



2021 South Dakota Legislature

House Bill 1082

Introduced by: The Committee on Education

1 **An Act to revise certain state aid to education definitions for the 2021-2022 school**
 2 **year.**

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

4 **Section 1.** That § 13-13-10.1 be AMENDED.

5 **13-13-10.1. Definitions.**

6 The education funding terms and procedures referenced in this chapter are defined
 7 as follows:

8 (1) Repealed by SL 2016, ch 83, § 4;

9 (1A) Nonresident students who are in the care and custody of the Department of Social
 10 Services, the Unified Judicial System, the Department of Corrections, or other state
 11 agencies and are attending a public school may be included in the fall enrollment of
 12 the receiving district when enrolled in the receiving district;

13 (2) Repealed by SL 2016, ch 83, § 4;

14 (2A) "Fall enrollment," is calculated as follows:

15 (a) Determine the number of kindergarten through twelfth grade students
 16 enrolled in all schools operated by the school district on the last Friday of
 17 September of the current school year;

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

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

22 (ii) Students who are being provided an education pursuant to § 13-28-
 23 11;

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

1 When computing state aid to education for a school district pursuant to § 13-13-
2 73, the secretary of the Department of Education shall use the school district's fall
3 enrollment;

4 (2B) Repealed by SL 2010, ch 84, § 1;

5 (2C) "Target teacher ratio factor," is:

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

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

10 (1) Multiplying the fall enrollment by .00750;

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

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

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

17 (2D) ~~"Limited English proficiency (LEP) adjustment,"~~ "English learner (EL) adjustment,"
18 is calculated by multiplying 0.25 times the number of kindergarten through twelfth
19 grade students who, in the prior school year, scored below level four on the state-
20 administered language proficiency assessment as required in the state's
21 consolidated state application pursuant to ~~20 USC § 6311(b)(7) as of January 1,~~
22 ~~2013 § 1111(b)(2)(G) of the Every Student Succeeds Act of 2015.~~ For the 2021-
23 2022 calculation only, the EL adjustment is calculated by multiplying 0.25 times the
24 number of kindergarten through twelfth grade students who scored below level four
25 on the state-administered language proficiency assessment in school year 2019-
26 2020 or 2020-2021, whichever is greater;

27 (3) "Index factor," is the annual percentage change in the consumer price index for
28 urban wage earners and clerical workers as computed by the Bureau of Labor
29 Statistics of the United States Department of Labor for the year before the year
30 immediately preceding the year of adjustment or three percent, whichever is less;

31 (4) "Target teacher salary," for the school fiscal year beginning July 1, 2020 is
32 \$51,367.47. Each school fiscal year thereafter, the target teacher salary is the
33 previous fiscal year's target teacher salary increased by the index factor;

34 (4A) "Target teacher benefits," is the target teacher salary multiplied by twenty-nine
35 percent;

- 1 (4B) "Target teacher compensation," is the sum of the target teacher salary and the
2 target teacher benefits;
- 3 (4C) "Overhead rate," is thirty-four and ninety-three hundredths percent.
4 Beginning in school fiscal year 2018, the overhead rate shall be adjusted to take
5 into account the sum of the amounts that districts exceed the other revenue base
6 amount;
- 7 (5) "Local need," is calculated as follows:
- 8 (a) Divide the fall enrollment by the target teacher ratio factor;
- 9 (b) If applicable, divide ~~Limited English proficiency (LEP)~~ English Learner (EL)
10 adjustment pursuant to subdivision (2D) by the target teacher ratio factor;
- 11 (c) Add the results of subsections (a) and (b);
- 12 (d) Multiply the result of subsection (c) by the target teacher compensation;
- 13 (e) Multiply the product of subsection (d) by the overhead rate;
- 14 (f) Add the products of subsections (d) and (e);
- 15 (g) When calculating local need at the statewide level, include the amounts set
16 aside for costs related to technology in schools and statewide student
17 assessments; and
- 18 (h) When calculating local need at the statewide level, include the amounts set
19 aside for sparse school district benefits, calculated pursuant to §§ 13-13-78
20 and 13-13-79;
- 21 (5A) "Alternative per student need," is calculated as follows:
- 22 (a) Add the total need for each school district for school fiscal year 2016,
23 including the small school adjustment and the ~~limited English proficiency~~
24 English learner adjustment, to the lesser of the amount of funds apportioned
25 to each school district in the year preceding the most recently completed
26 school fiscal year or school fiscal year 2015 pursuant to §§ 13-13-4, 23A-27-
27 25, 10-33-24, 10-36-10, 11-7-73, 10-35-21, and 10-43-77;
- 28 (b) Divide the result of (a) by the September 2015 fall enrollment, excluding any
29 adjustments based on prior year student counts;
- 30 (5B) "Alternative local need," is the alternative per student need multiplied by the fall
31 enrollment, excluding any adjustments based on prior year student counts;
- 32 (6) "Local effort," the amount of ad valorem taxes generated in a school fiscal year by
33 applying the levies established pursuant to § 10-12-42. Beginning on July 1, 2017,
34 local effort will include the amount of funds apportioned to each school district in
35 the year preceding the most recently completed school fiscal year pursuant to

