

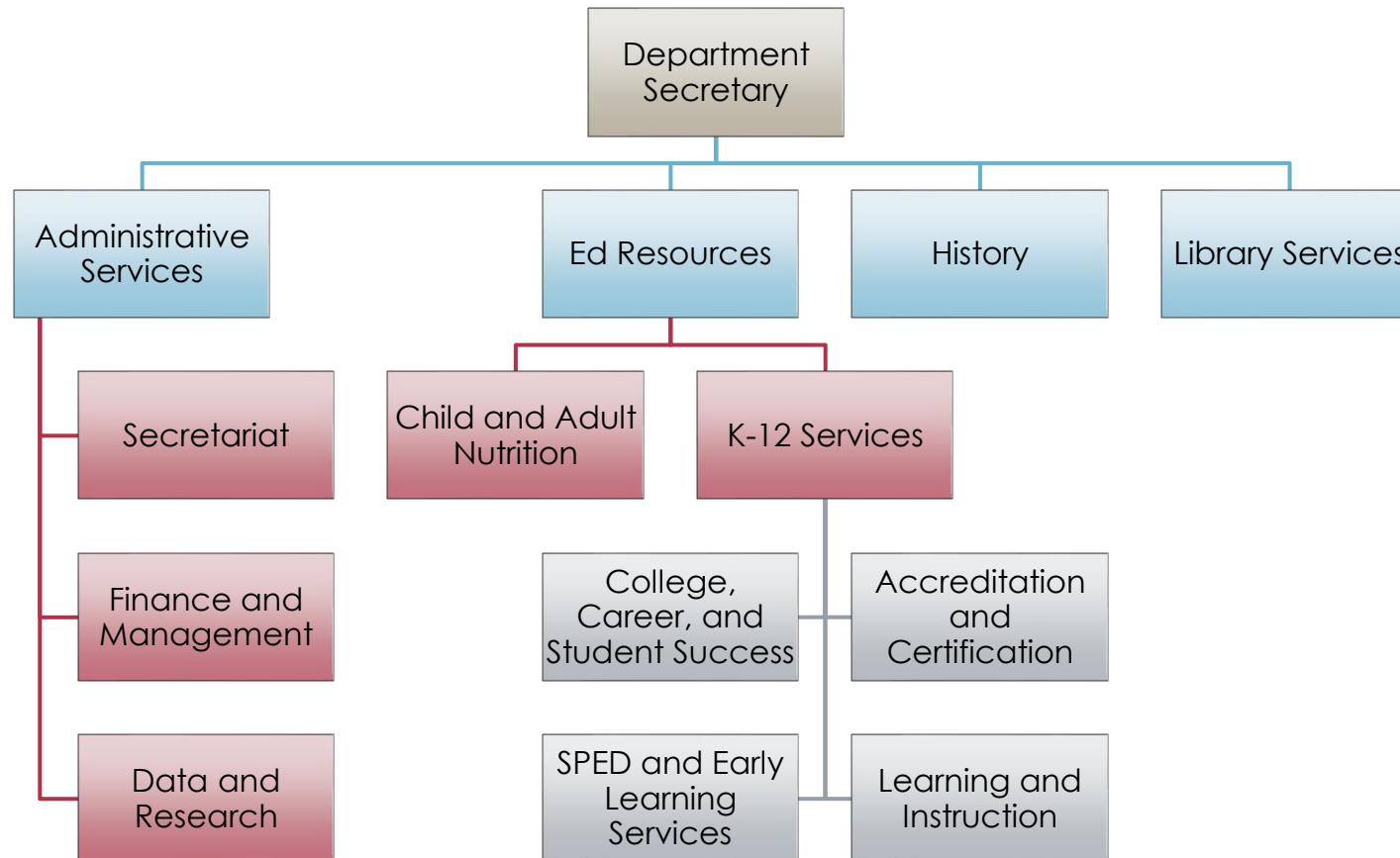
Joint Committee on Appropriations FY2023 Budget Presentation

January 24, 2022

Leadership Team

- ▶ Tiffany Sanderson, Department Secretary
 - ▶ Mary Stadick Smith, Deputy Secretary
 - ▶ Cody Stoesser, Director of Finance and Management
 - ▶ Joseph Moran, Interim Director of Data and Research
 - ▶ Cheriee Watterson, Director of Child and Adult Nutrition
 - ▶ Laura Scheibe, Director of College, Career, and Student Success
 - ▶ Carla Leingang, Director of Accreditation and Certification
 - ▶ Linda Turner, Director of SPED and Early Learning Services
 - ▶ Shannon Malone, Director of Learning and Instruction
 - ▶ Dr. Benjamin Jones, Director of History
 - ▶ *Vacant*, Director of Library Services
 - ▶ Nick Wendell, Executive Director of Board of Technical Education

