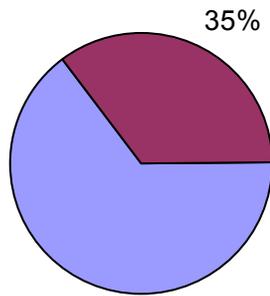


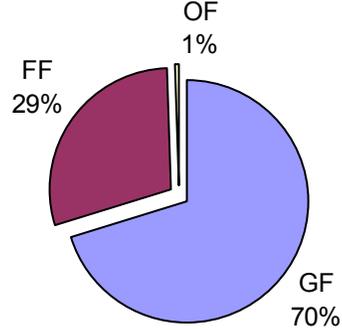
FY2006 Budget Briefing

Department of Education

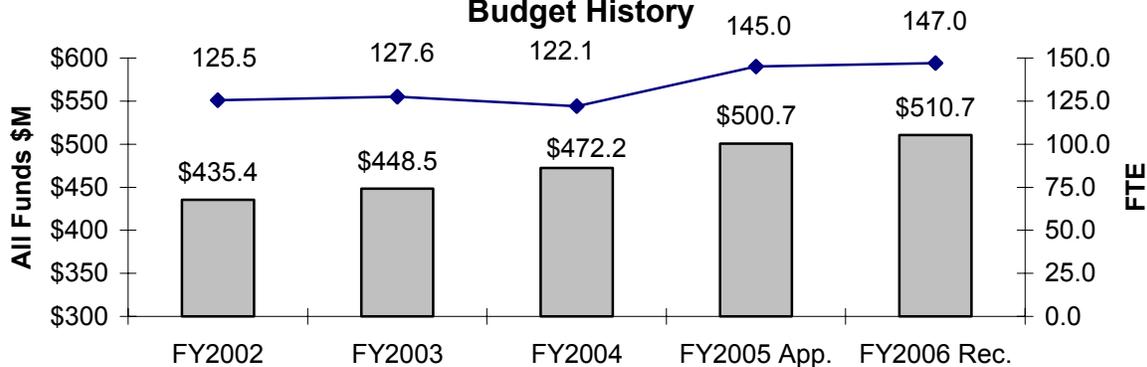
Agency's Share of Total Budgeted State General Fund FY2006



Agency's Funding Source Split Governor's Recommended FY 2006



Budget History



Key Responsibilities

- To advocate for education;
- To facilitate the delivery of statewide educational services; and
- To promote efficient, appropriate, and quality educational opportunities for all persons residing in South Dakota.

Key Personnel

- Dr. Rick Melmer, Secretary
- Stacy Krusemark, Director, Office of Finance and Management

Department of Education Total

The Governor recommends a total appropriation of \$510,658,043 and 147.0 FTEs for the Department of Education for FY 2006. The Governor's recommended appropriation consists of \$359,492,508 from the General Fund, \$147,785,206 from federal funds, and \$3,380,329 from other sources. The FY 2006 amounts include increases of \$955,305 from the General Fund, \$8,855,399 from federal funds, \$151,477 from other funds, and 2.0 FTEs. The Governor's recommended appropriation for FY 2006 is an overall increase of 2.0% over FY 2005. Increases of 0.3% from the General Fund, 6.4% from federal funds, and 4.7% from other funds compose that total increase.

Item	Actual FY2004	Approved FY2005	Agency Req. FY2006	Gov. Rec. FY2006	Change from FY2005	% Change from FY2005
Personal Services	5,434,933	6,777,076	7,252,658	6,876,849	99,773	1.5%
Travel	684,315	550,310	603,154	579,654	29,344	5.3%
Contractual Services	15,113,894	23,488,928	26,073,020	23,201,920	-287,008	-1.2%
Supplies and Materials	534,381	734,370	746,870	734,370	0	0.0%
Grants and Subsidies	448,494,269	468,453,616	481,708,157	478,573,688	10,120,072	2.2%
Capital Outlay	1,576,681	303,497	446,582	303,497	0	0.0%
Other	364,025	388,065	388,065	388,065	0	0.0%
TOTAL	472,202,497	500,695,862	517,218,506	510,658,043	9,962,181	2.0%
Funding Sources:						
General Funds	297,366,338	358,537,203	365,995,198	359,492,508	955,305	0.3%
Federal Funds	174,417,554	138,929,807	147,942,563	147,785,206	8,855,399	6.4%
Other Funds	418,604	3,228,852	3,280,745	3,380,329	151,477	4.7%
TOTAL	472,202,497	500,695,862	517,218,506	510,658,043	9,962,181	2.0%
FTE	122.1	145.0	155.0	147.0	2.0	1.4%

