



SIoux FALLS AREA
CHAMBER OF COMMERCE
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ISSUE BRIEF:

Technical School and Regents Governance — Constitutional Amendment R

July 2016

Approved by the Executive Committee: July 25, 2016

Approved by the Board of Directors: July 27, 2016

The Sioux Falls Area Chamber of Commerce encourages a “YES” vote on Constitutional Amendment R on the 2016 general election ballot.

Background

There are two ways in South Dakota to propose an amendment to the State Constitution. The first is by majority vote of the Legislature to endorse a joint resolution to put an issue on the ballot. The resolution does not need the Governor's signature. The second option is through an initiative process with valid signatures equaling at least 10 percent of the vote total from the prior gubernatorial election.

During the 2015 Legislative Session, HJR 1003 was passed by both houses (with only one dissenting vote), to propose a constitutional amendment regarding the authority of the Board of Regents. Thus, this issue has been placed on the 2016 general election ballot as Constitutional Amendment R. To amend the constitution will require a majority vote.

As proposed and passed without amendment, the language to amend the constitution through HJR 1003 reads as follows. The underscore represents the new language proposed:

Article XIV § 3. The state university, the agriculture college, the school of mines and technology, the normal schools, a school for the deaf, a school for the blind, and all other educational institutions that may be sustained either wholly or in part by the state and that offer academic or professional degrees of associate of arts, associate of sciences, baccalaureate or greater, shall be under the control of a board of five members appointed by the Governor and confirmed by the senate under such rules and restrictions as the Legislature shall provide. The Legislature may increase the number of members to nine. Postsecondary technical education institutes that offer career and technical associate of applied science degrees and certificates or their successor equivalents and that are funded wholly or in part by the state shall be separately governed as determined by the Legislature.

Constitutional Amendment R would do the following

- Specify that the Board of Regents institutions have specific authority over academic programs from the associate of science and associate of arts level through higher studies;
- Specify that the state's four technical institutes have authority over academic programs up to and including the associate of applied science; and
- Specify that the state's four technical institutes are governed as determined by the legislature, but are not under the purview of Board of Regents.

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Discussion

The current governance structure for our technical institutes has them partially controlled by local school districts and partially controlled by the State Board of Education and, since they do receive state funds, does not comply with the language of our constitution. Amendment R is designed to amend the constitution to bring today's practice and governance into compliance and to permit new forms of governance as determined by the legislature. Since the technical institutes were statutorily created long after the constitution was written, it is important to address this issue to support their growth and development to meet current and future workforce needs. All four technical institutes and their home communities are on record supporting passage of Amendment R.

Today, the Board of Regents has authority over delivery of associate of science (AS) and associate of arts (AA) degrees. South Dakota, and thus Sioux Falls, has a unique postsecondary structure as we do not have any public community college system. Typically, community colleges deliver AS and AA degrees as well as the associate of applied science (AAS), technical training and diplomas. The significance of the AS and AA degrees is they are often used to accomplish two outcomes: first, to provide education as a springboard to the workplace and second, to provide education as a transferrable platform for further study toward a bachelor's degree or beyond. This amendment would ensure that our technical institutes cannot deliver programs at the AA or AS level.

Also, today, the technical institutes have authority to deliver programs up through the AAS level today. That authority is in state statute and putting it into the constitution would ensure that authority cannot be changed through the legislative process. Further, this amendment would specify that the technical institutes would be governed as determined by the Legislature.

The constitution currently states that the Board of Regents governs what we know as the Regental institutions, but also says its governance extends to "all other educational institutions that may be sustained either wholly or in part by the state" (Article XIV, § 3). Since the technical institutes receive significant state funding, it has always been a concern that they may be subject to Regental governance and removed from the more local control that exists today. To retain the technical institutes' ability to adapt to local workforce needs, Amendment R would ensure they are more locally governed and distinct from the research and related missions of the Regental institutions.

Discussion of Related Legislative Activity

As a precursor to this, HB 1142 was passed by the 2014 Legislature and accomplished a few things. First, it clarified that units of local governments (school districts, counties and cities) were permitted to provide funding to support technical institutes and technical education. Second, it clearly noted that a school district may change the governance model for a technical institute. Today they are locally overseen by the

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school board, but with HB 1142 other governance structures become available. Third, it provided some specific funding for technical institutes.

Then in the 2015 Session, in addition to HJR 1003, the Legislature enacted HB 1118. The main focus of this bill was to provide detail regarding how a separate governing board for a technical institute would come about and the mechanics of creating and composing a separate board. It remains permissive, but provides more detail and structure.

With Constitutional Amendment R on the ballot, a “Yes” vote would enact the changes while a “No” vote would leave things as they are and not provide the clarifications sought.

Chamber Position:

The Sioux Falls Area Chamber of Commerce encourages a “YES” vote on Constitutional Amendment R on the 2016 general election ballot.

Rationale:

Today, the state’s four technical institutes look markedly different than when they were statutorily created over 40 years ago. What was then modest K-12 based programming has blossomed into four full-fledged institutions whose missions are critical to meeting the workforce development needs of our state. Amendment R would recognize their importance and allow them to remain strong and flexible as they adapt to meet community needs. Further, the amendment specifies degree delivery responsibility for both the Regental institutions and the technical institutes to remove a longstanding area of concern.

The amendment would not create a new statewide bureaucracy to govern the technical institutes, but rather, when combined with the other enabling legislation mentioned above, would permit new local governance forms to emerge that ensure responsiveness and connections to industry.

Finally, Amendment R is designed to amend the constitution to bring today’s practice and governance into compliance and to permit new forms of governance as determined by the legislature allowing the technical institutes to proceed with certainty as they respond to the workforce needs of our state.

As noted above, all four of the state’s technical institutes and their home communities support passage of Amendment R as do the South Dakota Chamber of Commerce & Industry, the Governor and other industry groups.