

# Department of Education

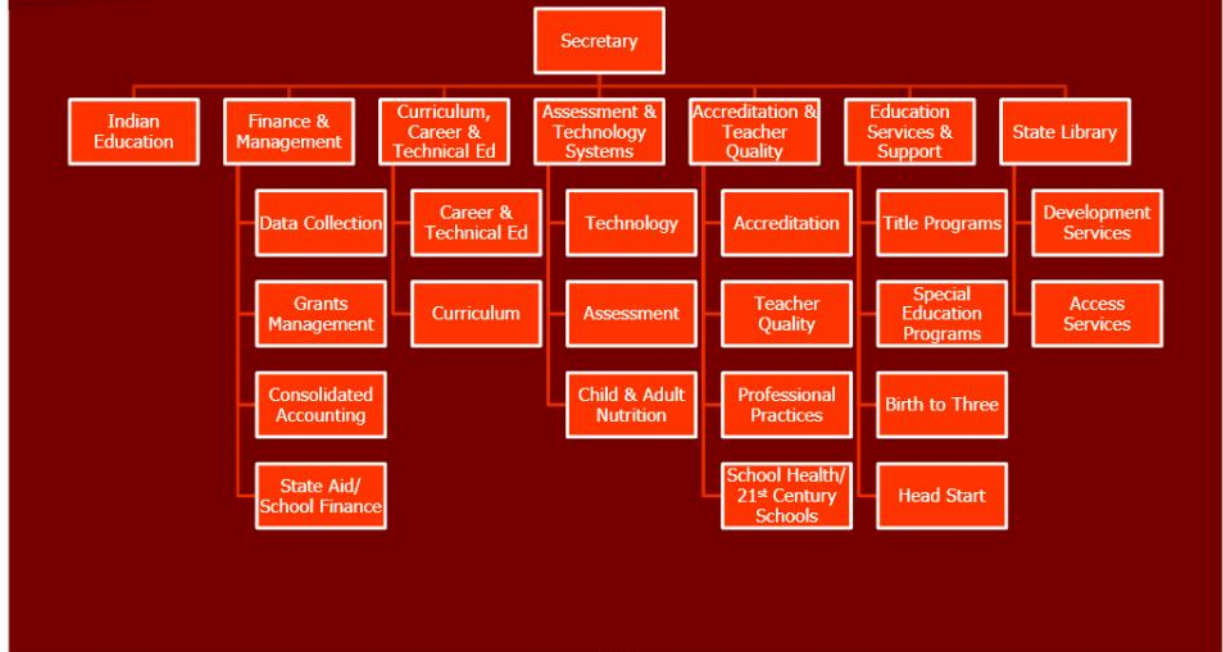
**FY2013 Budget Overview**  
Presented to the Joint Appropriations Committee  
January 24, 2012

