



*FY2027 Budget Presentation  
Joint Committee on Appropriations*

*February 3, 2026*

# AGENDA



**LEADERSHIP  
AND  
ORGANIZATION**



**DEPARTMENT  
INITIATIVES**



**DEPARTMENT  
OVERVIEW**



**BUDGET  
RECOMMENDATION**

# Leadership and Organization

Dr Joseph Graves  
Department Secretary

Laura  
Scheibe

Deputy  
Secretary

Amanda  
LaCroix

Senior Legal  
Attorney

Cody  
Stoeser

Director,  
Finance and  
Management

Joseph  
Moran

Director,  
Data and  
Research

Shana  
Davis

Director,  
College,  
Career, and  
Student  
Success

Shannon  
Malone

Director,  
Learning and  
Instruction

Linda  
Turner

Director,  
SPED and  
Early  
Learning  
Services

Dr  
Kathryn  
Blaha

Director,  
Accreditation  
and  
Certification

Alan  
Haarstad

Director,  
Child and  
Adult  
Nutrition

Dr  
Benjamin  
Jones

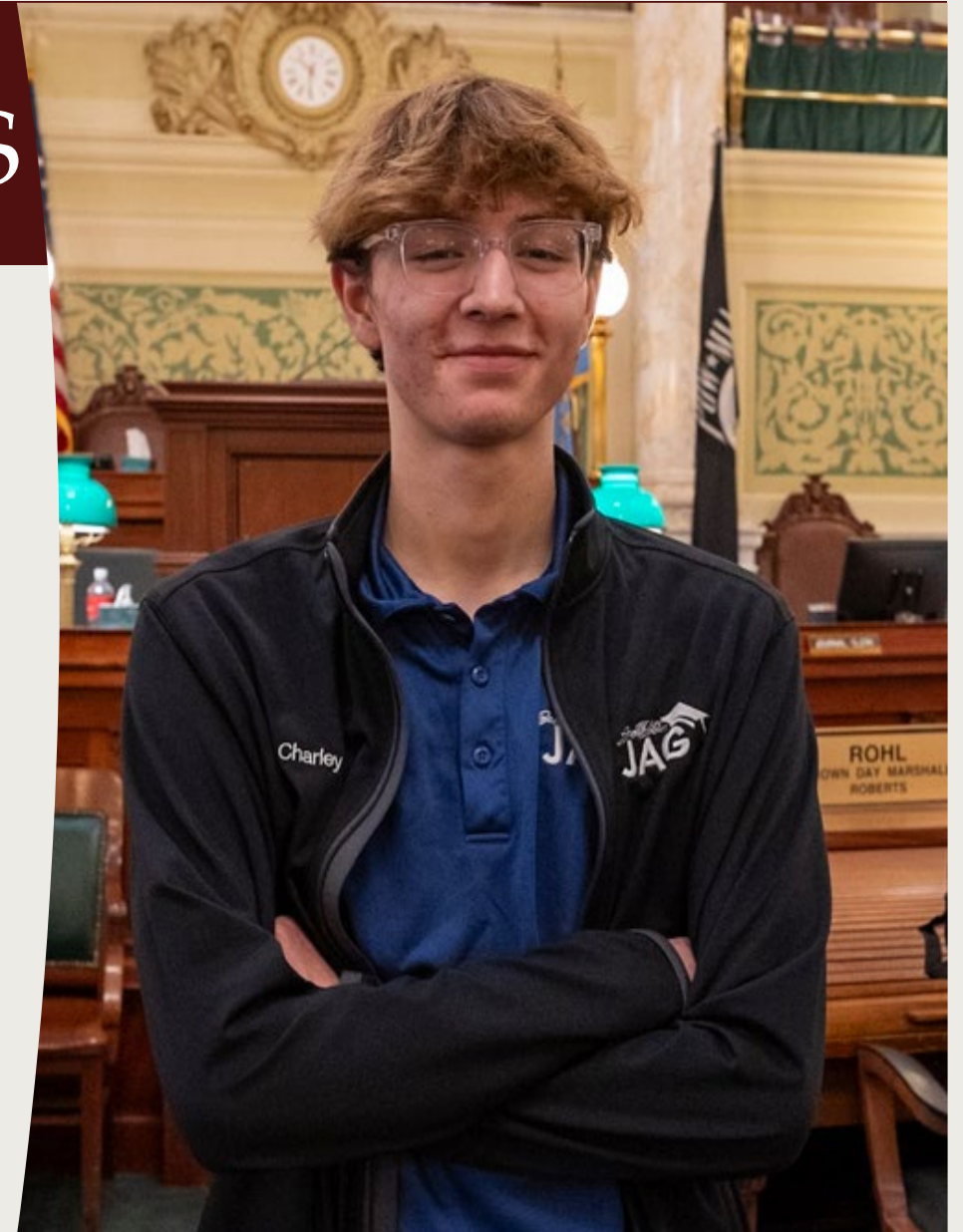
Director,  
State  
Historical  
Society

