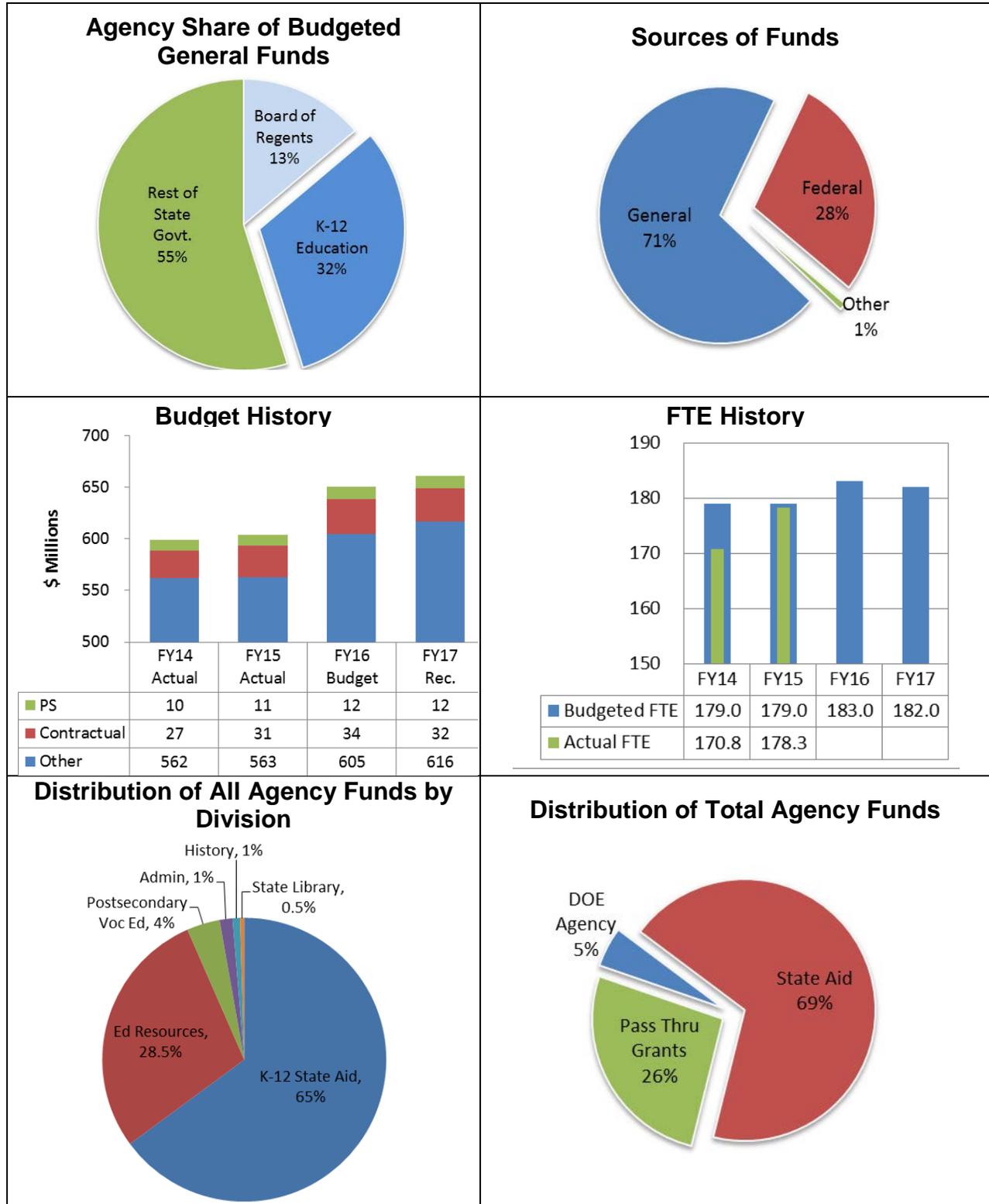


FY17 Budget Briefing

Department of Education

Information contained in this document is based on the Governor's original recommended FY17 budget.
This document may not correspond with the final FY17 budget adopted by the Legislature.



Key Personnel

- Dr. Melody Schopp, Department Secretary
- Mary Stadick Smith, Director of Operations and Information
- Tami Darnall, Director of Finance and Management
- Abby Javurek-Humig, Director of Assessment and Accountability
- Tiffany Sanderson, Director of Career and Technical Education
- Ann Larsen, Director of Educational Services and Support
- Mato Standing High, Director of Indian Education
- Becky Nelson, Director of Learning and Instruction
- Jay Vogt, Director of History
- Daria Bossman, State Librarian

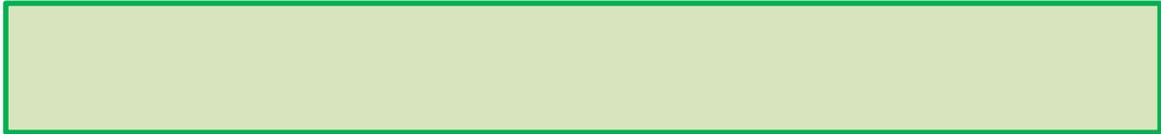
Department Total

	Actual FY2014	Actual FY2015	Budgeted FY2016	Agency Request FY2017	Gov Rec FY2017	Gov Rec Inc/Dec FY2017	% Change From FY2016
Personal Services							
Employee Salaries	7,561,273	8,334,622	9,370,300	9,348,820	9,254,298	(116,002)	(1.2%)
Employee Benefits	2,614,290	2,639,560	2,970,303	2,971,486	2,939,479	(30,824)	(1.0%)
FTE	170.8	178.3	183.0	182.0	182.0	(1.0)	(0.5%)
Funding Types							
General	4,874,116	5,248,531	5,514,253	5,310,847	5,249,413	(264,840)	(4.8%)
Federal	4,244,918	4,660,988	5,154,814	5,337,923	5,272,828	118,014	2.3%
Other	1,056,529	1,064,663	1,671,536	1,671,536	1,671,536	0	0.0%
Total PS	10,175,563	10,974,182	12,340,603	12,320,306	12,193,777	(146,826)	(1.2%)
Operating Expenses							
Travel	594,077	599,665	933,586	994,142	964,348	30,762	3.3%
Contractual Services	26,698,485	30,562,013	33,695,623	35,310,694	32,417,099	(1,278,524)	(3.8%)
Supplies & Materials	424,654	464,837	524,842	529,792	528,292	3,450	0.7%
Grants And Subsidies	557,955,579	560,290,548	602,933,897	630,299,471	614,924,118	11,990,221	2.0%
Capital Outlay	2,021,862	955,603	171,832	173,812	173,317	1,485	0.9%
Other	815,347	238,314	100	100	100	0	0.0%
Funding Types							
General	418,403,408	423,964,001	445,239,684	476,507,489	462,181,119	16,941,435	3.8%
Federal	164,202,061	164,018,351	185,632,803	185,184,683	182,286,893	(3,345,910)	(1.8%)
Other	5,904,535	5,128,628	7,387,393	5,615,839	4,539,262	(2,848,131)	(38.6%)
Total OE	588,510,004	593,110,980	638,259,880	667,308,011	649,007,274	10,747,394	1.7%
Totals							
Funding Types							
General	423,277,524	429,212,532	450,753,937	481,818,336	467,430,532	16,676,595	3.7%
Federal	168,446,980	168,679,339	190,787,617	190,522,606	187,559,721	(3,227,896)	(1.7%)
Other	6,961,063	6,193,292	9,058,929	7,287,375	6,210,798	(2,848,131)	(31.4%)
Total	598,685,567	604,085,162	650,600,483	679,628,317	661,201,051	10,600,568	1.6%

Department of Education Budget Changes

Agency/Division/Program	General Funds		Federal Funds		Other Funds		FTE		Total Funds	
	INC/DEC	GOV REC	INC/DEC	GOV REC	INC/DEC	Gov Rec	INC/ DEC	GOV REC	INC/ DEC	GOV REC
12 - Education	16,676,595	467,430,532	(3,227,896)	187,559,721	(2,848,131)	6,210,798	(1.0)	182.0	10,600,568	661,201,051
1201 - General Administration	0	2,716,254	(2,199,100)	6,765,277	0	210,791	-	40.0	(2,199,100)	9,692,322
120111 - Secretariat Administration	0	961,603	0	71,907	0	69,378	-	8.0	0	1,102,888
120112 - State Board of Education	0	43,064	0	0	0	0	-	-	0	43,064
120114 - Professional Practices	0	0	0	0	0	58,656	-	-	0	58,656
120119 - Indian Education	0	312,120	0	0	0	75,844	-	2.0	0	387,964
120121 - Finance & Mgmt General Admin	0	337,670	0	132,667	0	1,273	-	4.0	0	471,610
120122 - Data Management	0	312,100	(1,213,078)	460,755	0	0	-	9.0	(1,213,078)	772,855
120123 - Grants Management	0	42,940	(986,022)	5,577,684	0	1,500	-	7.0	(986,022)	5,622,124
120124 - Consolidated Accounting	0	553,054	0	501,365	0	4,140	-	8.0	0	1,058,559
120125 - State Aid/School Finance Admin	0	153,703	0	20,899	0	0	-	2.0	0	174,602
1210 - Workforce Education Fund - Info					(1,642,702)	457,298	-	-	(1,642,702)	457,298
12101 - limited English Proficiency Funding					(1,642,702)	457,298			(1,642,702)	457,298
			0	0	0	0	-	-	4,061,556	351,781,326
			0	0	0	0	-	-	4,061,556	351,781,326
1212 - State Aid to Special Education	8,763,479	63,646,857					-	-	8,763,479	63,646,857
1212 - State Aid to Special Education	8,763,479	63,646,857							8,763,479	63,646,857
							-	-	48,889	1,948,921
							-	-	48,889	1,948,921
			0	0	0	1,822,505	-	-	56,120	11,253,781
									56,120	7,416,502
									0	2,374,279
									0	1,463,000
1222 - Postsecondary Vocational Education	801,937	23,076,976			(100,000)	0	-	-	701,937	23,076,976
1222 - Postsecondary Vocational Education	801,937	23,076,976			(100,000)	0			701,937	23,076,976
1224 - Postsecondary Voc Ed Tuition Assistance	915,900	1,831,820					-	-	915,900	1,831,820
1224 - Postsecondary Voc Ed Tuition Assistance	915,900	1,831,820							915,900	1,831,820
1232 - Ed Resources	2,050,854	8,977,149	(1,028,796)	178,607,179	(697,246)	1,150,220	3.0	74.5	324,812	188,734,548
123251 - CTE Administration	0	1,022,917	(180,000)	4,558,911	(697,246)	367,349	-	16.0	(877,246)	5,949,177
123252 - CTE Dual Credit	565,954	2,038,684	0	0	0	0	-	-	565,954	2,038,684
123261 - Assessment and Accountability Admin	0	160,669	0	17,431	0	0	-	2.0	0	178,100
123262 - Certification	0	391,258	0	11,927,587	0	581,502	-	6.0	0	12,900,347
123263 - Assessment and Accountability	0	76,787	0	2,931,246	0	0	-	3.0	0	3,008,033
123264 - Accountability	0	354,749	0	661,899	0	33,024	-	3.0	0	1,049,672
123281 - Ed Services and Support Gen Admin	0	1,406	0	204,742	0	0	-	3.5	0	206,148
123282 - Title Programs	0	2,581	(516,399)	57,560,206	0	0	-	9.0	(516,399)	57,562,787
123283 - Special Education Programs	0	14,514	0	37,204,630	0	0	-	9.0	0	37,219,144
123284 - School Health	0	0	0	92,438	0	0	-	1.0	0	92,438
123285 - Child and Adult Nutrition	0	1,013,554	180,552	60,068,822	0	7,845	3.0	12.0	180,552	61,090,221
123286 - Birth to Three Connections	1,139,900	2,636,898	(512,949)	2,250,755	0	0	-	4.0	626,951	4,887,653
123287 - Head Start	0	32,150	0	124,731	0	0	-	1.0	0	156,881
123291 - Curriculum and Instruction Admin	345,000	1,230,982	0	1,003,781	0	160,500	-	5.0	345,000	2,395,263
1242 - History	0	2,148,180	0	954,320	(250,000)	2,542,084	-	44.0	(250,000)	5,644,584
124211 - Cultural Heritage Center	0	2,042,751			0	417,104	-	19.0	0	2,459,855
124212 - Historical Preservation Center	0	105,429	0	825,690	0	411,342	-	8.0	0	1,342,461
124213 - Archaeological Research Center			0	128,630	(250,000)	1,713,638	-	17.0	(250,000)	1,842,268
1243 - State Library	(22,140)	1,871,773	0	1,232,945	(158,183)	27,900	(4.0)	23.5	(180,323)	3,132,618
124361 - Administration	0	531,763	0	0	0	20,000	-	4.0	0	551,763
124362 - Development Services	0	604,738	0	705,434	(158,183)	0	(2.0)	5.0	(158,183)	1,310,172
124363 - Access Services	(22,140)	735,272	0	527,511	0	7,900	(2.0)	14.5	(22,140)	1,270,683