**south dakota**  
DEPARTMENT OF EDUCATION

# DOE Mission Statement

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

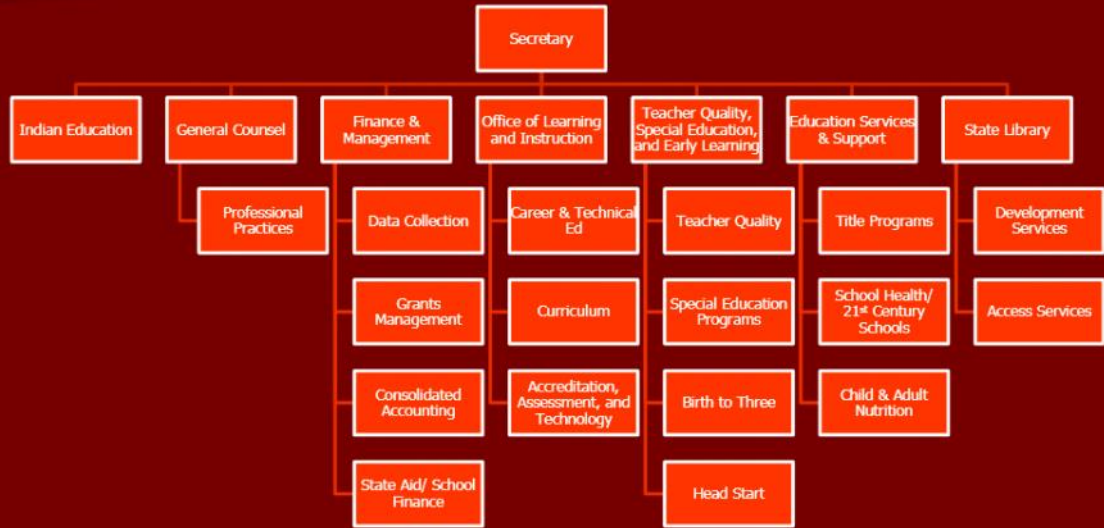
# Department Organization



## New Structure in FY13

- Eliminated Office of Assessment and Technology Systems
- Reorganized programs as to group together for better interconnection and efficiency
- Used vacant director position to create a General Counsel position for DOE

# Department Organization (New)



# Measuring Success

- **Directly through Participation in Programs offered.**

Examples include:

- Number of Students Participating in Virtual Schools
- Career Cluster Camps Participation
- Participants in Trainings Offered, such as
  - Common Core Training
  - Library sponsored training
- SMyLife Usage
- GearUp Participants
- AP Course Participants
- Hits to online databases
- Circulation and distribution of library materials

## Measuring Success (cont.)

- Indirectly through Student Successes.  
Examples include:
  - Assessment scores
    - D-STEP
    - ACT
  - AP Test Scores
  - Graduation rates
  - Helping schools move out of program improvement
  - Number of students attending postsecondary institutions
  - Tech School Placement Rates

# Budget Overview



# FY13 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

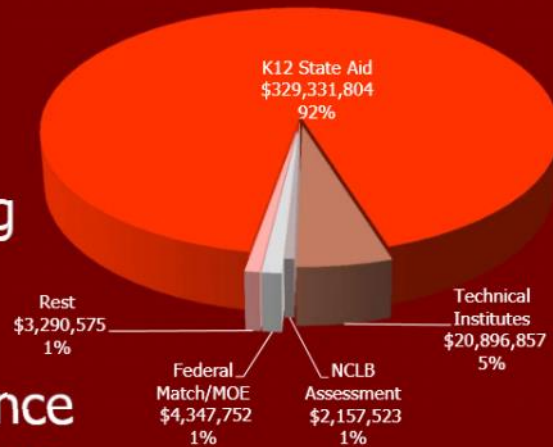


# FY13 Governor Rec. Budget Compared to FY 12 Operating

	<b>FY12 Operating Budgeted</b>	<b>FY13 Recommended Budget</b>	<b>\$ Change</b>	<b>% Change</b>
General Funds	\$359,436,293	\$399,268,378	\$ 39,832,085	11.1 %
Federal Funds	\$208,318,380	\$180,428,752	\$(27,889,628)	(13.4)%
<u>Other Funds</u>	<u>\$ 4,404,700</u>	<u>\$ 3,716,132</u>	<u>\$ (688,568)</u>	<u>(15.6)%</u>
<u>Total</u>	<u>\$572,159,373</u>	<u>\$583,413,262</u>	<u>\$ 11,253,889</u>	<u>2.0 %</u>
FTE	133.0	133.0	0.0	0%

# 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



# Budget Increases & Decreases

	General Funds	Total Funds	FTE
State Aid to General Education	\$39,090,660	\$ 39,090,660	
Sparsity	\$ 38,012	\$ 38,012	
Consolidation Incentives	\$ (342,400)	\$ (342,400)	
Postsecondary Technical Institutes	\$ 356,573	\$ 356,573	
Technology in Schools	\$ 200,000	\$ 0	
SDMyLife	\$ 250,000	\$ 250,000	
Laptop in Schools Program	\$ 0	\$ (502,423)	
College and Career Readiness	\$ 62,500	\$ 62,500	
Birth to Three	\$ 0	\$ 400,799	
ARRA	\$ 0	\$(28,470,485)	
Bureau Billings	\$ 24,509	\$ 42,915	
Employee Compensation Package	\$ 152,231	\$ 327,738	

# Technical Institute Funding

# Technical Institutes

- Includes support for:
  - Per Student Allocation  
\$3,116.90
  - Bonding Set-aside  
\$ 1,650,000



- FY13 Recommended Budget:
  - Total Change..... \$ 356,573
  - General Fund Increase.... \$ 356,573