Organization



Administrative Services

Secretariat and Legal

Finance and Management

Data and Research

Ed Resources

Child and Adult Nutrition

K-12 Services

Learning and Instruction

SPED and Early Learning Services

College, Career, and Student Success

Accreditation and Certification

State Historical Society



Archaeological Research Center

Archives

Historic Preservation

Museum

Research/Publishing

Library Services

Access Services

Development Services

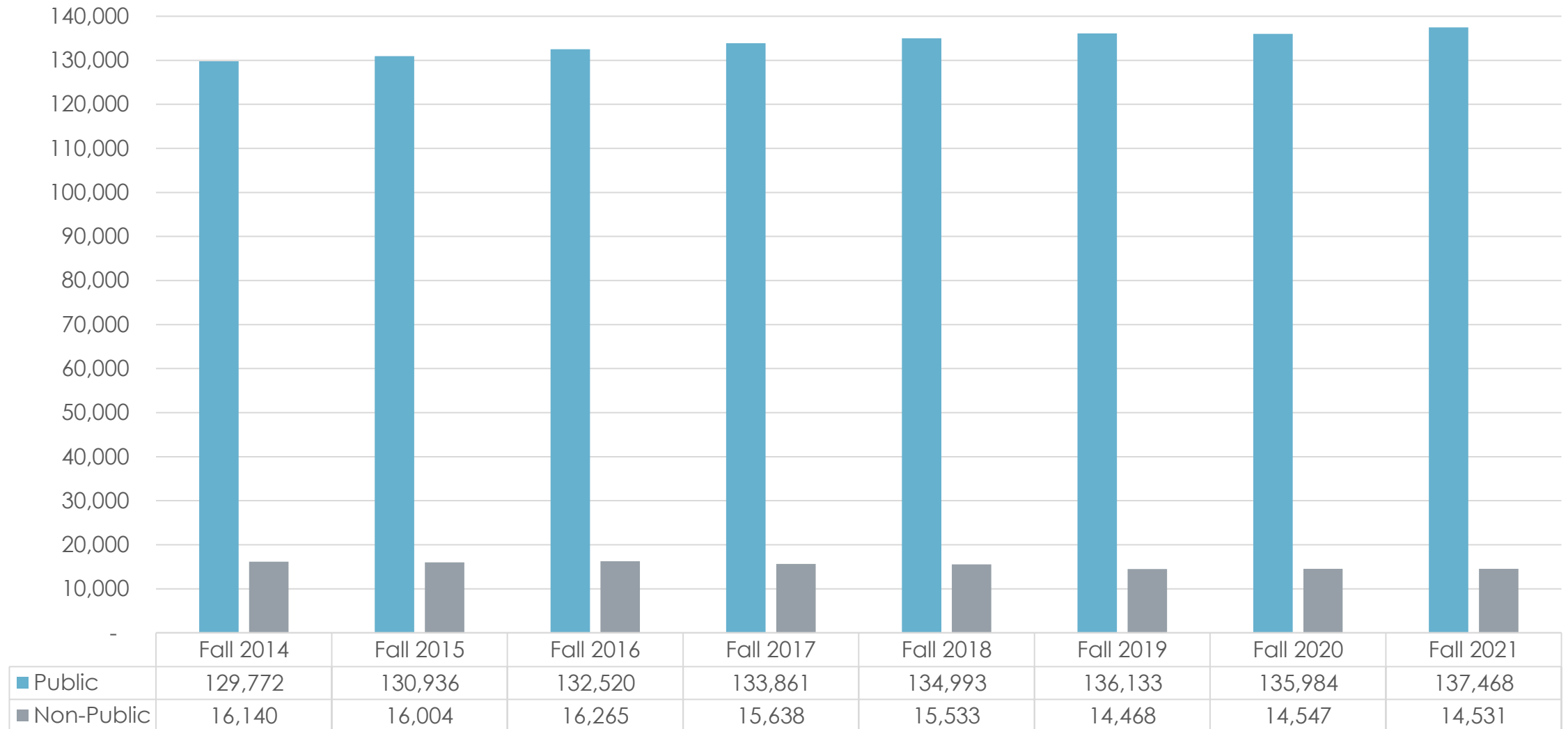
Braille and Talking Books

K-12 Education

School District Staff

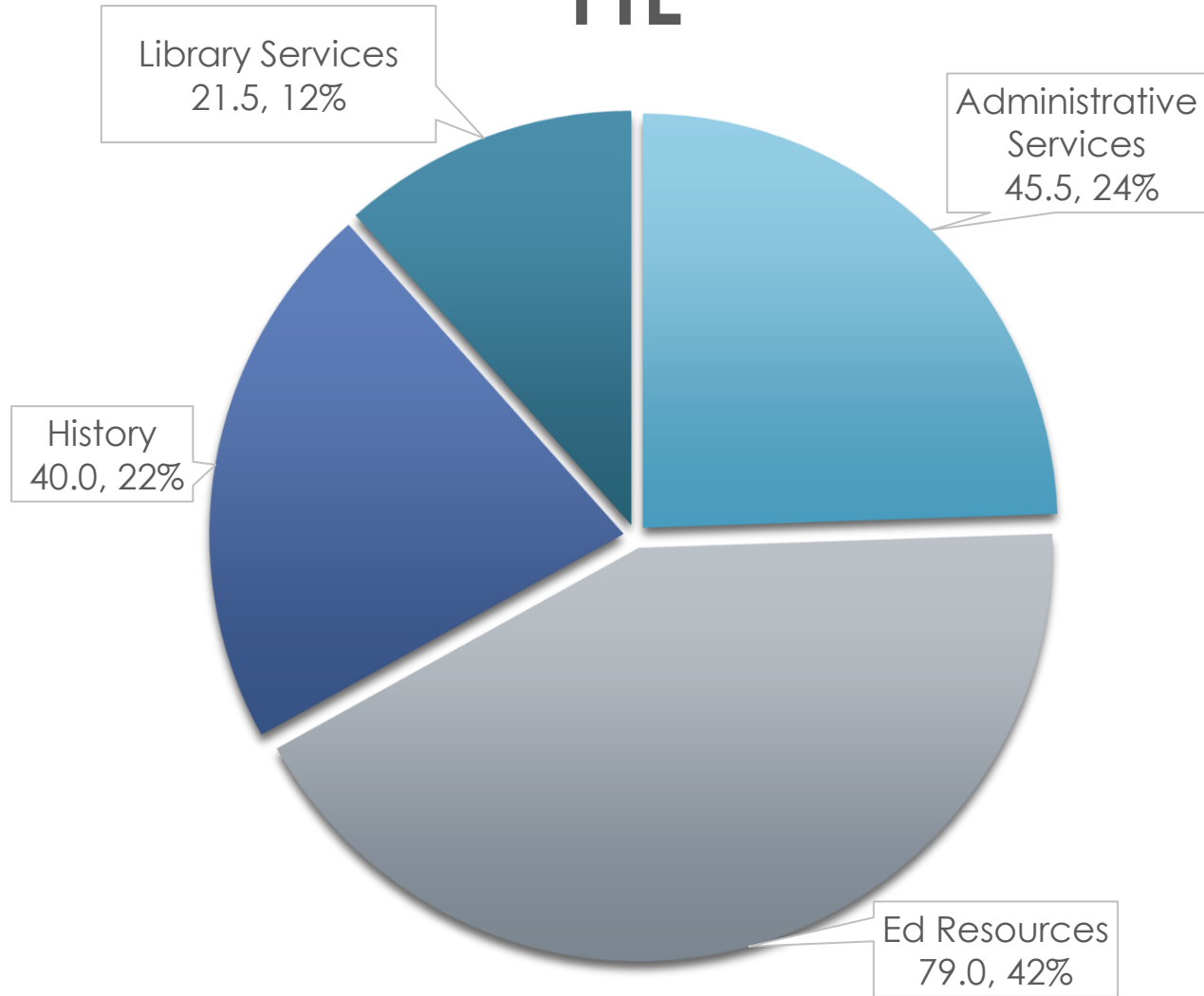
	Public School Districts	Non-public School Districts	Tribal/BIE Districts	All Districts
Teachers	9,982	747	422	11,051
Administrators	576	61	43	680
Education Specialists (Does not include business managers)	687	29	51	767

K-12 Fall Census Enrollment



DOE Workforce

FTE



Defining Our Workforce

** Does not include budget center 122 – Post Secondary Technical Colleges*

Budgeted FTE	
FY2020	185.0
FY2021	186.0

Utilized FTE	
FY2020	176.36
FY2021	179.53

Overtime	
FY2020	837.80
FY2021	630.40

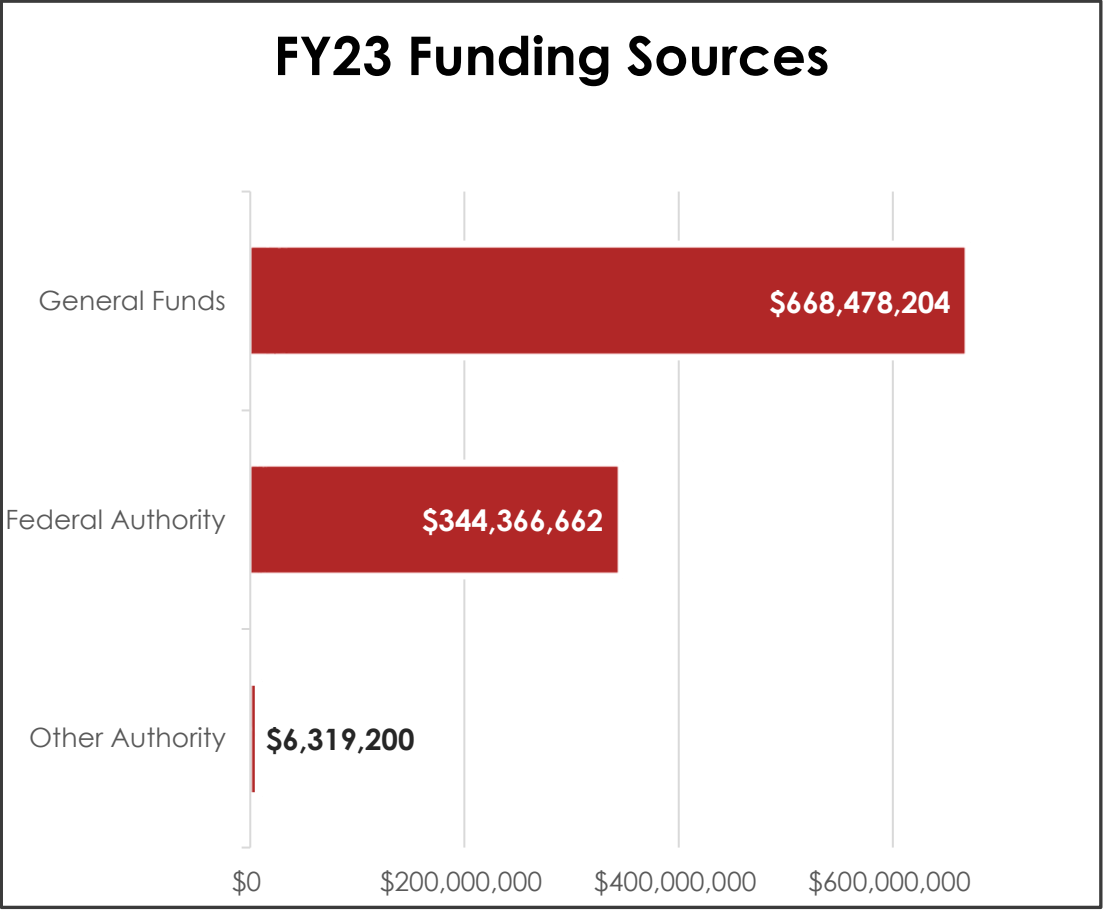
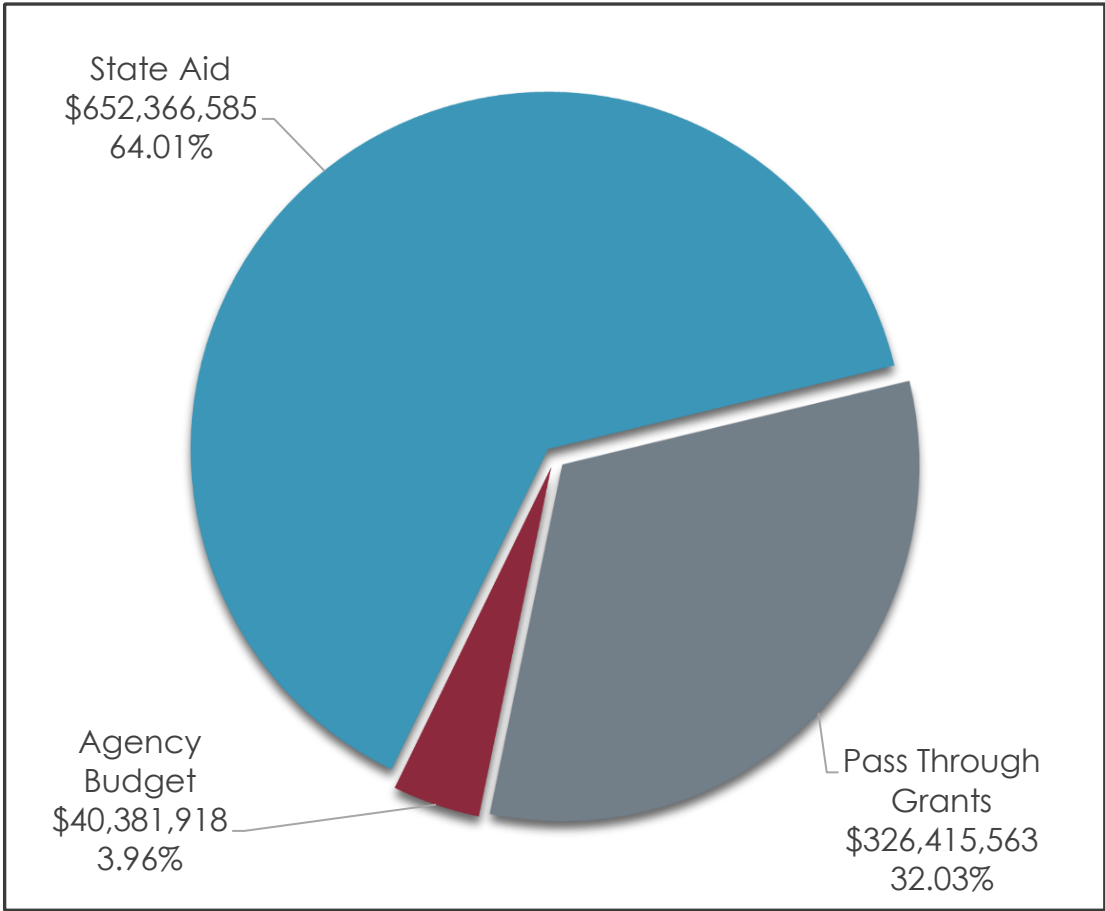
Turnover Rate	
FY2020	12.8%
FY2021	12.6%