Budget units in red box contain the three State Aid formula programs:
 State Aid to General Education (State Aid to Gen Ed, Sparsity, & Tech in Schools)
 State Aid to Special Education
 State Aid to Postsecondary Education



Department Object Detail

Item	Actual Expenditures ←			→ Budgeted Expenditures				FY10-15 Actual Trend
	Actual FY2013	Actual FY2014	Actual FY 2015	Budgeted FY2016	Governor Rec FY2017	Inc/Dec Over FY2016	% Change Over FY2016	
PERSONAL SERVICES								
General	4,584,224	4,874,116	5,248,531	5,514,253	5,249,413	(264,840)	(4.8%)	
Federal	4,015,224	4,244,918	4,660,988	5,154,814	5,272,828	118,014	2.3%	
Other Funds	1,029,081	1,056,529	1,064,663	1,671,536	1,671,536	0	0.0%	
Total Personal Services	9,628,529	10,175,563	10,974,182	12,340,603	12,193,777	(146,826)	(1.2%)	
FTE	171.6	170.8	178.3	183.0	182.0	(1.0)	(0.5%)	
TRAVEL								
General	191,921	187,201	201,772	288,973	275,353	(13,620)	(4.7%)	
Federal	323,529	315,448	293,671	497,532	541,914	44,382	8.9%	
Other Funds	87,119	91,428	104,222	147,081	147,081	0	0.0%	
Total Travel	602,568	594,077	599,665	933,586	964,348	30,762	3.3%	
CONTRACTUAL SERVICES								
General	12,383,523	13,986,969	14,082,039	16,471,470	16,742,803	271,333	1.6%	
Federal	12,675,329	10,985,116	13,858,984	13,666,009	12,466,152	(1,199,857)	(8.8%)	
Other Funds	2,643,828	1,726,400	2,620,990	3,558,144	3,208,144	(350,000)	(9.8%)	
Total Contractual Services	27,702,680	26,698,485	30,562,013	33,695,623	32,417,099	(1,278,524)	(3.8%)	
SUPPLIES AND MATERIALS								
General	156,454	145,172	149,057	170,891	170,891	0	0.0%	
Federal	261,268	197,744	233,140	191,525	194,975	3,450	1.8%	
Other Funds	73,412	81,738	82,640	162,426	162,426	0	0.0%	
Total Supplies & Materials	491,134	424,654	464,837	524,842	528,292	3,450	0.7%	
GRANTS AND SUBSIDIES								
General	386,811,884	402,408,432	408,894,388	428,240,083	444,923,805	16,683,722	3.9%	
Federal	156,312,850	152,612,122	149,504,422	171,201,122	169,005,752	(2,195,370)	(1.3%)	
Other Funds	566,094	2,935,025	1,891,738	3,492,692	994,561	(2,498,131)	(71.5%)	
Total Grants & Subsidies	543,690,828	557,955,579	560,290,548	602,933,897	614,924,118	11,990,221	2.0%	
CAPITAL OUTLAY								
General	696,211	1,650,307	612,537	68,267	68,267	0	0.0%	
Federal	360,538	91,631	128,134	76,615	78,100	1,485	1.9%	
Other Funds	59,042	279,924	214,932	26,950	26,950	0	0.0%	
Total Capital Outlay	1,115,791	2,021,862	955,603	171,832	173,317	1,485	0.9%	
OTHER								
General	13,616	25,327	24,208	0	0	0	0.0%	
Federal	0	0	0	0	0	0	0.0%	
Other Funds	3,715	790,020	214,106	100	100	0	0.0%	
Total Other	17,331	815,347	238,314	100	100	0	0.0%	
TOTAL								
General	404,837,833	423,277,524	429,212,532	450,753,937	467,430,532	16,676,595	3.7%	
Federal	173,948,737	168,446,979	168,679,339	190,787,617	187,559,721	(3,227,896)	(1.7%)	
Other Funds	4,462,290	6,961,064	6,193,291	9,058,929	6,210,798	(2,848,131)	(31.4%)	
Total All Funds	583,248,860	598,685,567	604,085,162	650,600,483	661,201,051	10,600,568	1.6%	

Major Expansions and Reductions

Budget Item	Governor's Recommendation				FTE
	General Funds	Federal Funds	Other Funds	Total Funds	
A. Workforce Education Fund	-	-	(1,642,702)	(1,642,702)	-
B. State Aid to General Education	4,061,556	-	-	4,061,556	-
C. State Aid to Special Education	8,763,479	-	-	8,763,479	-
D. Sparsity Payments	48,889	-	-	48,889	-
E. Technology in Schools	56,120	-	-	56,120	-
Total Change to State Aid	12,930,044	0	(1,642,702)	11,287,342	0.0
F. Postsecondary Bond Payment	(386,107)	-	(100,000)	(486,107)	-
G. Postsecondary State Aid	1,188,044	-	-	1,188,044	-
H. Postsecondary Tuition Buy-down	915,900	-	-	915,900	-
Total Change to Postsecondary	1,717,837	0	(100,000)	1,617,837	0.0
I. Dual Credit Program	565,954	-	-	565,954	-
J. Career and Tech Education Budget Alignment	-	(180,000)	(697,246)	(877,246)	-
K. Child & Adult Nutrition Services Program	-	180,552	-	180,552	3.0
L. Title Programs Budget Alignment	-	(516,399)	-	(516,399)	-
M. Birth-to-Three Inflation & Other Adjustments	1,139,900	(512,949)	-	626,951	-
N. Instructional Reading Coaches Program	345,000	-	-	345,000	-
Total Change to Ed Resources	2,050,854	(1,028,796)	(697,246)	324,812	3.0
O. Division of History Budget Alignment	-	-	(250,000)	(250,000)	-
P. State Library - Staff Reduction	(289,440)	-	-	(289,440)	(4.0)
Q. Interlibrary Loan Services	267,300	-	-	267,300	-
R. Grants to Local Libraries	-	-	(158,183)	(158,183)	-
S. Grants and Data Mgmt Budget Alignment	-	(2,199,100)	-	(2,199,100)	-
Total Change to Rest of Agency	(22,140)	(2,199,100)	(408,183)	(2,629,423)	(4.0)
Total Change to Department	16,676,595	(3,227,896)	(2,848,131)	10,600,568	(1.0)

State Aid to Education Adjustments: (Pages 9-20)

- A. Workforce Education Fund** – WEF will no longer fund the state's share of the Limited English Proficiency adjustment; subsequently the Governor recommends a \$1,642,702 decrease in other fund authority in the WEF. (Page 10)
- B. State Aid to General Education** – \$4,061,556 increase in general funds based on 0.3% increase in the PSA and 1,300 increase in student enrollment. (Pages 11-14)
- C. State Aid to Special Education** – \$8,763,479 increase in general funds due to the tri-annual rebase of the funding per disability level. (Pages 18-20)
- D. Sparsity** – \$48,889 increase in general funds for sparsity payments based on updated student enrollments and recommended 0.3% increase in the PSA. (Pages 15-16)
- E. Technology in Schools** – \$56,120 increase in general funds for K-12 Data Center at Dakota State University for salary increases, hosting fees, operating expenses, and indirect costs. (Page 17)

State Aid to Postsecondary Ed Adjustments: (Pages 22-25)

- F. Postsecondary Bond Payment** – The Governor is recommending prepaying two technical institute bonds in FY16, resulting in a \$386,107 decrease in general funds for the state's portion of the bond payment in FY17. Also \$100,000 decrease in other fund authority due to no longer needing the expenditure authority.
- G. Postsecondary State Aid Increase** – Increase of \$1,026,956 in general funds based on 2.7% inflationary increase in the PSA and estimated 143 FTE increase. In addition, \$161,088 increase in general funds to pay for half the tuition of National Guard members, which was previously paid by the Dept. of Military. Total increase of \$1,188,044 in general funds.
- H. Postsecondary Tuition Buy-Down** – Increase of \$915,900 in general funds in order to keep tuition at \$109 per credit hour at the technical institutes; increase is based on an estimated 6,106 FTE.

Education Services and Resources Budget Changes: (Pages 26-27)

- I. Dual Credit Program** – Increase of \$565,954 in general funds; this recommendation is based on an additional 7,270 credits and the state paying for 2/3 of the cost of each credit hour.
- J. Career and Technical Ed** – Reduction of \$180,000 in federal fund authority and \$697,246 in other fund authority to align the budget with anticipated utilization.
- K. Child & Adult Nutrition** – Increase of \$180,552 in federal fund authority and 3.0 FTE to assist with increasing workloads in child nutrition and food distribution programs.
- L. Title Programs Budget Alignment** – Decrease of \$516,399 in federal fund authority to align budget with anticipated utilization.
- M. Birth-to-Three Adjustments** – Increase of \$1,139,900 in general funds and decrease of \$512,949 in federal fund authority due to increased utilization, 2.7% provider inflationary increase, and a funding shift to cover the shortfall as federal funds have been depleted.
- N. Instructional Reading Coaches Program** – Increase of \$345,000 in general funds; program provides feedback and support to teachers to improve reading instructional practices.

