

## SCHOOL BOARD MEETING

Wednesday, September 7, 2016

The School Board of the Sioux Falls School District 49-5 of Minnehaha County, South Dakota, was called into regular session, pursuant to due notice, on Wednesday, September 7, 2016 at 4:00 pm in the Instructional Planning Center, 201 East 38<sup>th</sup> Street, Sioux Falls, South Dakota, with the following members present: Kent Alberty, Douglas C. Morrison, Carly R. Reiter, Vice President Kate Parker and President Todd Thoelke. Absent: None. Robert Griggs, President of Southeast Tech and Rich Kluin, Vice President of Finance and Operations were also present.

### Action ST00142

A motion was made by Kent Alberty and seconded by Doug Morrison, five (5) votes “yes” on roll call, **approving the minutes of a meeting** held on August 3, 2016, which were furnished to the Sioux Falls Argus Leader for publication, in unapproved form, all in accordance with SDCL §13-8-35.

### Action ST00143

A motion was made by Kate Parker and seconded by Doug Morrison, five (5) votes “yes” on roll call, **approving the agenda** as presented.

\* \* \* \* \*

Vice President Parker asked about any conflicts of interest. None were brought forward.

### Action ST00144

A motion was made by Kent Alberty and seconded by Carly Reiter, five (5) votes “yes” on roll call, **approving Item A through E on the consent agenda**, as follows:

#### **A . Approving the Authorizations and Ratifications, as follows:**

##### **A1. Amending Action ST00138A.4 241 FY 17 Employment Contract Salary Schedule**

Amending Action ST00138A.4, adopted August 3, 2016 by deleting the 241 day FY17 Employment Contract Salary Schedule and inserting the following correct schedule, as follows:

FY17 Salary Schedule - Southeast Tech Employment Contract 2016/2017 – 241 Days

Job Level	1	2	3	4	5	6	7	8
W	85,699.60	86,635.44	87,571.28	88,507.12	89,442.96	90,378.80	91,314.64	92,250.48
J	60,693.44	61,356.21	62,018.98	62,681.76	63,344.53	64,007.30	64,670.07	65,332.85
I	56,278.32	56,892.88	57,507.44	58,122.00	58,736.56	59,351.12	59,965.68	60,580.23
H	50,378.64	50,928.77	51,478.91	52,029.04	52,579.18	53,129.31	53,679.45	54,229.58
G	45,867.12	46,367.99	46,868.86	47,369.73	47,870.60	48,371.46	48,872.33	49,373.20
F	41,664.08	42,119.05	42,574.02	43,029.00	43,483.97	43,938.94	44,393.91	44,848.88
E	37,422.48	37,831.13	38,239.79	38,648.44	39,057.09	39,465.75	39,874.40	40,283.05
D	33,335.12	33,699.14	34,063.16	34,427.18	34,791.20	35,155.22	35,519.24	35,883.26
C	29,479.12	29,801.03	30,122.94	30,444.86	30,766.77	31,088.68	31,410.59	31,732.50
B	26,220.80	26,507.13	26,793.46	27,079.79	27,366.12	27,652.46	27,938.79	28,225.12
A	23,001.04	23,252.21	23,503.38	23,754.55	24,005.73	24,256.90	24,508.07	24,759.24

Job Level	9	10	11	12	13	14	15	16
W	93,186.32	94,122.16	95,058.00	95,993.84	96,929.68	97,865.52	98,801.35	99,737.19
J	65,995.62	66,658.39	67,321.16	67,983.94	68,646.71	69,309.48	69,972.25	70,635.03
I	61,194.79	61,809.35	62,423.91	63,038.47	63,653.03	64,267.59	64,882.15	65,496.71
H	54,779.72	55,329.85	55,879.99	56,430.12	56,980.26	57,530.39	58,080.53	58,630.66
G	49,874.07	50,374.94	50,875.81	51,376.68	51,877.55	52,378.42	52,879.29	53,380.15
F	45,303.85	45,758.83	46,213.80	46,668.77	47,123.74	47,578.71	48,033.68	48,488.66
E	40,691.71	41,100.36	41,509.01	41,917.67	42,326.32	42,734.98	43,143.63	43,552.28
D	36,247.28	36,611.30	36,975.32	37,339.33	37,703.35	38,067.37	38,431.39	38,795.41
C	32,054.42	32,376.33	32,698.24	33,020.15	33,342.06	33,663.98	33,985.89	34,307.80
B	28,511.45	28,797.78	29,084.11	29,370.44	29,656.77	29,943.10	30,229.44	30,515.77
A	25,010.41	25,261.58	25,512.75	25,763.92	26,015.10	26,266.27	26,517.44	26,768.61

B. Accepting the **Consolidated Report of Trust and Agency Funds** of September 7, 2016 and stating for the record that as of September 7, 2016, receipts total \$3,493,674.71 and disbursements total \$1,758,198.74 (see MRF #ST124).

