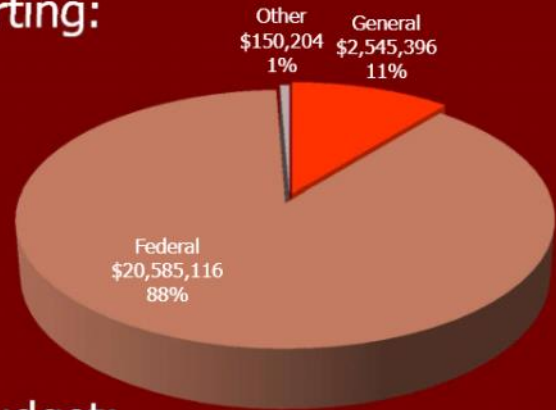
Budget Increases & Decreases

	General Funds	Total Funds	FTE	Outcome?
Accuplacer/MyFoundation Labs	\$120,000	\$120,000		Graduate HS ready for postsecondary/workforce
NCRC Work Keys	\$218,250	\$218,250		Graduate HS ready for postsecondary/workforce
Advanced Placement Courses	\$169,700	\$169,700		Graduate HS ready for postsecondary/workforce
Technical Institute M&R Fund		\$220,000		
Bureau Billings	\$ 225	\$ 339		

Division of Assessment and Accountability

- Includes budget supporting:

- Certification
- Assessment and Accountability



- FY14 Recommended Budget:

- Total Change..... \$ 330,731
- General Fund Increase.... \$ 323,203

Division of Assessment and Accountability

Budget Increases & Decreases

	General Funds	Total Funds	FTE	Outcome?
Teacher Evaluation Software	\$320,880	\$320,880		Effective Teachers/Leaders
Bureau Billings	\$ 2,323	\$ 9,851		

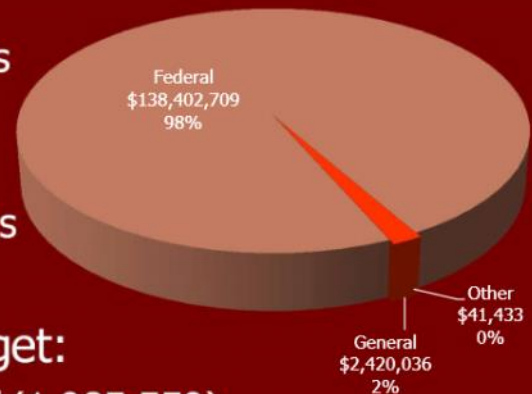
Division of Educational Services and Support

- Includes budget supporting:

- Title Programs
- Special Education Programs
- Child and Adult Nutrition Programs
- Early Intervention Programs

- FY14 Recommended Budget:

- Total Change..... \$(1,985,559)
- General Fund Increase.... \$ 68,324



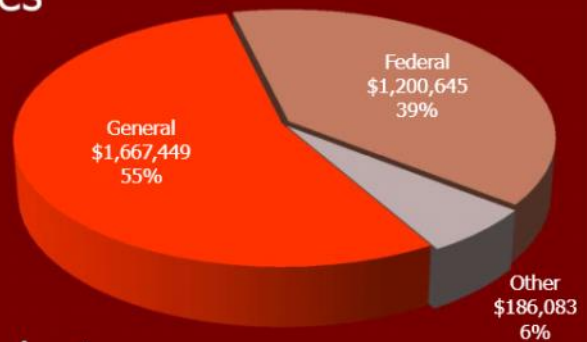
Division of Educational Services and Support

Budget Increases & Decreases

	General Funds	Total Funds	FTE	Outcome?
CANS Inspections	\$ 27,965	\$ 33,409		
CANS Match	\$ 40,359	\$ 40,359		
Birth to Three		\$(224,327)		
ARRA Reduction		\$(1,835,000)		

State Library

- Provides leadership for innovation and excellence in libraries and services for state government



- FY14 Recommended Budget:
 - Total Change..... \$ 18,049
 - General Fund Increase.... \$ 16,001