Budget Changes to the Rest of the Department:

- O. History Budget Alignment** – Decrease of \$250,000 in other fund authority to align the budget with anticipated expenditures. (Page 28)
- P. State Library Staff Reduction** – Decrease of \$289,440 in general funds and 4.0 FTE due to reduced personal services and costs related to the FTE. (Page 29)
- Q. Interlibrary Loan Services** – Increase of \$267,300 in general funds for interlibrary loan services. (Page 29)
- R. Grants to Local Libraries** – Decrease of \$158,183 in other fund authority for pass-through grants to municipalities. Reduction aligns the budget with anticipated utilization. (Page 29)
- S. Grants and Data Management Budget Alignment** – Reduction of \$2,199,100 in federal fund authority for Grants and Data Management within General Administration to align budget with anticipated utilization. (Page 8)

Additional Funding Sources

School districts receive **state general funds** and **local property taxes** as prescribed in the State Aid Formula, but they also receive **other funds** for educational use:

- **FY15 Total Other Revenues – \$157.7 M**
- **Local Revenues – \$53.9M in FY15** – Tracked by the department include Local Revenue in Lieu of Taxes, Tuition from other districts – in- and out-of-state, preschool tuition, gross receipt taxes, Medicaid administration fee, student activity fee, admissions fees, and others. A total of 34 funding sources make up this category.
- **County Revenues – \$11.8M in FY15** – include county apportionment, proceeds from the lease of county owned land, County Revenue in Lieu of Taxes, revenue for Joint Facilities, and others.
- **State Revenues – \$23.9M in FY15** – include state apportionment, wind farm taxes, bank franchise taxes, Training and Support to Teachers and School Leaders funding, Associate Instructors, and six additional categories.
- **Federal Revenues – \$68.1 M in FY15** – include various federal grants, special education funding, and numerous other federal sources.

View the entire spreadsheet at <http://doe.sd.gov/ofm/documents/FY15OtRev.xlsx>

Department Goals and Outcome Measurements

Enhancing learning through leadership and service.

The South Dakota Department of Education's overarching aspiration is that all students graduate college, career and life ready.

The department has identified four critical student outcomes, and three foundational supports, that will ensure progress towards this goal.

Student Outcome #1: All students enter 4th grade proficient or advanced in reading.

Student Outcome #2: All students enter 9th grade proficient or advanced in math.

Student Outcome #3: The gap for Native American students is eliminated.

Student Outcome #4: Students graduate high school ready for postsecondary and the workforce.

Foundational Support #1: Students have access to high quality standards and instruction.

Foundational Support #2: Students are supported by effective teachers and leaders.

Foundational Support #3: Students enter schools that provide an environment conducive to learning.

GENERAL ADMINISTRATION

General Administration includes the Secretariat and the Division of Finance and Management. The former is the policy-setting head of the department and includes the Office of Indian Education and South Dakota Board of Education. The Division of Finance and Management is the financial and statistical center for all public education, kindergarten through postsecondary technical, and has as a major duty administering the State Aid to Education process and formulae.

Center 1201 General Administration

	Actual FY2014	Actual FY2015	Budgeted FY2016	Agency Request FY2017	Gov Rec FY2017	Gov Rec Inc/Dec FY2017	% Change From FY2016
Personal Services							
Employee Salaries	1,915,738	2,194,457	2,301,110	2,301,110	2,301,110	0	0.0%
Employee Benefits	615,182	638,885	697,357	697,357	697,357	0	0.0%
FTE	38.5	41.5	40.0	40.0	40.0	0.0	0.0%
Funding Types							
General	1,431,473	1,513,491	1,586,433	1,586,433	1,586,433	0	0.0%
Federal	1,079,396	1,279,413	1,337,342	1,337,342	1,337,342	0	0.0%
Other	20,051	40,438	74,692	74,692	74,692	0	0.0%
Total PS	2,530,920	2,833,341	2,998,467	2,998,467	2,998,467	0	0.0%
Operating Expenses							
Travel	69,608	100,339	165,340	165,340	165,340	0	0.0%
Contractual Services	1,559,221	2,026,757	2,499,456	2,457,238	1,286,378	(1,213,078)	(48.5%)
Supplies & Materials	73,535	84,100	94,387	94,387	94,387	0	0.0%
Grants And Subsidies	701,026	85,036	6,099,102	6,099,102	5,113,080	(986,022)	(16.2%)
Capital Outlay	45,195	112,401	34,670	34,670	34,670	0	0.0%
Other	0	16	0	0	0	0	0.0%
Funding Types							
General	689,465	985,532	1,129,821	1,087,603	1,129,821	0	0.0%
Federal	1,627,915	1,337,315	7,627,035	7,627,035	5,427,935	(2,199,100)	(28.8%)
Other	131,204	85,801	136,099	136,099	136,099	0	0.0%
Total OE	2,448,584	2,408,648	8,892,955	8,850,737	6,693,855	(2,199,100)	(24.7%)
Totals							
Funding Types							
General	2,120,938	2,499,023	2,716,254	2,674,036	2,716,254	0	0.0%
Federal	2,707,311	2,616,728	8,964,377	8,964,377	6,765,277	(2,199,100)	(24.5%)
Other	151,255	126,239	210,791	210,791	210,791	0	0.0%
Total	4,979,504	5,241,989	11,891,422	11,849,204	9,692,322	(2,199,100)	(18.5%)

Budget Notes

S. Grants and Data Management Budget Alignment – Reduction of \$2,199,100 in federal fund authority for Grants and Data Management within General Administration to align budget with anticipated utilization.

TOTAL STATE AID TO EDUCATION (EXCLUDES POSTSECONDARY)

Center 121		State Aid					
	Actual FY2014	Actual FY2015	Budgeted FY2016	Agency Request FY2017	Gov Rec FY2017	Gov Rec Inc/Dec FY2017	% Change From FY2016
Operating Expenses							
Contractual Services	7,497,871	8,837,295	11,197,661	11,253,782	11,253,781	56,120	0.5%
Supplies & Materials	0	0	0	0	0	0	0.0%
Grants And Subsidies	382,905,769	385,493,094	406,603,180	426,748,660	417,834,402	11,231,222	2.8%
Capital Outlay	1,641,929	526,665	0	0	0	0	0.0%
Other	25,197	24,187	0	0	0	0	0.0%
Funding Types							
General	388,886,137	391,438,343	413,878,336	435,751,491	426,808,380	12,930,044	3.1%
Federal	0	0	0	0	0	0	0.0%
Other	3,184,629	3,442,898	3,922,505	2,250,951	2,279,803	(1,642,702)	(41.9%)
Total OE	392,070,766	394,881,241	417,800,841	438,002,442	429,088,183	11,287,342	2.7%
Totals							
Funding Types							
General	388,886,137	391,438,343	413,878,336	435,751,491	426,808,380	12,930,044	3.1%
Federal	0	0	0	0	0	0	0.0%
Other	3,184,629	3,442,898	3,922,505	2,250,951	2,279,803	(1,642,702)	(41.9%)
Total	392,070,766	394,881,241	417,800,841	438,002,442	429,088,183	11,287,342	2.7%

State Aid to Education includes:

- Workforce Education Fund – Page 10
- State Aid to General Education Formula – Pages 11-13
- State Aid to General Education – Page 14
- Sparsity – Pages 15-16
- Technology in Schools – Page 17
- State Aid to Special Education Formula – Pages 18-20
- Consolidation Incentive Payments (repealed) – Page 21

WORKFORCE EDUCATION FUND

To fund the limited English proficiency adjustment, provide grants for secondary career and technical education programs, and to provide additional one-time funding to school districts.

Center 1210 Workforce Education Fund - Info

	Actual FY2014	Actual FY2015	Budgeted FY2016	Agency Request FY2017	Gov Rec FY2017	Gov Rec Inc/Dec FY2017	% Change From FY2016
Operating Expenses							
Grants And Subsidies	2,100,000	1,638,552	2,100,000	428,446	457,298	(1,642,702)	(78.2%)
Funding Types							
General	0	0	0	0	0	0	0.0%
Federal	0	0	0	0	0	0	0.0%
Other	2,100,000	1,638,552	2,100,000	428,446	457,298	(1,642,702)	(78.2%)
Total OE	2,100,000	1,638,552	2,100,000	428,446	457,298	(1,642,702)	(78.2%)
Totals							
Funding Types							
General	0	0	0	0	0	0	0.0%
Federal	0	0	0	0	0	0	0.0%
Other	2,100,000	1,638,552	2,100,000	428,446	457,298	(1,642,702)	(78.2%)
Total	2,100,000	1,638,552	2,100,000	428,446	457,298	(1,642,702)	(78.2%)

Budget Notes

A. Workforce Education Fund – WEF will no longer fund the state's share of the Limited English Proficiency adjustment, which will instead be funded by general funds; subsequently the Governor recommends a \$1,642,702 decrease in other fund authority for the WEF.

The recommended \$457,298 other fund authority remaining will fund grants to secondary career and technical education programs. DOE estimates 20 grants will be awarded in FY17 to career and technical education programs.

SDCL 13-13-89 Disbursements from workforce education fund. The secretary of the Department of Education shall authorize and disburse money from the workforce education fund to fund the state's share of the limited English proficiency adjustment as calculated by §§ 13-13-10.1 and 13-13-73 for state fiscal years 2014, 2015, and 2016. If, after the state's share of the limited English proficiency adjustment is funded, the workforce education fund exceeds two million dollars as of July first of each year, the amount of money in excess of one million dollars shall be disbursed as follows:

- (1) An amount not to exceed one million five hundred thousand dollars shall be distributed to fund new and existing secondary career and technical education programs; and
- (2) Any amount remaining in the fund over one million dollars after the distribution in subdivision (1) is made shall be allocated to each school district in an amount equal to the money available for such distribution times the ratio of each school district's fall enrollment to the total state fall enrollment as defined in § 13-13-10.1.

