

2020 South Dakota Legislature

Draft 379

Requested by: **Representative Bordeaux**

1 **An Act to provide for the creation and funding of Oceti Sakowin charter schools.**

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

3 **Section 1.** That a NEW SECTION be added:

4 **13-9.1-01. Oceti Sakowin Essential Understandings and Standards--Charter**
5 **school--Application contents.**

6 In order to establish an Oceti Sakowin charter school that will provide instruction
7 in accordance with the Oceti Sakowin Essential Understandings and Standards, a person
8 shall file an application seeking sponsorship with either the Department of Education or
9 the board of a school district. The application must include:

- 10 (1) A mission statement;
11 (2) A description of the charter school's organizational structure;
12 (3) A description of the charter school's governance structure;
13 (4) A location for and a description of the facility that will be used to house the charter
14 school;
15 (5) The grade levels that will be served;
16 (6) A financial plan for the first three years of operation;
17 (7) Personnel policies, including those addressing employment and qualifications; and
18 (8) The criteria that will be used to measure the effectiveness of the charter school.

19 **Section 2.** That a NEW SECTION be added:

20 **13-9.1-02. Application--Conditions for approval.**

21 The recipient of an application for sponsorship of an Oceti Sakowin charter school
22 has ninety days within which to review and either approve or deny the application. The
23 application may be approved only if:

- 24 (1) There is a reasonable likelihood that the charter school will open and be operated
25 successfully;
26 (2) Decisions regarding the charter school will be based on documented evidence
27 offered as part of the application process;

1 (3) The charter school will follow policies and practices that are transparent and based
2 on merit; and

3 (4) Conflicts of interest or any appearance of impropriety will be avoided.

4 If an application for sponsorship is denied, the application may be revised and
5 resubmitted to the original recipient or submitted to an alternate recipient.

6 **Section 3.** That a NEW SECTION be added:

7 **13-9.1-03. Sponsorship--Conditions.**

8 An application for sponsorship of an Oceti Sakowin charter school may not be
9 approved by the board of a school district if the charter school is to be located outside the
10 boundaries of the school district.

11 The board of a school district may not serve as the sponsor of a charter school if
12 the Department of Education has determined that, during either of the two fiscal years
13 immediately preceding the date of the application, the district was not in compliance with
14 the uniform system for gathering and reporting educational data, as established in
15 accordance with § 13-3-51.

16 **Section 4.** That a NEW SECTION be added:

17 **13-9.1-04. Teacher qualifications.**

18 Each person employed as a teacher at an Oceti Sakowin charter school must hold
19 a teaching certificate, as provided for in chapter 13-42. Prior to making an offer of
20 employment to any person, the charter school shall undertake a good faith effort to
21 contact the person's previous employers and references, in order to ascertain the person's
22 fitness for employment. The charter school shall document its contacts and findings
23 pursuant to this section.

24 **Section 5.** That a NEW SECTION be added:

25 **13-9.1-05. Contract--Provisions.**

26 No later than thirty days after an application for an Oceti Sakowin charter school
27 is approved, the sponsor shall enter into a contract with the governing board of the charter
28 school. The contract must include the following:

29 (1) The academic and operational expectations of the charter school and the manner
30 in which both are to be determined;

31 (2) The terms and conditions of sponsorship;

