

State of South Dakota

SEVENTY-FIFTH SESSION
LEGISLATIVE ASSEMBLY, 2000

400D0338

HOUSE EDUCATION COMMITTEE ENGROSSED NO. **SB23** - 2/18/00

Introduced by: The Committee on Education at the request of the Department of Education
and Cultural Affairs

1 FOR AN ACT ENTITLED, An Act to allow certain children to be included as a level two, three,
2 four, or five disability for the purpose of calculating special education state aid, to revise the
3 calculation of state aid to education, to provide additional funds for education salaries, to
4 reduce state aid to education for certain school districts, and to provide that certain funds
5 remain in the general fund.

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

7 Section 1. That § 13-37-36.2 be amended to read as follows:

8 13-37-36.2. For the purpose of calculating state aid pursuant to this chapter, a level five
9 disability ~~must~~ shall meet criteria for at least two disability categories in levels two and three,
10 excluding the disability of deaf-blindness. ~~Any child reported on the child count between ages~~
11 ~~three to five years old, inclusive, may not be included as either a level two, three, four, or five~~
12 ~~disability.~~

13 Section 2. That § 13-13-10.1 be amended to read as follows:

14 13-13-10.1. Terms used in this chapter mean:

15 (1) "General enrollment average daily membership," the average number of resident and
16 nonresident kindergarten through twelfth grade pupils enrolled in all schools operated

1 by the school district during the previous regular school year, minus average number
2 of 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, except pupils for whom
5 the district pays tuition pursuant to § 13-28-42;

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

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

16 (a) For districts with a general enrollment average daily membership of two
17 hundred or less, multiply 1.2 times the general enrollment average daily
18 membership;

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

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

24 (3) "Index factor," is the annual percentage change in the consumer price index for urban
25 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 (4) "Per student allocation," for the period January 1, 1997, to June 30, 1997, inclusive,
4 is \$1,675. For school fiscal year ~~1998~~ 2001, beginning on July 1, ~~1997~~ 2000, the per
5 student allocation shall be ~~\$3,350~~ increased by the index factor \$3,734. Each school
6 fiscal year thereafter, the per student allocation shall be the previous fiscal year's per
7 student allocation increased by the index factor;

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

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

12 Section 3. Each school district shall use any funds that it may receive as a result of the
13 increase in the per student allocation as provided in this Act to increase salaries of personnel
14 employed by the school district.

15 Section 4. The Department of Education and Cultural Affairs shall certify the increase in state
16 aid to education attributable to the increase in the per student allocation as provided in this Act
17 to each school district.

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

20 For the state aid to education distribution for the fiscal year ending June 30, 2001, a school
21 district's entitlement for state aid provided for in this chapter shall be reduced by the amount by
22 which the school district's ending general fund balance exceeds one hundred percent of its
23 general fund expenditures or two hundred fifty thousand dollars, whichever is greater, for the
24 school fiscal year prior to the school fiscal year for which state aid to education is to be
25 distributed. For the state aid to education distribution for the fiscal year ending June 30, 2002,

1 a school district's entitlement for state aid provided for in this chapter shall be reduced by the
2 amount by which the school district's ending general fund balance exceeds seventy-five percent
3 of its general fund expenditures or two hundred fifty thousand dollars, whichever is greater, for
4 the school fiscal year prior to the school fiscal year for which state aid to education is to be
5 distributed. For the state aid to education distribution for the fiscal year ending June 30, 2003,
6 a school district's entitlement for state aid provided for in this chapter shall be reduced by the
7 amount by which the school district's ending general fund balance exceeds fifty percent of its
8 general fund expenditures or two hundred fifty thousand dollars, whichever is greater, for the
9 school fiscal year prior to the school fiscal year for which state aid to education is to be
10 distributed. For the state aid to education distribution for the fiscal year ending June 30, 2004
11 and thereafter, a school district's entitlement for state aid provided for in this chapter shall be
12 reduced by the amount by which the school district's ending general fund balance exceeds thirty
13 percent of its general fund expenditures or two hundred fifty thousand dollars, whichever is
14 greater, for the school fiscal year prior to the school fiscal year for which state aid to education
15 is to be distributed.

16 Section 6. Any money that is reduced from a school district's entitlement as provided by this
17 Act shall be deposited into the education improvement fund which is hereby created as a special
18 fund in the state treasury. The expenditure of any money out of the education improvement fund
19 requires specific approval through an enactment of the Legislature. The Legislature may
20 appropriate money out of the education improvement fund for purposes deemed by the
21 Legislature to improve the overall quality of elementary and secondary education in South
22 Dakota.

23 Section 7. That chapter 4-8A be amended by adding thereto a NEW SECTION to read as
24 follows:

25 No money appropriated for general state aid to education that is in excess of the amount

1 required to provide each school district its entitlement that results from errors in the estimates
2 of average daily membership or of assessed valuations may be transferred out of the state aid to
3 general education program. Such money shall revert to the general fund at the end of the fiscal
4 year and notwithstanding § 4-7-32 or 4-7-39, such money may not be transferred to the budget
5 reserve fund or to the property tax reduction fund.

6 Section 8. The Department of Education and Cultural Affairs may promulgate rules pursuant
7 to chapter 1-26 to define general fund balances for the purposes for which the term is used in this
8 Act.

1 **BILL HISTORY**

2 1/11/00 First read in Senate and referred to Education. S.J. 18

3 1/30/00 Scheduled for Committee hearing on this date.

4 2/3/00 Scheduled for Committee hearing on this date.

5 2/8/00 Scheduled for Committee hearing on this date.

6 2/8/00 Education Do Pass, Passed, AYES 7, NAYS 0. S.J. 349

7 2/8/00 Education Place on Consent Calendar.

8 2/9/00 Senate Do Pass, Passed, AYES 35, NAYS 0. S.J. 382

9 2/10/00 First read in House and referred to Education. H.J. 563

10 2/15/00 Scheduled for Committee hearing on this date.

11 2/15/00 Deferred by Chair.

12 2/17/00 Scheduled for Committee hearing on this date.

13 2/17/00 Education Do Pass Amended, Passed, AYES 10, NAYS 3. H.J. 714