Defining Our Workforce



Governor's Recommended On-Going Budget

DOE Budget Summary



FY2023 Budget Recommendation = \$1,019,164,066

FY23 Recommended Changes

Budget	FTE	General	Federal	Other	Total
FY22 Base Budget	186.0	\$620,213,251	\$187,445,090	\$7,165,897	\$814,824,238
FY23 Recommended Budget	186.0	\$668,478,204	\$344,366,662	\$6,139,200	\$1,019,164,066
Difference	0.0	\$48,264,953	\$156,921,572	(\$846,697)	\$204,339,828

Recommended Budget Changes	FTE	General	Federal	Other	Total
COVID Federal Authority	0.0	\$0	\$150,000,000	\$0	\$150,000,000
FMAP Change	0.0	\$2,956	(\$2,956)	\$0	\$0
Fund Swap	0.0	\$846,697	\$0	(\$846,697)	\$0
Special Education Part B	0.0	\$0	\$2,096,396	\$0	\$2,096,396
Summer Food Service Program	0.0	\$0	\$2,141,178	0	\$2,141,178
Title I Part A	0.0	\$0	\$2,686,954	\$0	\$2,686,954
General State Aid	0.0	\$41,051,314	\$0	\$0	\$41,051,314
State Aid – Special Education	0.0	\$6,339,816	\$0	\$0	\$6,339,816
Sparsity	0.0	\$24,170	\$0	\$0	\$24,170
Total	0.0	\$48,264,853	\$156,921,572	(\$846,697)	\$204,339,828

State Aid

State Aid to General Education

Target Teacher Comp	\$	71,925.64
Target Teacher #		9,569.65
ELL Teachers		77.80
Total Target Teacher #		9,647.45
Total Teacher Comp	\$	693,899,016
Overhead Rate 37.30%	\$	258,824,333
New Other Revenues Equalized	\$	10,261,794
New Overhead Need	\$	269,086,127
Overhead Rate After New Equalization		38.78%
Total Formula Need	\$	962,985,142
Tech and Assessment	\$	12,635,390
Sparsity Adjustment	\$	2,123,230
Alternative Need	\$	669,340
Adjustment for PRTF	\$	861,646
ARSD 24:17:03:07	\$	110,869
Total Statewide Need	\$	979,385,617
Property Taxes (-)	\$	366,205,855
Other Revenues (-)	\$	50,484,944
Effort (+)	\$	3,526,290
State Share	\$	566,221,108
FY22 Budgeted State Aid	\$	525,145,577
FY23 Gov's Rec General Fund Increase	\$	41,075,531

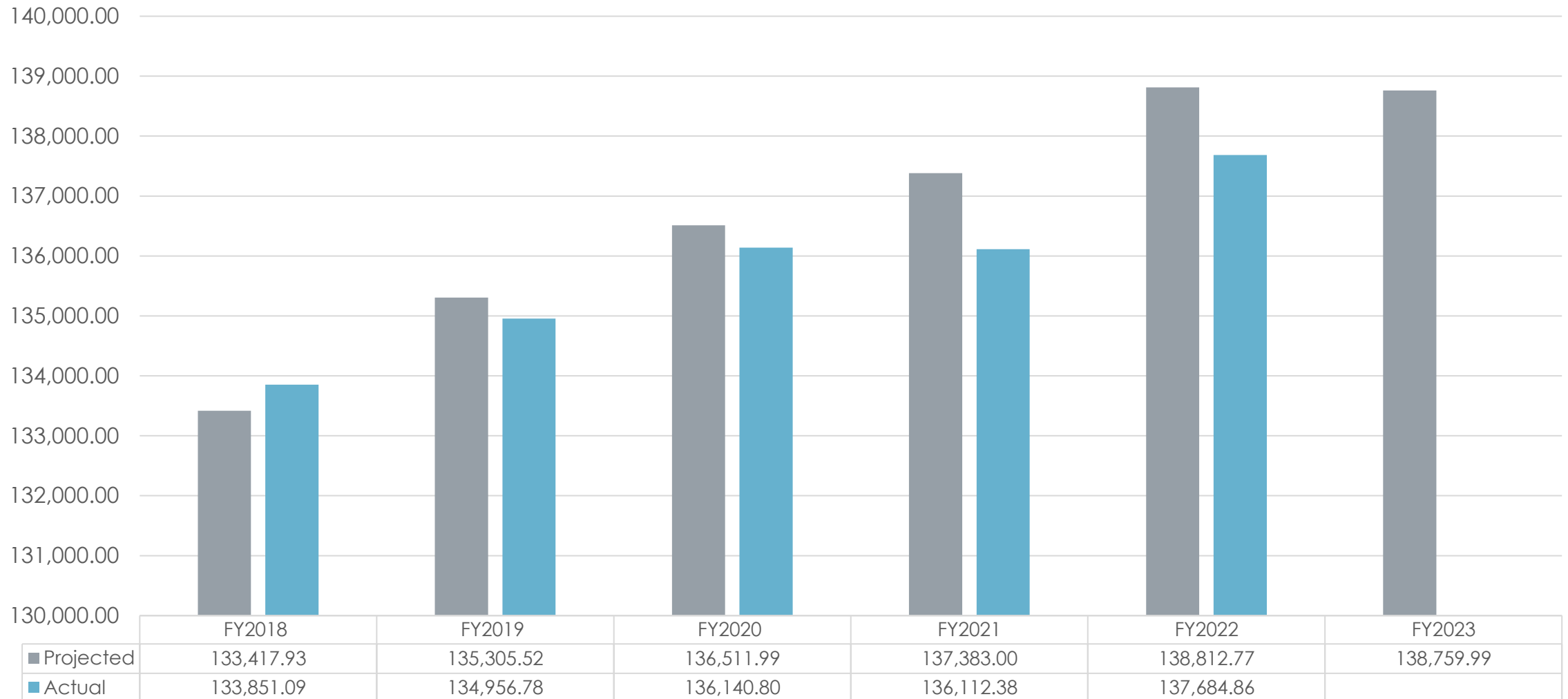
General Fund Levy			
<u>Property Type</u>	<u>2021 Pay 2022</u>	<u>Δ</u>	<u>2022 Pay 2023</u>
AG	1.409	-0.058	1.351
OO	3.153	-0.130	3.023
OTH	6.525	-0.269	6.256

