

Workforce Education Fund

Annual Report to the Government Operations and Audit Committee

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South Dakota Department of Education

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Workforce Education Fund

Overview

In 2013, the South Dakota Legislature passed SB 235, which established the Building South Dakota (BSD) Fund. According to the bill, each year 30% of the BSD fund is to be transferred to the Workforce Education Fund (WEF). Under current statutes, proceeds of the WEF fund are to be used for the following purposes:

1. Secondary Career and Technical Education Grants (up to \$2.5 million)
2. One-Time Education Enhancement Programs

The Workforce Education Fund was also designated to cover the state share for the Limited English Proficiency Adjustment in the State Aid to General Education Funding formula for fiscal years 2014 through 2016. As of FY 2017, the state share is now covered with state general fund dollars.

Further details on the Secondary Career and Technical Education Grants and the One-Time Education Enhancement Programs and the status of each are outlined below.

Secondary Career and Technical Education Grants (Workforce Education Grants)

Overview:

For FY 2014 through 2016, funds of up to \$1.5 million remaining after the LEP adjustment was fully funded were to be used to fund new and existing secondary career and technical education (CTE) programs. The fund was first able to reach this benchmark during FY2016. During the 2016 legislative session, this amount was increased to \$2.5 million beginning in FY2017. A provision was added that allowed up to \$250,000 to be distributed to private, nonprofit entities that specialize in career and technical education. The grants are known as the Workforce Education Grants.

The Workforce Education Grants provide school districts and private, nonprofit entities in South Dakota the opportunity to make transformative change in CTE programs. High quality CTE programs give students the knowledge, skills and experiences to be well prepared for postsecondary education and the workforce. Partnerships among secondary education, postsecondary education, and business and industry lay the foundation for modern CTE programs. These grants will efficiently increase the number of students with access to high quality CTE programs in the state.

Who is Eligible:

Eligible applicants are Local Education Agencies (LEAs) and private, nonprofit entities with projects designed to serve 7th – 12th grade students. Entities that are awarded grants will serve as fiscal agents through the completion of their projects. All applications must demonstrate commitment by all grant partners to the grant project and its sustainability following the conclusion of the grant.

Proposed projects must meet the following criteria:

1. Build, reform or enhance an approved secondary CTE program;
2. Align to high-skill, high-demand, and high-wage careers and postsecondary education programs in South Dakota; and
3. Demonstrate the ability to complete the project.

Proposed projects must fall within one or more of the following categories:

1. Evaluation for alignment to postsecondary education and workforce demands;
2. Development of career pathways or programs of study;
3. Development of career guidance or work-based learning programs;
4. Educator training;
5. Facilities;
6. Equipment; or
7. Instructional materials.

The Workforce Education Grants are awarded through a competitive submission and review process. As such, grant teams are expected to make significant and meaningful improvements to CTE programs; applications should not be one-off projects for small equipment purchases, teacher training, student transportation, or similar activities. Projects should be completed within 18 months, and a one-to-one match is required.

Priority is given to projects that demonstrate one or more of the following characteristics and meet the requirements outlined in SD Administrative Rule 24:10:47:

- A project evaluating local career and technical education systems for the purposes of redesigning approved secondary CTE programs;
- An innovative project demonstrating alignment to postsecondary education and South Dakota workforce needs and including work-based learning, dual or concurrent credit courses and any applicable CTSO;
- A project which includes collaboration between multiple secondary schools;
- A project demonstrating partnerships with postsecondary education and business or industry;
- A project including industry-grade practices, equipment, and student certifications;
- A project integrating academic content, work-readiness skills, and entrepreneurship education;
- A project increasing access to and support for approved secondary CTE programs in rural areas;
- A project including plans for sustainability;
- A project which supports the retention of highly effective teachers, career counselors, and administrators for approved secondary CTE programs.

Grants Awarded:

To date, \$4,000,000 in funding has been made available for distribution for the Workforce Education Grants.

- \$1,500,000 at the end of FY2016
- \$2,500,000 at the end of FY2017

Grants in the amount of \$3,297,031 have been awarded to the following:

School District/Entity	Grant Year	Total Awarded	Balance to Date	Description
Aberdeen Development Corporation	2017	\$ 250,000.00	\$ 250,000.00	Diesel technology training program
Armour	2017	\$ 17,495.00	\$ 17,495.00	Upgrade manufacturing equipment and facilities
Belle Fourche	2017	\$ 500,000.00	\$ 500,000.00	Construction of CTE facility to house manufacturing, human services, hospitality & tourism, business management & administration, and agriculture programs
Brookings	2017	\$ 493,500.00	\$ 493,500.00	Improve agriculture, health science, hospitality & tourism, and information technology programs through equipment purchases, teacher training and facilities renovation
Gayville-Volin	2016	\$ 100,000.00	\$ 100,000.00	Expand transportation program facilities
Hitchcock-Tulare	2016	\$ 33,169.00	\$ 33,169.00	Upgrade equipment for ag metals and precision agriculture instruction
Lennox	2017	\$ 41,323.00	\$ 41,323.00	Create agriscience learning lab with outdoor animal science, horticulture, landscape construction, soil science, and natural resources laboratories
McIntosh	2017	\$ 76,000.00	\$ 76,000.00	Development of a heavy equipment operator program
Meade	2016	\$ 28,504.64	\$ 3,826.64	Expand precision machining program
Mitchell	2016	\$ 107,233.00	\$ 569.82	Upgrade equipment in the information technology, architecture & construction, and health science programs; implement a 1+1 licensed practical nursing program with Mitchell Technical Institute
Northwestern	2017	\$ 74,505.35	\$ 74,505.35	Development of new agriculture program
Pierre	2017	\$ 244,500.00	\$ 244,500.00	Renovate facilities and upgrade equipment for the hospitality & tourism program
Platte-Geddes	2016	\$ 95,000.00	\$ 95,000.00	Upgrade the agriculture program facilities
Rapid City	2016	\$ 43,446.00	\$ 8,325.96	Upgrade the graphic design program
Redfield	2017	\$ 55,575.00	\$ 55,575.00	Renovate facilities and upgrade equipment for the agriculture program
Sioux Falls	2016	\$ 99,760.00	\$ 73,746.86	Implement a concurrent credit diesel technology option in the existing transportation program with Lake Area Technical Institute
Webster	2016	\$ 43,000.00	\$ 43,000.00	Implement a Project Lead the Way Biomedical Science program
Webster	2017	\$ 133,158.00	\$ 133,158.00	Creation of a new architecture & construction program in partnership with surrounding school districts
Winner	2017	\$ 332,462.40	\$ 332,462.40	Construction of agriscience learning center
Yankton	2016	\$ 278,400.00	\$ 106,799.08	Expand the internship program with local businesses; develop concurrent credit programs with Mitchell Technical Institute in transportation, drafting, welding, and information technology; upgrade equipment in the
Yankton	2017	\$ 250,000.00	\$ 250,000.00	Development of new agriculture program and expansion of architecture & construction program
TOTAL		\$ 3,297,031.39	\$ 2,932,956.11	

For more information, visit <http://doe.sd.gov/octe/weg.aspx>

One-Time Education Enhancement Programs

When SB 235 was passed, any amount remaining in the fund over \$1 million after the LEP adjustment and Workforce Education Grants were distributed was directed to be used to provide additional one-time funding to school districts based on the ratio of each district's fall enrollment to the total state aid fall enrollment. This language was amended in SB 132 during the 2016 legislative session to direct the one-time funding to be used by the Department of Education to implement one-time education enhancements that are defined annually and approved by the South Dakota Legislature. Another bill passed during the 2016 session, SB9, appropriated \$2,200,000 from the Workforce Education Fund to be used to fund the Native American achievement schools grant program and the paraprofessional tuition assistance scholarship program.

South Dakota School of Mines & Technology Summer Math

During the 2016 legislative session, SB92 appropriated \$250,000 from the Workforce Education Fund to the South Dakota School of Mines and Technology to continue the summer math pilot program.

Paraprofessional Tuition Assistance Scholarship Program:

Approximately \$430,000 of the funding has been set aside to provide tuition assistance for paraprofessionals working in public school districts with large Native American student populations and demonstrated academic need. The program supports these individuals in pursuing a teaching degree.

DOE has partnered with Black Hills State University for this program. The program delivery model consists of online coursework combined with face-to-face advising and face-to-face course modules. Each module is composed of separate courses “compacted” to be delivered in a weekend format with online follow-up, all of which can be taken WHILE paraprofessionals are employed full time and registered for student teaching. The modules are patterned after the old “Teacher Corps” model and are designed to have maximum impact for P-12 students as paraprofessionals return to classrooms.

Each face-to-face module requires three Friday-Saturday weekends of coursework, with follow-up that verifies completion of classroom applications. Because these participants are in classrooms currently, contact hours will not total 45 per 3-credit class; applications and follow-up will replace some contact hours. Courses can be compacted because these participants are a unique population, many of whom have stepped up to accept teaching responsibilities already. This model should allow participants to complete a degree in two years.

Twelve individuals were selected for the scholarships in the summer of 2016 and began coursework in the fall semester. As of September 2017, 8 individuals from the first competition are still participating in the program. In June of 2017, a second round of scholarships was awarded to 6 additional individuals and they began coursework in the fall of 2017. As of August 31, 2017, \$57,686.85 has been expended for this program.

