

State of South Dakota

EIGHTY-NINTH SESSION
LEGISLATIVE ASSEMBLY, 2014

848V0110

HOUSE BILL NO. 1002

Introduced by: Representatives Sly, Dryden, Duvall, Haggar (Don), Hajek, and Tyler and
Senators Tidemann, Hunhoff (Jean), Sutton, and Welke at the request of the
Interim Education Funding Formula Study Committee

1 FOR AN ACT ENTITLED, An Act to revise the state aid to general education formula to
2 include an adjustment for certain school districts that increase the length of the school term.

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

4 Section 1. That § 13-13-10.1 be amended to read as follows:

5 13-13-10.1. Terms used in this chapter mean:

- 6 (1) "Average daily membership," the average number of resident and nonresident
7 kindergarten through twelfth grade pupils enrolled in all schools operated by the
8 school district during the previous regular school year, minus average number of
9 pupils for whom the district receives tuition, except pupils described in subdivision
10 (1A) and pupils for whom tuition is being paid pursuant to § 13-28-42.1 and plus the
11 average number of pupils for whom the district pays tuition;
- 12 (1A) Nonresident students who are in the care and custody of the Department of Social
13 Services, the Unified Judicial System, the Department of Corrections, or other state
14 agencies and are attending a public school may be included in the average daily



1 membership of the receiving district when enrolled in the receiving district. When
2 counting a student who meets these criteria in its general enrollment average daily
3 membership, the receiving district may begin the enrollment on the first day of
4 attendance. The district of residence prior to the custodial transfer may not include
5 students who meet these criteria in its general enrollment average daily membership
6 after the student ceases to attend school in the resident district;

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

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

10 (b) For districts with an average daily membership of less than six hundred, but
11 greater than two hundred, raise the average daily membership to the 0.8293
12 power and multiply the result times 2.98;

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

15 (2A) "Fall enrollment," the number of kindergarten through twelfth grade students enrolled
16 in all schools operated by the school district on the last Friday of September of the
17 current school year minus the number of students for whom the district receives
18 tuition, except nonresident students who are in the care and custody of a state agency
19 and are attending a public school and students for whom tuition is being paid
20 pursuant to § 13-28-42.1, plus the number of students for whom the district pays
21 tuition. When computing state aid to education for a school district under the
22 foundation program pursuant to § 13-13-73, the secretary of the Department of
23 Education shall use either the school district's fall enrollment or the average of the
24 school district's fall enrollment from the previous two years, whichever is higher;

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

2 (2C) "Small school adjustment," calculated as follows:

3 (a) For districts with a fall enrollment of two hundred or less, multiply 0.2 times
4 \$4,237.72;

5 (b) For districts with a fall enrollment of greater than two hundred, but less than
6 six hundred, multiply the fall enrollment times negative 0.0005; add 0.3 to that
7 result; and multiply the sum obtained times \$4,237.72;

8 The determination of the small school adjustment for a school district may not
9 include any students residing in a residential treatment facility when the education
10 program is operated by the school district;

11 (2D) "Limited English proficiency (LEP) adjustment," is calculated as follows:

12 (a) Multiply 0.25 times the per student allocation; and

13 (b) Multiply the product obtained in subsection (a) times the number of
14 kindergarten through twelfth grade students who, in the prior school year,
15 scored below level four on the state-administered language proficiency
16 assessment as required in the state's consolidated state application pursuant to
17 20 USC 6311(b)(7) as of January 1, 2013;

18 (2E) "School term adjustment," is an adjustment to compensate school districts that
19 increase the number of hours in the school term above the number of hours in the
20 school term that existed in the school district for school fiscal year 2014 if the
21 increase is accompanied by an increase in the academic achievement of students, and
22 is calculated as follows:

23 (a) Beginning in school fiscal year 2015, if in any school fiscal year, the number
24 of hours set for the school term in any school district is increased by at least

1 twelve hours from the number of hours set for the school term in school fiscal
2 year 2014, multiply 0.01 times the per student allocation;

