



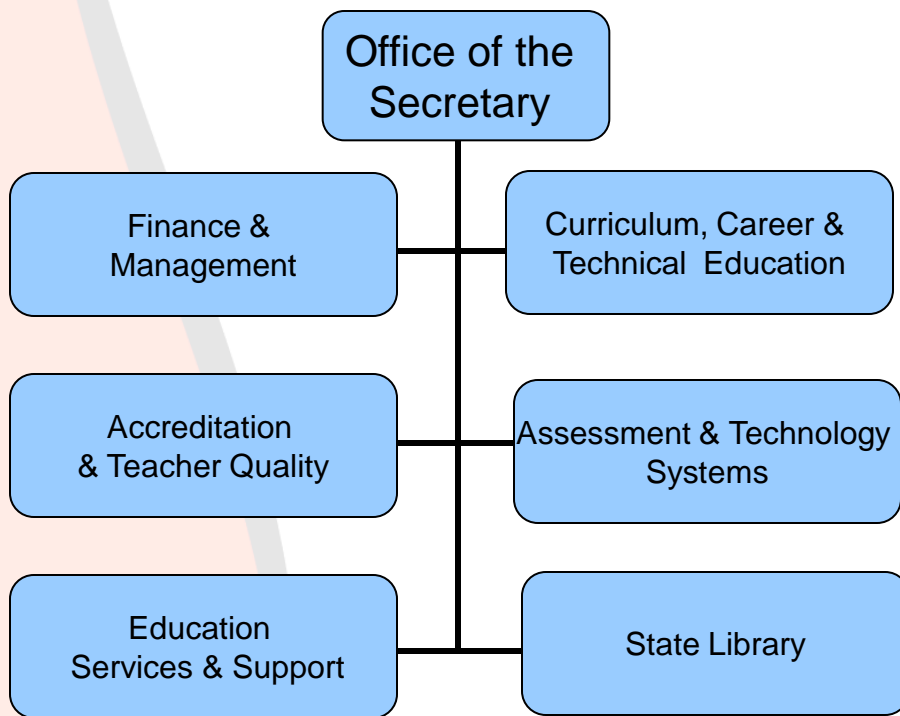
Department of Education

**Fiscal Year 2011
Presentation to
Joint Appropriations Committee
January 26, 2010**

Department Mission

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

Department Organization



Department Initiatives

- High School 2025
- South Dakota Virtual School
- SD INCENTIVES*Plus*
- GEAR UP
- Library Development
- Technical Institutes
- Race to the Top

Measuring Success

We look at a 3-legged stool when assessing progress:

1. Dakota STEP scores
 - State Report Card/AYP
2. ACT Scores
3. National Assessment on Educational Progress (NAEP)

Other Indicators

- Graduation rates
- Percent of students that go on to postsecondary schools
 - 72.1%
 - Top 5 in the country
- Library usage statistics
- Library standards

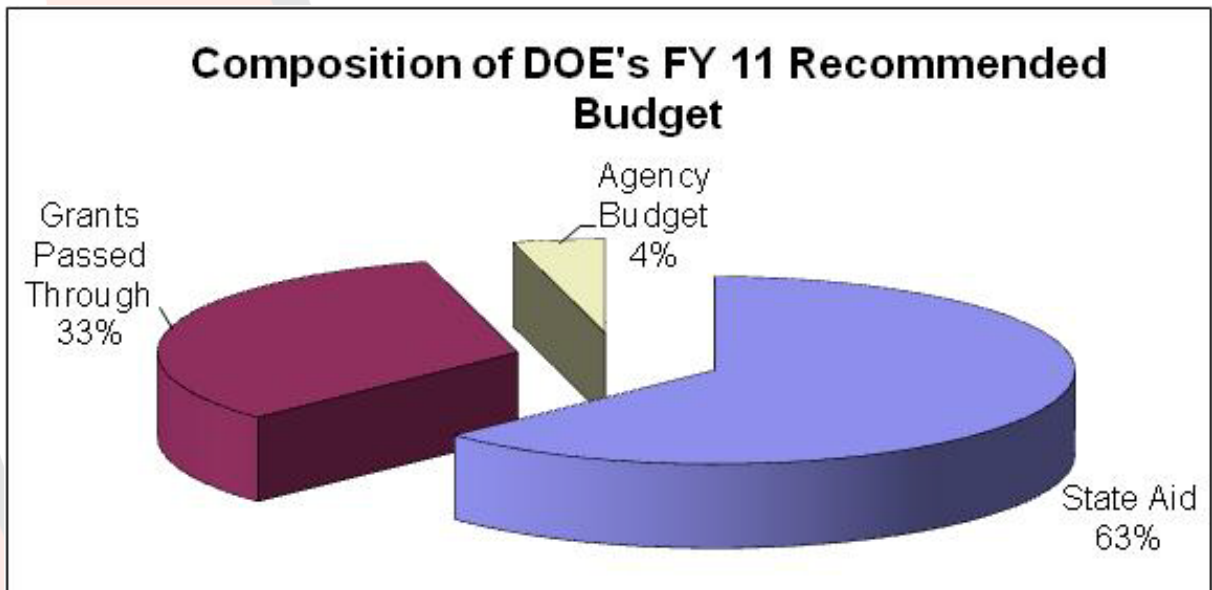
Challenges

- Increasing Federal Monitoring and Reporting Requirements
- State Report Card (AYP) Timeline
- Consolidated Applications
- Native American Education
- Technology in Schools sustainability
- Maintaining a statewide system of support as required by NCLB