Major Expansions and Reductions

Program	Agency Request			Governor's Recommendation		
	State General Fund	All Funds	FTE	State General Fund	All Funds	FTE
A. General Administration	68,795	48,000	1.0	20,000	(488)	0.0
B. State Aid to General Education	5,214,179	5,214,179	0.0	412,807	412,807	0.0
C. State Aid to Special Education	500,000	500,000	0.0	500,000	500,000	0.0
D. Education Enhancement Distribution	-	-	0.0	3,006,960	3,006,960	0.0
E. Technology in Schools	-	-	0.0	(2,000,000)	(2,000,000)	0.0
F. Career and Technical Education	86,457	99,104	1.0	(499,142)	(448,396)	1.0
G. State Aid to Postsecondary Technical Education Institutes	706,393	706,393	0.0	(33,034)	(33,034)	0.0
H. Education Services and Resources	432,251	9,435,859	4.0	(459,814)	8,515,338	1.0
I. State Library	138,000	138,000	4.0	-	-	0.0
Total	7,146,075	16,141,535	10.0	947,777	9,953,187	2.0

- A. The department requested a new FTE to work with the Indian Education Coordinator and a switch of the appropriation mix reflecting the change in emphasis of the coordinator's duties. The Governor recommends only the funding switch which results in an increased appropriation of \$20,000 from the General Fund and a reduced appropriation of \$20,888 from federal funds.
- B. The Governor recommends an overall increased General Fund appropriation of \$412,807 for State Aid to General Education for FY 2006 based upon declining enrollment and increases in the per student allocation.
- C. For State Aid to Special Education for FY 2006 the Governor recommends an increased appropriation of \$500,000 from the General Fund based upon a 2.0% inflationary increase.
- D. The Governor recommends an appropriation of \$3,006,960 from the General Fund for FY 2006 as Education Enhancement Distribution based upon earnings of the Education Enhancement Trust Fund.
- E. The Governor recommends a reduction in the FY 2006 appropriation from the General Fund for State Aid for Technology in Schools of \$2 million because of "e-rate" discounts and revenues.
- F. For Career and Technical Education for FY 2006, the Governor recommends a reduced appropriation from the General Fund of \$500,000 to reflect removal of the one-time grant for school districts to develop programs. The department requests and the Governor recommends an increased appropriation of 1.0 FTE and \$50,746 from federal funds for a health occupations program representative.

- G. The Governor recommends an increased appropriation of \$423,926 from the General Fund for State Aid to Postsecondary Technical Education Institutes, offset by a reduced appropriation from the General Fund of \$456,960 reflecting the one-time revenue as part of the FY 2005 Education Enhancement distribution. The net is a decreased appropriation from the General Fund of \$33,034.
- H. The Governor recommends for FY 2006 an overall decreased appropriation from the General Fund of \$459,814 for Education Services and Resources mostly to reflect shifting funds from the South Dakota Reads program to ongoing support of the new education service agencies. The Governor also recommends increased appropriation from federal funds of \$8,823,675 and \$141,477 from other funds because of increased federal grants and flow through moneys, and 1.0 FTE for the Reading First Grant. However, the Governor does not recommend the department's additional requested increased appropriations of \$21,585 from the General Fund and \$128,806 from federal funds for 3.0 other new FTEs.
- I. The department requested increased appropriations of \$138,000 from the General Fund and 4.0 FTEs for the State Library. The Governor does not recommend these increases.

General Administration

The Governor recommends for FY 2006 for the General Administration program total funding of \$8,805,164 which consists of \$1,352,341 from the General Fund, \$7,439,149 from federal funds, \$13,674 from other funds, and 33.0 FTEs. The FY 2006 funding is \$23,424 more from the General Fund and \$20,229 less from federal funds, but the same in FTEs as the FY 2005 budget.

General Administration includes the Secretariat and the Office of Finance and Management. The former is the policy-setting head of the department and includes the South Dakota Board of Education which also sets policy for public education in South Dakota. The Office 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. General Administration also includes the No Child Left Behind Act coordinator and Indian Education coordinator.

