

Workforce Education Fund

Annual Report to the Government Operations and Audit Committee

Fiscal Year 2020

**South Dakota Department of Education
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Secretary 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). Initially, WEF dollars were to be used for three purposes: to cover the State's share of the Limited English Proficiency (LEP) adjustment in the State Aid to General Education Funding formula for fiscal years 2014 through 2016; to provide secondary career and technical education grants; and to provide additional one-time funding to school districts.

Over the years, those purposes have been modified by the Legislature. The State's share of the LEP adjustment is now covered with general funds through the General State Aid to Education formula. The one-time funding to school districts was changed to provide for one-time education enhancement programs. And, in 2018, the Legislature passed SB 81, which limited the fund to providing grants for new and existing secondary career and technical education programs.

This report provides information regarding the secondary career and technical education (CTE) grants and the one-time education enhancement programs and the status of each.

Secondary Career and Technical Education Grants (Workforce Education Grants)

Overview:

For FY2014 through FY2016, funds of up to \$1.5 million remaining after the LEP adjustment was fully funded were to be used to fund new and existing 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 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 middle and high school 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, 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 CTE 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:

Grants totaling \$4,843,583 have been awarded from FY2016 through the end of FY2020. A complete history of school districts and other entities awarded Workforce Education Grants can be found at the end of this report.

As of October 30, 2020, there are eight Workforce Education Grants open with a total award amount of and a balance \$695,482.29 remaining on the grants. Details of the open grants are in the table on the next page:

School District/Entity	Grant Year	Total Awarded	Balance to Date	Description
Dell Rapids School District	2019	\$ 11,661.34	\$ 11,661.34	Expand and enhance the manufacturing career cluster through a welding technology program.
Deubrook Area School District	2019	\$ 16,625.00	\$ 16,625.00	Expansion of agriculture food and natural resources career cluster through a new horticulture program.
Rapid City Area School District	2019	\$ 225,000.00	\$ 225,000.00	Expansion of the Information Technology and Arts/AV Technology and Communications Career Clusters through the purchase of equipment for the Computer Arts and Sciences Academy.
Sioux Falls Catholic Schools (O'Gorman)	2019	\$ 91,028.90	\$ 42,960.60	Expansion of the Architecture and Construction career cluster.
Canton School District	2020	\$ 60,000.00	\$ 60,000.00	Erect and maintain a school Greenhouse with the intent to develop tomorrow's South Dakota workforce by introducing and culturing student's interest in career areas such as: agronomy, horticulture, landscape construction, soil science, and natural resources.
Huron School District	2020	\$ 225,000.00	\$ 225,000.00	Expand infrastructure and career development opportunities in the district's CTE programs in order to fulfill regional workforce needs.
McCook School District	2020	\$ 57,945.00	\$ 57,945.00	Create an Animal Science and Agri Science Learning Lab.
Mitchell School District	2020	\$ 56,290.35	\$ 56,290.35	The Agricultural Precision and Automation Project is an initiative designed to advance the congruence of the Mitchell Career and Technical Education Academy's agriculture program with the realities and needs of the modern agricultural sector.
TOTAL		\$ 4,843,583.06	\$ 695,482.29	

*Grant Agreements can be found at www.open.sd.gov

For more information, visit <https://doe.sd.gov/cte/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, SB 9, appropriated \$2,200,000 from the WEF to be used to fund the Native American Achievement Schools grant program and the paraprofessional tuition assistance scholarship program described below.

With the passage of HB 1044 in the 2018 Session, \$792,729 was transferred from the WEF into the general fund prior to the end of the 2018 fiscal year. This amount consisted primarily of dollars forfeited when one of the Native American Achievement School grantees left the 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 appropriated in 2016 was set aside to provide tuition assistance for paraprofessionals working in public school districts with large Native American student populations that demonstrated academic need. The program, which was launched in the fall of 2016, supported these paraprofessionals in pursuit of teaching degrees at Black Hills State University. Funding for the program ended June 30, 2020.

Of the 16 paraprofessionals that began the program, 11 graduated with a baccalaureate degree. By November 2020, all 11 graduates of the program have submitted and been approved as certified teachers in South Dakota. Lastly, of the 11 graduates, nine are currently teaching in the same district that they had previously been employed as a paraprofessional, and one is teaching in a different district which meets the parameters of the original program. Program participants represented the following high-need school districts: Dupree, Kadoka, Oglala Lakota County, Rapid City, Smee, Todd County and White River.

As of June 30, 2020, \$296,919.99 had been spent on tuition and fees for the graduates.

Native American Achievement Schools Grants:

The remaining amount of the appropriation in SB 9, \$1,770,000, was granted to fund three projects through the Native American Achievement Schools grant program. The purpose of the grant program was to fund the establishment of up to three Native American Achievement Schools aimed at improving academic outcomes for Native American students.

