

# State of South Dakota

## EIGHTY-SECOND SESSION LEGISLATIVE ASSEMBLY, 2007

794N0455

### HOUSE BILL NO. 1273

Introduced by: Representatives Wick, Haverly, Koistinen, Nelson, Steele, Van Etten, and Weems and Senators Gant, Greenfield, Hansen (Tom), Maher, and Smidt (Orville)

1 FOR AN ACT ENTITLED, An Act to require that sixty-five percent of a school district's  
2 operating budget be expended for instructional purposes.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 Section 1. This Act shall be known and may be cited as the First Class Education for South  
5 Dakota Act.

6 Section 2. Terms used in this Act mean:

7 (1) "Classroom instructional expenditures," expenditures directly related to classroom  
8 instruction, including instructional materials, the salary and employment benefits  
9 paid to instructional and classroom personnel, activities involving interaction  
10 between students and teachers or other instructional or classroom personnel, special  
11 education instruction, tutors, books, classroom computers, general supplies,  
12 instructional aides, class activities such as field trips, athletics, arts, music, and  
13 multidisciplinary learning, and extracurricular activities;

14 (2) "Operational expenditures," all expenditures made by a school district except  
15 expenditures for capital construction, debt or bond payments, interest payments on



1 debt or bonds, and rental or lease payments for facilities.

2 Section 3. A school district shall spend at least sixty-five percent of its operational  
3 expenditures on classroom instructional expenditures.

4 Section 4. If a school district does not spend at least sixty-five percent of its operational  
5 expenditures on classroom instructional expenditures in fiscal year 2008, the school district, for  
6 fiscal year 2009 and each fiscal year thereafter, shall increase the percentage of its operational  
7 expenditures that it spends on classroom instructional expenditures by at least two percent until  
8 the school district spends at least sixty-five percent of its operational expenditures on classroom  
9 instructional expenditures as required by this Act.

10 Section 5. Each school district shall submit its annual budget showing the district's  
11 classroom instructional expenditures as a percentage of its operational expenditures to the  
12 secretary of education, who shall verify that the planned classroom instructional expenditures  
13 of the school district meet the requirements of this Act.

14 Section 6. That chapter 13-13 be amended by adding thereto a NEW SECTION to read as  
15 follows:

16 Any school district that fails to meet the requirements of this Act and is not granted a waiver  
17 pursuant to section 7 of this Act, shall receive foundation program state aid, distributed  
18 according to the provisions of §§ 13-13-10.1 to 13-13-41, based not on the per student allocation  
19 as defined in subsection 13-13-10.1(4) for the current school fiscal year, but on the per student  
20 allocation for the prior school fiscal year, and the school district's foundation program state aid  
21 funding shall remain at that level until the secretary of education verifies that the school district  
22 is meeting the requirements of this Act.

23 Section 7. A school district unable to meet the requirements of this Act may apply for a one-  
24 year waiver from the secretary of education. The school district's application for waiver shall

1 include the facts and circumstances surrounding the district's inability to meet the requirement,  
2 and the secretary of education shall notify the school district if the waiver has been granted or  
3 not within thirty days of receiving the application. When determining whether to grant the  
4 waiver, the secretary of education shall consider such factors as the transportation costs of the  
5 district, the district's geographic size, and the distribution of students throughout the district.

6 Section 8. In administering the First Class Education for South Dakota Act, the secretary of  
7 education shall develop model budgetary plans for school districts and provide tools to help  
8 school districts meet the requirements of this Act.

9 Section 9. The secretary of education may promulgate rules, pursuant to chapter 1-26,  
10 establishing the waiver application process, application time lines, and the criteria to be used  
11 in granting waivers.