# Postsecondary Tech. Institutes

## Budget Increases & Decreases

	General Funds	Total Funds	FTE
2.3% increase in per pupil funding (\$3,046.82 to \$3,116.90)	\$ 434,496	\$ 434,496	
Decrease in number of students (6,200 budget in FY12 to est. 6,175 for FY13)	\$( 77,923)	\$( 77,923)	

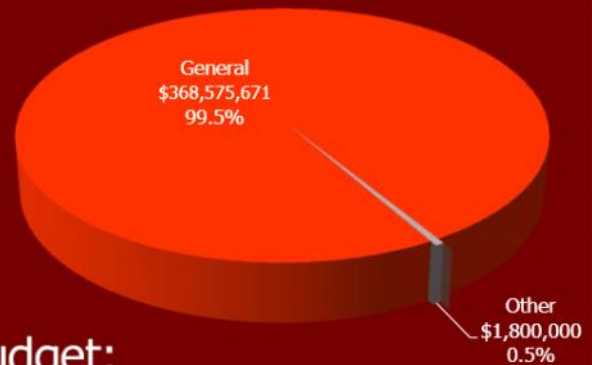
# State Aid



# State Aid Budget

- Includes budget supporting:

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



- FY13 Recommended Budget:

- Total Change..... \$38,541,444
- General Fund Increase.... \$39,243,867

# State Aid

## Budget Increases & Decreases

	General Funds	Total Funds
2.3% inflationary increase (\$4,389.95 to \$4,490.92)	\$ 9,834,158	\$ 9,834,158
Increase in enrollments	\$ 2,964,241	\$ 2,964,241
Replace Stimulus 3 funding	\$26,292,261	\$26,292,261
Sparsity	\$ 38,012	\$ 38,012
Consolidation Incentives	\$( 342,400)	\$( 342,400)
DDN Budget – funding swap	\$ 200,000	\$ 0
SMyLife/Career Cruisin'	\$ 250,000	\$ 250,000
Laptop in Schools Program	\$ 0	\$( 502,423)

# State Aid to General Education Calculation for FY2013

<b>State Aid Fall Enrollment</b>	<b>128,125</b>	
<b>Multiplied by: 2012-2013 Per Student Allocation</b>		
2011-2012 School Year Per Student Allocation	\$ 4,389.95	
Increased by 2.3%	\$ 100.97	
<b>2012-2013 School Year Per Student Allocation</b>	<b>\$ 4,490.92</b>	
<b>Sub Total</b>	<b>\$ 575,399,125</b>	
<b>Plus Other Adjustments:</b>		
Small School Adjustment	\$ 17,842,029	
<b>Equals Statewide Local Need</b>	<b>\$ 593,241,154</b>	
Less: Statewide Local Effort	\$ 280,303,409	
Adjust for districts whose local effort exceeds need	\$ 2,000,000	
<b>Total Fiscal Year 2013 State Aid</b>	<b>\$ 314,937,745</b>	
<b>Fiscal Year 2012 Budget for State Aid</b>	<b>\$ 302,139,346</b>	
<b>FY13 State Need less FY12 Budget</b>	<b>\$ 12,798,399</b>	
<b>Replace FY11 Stimulus 3 Carryover</b>	<b>\$ 26,292,261</b>	
<b>Total FY13 Increase Needed</b>	<b>\$ 39,090,660</b>	