Item	Actual FY2004	Approved FY2005	Agency Req. FY2006	Gov. Rec. FY2006	Change from FY2005	% Change from FY2005
Personal Services	1,428,131	1,706,386	1,754,693	1,705,898	-488	0.0%
Travel	76,971	46,342	49,588	49,588	3,246	7.0%
Contractual Services	603,840	425,375	425,812	425,812	437	0.1%
Supplies and Materials	36,962	61,520	61,520	61,520	0	0.0%
Grants and Subsidies	3,855,505	6,553,546	6,553,546	6,553,546	0	0.0%
Capital Outlay	25,753	8,800	8,800	8,800	0	0.0%
Other	1,599	0	0	0	0	n/a
TOTAL	6,028,763	8,801,969	8,853,959	8,805,164	3,195	0.0%
Funding Sources:						
General Funds	1,306,195	1,328,917	1,401,136	1,352,341	23,424	1.8%
Federal Funds	4,721,157	7,459,378	7,439,149	7,439,149	-20,229	-0.3%
Other Funds	1,411	13,674	13,674	13,674	0	0.0%
TOTAL	6,028,763	8,801,969	8,853,959	8,805,164	3,195	0.0%
FTE	27.9	33.0	34.0	33.0	0.0	0.0%

- The Governor recommends a funding shift related to a change in the scope of duties of the Indian Education Coordinator's office. The Governor's recommendation is an increased appropriation of \$20,000 from the General Fund and a decreased appropriation of \$20,886 from federal funds.
- The Governor does not recommend the department's requested increased appropriation of \$48,795 from the General Fund and 1.0 FTE for a secretary to work with the Indian Education coordinator and for increased salary for the Indian Education Coordinator.

Selected Performance Indicators

	ACTUAL	ACTUAL	ESTIMATED	ESTIMATED
	FY 2003	FY 2004	FY 2005	FY 2006
Scholarship Programs Administered	1	3	3	3
Scholarships Awarded	77	86	90	97
Scholarship Dollars Awarded	\$115,500	\$120,000	\$130,000	\$145,000
School Districts - Public	174	172	168	168
Schools - Public	745	727	705	689
Certified Staff - Public	10,085	9,988	9,900	9,900
Students (K-12 Fall Enrollment)--Public	124,988	123,058	122,000	121,000
Students (K-12 Fall Enrollment)--Non-Public	17,042	17,052	17,050	17,050
Accredited Private Schools *	75	80	80	80
Alternative Schools	33	28	28	28
Students Attending Alternative Schools	2,022	2,022	2,022	2,022

*Does not include cooperatives, multi-districts, adjustment training centers, or correctional facilities.

State Aid to General Education

The Governor recommends a 0.1% increase over FY 2005 for State Aid to General Education, an increase of \$412,807 from the General Fund. This brings the total recommended appropriation for State Aid to General Education for FY 2006 to \$279,832,000 from the General Fund.

Item	Actual FY2004	Approved FY2005*	Agency Req.		Change from FY2005	% Change from FY2005
			FY2006	Gov. Rec. FY2006		
Grants and Subsidies	273,683,236	279,419,193	284,633,372	279,832,000	412,807	0.1%
TOTAL	273,683,236	279,419,193	284,633,372	279,832,000	412,807	0.1%
Funding Sources:						
General Funds	223,683,236	279,419,193	284,633,372	279,832,000	412,807	0.1%
Federal Funds	50,000,000	0	0	0	0	n/a
Other Funds	0	0	0	0	0	n/a
TOTAL	273,683,236	279,419,193	284,633,372	279,832,000	412,807	0.1%
FTE	0.0	0.0	0.0	0.0	0.0	n/a

*The Governor estimates that it will not be necessary to spend \$5,053,144 of the FY 2005 appropriation because of several factors: a lower per student allocation (PSA) than originally budgeted, higher growth in local property valuations than originally estimated, and declining enrollments. He recommends this money be reappropriated and spent in FY 2006.

- The Governor's recommended increase in appropriation for State Aid to General Education shown above is the net result of several factors: a decrease in adjusted average daily attendance (AADM); the statutory, inflationary increase in PSA; a recommended reappropriation of unused FY 2005 dollars (\$5,053,144); and a discretionary increase in PSA.
- The department has revised the AADM figure for FY 2005 from an original estimate of 127,183 to a revised estimate for FY 2005 of 126,809. Enrollment is further projected to decline to an estimate for FY 2006 of 126,099.
- The statutory inflation factor used in the Governor's recommendation for FY 2006 is 2.0%, which means a growth of \$81.73 from FY 2005's PSA of \$4,086.56.
- Declining enrollment translates to an additional \$23.01 growth in PSA.
- The Governor recommends a further, discretionary increase in PSA of \$13.96.
- The Governor recommends reappropriation of \$5,053,144 in FY 2005's appropriation from the General Fund.
- State Aid = (AADM – PSA)—Local Effort
- The Legislature adjusts local property tax levies to maintain a proportional state/local balance from year to year reflecting increases in state appropriations and growth in local property values.

