

SCHOOL BOARD MEETING

Wednesday, April 5, 2017

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, April 5, 2017 at 4:00 pm in the Instructional Planning Center, 201 East 38th 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 Thaelke. Absent: None.

Action ST00199

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 February 28, 2017, and March 14, 2017 which were furnished to the Sioux Falls Argus Leader for publication, in unapproved form, all in accordance with SDCL §13-8-35.

Action ST00200

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

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

Action ST00201

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

A. Approving the Authorizations and Ratifications as follows:

A1. Acknowledgement of New Housing Board of Directors Members

Acknowledging for the record the completion of Tim Houska, Jon Sogn and Jim Schmidt's terms on the Southeast Tech Housing Board of Directors as of May 2017 and further acknowledging the appointment of Chris Healy and Kyle Kunde to the Southeast Technical Institute Housing Foundation Board of Directors.

- B. Accepting the **Consolidated Report of Trust and Agency Funds** of April 5, 2017 and stating for the record that as of February 28, 2017, receipts total \$34,670,732.63 and disbursements total \$33,586,234.96 (see MRF #ST166).
- C. Approving the **Vice President of Finance and Operation's Report** of April 5, 2017 in accordance with the SDCL §13-8-35 (see MRF #ST167) and directing that detailed statement of receipts and balances on hand, as of February 28, 2017, be published as part of these minutes, in accordance with SDCL §13-8-3.

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

- D1. **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>
Instructor, adjunct		
Hagen, Ryan	DMP	12-09-16
Kolander, John	Construction Mgmt	12-09-16
Larsen, Daniel	CIS	12-09-16
Nielsen, Amanda	Bus Admin	05-05-16
Reski, Tressie	Accounting	12-11-15
Instructor, part-time		
Hitzemann, Leonard	T3 Grant, LPN Clinical	03-31-17
Hurd, Jacquelyn	Surg Tech Clinical	03-31-16
Jacobs, Karle	LPN & RN Clinical	07-20-16
Kaltsounis, Leticia	Surg Tech Clinical	05-31-16
Lual, Melanie	LPN Clinical	02-27-17
Landry, London	LPN Clinical	12-01-16
Marsh, Cathy	Bus Admin	05-05-16
Marvel, Rhonda	T3 Grant, LPN Clinical	03-31-17
Pospischil, Amanda	LPN Clinical	04-30-16
Post, Sherri	T3 Grant, CNA	03-31-17
Schumacher, Tory	Surg Tech Clinical	05-31-16
VanVliet, Jamie	LPN Clinical	05-31-16
Instructor, substitute		
Kruse, Joanna	Phlebotomy	05-31-16
Lab Assistant, part-time		
Dumdei, Corey	Law Enforcement	05-29-15
Other Help, part-time		
Bursing, Axanthia	T3 Grant CNA Actor	03-31-17
Hotchkin, Stacy	T3 Grant CNA Actor	03-31-17
Lewis, Nancy	T3 Grant CNA Actor	03-31-17
Osborn, Michelle	T3 Grant CNA Actor	03-31-17

D1. **Resignations. (Continued)**

<u>Name</u>	<u>Location/Position</u>	<u>Effective Date</u>
Other Help, part time (continued)		
Simons, Melissa	T3 Grant Mentor	03-31-17
Stiehl, Danica	T3 Grant Mentor	03-31-17
Woessner, Cynthia	T3 Grant CNA Actor	03-31-17
Zinnel, Brenda	T3 Grant CNA Actor	03-31-17
Specialist, full-time		
Hotchkin, Stacy	Horticulture Lab	04-13-17
Student Advisor		
Hotchkin, Stacy	PLANET	04-13-17
Student Tutor, part-time		
Herman, Nathan	Math & Science	12-02-16
Krempges, Victoria	Accounting & CIS	01-31-17
Snoozy, Aerika	Health, Science & Math	12-06-16
Carter, Thomas	Math & Science	12-01-16