FY23 Gov's Rec General Fund Increase

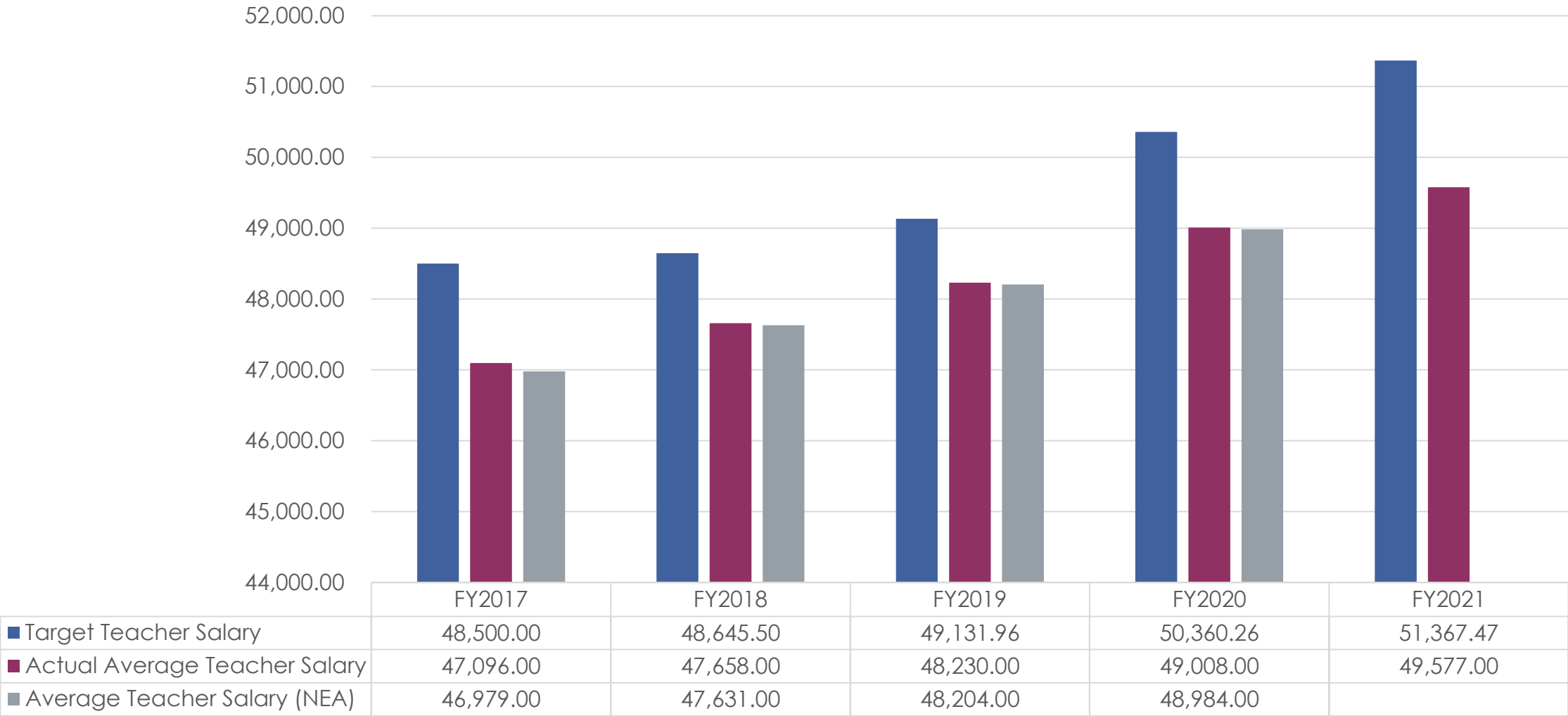
- State Aid: \$41,051,313
- Sparsity: \$24,218