STATE AID TO GENERAL EDUCATION FORMULA

(STATE AID, SPARISTY, TECHNOLOGY, & ASSESSMENTS)

Proposed State Aid to General Education Formula

	Actual FY14	Actual FY15	Budgeted FY16	Agency Request FY17	Gov Rec FY17	Gov Rec Inc/Dec for FY17	% Change From FY2016
Operating Expenses							
State Aid to Gen Ed	326,308,762	330,516,792	347,719,770	358,734,319	351,781,326	4,061,556	1.2%
Sparsity	1,870,166	1,936,071	1,900,032	1,947,738	1,948,921	48,889	2.6%
Technology & Assessments	8,055,171	7,559,614	9,375,156	9,431,277	9,431,276	56,120	0.6%
Workforce Ed Fund (Other Funds)	2,100,000	1,638,552	2,100,000	0	0	0	(100.0%)
Totals							
Funding Types							
General	336,234,099	340,012,477	358,994,958	370,113,334	363,161,523	4,166,565	1.2%
Federal	0	0	0	0	0	0	0.0%
Other	2,100,000	1,638,552	2,100,000	0	0	0	(100.0%)
Total	338,334,099	341,651,029	361,094,958	370,113,334	363,161,523	2,066,565	0.6%

Budget Notes

State Aid to General Education Formula – The Governor’s recommended **\$4,166,565 increase in general funds** is based on the following changes:

1. The Governor proposes a **0.3% increase**, or \$14.63, in the **Per Student Allocation (PSA)**. SDCL 13-13-10.1(3) requires the PSA to increase by the change in CPI-W or 3%, whichever is less. The PSA in FY16 is \$4,876.76 and would increase to **\$4,891.39 in FY17**.
2. The Department of Education estimates that **student enrollment** will increase by **1,300 students** in FY17. Budgeted FY16 State Aid is based on 132,550 students, which would amount to a total of **133,850 students in FY17**. Preliminary actual FY16 state aid fall enrollment is 132,272.
3. **Small School Adjustment** is an amount that is added to the state aid formula to address economies of scale that can’t be obtained in small schools. The adjustment is an additional \$847.54 per student for schools with enrollment less than 200; and for districts with enrollments between 201 – 600, the adjustment is calculated on a sliding scale from \$847.54 to \$0. Recommendation includes a **decrease of \$34,828**, from a budgeted amount of \$17,037,376 in FY16 to **\$17,002,548 in FY17**.
4. **Limited English Proficiency Adjustment** recognizes the additional costs associated with educating children who are not proficient in the English language. Adjustment is based on 25% of the PSA multiplied by the number of children who score below a 4.0 on the state-administered language proficiency assessment in the prior school year. The Governor recommends a **decrease of \$320,512** from a budgeted amount of \$3,422,876 in FY16 to **\$3,102,364 in FY17**. Additionally, the Workforce Education Fund is no longer funding LEP. **The LEP adjustment is funded entirely by general funds beginning in FY17.**
5. The Governor recommends a **\$56,120 increase in Technology in Schools** from the \$7,912,516 budgeted amount in FY16, to **\$7,968,276 in FY17**.
6. No change was recommended for **Assessments**, which are budgeted at **\$1,463,000**.
7. The Governor recommends a **\$48,889 increase for Sparsity** payments, from the budgeted amount of \$1,900,032 in FY16 to **\$1,948,921 in FY17**.

State Aid to General Education Calculation

Property Type	Gen. Fund Levy			Property Valuations		Amount Raised	
	2016	Δ	2017 est.	2016	2017 est.	½ 2016	½ 2017 est.
AG	1.568	(0.214)	1.518	\$36,681,391,768	\$39,249,089,192	\$28,758,211	\$29,790,059
OO	4.075	(0.177)	3.874	\$27,967,360,451	\$29,365,728,474	\$56,983,497	\$56,881,416
Other	8.727	(0.379)	8.297	\$17,973,512,940	\$18,512,718,328	\$78,427,424	\$76,800,012

Est. FY17 Local Effort: \$327,640,619

	FY16 Base	0.3% Inflation	Enrollment Inc	FY17 Gov Rec
State Aid Fall Enrollment	132,550	132,550	1,300	133,850
Per Student Allocation (PSA)	\$4,876.76	\$14.63	\$4,891.39	\$4,891.39
Base Statewide Need	\$646,414,538	\$1,939,207	\$6,358,807	\$654,712,552
Small School Adjustment	\$17,037,376			\$17,002,548
LEP Adjustment	\$3,422,876			\$3,102,364
Student Assessments Adjustment	\$1,463,000			\$1,463,000
*Technology in Schools Adjustment	\$7,849,086			\$7,968,276
Sparsity Adjustment	\$1,900,032			\$1,948,921
Total Need	\$678,086,908			Total Need \$686,197,661
Less Statewide Local Effort	(\$321,654,417)			Less Statewide Local Effort (\$327,640,619)
Plus Lost Local Effort	\$4,320,367			Plus Lost Local Effort \$4,782,748
Total FY16 State Share	\$360,752,858			Total FY17 State Share \$363,339,790
Less LEP WEF Share	(\$1,820,970)			
*Bureau Billing Distribution to Technology in Schools	\$63,070		WEF No Longer Funds LEP	\$0
A. FY16 GF State Share of State Aid (Includes state aid, sparsity, tech, assess)	\$358,994,958			B. FY17 GF State Share of State Aid (Includes state aid, sparsity, tech, assess) \$363,339,790
				C. FY17 General Fund Increase Needed for State Aid, Sparsity, Tech, Assess (Box B - Box A) \$4,344,832
				D. FY17 Gov's Rec. General Fund Increase for State Aid, Sparsity, Tech, Assess \$4,166,565
				E. Additional Adjustment Needed to Meet State Share of State Aid - LEP \$178,267

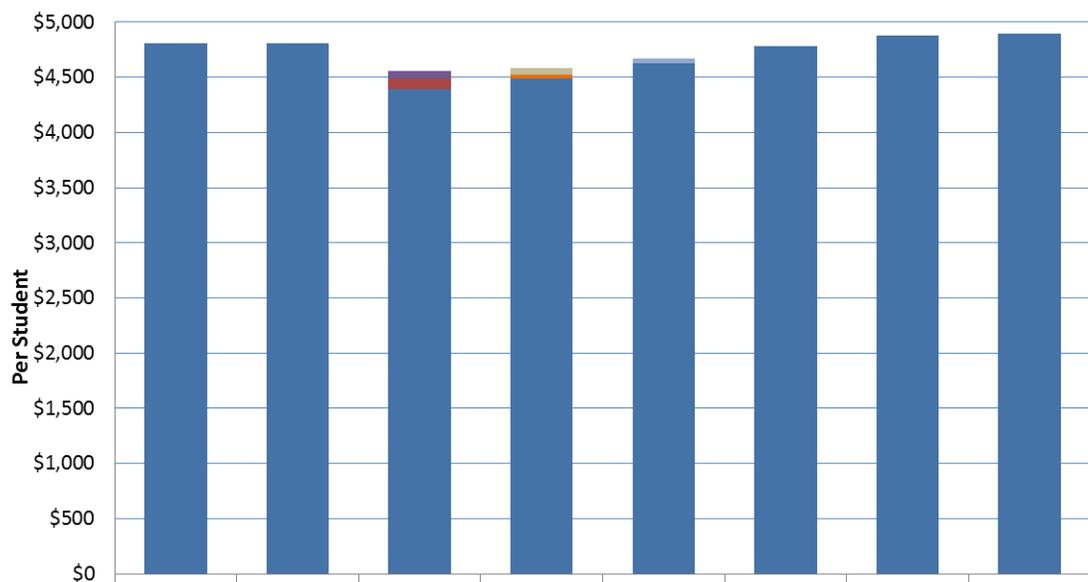
*Technology in Schools received bureau billing distribution in FY16 of \$63,070

FY16 State Aid Base Budget	Increase over FY16	FY17 Gov's Rec. State Aid
State Aid \$347,719,770	\$4,061,556	State Aid \$351,781,326
Sparsity \$1,900,032	\$48,889	Sparsity \$1,948,921
Assessments \$1,463,000	\$0	Assessments \$1,463,000
*Technology \$7,912,156	\$56,120	Technology \$7,968,276
FY16 GF Base Budget for State Aid \$358,994,958	\$4,166,565	FY17 Gov Rec. GF Budget for State Aid \$363,161,523
		FY17 Gov's Rec GF Increase \$4,166,565
		Additional Adjustment to State Aid-LEP \$178,267
		FY17 GF Increase Needed to need State Share of State Aid \$4,344,832

- The Legislature adjusts the property tax levies to maintain a proportional state/local balance from year to year reflecting increases in state appropriations and changes in local property values. The proposed percentage for FY17 is 51.8% state funds (includes additional adjustment). The goal for the Cutler/Gabriel Percentage for FY18 is 53.8%. (Two years are required to smooth the effects of the calendar vs. fiscal year tax collections.)
- Beginning in FY16, Sparsity, Technology in Schools, and Assessments were added to the State Aid to General Education Formula. These costs are now added to the statewide need, which are paid for by both state funds and local effort. Prior to this change, the state paid for 100% of these costs. These budgets are on pages following pages.

State Aid to General Education Funding History

State Aid to General Education Funding



	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	Est. FY2017
State Aid Payment Fall Enrollment	122,237	124,997	125,988	128,125	129,800	131,250	132,550	133,850
State Share % Funding	56.4%	56.3%	52.6%	53.1%	52.6%	52.4%	53.2%	52.9%
Total	\$4,804.60	\$4,804.60	\$4,559.48	\$4,587.50	\$4,671.65	\$4,781.14	\$4,876.76	\$4,891.39
FY14 One-Time - HB1137					\$46.00			
FY13 One-Time - Training - SB192				\$65.85				
FY13 One-Time - Move to 3% - SB192				\$30.73				
FY12 One-Time - HB1137			\$69.41					
FY12 One-Time - 2012 Ed Jobs			\$3.10					
FY12 One-Time - 2011 SL Ch. 101			\$97.01					
Base PSA	\$4,804.60	\$4,804.60	\$4,389.95	\$4,490.92	\$4,625.65	\$4,781.14	\$4,876.76	\$4,891.39

STATE AID TO GENERAL EDUCATION

This budget provides State Aid to general education payments to districts, based on student enrollments, the per student allocation, limited English proficiency adjustment, and small school adjustment.