- 1 (3) The rights and expectations of the sponsor and the charter school;
- 2 (4) A requirement that the charter school be nonsectarian in its programs, admission
- 3 policies, employment practices, and all other operations;
- 4 (5) A requirement that the charter school provide a comprehensive program of
- 5 instruction for at least one grade level between kindergarten and twelve;
- 6 (6) A statement that the charter school is subject to the same operational term as
- 7 provided for in § 13-26-2;
- 8 (7) A statement that the charter school is subject to all state and federal laws
- 9 governing the provision of education to children with disabilities;
- 10 (8) A requirement that the charter school follow the Oceti Sakowin Essential
- 11 Understandings and Standards;
- 12 (9) A requirement that the charter school incorporate in its instruction the official
- 13 indigenous language of this state, as set forth in § 1-27-20;
- 14 (10) A requirement that the charter school provide for the measurement of student
- 15 progress in a manner approved by the Department of Education;
- 16 (11) A requirement that the charter school report educational data and preserve
- 17 educational and financial records in the same manner as school districts in
- 18 accordance with § 13-3-51, unless the state auditor determines that doing so is
- 19 not in keeping with commonly accepted accounting principles applicable to private
- 20 sector businesses;
- 21 (12) A statement that the charter school is subject to annual financial and compliance
- 22 audits, as well as performance audits; and
- 23 (13) A statement that, except as otherwise provided by statute or agreed to by contract,
- 24 the charter school is exempt from all laws governing the administration and
- 25 delivery of public or nonpublic education in this state.

26 **Section 6.** That a NEW SECTION be added:

27 **13-9.1-06. Contract--Term.**

28 An initial contract provided for in § 13-9.1-05, must have a term of five years,

29 beginning on the ensuing July first, except that an Oceti Sakowin charter school may,

30 upon notifying the sponsor, delay the effective date of the contract for a period of one

31 year. If the charter school determines that a delay of more than one year is necessary,

32 the school may request concurrence by the sponsor. The sponsor may grant the request,

33 deny the request, or terminate the sponsorship.

1 **Section 7.** That a NEW SECTION be added:

2 **13-9.1-07. Contract--Amendment.**

3 The terms of a contract entered into by an Oceti Sakowin charter school and a
4 sponsor may be amended upon the concurrence of both parties.

5 **Section 8.** That a NEW SECTION be added:

6 **13-9.1-08. Data--Collection--Analysis.**

7 A sponsor shall monitor the performance and legal compliance of an Oceti Sakowin
8 charter school and may request, collect, and analyze data from the charter school to
9 support the ongoing monitoring and evaluation. A school district sponsor shall, at the time
10 and in the manner requested by the Department of Education, provide to the department
11 a report regarding the performance of the charter school.

12 **Section 9.** That a NEW SECTION be added:

13 **13-9.1-09. Unsatisfactory performance--Corrective action--Sanctions.**

14 If a sponsor determines that an Oceti Sakowin charter school's performance or
15 legal compliance is unsatisfactory, the sponsor shall provide written notification to the
16 charter school and shall provide the school with a specific time period within which the
17 matter must be addressed. If the matter is not addressed by the charter school within the
18 specified time period, the sponsor may take corrective action, including the imposition of
19 sanctions.

20 **Section 10.** That a NEW SECTION be added:

21 **13-9.1-10. Contract renewal--Application.**

22 After an initial contract has been in effect for four years, a sponsor shall provide to
23 an Oceti Sakowin charter school a report setting forth the school's performance to date
24 and shall note any concerns that need to be addressed before the renewal process is
25 initiated. The sponsor shall provide the charter school at least thirty days within which to
26 submit clarifications or corrections to the report, or to otherwise respond to the report.

27 The sponsor shall provide guidance to the charter school regarding the renewal
28 process and set forth the specific criteria that the sponsor will use to make a determination
29 regarding a renewal of the contract.

30 The process must involve an application to renew the contract. The charter school
31 may attach to its application for renewal:

- 1 (1) Additional evidence of improvements in student performance;
- 2 (2) A description of improvements that had been undertaken, are being undertaken,
- 3 or are being planned; and
- 4 (3) A detailed operational plan for the ensuing contract period.

5 **Section 11.** That a NEW SECTION be added:

6 **13-9.1-11. Contract renewal--Application--Review.**

7 Upon receiving an application for renewal of a contract, the sponsor shall, within
8 sixty days:

- 9 (1) Examine and base the decision regarding renewal of the contract on evidence of
- 10 the Oceti Sakowin charter school's performance during the first term of the
- 11 contract; and
- 12 (2) Prepare and provide to the charter school a report regarding the evidence provided
- 13 and the decision that was reached.

