

# State of South Dakota

SEVENTY-SIXTH SESSION  
LEGISLATIVE ASSEMBLY, 2001

415E0771      SENATE EDUCATION COMMITTEE ENGROSSED NO.  
**HB 1258 - 02/27/2001**

**This bill has been extensively amended (hoghoused) and may no longer be consistent with the original intention of the sponsor.**

Introduced by: Representatives Eccarius, Michels, and Peterson (Bill) and Senators Everist and Brown (Arnold)

1    FOR AN ACT ENTITLED, An Act to revise the distribution of state aid to education.

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

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

4        13-13-10.1. Terms used in this chapter mean:

- 5        (1)    "Average daily membership," the average number of resident and nonresident  
6            kindergarten through twelfth grade pupils enrolled in all schools operated by the  
7            school district during the previous regular school year, minus average number of  
8            pupils for whom the district receives tuition, except pupils described in subdivision  
9            (1A) and pupils for whom tuition is being paid pursuant to § 13-28-42 and plus the  
10          average number of pupils for whom the district pays tuition;
- 11        (1A) Nonresident students who are in the care and custody of the Department of Social  
12          Services, the Unified Judicial System, the Department of Corrections, or other state  
13          agencies and are attending a public school may be included in the average daily  
14          membership of the receiving district when enrolled in the receiving district. When

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

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

7 (a) For districts with an average daily membership of two hundred or less and a  
8 general fund balance percentage of forty-five percent or less, multiply 1.2 times  
9 the average daily membership;

10 (b) For districts with an average daily membership of less than six hundred, but  
11 greater than two hundred and a general fund balance percentage of forty-five  
12 percent or less, raise the average daily membership to the 0.8293 power and  
13 multiply the result times 2.98;

14 (c) For districts with an average daily membership of six hundred or more or a  
15 general fund balance percentage of more than forty-five percent, multiply 1.0  
16 times their average daily membership;

17 (2A) "General fund balance percentage," is a school district's ending general fund  
18 unreserved fund balance less the additional revenue a school district has received from  
19 the imposition of the excess tax levy authorized by § 10-12-43 for the previous school  
20 fiscal year divided by the school district's total general fund expenditures for the  
21 previous school fiscal year, the quotient expressed as a percent;

22 (3) "Index factor," is the annual percentage change in the consumer price index for urban  
23 wage earners and clerical workers as computed by the Bureau of Labor Statistics of  
24 the United States Department of Labor for the year before the year immediately

1 preceding the year of adjustment or three percent, whichever is less;

2 (3A) "Enrollment adjustment," is one-half of the negative of the annual percent change in  
3 the statewide general enrollment average daily membership for the year before the  
4 year immediately preceding the year of adjustment. However, the enrollment  
5 adjustment may not be less than zero;

6 (4) "Per student allocation," for the period January 1, 1997, to June 30, 1997, inclusive,  
7 is \$1,675. For school fiscal year 1998, beginning on July 1, 1997, the per student  
8 allocation shall be \$3,350 increased by the index factor. Each school fiscal year  
9 thereafter, the per student allocation shall be the previous fiscal year's per student  
10 allocation increased by the index factor plus the enrollment adjustment;

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

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

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

17 The secretary of the Department of Education and Cultural Affairs shall determine the  
18 reduction in state aid to education to school districts resulting from school districts having a  
19 general fund balance percentage greater than forty-five percent. The secretary of the Department  
20 of Education and Cultural Affairs shall distribute the amount of money so determined to school  
21 districts with a general fund balance percentage of twenty-five or less on a pro rata basis  
22 according to the school district's modified average daily membership where modified average  
23 daily membership is equal to the average daily membership for school districts with an average  
24 daily membership of six hundred or less and for school districts with an average daily

1 membership of more than six hundred is equal to six hundred plus one-half of the average daily  
2 membership over six hundred.

3 Section 3. The enrollment adjustment shall apply only to the distribution of state aid to  
4 education in fiscal year 2002.