

**SOUTH DAKOTA BOARD OF TECHNICAL EDUCATION
PROPOSED BOARD POLICY CHANGE**

BOARD POLICY:

209.2: Instructor Salary Support

SUMMARY

The purpose of this policy is to define the processes the South Dakota Board of Technical Education ("Board") shall follow to: 1) Determine market value wage rates; or 2) Adjust the distribution of Instructor Salary Support funds to a technical college if the fund are used in a manner inconsistent with § 24:59:05:06.

If approved, the policy will become effective immediately.

COMMITTEE RECOMMENDATION

The proposed policy changes received approval by the Committee on Finance and Management on 7/18/2022. The Committee recommends do-pass.

COMMENTS INVITED

The South Dakota Board of Technical Education invites comments on this change before the Board takes final action at its meeting on 8/4/2022. Comments can be sent to Scott.DesLauriers@state.sd.us. Comments are due by EOD 8/2/2022.

Those wishing to testify are asked to register by 8/2/2022, by email, to Scott.DesLauriers@state.sd.us. Testifiers should provide their full name, entity representing (if applicable), city of residence, and which agenda item the testifier will address.

PROPOSED CHANGE

- Adoption
- Amendment
- Repeal
- Other:

**SOUTH DAKOTA BOARD OF TECHNICAL EDUCATION
POLICY MANUAL**

SUBJECT: 200. Finance and Management
SECTION: 209. Ongoing Funds
SUB-SECTION: 209.2. Instructor Salary Support
EFFECTIVE: Proposed: Effective Immediately

A. PURPOSE

1. The purpose of this policy is to define the processes the South Dakota Board of Technical Education ("Board") shall follow to:
 - 1.1. Determine market value wage rates; or
 - 1.2. Adjust the distribution of Instructor Salary Support funds to a technical college if the funds are used in a manner inconsistent with § 24:59:05:06.

B. DEFINITIONS

1. Instructor Salary Support Funds: Funding appropriated to the Board to increase technical college instructor salaries to levels competitive with supervisory-level salaries in applicable industries.
2. Supervisory-Level Salaries: Per § 24:59:05:01, the Board shall use Instructor Salary Support funds to increase instructor salaries to levels competitive with supervisory-level salaries in applicable industries. For the purposes of this rule and Board policy, the Board considers "to levels competitive with supervisory-level salaries" as the market value rate, as defined in this policy, of the approved paired standard occupational classification (SOC).
3. Instructor-to-Standard Occupational Classification (SOC) Pairing: An approved pairing between an instructor position and a standard occupational classification (SOC) code.
4. Market Value Rate: 120% of the annual median wage rate (50th percentile) of an approved standard occupation classification (SOC) code.
5. Adjustment of Funds: A change in the actual amount of Instructor Salary Support funds distributed to a technical college.

C. POLICY

1. MARKET VALUE INFORMATION

1.1. APPROVAL

- 1.1.1. Per § 24:59:05:02, the Board shall, every three years, complete a market value analysis to determine a market value rate for each instructor position.
- 1.1.2. A market value rate must be adopted by the Board, or the executive director, and will remain effective until a new rate is adopted. In an interim year, the executive director may approve a market value rate should there be a need to add a rate not currently included in the market value analysis.

1.2. MARKET VALUE DETERMINATIONS

- 1.2.1. The executive director shall request the technical colleges review existing and propose new instructor-to-SOC pairings.

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- 1.2.2. The executive director shall approve the instructor-to-SOC pairings and request the most current wage information available from the South Dakota Department of Labor and Regulation's Labor Market Information Center (LMIC) for each SOC code.
- 1.2.3. If necessary, the executive director shall age the wage information to the fiscal year in which the wage rates will first take effect by applying the State's inflationary rate for each year to reach the base market value rates.
- 1.2.4. The executive director shall submit the base market value rates to the Board for approval.
- 1.2.5. In the two fiscal years between the renewal of the market value analysis, the executive director shall apply the State's inflationary rate to the previous year's market value rates.

2. DISTRIBUTION OF FUNDS – ADJUSTMENT

2.1. BASIS OF EVALUATION

- 2.1.1. Per § 24:59:05:05, the executive director, with approval of the Board, may adjust Instructor Salary Support payments to a technical college if the funds are used in a manner inconsistent with § 24:59:05:06.
- 2.1.2. The basis of evaluation for the adjustment of funds must be a technical college's annual submission and, as requested by the executive director and/or Board, additional information provided by a technical college.
- 2.1.3. A two-year institutional average of the percentage difference between actual instructor salaries and the approved market value rates that is less than 80 percent or more than 120 percent may warrant evaluation of a technical college's use of Instructor Salary Support funds.

2.2. REVIEW PROCESS

- 2.2.1. The executive director shall review a technical college's annual submission and additional information provided by the technical college.
 - 2.2.2. The executive director may determine funds are being used consistent with the intent of the fund. The executive director shall provide the technical college with a notification memo outlining the determination.
 - 2.2.3. The executive director may refer the matter to the Board's Committee on Finance and Management (CFM).
 - 2.2.3.1. The executive director shall provide the technical college and CFM a notification memo outlining the rationale for referral and a proposed course of corrective action.
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- 2.2.3.2. The executive director shall convene a meeting of the CFM and the technical college president or designee to review the matter.
- 2.2.3.3. In response to the executive director's memo, a technical college may prepare and submit a written response. A technical college shall submit such a written response to the executive director in advance of the CFM meeting.
- 2.2.3.4. The CFM shall:
 - 2.2.3.4.1. Consider the rationales provided by the executive director and technical college;
 - 2.2.3.4.2. If deemed appropriate, amend the executive director's proposed corrective course of action; and
 - 2.2.3.4.3. Propose an action recommendation to the Board.
- 2.2.3.5. The Board shall consider the CFM's action recommendation and act on the adjustment of funds at the Board's next regular or special meeting.

D. PROCEDURES

1. The executive director, or designee, shall promulgate procedures needed to implement this policy

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SDCL REFERENCE: [13-39A-13](#), [13-39A-14](#); [13-39A-16](#); [13-39A-18](#).

ARSD REFERENCE: [24:59:05](#).

HISTORY: Proposed Policy.

DRAFT