14 **Section 12.** That a NEW SECTION be added:

15 **13-9.1-12. Application for renewal--Grounds for denial.**

16 A sponsor may deny an application for renewal of a contract if the sponsor
17 determines that the Oceti Sakowin charter school:

- 18 (1) Engaged in a material breach of the contract or a substantial violation of this Act;
- 19 (2) Failed to meet or make sufficient progress toward the performance expectations
- 20 set forth in the contract;
- 21 (3) Failed to meet generally accepted standards of fiscal management; or
- 22 (4) Substantially violated any provision of law from which the charter school was not
- 23 exempt.

24 **Section 13.** That a NEW SECTION be added:

25 **13-9.1-13. Contract--Unilateral revocation.**

26 A sponsor may unilaterally revoke a contract upon the conditions set forth in § 13-
27 9.1-12, if the sponsor:

- 28 (1) Provides written notice of the intent to revoke the contract to the Oceti Sakowin
- 29 charter school, at least fourteen days prior to the hearing required by this section;
- 30 (2) Schedules a public hearing at which representatives of the charter school may
- 31 provide testimony and documentary evidence;

- 1 (3) Permits the hearing to be recorded; and
- 2 (4) Provides to the charter school a written determination, citing evidence in support
- 3 of the determination.

4 **Section 14.** That a NEW SECTION be added:

5 **13-9.1-14. Denial of contract renewal--Revocation--Appeal.**

6 If a sponsor denies an Oceti Sakowin charter school's request for renewal of the
7 contract or if a sponsor unilaterally revokes a contract, the charter school may appeal the
8 decision to the South Dakota Board of Education Standards, in accordance with chapter
9 1-26.

10 **Section 15.** That a NEW SECTION be added:

11 **13-9.1-15. Contract--Term.**

12 A sponsorship contract under this Act is effective for five years, unless a shorter
13 duration is agreed to by the parties. A sponsorship contract, regardless of duration, may
14 contain conditions governing its continuation.

15 **Section 16.** That a NEW SECTION be added:

16 **13-9.1-16. Establishment of charter school--Adverse action--Prohibited.**

17 Neither the board of a school district nor an administrator may take any adverse
18 action against a school district employee as a result of that employee's direct or indirect
19 participation in the establishment of an Oceti Sakowin charter school under this Act. For
20 purposes of this section, an adverse action against a school district employee includes a
21 disciplinary measure, a compensatory reduction, a transfer or reassignment not otherwise
22 requested by the employee, and any other significant changes in the employee's duties or
23 responsibilities.

24 Neither the board of a school district nor an administrator may take any adverse
25 action against an existing school district program as a result of an application to establish
26 an Oceti Sakowin charter school under this Act. For purposes of this section, an adverse
27 action against a school district program includes the suspension or termination of the
28 program, the transfer or reassignment of the program to a less desirable department
29 within the district, the physical relocation of the program to a less desirable setting, and
30 a reduction in or the elimination of funding for the program.

31 **Section 17.** That a NEW SECTION be added:

1 **13-9.1-17. Charter school--Duties.**

2 An Oceti Sakowin charter school established in accordance with this Act shall:

3 (1) Maintain an adequate risk management and insurance program; and

4 (2) Participate in the state retirement system established in accordance with chapter

5 3-12C.

6 **Section 18.** That a NEW SECTION be added:

7 **13-9.1-18. Charter school--Powers.**

8 An Oceti Sakowin charter school established in accordance with this Act may:

9 (1) Purchase or lease real property, facilities, appurtenances, and equipment;

10 (2) Obtain a loan;

11 (3) Pledge, assign, or encumber its assets to collateralize a loan or obtain credit;

12 (4) Accept gifts, grants, and donations for any purpose related to the establishment or
13 operation of the charter school;

14 (5) Hire and compensate personnel; and

15 (6) Enter into a contract with the sponsoring school district for the delivery of
16 educational services, provided the consideration paid by the charter school for the
17 services does not exceed the school district's actual cost of providing the services.