C. Approving the **Vice President of Finance and Operation’s Report** of September 7, 2016 in accordance with the SDCL §13-8-35 (see MRF #ST125) and directing that detailed statement of receipts and balances on hand, as of July 31, 2016, be published as part of these minutes, in accordance with SDCL §13-8-3.

D. **Approving financial transactions** of Southeast Tech (see MRF #ST126).

E. **Accepting the Southeast Tech Personnel Report**, as follows:

- E.1. **RESIGNATIONS.** Accepting the resignation of School District Personnel as of the effective date indicated, the personnel having been previously employed by Board Action, as follows:

<u>Name</u>	<u>Location/Position</u>	<u>Effective Date</u>
<b>Federal Work Study, part-time</b>		
Gores, Kyra	Marketing	05-05-16
Mathis, Jason	Horticulture	05-16-16
<b>Other Help, part-time</b>		
Storms, Destiney	TAACCCT3 Grant, LPN Mentor, Chamberlain	05-15-16

E2. **EMPLOYMENT RECOMMENDATIONS**

<u>Name</u>	<u>Location/Position</u>	<u>Effective Date</u>	<u>Amount</u>
<b>Employment Contract, non-exempt, per hour</b>			
Knudsen, Keeley	Scarborough Ctr, Program Asst, 184 Days, Level Z, Step 1	08-17-16	\$12.82
<b>Federal Work Study, per hour</b>			
Berndt, Jessica	Horticulture	09-06-16	\$10.00
Currie, Catlin	Marketing	08-22-16	10.00
Peterson, Alyssa	Library	08-11-16	10.00
Rokusek, Kayla	Scarborough Center	08-30-16	10.00
<b>Instructor, part-time, per hour</b>			
Mack, Clinton	Forklift Training	07-01-16	\$36.00
Pepper, Dustin	CPR Training	07-01-16	35.00
Reid, Robert	Computer Apps	08-01-16	30.00
<b>Instructor, part-time, curriculum development, per hour</b>			
Crissey, Thyra	RN Clinical	08-22-16	\$35.00/\$21.11
<b>Other Help, Stipend, lump sum</b>			
Simons, Melissa	TAACCCT3 Grant, LPN Mentor, Pierre	12-29-16	\$1,500.00
Stiehl, Danica	TAACCCT3 Grant, LPN Mentor, Pierre	12-29-16	1,500.00
<b>Student Help, per hour</b>			
Carroll, Michelle	Scarborough Center	09-01-16	\$10.00
Dreckman, Hannah	Scarborough Center	08-23-16	10.00
Longman, Brenna	Scarborough Center	08-17-16	10.00

E2. **EMPLOYMENT RECOMMENDATIONS** (continued)

<u>Name</u>	<u>Location/Position</u>	<u>Effective Date</u>	<u>Amount</u>
<b>Student Tutor, per hour</b>			
Krempges, Victoria	Accounting & CIS	09-06-16	\$10.00
Snoozy, Aerika	Health, Science, & Math	08-29-16	10.00

E3. **PAY RATE ADJUSTMENT**

<u>Name</u>	<u>Location/Position</u>	<u>Effective Date</u>	<u>Current Pay</u>	<u>Proposed Pay</u>
<b>Employment Contract, part-time, per hour</b>				
Eklund, Anne	AEL Lead Teacher	09-11-16	\$17.20	\$18.50

Action ST00145

Rich Kluin, Vice President Finance/Operation, presented the FY16 Financial Wrap Up for the various Southeast Technical Institute funds. (see MRF #ST127 and Action ST00050, adopted 07-13-15) Mr. Kluin reported that revenues in the post-secondary vocational fund came in at 97.1 percent of budget. Revenues were less than projected due to lower student enrollments in FY16. Actual expenditures were less than budgeted as well, coming in at 95 percent of the FY16 budget. Expenditures for Supplies & Materials, Dues & Fees, Building Improvements, and Capital Equipment were all less than anticipated. Within post-secondary vocational fund, the use of existing reserves during FY16 was less than planned.

Mr. Kluin also reported on the Southeast Technical Institute enterprise funds. Within the Bookstore Fund, revenues and expenditures were less than budgeted amounts, with revenue coming in at 94.8 percent of budget, and expenditures coming in at 88.6 percent of budget. Childcare Fund revenues were 101.2 percent of budget and related expenditures were 94.8 percent of budget. Mr. Kluin also reported on the Training Solutions Institute (TSI) Enterprise Fund. Revenues in the TSI Fund were 75.9 percent of budget and expenditures were 79.5 percent of budget. Mr. Kluin also reported that the Training Solutions Fund will be closed out to the Post-Secondary fund and select operations of Training Solutions will be accounted for in the Post-Secondary fund going forward.