Department of Education Budget Overview

FY 11 Recommended Budget

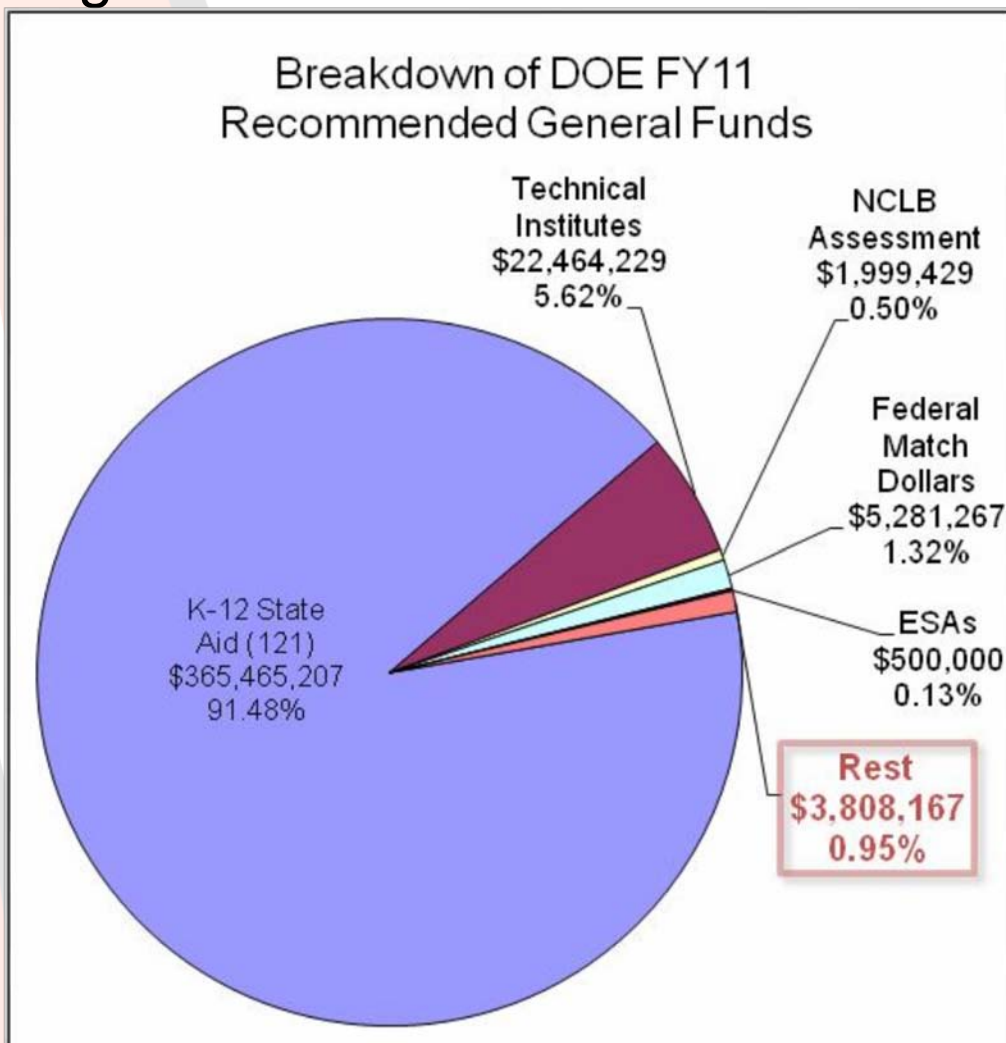
The Department's budget consists primarily of funds that flow through the department to local school districts in the form of State Aid or federal grants:



State Aid (K12 and Postsecondary)	\$414,892,838
Grants Passed Through	\$218,647,947
Agency Budget	<u>\$27,144,616</u>
TOTAL	\$660,685,401

FY 11 General Fund Budget

General Funds within the Department's budget consist mostly of aid to schools and funding required to run federal programs.



FY 11 Recommended Budget Compared to FY 10 Operating Budget

	FY 10 Operating Budget	FY 11 Recommended Budget	Increase/Decrease	
			Amount	%
General Funds	\$406,320,762	\$399,518,299	\$(6,802,463)	(1.67)%
Federal Funds	\$264,921,172	\$257,017,346	\$(7,903,826)	(2.98)%
Other Funds	\$4,007,795	\$4,149,756	141,961	3.54%
Total	\$675,249,729	\$660,685,401	\$(14,564,328)	(2.16)%
Full Time Equivalent Employees	140.0	138.0	(2.0)	(1.43)%

General Administration (1201)

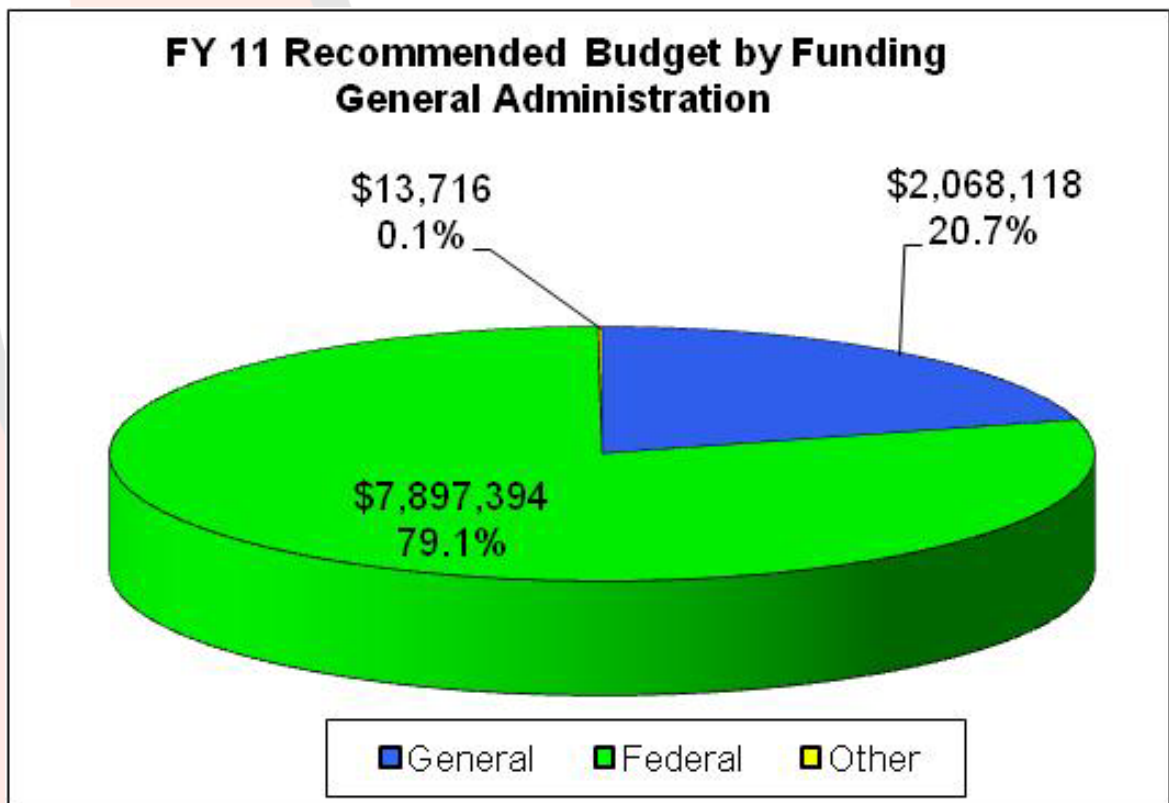
Includes budgets supporting:

- Secretary's Office
- Indian Education
- Finance & Management

FY 11 Recommended Budget:

Total Increase \$ 271,088

General Fund Increase . . . \$ 173,961



Total FY 11 Recommended Budget: \$9.9 million & 36.5 FTE

General Administration

- Leadership and Overall Management
- Legislative Agenda
- South Dakota Board of Education
- Indian Education Initiatives (eg., GEAR UP, I-LEAD)
- State Aid
- Data Management
- Accounting and Financial Reporting
- Grants Management
- School District Reorganizations

General Administration

Budget Increases & Decreases:

	General Funds	Total Funds	FTE
Statewide Longitudinal Data System Grant. DOE has applied for funding from the USDOE to help in development of a statewide longitudinal data system that would connect K-12 and higher education student data. The grant would total \$10,000,000 over a three year period. No matching funds are required.	\$0	\$88,909	2.0
Space Billing : Zero-based the central space billing to reflect the move to the state library. Rate of \$11.78 per square foot was used.	\$151,318	\$151,101	
BIT Billing: Central NT billing rate increased from \$105 to \$107 per account. Also includes increase for GIS billing.	\$15,791	\$16,494	
Health Insurance	\$6,852	\$14,584	
TOTAL	\$137,961	\$271,088	2.0

State Aid (121)

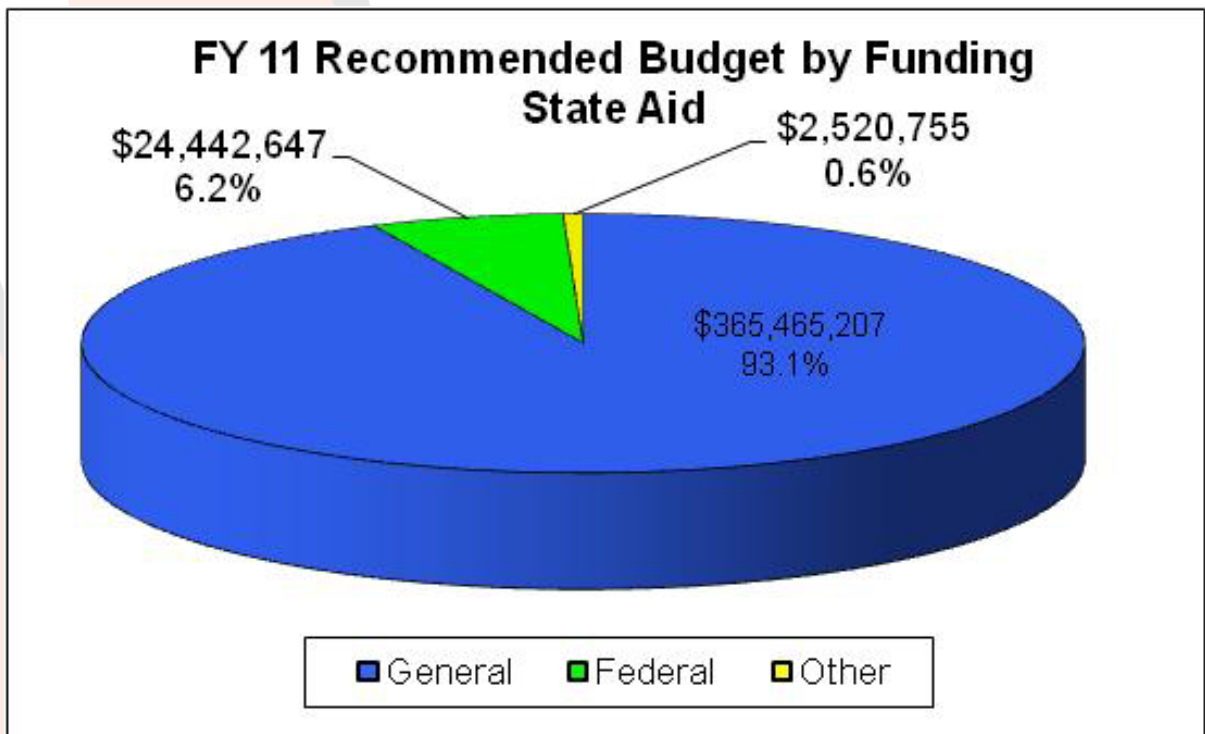
Includes budgets supporting:

- State Aid to General Education
- State Aid to Special Education
- Sparsity Payments
- School District Consolidation Incentives
- Technology in Schools

FY 11 Recommended Budget:

Total Decrease **\$(9,405,198)**

General Fund Decrease . . . **\$(9,081,473)**



Total FY11 Budget Recommended: \$392.4 million

State Aid

Budget Increases & Decreases :