Division of the State Library

Budget Increases & Decreases

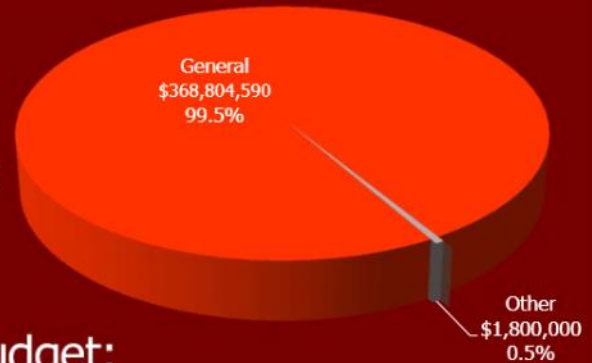
	General Funds	Total Funds	FTE	Outcome?
Bureau Billings	\$ 16,001	\$ 18,049		

State Aid

State Aid Budget

- Includes budget supporting:

- State Aid to General Ed
- State Aid to Special Ed
- Sparsity Payments
- Consolidation Incentives
- Technology in Schools



- FY14 Recommended Budget:

- Total Change.....\$22,181,932
- General Fund Increase.... \$22,180,376

State Aid

Budget Increases & Decreases

	General Funds	Total Funds
3.0% inflationary increase (\$4,490.92 to \$4,625.65)	\$ 17,262,281	\$ 17,262,281
Increase in enrollments	\$ 7,489,523	\$ 7,489,523
Adjustment of levies	\$ (9,393,615)	\$ (9,393,615)
State Aid to Special Education	\$ 6,291,437	\$ 6,291,437
Sparsity	\$ 24,579	\$ 24,579
Consolidation Incentives	\$(78,000)	\$(78,000)
DDN Budget - bandwidth	\$ 580,000	\$ 580,000
Bureau Billings	\$ 4,171	\$ 5,727

State Aid to General Education Calculation for FY2014

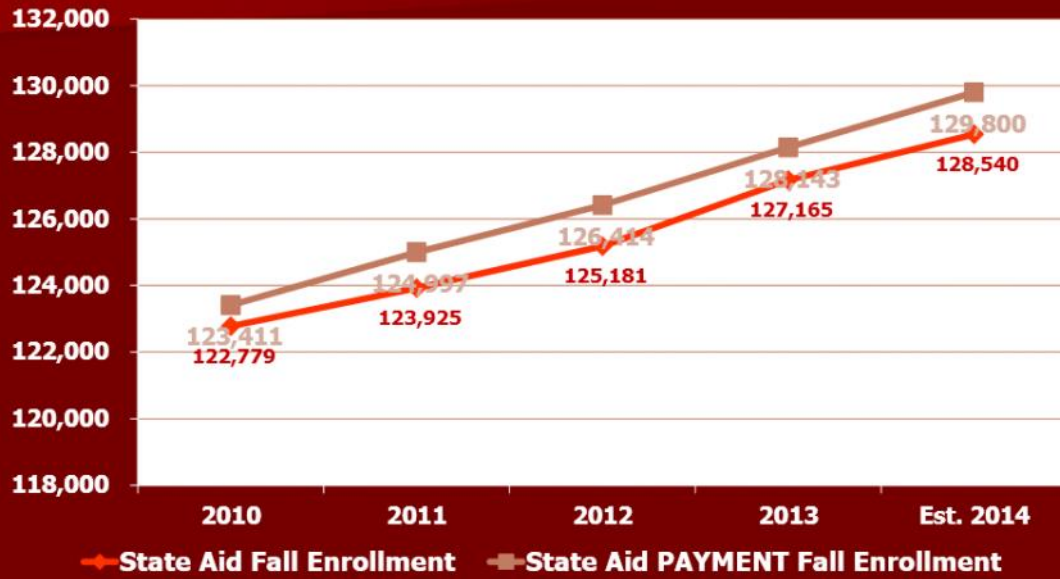
State Aid Fall Enrollment	129,800	
Multiplied by: 2012-2013 Per Student Allocation		
2012-2013 School Year Per Student Allocation	\$ 4,490.92	
Increased by 3.0%	\$ 134.73	
2012-2013 School Year Per Student Allocation	\$ 4,625.65	
Sub Total	\$ 600,409,370	
Plus Other Adjustments:		
Small School Adjustment	\$ 17,583,588	
Equals Statewide Local Need	\$ 617,992,958	
Less: Statewide Local Effort	\$ 290,458,264	
Adjust for districts whose local effort exceeds need	\$ 2,761,240	
Total Fiscal Year 2013 State Aid	\$ 330,295,934	
Fiscal Year 2013 Budget for State Aid	\$ 314,937,745	
FY14 State Need less FY13 Budget	\$ 15,358,189	

State Aid Fall Enrollment:
Greater of the current year enrollment or the average of the two previous years enrollment as of the last Friday in September, adjusted for students for which tuition is paid and reduced by students for whom tuition is received.

