

State of South Dakota

SEVENTY-FIFTH SESSION
LEGISLATIVE ASSEMBLY, 2000

271D0270

HOUSE BILL NO. 1078

Introduced by: Representatives Brown (Richard), Brooks, Haley, Koetzle, Lucas, and McCoy
and Senators Brosz, Brown (Arnold), and Olson

1 FOR AN ACT ENTITLED, An Act to revise the index factor in the state aid to education
2 formula, to reduce state aid to education to certain school districts with excess general fund
3 cash balances, and to create an education improvement fund.

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

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

6 13-13-10.1. Terms used in this chapter mean:

7 (1) "General enrollment average daily membership," the average number of resident and
8 nonresident kindergarten through twelfth grade pupils enrolled in all schools operated
9 by the school district during the previous regular school year, minus average number
10 of pupils for whom the district receives tuition, except pupils described in subdivision
11 (1A) and pupils for whom tuition is being paid pursuant to § 13-28-42 and plus the
12 average number of pupils for whom the district pays tuition, except pupils for whom
13 the district pays tuition pursuant to § 13-28-42;

14 (1A) Nonresident students who are in the care and custody of the Department of Social
15 Services, the Unified Judicial System, the Department of Corrections, or other state
16 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 a general enrollment average daily membership of two
9 hundred or less, multiply 1.2 times the general enrollment average daily
10 membership;

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

14 (c) For districts with a general enrollment average daily membership of six hundred
15 or more, multiply 1.0 times their general enrollment average daily membership;

16 (3) "Index factor," is the annual percentage change in the consumer price index for urban
17 wage earners and clerical workers as computed by the Bureau of Labor Statistics of
18 the United States Department of Labor for the year before the year immediately
19 preceding the year of adjustment ~~or three percent, whichever is less. However, the~~
20 index factor may not be less than three percent or greater than five percent;

21 (4) "Per student allocation," for the period January 1, 1997, to June 30, 1997, inclusive,
22 is \$1,675. For school fiscal year 1998, beginning on July 1, 1997, the per student
23 allocation shall be \$3,350 increased by the index factor. Each school fiscal year
24 thereafter, the per student allocation shall be the previous fiscal year's per student
25 allocation increased by the index factor;

1 (5) "Local need," the per student allocation multiplied by the adjusted average daily
2 membership;

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

5 Section 2. That § 13-37-35.1 be amended to read as follows:

6 13-37-35.1. Terms used in chapter 13-37 mean:

7 (1) "Level one disability," a mild disability;

8 (2) "Level two disability," a mental retardation or emotional disorder;

9 (3) "Level three disability," hearing impairment, deafness, visual impairment,
10 deaf-blindness, orthopedic impairment, or traumatic brain injury;

11 (4) "Level four disability," autism;

12 (5) "Level five disability," multiple disabilities;

13 (6) "Index factor," is the annual percentage change in the consumer price index for urban
14 wage earners and clerical workers as computed by the Bureau of Labor Statistics of
15 the United States Department of Labor for the year before the year immediately
16 preceding the year of adjustment ~~or three percent, whichever is less. However, the~~
17 index factor may not be less than three percent or greater than five percent;

18 (7) "Local effort," is the amount of taxes payable each year, using a levy for the special
19 education fund of a school district of one dollar and thirty-five cents per thousand
20 dollars of taxable valuation;

21 (8) "Allocation for a student with a level one disability," for the school fiscal year
22 beginning July 1, 1999, is \$3,504. For each school year thereafter, the allocation for
23 a student with a level one disability shall be the previous fiscal year's allocation for
24 such child increased by ~~the lesser of the index factor or three percent;~~

25 (9) "Allocation for a student with a level two disability," for the school fiscal year

1 beginning July 1, 1999, is \$7,914. For each school year thereafter, the allocation for
2 a student with a level two disability shall be the previous fiscal year's allocation for
3 such child increased by ~~the lesser of the index factor or three percent~~;

4 (10) "Allocation for a student with a level three disability," for the school fiscal year
5 beginning July 1, 1999, is \$10,116. For each school year thereafter, the allocation for
6 a student with a level three disability shall be the previous fiscal year's allocation for
7 such child increased by ~~the lesser of the index factor or three percent~~;