State Aid to General Education

State Aid Fall Enrollment Projected vs. Actual



Teacher Salary



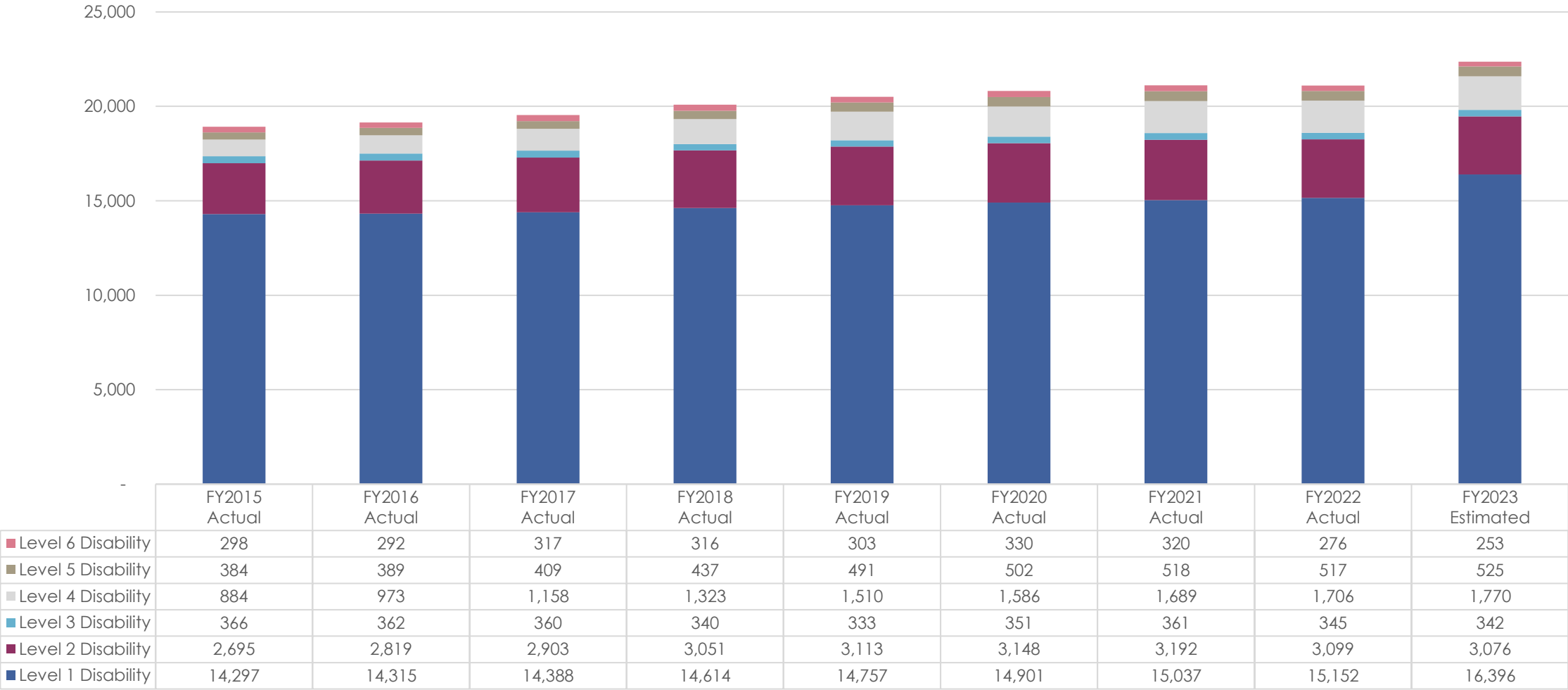
State Aid to Special Education

FY22 Budgeted				FY23 Recommended			
	<u>Child Count</u>		<u>PSA</u>		<u>Child Count</u>		<u>PSA</u>
Level 1 Disability	15,178	\$	6,299.65	Level 1 Disability	16,396	\$	6,532
Level 2 Disability	3,239	\$	15,006.72	Level 2 Disability	3,076	\$	15,411
Level 3 Disability	368	\$	19,654.66	Level 3 Disability	342	\$	19,682
Level 4 Disability	1,832	\$	15,774.72	Level 4 Disability	1,770	\$	15,981
Level 5 Disability	548	\$	33,124.35	Level 5 Disability	525	\$	34,293
Level 6 Disability	322	\$	8,459.26	Level 6 Disability	253	\$	9,066
	21,487	\$	201,231,081		22,361	\$	209,806,039
Extraordinary Cost Fund		\$	4,000,000	Extraordinary Cost Fund		\$	4,000,000
SDBVI Summer School		\$	200,000	SDBVI Summer School		\$	200,000
Total Need		\$	205,431,081	Total Need		\$	214,006,039
Statewide local effort		\$	(159,330,714)	Statewide local effort		\$	(161,468,867)
Adjustment for Lost Local Effort		\$	30,252,395	Adjustment for Lost Local Effort		\$	30,155,407
FY22 Total State Share		\$	76,352,763	FY23 Total State Share		\$	82,692,579
Actual FY22 Budget* \$ 76,498,126				FY23 General Fund Increase for State Aid to Special Education \$ 6,339,816			

* No reduction in FY22 due to MOE

State Aid to Special Education

Student Count for each Disability Level from FY15 to Est. FY23



Sparsity

- 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
- In FY2023, 27 school 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.



Governor's Recommended One-Time Appropriation

Governor's Recommended One-Time Amendment

FY20 Amendment	FTE	General	Federal	Other	Total
Deaf & Dyslexia	0.0	\$0	\$0	\$250,000	\$250,000

FY21 Amendment	FTE	General	Federal	Other	Total
South Dakota Virtual School	0.0	\$200,000	\$0	\$0	\$200,000
Educator Certification Program	0.0	\$1,531,755	\$0	\$0	\$1,531,755
K-12 Civics	0.0	\$900,000	\$0	\$0	\$900,000

Governor's Recommended One-Time Amendment

FY22 Amendment	FTE	General	Federal	Other	Total
Summer Food Service Program	0.0	\$0	\$2,141,178	\$0	\$2,141,178
Special Education Part B	0.0	\$0	\$2,096,396	\$0	\$2,096,396
Title I Part A	0.0	\$0	\$2,686,954	\$0	\$2,686,954
Dual Credit Reduction	0.0	(\$615,291)	\$0	\$0	(\$615,291)
Birth to Three FMAP	0.0	(\$10,107)	\$10,107	\$0	\$0
State Aid to General Education Revision	0.0	(\$8,765,000)	\$0	\$0	(\$8,765,000)
Sparsity Revision	0.0	(\$35,000)	\$0	\$0	(\$35,000)
COVID Federal Authority	0.0	\$0	\$247,927,469	\$0	\$247,927,469
Total	0.0	(\$9,606,402)	\$254,862,104	\$0	\$245,255,702

FY22 Amendment

Federal Authority

One-time request for federal fund authority based on federal grants have increased starting in FY22

- ▶ *Summer Food Service Projects: \$2,141,178*
- ▶ *Special Education Part B: \$2,096,396*
- ▶ *Title I Part A: \$2,686,954*

Birth to Three Enhanced FMAP

Funding swap of 6.2%

Dual Credit Reduction

Institution	2021 Credits Paid			
	Summer	Fall	Spring	Total
BOR	1,361.63	11,458.23	12,951.90	25,771.76
LATC	54.00	1,507.50	1,808.00	3,369.50
MTC	39.00	670.00	900.50	1,609.50
STC	55.00	935.00	1,108.00	2,098.00
WDTC	231.00	1,865.00	1,630.00	3,726.00
Total	1,740.63	16,435.73	18,398.40	36,574.76

Increase % from 2020 to 2021 5%

Institution	2022 Revised Estimated Credits			
	Summer	Fall	Spring	Total
BOR	1,428.00	12,011.00	13,577.00	27,016.00
LATC	57.00	1,581.00	1,896.00	3,534.00
MTC	41.00	703.00	944.00	1,688.00
STC	58.00	981.00	1,162.00	2,201.00
WDTC	243.00	1,955.00	1,709.00	3,907.00
Total	1,827.00	17,231.00	19,288.00	38,346.00

FY2022 Budget

Budgeted Credits	44,710.87
Cost Per Credit	\$96.67
Total FY2021 Request	\$4,322,200

FY2022 Amendment

Revised Estimated Credits	38,346.00
Cost per Credit	\$96.67
Total Estimated Budget	\$3,706,909

Amount of Reduction	(\$615,291)
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One-Time Requests

COVID Federal Authority Request

- ▶ Child and Adult Nutrition Services School Nutrition Program (SNP) and School Nutrition program Seamless Summer (SSO) waivers for the 21-22 school year.
 - ▶ Meal projection and rate:
 - ▶ Breakfast: $4,513,885 \times \$2.46 = \$11,115,442$
 - ▶ Lunch: $16,328,325 \times \$4.32 = \$70,497,544$
 - ▶ Snack: $311,121 \times \$1.02 = \$317,344$

One-Time Requests

COVID Federal Authority Request

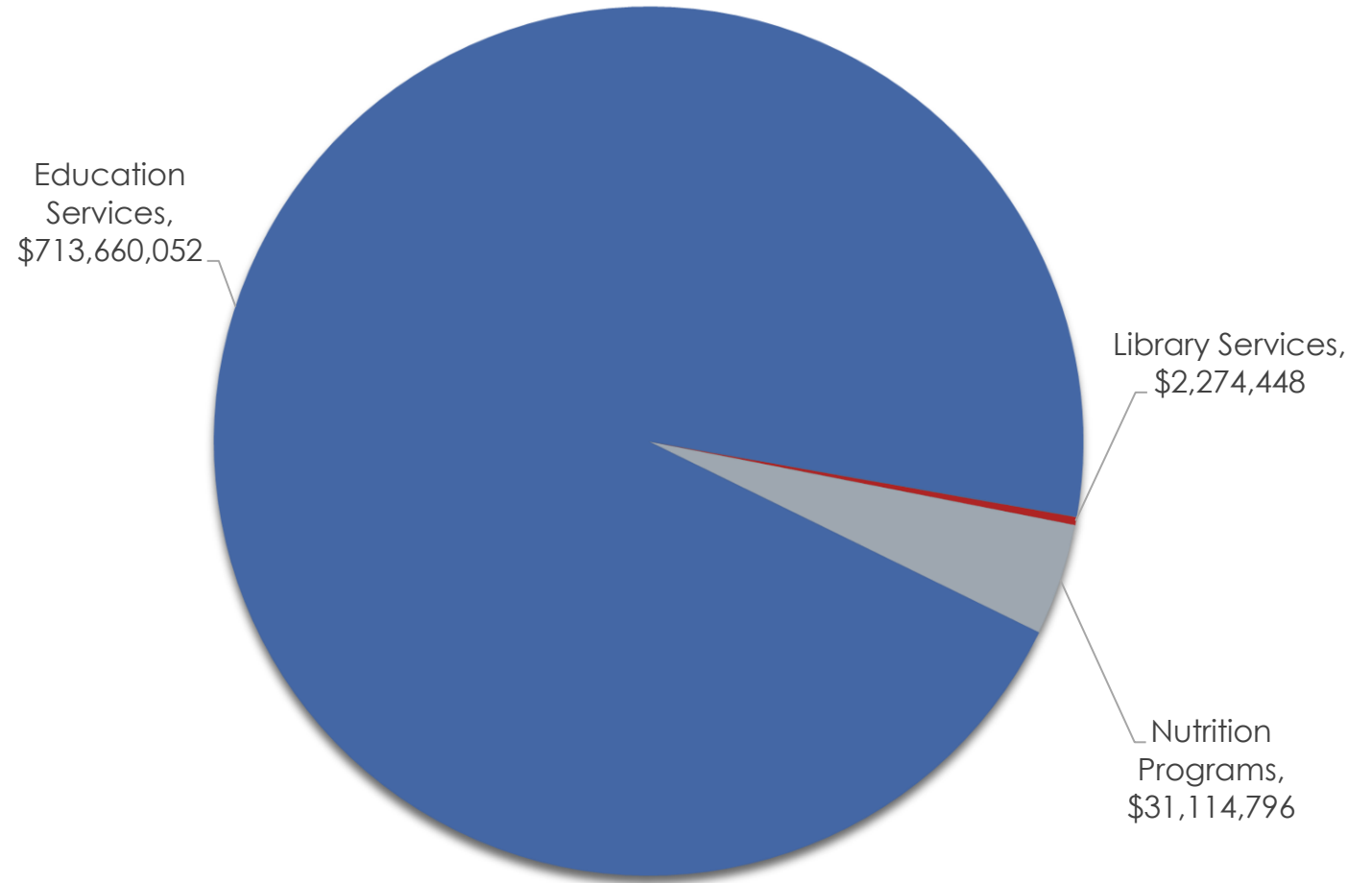
- ▶ One-time appropriation of \$200,000,000 and On-going appropriation of \$150,000,000 for additional COVID funds awarded
 - ▶ ESSER III - \$382,019,236
 - ▶ EANS II - \$7,609,142
 - ▶ SPED Part B 619 Preschool - \$746,270
 - ▶ SPED Part B 611 - \$8,428,174
 - ▶ SPED Part C Infants & Toddlers - \$1,218,273
 - ▶ IMLS LSTA Grant - \$2,194,511