Two schools – Todd County Middle School and He Dog Elementary School – were active in the program.

As previously reported, a third school left the program in September 2017. Grant funding ended June 30, 2020.

Funds were used 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.

Grant recipients were committed to increasing student success through 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 was 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.

COVID-19 has delayed the issuing of a report related to the impact of this grant program.

The following chart shows grant recipients and payments. Each grant was a three-year award with funding up to \$590,000. The chart below shows payment activity through June 30, 2020:

Grant #	Grantee	Awarded	Paid	Released	Obligation
2017G-347	Smee School District	590,000.00	24,241.51	(565,758.49)	0.00
2017G-348	Todd County School District (Middle School)	590,000.00	438,313.08	(151,686.92)	0.00
2017G-349	Todd County School District (He Dog Elem)	590,000.00	453,504.24	(136,495.76)	0.00
Total		1,770,000.00	916,058.83	(853,941.17)	0.00

Revenues and Expenditures

The table below shows the revenues and distributions of the WEF as of June 30, 2020:

	ACTUAL FY2016	ACTUAL FY2017	ACTUAL FY2018	ACTUAL FY2019	ACTUAL FY2020	PROJECTED FY2021
Interest & Dividends	\$30,037	\$53,442	\$70,855	\$70,242	\$82,234	\$24,776
Operating Transfers In	\$3,317,106	\$3,409,043	\$524,773	\$490,000	\$490,000	\$490,000
TOTAL RECEIPTS	\$3,347,142	\$3,462,485	\$595,628	\$560,242	\$572,234	\$514,776
Grants & Subsidies						
Limited English Proficiency	\$1,529,984	\$0	\$0	\$0	\$0	\$0
CTE	\$117,349	\$0	\$1,888,989	\$1,084,041	\$581,381	\$2,131,578
One-Time Education Enhancement S		\$100,765	\$343,958	\$339,632	\$428,624	
Operating Transfer Out	\$250,000		\$792,729			
TOTAL DISBURSEMENTS	\$1,897,333	\$100,765	\$3,025,676	\$1,423,674	\$1,010,005	\$2,131,578
NET (Receipts less Disbursements)	\$1,449,809	\$3,361,721	(\$2,430,047)	(\$863,432)	(\$437,771)	(\$1,616,802)
BEGINNING CASH BALANCE	\$1,397,339	\$2,847,148	\$6,208,869	\$3,778,821	\$2,915,390	\$2,477,619
ENDING CASH BALANCE	\$2,847,148	\$6,208,869	\$3,778,821	\$2,915,390	\$2,477,619	\$860,817

School District/Entity	Fiscal Year Grant was Awarded	Grant Agreement Number*	Grant Award End Date	Grant Award Amount	Amount reimbursed in FY 2017	Amount reimbursed in FY 2018	Amount reimbursed in FY 2019	Amount reimbursed in FY 2020	Amount reimbursed YTD FY 2021 (as of 10/27/2020)	Grant Amount Dismissed After Final Grant Payment	Balance Remaining	Comments
Gayville-Volin School District	2016	2016G-526	12/28/2017	\$ 100,000.00	\$ -	\$ 99,995.19	\$ -	\$ -	\$ -	\$ 4.81	\$ (0.00)	Expand transportation program facilities
Meade School District	2016	2016G-473	09/01/2017	\$ 28,504.64	\$ -	\$ 27,689.88	\$ -	\$ -	\$ -	\$ 814.76	\$ (0.00)	Expand precision machining program
Mitchell School District	2016	2016G-484	09/01/2017	\$ 107,233.00	\$ -	\$ 99,071.82	\$ -	\$ -	\$ -	\$ 8,161.18	\$ (0.00)	Upgrade equipment in the information technology, architecture & construction, and health science programs; implement a 1+1 licensed practical nursing program with Mitchell Technical Institute
Rapid City School District	2016	2016G-479	09/01/2017	\$ 43,446.00	\$ -	\$ 35,120.04	\$ -	\$ -	\$ -	\$ 8,325.96	\$ -	Upgrade the graphic design program
Webster School District	2016	2016G-482	12/28/2017	\$ 43,000.00	\$ -	\$ 39,691.94	\$ -	\$ -	\$ -	\$ 3,308.06	\$ (0.00)	Implement a Project Lead the Way Biomedical Science Program
Grant Year Totals:				\$ 322,183.64	\$ -	\$ 301,568.87	\$ -	\$ -	\$ -	\$ 20,614.77	\$ (0.00)	
Aberdeen Development Corporation	2017	2017G-600	11/01/2018	\$ 250,000.00	\$ -	\$ 108,505.42	\$ 140,716.09	\$ -	\$ -	\$ 778.49	\$ 0.00	Diesel technology training program
Armour School District	2017	2017G-594	07/31/2018	\$ 17,495.00	\$ -	\$ 17,495.00	\$ -	\$ -	\$ -	\$ -	\$ -	Update manufacturing equipment and facilities
Belle Fourche School District	2017	2017G-595	11/14/2018	\$ 500,000.00	\$ -	\$ 500,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	Construction of CTE facility to house manufacturing, human services, hospitality & tourism, business management & administration, and

