

# State of South Dakota

EIGHTY-FIFTH SESSION  
LEGISLATIVE ASSEMBLY, 2010

497R0467

## HOUSE EDUCATION ENGROSSED NO. **SB 124** 3/1/2010

**This bill has been extensively amended (hoghoused) and may no longer be consistent with the original intention of the sponsor.**

Introduced by: Senators Knudson, Adelstein, Bartling, Brown, Dempster, Garnos, Gray, Hansen (Tom), Hanson (Gary), Heidepriem, Jerstad, Kloucek, Miles, Nelson, Nesselhuf, Olson (Russell), Peterson, Tieszen, and Vehle and Representatives Cutler, Curd, Elliott, Frerichs, Hunhoff (Bernie), Kirkeby, Lederman, Lucas, Lust, McLaughlin, Rausch, Rave, Schlekeway, Sorenson, Thompson, and Turbiville

1 FOR AN ACT ENTITLED, An Act to establish the per student allocation for FY 2011, and to  
2 revise the index factor in the state aid to education formula.

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

4 Section 1. That § 13-13-10.1 be amended to read as follows:

5 13-13-10.1. Terms used in this chapter mean:

- 6 (1) "Average daily membership," the average number of resident and nonresident  
7 kindergarten through twelfth grade pupils enrolled in all schools operated by the  
8 school district during the previous regular school year, minus average number of  
9 pupils for whom the district receives tuition, except pupils described in subdivision  
10 (1A) and pupils for whom tuition is being paid pursuant to § 13-28-42.1 and plus the  
11 average number of pupils for whom the district pays tuition;  
12 (1A) Nonresident students who are in the care and custody of the Department of Social



1 Services, the Unified Judicial System, the Department of Corrections, or other state  
2 agencies and are attending a public school may be included in the average daily  
3 membership of the receiving district when enrolled in the receiving district. When  
4 counting a student who meets these criteria in its general enrollment average daily  
5 membership, the receiving district may begin the enrollment on the first day of  
6 attendance. The district of residence prior to the custodial transfer may not include  
7 students who meet these criteria in its general enrollment average daily membership  
8 after the student ceases to attend school in the resident district;

9 (2) "Adjusted average daily membership," calculated as follows:

10 (a) For districts with an average daily membership of two hundred or less,  
11 multiply 1.2 times the average daily membership;

12 (b) For districts with an average daily membership of less than six hundred, but  
13 greater than two hundred, raise the average daily membership to the 0.8293  
14 power and multiply the result times 2.98;

15 (c) For districts with an average daily membership of six hundred or more,  
16 multiply 1.0 times their average daily membership;

17 (2A) "Fall enrollment," the number of kindergarten through twelfth grade students enrolled  
18 in all schools operated by the school district on the last Friday of September of the  
19 previous school year minus the number of students for whom the district receives  
20 tuition, except nonresident students who are in the care and custody of a state agency  
21 and are attending a public school and students for whom tuition is being paid  
22 pursuant to § 13-28-42.1, plus the number of students for whom the district pays  
23 tuition. When computing state aid to education for a school district under the  
24 foundation program pursuant to § 13-13-73, the secretary of the Department of

1 Education shall use either the school district's fall enrollment or the average of the  
2 school district's fall enrollment and the school district's fall enrollment from the prior  
3 year, whichever is higher. However, if a school district qualifies to benefit from both  
4 the averaging permitted in this subdivision and the one-time payment provided in  
5 § 13-13-80 in the same fiscal year, the school district may not benefit from both, but  
6 only from the one that provides the most additional funding to the district;

7 (2B) "Current fall enrollment," the number of kindergarten through twelfth grade students  
8 enrolled in all schools operated by the school district on the last Friday of September  
9 of the current school year minus the number of students for whom the district  
10 receives tuition except nonresident students who are in the care and custody of a state  
11 agency and are attending a public school and students for whom tuition is being paid  
12 pursuant to § 13-28-42.1, plus the number of students for whom the district pays  
13 tuition;

14 (2C) "Small school adjustment," calculated as follows:

15 (a) For districts with a fall enrollment of two hundred or less, multiply 0.2 times  
16 \$4,237.72;

17 (b) For districts with a fall enrollment of greater than two hundred, but less than  
18 six hundred, multiply the fall enrollment times negative 0.0005; add 0.3 to that  
19 result; and multiply the sum obtained times \$4,237.72;

20 (3) "Index factor," is the annual percentage change in the consumer price index for urban  
21 wage earners and clerical workers as computed by the Bureau of Labor Statistics of  
22 the United States Department of Labor for the year before the year immediately  
23 preceding the year of adjustment or ~~three~~ two percent, whichever is ~~less~~ greater;  
24 however, the index factor may never exceed five percent;

- 1 (4) "Per student allocation," for school fiscal year ~~2009 is \$4,664.66~~ 2011 is \$4,804.60.
- 2 Each school fiscal year thereafter, the per student allocation is the previous fiscal
- 3 year's per student allocation increased by the index factor;
- 4 (5) "Local need," is the sum of:
- 5 (a) The per student allocation multiplied by the fall enrollment; and
- 6 (b) The small school adjustment, if applicable, multiplied by the fall enrollment;
- 7 and
- 8 (c) The payment distributed pursuant to § 13-13-80, if applicable;
- 9 (6) "Local effort," the amount of ad valorem taxes generated in a school fiscal year by
- 10 applying the levies established pursuant to § 10-12-42;
- 11 (7) "General fund balance," the unreserved fund balance of the general fund, less general
- 12 fund exclusions plus, beginning with transfers made in fiscal year 2001, any transfers
- 13 out of the general fund for the previous school fiscal year;
- 14 (8) "General fund balance percentage," is a school district's general fund balance divided
- 15 by the school district's total general fund expenditures for the previous school fiscal
- 16 year, the quotient expressed as a percent;
- 17 (9) "General fund base percentage," is the lesser of:
- 18 (a) The general fund balance percentage as of June 30, 2000; or
- 19 (b) The maximum allowable percentage for that particular fiscal year as stated in
- 20 this subsection.
- 21 For fiscal year 2008, the maximum allowable percentage is one hundred percent; for
- 22 fiscal year 2009, eighty percent; for fiscal year 2010, sixty percent; for fiscal year
- 23 2011, forty percent; for fiscal year 2012 and subsequent fiscal years, twenty-five
- 24 percent. However, the general fund base percentage can never be less than twenty-

1 five percent;

2 (10) "Allowable general fund balance," the general fund base percentage multiplied by the  
3 district's general fund expenditures in the previous school fiscal year;

4 (11) "General fund exclusions," revenue a school district has received from the imposition  
5 of the excess tax levy pursuant to § 10-12-43; revenue a school district has received  
6 from gifts, contributions, grants, or donations; revenue a school district has received  
7 under the provisions of §§ 13-6-92 to 13-6-96, inclusive; revenue a school district  
8 has received as compensation for being a sparse school district under the terms of  
9 §§ 13-13-78 and 13-13-79; any revenue a school district has received under the  
10 provisions of the American Recovery and Reinvestment Act of 2009 (P.L. 111-5);  
11 and any revenue in the general fund set aside for a noninsurable judgment.