



September 21, 2017

Heath Larson, Superintendent
Chester Area School
102 2nd Avenue
P.O. Box 159
Chester, SD 57016

Dear Mr. Larson:

The Government Operations and Audit Committee has scheduled a meeting for October 5 and 6, 2017, Carnegie Town Hall, in Sioux Falls, to review various issues involving state government.

The Committee requests your attendance at the meeting and please let the Committee know if you intend to appear by September 28, 2017. Also the Committee requests that you provide written answers to the following questions from Committee members by September 28, 2017:

1. Are you aware of situations where school districts attempt to include students in their headcounts that likely do not reflect their full-time student enrollment for the year? If you are aware of these situations, how long has this been going on?
2. Would you support the Department of Legislative Audit examining 5-10 school districts that may have the highest disparity between the student enrollment figure for purposes of the funding formula and the number of high school graduates the previous spring (or some other objective measure)?
3. What recommendations do you have for adjusting the school funding formula to avoid attempts to game student headcounts for purposes of garnering more state funds?
 - a. Consider an alternative unannounced date for counting student enrollment?
 - b. Make headcounts subject to a periodic audit?
 - c. Have student headcounts periodically reviewed by the Legislature's Government Operations and Audit Committee.
 - d. Should there be a fine for any of this behavior which is uncovered?

Please submit your answers to Tim Flannery, Department of Legislative Audit, 427 South Chapelle, Pierre, SD, 57501 by September 28, 2017 so that the information can be sent to all Committee members in advance of the actual meeting date. The meeting is scheduled to begin at 1:00 p.m. on October 5, 2017 and reconvene on October 6, 2017 at 8:30 a.m. This is the fifth item on the agenda.

If you have any questions, please contact Tim Flannery with the Department of Legislative Audit at 773-3595.

Mr. Larson
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Sincerely,

A handwritten signature in blue ink that reads "Deb Peters". The signature is written in a cursive style with a large, sweeping initial "D".

Senator Deb Peters, Chair
Government Operations and Audit Committee

A handwritten signature in blue ink that reads "Jan Hunhoff". The signature is written in a cursive style with a large, looping initial "J".

Representative Hunhoff, Vice-Chair
Government Operations and Audit Committee