

Workforce Education Fund

Annual Report to the Government Operations and Audit Committee

Fiscal Year 2019

08/22/2019

South Dakota Department of Education

Matt Flett, CFO

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 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 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, 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:

Grants totaling \$4,444,347 have been awarded from FY2016 through the end of FY2019. A complete history of school districts and other entities awarded Workforce Education Grants can be found at the end of this report.

As of June 30, 2019, there are eleven Workforce Education Grants open with a total award amount of \$1,331,365 and a balance \$1,235,126 remaining on the grants. Detail of the open grants are in the table on the next page:

School District/Entity	Fiscal Year Grant was Awarded	Grant Agreement Number*	Grant Award End Date	Grant Award Amount	Amount reimbursed in FY2017	Amount reimbursed in FY2018	Amount reimbursed in FY2019	Grant amount remaining after grant was closed	Balance Remaining	Description
Estelline School District	2018	2018G 571	12/01/2019	\$ 150,000	\$	\$	\$ 57,370	\$	\$ 92,630	Implementing a Manned and Unmanned Aviation Systems program in the STEM Career Cluster
Milbank School District	2018	2018G 572	12/01/2019	\$ 44,424	\$	\$	\$	\$	\$ 44,424	Development of a new STEM Career Cluster
RTEC, Inc.	2018	2018G 573	12/01/2019	\$ 45,540	\$	\$	\$ 38,870	\$	\$ 6,671	Enhance skills training in RTEC welding and CNC machining programs with equipment upgrades
Dell Rapids School District	2019	2019G 461	11/01/2020	\$ 11,661	\$	\$	\$	\$	\$ 11,661	Expand and enhance the manufacturing career cluster through a welding technology program
Deubrook Area School District	2019	2019G 460	11/01/2020	\$ 16,625	\$	\$	\$	\$	\$ 16,625	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	\$	\$	\$	\$	\$ 225,000	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	\$	\$	\$	\$	\$ 225,000	Build a new Agricultural Laboratory to expand the agriculture, food, and natural resources career cluster
Mitchell School District	2019	2019G 458	11/01/2020	\$ 72,086	\$	\$	\$	\$	\$ 72,086	Provide automation/robotics skills instruction
Rapid City Area Schools	2019	2019G 468	11/01/2020	\$ 225,000	\$	\$	\$	\$	\$ 225,000	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 High School)	2019	2019G 462	11/01/2020	\$ 91,029	\$	\$	\$	\$	\$ 91,029	Expansion of the Architecture and Construction career cluster
Tea Area School District	2019	2019G 457	11/01/2020	\$ 225,000	\$	\$	\$	\$	\$ 225,000	Build a facility to house Manufacturing, Architecture & Construction, and Transportation, Distribution & Logistics Career Cluster Classrooms
				Workforce Education Fund Open Grant Totals	\$ 1,331,365	\$	\$ 96,240	\$	\$ 1,235,126	

*Grant Agreement 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 Workforce Education Fund 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 SB 9 of 2016 has been 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, supports these paraprofessionals who are pursuing teaching degrees.

As of the start of the 2019-20 school year, six candidates have graduated from the program. Of the five remaining participants, one candidate is on track to graduate December 2019, and the other four should graduate May 2020. Since the start of the program, five candidates have left the program. Program participants represent the following high-need school districts: Dupree, Kadoka, Oglala Lakota County, Rapid City, Snee, Todd County and White River.

Coursework is delivered through a combination of online and field-based experiences. Course seminars are typically offered on the weekends, in order to accommodate schedules. Black Hills State University is committed to providing access to courses; for example, a special topic project-based course was offered online to the six candidates who needed the K-8 Art Methods class. The unique design, online and weekend classes, and electronic advising, give the scholarship candidates the opportunity to complete the degree and become certified teachers.

As of June 30, 2019, \$261,443 has been expended for this program. In August 2019, each candidate's transcript was reviewed to make sure they are still complying with the grant's requirements. Grant funding ends June 30, 2020.

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 – are active in the program. As previously reported, a third school left the program in September 2017. Grant funding ends June 30, 2020.

Funds are 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 have committed 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 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, 2019:

Grant #	Grantee	Awarded	Paid	Released	Obligation
2017G-347	Smee School District	590,000.00	24,241.51	(565,758.49)	-
2017G-348	Todd County School District (Middle School)	590,000.00	271,855.75	-	318,144.25
2017G-349	Todd County School District (He Dog Elem)	590,000.00	226,814.46	-	363,185.54
	Total	1,770,000.00	522,911.72	(565,758.49)	681,329.79

Todd County Middle School is well into implementation of its grant and working towards sustainability. The school’s “fellow” – the position responsible for day-to-day operations of the grant – left at the end

of the 2018-19 school year. The principal has assumed the fellow’s final duties to close out the grant. The following are highlights of the grant this past year:

- The school is integrating “trauma-informed strategies,” an approach to teaching and learning that recognizes the impact that traumatic human experience can have on the cognitive process. Additional staff training is slated for early in the 2019-20 school year.
- The school continues to integrate the Oceti Sakowin Essential Understandings and Standards in social studies and other content areas.
- The school has reworked its schedule so all 6th and 7th grade students will receive an hour of Lakota language instruction on a daily basis. Educators use a “Wellness Wheel” with students to help them correlate Lakota culture and values to academic goal setting.