George  
Seamon

State  
Librarian,  
Library  
Services

# DEPARTMENT INITIATIVES

- ❑ Statewide literacy initiative (SOR)
- ❑ Mathematics under construction
- ❑ Social Studies implementation
- ❑ Teacher recruitment and retention
- ❑ Student engagement through JAG
- ❑ Cultural Heritage Center renovation



## STATEWIDE LITERACY INITIATIVE

- ❑ \$6 Million Special Appropriation To Train Elementary Teachers In Partnership With BOR
- ❑ Federal Comprehensive Literacy State Development Grant
- ❑ National Assessment Of Educational Progress (NAEP)

## MATHEMATICS UNDER CONSTRUCTION

- ❑ New mathematics standards under consideration
- ❑ State Personnel Development Grant (SPDG)
- ❑ National Assessment Of Educational Progress (NAEP)

### 2024 National Assessment of Educational Progress (NAEP)

	ELA RANK	MATH RANK
4 <sup>th</sup> Grade	28 <sup>th</sup>	17 <sup>th</sup>
8 <sup>th</sup> Grade	14 <sup>th</sup>	6 <sup>th</sup>

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# DEPARTMENT OVERVIEW



## DOE Workforce

Overtime

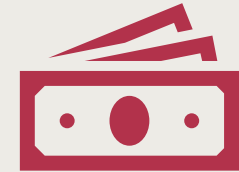
Turnover and recruiting



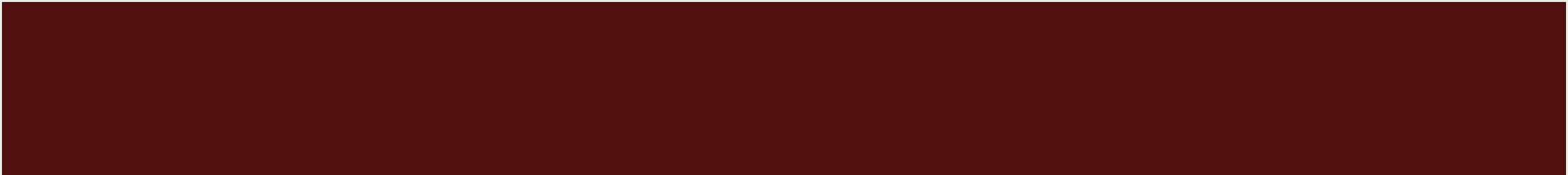
## Technology

Vendor Systems

Certification System



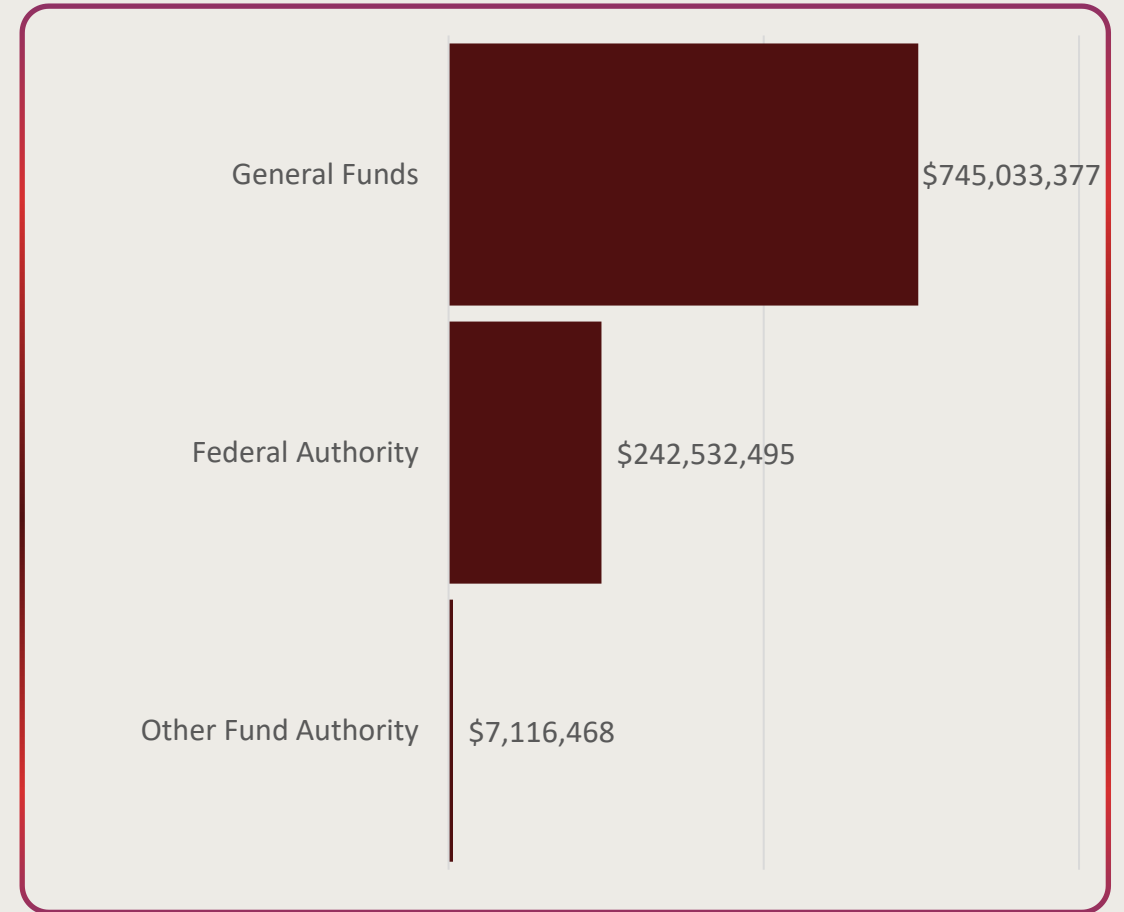
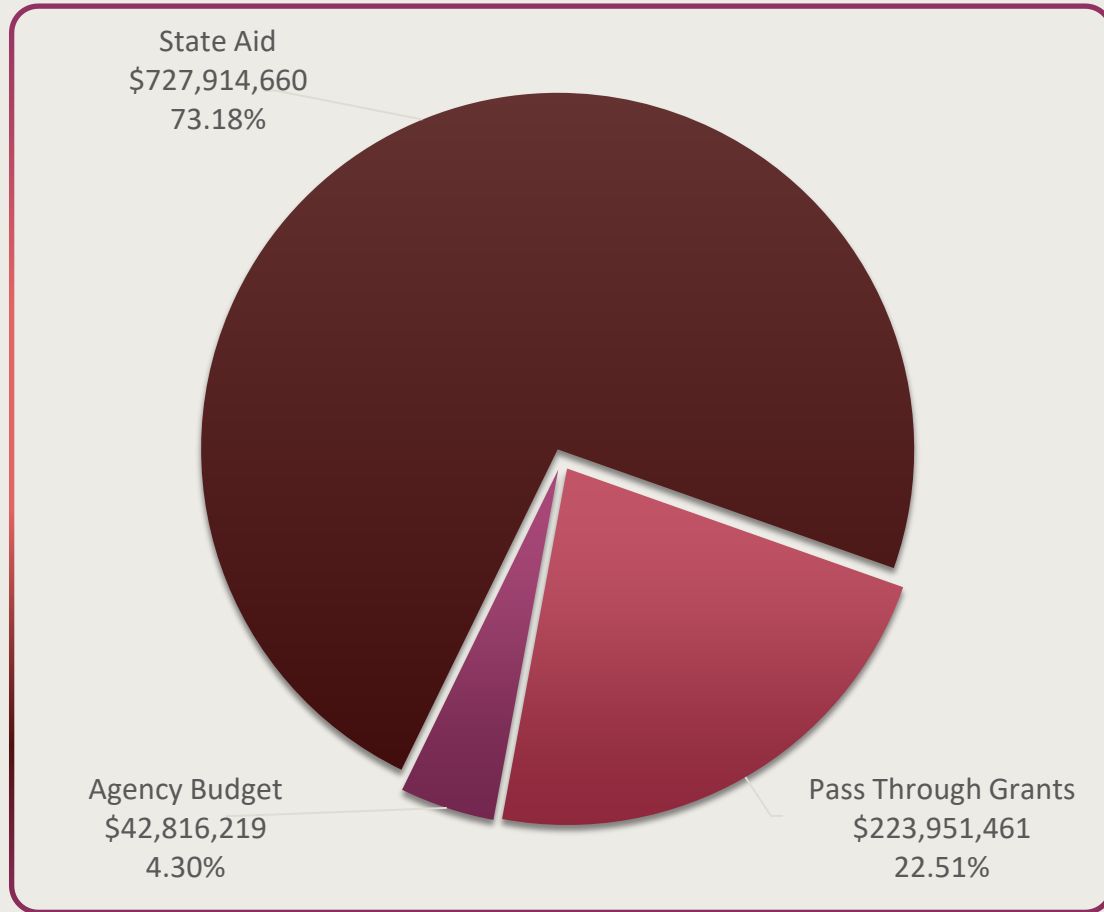
## Fees