Center 1211 State Aid to General Education

	<u>Actual</u> <u>FY2014</u>	<u>Actual</u> <u>FY2015</u>	<u>Budgeted</u> <u>FY2016</u>	<u>Agency</u> <u>Request</u> <u>FY2017</u>	<u>Gov Rec</u> <u>FY2017</u>	<u>Gov Rec</u> <u>Inc/Dec</u> <u>FY2017</u>	<u>% Change</u> <u>From</u> <u>FY2016</u>
Operating Expenses							
Grants And Subsidies	326,308,762	330,516,792	347,719,770	358,734,319	351,781,326	4,061,556	1.2%
Other	25,197	24,187	0	0	0	0	0.0%
Funding Types							
General	326,333,959	330,540,979	347,719,770	358,734,319	351,781,326	4,061,556	1.2%
Federal	0	0	0	0	0	0	0.0%
Other	0	0	0	0	0	0	0.0%
Total OE	326,333,959	330,540,979	347,719,770	358,734,319	351,781,326	4,061,556	1.2%
Totals							
Funding Types							
General	326,333,959	330,540,979	347,719,770	358,734,319	351,781,326	4,061,556	1.2%
Federal	0	0	0	0	0	0	0.0%
Other	0	0	0	0	0	0	0.0%
Total	326,333,959	330,540,979	347,719,770	358,734,319	351,781,326	4,061,556	1.2%

Budget Notes

- B. State Aid to General Education – \$4,061,556 increase in general funds based on:**
1. 0.3% inflationary increase in the PSA, from a budgeted \$4,876.76 in FY16 to \$4,891.39 in FY17;
 2. 1,300 increase in student enrollment, from budgeted 132,550 students in FY16, to 133,850 students in FY17;
 3. Decrease of \$34,828 in the small school adjustment, budgeted at \$17,037,376 in FY16, to \$17,002,548 in FY17; and
 4. Decrease of \$320,512 in the limited English proficiency adjustment, budgeted at \$3,422,876 in FY16, to \$3,102,364 in FY17.

Small School Adjustment – FY 2016			
# of School	Districts	Fall Enrollment	Per Student Allocation
	32	200 or less	\$5,724.30
	77	201 to 600	\$5,724.29 - \$4,876.77
	41	601 or more	\$4,876.76
			SSA Calculation
			PSA + \$847.54
			PSA + between \$0-\$847.54
			PSA Only
Total Cost of Small School Adjustment in FY 2016: \$17,051,706			

LEP Count for State Aid		
	<u>Budgeted</u>	<u>Actual</u>
FY14	3,117	2,783
FY15	3,217	2,650
Budget FY16	2,808	2,424*
Rec. FY17	2,537	

*Most recent estimate from Governor's FY17 Budget Book

STATE AID – SPARSITY PAYMENTS

In 2006, the Legislature approved the **Sparsity Payment Program** that addresses the unique challenges faced by extremely rural, isolated schools. These schools receive an additional allotment outside the regular formula calculated as per SDCL 13-13-78 and SDCL 13-13-79.

Center 1213 Sparsity Payments

	Actual FY2014	Actual FY2015	Budgeted FY2016	Agency Request FY2017	Gov Rec FY2017	Gov Rec Inc/Dec FY2017	% Change From FY2016
Operating Expenses							
Grants And Subsidies	1,870,166	1,936,071	1,900,032	1,947,738	1,948,921	48,889	2.6%
Funding Types							
General	1,870,166	1,936,071	1,900,032	1,947,738	1,948,921	48,889	2.6%
Federal	0	0	0	0	0	0	0.0%
Other	0	0	0	0	0	0	0.0%
Total OE	1,870,166	1,936,071	1,900,032	1,947,738	1,948,921	48,889	2.6%
Totals							
Funding Types							
General	1,870,166	1,936,071	1,900,032	1,947,738	1,948,921	48,889	2.6%
Federal	0	0	0	0	0	0	0.0%
Other	0	0	0	0	0	0	0.0%
Total	1,870,166	1,936,071	1,900,032	1,947,738	1,948,921	48,889	2.6%

Budget Notes

D. Sparsity Payments – \$48,889 increase in general funds for sparsity payments based on updated student enrollments and 0.3% inflationary increase in the PSA.

Definition of a Sparse School District:

- a) Has a fall enrollment per square mile of 0.50 or less;
- b) Has a fall enrollment of five hundred or less;
- c) Has an area of four hundred square miles or more;
- d) Has at least fifteen miles to its nearest high school;
- e) Operates a secondary attendance center; and
- f) Levies at the maximum rate for the general fund of a school district.

Each payment is based on 75% of the PSA with a maximum payment of \$110,000.

STATE AID – TECHNOLOGY IN SCHOOLS

This budget includes costs associated with the maintenance and support of the K-12 technology infrastructure serving public school districts across the state and statewide student assessments. Services provided by the state include: frame relay and ATM technologies that connect the schools, internet service for the schools, network management, email, web hosting and Web CT for schools, DDN Video Services, BIT staff time associated with support of the K-12 network, firewalls, filters and network security. In addition, E-rate technical assistance is provided to the school districts so they can maximize E-rate discounts available to their district.

This budget also provides funding for statewide data systems for the schools such as the student information system, the teacher and administrator evaluation system, the Child and Adult Nutrition system, the eGrant system, the SDMylife system, and school assessments.

Center 1219	Technology in Schools						
	Actual FY2014	Actual FY2015	Budgeted FY2016	Agency Request FY2017	Gov Rec FY2017	Gov Rec Inc/Dec FY2017	% Change From FY2016
Operating Expenses							
Contractual Services	7,497,871	8,837,295	11,197,661	11,253,782	11,253,781	56,120	0.5%
Supplies & Materials	0	0	0	0	0	0	0.0%
Grants And Subsidies	0	0	0	0	0	0	0.0%
Capital Outlay	1,641,929	526,665	0	0	0	0	0.0%
Funding Types							
General	8,055,171	7,559,614	9,375,156	9,431,277	9,431,276	56,120	0.6%
Federal	0	0	0	0	0	0	0.0%
Other	1,084,629	1,804,346	1,822,505	1,822,505	1,822,505	0	0.0%
Total OE	9,139,800	9,363,960	11,197,661	11,253,782	11,253,781	56,120	0.5%
Totals							
Funding Types							
General	8,055,171	7,559,614	9,375,156	9,431,277	9,431,276	56,120	0.6%
Federal	0	0	0	0	0	0	0.0%
Other	1,084,629	1,804,346	1,822,505	1,822,505	1,822,505	0	0.0%
Total	9,139,800	9,363,960	11,197,661	11,253,782	11,253,781	56,120	0.5%

Budget Notes

E. Technology in Schools – \$56,120 increase in general funds for K-12 Data Center at Dakota State University to fund salary increases, hosting fees, operating expenses, and indirect costs. This increase is broken-down as follows: \$41,300 for salaries; \$7,140 for operating expenses; \$3,840 for hosting fees; and \$ 3,840 for associated indirect costs.

Of the total recommended \$9,431,276 general funds, \$1,463,000 is budgeted for statewide student assessments and \$7,968,276 is budgeted for technology.

STATE AID TO SPECIAL EDUCATION

Center 1212 State Aid to Special Education

	Actual FY2014	Actual FY2015	Budgeted FY2016	Agency Request FY2017	Gov Rec FY2017	Gov Rec Inc/Dec FY2017	% Change From FY2016
Operating Expenses							
Grants And Subsidies	52,070,441	51,401,679	54,883,378	65,638,157	63,646,857	8,763,479	16.0%
Funding Types							
General	52,070,441	51,401,679	54,883,378	65,638,157	63,646,857	8,763,479	16.0%
Federal	0	0	0	0	0	0	0.0%
Other	0	0	0	0	0	0	0.0%
Total OE	52,070,441	51,401,679	54,883,378	65,638,157	63,646,857	8,763,479	16.0%
Totals							
Funding Types							
General	52,070,441	51,401,679	54,883,378	65,638,157	63,646,857	8,763,479	16.0%
Federal	0	0	0	0	0	0	0.0%
Other	0	0	0	0	0	0	0.0%
Total	52,070,441	51,401,679	54,883,378	65,638,157	63,646,857	8,763,479	16.0%

Budget Notes

C. State Aid to Special Education – The Governor recommends a budget **increase of \$8,763,479 in general funds**. This is based on the tri-annual rebase of the funding per disability level, pursuant to SDCL 13-37-35.2.

DOE uses the formula in SDCL 13-37 to calculate the amount of state aid to special education distributed to a school district each year. **Local need for special education is calculated using a formula based upon a child count and six disability levels.** Each disability level has an allocation specified in law, which is inflated annually by 3% or CPI, whichever is less. Similar to state aid to general education, state aid to special education equals local need minus local effort, and levies are set based on a target goal for state effort two years out. However, the **goal for state aid to special education is 39.3% of the total need**, while the goal for state aid to general education is 58.3%, and the **levy for special education is the same across all property classes.**

The special education formula does not reflect an adjustment for small schools, but it does take into account child count statistics, which include private school students and those students in home schools.

The Department must maintain the current levels of budget due to Federal Maintenance of Effort (MOE) requirements.

South Dakota School for the Blind and Visually Impaired – Summer Program

In FY2000, the SDSBVI summer program was funded in the Department of Education with general funds. In 2001, the general funds were replaced with federal funds. The federal funds were eliminated in FY16, and the program was added to the special education formula in order to be funded with general funds.

The 6-week summer program provides instruction for visually-impaired students and helps them continue progress during time away from school.

Calculating State Aid to Special Education

Property Type	Special Ed Levy			Property Valuations		Amount Raised	
	2016	Δ	2017 est.	2016	2017 est.	½ 2016	½ 2017 est.
AG	1.209	0.096	1.305	\$36,681,391,768	\$39,249,089,192	\$22,173,901	\$25,610,031
OO	1.209	0.096	1.305	\$27,967,360,451	\$29,365,728,474	\$16,906,269	\$19,161,138
Other	1.209	0.096	1.305	\$17,973,512,940	\$18,512,718,328	\$10,864,989	\$12,079,549

Est. FY17 Local Effort: \$106,795,877

FY16 Base			FY17 Base Recommended		
	Child Count	PSA		Child Count	Rec. PSA
Level 1 Disability	14,339.61	\$4,896.58	Level 1 Disability	14,458.00	\$5,456
Level 2 Disability	2,776.00	\$12,037.48	Level 2 Disability	2,825.00	\$12,592
Level 3 Disability	367.00	\$16,002.36	Level 3 Disability	356.00	\$16,049
Level 4 Disability	934.00	\$14,288.28	Level 4 Disability	985.00	\$15,564
Level 5 Disability	390.00	\$21,634.78	Level 5 Disability	396.00	\$27,799
Level 6 Disability	308.00	\$7,796.66	Level 6 Disability	292.00	\$8,007
	19,114.61	\$133,688,158		19,312	\$148,845,680
Extraordinary Cost Fund		\$4,000,000	Extraordinary Cost Fund		\$4,000,000
SDBVI Summer School		\$200,000	SDBVI Summer School		\$200,000
	Total Need	\$137,888,158		Total Need	\$153,045,680
	Less Total Local Effort	(\$96,761,253)		Statewide local effort	(\$106,795,877)
Adjustment for Lost Local Effort		\$13,756,473	Adjustment for Lost Local Effort		\$17,397,053
	FY16 Total State Share	\$54,883,378		FY17 Total State Share	\$63,646,857
			FY17 General Fund Increase for State Aid to Special Education		\$8,763,479

