

State of South Dakota

SEVENTY-SIXTH SESSION
LEGISLATIVE ASSEMBLY, 2001

217E0757

HOUSE BILL NO. 1264

Introduced by: Representative Richter and Senator McCracken

1 FOR AN ACT ENTITLED, An Act to create a school consolidation commission, revise state
2 aid to education, and to appropriate money to increase teacher's salaries.

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

4 Section 1. There is hereby created the school district consolidation commission. The
5 commission shall consist of nine members, no more than six may be of the same political party.
6 The members on the commission shall be appointed by the Governor. The chair of the committee
7 shall be appointed by the Governor.

8 Section 2. The school district consolidation commission shall develop a plan to reorganize
9 South Dakota's public school districts. The plan shall provide for no less than forty school
10 districts and no more than sixty school districts. The plan may include other recommendations
11 by the commission to implement the reorganization plan. The commission shall submit its plan
12 to reorganize South Dakota's school districts to the Governor and Legislature no later than
13 November 1, 2002.

14 Section 3. The Department of Education and Cultural Affairs shall pay the salary and
15 expenses of the school district consolidation commission and provide necessary support services

1 to the commission. The members of the commission shall be paid seventy-five dollars per day and
2 be reimbursed for expenses as provided by law.

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

4 13-13-10.1. Terms used in this chapter mean:

5 (1) "Average daily membership," the average number of resident and nonresident
6 kindergarten through twelfth grade pupils enrolled in all schools operated by the
7 school district during the previous regular school year, minus average number of
8 pupils for whom the district receives tuition, except pupils described in subdivision
9 (1A) and pupils for whom tuition is being paid pursuant to § 13-28-42 and plus the
10 average number of pupils for whom the district pays tuition;

11 (1A) Nonresident students who are in the care and custody of the Department of Social
12 Services, the Unified Judicial System, the Department of Corrections, or other state
13 agencies and are attending a public school may be included in the average daily
14 membership of the receiving district when enrolled in the receiving district. When
15 counting a student who meets these criteria in its general enrollment average daily
16 membership, the receiving district may begin the enrollment on the first day of
17 attendance. The district of residence prior to the custodial transfer may not include
18 students who meet these criteria in its general enrollment average daily membership
19 after the student ceases to attend school in the resident district;

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

21 ~~———— (a) For districts with an average daily membership of two hundred or less, multiply~~
22 ~~1.2 times the average daily membership;~~

23 ~~———— (b) For districts with an average daily membership of less than six hundred, but~~
24 ~~greater than two hundred, raise the average daily membership to the 0.8293~~

1 power and multiply the result times ~~2.98~~;

2 ~~(c) For districts with an average daily membership of six hundred or more,~~

3 multiply 1.0 times their average daily membership;

4 (3) "Index factor," is the annual percentage change in the consumer price index for urban
5 wage earners and clerical workers as computed by the Bureau of Labor Statistics of
6 the United States Department of Labor for the year before the year immediately
7 preceding the year of adjustment ~~or three percent, whichever is less~~ plus the fund
8 balance adjustment;

9 (3A) "Fund balance percentage," a school district's ending general fund balance divided by
10 a school district's general fund expenditures for the previous school fiscal year, the
11 quotient expressed as a percent;

12 (3B) "Fund balance adjustment," 1.0 percent for a school district with a fund balance
13 percentage less than or equal to 10 percent, 0.5 percent for a school district with a
14 fund balance percentage greater than 10 percent and less than or equal to 20 percent,
15 0.25 percent for a school district with a fund balance percentage greater than 20
16 percent and less than or equal to 30 percent, 0.0 percent for a school district with a
17 fund balance percentage greater than 30 percent;

18 (4) "Per student allocation," for the period January 1, 1997, to June 30, 1997, inclusive,
19 is \$1,675. For school fiscal year 1998, beginning on July 1, 1997, the per student
20 allocation shall be \$3,350 increased by the index factor. Each school fiscal year
21 thereafter, the per student allocation shall be the previous fiscal year's per student
22 allocation increased by the index factor. However, for fiscal year 2002 the per student
23 allocation is increased by one hundred nine dollars in addition to the index factor;

24 (5) "Local need," the per student allocation multiplied by the ~~adjusted~~ average daily

1 membership;

2 (6) "Local effort," the amount of ad valorem taxes generated in a school fiscal year by
3 applying the levies established pursuant to § 10-12-42.

4 Section 5. That § 13-13-73 be amended to read as follows:

5 13-13-73. The secretary of the Department of Education and Cultural Affairs shall compute
6 state aid to education for each school district under the foundation program according to the
7 following calculations:

8 (1) Determine each school district's average daily membership;

9 (2) Multiply the per student allocation by the ~~adjusted~~ average daily membership to arrive
10 at the local need per district;

11 (3) State aid is (a) local need minus local effort, or (b) zero if the calculation in (a) is a
12 negative number;

13 (4) If the state aid appropriation for the general support of education is in excess of the
14 entitlement provided for in this section, the excess shall be used to fund any shortfall
15 of the appropriation as provided for in §§ 13-37-36.3 and 13-37-43. The secretary
16 shall report to the Governor by January seventh of each year, the amount of state aid
17 necessary to fully fund the general aid formula in the current year. If a shortfall in the
18 state aid appropriation for general education exists that cannot be covered by
19 § 13-37-45, the Governor shall inform the Legislature and provide a proposal to
20 eliminate the shortfall.

21 Section 6. Each school district is entitled to reimbursement of fifty percent of its general
22 fund expenditures for transportation purposes as specified by chapter 13-29 and 13-30. The
23 reimbursement provided for in this section shall be based on the general fund expenditures for
24 transportation for the previous school fiscal year. If the amount of money appropriated is not

1 sufficient to meet the entitlement for transportation reimbursement, each school district shall
2 receive a pro rata share of the amount appropriated.

3 Section 7. The teacher salary improvement fund is hereby created as a separate fund in the
4 state treasury.

5 Section 8. The state treasurer shall make the following transfers from the property tax
6 reduction fund to the teacher salary improvement fund: on July 1, 2001, twenty million dollars;
7 on July 1, 2002, fifteen million dollars; on July 1, 2003, ten million dollars.

8 Section 9. Any money in the teacher salary improvement fund is hereby continuously
9 appropriated to the Department of Education and Cultural Affairs to be distributed to school
10 districts to increase teachers' salaries.

11 Section 10. No later than October fifteenth of each fiscal year, the Department of Education
12 and Cultural Affairs shall distribute any money in the teacher salary improvement fund to each
13 school district. Each school district's share of the distribution is based on the school district's pro
14 rata share of statewide average daily membership for the previous school fiscal year.

15 Section 11. School districts shall adopt a teacher salary schedule that provides that the
16 minimum annual salary for a full time teacher is not less than twenty-four thousand dollars.

17 Section 12. That § 13-16-26.2 be repealed.

18 ~~— 13-16-26.2. Notwithstanding the provisions of § 13-16-26, no school district may transfer~~
19 ~~any funds, exclusive of federal funds, from the general fund to the capital outlay fund.~~

20 Section 13. The Department of Education and Cultural Affairs may promulgate rules
21 pursuant to chapter 1-26 to provide for the distribution of transportation aid as provided for in
22 section 6 of this Act.