3 Beginning in school fiscal year 2016, if in any school fiscal year, the number
4 of hours set for the school term in any school district is maintained from the
5 previous school fiscal year at a level that is at least twelve hours greater than
6 the number of hours set for the school term in school fiscal year 2014, and the
7 school district meets the requirements in section 3 of this Act, multiply 0.01
8 times the per student allocation;

9 (b) Beginning in school fiscal year 2016, if in any school fiscal year, the number
10 of hours set for the school term in any school district is increased to or
11 maintained at a level that is at least twenty-four hours greater than the number
12 of hours set for the school term in school fiscal year 2014, and the school
13 district meets the requirements in section 3 of this Act, multiply 0.02 times the
14 per student allocation;

15 (c) Beginning in school fiscal year 2017, if in any school fiscal year, the number
16 of hours set for the school term in a school district is increased to or
17 maintained at a level that is at least thirty-six hours greater than the number of
18 hours set for the school term in school fiscal year 2014, and the school district
19 meets the requirements in section 3 of this Act, multiply 0.04 times the per
20 student allocation;

21 (d) Beginning in school fiscal year 2018, if in any school fiscal year, the number
22 of hours set for the school term in a school district is increased to or
23 maintained at a level that is at least forty-eight hours greater than the number
24 of hours set for the school term in school fiscal year 2014, and the school

1 district meets the requirements in section 3 of this Act, multiply 0.05 times the
2 per student allocation;

3 (e) Beginning in school fiscal year 2019, if in any school fiscal year, the number
4 of hours set for the school term in a school district is increased from the
5 previous school fiscal year to a level that is at least sixty hours greater than the
6 number of hours set for the school term in school fiscal year 2014, and the
7 school district meets the requirements in section 3 of this Act, multiply 0.06
8 times the per student allocation;

9 Beginning in school fiscal year 2020, if in any school fiscal year, the number
10 of hours set for the school term in a school district is maintained from the
11 previous school fiscal year at a level that is at least sixty hours greater than the
12 number of hours set for the school term in school fiscal year 2014, multiply
13 0.06 times the per student allocation;

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

18 (4) "Per student allocation," for school fiscal year 2012 is \$4,389.95. Each school fiscal
19 year thereafter, the per student allocation is the previous fiscal year's per student
20 allocation increased by the index factor;

21 (5) "Local need," is the sum of:

22 (a) The per student allocation multiplied by the fall enrollment;

23 (b) The small school adjustment, if applicable, multiplied by the fall enrollment;

24 (c) The school term adjustment, if applicable, multiplied by the fall enrollment;

1 and

2 ~~(c)~~(d) The limited English proficiency (LEP) adjustment, calculated pursuant to
3 subdivision (2D), if applicable;

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

6 (7) "General fund balance percentage," is a school district's general fund equity divided
7 by the school district's total general fund expenditures for the previous school fiscal
8 year, the quotient expressed as a percent;

9 (8) "General fund reserves," the sum of a school district's nonspendable and restricted
10 fund balances of the general fund;

11 (9) "Nonspendable fund balance," that amount of the fund balance that is not in
12 spendable form;

13 (10) "Restricted fund balance," that amount of the fund balance that has constraints on
14 how it may be used that are externally imposed or are imposed by law.

15 Section 2. That § 13-13-73 be amended to read as follows:

16 13-13-73. The secretary of the Department of Education shall compute state aid to education
17 for each school district under the foundation program according to the following calculations:

18 (1) Determine each school district's fall enrollment;

19 (2) To arrive at the local need per district:

20 (a) Multiply the per student allocation by the fall enrollment;

21 (b) Multiply the small school adjustment, if applicable, by the fall enrollment;

22 (c) Multiply the school term adjustment, if applicable, by the fall enrollment;

23 (d) Calculate the limited English proficiency (LEP) adjustment pursuant to
24 subdivision (2D), if applicable; and

- 1 criteria shall include such factors as the school district's graduation rate, its average scores on
- 2 tests provided by ACT, Incorporated, and the results of other statewide tests and assessments.