	General Funds	Total Funds
State Aid to General Education		
Increase in Per Student Allocation: 0.0% increase in basic per student allocation.	\$(3,817,994)	\$(3,817,994)
Freezing the levies at pay 2010 levels	\$(4,057,234)	\$(4,057,234)
Funding swap based on amount of State Fiscal Stabilization Funds remaining for FY11	\$ 235,333	\$0
State Aid to Special Education:		
0.0 % increase to payments by disability level. Carry over all left of FY10 funds to FY11 (SB 47).	\$(4,063,352)	\$(4,063,352)

State Aid

Budget Increases & Decreases (cont.):

	General Funds	Total Funds
Sparsity		
Payment for sparse school districts. This was previously a special appropriation.	\$1,836,328	\$1,836,328
Consolidation Incentives		
Incentive payment to school districts that have consolidated. This was previously a special appropriation.	\$ 785,446	\$ 785,446
Technology in Schools:		
Reduction in other fund expenditure authority for the second and third year obligation of the Classroom Connections program.	\$0	\$ (88,392)
TOTAL STATE AID (121)	\$(9,081,473)	\$(9,405,198)

State Aid to General Education

Calculation for 2010-11

(as of Nov. 2009)

State Aid Fall Enrollment

122,742

State Aid Fall Enrollment:
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.

Multiplied by: 2010-2011 Per Student Allocation

2009-2010 School Year Per Student Allocation	\$ 4,804.60
Inflated by 0.0% Based on Gov. Rec.	\$ -
2009-2010 School Year Per Student Allocation	\$ 4,804.60

Sub Total

\$ 589,727,318

Plus Other Adjustments:

Small School Adjustment	\$ 17,387,135
Increasing Enrollments	\$ 3,284,690
Adjust for districts whose local effort exceeds need	\$ 1,500,000
Equals Statewide Local Need	\$ 611,899,143

Less: Statewide Local Effort

\$ 274,025,275

Total Fiscal Year 2010 State Aid

\$ 337,873,868

Fiscal Year 2010 Budget for State Aid

\$ 345,749,096

Increase Needed for Fiscal Year 2010 **\$ (7,875,228)**

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 \$533 per student enrolled in districts with fewer than 600 students.

Increasing Enrollments:
School districts whose current fall enrollment increases by at least 5% of by a minimum of 25 students receive a one-time payment of 50% of the PSA times the number of students by which the current fall enrollment increased.

Local Tax Effort:
Property valuation times the annual tax rate (levy). For FY2011, the Governor is recommending that levies for taxes payable in calendar year 2011 remain at the same level as taxes payable in calendar year 2010.

Ag: \$2.573
Owner Occupied: \$4.042
Other NA & Utilities: \$8.656

State Aid to Special Education

FY 11 Budget

FY 10 State Aid to Special Education Estimate:

FY 10 Appropriation	\$46,795,542
Rollover from FY 09	<u>\$2,594,823</u>
TOTAL FUNDING AVAILABLE	\$49,390,365
Estimated Formula Cost	\$40,732,190
Estimate Extraordinary Cost Fund Need	<u>\$2,000,000</u>
TOTAL ESTIMATED COSTS FOR FY 10	\$42,732,190
Funds Remaining & Available for Roll Over to FY 11	\$6,658,175

FY 11 State Aid to Special Education Estimate:

Formula Cost	\$41,702,579
Estimate Extraordinary Cost Fund Need	<u>\$4,314,026</u>
TOTAL ESTIMATED COSTS FOR FY 11	\$46,016,605
FY 10 Appropriation	\$46,795,542
Rollover from FY 10	<u>\$6,658,175</u>
TOTAL FUNDING AVAILABLE FOR FY 11	\$53,453,717
State MOE	<u>\$49,390,365</u>
FY 11 Decrease Needed	\$ (4,063,352)

Sparsity Payment

- Previously funded through a special appropriation
- School Districts that meet certain criteria are considered to be sparse and receive a payment of 75% of the PSA for each student up to a maximum of \$123,750
- Requirements include:
 - Fall enrollment per square mile of 0.50 or less
 - Fall enrollment of 500 or less
 - Land area of 400 square miles or more
 - At least 15 miles to the nearest High School
 - Levies at the maximum level
 - Excess General Fund balance of less than 30%
- Budget = \$1,836,328
- Affects approximately 23 districts

Consolidation Incentives

SDCL 13-6-92 and 13-6-92.1 provide incentive payments to school districts that consolidate for a period of three years after the consolidation.

- Previously funded through a special appropriation

<u>SUMMARY:</u>		
13003	Irene-Wakonda School District	\$32,504
35002	Kadoka Area School District	\$34,596
11005	Platte-Geddes School District	\$47,146
34002	Highmore-Harrold School District	\$138,400
62006	Mobridge-Pollock School District	\$181,600
29004	Miller School District	\$162,606
24004	Faulkton Area School District	\$134,594
59003	Colome Consolidated**	\$44,000
52004	Lemmon	\$10,000
TOTAL FY2011		\$785,446

** Estimate based on all (count from Fall 2008) students going to Colome Consolidated, less 12th graders.

Technology in the Schools (Digital Dakota Network)

<u>Service</u>	FY 11 Recurring Costs	Explanation
Telecommunications	\$2,936,145	Frame Relay & ATM technologies that connect the schools and comprise the DDN core facilities
Internet Service	\$768,806	Connect the DDN to the world
Network Management	\$656,901	Daily support, troubleshooting and management of the DDN
DSU K12 Data Center Services & Maintenance	\$522,960	E-mail, web hosting, WebCT and DNS services for the schools.
DDN Maintenance	\$48,385	
DDN Video Services & Maintenance	\$624,819	Distance learning support responsibilities for DDN video (Pierre hub)
DDN Professional Services	\$64,800	On site support of the wide area network equipment at the schools
DDN School Support	\$246,673	Providing strategic and tactical solutions to local school technology (BIT)
DDN Training	\$86,436	Provided to local school district technology staff
Student Information System	\$1,410,755	Ongoing costs of operation of statewide Student Information System
K-12 Network Security	\$513,223	Firewalls/Filters, IDS Systems, and administration
E-Rate Technical Assistance & Consulting Services	\$109,500	Provide tech assistance to the state and schools on e-rate applications
Career Guidance Software	\$309,500	Software program provided to schools to assist students in career selection and developing a personal learning plan
Total	\$8,298,903	