Small School Adjustment:
School districts with less than 600 students receive more than the basic per student allocation per student. School districts with a state aid fall enrollment of 200 or less receive an additional \$848 for each student. Districts with more than 200 but less than 600 students receive additional dollars on a sliding scale, declining from slightly less than \$848 per student for districts over 200 students to \$0 per student for districts with 600 students. Though the impact of the adjustment varies for each district depending on the districts fall enrollment, on the average, the adjustment equates to an increase in the per student allocation of \$561 per student enrolled in districts with fewer than 600 students.

Local Tax Effort:
Property valuation times the annual tax rate (levy). For FY2014, the Governor is recommending that levies for taxes payable in calendar year 2014 are as follows:
Ag: \$2.082
Owner Occupied: \$4.279
Other NA & Utilities: \$9.163

Fall Enrollment Count vs. Paid



Due to two year averaging, the number of students State Aid is paid on is greater than the number of students in the seat.

State Aid to Special Education Calculation for FY2014

FY 13 State Aid to Special Education Estimate:

FY 13 Appropriation	\$45,613,203
FY12 carryover (SDCL 13-37-40)	\$2,611,397
FY12 carryover (HB1041)	<u>\$1,805,023</u>
TOTAL FUNDING AVAILABLE	\$50,029,623
Required MOE (DOE Share)	\$50,029,623
Estimated Formula Cost	\$48,706,223
Estimate Extraordinary Cost Fund Need	<u>\$3,799,883</u>
TOTAL ESTIMATED COSTS FOR FY 13	\$52,506,106
Need less Amount Available:	-\$2,476,483

FY14 State Aid to Special Education - Gov Recommended:

Formula Cost	\$47,904,640
Estimate Extraordinary Cost Fund Need	<u>\$4,000,000</u>
TOTAL ESTIMATED COSTS FOR FY 14	\$51,904,640
FY13 Appropriation	\$45,613,203
Statutory 5.75% Rollover from FY 13	<u>\$0</u>
TOTAL FUNDING AVAILABLE	\$45,613,203
Required MOE	\$50,029,623
FY14 Increase Needed	\$6,291,437

State Aid to Special Education FY2013 1st Half ECF Requests

District Name	Amount Requested	District Name	Amount Requested
Avon 04-1	\$32,982	Gayville-Volin 63-1	\$44,842
Bon Homme 04-2	\$111,892	Hamlin 28-3	\$31,899
Burke 26-2	\$5,546	Lake Preston 38-3	\$72,908
Canton 41-1	\$85,484	Lead-Deadwood 40-1	\$63,580
Colman-Egan 50-5	\$32,140	McCook Central 43-7	\$51,933
Dell Rapids 49-3	\$126,250	Mount Vernon 17-3	\$45,854
Deubrook Area 05-6	\$25,908	Scotland 04-3	\$29,190
Elkton 05-3	\$41,022	Sioux Valley 05-5	\$50,408
Estelline 28-2	\$64,858	Smee 15-3	\$176,229
Florence 14-1	\$91,420	Tri-Valley 49-6	\$64,268
Freeman 33-1	\$56,164	Wilmot 54-7	\$48,254
			\$1,353,031

Sparsity Payment

- School districts that meet certain criteria are considered to be sparse.
 - Fall enrollment per square mile ≤ 0.50
 - Fall enrollment ≤ 500
 - Land area ≥ 400 square miles
 - At least 15 miles to nearest high school
 - Levies at the maximum level

Sparsity Payment (cont.)