Disability Levels Defined in 13-37-35.1

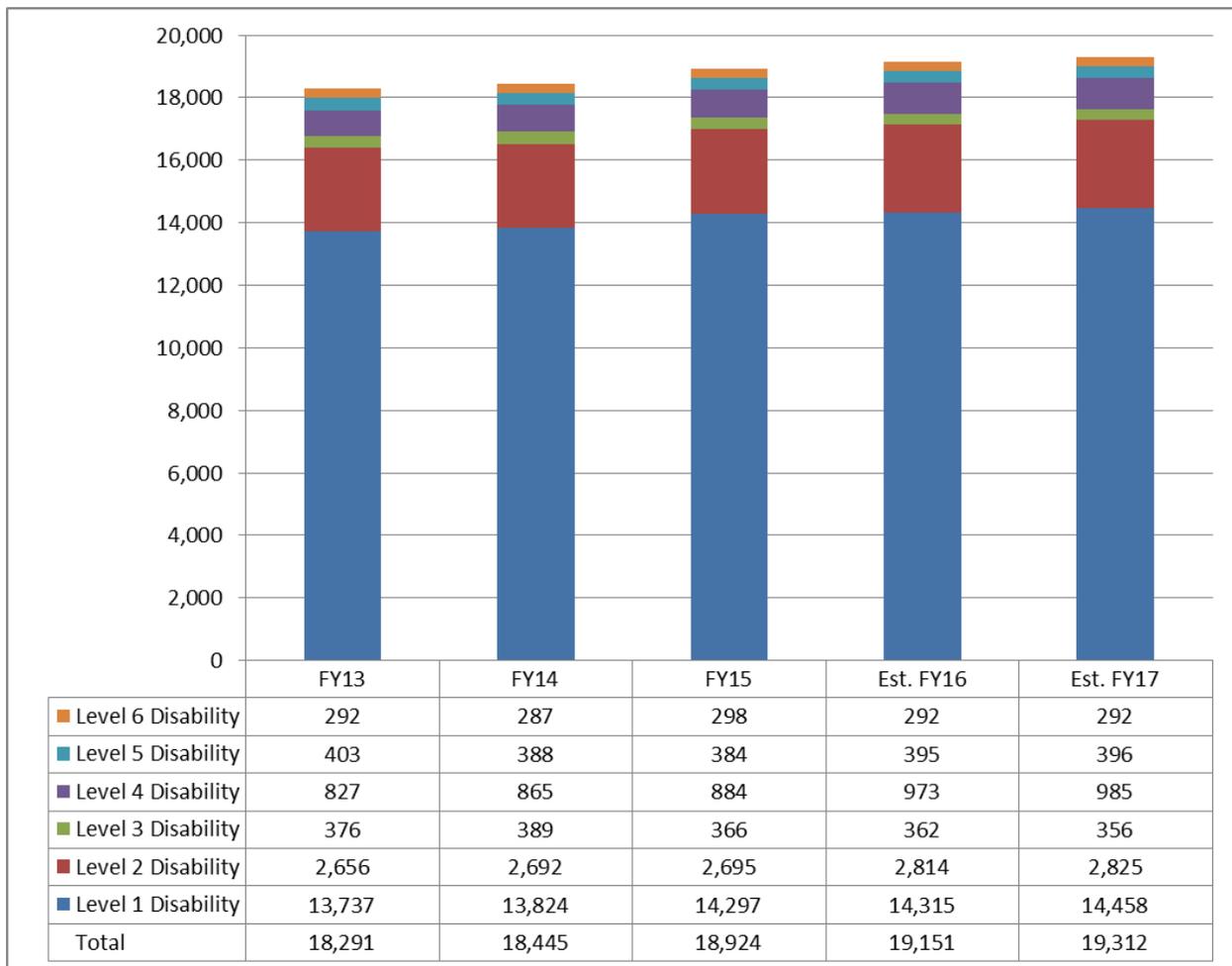
- (1) "Level one disability," a mild disability;
- (2) "Level two disability," cognitive disability or emotional disorder;
- (3) "Level three disability," hearing impairment, deafness, visual impairment, deaf-blindness, orthopedic impairment, or traumatic brain injury;
- (4) "Level four disability," autism;
- (5) "Level five disability," multiple disabilities;
- (5A) "Level six disability," prolonged assistance;

History of Special Education PSA and Student Count

Per Student Allocation for each Disability Level from FY13 to FY17

	FY13 PSA (Rebase)	% Inc.	FY14 PSA	% Inc.	FY15 PSA	% Inc.	FY16 PSA	% Inc.	Rec. FY17 PSA (Rebase)
Level 1 Disability	\$4,525.00	3.0%	\$4,660.75	3.0%	\$4,800.57	2.0%	\$4,896.58	11.4%	\$5,456.00
Level 2 Disability	\$11,124.00	3.0%	\$11,457.72	3.0%	\$11,801.45	2.0%	\$12,037.48	4.6%	\$12,592.00
Level 3 Disability	\$14,788.00	3.0%	\$15,231.64	3.0%	\$15,688.59	2.0%	\$16,002.36	0.3%	\$16,049.00
Level 4 Disability	\$13,204.00	3.0%	\$13,600.12	3.0%	\$14,008.12	2.0%	\$14,288.28	8.9%	\$15,564.00
Level 5 Disability	\$19,993.00	3.0%	\$20,592.79	3.0%	\$21,210.57	2.0%	\$21,634.78	28.5%	\$27,799.00
Level 6 Disability	\$7,205.00	3.0%	\$7,421.15	3.0%	\$7,643.78	2.0%	\$7,796.66	2.7%	\$8,007.00

Student Count for each Disability Level from FY13 to FY17



STATE AID – CONSOLIDATION INCENTIVES (REPEALED)

Center 1214 Consolidation Incentives

	Actual FY2014	Actual FY2015	Budgeted FY2016	Agency Request FY2017	Gov Rec FY2017	Gov Rec Inc/Dec FY2017	% Change From FY2016
Operating Expenses							
Grants And Subsidies	56,400		0	0	0	0	0.0%
Funding Types							
General	56,400	0	0	0	0	0	0.0%
Federal	0	0	0	0	0	0	0.0%
Other	0	0	0	0	0	0	0.0%
Total OE	56,400	0	0	0	0	0	0.0%
Totals							
Funding Types							
General	56,400	0	0	0	0	0	0.0%
Federal	0	0	0	0	0	0	0.0%
Other	0	0	0	0	0	0	0.0%
Total	56,400	0	0	0	0	0	0.0%

Budget Notes

In 2001, the Legislature created the Consolidated Incentive Payment Program for school districts that voluntarily consolidated. In 2010, the Legislature repealed this program and set FY 2014 as the last year of funding.

Below is a table showing the number of school districts in 1919 compared to the current school year. The most recent consolidation was in FY 2016 of Stickney and Corsica.

Number of School Districts Summary
School Year 1919 to 2015

Year	Common District	Independent Districts	Consolidated Districts	Total
1919-20	2846	250	78	3174
1929-30	3072	260	94	3426
1939-40	3076	270	83	3429
1949-50	3045	268	85	3398
1959-60	2815	255		3070
1969-70	551	208		759

Year	No. of Districts
1979-80	195
1989-90	191
1994-95	177
1999-00	176
2004-15	168
2009-10	156
2010-11	152
2011-12	152
2012-13	151
2015-16	150

POSTSECONDARY VOCATIONAL EDUCATION (INCLUDES TUITION BUY-DOWN PROGRAM)

The mission is to provide state funding support to the four postsecondary technical institutions for the purpose of offering high quality programs to meet labor market demands.

The technical institutes are able to accomplish this effectively and efficiently by utilizing industry partnerships and advisory councils. Industry partnerships give students access to the latest developments in new technologies while helping offset the costs of these technologies for the technical institutes. Advisory councils help the institutes to make adjustments when necessary, in order to ensure they are providing students with the most up-to-date and relevant industry information.

Center 122 Postsecondary Vocational Education

	Actual FY2014	Actual FY2015	Budgeted FY2016	Agency Request FY2017	Gov Rec FY2017	Gov Rec Inc/Dec FY2017	% Change From FY2016
Operating Expenses							
Travel	0	0	0	0	0	0	0.0%
Contractual Services	1,772,526	2,232,101	2,808,957	3,138,092	2,322,850	(486,107)	(17.3%)
Supplies & Materials	0	0	0	0	0	0	0.0%
Grants And Subsidies	19,821,990	21,991,163	20,482,002	26,328,751	22,585,946	2,103,944	10.3%
Capital Outlay	0	0	0	0	0	0	0.0%
Funding Types							
General	21,571,990	24,208,104	23,190,959	29,466,843	24,908,796	1,717,837	7.4%
Federal	0	0	0	0	0	0	0.0%
Other	22,526	15,160	100,000	0	0	(100,000)	(100.0%)
Total OE	21,594,516	24,223,264	23,290,959	29,466,843	24,908,796	1,617,837	6.9%

Totals

Funding Types							
General	21,571,990	24,208,104	23,190,959	29,466,843	24,908,796	1,717,837	7.4%
Federal	0	0	0	0	0	0	0.0%
Other	22,526	15,160	100,000	0	0	(100,000)	(100.0%)
Total	21,594,516	24,223,264	23,290,959	29,466,843	24,908,796	1,617,837	6.9%

Budget Notes

F. Postsecondary Bond Payment – The Governor is recommending prepaying two technical institute bonds in FY16, resulting in a \$386,107 decrease in general funds for the state's portion of the bond payment in FY17. Also \$100,000 decrease in other fund authority due to no longer needing the expenditure authority.

G. Postsecondary State Aid Increase – Increase of \$1,026,956 in general funds based on 2.7% inflationary increase in the PSA and estimated 143 FTE increase. In addition, \$161,088 increase in general funds to pay for half the tuition of National Guard members, which was previously paid by the Dept. of Military. Total increase of \$1,188,045 general funds.

H. Postsecondary Vocational Tuition Buy-Down – Increase of \$915,900 in general funds in order to keep tuition at \$109 per credit hour at the technical institutes; increase is based on an estimated 6,106 FTE.

Postsecondary Technical Institute State Aid

	Budgeted FY16	2.7% Inflation Increase	Base Formula Rec. FY17	National Guard Increase	Total Rec. FY17	Increase from FY16
Budgeted Student FTE	5,762	143	5,905	0	5,905	143
Average Funding Per FTE	\$3,395.71	\$91.68	\$3,487.39	\$27.28	\$3,514.67	\$118.96
PSI Distribution	\$19,566,081		\$20,593,038		\$20,754,126	\$1,188,045
<u>2.7% Inflationary Increase</u>	5,762 \$91.68	Student FTE 2.7% Increase in PSA				Cost of Inflationary Increase
	\$528,260					
<u>Increase due to Enrollment Growth</u>	143 \$3,487.39	Student FTE Recommended PSA				Cost of Enrollment Growth
	\$498,697					
<u>Increase for National Guard Tuition</u>	5,905 \$27.28	Total Student FTE Increase in PSA				Cost of National Guard Tuition
	\$161,088					
Total Postsecondary Increase						\$1,188,045

The PSA is based on the prior year's PSA and the inflationary increase recommended by the Governor. As shown above, the inflationary adjustment of 2.7% is applied to determine the total distribution amount for the next year. Twenty five percent of this amount will be distributed on an equal basis to each of the four institutes for baseline operations. The remaining 75% is distributed based on the cost of programs using a weighted program factor given to high cost-low density programs; high cost programs; and standard cost programs.