1 §§ 10-33-24, 10-35-21 as provided by subdivision (6B), 10-36-10, 10-43-77, 11-
2 7-73, 13-13-4, and 23A-27-25 and that exceeds the other revenue base amount.
3 For the period July 1, 2016, through December 31, 2016, inclusive, local effort
4 includes the amount of ad valorem taxes generated by applying the levies
5 established pursuant to § 13-10-6 during this period;

6 (6A) "Other revenue base amount," for school districts not utilizing the alternative local
7 need calculation is the amount of funds apportioned to each school district pursuant
8 to §§ 10-33-24, 10-35-21 as provided by subdivision (6B), 10-36-10, 10-43-77,
9 11-7-73, 13-13-4, and 23A-27-25 calculated as follows:

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

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

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

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

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

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

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

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

27 In the case of the dissolution and annexation of a district, the other revenue base
28 amount of the dissolved school district will be prorated based on the total number
29 of students in the fall enrollment as defined in subdivision (2A) who attend each
30 district to which area of the dissolved district were annexed to in the first year of
31 reorganization. The amount apportioned for each district will be added to the
32 annexed districts' other revenue base;

33 (6B) "Wind energy tax revenue," any wind energy tax revenue apportioned to school
34 districts pursuant to § 10-35-21 from a wind farm producing power for the first time
35 before July 1, 2016, shall be considered local effort pursuant to subdivision (6) and

1 other revenue base amount pursuant to subdivision (6A). However, any wind
2 energy tax revenue apportioned to a school district from a wind farm producing
3 power for the first time after June 30, 2016, one hundred percent shall be retained
4 by the school district to which the tax revenue is apportioned for the first five years
5 of producing power, eighty percent for the sixth year, sixty percent for the seventh
6 year, forty percent for the eighth year, twenty percent for the ninth year, and zero
7 percent thereafter;

8 (7) "Per student equivalent," for funding calculations that are determined on a per
9 student basis, the per student equivalent is calculated as follows:

10 (a) Multiply the target teacher compensation times the sum of one plus the
11 overhead rate;

12 (b) Divide subsection (a) by 15;

13 (8) "Monthly cash balance," the total amount of money for each month in the school
14 district's general fund, calculated by adding all deposits made during the month to
15 the beginning cash balance and deducting all disbursements or payments made
16 during the month;

17 (9) "General fund base percentage," is determined as follows:

18 (a) Forty percent for a school district with a fall enrollment as defined in
19 subdivision (2A) of two hundred or less;

20 (b) Thirty percent for a school district with fall enrollment as defined in
21 subdivision (2A) of more than two hundred but less than six hundred; and

22 (c) Twenty-five percent for a school district with fall enrollment as defined in
23 subdivision (2A) greater than or equal to six hundred.

24 When determining the general fund base percentage, the secretary of the
25 Department of Education shall use the lesser of the school district's fall enrollment
26 as defined in subdivision (2A) for the current school year or the school district's fall
27 enrollment from the previous two years;

28 (10) "Allowable general fund cash balance," the general fund base percentage multiplied
29 by the district's general fund expenditures in the previous school year.