K-12 Technology

FY 11 Budget

Total FY 11 Recurring Expenditures	\$8,298,903
FY 11 Replacements and Upgrades	\$ 600,777
Classroom Connections Yr 2 & 3	\$ 301,097

Total FY 11 Estimated Costs **\$9,200,777**

FY 11 Funding:

Projected E-Rate Revenue	\$2,000,000
Citibank Funds (Dedicated to Classroom Connections)	\$ 301,097

Estimated Grants and Donations	\$ 219,658
General Funds Needed	\$6,680,022

Office of Curriculum, Career and Technical Education (1221)

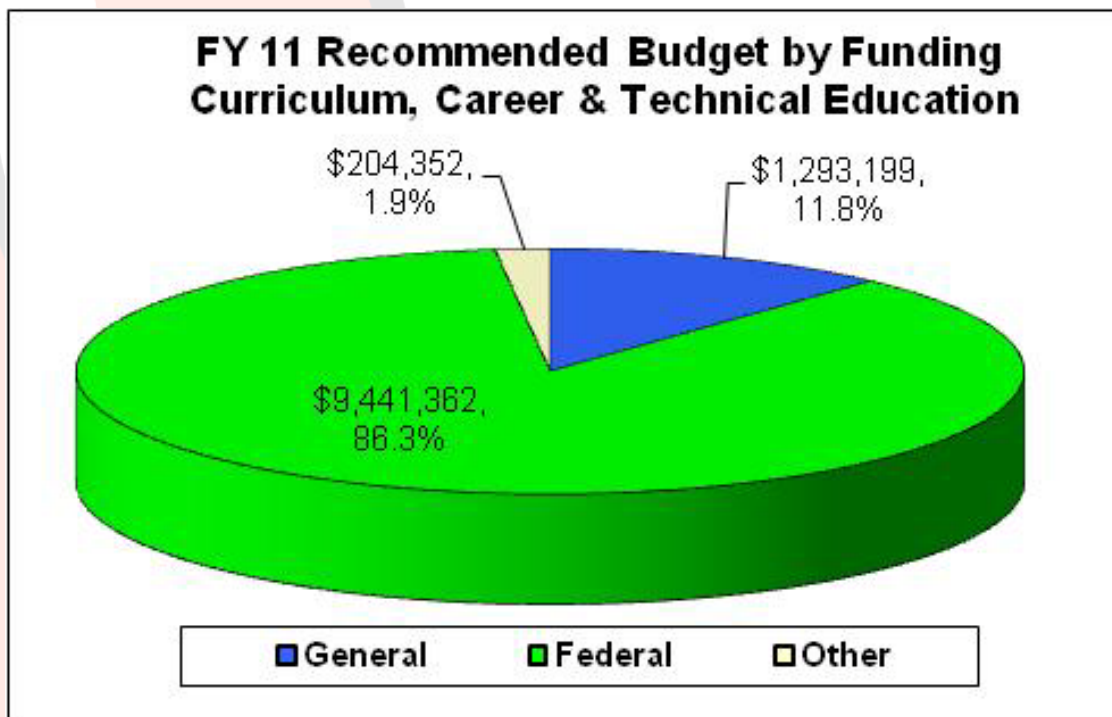
Includes budgets supporting:

- Career and Technical Education Administration
- Support of Secondary Career and Technical Education Programs
- Curriculum

FY 11 Recommended Budget:

Total Increase **\$(70,190)**

General Fund Increase . . . \$2,027



Total FY 11 Recommended Budget: \$10.9 million & 15.0 FTE

Office of Curriculum, Career & Technical Education

- Federal Perkins Program
- High School 2025 Initiative
- Postsecondary Technical Institutes
- State Content Standards
- Curriculum-Related Initiatives (eg., SD Counts, Curriculum Mapping)
- South Dakota Virtual Schools
- Student Organizations

Curriculum, Career and Technical Education

Budget Increases & Decreases:

	General Funds	Total Funds	FTE
Reduction of 1.0 FTE to move to Office of Finance and Management for LDS position. Due to the recent reorganization, a secretarial position is no longer needed. Also, a reduction of 1.0 FTE due to the end of the Reading First grant.	\$(11,159)	\$(76,248)	(2.0)
Space Billing : Zero-based the central space billing to reflect the move to the state library. Rate of \$11.78 per square foot was used.	\$9,053	\$(2,943)	
BIT Billing: Central NT billing rate increased from \$105 to \$107 per account.	\$411	\$3,308	
Health Insurance	\$3,722	\$5,693	
TOTAL	\$2,027	\$(70,190)	(2.0)

Postsecondary Technical Institutes (1222)