Postsecondary Technical Institute Bond Payments

The state provides an annual payment to the tuition subaccount for the purposes of allowing the technical institutes to bond for larger programs. The annual bond payments are then made from the tuition subaccount.

The 2013 Legislature approved HB1098 which requires the State to pay an amount that is equal to or greater than 50% of the technical institute fee for debt service – which is one-third of the bond payment.

The Governor is proposing to use available one-time funds to pay off higher interest technical institute bonds in FY16. Prepaying these bonds will free up ongoing funds, resulting in a **decrease of \$386,107 in general funds**. The Governor is proposing to use these funds to reduce the cost of the technical institute tuition buy-down program.

Postsecondary Vocational Ed Tuition Assistance

Center 1224 Postsecondary Voc Ed Tuition Assistance

	Actual FY2014	Actual FY2015	Budgeted FY2016	Agency Request FY2017	Gov Rec FY2017	Gov Rec Inc/Dec FY2017	% Change From FY2016
Operating Expenses							
Grants And Subsidies	0	915,920	915,920	1,886,900	1,831,820	915,900	100.0%
Funding Types							
General	0	915,920	915,920	1,886,900	1,831,820	915,900	100.0%
Federal	0	0	0	0	0	0	0.0%
Other	0	0	0	0	0	0	0.0%
Total OE	0	915,920	915,920	1,886,900	1,831,820	915,900	100.0%
Totals							
Funding Types							
General	0	915,920	915,920	1,886,900	1,831,820	915,900	100.0%
Federal	0	0	0	0	0	0	0.0%
Other	0	0	0	0	0	0	0.0%
Total	0	915,920	915,920	1,886,900	1,831,820	915,900	100.0%

The Governor and Legislature approved a tuition buy-down for the postsecondary technical institute students in FY 2015. The Governor is recommending an increase of \$915,900 in general funds to keep tuition at \$109 per credit hour in FY17.

Build Dakota Scholarship Partnership

Source: <https://www.builddakotascholarships.com/>

Between 2014 and 2018, \$50 million dollars will be invested through private donations from T. Denny Sanford and the South Dakota Future Fund to create and operate the Build Dakota Scholarship program.

Build Dakota Scholarships will be awarded to students entering high-need workforce programs at South Dakota's technical institutes to fill the state's technical careers with skilled professionals. The scholarship program will both grow South Dakota's own and recruit new South Dakotans. Recipients of the full-ride scholarships will commit to living and working in the state, in their field of study, for three years following graduation. The full-ride scholarships will support tuition, fees, books and other required program expenses in the eligible technical institute programs.

In the first five years, approximately 300 scholarships will be awarded annually. Beyond the first five years, the endowment will support approximately 50 full-ride scholarships. For school year 2015-2016, 294 scholarships were awarded, 259 to in-state residents and 35 to out-of-state residents.

Technical Institute Funding Formula

The funding formula for the Technical Institutes is detailed in administrative rule as follows:

24:10:42:28. Formula for funding. The postsecondary technical institutes shall receive state funding, from the amount appropriated by the Legislature less funds reserved in § 24:10:42:27, under a formula that distributes these funds based on full-time equivalent students as follows:

- (1) Subtract the total set-asides reserved in § 24:10:42:27 from the total amount appropriated by the Legislature within the general appropriations act;
- (2) Determine the number of full-time equivalent students at each institution for the preceding fiscal year using the following calculation:
 - (a) One "full-time equivalent student" equals 30 credit hours of instruction;
 - (b) The number of full-time equivalent students for an institution is calculated by dividing tuition collected for the preceding fiscal year by program as per chart of accounts prescribed within the South Dakota School District Accounting Manual by the tuition fee per credit and the quotient is divided by 30 credit hours;
- (3) Multiply the number of full-time equivalent students at each institution by the per student allocation to determine the total allocation for the distribution formula. The distribution formula is as follows:
 - (a) "Per student allocation," for school fiscal year 2016 is \$3,395.71;
 - (b) Twenty-five percent (25%) of the total allocation will be distributed equally among the four institutions as a baseline for common operations at each technical institute. The funds shall be divided by four (4);
 - (c) Seventy-five percent (75%) of the total allocation will be distributed within three program categories: high cost-low density programs, high cost programs, and standard cost programs. The funds shall be distributed by determining each program's full-time equivalent students, multiplied by the weighted program factor multiplied by the weighted per student value;
 - (d) The Director will identify the weighted program factor of each program documented on the South Dakota School District Accounting Manual;
 - (e) The weighted per student value is determined by the allocation divided by adding the total high cost-low density program's full-time equivalent students multiplied by a weighted program factor, plus the total high cost program's full-time equivalent students multiplied by a weighted program factor, plus the total standard cost program's full-time equivalent students by a weighted program factor.

Source: 23 SDR 139, effective March 10, 1997; 25 SDR 150, effective June 6, 1999; 28 SDR 169, effective June 17, 2002; 32 SDR 117, effective January 5, 2006; 35 SDR 306, effective July 1, 2009; 36 SDR 169, adopted April 21, 2010, effective July 1, 2010; 40 SDR 229, effective July 1, 2014; 42 SDR 35, effective September 14, 2015.

General Authority: SDCL [13-39-37](#).

Law Implemented: SDCL [13-39-37](#) to [13-39-39](#).

EDUCATION SERVICES AND RESOURCES

The mission of this division to provide general oversight and regulation of state's K-12 education system, including the certification of teachers/administrators; to ensure adherence to state and federal laws, rules and regulations; to provide technical assistance and training in the areas of: learning and instruction, career and technical education, special education, assessment, and Title programs; to oversee and provide technical assistance to schools and local agencies implementing federal nutrition programs.

Center 1232 Ed Resources

	Actual FY2014	Actual FY2015	Budgeted FY2016	Agency Request FY2017	Gov Rec FY2017	Gov Rec Inc/Dec FY2017	% Change From FY2016
Personal Services							
Employee Salaries	2,966,662	3,337,853	3,849,788	4,023,117	3,928,595	78,807	2.0%
Employee Benefits	994,176	1,043,666	1,218,123	1,289,337	1,257,330	39,207	3.2%
FTE	63.6	68.1	71.5	75.5	74.5	3.0	4.2%
Funding Types							
General	1,379,118	1,613,362	1,692,658	1,754,092	1,692,658	0	0.0%
Federal	2,528,948	2,689,177	3,072,993	3,256,102	3,191,007	118,014	3.8%
Other	52,772	78,979	302,260	302,260	302,260	0	0.0%
Total PS	3,960,838	4,381,519	5,067,911	5,312,454	5,185,925	118,014	2.3%
Operating Expenses							
Travel	345,114	329,923	542,362	616,538	586,744	44,382	8.2%
Contractual Services	12,969,464	14,172,742	13,391,353	14,364,848	13,749,574	358,221	2.7%
Supplies & Materials	147,519	194,488	218,123	223,073	221,573	3,450	1.6%
Grants And Subsidies	154,278,087	152,444,682	169,117,827	170,491,172	168,917,087	(200,740)	(0.1%)
Capital Outlay	203,604	266,870	72,160	74,140	73,645	1,485	2.1%
Other	788,872	198,730	0	0	0	0	0.0%
Funding Types							
General	5,728,538	5,750,909	5,233,637	8,109,703	7,284,491	2,050,854	39.2%
Federal	161,237,018	161,194,609	176,562,982	176,114,862	175,416,172	(1,146,810)	(0.6%)
Other	1,767,104	661,918	1,545,206	1,545,206	847,960	(697,246)	(45.1%)
Total OE	168,732,660	167,607,436	183,341,825	185,769,771	183,548,623	206,798	0.1%
Totals							
Funding Types							
General	7,107,656	7,364,271	6,926,295	9,863,795	8,977,149	2,050,854	29.6%
Federal	163,765,967	163,883,786	179,635,975	179,370,964	178,607,179	(1,028,796)	(0.6%)
Other	1,819,876	740,897	1,847,466	1,847,466	1,150,220	(697,246)	(37.7%)
Total	172,693,499	171,988,955	188,409,736	191,082,225	188,734,548	324,812	0.2%

Budget Notes

- I. Dual Credit Program** – Increase of \$565,954 in general funds; this recommendation is based on an additional 7,270 credits and the state paying for 2/3 of the cost of each credit hour.
- J. Career and Technical Ed** – Reduction of \$180,000 in federal fund authority and \$697,246 in other fund authority to align the budget with anticipated utilization.
- K. Child & Adult Nutrition Services Program** – Increase of \$180,552 in federal fund authority and 3.0 FTE to assist with increasing workloads in the federal child nutrition and food distribution programs.

- L. Title Programs Budget Alignment** – Decrease of \$516,399 in federal fund authority to align budget with anticipated utilization.
- M. Birth-to-Three Adjustments** – \$1,139,900 general fund increase and \$512,949 decrease in federal fund authority, due to increased utilization, 2.7% provider inflationary increase, and a funding shift to cover the shortfall as federal funds have been depleted.
- N. Instructional Reading Coaches Program** – \$345,000 general fund increase; program provides feedback and support to teachers to improve reading instructional practices.

HISTORY

The mission of Division of History is to promote, nurture, and sustain the historical and cultural heritage of South Dakota by collecting, preserving, interpreting, and promoting evidence of the state's irreplaceable past and making it available for life-long education and enrichment of present and future generations.