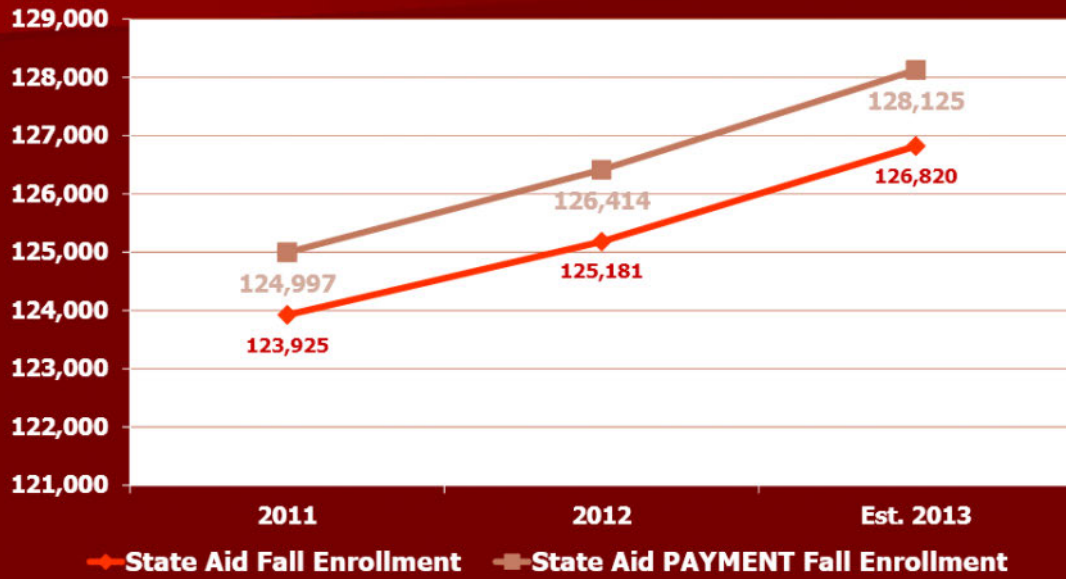
**State Aid Fall Enrollment:**  
Greater of the current year enrollment or the average of the two previous years enrollment as of the last Friday in September, adjusted for students for which tuition is paid and reduced by students for whom tuition is received.

**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 FY2013, the Governor is recommending that levies for taxes payable in calendar year 2013 are as follows:

Ag: \$2.322  
Owner Occupied: \$4.029  
Other NA & Utilities: \$8.628

# 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 FY2013

## **FY 12 State Aid to Special Education Estimate:**

FY 12 Appropriation	\$45,415,601
Transferred from 1211 to make MOE	\$197,602
FY11 carryover (SDCL 13-37-40)	\$2,457,101
FY11 additional carryover	\$1,959,319
<b>TOTAL FUNDING AVAILABLE</b>	<b>\$50,029,623</b>
Required MOE (DOE Share)	\$50,029,623
Estimated Formula Cost	\$40,363,799
<b>Estimate Extraordinary Cost Fund Need</b>	<b>\$4,080,484</b>
TOTAL ESTIMATED COSTS FOR FY 12	\$44,444,283
Funds Remaining & Available for Roll Over to FY 13	\$5,585,340

## **FY13 State Aid to Special Education Estimate:**

Formula Cost	\$46,170,729
Estimate Extraordinary Cost Fund Need	\$3,799,883
<b>TOTAL ESTIMATED COSTS FOR FY 13</b>	<b>\$49,970,612</b>
FY12 Appropriation	\$45,415,601
Statutory 5.75% Rollover from FY 12	\$2,611,397
<b>TOTAL FUNDING AVAILABLE</b>	<b>\$48,026,998</b>
Required MOE	\$50,029,623
<b>Est. Funds to Carryover to Get to MOE (HB1041)</b>	<b>\$ 2,002,625</b>

# State Aid to Special Education Triennial Adjustment

- Funding is allocated to each school district based upon an annual child count of the number of children eligible at six different levels of disability
- A specific payment amount for each of these six levels is set forth in statute
- SDCL 13-37-35.2 provides for a recalculation of the payments by disability level on a tri-annual basis.
  - The recalculation is to be based on the statewide average expenditures by school districts by disability over a three year period.
- The average costs by disability level are then inflated forward to FY 13 based on the index factor (2.3%).



## State Aid to Special Education Triennial Adjustment (cont.)

	Rebased Funding/ Student	Rebase +2.3%	Current Funding/ Student	\$ Difference	% Difference
Level 1	\$4,423	\$4,525	\$4,057	\$468	11.54%
Level 2	\$10,874	\$11,124	\$9,471	\$1,653	17.45%
Level 3	\$14,455	\$14,788	\$15,220	-\$432	-2.84%
Level 4	\$12,907	\$13,204	\$13,164	\$40	0.30%
Level 5	\$19,543	\$19,993	\$16,539	\$3,454	20.88%
Level 6	\$7,043	\$7,205	\$8,438	-\$1,233	-14.61%

# State Aid to Special Education FY2012 1<sup>st</sup> Half ECF Requests

Baltic 49-1	\$122,572
Bon Homme 04-2	\$92,995
Burke 26-2	\$31,776
Canistota 43-1	\$66,993
Canton 41-1	\$92,200
Chamberlain 07-1	\$114,502
Colman-Egan 50-5	\$37,858
Dell Rapids 49-3	\$42,110
Elkton 05-3	\$47,840
Estelline 28-2	\$38,863
Florence 14-1	\$111,665
Freeman 33-1	\$95,676