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# *FY2027 RECOMMENDED BUDGET*

# DOE BUDGET SUMMARY



*FY2027 BUDGET RECOMMENDATION = \$994,682,340*



# FY2027 Recommended Changes

Budget	FTE	General	Federal	Other	Total
FY26 Base Budget	193.5	\$757,938,363	\$244,545,446	\$6,904,438	\$1,009,388,247
FY27 Recommended Budget	194.5	\$745,033,377	\$242,532,495	\$7,116,468	\$994,682,340
<b>Difference</b>	<b>1.0</b>	<b>(\$12,904,986)</b>	<b>(\$2,012,951)</b>	<b>\$212,030</b>	<b>(\$14,705,907)</b>

Recommended Budget Changes	FTE	General	Federal	Other	Total
State Personnel Development Grant	0.0	\$0	\$589,352	\$0	\$589,352
Internal Control Officer	0.0	\$51,058	\$9,531	\$0	\$60,589
Dual Credit	0.0	\$270,688	\$0	\$0	\$270,688
Professional Learning Platform	0.0	\$0	\$0	\$212,030	\$212,030
COVID Federal Authority	0.0	\$0	(\$2,607,000)	\$0	(\$2,607,000)
Technology Product Owner	1.0	\$100,000	\$0	\$0	\$100,000
Birth to Three FMAP	0.0	\$4,834	(\$4,834)	\$0	\$0
National Career Readiness Certificate (NCRC)	0.0	(\$450,000)	\$0	\$0	(\$450,000)
State Aid to K-12 Education	0.0	(\$12,881,566)	\$0	\$0	(\$12,881,566)
<b>Total</b>	<b>1.0</b>	<b>(\$12,904,986)</b>	<b>(\$2,012,951)</b>	<b>\$212,030</b>	<b>(\$14,705,907)</b>