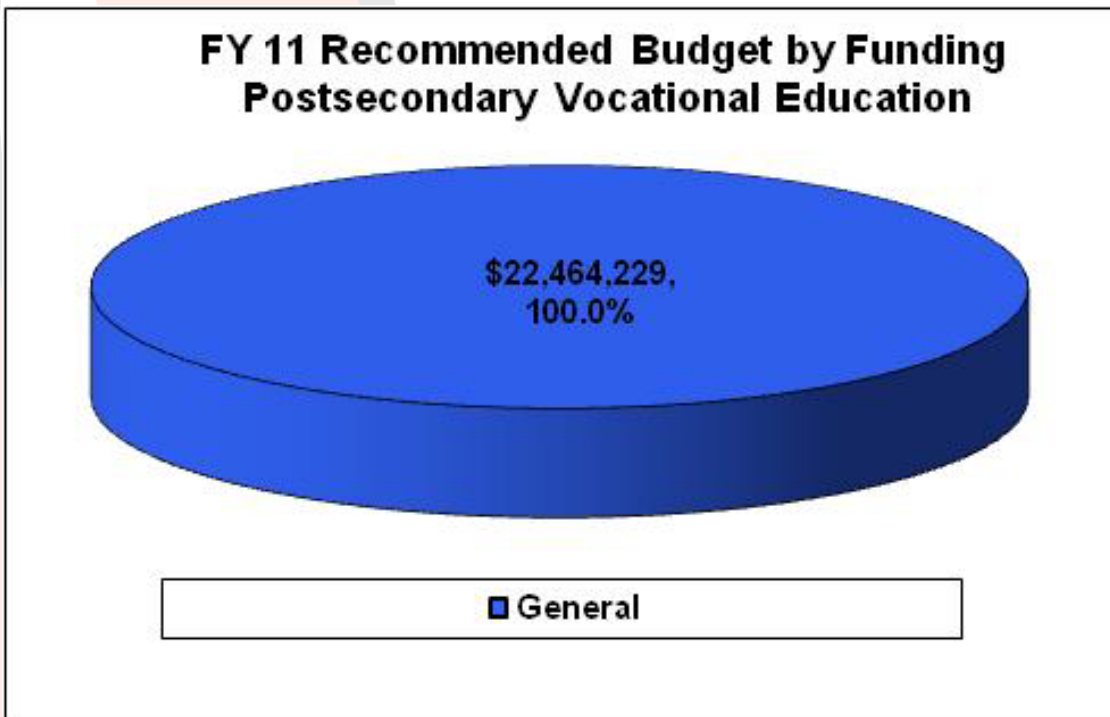
Includes budgets supporting:

- Formula funding to postsecondary technical institutes
- Set-aside for help on bond payments

FY 11 Recommended Budget:

Total Increase \$2,696,804

General Fund Increase . . . \$2,696,804



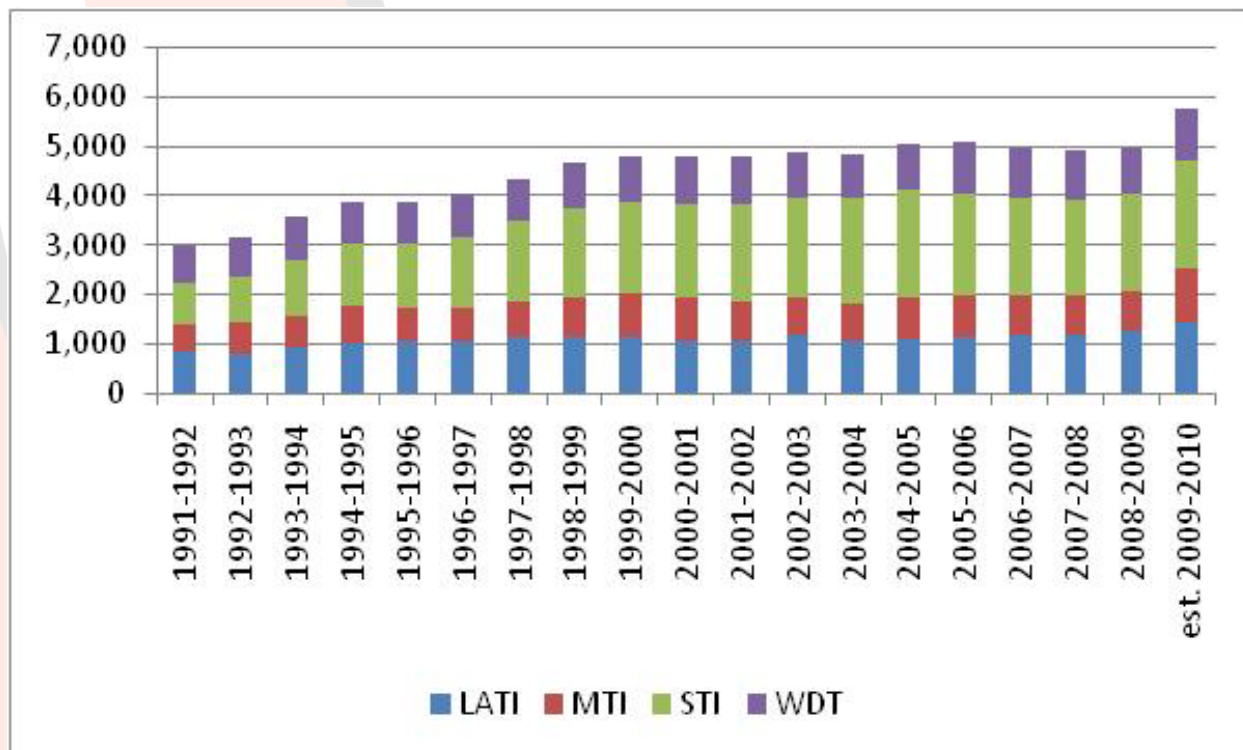
Total FY 11 Recommended Budget: \$22.4 million

Postsecondary Tech Institutes

Budget Increases & Decreases:

	General Funds	Total Funds
Post Secondary Institutes: Inflationary Increase of 0.0%. Funding per FTE student remains at \$3,619.87. Estimated increase of 745 FTE students.	\$2,696,804	\$2,696,804

Historical FTE Student Count



Education Resources (1232)

