

State of South Dakota

SEVENTY-FIFTH SESSION
LEGISLATIVE ASSEMBLY, 2000

361D0111

HOUSE BILL NO. 1104

Introduced by: Representatives Richter, Brown (Richard), Davis, Duniphan, Konold, McCoy, Putnam, Sutton (Daniel), Volesky, Wilson, and Wudel and Senators Brosz, Brown (Arnold), Hainje, Munson (David), and Shoener

1 FOR AN ACT ENTITLED, An Act to to reduce state aid to education to certain school districts
2 with excess general fund cash balances and to prohibit certain transfers.

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

4 Section 1. There is hereby created the Excess General Fund Balance Oversight Board. The
5 board shall consist of five members, appointed by the secretary of the Department of Education
6 and Cultural Affairs.

7 Section 2. That chapter 13-13 be amended by adding thereto a NEW SECTION to read as
8 follows:

9 Unless the Excess General Fund Balance Oversight Board grants a waiver from the
10 provisions of this Act, beginning with the state aid to education distribution for the fiscal year
11 ending June 30, 2002, a school district's entitlement for state aid provided for in this chapter shall
12 be reduced by the amount by which the school district's ending general fund balance plus any
13 general funds transferred to the capital outlay fund in excess of five percent of the previous year's
14 general fund expenditures exceeds: thirty percent of its general fund expenditures or two hundred
15 fifty thousand dollars, whichever is greater, for the school fiscal year prior to the school fiscal
16 year for which state aid to education is to be distributed.

1 Section 3. Any school district anticipating that its ending general fund cash balance will be
2 in excess of the amounts provided for in section 2 of this Act may apply to the Excess General
3 Fund Balance Oversight Board for a waiver from all or part of the reduction in state aid to
4 education provided for in section 2 of this Act. A school district applying for a waiver shall
5 provide the Excess General Fund Balance Oversight Board with a detailed accounting and
6 reasons for anticipating that the school district's ending general fund cash balance will be in
7 excess of the amount provided for in section 2 of this Act.

8 Section 4. The Excess General Fund Balance Oversight Board may grant a waiver for all or
9 part of the reduction in state aid to education provided for in section 2 of this Act. The board
10 may request additional information from a school district and shall arrive at a decision within
11 three weeks after receiving an application from a school district or any additional information
12 requested by the board.

13 Section 5. All decisions of the Excess General Fund Balance Oversight Board shall require
14 a vote of at least three members of the board.

15 Section 6. The Department of Education and Cultural Affairs may promulgate rules pursuant
16 to chapter 1-26 to define general fund balances for the purposes for which the term is used in this
17 Act and criteria for the Excess General Fund Oversight Board to grant waivers.