Center 1242 History

	Actual FY2014	Actual FY2015	Budgeted FY2016	Agency Request FY2017	Gov Rec FY2017	Gov Rec Inc/Dec FY2017	% Change From FY2016
Personal Services							
Employee Salaries	1,665,979	1,735,525	2,013,716	2,013,716	2,013,716	0	0.0%
Employee Benefits	614,639	579,842	634,636	634,636	634,636	0	0.0%
FTE	42.5	42.4	44.0	44.0	44.0	0.0	0.0%
Funding Types							
General	896,385	920,724	952,947	952,947	952,947	0	0.0%
Federal	400,527	449,396	400,821	400,821	400,821	0	0.0%
Other	983,706	945,246	1,294,584	1,294,584	1,294,584	0	0.0%
Total PS	2,280,618	2,315,366	2,648,352	2,648,352	2,648,352	0	0.0%
Operating Expenses							
Travel	134,156	131,495	154,700	154,700	154,700	0	0.0%
Contractual Services	1,707,271	2,083,175	2,432,441	2,432,441	2,182,441	(250,000)	(10.3%)
Supplies & Materials	164,617	147,587	163,888	163,888	163,888	0	0.0%
Grants And Subsidies	246,307	272,022	466,903	466,903	466,903	0	0.0%
Capital Outlay	53,454	16,836	28,200	28,200	28,200	0	0.0%
Other	983	15,380	100	100	100	0	0.0%
Funding Types							
General	1,003,657	1,018,334	1,195,233	1,195,233	1,195,233	0	0.0%
Federal	526,176	733,706	553,499	553,499	553,499	0	0.0%
Other	776,955	914,455	1,497,500	1,497,500	1,247,500	(250,000)	(16.7%)
Total OE	2,306,788	2,666,495	3,246,232	3,246,232	2,996,232	(250,000)	(7.7%)
Totals							
Funding Types							
General	1,900,042	1,939,058	2,148,180	2,148,180	2,148,180	0	0.0%
Federal	926,703	1,183,101	954,320	954,320	954,320	0	0.0%
Other	1,760,660	1,859,702	2,792,084	2,792,084	2,542,084	(250,000)	(9.0%)
Total	4,587,406	4,981,861	5,894,584	5,894,584	5,644,584	(250,000)	(4.2%)

Budget Notes

O. History Budget Alignment – \$250,000 other fund authority decrease to align the budget with anticipated expenditures.

STATE LIBRARY

The South Dakota State Library provides leadership for innovation and excellence in libraries and services for state government.

Center 1243 State Library

	Actual FY2014	Actual FY2015	Budgeted FY2016	Agency Request FY2017	Gov Rec FY2017	Gov Rec Inc/Dec FY2017	% Change From FY2016
Personal Services							
Employee Salaries	1,012,894	1,066,790	1,205,686	1,010,877	1,010,877	(194,809)	(16.2%)
Employee Benefits	390,293	377,167	420,187	350,156	350,156	(70,031)	(16.7%)
FTE	26.2	26.2	27.5	22.5	23.5	(4.0)	(14.5%)
Funding Types							
General	1,167,140	1,200,954	1,282,215	1,017,375	1,017,375	(264,840)	(20.7%)
Federal	236,047	243,002	343,658	343,658	343,658	0	0.0%
Other	0	0	0	0	0	0	0.0%
Total PS	1,403,187	1,443,956	1,625,873	1,361,033	1,361,033	(264,840)	(16.3%)
Operating Expenses							
Travel	45,199	37,909	71,184	57,564	57,564	(13,620)	(19.1%)
Contractual Services	1,192,133	1,209,941	1,365,755	1,664,293	1,622,075	256,320	18.8%
Supplies & Materials	38,983	38,663	48,444	48,444	48,444	0	0.0%
Grants And Subsidies	2,400	4,550	164,883	164,883	6,700	(158,183)	(95.9%)
Capital Outlay	77,681	32,832	36,802	36,802	36,802	0	0.0%
Other	295		0	0	0	0	0.0%
Funding Types							
General	523,621	562,778	611,698	896,616	854,398	242,700	39.7%
Federal	810,952	752,721	889,287	889,287	889,287	0	0.0%
Other	22,117	8,396	186,083	186,083	27,900	(158,183)	(85.0%)
Total OE	1,356,690	1,323,895	1,687,068	1,971,986	1,771,585	84,517	5.0%
Totals							
Funding Types							
General	1,690,761	1,763,732	1,893,913	1,913,991	1,871,773	(22,140)	(1.2%)
Federal	1,046,999	995,724	1,232,945	1,232,945	1,232,945	0	0.0%
Other	22,117	8,396	186,083	186,083	27,900	(158,183)	(85.0%)
Total	2,759,877	2,767,852	3,312,941	3,333,019	3,132,618	(180,323)	(5.4%)

Budget Notes

- P. State Library Staff Reduction** – Decrease of \$289,440 in general funds and 4.0 FTE due to reduced personal services and costs related to the FTE.
- Q. Interlibrary Loan Services** – Increase of \$267,300 in general funds for interlibrary loan services.
- R. Grants to Local Libraries** – Decrease of \$158,183 in other fund authority for pass-through grants to municipalities. Reduction aligns the budget with anticipated utilization.

Other Fund Balances

Company and Fund Name	Blue Book Page	Ending Cash and Investment Balance					60-Month Average Cash Balance	Lowest Monthly Cash Balance in Past Five Years	
		June 30						Amount	Month
		FY2011	FY2012	FY2013	FY2014	FY2015			
Company 3019 - Education Enhancement Tobacco Tax Fund	205	0	0	0	0	0	7,914	(16,773)	February 2011
Company 3138 - Hagen-Harvey Memorial Scholarship	206	902,019	906,901	898,289	881,266	869,183	889,211	859,766	August 2014
Company 3138 - Postsecondary Technical Credentialing Fund	207	32,783	31,898	29,630	33,122	36,307	32,296	28,115	January 2013
Company 3138 - State Institute Fund	208	364,721	358,730	304,528	293,739	228,423	277,219	147,295	December 2014
Company 3138 - Professional Teachers Practices and Standards Commission	209	54,666	44,428	67,713	66,923	46,560	74,520	41,166	August 2012
Company 3138 - Dept. of Education Other	210	2,377,908	2,736,385	2,878,664	2,072,009	2,400,356	2,917,382	1,206,333	August 2010
Company 3146 - State Library	211	70,255	35,237	33,126	14,011	10,633	38,482	10,633	June 2015
Company 3189 - Workforce Education Fund	212			2,100,000	6,796	1,397,339	831,927	# 6,796	June 2014
Company 8000 - Agency Fund	213			100,230	85,521	57,910	N/A	N/A	N/A
Company 8501 - Postsecondary Technical Institutes Facilities Fund	214	1,500,000	1,500,000	1,500,000	0	0	1,178,099	0	June 2014
Company 8501 - Postsecondary Technical Institute Equipment Fund	215				1,500,000	1,185,992	303,785	# 0	July 2013
Company 3139 - Archaeological Research Center	120	(27,234)	30,162	396,794	309,607	307,762	130,173	(131,073)	July 2010
Company 3139 - Historical Society Special Revenue Fund	121	229,147	182,042	165,412	162,024	135,823	183,433	113,713	November 2013
Company 3145 - Historical Preservation Loan and Grant Fund	123	419,659	384,586	373,909	365,979	305,958	417,307	305,958	June 2015

#Average cash balance and lowest cash balance are actually less than five years due to age of fund.

Teacher Training - \$8.4M

The Legislature approved an **\$8,437,031 special appropriation** in the 2012 legislative session. As of December 30, 2015 the Department has expended \$7,420,973.93 and has \$1,016,057.07 of the special appropriation remaining. The table below was provided by the department showing current and future uses of the special appropriation.

As of 12/31/2015				
Investing In Teachers Allocation				\$8,437,031.00
EXPENDITURES				
Common Core		FY 13 & 14	FY 15	FY 16
		\$3,643,934.31	\$490,624.35	\$139,931.83
Administrators & Teacher/Principal Effectiveness		\$156,671.91	\$2,151,904.46	\$35,735.00
Science Academies		\$309,838.16	\$227,728.60	\$0.00
School Counselors		\$160,023.12	\$57,655.65	\$46,926.54
				\$264,605.31
		Subtotal (Expenditures)	\$4,270,467.50	\$2,927,913.06
				\$222,593.37
				\$7,420,973.93
OBLIGATIONS TO DATE				
Common Core				\$493,500.00
Administrators & Teacher/Principal Effectiveness				\$15,000.00
Science Academies				\$0.00
School Counselors				\$49,236.51
				\$49,236.51
		Subtotal (Obligations)	\$0.00	\$0.00
				\$557,736.51
				\$557,736.51
FUTURE EXPENDITURES				
Common Core				\$221,564.88
Administrators & Teacher/Principal Effectiveness				\$110,297.50
Science Academies				\$0.00
School Counselors				\$126,458.18
				\$126,458.18
		Subtotal (Future Expenditures)	\$0.00	\$0.00
				\$458,320.56
				\$458,320.56
BALANCE				\$0.00

Governor's Recommended Employee Compensation and Billings Pool – (page 01-24 of the Governor's FY17 budget book)

For FY17, the Governor recommended the funding for the state employee compensation plan and bureau billings be placed in a pool in BFM to be distributed to each agency. *Therefore, individual agency personal services and contractual services budgets do not reflect budget increases for the compensation plan, bureau billings, or the decrease for health insurance.*

- Below are the estimated distributions for employee compensation for FY17. BFM will distribute dollars from the Pool after calculating the increase for salary policy and the decrease for employee health insurance. The distributed amount to the agency will be in addition to the agency's appropriated personal services budget.

FY17 Salary Policy Component	Object	General	Federal	Other	Total
Health Insurance	PS	(\$21,546)	(\$21,643)	(\$6,861)	(\$50,050)
Market Adjustment	PS	\$119,039	\$116,766	\$39,186	\$274,991
Movement Towards Market Value	PS	\$102,538	\$105,885	\$26,545	\$234,968
Health Insurance	OE	(\$4,702)	(\$1,147)	(\$472)	(\$6,321)
Market Adjustment	OE	\$13,549	\$3,493	\$140	\$17,182
Movement Towards Market Value	OE	\$10,580	\$2,944	\$2,132	\$15,656
	Total	\$219,458	\$206,299	\$60,671	\$486,428

- Recommended FY17 - 2.7% market adjustment for all permanent employees (except Career Bands); 0%-2.7% market adjustments for Career Bands; 2.5% movement toward market value for General Pay Structure and PACE; 0% to 4.5% pay for performance for Career Bands; decrease of \$275 per benefitted employee for the employer-paid portion of the health insurance plan.
 - Recommended FY16 – 2% market adjustment for all permanent employees (except Career Bands); 0%-6.6% market adjustments for Career Bands; 2.5% movement toward market value for General Pay Structure and PACE; 0% to 4.5% pay for performance for Career Bands; 0% health insurance.
 - FY15 – 3% across-the-board/market adjustment for all permanent employees (including Career Bands); 3% adjustment toward job worth for PACE; 0%-4.5% pay for performance for Career Bands; targeted compensation adjustments for a small number of hard-to-fill, below market vocational jobs; 18.6% health insurance.
 - FY14 – 3% across-the-board for all permanent employees (except Career Bands); 3.5% to 4% market adjustment for Career Bands; 3.5% adjustment toward job worth for PACE; 0%-4.5% pay for performance for Career Bands; 14.7% health insurance.
- Below are the estimated increases to the bureau billings for FY17. The amount distributed from the BFM pool to the agency will be in addition to the agency's appropriated contractual services budget.

Estimated FY17	General	Federal	Other	Total
Bureau Billing Adjustments	7,204	2,638	175	10,017