												agriculture programs
Brookings School District	2017	2017G-604	07/31/2018	\$ 493,500.00	\$ -	\$ -	\$ 314,961.57	\$ -	\$ -	\$ 178,538.43	\$ -	Improve agriculture, health science, hospitality & tourism, and information technology program through equipment purchases, teacher training and facilities renovation.
Hitchcock-Tulare School District	2017	2017G-180	09/01/2017	\$ 33,169.00	\$ -	\$ 32,978.58	\$ -	\$ -	\$ -	\$ 190.42	\$ (0.00)	Upgrade equipment for ag metals and precision agriculture instruction
Lennox School District	2017	2017G-603	06/30/2018	\$ 41,323.00	\$ -	\$ 41,323.00	\$ -	\$ -	\$ -	\$ -	\$ -	Create Agri science learning lab with outdoor animal science, horticulture, landscape construction, soil science, and natural resources laboratories
McIntosh School District	2017	2017G-602	07/31/2018	\$ 76,000.00	\$ -	\$ 55,550.00	\$ 20,450.00	\$ -	\$ -	\$ -	\$ -	Development of a heavy equipment operator program
Northwestern Area School District	2017	2017G-605	11/01/2018	\$ 74,505.35	\$ -	\$ 14,326.35	\$ 54,797.47	\$ -	\$ -	\$ 5,381.53	\$ 0.00	Development of a new agriculture program
Pierre School District	2017	2017G-601	07/31/2018	\$ 244,500.00	\$ -	\$ 219,684.32	\$ 24,815.68	\$ -	\$ -	\$ -	\$ (0.00)	Renovate facilities and upgrade equipment for the hospitality & tourism program
Platte-Geddes School District	2017	2017G-599	06/29/2018	\$ 95,000.00	\$ -	\$ 95,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	Upgrade the agriculture program facilities
Redfield School District	2017	2017G-440	08/20/2018	\$ 55,575.00	\$ -	\$ -	\$ 34,042.38	\$ -	\$ -	\$ 21,532.62	\$ 0.00	Renovate facilities and upgrade equipment for the agriculture program

Sioux Falls Career & Technical Education Academy	2017	2017G-181	12/28/2017	\$ 99,760.00	\$ -	\$ 91,661.28	\$ -	\$ -	\$ -	\$ 8,098.72	\$ 0.00	Implement a concurrent credit diesel technology option in the existing transportation program with Lake Area Technical Institute
Webster School District	2017	2017G-597	11/01/2018	\$ 133,158.00	\$ -	\$ 133,158.00	\$ -	\$ -	\$ -	\$ -	\$ -	Creation of a new architecture & construction program in partnership with surrounding school districts
Yankton School District	2017	2017G-179	11/01/2017	\$ 278,400.00	\$ -	\$ 277,738.04	\$ -	\$ -	\$ -	\$ 661.96	\$ 0.00	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 Construction program and Technology, Machines & Society course.
Yankton School District	2017	2017G-593	12/01/2018	\$ 250,000.00	\$ -	\$ -	\$ 249,654.20	\$ -	\$ -	\$ 345.80	\$ (0.00)	Development of new agriculture program and expansion of architecture & construction program
Grant Year Totals:				\$ 2,642,385.35	\$ -	\$ 1,587,419.99	\$ 839,437.39	\$ -	\$ -	\$ 215,527.97	\$ 0.00	
Estelline School District	2018	2018G-571	12/01/2019	\$ 150,000.00	\$ -	\$ -	\$ 57,370.32	\$ 46,490.35		\$ 46,139.33	\$ (0.00)	Implementing a Manned and Unmanned Aviation Systems program in the STEM Career Cluster