Federal Funding to DOE Programs

Congressional Act	Obligation Date(s)	Total Awards	Programs Funded
Families First Coronavirus Response Act (FFCRA)	Sept 2021	\$155,000	Nutrition Programs
CARES Act	Sept 2020 Dec 2021 Sept 2022 July 2023	\$158,699,424	K-12 Education, Libraries, & Nutrition Programs
CRRSA	Sept 2021 Sept 2023	\$183,551,836	K-12 Education & Nutrition Programs
American Rescue Plan (ARP)	Sept 2022 Sept 2023 Sept 2024	\$404,718,036	K-12 Education & Libraries

Federal Funding to DOE Programs by Service

Funds By Service

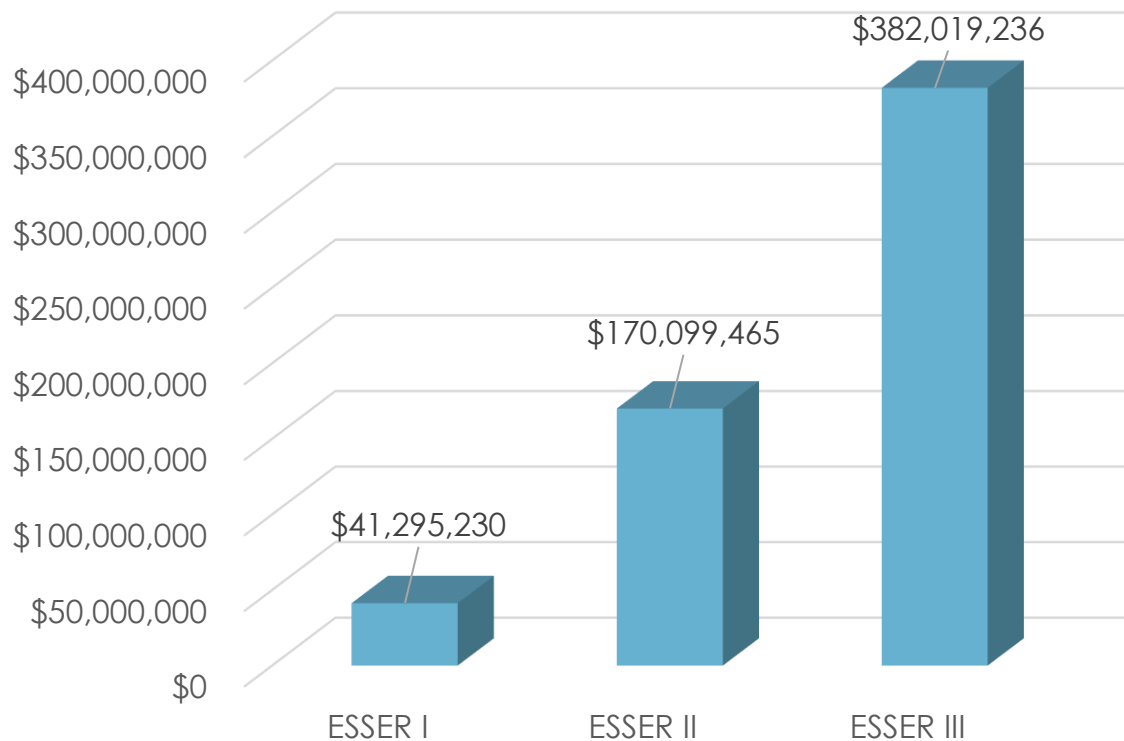


Federal Funding to K-12 Education Programs

Fund	Amount Awarded	Amount Liquidated as of 12.31.21	% Liquidated as of 12.31.21
CRF	\$72,997,500	\$72,997,500	100%
ESSER I	\$41,295,230	\$38,060,622	92%
GEER I	\$7,944,235	\$2,491,392	31%
ESSER II	\$170,099,465	\$15,410,835	9%
GEER II	\$3,503,867	\$0	0%
EANS I	\$7,730,070	\$5,654,313	73%
REM	\$6,883,482	\$796,936	12%
ESSER III	\$382,019,236	\$931,140	0.2%
EANS II	\$7,609,142	\$0	0%
Homeless	\$2,502,430	\$0	0%
SPED Part B 611	\$8,428,174	\$2,398,894	29%
SPED Part B 619	\$746,270	\$94,307	13%
SPED Part C Infants & Toddlers	\$1,218,273	\$66,554	6%

Elementary & Secondary School Emergency Relief Funds (ESSER)

K-12 ESSER Grants to SD Schools



▶ **ESSER I:**

- ▶ 90% to public schools via Title formula
- ▶ 0.5% state administration
- ▶ 9.5% to low per student distribution schools (\$162.06/student)
- ▶ Included equitable services to private schools

▶ **ESSER II:**

- ▶ 90% to public schools via Title formula
- ▶ 0.5% state administration
- ▶ 9.5% to low per student distribution schools (\$672.96/student)

▶ **ESSER III:**

- ▶ 90% to public schools via Title formula (20% address learning loss)
- ▶ 10% State Reserve
 - ▶ 0.5% state administration
 - ▶ 5% address learning loss
 - ▶ 1% summer enrichment
 - ▶ 1% afterschool programs

ESSER Funds – Allowable Uses

► May 2021 USDE FAQs:

- “...work to return to and safely sustain **in-person instruction**, address the **educational inequities** that have been exacerbated by the COVID-19 pandemic, and address students’ **social, emotional, mental health, and academic needs.**”
- “Generally, in determining whether an activity is an allowable use of funds, a State or LEA must determine:
 - Is the use of funds intended to **prevent, prepare for , or respond to the COVID-19 pandemic**, including its impact on the social emotional, mental health, and academic needs of the students?
 - Does the use of funds fall under **one of the authorized uses of ESSER or GEER funds?**
 - Is the use of funds permissible under the Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards (**Uniform Guidance, 2 CFR Part 200**)? In particular, is it **necessary and** reasonable for the performance of the ESSER or GEER award?”
- “These Federal emergency resources are available for a wide range of activities to address diverse needs arising from or exacerbated by the COVID-19 pandemic, or to emerge stronger post-pandemic...”

American Rescue Plan – ESSER Awards to Districts

► How are schools considering spending the funds?

- Academic supports
- Short-term staff (ex. nurses, interventionists)
- Educational technology
- Program start-up (ex. JAG, CTE, robotics, coding)
- Buses
- Ventilation (HVAC, windows, purification)
- Remodeling & construction

► What can't they spend the funds on?

- Debt service outside of the grant period
- Investments or endowments
- Payment to individual (ex. Scholarships)
 - Can pay for services that benefit individuals (ex. Professional development)

Federal COVID Funding

- ▶ Information regarding COVID funding received by the department can be found:
 - ▶ <https://doe.sd.gov/coronavirus/caresact.aspx>
- ▶ **Fiscal Transparency Website**
 - ▶ Will show the grant expenditures by school district by category

Special Appropriation



Cultural Heritage Center

South Dakota Historical Society

► SDCL 1-18-2: Purpose – Duties.