State Aid to Special Education

A total appropriation of \$43,106,875 from the General Fund is the Governor's recommendation for State Aid to Special Education for FY 2006. This is an increase of \$500,000 from the General Fund over FY 2005.

Item	Actual FY2004	Approved FY2005	Agency Req. FY2006	Gov. Rec. FY2006	Change from FY2005	% Change from FY2005
Grants and Subsidies	39,739,062	42,606,875	43,106,875	43,106,875	500,000	1.2%
TOTAL	39,739,062	42,606,875	43,106,875	43,106,875	500,000	1.2%
Funding Sources:						
General Funds	39,739,062	42,606,875	43,106,875	43,106,875	500,000	1.2%
Federal Funds	0	0	0	0	0	n/a
Other Funds	0	0	0	0	0	n/a
TOTAL	39,739,062	42,606,875	43,106,875	43,106,875	500,000	1.2%
FTE	0.0	0.0	0.0	0.0	0.0	n/a

- The Governor's recommendation reflects SDCL 13-37-16.2, which mandates that local levies for special education be adjusted when valuations grow faster than local need.
- 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 in home schools. Average daily membership (ADM) for special education purposes is estimated at 132,800 for FY 2006, whereas it was 134,500 for FY 2005.
- The disability brackets' per student allocations are being increased the same 2.0% rate for inflation as State Aid to General Education.

Alternative Education Program

For FY 2006 the Governor recommends an appropriation of \$450,000 from the General Fund, the same amount as for FY 2005 and previous years, for State Aid to Alternative Education. This program provides funding for alternative education sites or schools that work with the Department of Labor to provide public education in an alternative setting to traditional high school.

Item	Actual FY2004	Approved FY2005	Agency Req. FY2006	Gov. Rec. FY2006	Change from FY2005	% Change from FY2005
Grants and Subsidies	450,000	450,000	450,000	450,000	0	0.0%
TOTAL	450,000	450,000	450,000	450,000	0	0.0%
Funding Sources:						
General Funds	450,000	450,000	450,000	450,000	0	0.0%
Federal Funds	0	0	0	0	0	n/a
Other Funds	0	0	0	0	0	n/a
TOTAL	450,000	450,000	450,000	450,000	0	0.0%
FTE	0.0	0.0	0.0	0.0	0.0	n/a

National Board Certified Teachers

The Governor recommends a status quo appropriation of \$90,000 from the General Fund for State Aid to National Board Certified Teachers. This program provides stipends and reimburses fees associated with teachers taking national examinations for certification in their fields.

Item	Actual FY2004	Approved FY2005	Agency Req. FY2006	Gov. Rec. FY2006	Change from FY2005	% Change from FY2005
Grants and Subsidies	24,563	90,000	120,500	90,000	0	0.0%
TOTAL	24,563	90,000	120,500	90,000	0	0.0%
Funding Sources:						
General Funds	24,563	90,000	120,500	90,000	0	0.0%
Federal Funds	0	0	0	0	0	n/a
Other Funds	0	0	0	0	0	n/a
TOTAL	24,563	90,000	120,500	90,000	0	0.0%
FTE	0.0	0.0	0.0	0.0	0.0	n/a

Education Enhancement Distribution

The Governor recommends that \$3,006,960 from the General Fund be distributed in FY 2006 as education enhancement.

Item	Actual FY2004	Approved FY2005*	Agency Req. FY2006	Gov. Rec. FY2006	Change from FY2005	% Change from FY2005
Grants and Subsidies	1,845,271	0	0	3,006,960	3,006,960	0.0%
TOTAL	1,845,271	0	0	3,006,960	3,006,960	0.0%
Funding Sources:						
General Funds	1,845,271	0	0	3,006,960	3,006,960	0.0%
Federal Funds	0	0	0	0	0	n/a
Other Funds	0	0	0	0	0	n/a
TOTAL	1,845,271	0	0	3,006,960	3,006,960	0.0%
FTE	0.0	0.0	0.0	0.0	0.0	n/a

- *During the 2004 Legislative Assembly, the Legislature, through language added to the General Appropriation Act for FY 2005, directed the State Treasurer to transfer from the Education Enhancement Trust Fund's earnings to the General Fund \$14,322,737. That money was specified to be distributed as follows:
 - Department of Health Tobacco Prevention and Reduction Plan, \$750,000;
 - State Aid to General Education, \$6,722,231;
 - State Aid to Special Education, \$1,040,161;
 - Education Service Agencies, \$500,000;
 - Technology in Schools, \$3,553,385;
 - Postsecondary Technical Education Institutes, \$456,960; and
 - South Dakota Opportunity Scholarships, \$1,300,000.
- As part of the FY 2005 budget recommendation, the Governor recommended \$3,105,120 be distributed by the Legislature among the entire "education community."
- "Education enhancement" is not defined in statute.
- The Governor will again ask that the Legislature determine distribution of Education Enhancement dollars.