18 **Section 19.** That a NEW SECTION be added:

19 **13-9.1-19. Liability.**

20 Neither a sponsoring school district nor any employee or board member of the
21 district may be held liable for:

22 (1) Any act or omission undertaken in good faith, and within the scope of authority,
23 regarding an Oceti Sakowin charter school established or operated in accordance
24 with this Act; or

25 (2) Any debts incurred by or on behalf of a charter school established or operated in
26 accordance with this Act.

27 **Section 20.** That a NEW SECTION be added:

28 **13-9.1-20. Contract--Assignment.**

29 A contract for sponsorship entered into in accordance with this Act may be
30 transferred or assigned to a third party, upon petition to the South Dakota Board of
31 Education Standards, and only upon a clear showing that the transfer or assignment is

1 agreed to by the parties and would serve the best interests of the students attending the
2 Oceti Sakowin charter school.

3 **Section 21.** That a NEW SECTION be added:

4 **13-9.1-21. Administrative fee.**

5 A school district that enters into a contract of sponsorship for an Oceti Sakowin
6 charter school may impose an annual administrative fee upon the charter school in an
7 amount not exceeding the lesser of thirty-five thousand dollars or three percent of the
8 charter school's total revenues.

9 An administrative fee under this section does not include the delivery of any
10 educational services that the charter school elects to purchase from the sponsoring school
11 district.

12 **Section 22.** That a NEW SECTION be added:

13 **13-9.1-22. Admission of students.**

14 The admission of students to an Oceti Sakowin charter school must be based on
15 an annual application process. If, on a date identified by the charter school, the number
16 of applicants exceeds the capacity of a program, class, or grade level, enrollment
17 preference must be given in the following order:

- 18 (1) Students who attended the charter school during the previous year;
- 19 (2) Siblings of students who attended the charter school during the previous year;
- 20 (3) Students who reside within the boundaries of the school district in which the charter
21 school is located; and
- 22 (4) Students selected by lot.

23 No student may be denied admission based on the student's academic status,
24 athletic ability, color, ethnicity, familial status, gender, income, national origin, race,
25 religion, sexual orientation, special needs, or proficiency in the official indigenous language
26 of this state.

27 **Section 23.** That a NEW SECTION be added:

28 **13-9.1-23. Leave of absence--Service credits.**

29 The board of a sponsoring school district may, upon request, grant to any teacher
30 employed by the district, a leave of absence, during which the teacher may be employed
31 by an Oceti Sakowin charter school. During the leave of absence, the teacher shall

1 continue to earn service credits from the district for purposes of compensation, retirement
2 benefits, and seniority.

3 **Section 24.** That a NEW SECTION be added:

4 **13-9.1-24. Return to school district--Employment preference.**

5 If a teacher resigns from a school district to accept employment at an Oceti
6 Sakowin charter school, the teacher must be given an employment preference if, within
7 three years from the date of resignation:

- 8 (1) The teacher reapplies to the school district for employment;
- 9 (2) A position for which the teacher is qualified is available; and
- 10 (3) The teacher did not leave the school district as a result of disciplinary or
11 performance-based issues.

12 **Section 25.** That a NEW SECTION be added:

13 **13-9.1-25. Participation in state retirement system.**

14 An employee of an Oceti Sakowin charter school sponsored by a school district is
15 deemed to be an employee of the school district for purposes of participating in the state
16 retirement system, as set forth in chapter 3-12C. An employee of a charter school
17 sponsored by the Department of Education is deemed to be an employee of the
18 department for purposes of participating in the state retirement system, as set forth in
19 chapter 3-12C.