The South Dakota State Historical Society within the Department of Education shall **collect, preserve, exhibit, and publish material for the study of history**, especially the history of this state and the upper great plains. To this end, the office shall explore the **archaeology** of the region; **acquire documents and manuscripts**; obtain narratives and records of pioneers; conduct a **library of historical reference**; maintain the **South Dakota State History Museum**; survey, document, and promote the **preservation of historic properties** and sites; examine the culture and history of American Indians and other ethnic groups; **publish and otherwise diffuse information** relating to the history of the region to schools and communities; and generally encourage and develop within the state the study of history.

Facility Assessment



North visitor parking lot entrance



Settled curb in employee parking lot



Cracked pavement in employee parking lot



Employee parking lot



Employee parking lot



Southwest corner of visitor parking lot



Chipped curb in employee parking lot



Sediment build-up in employee parking lot



Southwest entrance of visitor parking lot

Facility Assessment



Roof



Exterior wall



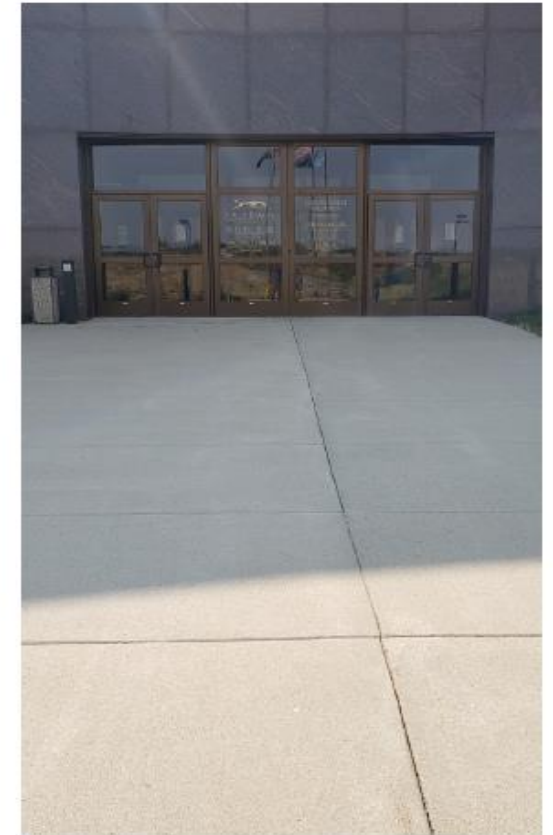
Above grade wall



Front of building windows

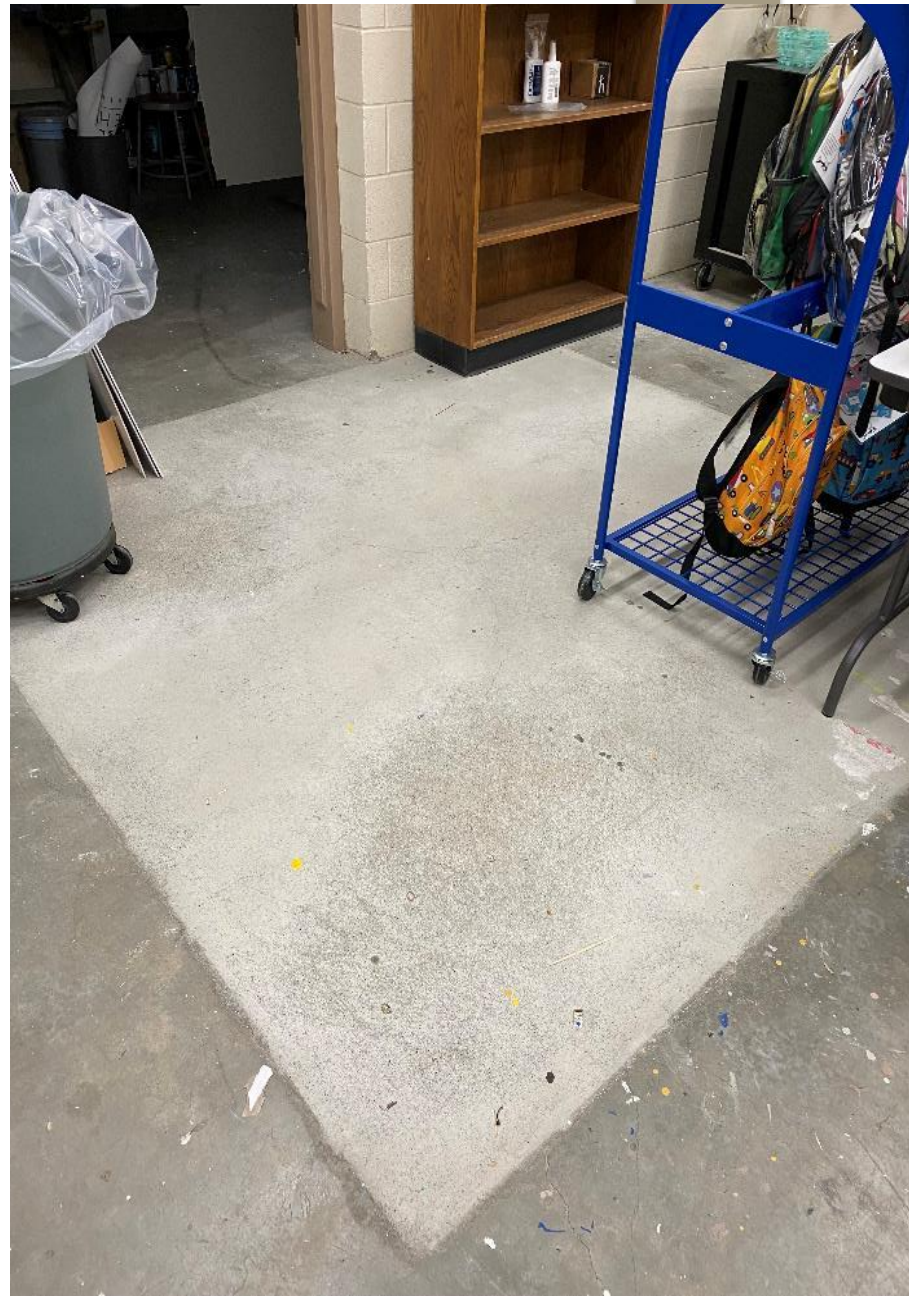


East staff entrance



Front entrance doors

Facility Assessment



Existing Challenges Beyond Building Structure

- ▶ Lack of interactivity in museum (kids & families); dated museum experience
- ▶ Difficult for large groups (classes, community programs) to convene
- ▶ ADA accessibility
- ▶ Ability to move large items in & out of museum space
- ▶ Improved inventory storage and shipping space
- ▶ Dated/worn interior – public spaces & furnishings
- ▶ Office and meeting space for existing staff
- ▶ Limited storage for historical artifacts – physical & digital

Construction Plans

- ▶ **Fix deferred maintenance**

- ▶ Re-roof, shore-up building, update for operating efficiencies, create better accessibility (parking lot & sidewalks)

- ▶ **Modernize and expand museum & public spaces**

- ▶ Reconfigure lobby, education room, museum, gift shop, and public restrooms
- ▶ Add interactivity in museum

- ▶ **Update office spaces**

- ▶ Add space for existing staff and meeting spaces
- ▶ New carpet & furniture

- ▶ **Maximize storage**

- ▶ Use existing space to expand Archive storage for additional 15 years of storage (total of approx. 20 years)
- ▶ Storage in museum and library continue to be maxed