D2. **Reduction in Force.**

<u>Name</u>	<u>Location/Position</u>	<u>Effective Date</u>
Administrator, full-time		
Rokusek, James	Admissions, 12 Mo	06-30-17

D3. **Employment Recommendations.**

<u>Name</u>	<u>Location/Position</u>	<u>Effective Date</u>	<u>Amount</u>
Instructor, part-time, per hour			
Johnson, Beverly	Corp Ed, Computer Apps	03-27-17	\$35.00
Miller, Catherine	CPR	03-01-17	\$35.00
Post, Sherri	CPR	01-01-17	\$35.00
Instructor, part-time, curriculum development, per hour			
Merrick, Kristin	LPN	03-17-17	\$35.00/\$21.11
Lab Assistant, part-time, per hour			
Erdman, Corliss	CNA	04-01-17	\$20.00
Student Help, part-time, per hour			
Waldner, Alex	Admissions/Student Rep	03-27-17	\$10.00
Student Tutor, part-time, per hour			
Guericke, Tasia	Accounting	03-23-17	\$10.00
Hinsch, Constance	Accounting & Business	03-30-17	\$10.00

D4. **Change of Status.**

<u>Name</u>	<u>Location/ Position</u>	<u>From</u>	<u>To</u>
Instructor, full-time Hanson, Mylynn	Health Core	T3 Grant-50%, Health Core-50%, 186 Day, 1.0 FTE, Lane 6, Step 10, 9 Mos. prorated, \$45,131.25 annual, 07-01-16 to 03-31-17	Health Core-100%, 186 Day, 1.0 FTE, Lane 6, Step 10, 3 Mos. prorated, \$15,043.75 annual, Effec. 04-01-17
Post, Sherri	Health Core	T3 Grant-50%, Health Core-50%, 186 Day, 1.0 FTE, Lane 8, Step 10, 9 Mos. prorated, \$48,140.25 annual, 07-01-16 to 03-31-17	Health Core-100%, 186 Day, 1.0 FTE, Lane 8, Step 10, 3 Mos. prorated, \$16,046.75 annual, Effec. 04-01-17
Instructor, part-time Bursing, Axanthia	CNA	T3 Grant Clinical, \$35.00 per hr, 07-01-16 to 03-31-17	Post-Sec Clinical, \$35.00 per hr, Effec. 04-01-17
Erdman, Corliss	CNA	T3 Grant Clinical, \$35.00 per hr, 07-01-16 to 03-31-17	Post-Sec Clinical, \$35.00 per hr, Effec. 04-01-17
Osborn, Michelle	CNA	T3 Grant Clinical, \$35.00 per hr, 07-01-16 to 03-31-17	Post-Sec Clinical, \$35.00 per hr, Effec. 04-01-17
Stueven, Rebecca	CNA	T3 Grant Clinical, \$35.00 per hr, 07-01-16 to 03-31-17	Post-Sec Clinical, \$35.00 per hr, Effec. 04-01-17
Lab Assistant, part-time Bursing, Axanthia	CNA	T3 Grant, \$20.00 per hr, 07-01-16 to 03-31-17	Post-Sec, \$20.00 per hr, Effec. 04-01-17

D4. **Change of Status. (Continued)**

<u>Name</u>	<u>Location/ Position</u>	<u>From</u>	<u>To</u>
Lab Assistant, part-time Osborn, Michelle	(continued) CNA	T3 Grant, \$20.00 per hr 07-01-16 to 03-31-17	Post-Sec, \$20.00 per hr, Effec. 04-01-17
Stueven, Rebecca	CNA	T3 Grant \$20.00 per hr, 07-01-16 to 03-31-17	Post-Sec, \$20.00 per hr, Effec. 04-01-17
Other Help, part-time Karpen, Janet	CNA	T3 Grant Actor, \$15.00 per hr, 07-01-16 to 03-31-17	Post-Sec Actor, \$15.00 per hr, Effec. 04-01-17
Reich, Alexis	CNA	T3 Grant Actor \$15.00 per hr, 07-01-16 to 03-31-17	Post-Sec Actor, \$15.00 per hr, Effec. 04-01-17
Warner, Kelly Jo	CNA	T3 Grant Actor \$15.00 per hr 07-01-16 to 03-31-17	Post-Sec Actor, \$15.00 per hr, Effec. 04-01-17