20 **Section 26.** That § 13-10-12 be AMENDED:

21 **13-10-12. Criminal background investigation--School districts--Oceti**
22 **Sakowin charter schools--Technical institute instructors.**

23 Each person over eighteen years of age hired by a school district or an Oceti
24 Sakowin charter school shall submit to a criminal background investigation, by means of
25 fingerprint checks by the Division of Criminal Investigation and the Federal Bureau of
26 Investigation. The school district or charter school shall submit completed fingerprint cards
27 to the Division of Criminal Investigation before the prospective new employee enters into
28 service. If no disqualifying record is identified at the state level, the fingerprints shall be
29 forwarded by the Division of Criminal Investigation to the Federal Bureau of Investigation
30 for a national criminal history record check. Any person whose employment is subject to
31 the requirements of this section may enter into service on a temporary basis pending

1 receipt of results of the criminal background investigation. The employing school district
 2 or charter school may, without liability, withdraw its offer of employment or terminate the
 3 temporary employment without notice if the report reveals a disqualifying record. The
 4 employing school district or charter school may pay any fees charged for the cost of
 5 fingerprinting or the criminal background investigation for any person whose employment
 6 is subject to the requirements of this section.

7 Any person hired to officiate, judge, adjudicate, or referee a public event sponsored
 8 by a school district is not required to submit to a criminal background investigation as
 9 required in this section.

10 ~~In addition, any~~ Any instructor employed by a postsecondary technical institute ~~is~~
 11 ~~required to~~ shall submit to a criminal background investigation as required in this section
 12 at the time of initial employment.

13 The criminal investigation required by this section with respect to a student teacher
 14 completing requirements for teacher certification shall be conducted by the school district.
 15 A criminal background investigation, of a student teacher, conducted by a school district
 16 may be provided to any other school in which the student engages in student teaching.
 17 The school district conducting the criminal background investigation of a student teacher
 18 may rely upon the results of that investigation for employment of that person as an
 19 employee of the district.

20 **Section 27.** That § 13-13-10.1 be AMENDED:

21 **13-13-10.1. Definitions.**

22 The education funding terms and procedures referenced in this chapter are defined
 23 as follows:

- 24 (1) Repealed by SL 2016, ch 83, § 4;
- 25 (1A) Nonresident students who are in the care and custody of the Department of Social
 26 Services, the Unified Judicial System, the Department of Corrections, or other state
 27 agencies and are attending a public school may be included in the fall enrollment of
 28 the receiving district when enrolled in the receiving district;
- 29 (2) Repealed by SL 2016, ch 83, § 4;
- 30 (2A) "Fall enrollment," is calculated as follows:
 - 31 (a) Determine the number of kindergarten through twelfth grade students
 32 ~~enrolled in all schools operated by the school district who~~ on the last Friday
 33 of September of the current school year are:
 34 (i) Enrolled in all schools operated by the district;

(ii) Enrolled in an Oceti Sakowin charter school sponsored by the district; and

(iii) Enrolled in an Oceti Sakowin charter school located within the boundaries of the district and sponsored by the Department of Education;

(b) Subtract the number of students for whom the district receives tuition except for:

(i) Nonresident students who are in the care and custody of a state agency and are attending a public school district; and

(ii) Students who are being provided an education pursuant to § 13-28-11;

(c) Add the number of students for whom the district pays tuition.

When computing state aid to education for a school district pursuant to § 13-13-73, the secretary of the Department of Education shall use the school district's fall enrollment;

(2B) Repealed by SL 2010, ch 84, § 1;

(2C) "Target teacher ratio factor," is:

(a) For school districts with a fall enrollment of two hundred or less, the target teacher ratio factor is 12;

(b) For districts with a fall enrollment of greater than two hundred, but less than six hundred, the target teacher ratio factor is calculated as follows:

(1) Multiplying the fall enrollment by .00750;

(2) Adding 10.50 to the product of subsection (b)(1);

(c) For districts with a fall enrollment of six hundred or greater, the target teacher ratio factor is 15.