Following general discussion, a motion was made by Doug Morrison and seconded by Carly Reiter, five (5) votes "yes" on roll call, **acknowledging the FY16 Financial Wrap Up as presented.**

Action ST00146

Rich Kluin, Vice President of Finance and Operations, presented the Instructor Contracts – SDCL 3-18 report. (see MRF #128) HB1182 increased the state sales/use tax, excise tax on farm machinery, and amusement device tax for the purpose of increasing education funding and reduction of property taxes. Section 18 of the bill established that the presidents of the postsecondary technical institutes, acting pursuant to rules established by the State Board of Education, shall use the money provided pursuant to this Act to increase instructor salaries at each postsecondary technical institute. A draft of the administrative rules was provided to the technical institute presidents on or about April 29, 2016. The draft rules provided for the distribution of funds as follows:

1. 20 Percent of Total – Base Funding: Allow flexibility for technical institutes to apply salary support toward policy adjustments or market value, as needed locally.
2. 40 Percent of Total – Salary Policy Adjustment: Provide modest salary increases for instructors. All instructors, whether teaching general education or technical courses, are included.
3. 40 Percent of Total – Market Value Adjustment: Move instructors toward an industry-competitive market value.

Southeast was projected to receive \$540,840 for Base Funding and Salary Policy Adjustment. Market Value Adjustments would be determined subsequent to the application of the Base Funding and Salary Policy Adjustments.

Southeast entered into negotiations on May 9, 2016 with SFEA – Part II representatives on the advice and consent of the South Dakota Department of Education. Southeast's offer was to provide as a salary package the amount provided for under HB1182 and in the manner prescribed. Included in Southeast's offer was a reduction in the total number of contracted days required of an instructor. Contract lengths for all instructors would be reduced by six (6) days. A salary schedule reflecting the distribution of the \$540,840 (less benefits of \$64,958) was prepared and presented to SFEA – Part II representatives.

The State Board of Education adopted administrative rules at their June 20, 2016 meeting. The adopted rules established the methodology for distributing the funds provided for in HB1182. Under the adopted administrative rules, Southeast's distribution from HB1182 was reduced. The projected distribution of funds received under HB1182 stands at \$125,680.

On July 12, 2016 a meeting was held with SFEA – Part II membership and Southeast representatives (Rich Kluin, Member Morrison), to present and discuss the adopted administrative rules and revised allocation amount. SFEA was provided with all relevant information in Southeast's possession. At the July 25, 2016 meeting the Sioux Falls School Board – rejected the May 9, 2016 agreement between the Southeast Tech Faculty (SFEA – Part II) and the Sioux Falls School Board with the intent that both sides will come back to the bargaining table. A request was made by Southeast to the SFEA President to re-enter negotiations following the meeting. On August 8, 2016 notification was received that after careful consideration the negotiations team at Southeast Technical Institute (SFEA – Part II) would not come back to the table to re-negotiate and therefore declared impasse. In the case of impasse or failure to reach an agreement in negotiations conducted under SDCL 3-18, either party may request the Department of Labor and

Regulation to intervene under the provisions of §§ 60-10-1 to 60-10-3, inclusive. Such request shall be mailed within ten days after a written statement is delivered to the designated representative for the other part declaring an impasse. A request for Department of Labor and Regulation intervention was not made by either party. If the Department of Labor and Regulation is not requested to intervene under the provisions of SDCL 3-18-8.1, the board shall implement the provisions of its last offer.

Following general discussion, a motion was made by Kent Alberty and seconded by Doug Morrison, five (5) votes “yes” on roll call, **that pursuant to SDCL 3-18.8.2 that the Sioux Falls School Board implement the provisions provided for in HB1182 and in the manner prescribed by administrative rules.**

#### Action ST00147

Rich Kluin, Vice President of Finance and Operations presented the **FY17 Proposed Budget for adoption, as follows:**

The Southeast Technical Institute Council held a public work session on the budget May 17<sup>th</sup>, 2016 to review the program budgets as presented by the Southeast Tech Administration. On May 26, 2016, a public hearing on the Southeast Tech ‘s FY17 budget was held. No comments were received from the public in attendance at either meeting.

The Sioux Falls School Board granted tentative approval of the budget at its meeting held May 26, 2016. There have been changes made to the FY17 Budget Post-Secondary Technical Funds since tentative approval. All of the changes are delineated below:

#### **POST-SECONDARY TECHNICAL FUND REVENUES**

##### State Revenue – HB1182:

- Projected Revenues for instructor salary enhancements from HB1182 will be \$415,160 less than originally projected.
- State Aid was adjusted for associated instructor salaries in all cost centers.