Action ST00202

Paul Tunge and Jason Carlson, Heating, Ventilation, Air Conditioning and Refrigeration Instructors, presented the Heating, Ventilation, Air Conditioning and Refrigeration (HVAC-R) Program Overview Report and Vincent Berry, Plumbing Instructor, presented the Mechanical Systems/Plumbing Technology Program Overview Report (see MRF #ST168). The Mechanical Systems/Plumbing Technology program provides a 1-year diploma. The HVAC/R Technology program offers a one-year diploma (residential) or a two-year AAS degree (residential & commercial).

Of the first year HVAC-R program students, 70% of the students have found employment by the end of the first semester and 90% by the end of the second semester. First year HVAC-R student classes include Basic Electricity, Basic Refrigeration, Basic Heating, Essential Skills in the Workplace, Heating Trouble Shooting, Air Conditioning Installations, Air Conditioning Trouble Shooting and Basic Sheet Metal Fabrication. Second year HVAC-R students classes include HVAC/R Design, Installation, Service and Repair, Water cooled equipment and chillers, Outdoor equipment, Ice machines and water coolers, Split systems, Packaged systems, Standard air to air heat pumps and Geothermal heat pumps. Plumbing careers include work in residential, commercial, new installation, service and repair, pipefitting, boiler installation, solar energy and process piping. Career positions in the plumbing field include Journeyman, Foreman, Superintendent, Estimator, Project Manager, Salesman and Contractor.

Following general discussion, a motion was made by Kate Parker and seconded by Carly Reiter, five (5) votes “yes” on roll call, **acknowledging the Academic Program – HVAC/R and Mechanical Systems/Plumbing - Overview Report.**

Action ST00203

Rich Kluin, Vice President of Finance and Operations, presented the FY18 budget report (see MRF#ST169) as follows:

Southeast Tech began its initial budget process in November 2016 with the establishment of budget guidelines and timelines for completion. Between November 2016 and March 2017, administration, professional, and classified staff developed program budgets at the cost center level for presentation to the Southeast Tech Council. The Southeast Tech Council includes two School Board members and community members representing key industry segments. The Southeast Tech Council met on March 21, 2017 to review the FY18 preliminary budget prepared by Southeast Tech and formulate a recommendation for approval by the Sioux Falls School District Board of Education.

Post-Secondary Fund

	Budgeted FY17	Projected FY17	Change	Budgeted FY18	Change
Revenue	\$21.9M	\$23.1M	\$1.2M	\$21.2M	(\$0.7M)
Expense	<u>\$22.5M</u>	<u>\$21.7M</u>	<u>(\$0.8M)</u>	<u>\$21.2M</u>	<u>(\$1.3M)</u>
	(\$0.6M)	\$1.4M	\$2.0M	\$0.0	\$0.6M
New Building Investment	<u>(\$1.3M)</u>	<u>(\$2.8M)</u>	<u>(\$1.5)</u>	<u>\$0.0</u>	<u>\$1.3</u>
Fund Balance Change	<u>(\$1.9M)</u>	<u>(\$1.4M)</u>	<u>\$0.6M</u>	<u>\$0.0</u>	<u>\$1.9M</u>
Fund Balance	\$5.7M	\$5.5M	\$0.2M	\$5.5M	(\$0.2)

The FY18 budget presented to the School Board is balanced at the operating level. Projected revenues are sufficient to cover planned expenditures throughout FY18. The FY18 budget does not plan to spend into the fund balance. Year-to-year comparison of student admit data is trending positively with a significant increase in the number of admittances as of the end of March 2017, as compared to March 2016.

Credits are projected to grow slightly from FY17 projected amounts, increasing from 54.3k to 55.1k or approximately 1.4 percent. The projected growth is reflective of various enrollment initiatives that are currently underway at Southeast.