Technology in Schools

Funding for the Technology in Schools program, as recommended by the Governor for FY 2006, totals \$8,751,325 of which \$6,191,325 is from the General Fund and \$2,560,000 is from other funds. The Governor's recommended appropriation from the General Fund is \$2,000,000 less than FY 2005. This program provides state funding to support the Dakota Digital Network and distance education in South Dakota.

Item	Actual FY2004	Approved FY2005	Agency Req. FY2006	Gov. Rec. FY2006	Change from FY2005	% Change from FY2005
Travel	43	0	0	0	0	n/a
Contractual Services	4,897,264	10,751,325	10,751,325	8,751,325	-2,000,000	-18.6%
Supplies and Materials	6,761	0	0	0	0	n/a
Grants and Subsidies	315,159	0	0	0	0	n/a
Capital Outlay	1,129,543	0	0	0	0	n/a
TOTAL	6,348,770	10,751,325	10,751,325	8,751,325	-2,000,000	-18.6%
Funding Sources:						
General Funds	6,348,770	8,191,325	8,191,325	6,191,325	-2,000,000	-24.4%
Federal Funds	0	0	0	0	0	n/a
Other Funds	0	2,560,000	2,560,000	2,560,000	0	0.0%
TOTAL	6,348,770	10,751,325	10,751,325	8,751,325	-2,000,000	-18.6%
FTE	0.0	0.0	0.0	0.0	0.0	n/a

- The Governor's recommended appropriation for FY 2006 is based upon use of e-rates, a program established by Congress and the Federal Communications Commission to provide discounts and reimbursements of costs so schools and libraries in all communities can reap the benefits of affordable telecommunications and Internet access.
- The \$2,000,000 reduction in the appropriation from the General Fund is covered by use of that amount that had been "empty authority," an appropriation from other funds for which there was no money previously backing.

Career and Technical Education

The Governor recommends total funding of \$5,185,362 and 12.5 FTEs for the office of Career and Technical Education for FY 2006. This includes a recommended reduction in appropriation from the General Fund of \$499,142, an increased appropriation of \$50,746 from federal funds, and an increase of 1.0 FTE. This program coordinates and approves secondary career and technical education programs throughout the state and distributes State Aid to Postsecondary Technical Institutes.

Item	Actual FY2004	Approved FY2005	Agency Req. FY2006	Gov. Rec. FY2006	Change from FY2005	% Change from FY2005
Personal Services	464,795	563,185	613,316	613,316	50,131	8.9%
Travel	45,787	61,997	63,297	63,297	1,300	2.1%
Contractual Services	762,986	434,927	482,600	435,100	173	0.0%
Supplies and Materials	64,637	94,918	94,918	94,918	0	0.0%
Grants and Subsidies	4,079,110	4,431,200	4,431,200	3,931,200	-500,000	-11.3%
Capital Outlay	4,403	2,500	2,500	2,500	0	0.0%
Other	28,203	45,031	45,031	45,031	0	0.0%
TOTAL	5,449,921	5,633,758	5,732,862	5,185,362	-448,396	-8.0%
Funding Sources:						
General Funds	421,220	921,570	1,008,027	422,428	-499,142	-54.2%
Federal Funds	4,926,659	4,557,913	4,570,560	4,608,659	50,746	1.1%
Other Funds	102,041	154,275	154,275	154,275	0	0.0%
TOTAL	5,449,921	5,633,758	5,732,862	5,185,362	-448,396	-8.0%
FTE	10.3	11.5	12.5	12.5	1.0	8.7%

- The Governor recommends a decreased appropriation of \$500,000 from the General Fund to reflect the one-time in FY 2005 appropriation of a grant for schools to develop career and technical programs and share them with the rest of the state.
- The Governor recommends an increased appropriation of \$50,131 from federal funds and 1.0 FTE for a health occupation program representative to work with hospitals, school districts, and the Departments of Health and Labor to implement the Health Occupations Today and Tomorrow program.