##### TAACCCT Grant – Cost Center 381:

- Projection Revenues from the Trade Adjustment Assistance Community College Career Training grant will be \$28,453 less that originally projected.

##### Perkins – Cost Center 382:

- Projected Revenues for the Carl V. Perkins grant will be \$69,153 less than originally anticipated.

#### **EXPENDITURES**

##### Regular Salaries:

- Full time salaries in all associated cost centers were adjusted to actual salaries based on FY17 adopted salary schedules.
  - Object 1110 – Administrative Salaries: Increased by \$6,554.

- Object 1131 – Clerical Salaries: Increased by \$518.
- Object 1141 – Custodial Salaries: Decreased by \$1,580
- Object 1151 – Custodial Manager Salaries: Increased by \$124.
- Object 1161 – Specialist Salaries: Increased by \$3,378.
- Object 1191 – Employment Contract Salaries: Increased by \$1,504.
  - Instructor salaries were decreased by a net amount \$274,655 resulting from the final adoption of the administrative rules related to HB1182 and the restoration of six (6) contract days.

Early Retirement Payments:

- Early retirement payments were increased by \$10,398 to reflect notification of an early retirement after the preliminary adoption.

Retirement Benefits:

- Social Security benefits were decreased by \$15,846 for associated salaries in all cost centers.
- SDRS Retirement benefits were decreased by \$20,205 for associated salaries in all cost centers.

Insurance Benefits:

- Long-term Disability benefits were decreased by \$106 for associated salaries in all cost centers.
- Worker's Compensation benefits were decreased by \$3,258 for associated salaries in all cost centers.
- Hospital/Medical Insurance benefits were decreased by \$20,317 for projected enrollments in all cost centers.
- Dental Insurance benefits were decreased by \$346 for projected enrollments in all cost centers.
- Life Insurance benefits were decreased by \$53 for associated salaries in all cost centers.

Instructor Travel – Cost Center 349:

- Instructor travel in Academic Support was reduced by \$2,000.

Equipment Repair – Cost Center 316:

- Equipment repair in Mechanical Engineering Technology was reduced by \$9,000.

Classroom Supplies:

- Classroom Supplies in the LPN Program - Cost Center 348 were increased by \$65,000 resulting from a reclassification of a program expense from Dues & Fees.
- Classroom Supplies in RN Program - Cost Center 376 were reduced by \$2,000.

Other Equipment (Non-capitalized) – Cost Center 345:

- Non-capitalized equipment in the Collision Repair & Refinish program were reduced by \$5,000.

Dues & Fees – Cost Center 348:

- Dues & Fees were reduced by \$80,000 and were reclassified as Classroom Supplies.

Land Improvements – Cost Center 395:

- Land improvements were increased by \$59,000 for the Terry Avenue project by the CTE Academy.

Equipment:

- Equipment in the Diesel Program – Cost Center 323, was reduced by \$37,817.
- Equipment in the Law Enforcement Program – Cost Center 344, was reduced by \$20,000.
- Equipment in the Perkins Program – Cost Center 382, was increased by \$21,664.

Operating Efficiency Task:

- Increased by \$188,723 from the combined effects of the changes in post-secondary revenue and expenditures.

**POST-SECONDARY ENTERPRISE FUNDS**

Bookstore – Fund 52

- Increases Clerical Salaries by \$32.
- Increases Employment Contract Salaries by \$53.
- Increases SDRS Benefits by \$5.
- Increases Social Security Benefits by \$6.
- Increases Worker’s Compensation by \$1.

Food Service – Fund 53

- Increases Employment Contract Salaries by \$68.
- Increases SDRS Benefits by \$4.
- Increases Social Security Benefits by \$6.
- Increases Worker’s Compensation by \$1.

Child Care – Fund 54

- Increases Child Care Fees by \$3,799.
- Increases Employment Contract Salaries by \$3,608.
- Increases SDRS Benefits by \$217.
- Increases Social Security Benefits by \$276.
- Increased Long-Term Disability Benefits by \$2.
- Increases Worker’s Compensation by \$103.
- Increases Life Insurance Benefits by \$1.

A motion was made by Doug Morrison and seconded by Kent Alberty, five (5) votes “yes” on roll call, **adopting the FY17 Budget of the Sioux Falls School District 49-5. (see MRF #129)**

continued

Wednesday, September 7, 2016

Action ST00148

On motion by Carly Reiter and seconded by Kent Alberty, five (5) votes "yes" on roll call, the School board **adjourned** at 4:45 pm.

TODD THOELKE

Presiding Officer

TODD VIK

Business Manager