Cultural Heritage Center

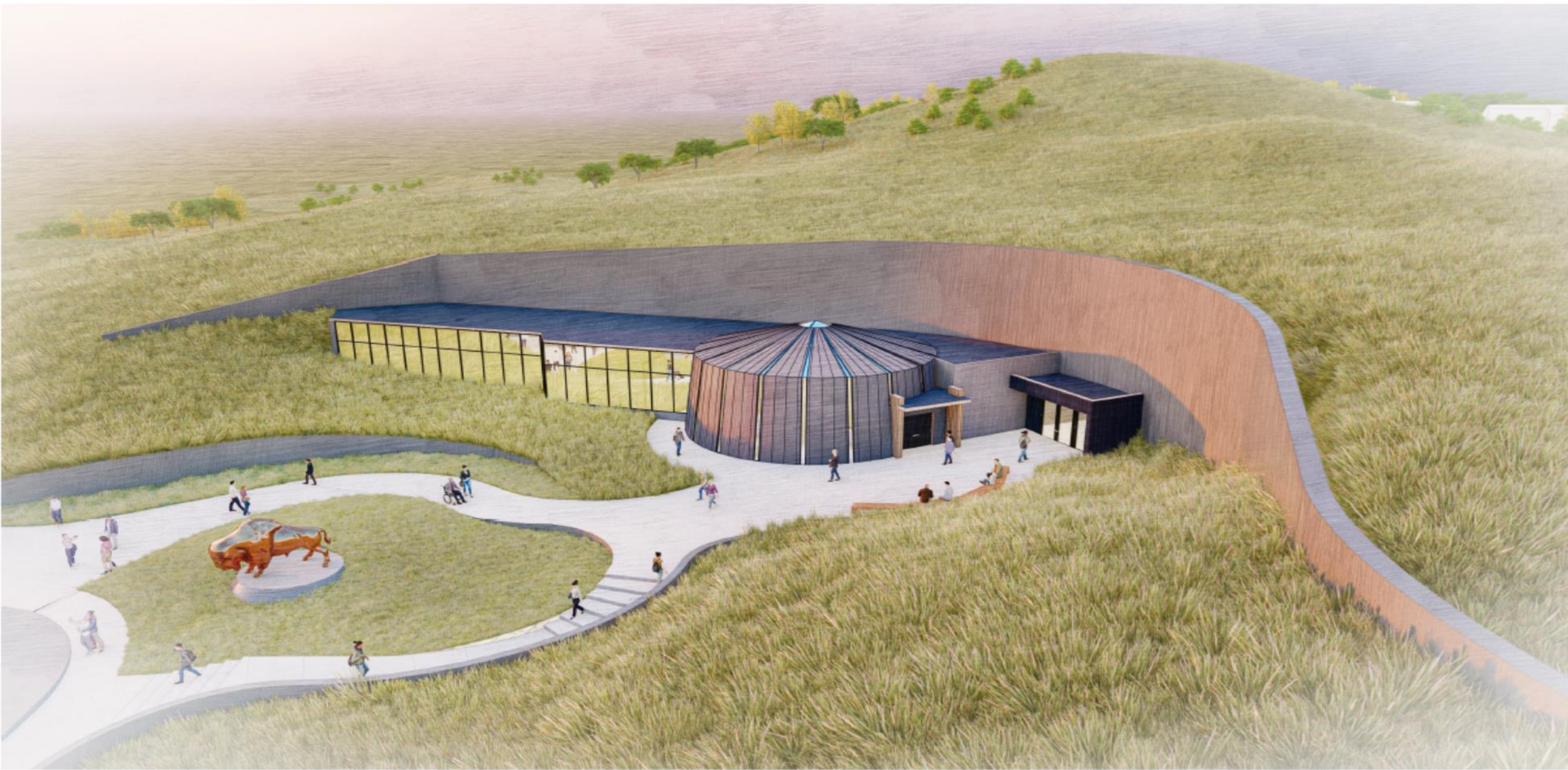
	Unit Price	Total Amount
Deferred Maintenance – Site + Civil		\$463,240.00
Deferred Maintenance – Architectural + Structural		\$5,661,500.00
Deferred Maintenance – Mechanical + Plumbing		\$728,800.00
Deferred Maintenance – Electrical + Technology		\$889,800.00
5,036 Sq Ft New Construction	\$400.00	\$2,014,400.00
13,862 Sq Ft Renovated Space	\$150.00	\$2,079,300.00
14,024 ft Museum Renovations	\$75.00	\$1,051,800.00
Freight Elevator		\$250,000.00
Archive Mezzanine – 6,000 Sq Ft		\$321,931.00
Archive Shelving		\$300,000.00
Moving & Storage During Construction		\$750,000.00
Museum Interactivity		\$2,000,000.00
Office Furniture, Fixtures, & Equipment		\$95,000.00
Construction Costs		\$16,605,771.00
10% Contingency		\$1,660,577.10
10% Non-Construction Soft Cost		\$1,660,577.10
Total Project Cost		\$19,926,925.20

Special Appropriation Request

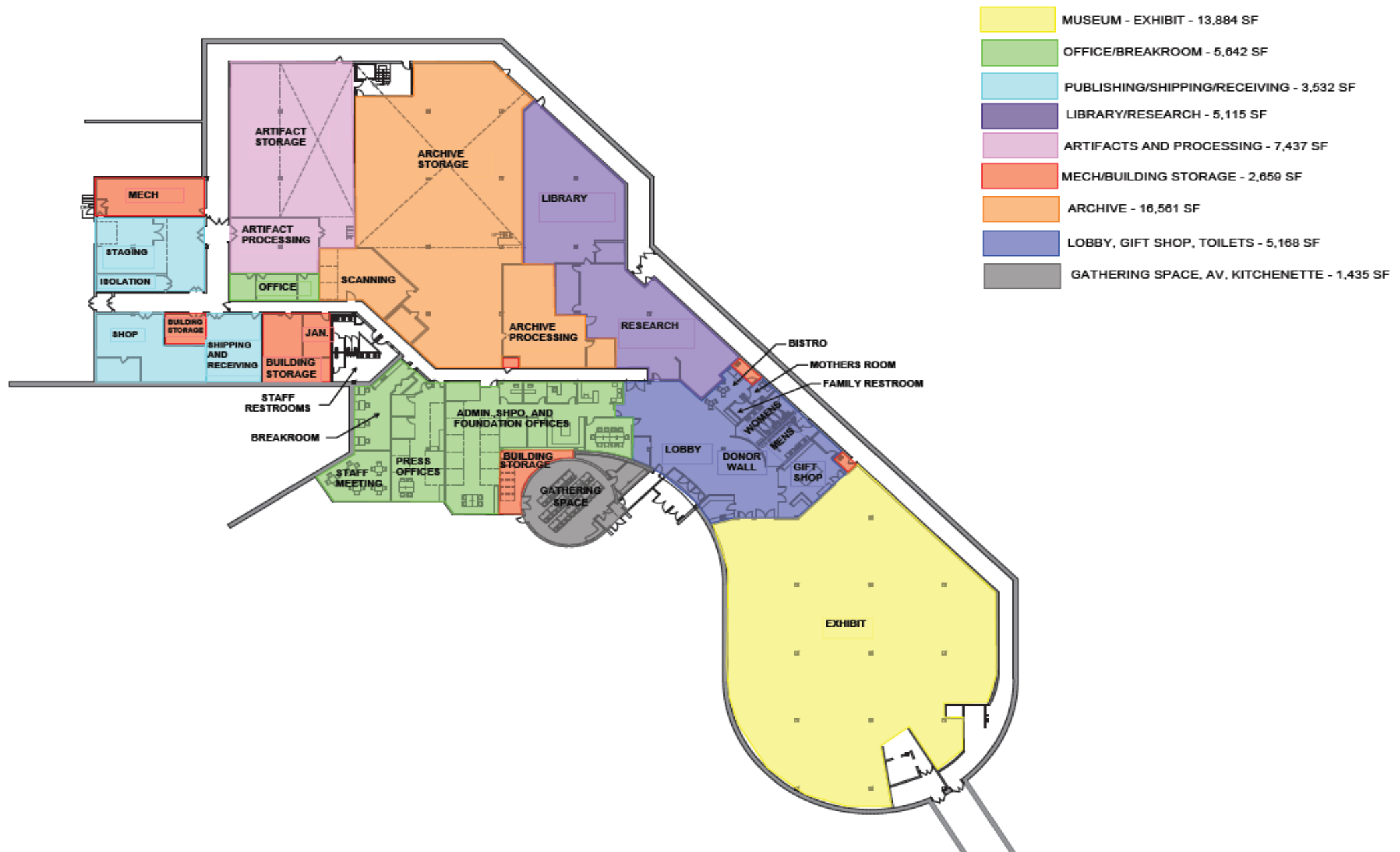
- ▶ General Funds - \$8,881,785
- ▶ Other Fund Authority - \$3,301,800

Funding Sources	
BOA M&R	\$7,743,340
Historical Society Foundation – Museum Interactivity & Renovations	\$3,051,800
Existing Museum Funds – Renovations	\$250,000
State One-Time Funds	\$8,881,785











Future Plans

Future Plans

Strong instruction and educational opportunities

Educator recruitment and retention

Student wellness (behavioral and mental health)

Cultural Heritage Center renovation

Additional Information

- ▶ Department of Education website: <https://doe.sd.gov/>
- ▶ South Dakota Historical Society: <https://history.sd.gov/>
- ▶ South Dakota State Library: <https://library.sd.gov/>
- ▶ Department of Education Legislative Page: <https://doe.sd.gov/legislature/2022.aspx>

Thank You