

# State of South Dakota

SEVENTY-NINTH SESSION  
LEGISLATIVE ASSEMBLY, 2004

119J0122

## SENATE BILL NO. 128

Introduced by: Senators Sutton (Dan), Knudson, and Moore and Representatives Gassman, Hennies, Kraus, Lange, and Olson (Mel)

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 (3) "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;

17 (4) "Per student allocation," for school fiscal year 2004 is \$3,967.88. Each school fiscal  
18 year thereafter, the per student allocation is the previous fiscal year's per student  
19 allocation increased by the index factor;

20 (5) "Local need," the per student allocation multiplied by the adjusted average daily  
21 membership for the previous year or the adjusted average daily membership for the  
22 previous two years, whichever is greater;

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

- 1 (7) "General fund balance," the unreserved fund balance of the general fund, less general  
2 fund exclusions plus, beginning with transfers made in fiscal year 2001, any transfers  
3 out of the general fund for the previous school fiscal year;
- 4 (8) "General fund balance percentage," is a school district's general fund balance divided  
5 by the school district's total general fund expenditures for the previous school fiscal  
6 year, the quotient expressed as a percent;
- 7 (9) "General fund base percentage," is the general fund balance percentage as of June 30,  
8 2000. However, the general fund base percentage can never increase and can never  
9 be less than twenty percent;
- 10 (10) "Allowable general fund balance," the fund base percentage multiplied by the  
11 district's general fund expenditures in the previous school fiscal year;
- 12 (11) "Imputed interest rate," the average prime rate for the preceding fiscal year minus 2.5  
13 percentage points;
- 14 (12) "General fund exclusions," revenue a school district has received from the imposition  
15 of the excess tax levy pursuant to § 10-12-43; revenue a school district has received  
16 from gifts, contributions, grants, or donations; revenue a school district has received  
17 under the provisions of §§ 13-6-92 to 13-6-96, inclusive; and any revenue in the  
18 general fund set aside for a noninsurable judgment.