Selected Performance Indicators

	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATED FY 2005	ESTIMATED FY 2006
Secondary Schools and Postsecondary Institutions:				
School Districts with Programs	134	134	129	125
Approved Secondary Programs	330	341	340	340
Approved Postsecondary Programs	102	101	106	108
Business/Industry Training	9,700	9,318	9,500	9,600
Apprenticeship	450	460	0	0
School Visitations	125	164	150	150
Minority Participation (Secondary and Postsecondary):				
American Indian	1,317	2,727	2,750	2,800
Black	247	315	320	320
Oriental	139	225	200	230
Spanish Surname	165	324	350	350
Custer Youth Correctional Center	80	105	110	115

Postsecondary Vocational Education

For State Aid to Postsecondary Vocational Education for FY 2006 the Governor recommends an appropriation of \$16,960,433 from the General Fund, a decrease of \$33,034, or 0.2%, over FY 2005. This appropriation is distributed to the four postsecondary technical institutes based upon enrollments and student completions of academic programs.

Item	Actual FY2004	Approved FY2005	Agency Req. FY2006	Gov. Rec. FY2006	Change from FY2005	% Change from FY2005
Contractual Services	824,000	0	0	0	0	n/a
Grants and Subsidies	15,278,326	16,993,467	17,699,860	16,960,433	-33,034	-0.2%
TOTAL	16,102,326	16,993,467	17,699,860	16,960,433	-33,034	-0.2%
Funding Sources:						
General Funds	16,102,326	16,993,467	17,699,860	16,960,433	-33,034	-0.2%
Federal Funds	0	0	0	0	0	n/a
Other Funds	0	0	0	0	0	n/a
TOTAL	16,102,326	16,993,467	17,699,860	16,960,433	-33,034	-0.2%
FTE	0.0	0.0	0.0	0.0	0.0	n/a

- The Governor's recommended decrease in appropriation of \$33,024 from the General Fund is the net of an increase in General Fund support for the four postsecondary technical institutes of \$423,926 and a decrease of the one-time in FY 2005 appropriation from the Education Enhancement Trust Fund of \$456,960.

Education Resources

The Governor recommends for FY 2006 an overall increase of \$8,515,338 and 1.0 FTE for the Education Resources program. Of this dollar amount, the Governor recommends an increase of \$8,823,675 from federal funds, \$151,477 from other funds, and a reduced appropriation from the General Fund of \$459,814. This brings the total funding and staffing for the program to \$139,232,202 and 65.0 FTEs. This program provides general and fiscal support and coordination of all public elementary and secondary schools in the state, and distributes money from federal and other sources, and administers a number of activities from nutrition to reading enhancement.

Item	Actual FY2004	Approved FY2005	Agency Req. FY2006	Gov. Rec. FY2006	Change from FY2005	% Change from FY2005
Personal Services	2,360,768	3,155,847	3,356,368	3,205,977	50,130	1.6%
Travel	514,027	370,936	404,288	394,288	23,352	6.3%
Contractual Services	7,022,014	10,132,223	11,153,891	10,467,891	335,668	3.3%
Supplies and Materials	289,060	432,249	432,249	432,249	0	0.0%
Grants and Subsidies	109,210,912	116,255,575	124,431,893	124,361,763	8,106,188	7.0%
Capital Outlay	163,540	52,000	56,000	52,000	0	0.0%
Other	320,056	318,034	318,034	318,034	0	0.0%
TOTAL	119,880,377	130,716,864	140,152,723	139,232,202	8,515,338	6.5%
Funding Sources:						
General Funds	5,430,269	5,803,644	6,235,895	5,343,830	-459,814	-7.9%
Federal Funds	114,148,240	124,498,400	133,500,531	133,322,075	8,823,675	7.1%
Other Funds	301,867	414,820	416,297	566,297	151,477	36.5%
TOTAL	119,880,377	130,716,864	140,152,723	139,232,202	8,515,338	6.5%
FTE	51.1	64.0	68.0	65.0	1.0	1.6%

- The Governor's recommendation includes a reduction in the General Fund appropriation to the South Dakota Reads program of \$500,000 for ongoing support of education service agencies.
- The Governor recommends an increased appropriation of \$224,896 from federal funds and 1.0 FTE for the Reading First grant.
- For FY 2006 the Governor recommends an increased appropriation of \$1,300,000 from federal funds for flowthrough dollars for Child and Adult Nutrition Services (CANS). Also recommended are increased appropriations of \$650,000 from federal funds and \$150,000 from other funds for the CANS computerization project.
- The Governor also recommends an increased appropriation of \$3,451,034 from federal funds for expansion of the Title programs, and \$3,180,388 from federal funds for anticipated increases in funding for Individuals with Disabilities Education Act (IDEA) program.
- The Governor does not recommend the increased appropriations of \$21,585 from the General Fund, \$128,806 from federal funds and 3.0 FTEs the department also requested. Two of the FTEs would have gone to the CANS area for monitoring, inspections, and technical assistance of nutrition programs, and the other FTE would have been a math curriculum specialist.