8 (11) "Allocation for a student with a level four disability," for the school fiscal year
9 beginning July 1, 1999, is \$14,705. For each school year thereafter, the allocation for
10 a student with a level four disability shall be the previous fiscal year's allocation for
11 such child increased by ~~the lesser of the index factor or three percent~~;

12 (12) "Allocation for a student with a level five disability," for the school fiscal year
13 beginning July 1, 1999, is \$15,808. For each school year thereafter, the allocation for
14 a student with a level five disability shall be the previous fiscal year's allocation for
15 such child increased by ~~the lesser of the index factor or three percent~~;

16 (13) "Child count," is the number of students in need of special education or special
17 education and related services according to criteria set forth in rules promulgated
18 pursuant to §§ 13-37-1.1 and 13-37-46 submitted to the Department of Education
19 and Cultural Affairs in accordance with rules promulgated pursuant to § 13-37-1.1;

20 (14) "Resident average daily membership," the average number of resident kindergarten
21 through twelfth grade pupils enrolled in all schools operated by the school district
22 during the previous regular school year plus the average number of pupils for whom
23 the district pays tuition and plus the average number of resident pupils enrolled in
24 another school district under the provisions of § 13-28-40;

25 (15) "Nonpublic school," a sectarian organization or entity which is accredited by the

1 secretary of education and cultural affairs for the purpose of instructing children of
2 compulsory school age. This definition excludes any school that receives a majority
3 of its revenues from public funds;

4 (16) "Nonpublic average daily membership," the average number of kindergarten through
5 twelfth grade pupils enrolled during the previous regular school year in all nonpublic
6 schools located within the boundaries of the public school district plus the average
7 number of children under age sixteen who are approved for alternative instruction
8 pursuant to § 13-27-2 during the previous school year;

9 (17) "Special education average daily membership," resident average daily membership
10 plus nonpublic average daily membership;

11 (18) "Local need," an amount to be determined as follows:

12 (a) Multiply the special education average daily membership by 0.089 and multiply
13 the result by the allocation for a student with a level one disability;

14 (b) Multiply the number of students having a level two disability as reported on the
15 child count for the previous school fiscal year by the allocation for a student
16 with a level two disability;

17 (c) Multiply the number of students having a level three disability as reported on
18 the child count for the previous school fiscal year by the allocation for a
19 student with a level three disability;

20 (d) Multiply the number of students having a level four disability as reported on the
21 child count for the previous school fiscal year by the allocation for a student
22 with a level four disability;

23 (e) Multiply the number of students having a level five disability as reported on the
24 child count for the previous school fiscal year by the allocation for a student
25 with a level five disability;

1 (f) Sum the results of (a) through (e);

2 (19) "Effort factor," the school district's special education tax levy in dollars per thousand
3 divided by \$1.35. The maximum effort factor is 1.0.

4 Section 3. That chapter 13-13 be amended by adding thereto a NEW SECTION to read as
5 follows:

6 Beginning with the state aid to education distribution for the fiscal year ending June 30,
7 2002, a school district's entitlement for state aid provided for in this chapter shall be reduced by
8 the amount by which the school district's ending general fund balance exceeds thirty percent of
9 its general fund expenditures or two hundred fifty thousand dollars, whichever is greater, for the
10 school fiscal year prior to the school fiscal year for which state aid to education is to be
11 distributed.

12 Section 4. Any money that is reduced from a school district's entitlement as provided in
13 section 3 of this Act shall be deposited into the education improvement fund which is hereby
14 created as a special fund in the state treasury. The expenditure of any money out of the education
15 improvement fund requires specific approval through an enactment of the Legislature. The
16 Legislature may appropriate money out of the education improvement fund for purposes deemed
17 by the Legislature to improve the overall quality of elementary and secondary education in South
18 Dakota.

19 Section 5. The Department of Education and Cultural Affairs may promulgate rules pursuant
20 to chapter 1-26 to define general fund balances for the purposes for which the term is used in this
21 Act.