The fall enrollment used for the determination of the target teacher ratio for a school district may not include any students residing in a residential treatment facility when the education program is operated by the school district;

(2D) "Limited English proficiency (LEP) adjustment," is calculated by multiplying 0.25 times the number of kindergarten through twelfth grade students who, in the prior school year, scored below level four on the state-administered language proficiency assessment as required in the state's consolidated state application pursuant to 20 USC § 6311(b)(7) as of January 1, 2013;

(3) "Index factor," is the annual percentage change in the consumer price index for urban wage earners and clerical workers as computed by the Bureau of Labor

- 1 Statistics of the United States Department of Labor for the year before the year
 2 immediately preceding the year of adjustment or three percent, whichever is less;
- 3 (4) "Target teacher salary," for the school fiscal year beginning July 1, 2019 is
 4 \$50,360.26. Each school fiscal year thereafter, the target teacher salary is the
 5 previous fiscal year's target teacher salary increased by the index factor;
- 6 (4A) "Target teacher benefits," is the target teacher salary multiplied by twenty-nine
 7 percent;
- 8 (4B) "Target teacher compensation," is the sum of the target teacher salary and the
 9 target teacher benefits;
- 10 (4C) "Overhead rate," is thirty-three and six hundredths percent.
 11 Beginning in school fiscal year 2018, the overhead rate shall be adjusted to take
 12 into account the sum of the amounts that districts exceed the other revenue base
 13 amount;
- 14 (5) "Local need," is calculated as follows:
- 15 (a) Divide the fall enrollment by the target teacher ratio factor;
- 16 (b) If applicable, divide Limited English proficiency (LEP) adjustment pursuant to
 17 subdivision (2D) by the target teacher ratio factor;
- 18 (c) Add the results of subsections (a) and (b);
- 19 (d) Multiply the result of subsection (c) by the target teacher compensation;
- 20 (e) Multiply the product of subsection (d) by the overhead rate;
- 21 (f) Add the products of subsections (d) and (e);
- 22 (g) When calculating local need at the statewide level, include the amounts set
 23 aside for costs related to technology in schools and statewide student
 24 assessments; and
- 25 (h) When calculating local need at the statewide level, include the amounts set
 26 aside for sparse school district benefits, calculated pursuant to §§ 13-13-78
 27 and 13-13-79;
- 28 (5A) "Alternative per student need," is calculated as follows:
- 29 (a) Add the total need for each school district for school fiscal year 2016,
 30 including the small school adjustment and the limited English proficiency
 31 adjustment, to the lesser of the amount of funds apportioned to each school
 32 district in the year preceding the most recently completed school fiscal year
 33 or school fiscal year 2015 pursuant to §§ 13-13-4, 23A-27-25, 10-33-24, 10-
 34 36-10, 11-7-73, 10-35-21, and 10-43-77;

1 (b) Divide the result of (a) by the September 2015 fall enrollment, excluding any
2 adjustments based on prior year student counts;

3 (5B) "Alternative local need," is the alternative per student need multiplied by the fall
4 enrollment, excluding any adjustments based on prior year student counts;

5 (6) "Local effort," the amount of ad valorem taxes generated in a school fiscal year by
6 applying the levies established pursuant to § 10-12-42. Beginning on July 1, 2017,
7 local effort will include the amount of funds apportioned to each school district in
8 the year preceding the most recently completed school fiscal year pursuant to
9 §§ 10-33-24, 10-35-21 as provided by subdivision (6B), 10-36-10, 10-43-77, 11-
10 7-73, 13-13-4, and 23A-27-25 and that exceeds the other revenue base amount.
11 For the period July 1, 2016, through December 31, 2016, inclusive, local effort
12 includes the amount of ad valorem taxes generated by applying the levies
13 established pursuant to § 13-10-6 during this period;

14 (6A) "Other revenue base amount," for school districts not utilizing the alternative local
15 need calculation is the amount of funds apportioned to each school district pursuant
16 to §§ 10-33-24, 10-35-21 as provided by subdivision (6B), 10-36-10, 10-43-77,
17 11-7-73, 13-13-4, and 23A-27-25 calculated as follows:

18 (a) Beginning on July 1, 2017, equals the greatest of the amounts of the funds
19 apportioned to each school district pursuant to §§ 10-33-24, 10-35-21 as
20 provided by subdivision (6B), 10-36-10, 10-43-77, 11-7-73, 13-13-4, and
21 23A-27-25 for school fiscal years 2013, 2014, and 2015;

22 (b) Beginning on July 1, 2018, multiply eighty percent times subsection (a);

23 (c) Beginning on July 1, 2019, multiply sixty percent times subsection (a);

24 (d) Beginning on July 1, 2020, multiply forty percent times subsection (a);

25 (e) Beginning on July 1, 2021, multiply twenty percent times subsection (a);

26 (f) Beginning on July 1, 2022, is zero.

27 For school districts utilizing the alternative local need calculation, the other revenue
28 base amount is zero until such time the school district chooses to no longer utilize
29 the alternative local need calculation. At that time, the other revenue base amount
30 is calculated as defined above.

31 For a school district created or reorganized after July 1, 2016, the other revenue
32 base amount is the sum of the other revenue base amount for each district before
33 reorganization, and the new school district may not utilize the alternative local
34 need calculation.

- 1 In the case of the dissolution and annexation of a district, the other revenue base
2 amount of the dissolved school district will be prorated based on the total number
3 of students in the fall enrollment as defined in subdivision (2A) who attend each
4 district to which area of the dissolved district were annexed to in the first year of
5 reorganization. The amount apportioned for each district will be added to the
6 annexed districts' other revenue base;
- 7 (6B) "Wind energy tax revenue," any wind energy tax revenue apportioned to school
8 districts pursuant to § 10-35-21 from a wind farm producing power for the first time
9 before July 1, 2016, shall be considered local effort pursuant to subdivision (6) and
10 other revenue base amount pursuant to subdivision (6A). However, any wind
11 energy tax revenue apportioned to a school district from a wind farm producing
12 power for the first time after June 30, 2016, one hundred percent shall be retained
13 by the school district to which the tax revenue is apportioned for the first five years
14 of producing power, eighty percent for the sixth year, sixty percent for the seventh
15 year, forty percent for the eighth year, twenty percent for the ninth year, and zero
16 percent thereafter;
- 17 (7) "Per student equivalent," for funding calculations that are determined on a per
18 student basis, the per student equivalent is calculated as follows:
19 (a) Multiply the target teacher compensation times the sum of one plus the
20 overhead rate;
21 (b) Divide subsection (a) by 15;
- 22 (8) "Monthly cash balance," the total amount of money for each month in the school
23 district's general fund, calculated by adding all deposits made during the month to
24 the beginning cash balance and deducting all disbursements or payments made
25 during the month;
- 26 (9) "General fund base percentage," is determined as follows:
27 (a) Forty percent for a school district with a fall enrollment as defined in
28 subdivision (2A) of two hundred or less;
29 (b) Thirty percent for a school district with fall enrollment as defined in
30 subdivision (2A) of more than two hundred but less than six hundred; and
31 (c) Twenty-five percent for a school district with fall enrollment as defined in
32 subdivision (2A) greater than or equal to six hundred.
- 33 When determining the general fund base percentage, the secretary of the
34 Department of Education shall use the lesser of the school district's fall enrollment

- 1 as defined in subdivision (2A) for the current school year or the school district's fall
2 enrollment from the previous two years;
- 3 (10) "Allowable general fund cash balance," the general fund base percentage multiplied
4 by the district's general fund expenditures in the previous school year.

5 **Section 28.** That a NEW SECTION be added:

6 **13-13-93. Aid--Proportionate distribution.**

7 A sponsoring school district shall pay to the Oceti Sakowin charter school that
8 portion of the total funding received by the district in accordance with this chapter and
9 that portion received by the district as categorical grants, which equals the percentage of
10 the district's students who are enrolled in the charter school.