

State of South Dakota

SEVENTY-NINTH SESSION
LEGISLATIVE ASSEMBLY, 2004

596J0555

SENATE BILL NO. 102

Introduced by: Senators Knudson, de Hueck, and Koetzle and Representatives Murschel, McCoy, McLaughlin, and Weems

1 FOR AN ACT ENTITLED, An Act to revise the calculation 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
15 counting a student who meets these criteria in its general enrollment average daily



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

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

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

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

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

13 (2A) "Aggregate adjusted average daily membership," is the sum total of the adjusted
14 average daily memberships of all school districts;

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

19 (3A) "Aggregate local need," for school fiscal year 2005 is \$519,828,618. For each school
20 fiscal year thereafter, the aggregate local need is the previous fiscal year's aggregate
21 local need increased by the index factor;

22 (4) ~~"Per student allocation," for school fiscal year 2004 is \$3,967.88. Each school fiscal~~
23 ~~year thereafter, the per student allocation is the previous fiscal year's per student~~
24 ~~allocation increased by the index factor~~ is the aggregate local need divided by the

1 aggregate adjusted average daily membership. However, the increase in the per
2 student allocation cannot be less than the index factor;

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

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

7 (7) "General fund balance," the unreserved fund balance of the general fund, less general
8 fund exclusions plus, beginning with transfers made in fiscal year 2001, any transfers
9 out of the general fund for the previous school fiscal year;

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

13 (9) "General fund base percentage," is the general fund balance percentage as of June 30,
14 2000. However, the general fund base percentage can never increase and can never
15 be less than twenty percent;

16 (10) "Allowable general fund balance," the general fund base percentage multiplied by the
17 district's general fund expenditures in the previous school fiscal year;

18 (11) "Imputed interest rate," the average prime rate for the preceding fiscal year minus 2.5
19 percentage points;

20 (12) "General fund exclusions," revenue a school district has received from the imposition
21 of the excess tax levy pursuant to § 10-12-43; revenue a school district has received
22 from gifts, contributions, grants, or donations; revenue a school district has received
23 under the provisions of §§ 13-6-92 to 13-6-96, inclusive; and any revenue in the
24 general fund set aside for a noninsurable judgment.