# FY2027 RECOMMENDATION

## State Personnel Development Grant (SPDG)

- ☐ Develop a systematic, cohesive, collaborative and sustainable evidence-based model
- ☐ Collaborate with SD state university partners to develop modules that could be accessed for the professional learning platform
- ☐ Department identified approximately 10 school districts that would be eligible to receive subgrants
  - ☐ Support local teachers to participate in professional development
  - ☐ Take part in professional learning cohorts
  - ☐ Receive peer-to-peer coaching

## Dual Credit

- ☐ Projected credit increase of 4%
- ☐ Projected Amount per Credit increase of 2.9%

	FY2026 Budget	FY2027 Projection	Recommended Increase
Amount per Credit	\$ 157.12	\$ 161.53	\$ 4.41
State 50%	\$ 78.56	\$ 80.77	\$ 2.21
Student 50%	\$ 78.56	\$ 80.76	\$ 2.20
Projected Credits	49,753	51,743	1,990
Board of Regents	35,053	36,455	1,402
Lake Area Technical College	4,585	4,768	183
Mitchell Technical College	2,190	2,278	88
Southeast Technical College	2,856	2,970	114
Western Dakota Technical College	5,069	5,272	203
<b>Total</b>	<b>\$ 3,908,596</b>	<b>\$ 4,179,284</b>	<b>\$ 270,688</b>

# FY2027 RECOMMENDATION

## Internal Control Officer

- Annual Procedures Review
- Policy Compliance Review
- Records Management Support
- Legislative Session Support
- Collaboration with State Internal Control Office

## Professional Learning Platform

- Access Professional Development, registrations, recorded content, and self-paced courses
- Enables DOE to provide better, targeted professional development

## Birth to Three FMAP

- Rate Change
  - General Funds 48.47% to 48.74%
  - Federal Authority 51.53% to 51.26%

## Technology Product Owner

- Primary point of contact for the Teacher Certification System and other BIT-supported DOE systems.
- Certification staff don't have the expertise to deal with IT related issues of the system.
- Dedicated liaison with BIT to ensure the system works for teachers and for DOE staff.

## COVID Federal Authority

- ARP federal grant will expire 03/31/2026
- One grant remaining:
  - Farm to School Grant
    - Expires on 09/30/2026

## National Career Readiness Certificate (NCRC)

- School districts are not required to offer the NCRC assessment and is an optional test
- The department is working towards the ACT test for all juniors in public school districts

# FY2026 AMENDMENT

## State Personnel Development Grant (SPDG)

- Federal Authority Request of \$381,453.
- Grant award with a start date of 10/01/2025

## State Aid to General Education

- General fund reduction:
  - Decrease in State Aid Fall Enrollment (SAFE) budgeted to actual
  - Increase in property valuations

## Sparsity

- Increase in General Funds
  - Change in State Aid Fall Enrollment (SAFE) budgeted to actual
  - McLaughlin meets the criteria starting in FY2026

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# *K-12 EDUCATION*

# State Aid to General Education

- ❑ Recommended decrease of \$15,741,802
  - ❑ Increase of overhead rate from 38.78% to 38.80%
  - ❑ Decrease of projected State Aid Fall Enrollment (SAFE)
  - ❑ Reduced General Fund levies