Gayville-Volin 63-1	\$51,532
Hamlin 28-3	\$123,047
Herreid 10-1	\$30,734
Lake Preston 38-3	\$44,864
Lead-Deadwood 40-1	\$52,643
McCook Central 43-7	\$98,724
Montrose 43-2	\$35,746
Mount Vernon 17-3	\$16,016
Scotland 04-3	\$33,582
Sioux Valley 05-5	\$13,364
Smee 15-3	\$230,344
Stanley County 57-1	\$14,402
<b>TOTAL</b>	<b>\$1,640,048</b>



# 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 \$123,750
- Payment is pro-rated if total need is greater than budgeted amount
- FY13 Budget = \$1,690,708
- 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)

<b>FY 13 K-12 Technology Budget Summary</b>				
<u>Service</u>	<u>FY12 Budgeted</u>	<u>Proposed Change from</u>		<u>Explanation</u>
		<u>FY 12 Budget</u>	<u>FY13 Requested</u>	
Telecommunications/ Bandwidth	\$3,012,522		\$3,012,522	Frame Relay & ATM technologies that connect the schools and comprise the DDN core facilities
Internet Service	\$789,861		\$789,861	Connect the DDN to the world
Network Management	\$641,832		\$641,832	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		\$288,583	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
Replacements and Upgrades	\$93,707		\$93,707	
<b>Total Costs</b>	<b>\$7,742,020</b>	<b>\$ -</b>	<b>\$7,742,020</b>	
<b>Funding</b>				
Projected E-Rate Revenue	\$2,000,000	\$ (200,000)	\$1,800,000	
General Funds Needed	\$5,742,020	\$ 200,000	\$5,942,020	

## Special Appropriations (FY13)

- \$8.4 million for teacher and school administrator training for work related to implementation of the Common Core Standards, a statewide evaluation system, and other critical pieces
- \$3.9 million for a one-time temporary state aid increase
- \$413,849 million for a one-time temporary increase to postsecondary technical institutes

## Amendments to FY12 Budget:

- \$37,000 in the Office of Curriculum, Career, and Technical Education for SDMyLife training for School Counselors

# New Initiatives

# South Dakota Investing In Teachers

- Math and Science Teacher Incentive Program
- Top Teacher Reward Program
- State support through training, professional development



## Math and Science Teacher Incentive Program

- Rewards certified public school teachers who teach middle and high school math and science
- \$3,500 reward on top of existing salary
- \$480/teacher to school districts to cover federal payroll taxes and retirement
- Beginning in 2013-14 school year
- Estimated Cost - \$5 Million annually

## Top Teacher Reward Program

- Rewards up to 20% of each public school districts certified, full-time teachers
- \$5,000 reward on top of existing salary
- \$700/teacher to school districts to cover federal payroll taxes and retirement
- Award would go to top 20% of teachers in the district, based upon evaluations
- Beginning in 2014-15 school year
- Estimated Cost - \$10 Million annually

## Training/Professional Development

- To support teachers and school administrators in the important work related to implementation of the Common Core Standards, a statewide evaluation system, and other critical pieces
- One-time investment of \$8.4 million over the next three years
- Teacher and administrators who participate would be paid \$100/day

# Workforce Initiative

- SDMyLife Expansion
- Career Cluster Camps
- Pay Incentives for Math & Science Teachers
- Expanded AP & Dual Credit Courses
- Remedial Coursework

# Next Generation Accountability Model

- Schools Scored Based on a School Performance Index
  - 100 point scale
  - Individualized targets (AMOs) for each school
  
- The proposed model is based on the following key indicators:
  - Student Achievement
  - Academic Growth
  - College and Career Readiness (High School) OR Attendance (Elementary and Middle School)
  - Effective Teachers and Principals
  - School Climate



# Next Generation Accountability Model

- ESEA flexibility application is posted to DOE website for public comment
- Deadline for submission to US Department of Education is February 21
- SB 25 has been introduced to allow us to proceed at the state level
  - This legislation is needed, otherwise we will be bound to the current NCLB regulations for calculating AYP

**For More Information**



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