



## 2026 South Dakota Legislature

# Senate Bill 106

Introduced by: **Senator Sauder**

1 **An Act to modify the amount required to be set aside for extraordinary expenses**  
 2 **incurred in providing special education programs.**

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

4 **Section 1. That § 13-37-40 be AMENDED:**

5 **13-37-40.** Subject to the ~~limitation~~ limitations provided below and in § 13-37-42,  
 6 the secretary of the Department of Education shall, ~~for school fiscal year 2014 and each~~  
 7 ~~year thereafter~~ beginning July 1, 2026, set aside ~~four~~ five million dollars of the state aid  
 8 to districts for special education appropriation for extraordinary expenses incurred in  
 9 providing special education programs or services to ~~one or more~~ children with disabilities,  
 10 with expenditures to be made as ~~recommended by an oversight board and approved by~~  
 11 ~~the secretary of the Department of Education~~ provided in § 13-37-60. Beginning July 1,  
 12 2027, and each year thereafter, the amount that the secretary shall set aside for  
 13 extraordinary expenses increases by the index factor, as defined in § 13-37-35.1.

14 Any funds not expended or obligated pursuant to this section ~~shall~~ are not be  
 15 subject to reversion pursuant to § 4-8-19. ~~The total amount set aside for extraordinary~~  
 16 ~~expenses each fiscal year plus the total amount not reverted from previous fiscal years~~  
 17 ~~may,~~ provided that the total amount reserved each year for extraordinary expenses does  
 18 not exceed five million five hundred thousand dollars.

19 ~~The amount appropriated for extraordinary expenses shall be recalculated at the~~  
 20 ~~same time as the amount of the allocations for disability levels as provided in § 13-37-~~  
 21 ~~35.2. Beginning July 1, 2027, and each year thereafter, the maximum amount that may~~  
 22 ~~be reserved for extraordinary expenses increases by the index factor, as defined in § 13-~~  
 23 ~~37-35.1.~~ 37-35.1.