- Eligible for payment of up to 75% of the PSA for each student with a maximum payment of \$110,000
- Payment is pro-rated if total need is greater than budgeted amount
- FY13 Budget = \$1,819,627
 - Asking for additional \$9,310 in HB1060 to fund shortfall
- Affects approximately 28 districts

Consolidation Incentives

- SDCL 13-6-92 and 13-6-92.1 provided incentive payments to school districts that consolidated prior to July 2010 for a period of 3 years after the consolidation
- Incentives will end after FY14
- FY13 Need...\$134,400
- FY14 Need...\$ 56,400

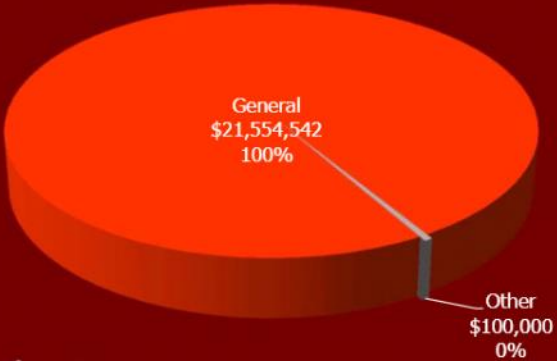
Technology in Schools (Digital Dakota Network)

<u>Service</u>	<u>FY13</u>	<u>Proposed</u>	<u>FY14</u>	<u>Explanation</u>
	<u>Budgeted</u>	<u>Change from</u> <u>FY 13 Budget</u>	<u>Requested</u>	
Telecommunications/ Bandwidth	\$3,012,522	\$ 580,000	\$3,592,522	Frame Relay & ATM technologies that connect the schools and comprise the DDN core facilities
Internet Service Provider	\$789,861		\$789,861	Connect the DDN to the world
Network Management	\$649,427		\$649,427	Daily support, troubleshooting and management of the DDN
DDN Maintenance	\$102,843		\$102,843	Support, maintenance, and upgrades of WAN components (routers, ATM switches, ethernet switches)
DDN Video Services & Maintenance	\$224,819		\$224,819	Distance learning support responsibilities for DDN video (Pierre hub)
DDN Professional Services	\$64,800		\$64,800	On site support of the wide area network equipment at the schools
DDN School Support	\$288,583	\$ 5,727	\$294,310	Providing strategic and tactical solutions to local school technology (BIT)
DDN Training	\$86,436		\$86,436	Annual training of K12 technologists
K-12 Network Security	\$393,402		\$393,402	Firewalls/Filters, IDS Systems, and administration
DSU K12 Data Center Services & Maintenance	\$522,960		\$522,960	E-mail, web hosting, WebCT and DNS services for the schools.
Student Information System	\$1,410,755		\$1,410,755	Ongoing costs of operation of statewide Student Information System
E-Rate Technical Assistance & Consulting Services	\$109,500		\$109,500	Provide tech assistance to the state and schools on e-rate applications
CANS System	\$100,000		\$100,000	Maintenance of ICANS system
SDMyLife/Career Cruisin	\$250,000		\$250,000	
Classroom Connections				
Replacements and Upgrades	\$93,707		\$93,707	
Total Costs	\$8,099,615	\$ 585,727	\$8,685,342	
<u>Funding</u>				
Projected E-Rate Revenue	\$1,800,000		\$1,801,556	
General Funds Needed	\$6,299,615		\$6,883,786	

Technical Institute Funding

Technical Institutes

- Includes support for:
 - Per Student Allocation
\$3,116.90 (FY13)
 - FY14 = \$3,210.41
 - Bonding Set-aside
\$ 1,650,000



- FY14 Recommended Budget:
 - Total Change..... \$ 157,685
 - General Fund Increase.... \$ 157,685

Technical Institutes

Budget Increases & Decreases

	General Funds	Total Funds
3.0% increase in per pupil funding (\$3,116.90 to \$3,210.41)	\$ 577,425	\$ 577,425
Increase in number of students (6,175 budget in FY13 to est. 6,200 for FY14)	\$ 80,260	\$ 80,260
Decrease – 197mw funding from 2012 session	\$ (500,000)	\$ (500,000)

Amendments to FY13 Budget

	General Funds	Total Funds	Outcome/Support
Teacher Evaluation Software One-time Costs	\$ 150,896	\$ 150,896	Effective Teachers/Leaders
Jobs for America's Grads (JAG)	\$ 225,000	\$ 225,000	The gap for Native American students is eliminated
State Aid to General Education Shortfall	\$ 637,940	\$ 637,940	
State Aid to Special Education Shortfall	\$2,476,483	\$2,476,483	
Sparsity Shortfall	\$ 9,310	\$ 9,310	
Technical Institute Formula Reversion	\$ (557,644)	\$ (557,644)	
Technical Institute M&R Fund		\$ 210,000	

For More Information



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