Meade School District	2018	2018G-570	12/01/2019	\$ 22,000.00	\$ -	\$ -	\$ 21,951.22			\$ 48.78	\$ (0.00)	Expansion of the Manufacturing Career Cluster at Sturgis Brown High School
Milbank School District	2018	2018G-572	12/01/2019	\$ 44,424.00	\$ -	\$ -	\$ -	\$ 44,423.52		\$ 0.48	\$ -	Development of a new STEM Career Cluster
Mitchell Area Development	2018	2018G-577	12/01/2019	\$ 79,984.00	\$ -	\$ -	\$ 79,984.00			\$ -	\$ -	Creation of a middle school career exploration program
Mitchell School District	2018	2018G-569	12/01/2019	\$ 46,429.00	\$ -	\$ -	\$ 46,429.00			\$ -	\$ -	Expansion of the manufacturing career cluster at the Mitchell Career and Technical Education Academy
RTEC, Inc.	2018	2018G-573	12/01/2019	\$ 45,540.00	\$ -	\$ -	\$ 38,869.50	\$ 6,408.00		\$ 262.50	\$ -	Enhance skills training in RTEC welding and CNC machining programs with equipment upgrades
Grant Year Totals:				\$ 388,377.00	\$ -	\$ -	\$ 244,604.04	\$ 97,321.87	\$ -	\$ 46,451.09	\$ (0.00)	
Dell Rapids School District	2019	2019G-461	11/01/2020	\$ 11,661.34	\$ -	\$ -	\$ -			\$ -	\$ 11,661.34	Expand and enhance the manufacturing career cluster through a welding technology program.
Deubrook Area School District	2019	2019G-460	11/01/2020	\$ 16,625.00	\$ -	\$ -	\$ -			\$ -	\$ 16,625.00	Expansion of agriculture food and natural resources career cluster through a new horticulture program.
Harrisburg School District	2019	2019G-459	11/01/2020	\$ 225,000.00	\$ -	\$ -	\$ -	\$ 225,000.00		\$ -	\$ -	Expand infrastructure and skills development through the creation of a Homebuilders Academy as part of the architecture and construction career cluster.

Menno School District	2019	2019G-456	11/01/2020	\$ 225,000.00	\$ -	\$ -	\$ -		\$ 225,000.00	\$ -	\$ -	Building of a new Agricultural Laboratory to expand the agriculture food and natural resource career cluster.
Mitchell School District	2019	2019G-458	11/01/2020	\$ 72,086.48	\$ -	\$ -	\$ -		\$ 63,494.98	\$ 8,591.50	\$ -	Provide automation/robotic s skills instruction in Mitchell Middle School and Mitchell Career and Technical Education Academy programs.
Rapid City Area School District	2019	2019G-468	11/01/2020	\$ 225,000.00	\$ -	\$ -	\$ -			\$ -	\$ 225,000.00	Expansion of the Information Technology and Arts/AV Technology and Communications Career Clusters through the purchase of equipment for the Computer Arts and Sciences Academy.
Sioux Falls Catholic Schools (O'Gorman)	2019	2019G-462	11/01/2020	\$ 91,028.90	\$ -	\$ -	\$ -	\$ 34,058.76	\$ 14,009.54	\$ -	\$ 42,960.60	Expansion of the Architecture and Construction career cluster.
Tea Area School District	2019	2019G-457	11/01/2020	\$ 225,000.00	\$ -	\$ -	\$ -	\$ 225,000.00		\$ -	\$ -	Construction of a facility to house Manufacturing, Architecture & Construction, and Transportation, Distribution & Logistics Career cluster classrooms.
Grant Year Totals:				\$ 1,091,401.72	\$ -	\$ -	\$ -	\$ 484,058.76	\$ 302,504.52	\$ 8,591.50	\$ 296,246.94	

Canton School District	2020	2020G-397	12/01/2021	\$ 60,000.00	\$ -	\$ -	\$ -			\$ -	\$ 60,000.00	Erect and maintain a school Greenhouse with the intent to develop tomorrow's South Dakota workforce by introducing and culturing student's interest in career areas such as: agronomy, horticulture, landscape construction, soil science, and natural resources.
Huron School District	2020	2020G-395	12/01/2021	\$ 225,000.00	\$ -	\$ -	\$ -			\$ -	\$ 225,000.00	Expand infrastructure and career development opportunities in the district's CTE programs in order to fulfill regional workforce needs.
McCook School District	2020	2020G-398	12/01/2021	\$ 57,945.00	\$ -	\$ -	\$ -			\$ -	\$ 57,945.00	Create an Animal Science and Agri Science Learning Lab.
Mitchell School District	2020	2020G-396	12/01/2021	\$ 56,290.35	\$ -	\$ -	\$ -			\$ -	\$ 56,290.35	The Agricultural Precision and Automation Project is an initiative designed to advance the congruence of the Mitchell Career and Technical Education Academy's agriculture program with the realities and needs of the modern agricultural sector.
Grant Year Totals:				\$ 399,235.35	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 399,235.35	
Workforce Education Fund Grand Total				\$ 4,843,583.06	\$ -	\$ 1,888,988.86	\$ 1,084,041.43	\$ 581,380.63	\$ 302,504.52	\$ 291,185.33	\$ 695,482.29	