Revenues

	<u>Actual</u> <u>FY2003</u>	<u>Actual FY2004</u>	<u>FY2005 Estm.</u>	<u>FY2006 Estm.</u>	<u>% Change Over</u> <u>FY2003</u>
Teacher Certificates	106,458	119,531	120,000	120,000	12.7%

Selected Performance Indicators

	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATED FY 2005	ESTIMATED FY 2006
Office of Curriculum, Technology Assessment				
Dakota Step, Grade 3				
Students Tested	0	9,900	10,000	9,800
Average %ile Rank	0	62	62	63
Dakota Step, Grade 4				
Students Tested	10,800	10,154	10,200	10,000
Average %ile Rank	63	65	65	66
Dakota Step, Grade 5				
Students Tested	0	10,397	10,400	10,000
Average %ile Rank	0	62	65	66
Dakota Step, Grade 6				
Students Tested	0	10,871	10,400	10,000
Average %ile Rank	0	62	62	63
Dakota Step, Grade 7				
Students Tested	0	10,728	10,900	10,500
Average %ile Rank	0	63	63	64
Dakota Step, Grade 8				
Students Tested	11,000	11,051	10,900	10,500
Average %ile Rank	67	64	64	65
Dakota Step, Grade 11				
Students Tested	10,000	9,738	10,000	10,000
Average %ile Rank	63	67	67	68
SAT 9 Writing Exam, Grade 5				
Students Tested	10,300	10,325	10,500	10,000
Percent Proficient	0	n/a	n/a	n/a
SAT 9 Writing Exam, Grade 9				
Students Tested	10,900	10,934	11,000	10,000
Percent Proficient	0	n/a	n/a	n/a
Semester Long, Video-Based Classes On DDN				
Students Participating in a DDN Class	40	101	50	101
Professional Development Offerings on DDN	25	416	20	416
Educational "Events" on DDN	40	267	50	267
Teachers Trained in Ed Technology	750	1,053	800	1,053
Office of Accreditation & Teacher Quality				
Certified Staff - Public	10,085	9,988	9,900	9,900
Certificates in Effect	23,000	25,000	26,000	26,000
Office of School Enhancement				
CANS Performance Indicators:				
Agencies	330	361	355	355
Number of Meals (millions)	27.5	24.5	24.5	24.5
Food Distribution				
Lbs of Food (Millions)	6.3	6.4	6.5	6.5
Value of Food (Millions)	\$5.8	\$5.9	\$6.0	\$6.0
Office of Education Services & Support				
Federal Programs:				
Title I, Part A				
Programs/Schools/Students Served	171/400/16,250	163/347/25,940	163/347/25,900	163/347/25,900
Children Enrolled in Special Ed:				
Ages 6-21/3-5/B-2	15,079/2,362/70	15,224/2,548/83	15,380/2,600/830	15,380/2,600/830
	4	0		
Total Children with Disabilities, 3-21	17,441	17,772	18,105	18,105

Education Service Agencies

Education Service Agencies were created by the Legislature in 2004. The \$500,000 initial funding from the General Fund came from Education Enhancement Trust Fund earnings. For FY 2006, the Governor is recommending the same \$500,000 appropriation from the General Fund and \$1,372,849 from federal funds. The department contracts with the seven education service agencies to support local public schools, funnel federal money for specific federal mandates, and support curriculum and professional development activities.

Item	Actual FY2004	Approved FY2005	Agency Req. FY2006	Gov. Rec. FY2006	Change from FY2005	% Change from FY2005
Contractual Services	0	500,000	1,872,849	1,872,849	1,372,849	274.6%
Grants and Subsidies	0	1,372,849	0	0	-1,372,849	-100.0%
TOTAL	0	1,872,849	1,872,849	1,872,849	0	0.0%
Funding Sources:						
General Funds	0	500,000	500,000	500,000	0	0.0%
Federal Funds	0	1,372,849	1,372,849	1,372,849	0	0.0%
Other Funds	0	0	0	0	0	n/a
TOTAL	0	1,872,849	1,872,849	1,872,849	0	0.0%
FTE	0.0	0.0	0.0	0.0	0.0	n/a

- The Governor's recommended appropriation for this program makes funding for education service agencies ongoing.

State Library

For FY2006, the Governor recommends for the State Library funding of \$2,236,316 from the General Fund, \$1,042,474 from federal funds, and \$86,083 from other funds. These amounts represent an increase over FY 2005's General Fund amount of \$4,104 and an increase from federal funds of \$1,207. FTEs and other funds are status quo with FY 2005.