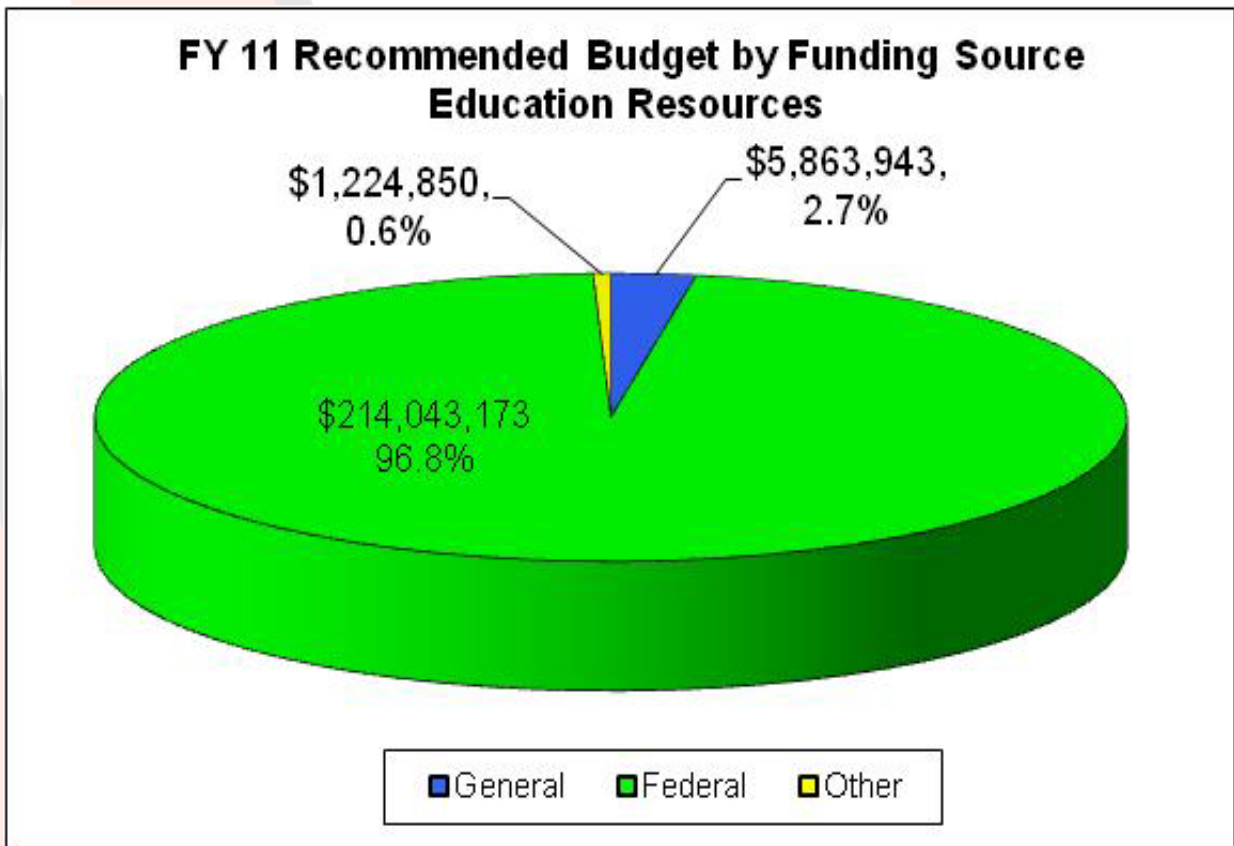
Includes budgets supporting:

- Assessment & Technology Systems
- Accreditation & Teacher Quality
- Educational Services & Support

FY 11 Recommended Budget:

Total Decrease **\$(7,828,600)**

General Fund Decrease . . . **\$(365,292)**



Total FY 11 Recommended Budget: \$221.1 million & 55.0 FTE

Office of Assessment & Technology Systems

- Statewide Assessment
- Technology Initiatives

Office of Accreditation & Teacher Quality

- District Accreditation
- Teacher Certification, Teacher Quality
- Approval of Teacher Preparation Programs
- Professional Practices Commissions

Office of Educational Services and Support

- Federal Title Programs
- Birth to Three Connections
- Special Education
- Coordinated School Health
- Child and Adult Nutrition Services
 - Includes school lunch and breakfast programs
- 21st Century Community Learning
- Head Start

Education Resources

Budget Increases & Decreases:

	General Funds	Total Funds	FTE
Reduction of 1.0 FTE from the Office of Accreditation and Teacher Quality to move to Office of Finance and Management for LDS position. Due to efficiencies from moving to a paperless system this position is no longer needed. Also, a reduction of 1.0 FTE in the Office of Education Services and Resources to bring budgeted FTE more in line with utilization.	\$(23,156)	\$(75,324)	(2.0)
Birth to Three – swap ARRA funds for general funds	\$(341,219)	\$0	
Increase in federal flow through grants based on anticipated change in Title I program	\$0	\$860,089	
Increase in federal funding for 21 st Community Learning Center	\$0	\$250,000	
Grant from Wellmark Foundation for Coordinated School Health	\$0	\$250,000	
Reduction in authority for ARRA funds based on anticipated authority still needed.	\$0	\$(9,128,285)	
Space Billing : Zero-based the central space billing to reflect the move to the state library. Rate of \$11.78 per square foot was used.	\$(9,048)	\$(14,249)	
BIT Billing: Central NT billing rate increased from \$105 to \$107 per account.	\$2,914	\$8,099	
Health Insurance	\$5,217	\$21,070	
TOTAL	\$(365,292)	\$(7,828,600)	(2.0)

