

STAKEHOLDER QUESTIONS

A Petition to Establish a Separate and Distinct Local Education Agency

In preparation for the public hearing to consider Western Dakota Technical Institute's (WDT) petition to create a separate local education agency (LEA) separate from the Rapid City Area Schools (RCAS) Board of Education, the Board of Technical Education requested advance questions from board members and other stakeholders. The questions received were related to a variety of common themes, which are addressed below.

Financial Security of the Institution

Both entities have confirmed that WDT currently receives limited financial support from RCAS. The new, separate LEA will be expected to approve WDT's annual budget and local fees. The new board, focused exclusively on WDT, will be better positioned to understand the institution's financial health and identify potential risks to the institution's financial security.

Financial Impact of the Transition

As of now, WDT is not anticipating additional personnel needs related to a separation from RCAS. Existing WDT personnel will continue their work in both financial management and human resources. There will be efficiencies created by bringing all financial management on to one system (Jenzabar) rather than the work that is currently being done to bridge to the RCAS system (Skyward).

Some of the cost of board operations (board member travel, meeting costs) will be covered by the \$35,000 WDT currently allocates to pay a portion of the RCAS board secretary salary. The duties of the board secretary specific to WDT will be assumed by an existing position at WDT.

Additional information related to anticipated transition costs can be found on page 11 of the petition.

RCAS // WDT Memorandum of Understanding

The memorandum of understanding between RCAS and WDT, originally set to expire this spring, is being extended until December 31, 2022. This extension will allow both entities to move through the transition and separation process in a way that is mutually beneficial. It will also provide WDT the opportunity to continue participation in RCAS' group health insurance program until an acceptable replacement is determined. The groups intend to engage an insurance consultant.

Board Member Appointment and Selection

Some guidance is provided in SDCL 13-39A-36 and 13-39A-37. WDT has created a vetting committee to determine the appointment process and consider board member applicants. The vetting committee is comprised of two current members of the RCAS Board of Education and three individuals from WDT Skilled Workforce Advocacy Council. President Bolman and the WDT Director of Human Resources will be collaborating with the vetting committee.

The committee is accepting board member applications until May 29, 2020. The initial LEA will include three current RCAS Board of Education members and six new members (selected from the pool of applicants).

Potential Impact on the System’s Bonding Relationship

Board of Technical Education staff is working with the South Dakota Healthcare and Education Facilities Authority (SDHEFA) to confirm that the establishment of a separate LEA will not impact the system’s existing bonding relationship (i.e. bond rating, debt service coverage, debt capacity).

WDT’s separation from RCAS should not continue if SDHEFA determines that it will negatively impact the system’s bonding relationship in any way. The approval of the petition should be contingent on this understanding.

Impacts on Status with other Federal/National Bodies

The separation will only proceed if WDT is able to confirm with the United States Department of Education that the institution will be able to maintain its current federal financial eligibility if governed by a separate LEA.

In reference to the Higher Learning Commission (HLC), the establishment of a separate LEA should only proceed if HLC confirms that it will not negatively impact WDT’s current accreditation status or future efforts. It should be noted that “lack of governing body engagement” was provided as a justification for a previous HLC probation. The HLC feedback was one impetus for the petition to establish a separate LEA.