

Southeast Tech
FY17 Instructor Contracts
EXECUTIVE SUMMARY

Purpose:

To receive School Board approval pursuant to SDCL 3-18-8.2 for the implementation of the provisions provided for in HB1182 and in the manner prescribed.

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

- ARSD 24:10:48:01 – Definitions.
- ARSD 24:10:49:01 – Purpose of salary support funds.
- ARSD 24:10:49:02 – Market value determination.
- ARSD 24:10:49:03 – Information to be provided.
- ARSD 24:10:49:04 – Calculation of need.
- ARSD 24:10:49:05 – Distribution of funds
- ARSD 24:10:49:06 – Instructor salary adjustments
- ARSD 24:10:49:07 - Reporting

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 the revised allocation amount. SFEA was provided with all relevant information in Southeast’s possession.

At the July 25, 2016 meeting the Sioux Falls School District Board of Education 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 party 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.

Administrative Recommendation to School Board:

Issue contracts under SDCL 3-18-8.2 and implement HB1182. A suggested motion is attached to the report.

A suggested motion is as follows:

A motion was made by _____, and seconded by _____,
_____ votes "yes" on roll call, that pursuant to SDCL 3-18.8.2 that the Sioux Falls School
District Board of Education implement the provisions provided for in HB1182 and in the manner
prescribed by administrative rules.