Over the 2018-19 school year, He Dog Elementary employed strategies to increase cultural awareness and development among students. Highlights from He Dog include:

- The school is implementing Lakota Language Consortium curriculum materials, as well as Reading and Writing the Lakota Language by Albert White Hat, further embedding community and identity into classroom instruction.
- The school is continuing to develop and implement an Indigenizing Our Classrooms Innovation Configuration Map.
- Students experienced cultural journeys to historical sites; participated in cultural activities—oral history sharing, buffalo hunt, beading and smudging practices; and the school integrated cultural practices—morning circle, singing practice, and smudging when necessary—into daily procedures.
- The school is integrating “trauma-informed strategies,” an approach to teaching and learning that recognizes the impact that traumatic human experience can have on the cognitive process. Additional staff training will continue early in the 2019-20 school year.

Fellows and school administrators at both schools have access to and receive support from the NACA Inspired School Network (NISN), based in Albuquerque, NM.

Revenues and Expenditures

The table below shows the revenues and distributions of the Workforce Education Fund as of June 30, 2019:

UPDATE THE CHART

	ACTUAL FY2013	ACTUAL FY2014	ACTUAL FY2015	ACTUAL FY2016	ACTUAL FY2017	ACTUAL FY2018	PROJECTED FY2019
Interest & Dividends		\$4,025	\$11,269	\$30,037	\$53,442	\$70,855	\$70,242
Operating Transfers In	\$2,100,000	\$2,771	\$3,017,826	\$3,317,106	\$3,409,043	\$524,773	\$490,000
TOTAL RECEIPTS	\$2,100,000	\$6,796	\$3,029,094	\$3,347,142	\$3,462,485	\$595,628	\$560,242
Grants & Subsidies							
Limited English Proficiency		\$2,100,000	\$1,638,552	\$1,529,984	\$0	\$0	\$0
CTE			\$0	\$117,349	\$0	\$1,888,989	\$2,559,391
One-Time Education Enhancement Special			\$0	\$0	\$100,765	\$343,958	\$1,189,519
Operating Transfer Out			\$0	\$250,000	\$0	\$792,729	\$0
TOTAL DISBURSEMENTS	\$0	\$2,100,000	\$1,638,552	\$1,897,333	\$100,765	\$3,025,676	\$3,748,910
NET (Receipts less Disbursements)	\$2,100,000	(\$2,093,204)	\$1,390,542	\$1,449,809	\$3,361,721	(\$2,430,047)	(\$3,188,669)
BEGINNING CASH BALANCE	\$0	\$2,100,000	\$6,796	\$1,397,339	\$2,847,148	\$6,208,869	\$3,778,821
ENDING CASH BALANCE	\$2,100,000	\$6,796	\$1,397,339	\$2,847,148	\$6,208,869	\$3,778,821	\$590,153

Workforce Education Fund

As of 06/30/2019

School District/Entity	Fiscal Year Grant was Awarded	Grant Agreement Number*	Grant Award End Date	Grant Award Amount	Amount reimbursed in FY2017	Amount reimbursed in FY2018	Amount reimbursed in FY2019	Grant amount remaining after grant was closed	Balance Remaining	Description
Gayville Volin School District	2016	2016G 526	12/28/2017	\$ 100,000	\$	\$ 99,995	\$	\$ 5	\$	Expand transportation program facilities
Meade School District	2016	2016G 473	09/01/2017	\$ 28,505	\$	\$ 27,690	\$	\$ 815	\$	Expand precision machining program
Mitchell School District	2016	2016G 484	09/01/2017	\$ 107,233	\$	\$ 99,072	\$	\$ 8,161	\$	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	\$	\$ 35,120	\$	\$ 8,326	\$	Upgrade the graphic design program
Webster School District	2016	2016G 482	12/28/2017	\$ 43,000	\$	\$ 39,692	\$	\$ 3,308	\$	Implement a Project Lead the Way Biomedical Science Program
			Sub Total	\$ 322,184	\$	\$ 301,569	\$	\$ 20,615	\$	
Aberdeen Development Corporati	2017	2017G 600	11/01/2018	\$ 250,000	\$	\$ 108,505	\$ 140,716	\$ 778	\$	Diesel technology training program
Armour School District	2017	2017G 594	07/31/2018	\$ 17,495	\$	\$ 17,495	\$	\$	\$	Update manufacturing equipment and facilities
Belle Fourche School District	2017	2017G 595	11/14/2018	\$ 500,000	\$	\$ 500,000	\$	\$	\$	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	\$	\$	\$ 314,962	\$ 178,538	\$	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	\$	\$ 32,979	\$	\$ 190	\$	Upgrade equipment for ag metals and precision agriculture instruction
Lennox School District	2017	2017G 603	06/30/2018	\$ 41,323	\$	\$ 41,323	\$	\$	\$	Create agriscience learning lab with outdoor animal science, horticulture, landscape construction, soil science, and natural resources laboratories
Mdntosh School District	2017	2017G 602	07/31/2018	\$ 76,000	\$	\$ 55,550	\$ 20,450	\$	\$	Development of a heavy equipment operator program
Northwestern Area School District	2017	2017G 605	11/01/2018	\$ 74,505	\$	\$ 14,326	\$ 54,797	\$ 5,382	\$	Development of a new agriculture program
Pierre School District	2017	2017G 601	07/31/2018	\$ 244,500	\$	\$ 219,684	\$ 24,816	\$	\$	Renovate facilities and upgrade equipment for the hospitality & tourism program
Platte Geddes School District	2017	2017G 599	06/29/2018	\$ 95,000	\$	\$ 95,000	\$	\$	\$	Upgrade the agriculture program facilities
Redfield School District	2017	2017G 440	08/20/2018	\$ 55,575	\$	\$	\$ 34,042	\$ 21,533	\$	Renovate facilities and upgrade equipment for the agriculture program

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Workforce Education Fund Grand Totals \$ 4,444,347 \$ \$ 1,888,989 \$ 1,084,041 \$ 236,192 \$ 1,235,126