Property Type	Gen Fund Levy				Property Valuations			Amount Raised	
	2025		2026		2025 Pay 2026	Est. % Increase	Est. 2026 Pay 2027	1/2 25 Pay 26	1/2 26 Pay 27
	Pay	Δ	Pay						
	2026		2027						
AG	1.125	-0.073	1.052		\$ 48,759,200,334	4%	\$ 50,709,568,347	\$ 27,427,050	\$ 26,673,233
OO	2.518	-0.163	2.355		\$ 63,870,121,810	4%	\$ 66,424,926,682	\$ 80,412,483	\$ 78,215,351
OTH	5.211	-0.337	4.874		\$ 39,627,009,355	5%	\$ 41,608,359,823	\$ 103,248,173	\$ 101,399,573
FY27 Local Effort								\$	417,375,863

Target Teacher Comp	\$	81,039.34
Target Teacher #		9,355.37
ELL Teachers		99.26
Total Target Teacher #		9,454.63
Total Teacher Comp	\$	766,196,975
Overhead Rate 38.78%	\$	297,131,187
New Other Revenues Equalized	\$	183,436
New Overhead Need	\$	297,314,623
Overhead Rate After New Equalization		38.80%
<b>Total Formula Need</b>	<b>\$</b>	<b>1,063,511,598</b>
Tech and Assessment	\$	12,032,133
Sparsity Adjustment	\$	2,630,666
Alternative Need	\$	690,390
Career & Technical Education	\$	125,606
SDHSAA	\$	146,977
Adjustment for PRTF	\$	1,700,000
ARSD 24:17:03:07	\$	226,927
<b>Total Statewide Need</b>	<b>\$</b>	<b>1,081,064,296</b>
Property Taxes (-)	\$	417,375,863
Other Revenues (-)	\$	53,887,450
Effort (+)	\$	8,938,580
State Share	\$	618,739,564
FY26 Budgeted State Aid	\$	634,481,366
Gov's Rec General Fund Increase	\$	(15,741,802)

# State Aid to Special Education

❑ Recommended increase of  
\$2,860,236

❑ Rebase disability levels  
biennially per Statute 13-37-  
35.1

❑ Change in property valuations

❑ Extraordinary Cost Fund

FY26 Budgeted				FY27 Recommended			
	Child Count		PSA		Child Count		PSA
Level 1 Disability	16,850	\$	7,650.45	Level 1 Disability	17,249	\$	7,874
Level 2 Disability	3,297	\$	16,759.91	Level 2 Disability	3,311	\$	15,957
Level 3 Disability	356	\$	23,139.68	Level 3 Disability	356	\$	21,045
Level 4 Disability	2,537	\$	18,053.89	Level 4 Disability	2,752	\$	18,029
Level 5 Disability	785	\$	37,039.28	Level 5 Disability	853	\$	38,058
Level 6 Disability	243	\$	11,838.15	Level 6 Disability	230	\$	12,207
	24,068	\$	270,160,456		24,751	\$	281,031,165
Extraordinary Cost Fund		\$	4,000,000	Extraordinary Cost Fund		\$	4,000,000
SDBVI Summer School		\$	200,000	SDBVI Summer School		\$	200,000
<b>Total Need</b>		\$	<b>274,360,456</b>	<b>Total Need</b>		\$	<b>285,231,165</b>
<b>Statewide local effort</b>		\$	<b>(189,505,187)</b>	<b>Statewide local effort</b>		\$	<b>(193,621,229)</b>
Adjustment for Lost Local Effort		\$	26,325,330	Adjustment for Lost Local Effort		\$	22,597,780
State Savings Due to Excess Fund Balance		\$	(8,130,696)	State Savings Due to Excess Fund Balance		\$	(8,297,576)
<b>FY26 Total State Share</b>		\$	<b>103,049,903</b>	<b>FY27 Total State Share</b>		\$	<b>105,910,140</b>
				FY27 General Fund Increase for State Aid to Special Education			
						\$	2,860,236