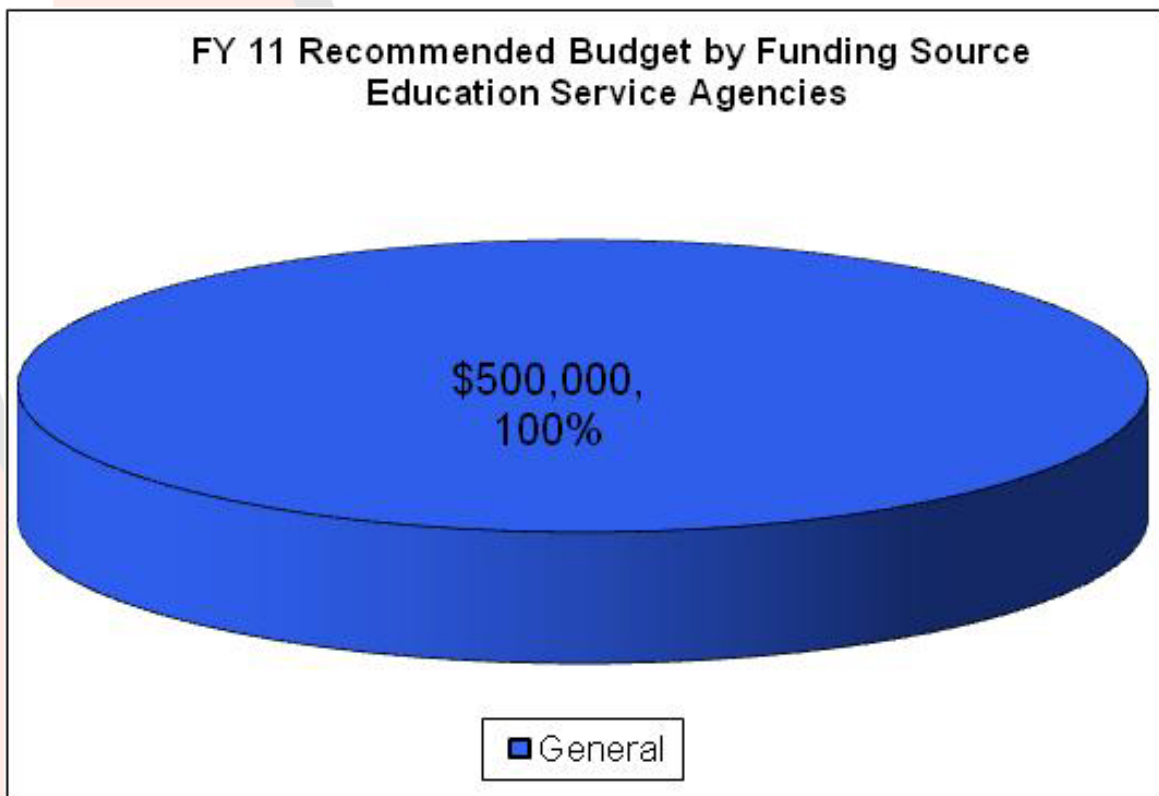
Education Service Agencies (1233)

Provides a statewide system of support
as required under NCLB

FY 11 Recommended Budget:

Total Increase \$0

General Fund Increase . . \$0



Total FY11 Budget Recommended: \$500,000

State Library (124)

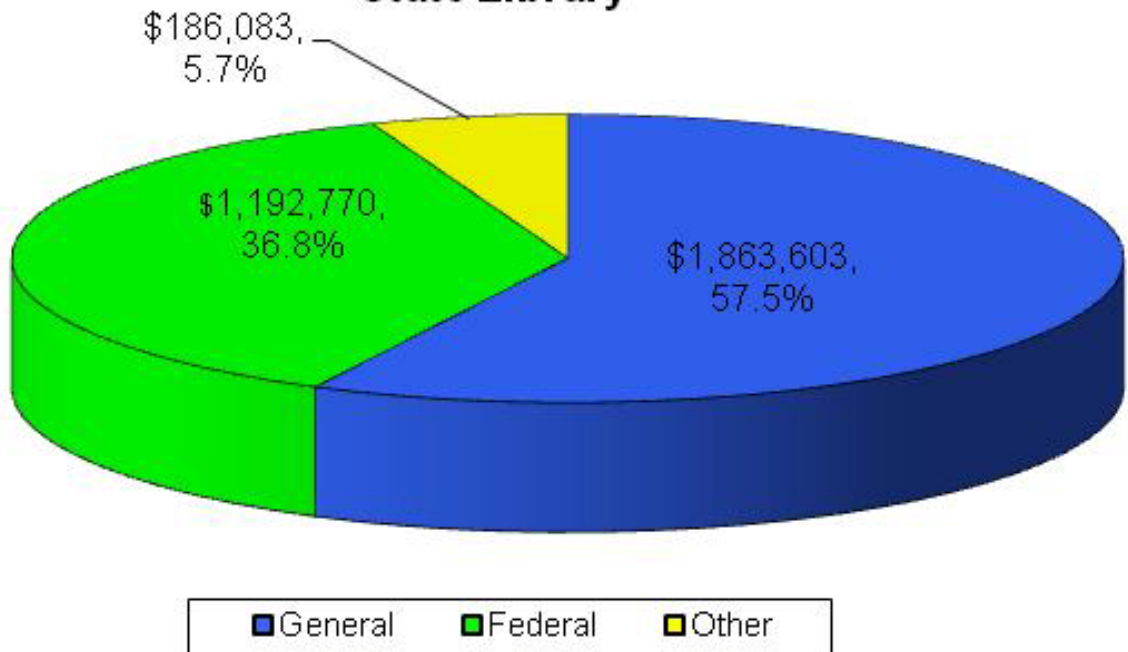
Provides leadership for innovation and excellence in libraries and services for state government

FY 11 Recommended Budget:

Total Change \$ (228,232)

General Fund Change . . . \$ (228,490)

**FY 11 Recommended Budget by Funding Type
State Library**



Total FY 11 Budget \$3.2 million & 31.5 FTE

Office of the State Library

- Development of Local Libraries
- Professional Development for Librarians
- Braille and Talking Books Program
- Online Databases for Research Purposes
- Services for State Employees

State Library

Budget Increases & Decreases:

	State Funds	Total Funds
Space Billing : Zero-based the central space billing to reflect the move to the state library. Rate of \$11.78 per square foot was used.	\$(237,828)	\$(237,817)
BIT Billing: Central NT billing rate increased from \$105 to \$107 per account.	\$1,116	\$1,363
Health Insurance	\$8,222	\$8,222
TOTAL	\$(228,490)	\$(228,232)