The impact of the FY18 budget to Southeast Tech students is an increase of \$5 per credit to maintain student support and operational services at current levels. The increase in

tuition represents a 2.2 percent increase in per credit fees over the FY17 rates. Program specific fees will be implemented on a limited basis and targeted to higher cost program areas.

The Post-Secondary budget reflects 8.75 fewer FTE, which were primarily achieved through attrition due to retirements and resignations.

Budget Highlights

Revenue (Post-secondary Fund)

- \$139k increase in tuition and fees from increases in per credit amounts paid by students. The FY18 budget includes a \$5 tuition increase and specific program fees.
- \$12k net increase in revenue from state sources that includes a projected increase of \$42k in formulary aid and a \$30k reduction in projected proceeds from the Board of Regents general education agreement.
- \$912k reduction in federal revenue as a result of the conclusion of U.S. Department of Labor TAACCCT grant on September 30, 2017.
- \$4k decrease in revenues from all other sources that include interest earnings, sales of goods/services, and miscellaneous sources.

Expenditures (Post-secondary Fund)

- \$168k decrease in salaries of all types, including part time and early retirement payouts was achieved through a combination of retirements, resignations, and reductions. There is a \$521k reduction in regular salaries related to the decrease in the number of FTE from FY17. Instructor hourly and adjunct totals were increased by \$320k to offset instructor retirements and align instructional resources with FY17 projected expenditures in this category.
- \$556k decrease in Purchased Services primarily realized through reductions in services provided by third party contractors. Service levels were reduced in the BioMed, and Nuclear Medicine programs and campus security. Savings realized in FY17 were carried into FY18 and cut across all purchased services detailed categories including; travel, property services, insurance, printing, and utilities.
- \$333k decrease in Supplies through reductions in classroom supplies, software, other supplies and noncapital equipment purchases.
- \$178k decrease in Dues and Fees that are associated with projected reductions in the Board of Regents general education agreement and projected FY18 bad debt allowances.
- \$1,434k decrease in equipment and capital improvements resulting from the completion of the new building, limiting capital equipment purchases to available federal resources, and identifying priority capital improvement projects for FY18.

Enterprise Funds

Bookstore Fund

	FY17	FY18	Change
Revenue	\$2.47M	\$2.55M	\$0.08M
Expense	<u>\$2.44M</u>	<u>\$2.55M</u>	\$0.09M
	(\$0.03M)	\$0.00M	

Food Service Fund			
	FY17	FY18	Change
Revenue	\$545K	\$342K	(\$203K)
Expense	<u>\$573K</u>	<u>\$378K</u>	(\$195K)
	(\$33K)	(\$36K)	
Scarborough Fund			
	FY17	FY17	Change
Revenue	\$286K	\$276K	(\$10K)
Expense	<u>\$286K</u>	<u>\$280K</u>	(\$6K)
	\$0K	(\$4K)	

Budget Highlights:

Enterprise Funds

- Revenue and expenditures for the Food Service fund were adjusted based on historical data available after the facility opened in November 2016.

Southeast Tech's FY18 budget maintains operations at current service levels for the majority of programs. The BioMed instructional program will be suspended in FY18 due to declining enrollments.

The five-year projection forecasts a stable fund balance in the \$4.6 to \$5.2 million range through FY22, which represents on average approximately 20 percent of prior year expenditures.

President Thoelke explained that this was the time for a public hearing. President Thoelke called for the public to come forward with questions, testimony or comments. No one spoke.

Following general discussion, a motion was made by Doug Morrison and seconded by Kent Alberty, five (5) votes "yes" on roll call, **acknowledging the public hearing and tentatively approving the FY18 Southeast Tech Budget.**

Action ST00204

On motion by Kate Parker and seconded by Carly Reiter, five (5) votes "yes" on roll call, the School board **adjourned at 4:58 pm.**

TODD THOELKE
Presiding Officer

TODD VIK
Business Manager