Native American Achievement Schools Grants:

The remaining amount, \$1,770,000, was granted to fund three projects through the Native American achievement schools grant program. The purpose of the grant program is to fund the establishment of up to three Native American achievement schools aimed at improving academic outcomes for Native American students. Funding is available on a one-time basis, and grant proposals must prove sustainability beyond the initial investment. Funds are awarded to support the cost of a fellow to lead the implementation of the proposal, including required training and travel for the fellow; training and travel costs for other personnel directly working to implement the proposal’s activities and outcomes; and purchases of services, materials, supplies and equipment related to the proposal’s activities and outcomes. Native American achievement schools are expected to be fully operational for the start of the 2019-20 school year.

Grant recipients are expected to commit to increasing student success by: building cultural identities of all students; encouraging academic perseverance; supporting the development of the whole child; and encouraging student leadership skills. This commitment to student success is demonstrated by incorporating one or more of the following priorities into the plan for operating a Native American achievement school:

- Offering programming designed to lead to postsecondary readiness and work readiness;
- Supporting the recruitment and retention of highly effective teachers and administrators;

- Demonstrating commitment to implementation of the Oceti Sakowin Essential Understandings and Standards across the curriculum;
- Demonstrating a commitment to implementation of courses offering instruction in Dakota, Lakota or Nakota languages;
- Maintaining a school environment that cultivates diversity of the student population and promotes a sense of belonging;
- Forming partnerships with community organizations or governmental entities;
- Planning for sustainability.

The following districts were awarded Native American Achievement School grants. Each grant is a three-year grant with a total funding amount of \$590,000 for each school. As of August 31, 2017, a total of \$47,072 has been paid out for these grants.

Grantee	Awarded	Payments	Balance
Smee School District - Wakpala High School	\$ 590,000.00	\$ 8,399.57	\$ 581,600.43
Todd County School District - Todd County Middle School	\$ 590,000.00	\$ 25,670.31	\$ 564,329.69
Todd County School District - He Dog Elementary School	\$ 590,000.00	\$ 13,001.84	\$ 576,998.16
TOTAL	\$1,770,000.00	\$ 47,071.72	\$1,722,928.28

On June 28, 2017, the Smee School District notified the Department of Education that it no longer wished to participate in the Native American Achievement School Grant program. The grant has a 60-day termination clause, and thus the grant was officially terminated on September 26, 2017.

Both the Todd County Middle School and Todd County He Dog Elementary School projects have hired fellows. Fellows and administrators attended trainings with NACA Inspired School Network (NISN) in Albuquerque, NM. The schools are currently working on developing the implementation plans.

Additional One-Time Education Enhancement Funds:

As of June 30, 2017, the Workforce Education Fund is projected to have \$226,982 available for additional one-time education enhancement funding. The use of these funds must be defined and approved by the South Dakota Legislature.

Revenues and Expenditures

The table below shows the revenues and distributions of the Workforce Education Fund as of June 30, 2017.

	ACTUAL FY2013	ACTUAL FY2014	ACTUAL FY2015	ACTUAL FY2016	ACTUAL FY2017	PROJECTED FY2018
Interest & Dividends		\$4,025	\$11,269	\$30,037	\$53,442	\$79,303
Operating Transfers In	\$2,100,000	\$2,771	\$3,017,826	\$3,317,106	\$3,409,043	\$516,325
TOTAL RECEIPTS	\$2,100,000	\$6,796	\$3,029,094	\$3,347,142	\$3,462,485	\$595,628
Grants & Subsidies						
Limited English Proficiency Adjustment		\$2,100,000	\$1,638,552	\$1,529,984	\$0	
Workforce Education Grants				\$117,349	\$0	\$3,882,651
Native American Achievement Schools					\$43,078	\$1,726,922
Paraprofessional Scholarships					\$57,687	\$372,313
One-Time Education Enhancement						\$226,982
Transferred to SDSMT - Summer Math Program				\$250,000		
TOTAL DISBURSEMENTS	\$0	\$2,100,000	\$1,638,552	\$1,897,333	\$100,765	\$6,208,868
NET (Receipts less Disbursements)	\$2,100,000	(\$2,093,204)	\$1,390,542	\$1,449,809	\$3,361,721	(\$5,613,240)
BEGINNING CASH BALANCE	\$0	\$2,100,000	\$6,796	\$1,397,339	\$2,847,148	\$6,208,869
ENDING CASH BALANCE	\$2,100,000	\$6,796	\$1,397,339	\$2,847,148	\$6,208,869	\$595,629