Property Type	Special Ed Levy			Property Valuations			Amount Raised	
	2025		2026					
	Pay 2026	Δ	Pay 2027	2025 Pay 2026	Est. % Increase	Est. 2026 Pay 2027	1/2 25 Pay 26	1/2 26 Pay 27
AG	1.262	-0.033	1.229	\$ 48,759,200,334	4%	\$ 50,709,568,347	\$ 30,767,055	\$ 31,161,030
OO	1.262	-0.033	1.229	\$ 63,870,121,810	4%	\$ 66,424,926,682	\$ 40,302,047	\$ 40,818,117
OTH	1.262	-0.033	1.229	\$ 39,627,009,355	5%	\$ 41,608,359,823	\$ 25,004,643	\$ 25,568,337
							<b>FY27 Local Effort</b>	<b>\$ 193,621,229</b>

# Sparsity

## ❑ Recommended increase of \$14,944

- 29 school districts meet the criteria
- McLaughlin qualified in FY2026

## ❑ School districts that meet the 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;
- Operates a secondary attendance center; and
- Levies at the maximum level

District	FY2026	FY2027	Increase/(Decrease)
Agar-Blunt-Onida 58-3	\$ 90,198	\$ 44,993	\$ (45,205)
Bennett County 03-1	\$ 42,675	\$ 44,307	\$ 1,632
Bison 52-1	\$ 137,000	\$ 137,000	\$ -
Doland 56-2	\$ 137,000	\$ 137,000	\$ -
Dupree 64-2	\$ 65,905	\$ 66,141	\$ 236
Eagle Butte 20-1	\$ 71,829	\$ 72,315	\$ 486
Edgemont 23-1	\$ 137,000	\$ 137,000	\$ -
Edmunds Central 22-5	\$ 137,000	\$ 137,000	\$ -
Eureka 44-1	\$ 137,000	\$ 137,000	\$ -
Faith 46-2	\$ 137,000	\$ 137,000	\$ -
Faulkton Area 24-4	\$ 21,652	\$ 21,415	\$ (237)
Haakon 27-1	\$ 69,799	\$ 68,894	\$ (905)
Harding County 31-1	\$ 30,928	\$ 68,222	\$ 37,294
Highmore-Harold 34-2	\$ 100,095	\$ 66,027	\$ (34,068)
Hoven 53-2	\$ 137,000	\$ 137,000	\$ -
Jones County 37-3	\$ 137,000	\$ 137,000	\$ -
Kadoka Area 35-2	\$ 70,930	\$ 71,756	\$ 826
Lemmon 52-4	\$ 65,348	\$ 65,399	\$ 51
Leola 44-2	\$ 137,000	\$ 137,000	\$ -
Lyman 42-1	\$ 53,470	\$ 53,456	\$ (14)
McIntosh 15-1	\$ 137,000	\$ 137,000	\$ -
McLaughlin 15-2	\$ -	\$ 3,284	\$ 3,284
Miller 29-4	\$ 32,997	\$ 36,781	\$ 3,784
Newell 09-2	\$ 95,596	\$ 137,000	\$ 41,404
Oelrichs 23-3	\$ 137,000	\$ 137,000	\$ -
Selby 62-5	\$ 137,000	\$ 137,000	\$ -
Timber Lake 20-3	\$ 54,427	\$ 54,628	\$ 201
Wall 51-5	\$ 56,252	\$ 56,504	\$ 252
White River 47-1	\$ 49,621	\$ 55,544	\$ 5,923
<b>Total</b>	<b>\$ 2,615,722</b>	<b>\$ 2,630,666</b>	<b>\$ 14,944</b>



## ADDITIONAL INFORMATION

- ❑ Department of Education website: <https://doe.sd.gov/>
- ❑ South Dakota State Historical Society: <https://history.sd.gov/>
- ❑ South Dakota State Library: <https://library.sd.gov/>