

State of South Dakota

SEVENTY-SEVENTH SESSION
LEGISLATIVE ASSEMBLY, 2002

400H0711 **HOUSE APPROPRIATIONS COMMITTEE ENGROSSED**
NO. SB 166 - 02/19/2002

Introduced by: The Committee on Education at the request of the Governor

1 FOR AN ACT ENTITLED, An Act to make an appropriation to the Department of Education
2 and Cultural Affairs to reimburse fees and provide a stipend for National Board for
3 Professional Teaching Standards certified teachers, to provide for a teacher enhancement
4 program, and to revise the calculation of state aid to education.

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

6 Section 1. There is hereby appropriated from the general fund the sum of forty-eight
7 thousand dollars (\$48,000), or so much thereof as may be necessary, to the Department of
8 Education and Cultural Affairs for the purpose of making the payments in accordance with § 13-
9 42-26.

10 Section 2. The secretary of the Department of Education and Cultural Affairs shall approve
11 vouchers and the state auditor shall draw warrants to pay expenditures authorized by this Act.

12 Section 3. Any amounts appropriated in this Act not lawfully expended or obligated by
13 June 30, 2003, shall revert in accordance with § 4-8-21.

14 Section 4. There is hereby established an education enhancement program within the
15 Department of Education and Cultural Affairs. The education enhancement program shall



1 distribute money to school districts to be used to reward teachers who have demonstrated their
2 excellence in the teaching profession.

3 Section 5. Any money appropriated to the Department of Education and Cultural Affairs for
4 education enhancement shall be distributed to school districts as provided by this Act.

5 Section 6. If a school district meets the criteria established by this Act, the Department of
6 Education and Cultural Affairs shall allocate money which may be appropriated for education
7 enhancement to each school district based on the school district's pro rata share of statewide
8 average daily membership.

9 Section 7. Criteria established by the Department of Education and Cultural Affairs for
10 school districts to receive money appropriated for education enhancement include but are not
11 limited to:

12 (1) A school district may not reduce or offset the salary of a teacher with money received
13 for the purpose of education enhancement;

14 (2) A school district shall develop a plan to reward teachers with money received for the
15 purpose of education enhancement; and

16 (3) The plan to reward teachers with money received for the purpose of education
17 enhancement shall be developed with the advice and counsel of members of the
18 community, administration, and teachers.

19 Section 8. The Department of Education and Cultural Affairs shall promulgate rules pursuant
20 to chapter 1-26 to implement the provisions of this Act.

21 Section 9. That § 13-13-10.1 be amended to read as follows:

22 13-13-10.1. Terms used in this chapter mean:

23 (1) "Average daily membership," the average number of resident and nonresident
24 kindergarten through twelfth grade pupils enrolled in all schools operated by the

1 school district during the previous regular school year, minus average number of
2 pupils for whom the district receives tuition, except pupils described in subdivision
3 (1A) and pupils for whom tuition is being paid pursuant to § 13-28-42 and plus the
4 average number of pupils for whom the district pays tuition;

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

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

15 (a) For districts with an average daily membership of two hundred or less, multiply
16 1.2 times the average daily membership;

17 (b) For districts with an average daily membership of less than six hundred, but
18 greater than two hundred, ~~raise the average daily membership to the 0.8293~~
19 ~~power and multiply the result times 2.98~~ multiply the average daily membership
20 times 0.9 and add 60 to the product;

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

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

- 1 the United States Department of Labor for the year before the year immediately
2 preceding the year of adjustment or three percent, whichever is less;
- 3 (3A) "Enrollment adjustment," is one-half of the negative of the annual percent change in
4 the statewide general enrollment average daily membership for the year before the
5 year immediately preceding the year of adjustment;
- 6 (4) "Per student allocation," for the period January 1, 1997, to June 30, 1997, inclusive,
7 is \$1,675. For school fiscal year 1998, beginning on July 1, 1997, the per student
8 allocation shall be \$3,350 increased by the index factor. Each school fiscal year
9 thereafter, the per student allocation shall be the previous fiscal year's per student
10 allocation increased by the index factor, plus the enrollment adjustment;
- 11 (5) "Local need," the per student allocation multiplied by the adjusted average daily
12 membership;
- 13 (6) "Local effort," the amount of ad valorem taxes generated in a school fiscal year by
14 applying the levies established pursuant to § 10-12-42;
- 15 (7) "General fund balance," the unreserved fund balance of the general fund, less general
16 fund exclusions plus, beginning with transfers made in fiscal year 2001, any transfers
17 out of the general fund for the previous school fiscal year;
- 18 (8) "General fund balance percentage," is a school district's general fund balance divided
19 by the school district's total general fund expenditures for the previous school fiscal
20 year, the quotient expressed as a percent;
- 21 (9) "General fund base percentage," is the general fund balance percentage as of June 30,
22 2000. However, the general fund base percentage can never increase and can never
23 be less than twenty percent;
- 24 (10) "Allowable general fund balance," the fund base percentage multiplied by the district's

1 general fund expenditures in the previous school fiscal year;

2 (11) "Imputed interest rate," the average prime rate for the preceding fiscal year minus 2.5
3 percentage points;

4 (12) "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; and any revenue in the
8 general fund set aside for a noninsurable judgment.