Item	Actual FY2004	Approved FY2005	Agency Req. FY2006	Gov. Rec. FY2006	Change from FY2005	% Change from FY2005
Personal Services	1,181,239	1,351,658	1,528,281	1,351,658	0	0.0%
Travel	47,487	71,035	85,981	72,481	1,446	2.0%
Contractual Services	1,003,790	1,245,078	1,386,543	1,248,943	3,865	0.3%
Supplies and Materials	136,960	145,683	158,183	145,683	0	0.0%
Grants and Subsidies	13,125	280,911	280,911	280,911	0	0.0%
Capital Outlay	253,440	240,197	379,282	240,197	0	0.0%
Other	14,166	25,000	25,000	25,000	0	0.0%
TOTAL	2,650,208	3,359,562	3,844,181	3,364,873	5,311	0.2%
Funding Sources:						
General Funds	2,015,426	2,232,212	2,648,208	2,236,316	4,104	0.2%
Federal Funds	621,498	1,041,267	1,059,474	1,042,474	1,207	0.1%
Other Funds	13,284	86,083	136,499	86,083	0	0.0%
TOTAL	2,650,208	3,359,562	3,844,181	3,364,873	5,311	0.2%
FTE	32.9	36.5	40.5	36.5	0.0	0.0%

- The department requested, but the Governor does not recommend, increased appropriations of \$138,000 from the General Fund and 4.0 FTEs. The State Library requested 2.0 new school library media coordinators as personnel to work with school districts on rebuilding the quality of their libraries. A third FTE was to have been a technical assistant to help with the clerical work activities of the library digitization project. The fourth FTE was for a library system trainer to work with the South Dakota Library Network office on the Black Hills State University campus.

Selected Performance Indicators

	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATED FY 2005	ESTIMATED FY 2006
SDLN Full Member/Associate Libraries	35/22	34/24	34/26	34/28
SDLN Remote Member Libraries	150	150	150	150
Bibliographic Records on SDLN	4,083,360	4,137,833	4,200,000	4,300,000
Group Training Opportunities Provided	184	118	95	120
Attendance at Workshops	3,010	3,813	2,250	3,500
On-Site Visits: Public, Institutional, Sch. Libs	67	72	100	200
Libraries' Administrative Questions Answered	1,192	1,236	1,200	1,500
Collection Development:				
Books Cataloged (Titles)	5,292	5,412	5,000	5,000
State / Fed. Documents Cataloged (Titles)	190/3,507	196/3,446	200/3,000	250/3,000
Total Books Owned	178,728	183,242	185,000	186,000
State / Federal Publications Owned	84,648/245,160	88,983/249,733	93,000/253,700	97,000/257,700
Total Requests Received	62,993	61,077	60,000	65,000
Requests from State Employees	4,943	3,690	4,000	4,000
Items Loaned	96,618	98,848	100,000	105,000
Patrons Using Public Terminals	10,511	9,398	9,000	9,000
Electronic Views (InfoTrac State Library)	71,441	56,735	20,000	70,000
Electronic Views (ProQuest Statewide)	445,263	496,931	500,000	500,000
Electronic Views (E-Books Statewide)	9,030	18,138	20,000	22,000
State Library Web Page Users' Views	811,220	619,877	700,000	700,000
Interlibrary Network Borrows In-SD/Outside-SD	54,707/27,974	45,793/23,850	46,000/24,000	50,000/25,000
State Publications Items Distributed	23,056	28,010	20,000	20,000
Braille and Talking Book Library:				
Users	4,977	5,267	5,372	5,533
Circulation of Library Materials	110,154	111,671	115,021	118,472
Volunteer Hours	1,743	987	1,006	1,026
Talking Books Received and Processed				
from Library of Congress	15,800	18,688	19,061	19,262
Educational Material Titles	2,100	1,001	1,031	1,062
Total Collection Volumes / Titles	177,159/39,890	171,552/41,642	174,983/42,745	180,232/44,027
Summer Reading Program Participants	66	72	73	74

Other Departmental Issues

Interim Appropriation Actions

	Approved FY2005 Budget	Interim Action	Revised Budget
None.			
Funding Sources:			
General Funds	\$ 358,537,203	\$ -	\$ 358,537,203
Federal Funds	\$ 138,929,807	\$ -	\$ 138,929,807
Other Funds	\$ 3,228,852	\$ -	\$ 3,228,852
Total	<u>\$ 500,695,862</u>	<u>\$ -</u>	<u>\$ 500,695,862</u>
F.T.E.	145.0	-	145.0