

State of South Dakota

SEVENTY-NINTH SESSION
LEGISLATIVE ASSEMBLY, 2004

753J0756

HOUSE ENGROSSED NO. **SB 169** - 02/24/2004

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

Introduced by: Senators Bogue, Apa, Brown, Duniphan, Jaspers, Kleven, Koskan, LaPointe, McCracken, Napoli, and Olson (Ed) and Representatives Rave, Dykstra, Hackl, Juhnke, Klaudt, LaRue, Lintz, Peterson (Bill), Rhoden, and Teupel

1 FOR AN ACT ENTITLED, An Act to provide a sparsity factor when distributing certain school
2 district revenue.

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

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

5 13-13-10.1. Terms used in this chapter mean:

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



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

7 (2) "Adjusted average daily membership," calculated as follows except those identified
8 in subdivision (2A) or (2B):

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

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

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

16 (2A) "Adjusted average daily membership," for school districts which: have a general fund
17 balance percentage as defined in this section of twenty percent or less, levy ad
18 valorem taxes at the maximum rates allowed pursuant to § 10-12-42, serve grades
19 kindergarten through twelve, have an average daily membership of less than six
20 hundred, and have an area of more than three hundred ninety-nine square miles but
21 less than eight hundred square miles, calculated as follows:

22 (a) For districts with an average daily membership of one hundred thirty or less,
23 multiply 1.298273 times the average daily membership;

24 (b) For districts with an average daily membership of less than six hundred, but

1 greater than one hundred thirty, raise the average daily membership to the
2 0.8293 power and multiply the result times 2.98;

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

5 (2B) "Adjusted average daily membership," for school districts which: have a general fund
6 balance percentage as defined in this section of twenty percent or less, levy ad
7 valorem taxes at the maximum rates allowed pursuant to § 10-12-42, serve grades
8 kindergarten through twelve, have an average daily membership of less than six
9 hundred, and have an area of eight hundred or more square miles, calculated as
10 follows:

11 (a) For districts with an average daily membership of less than six hundred, raise
12 the average daily membership to the 0.8293 power and multiply the result
13 times 2.98;

14 (b) For districts with an average daily membership of six hundred or more,
15 multiply 1.0 times their average daily membership;

16 (2C) "Sparsity average daily membership," calculated as follows:

17 (a) For school districts identified in subdivision (2A) or (2B), divide the average
18 daily membership by the area of the school district in square miles;

19 (b) If the result of subsection (a) of this subdivision is 0.75 or less, multiply the
20 quotient obtained in subsection (a) times negative 0.153846;

21 (c) Add 0.1153846 to the result of subsection (b) of this subdivision; and

22 (d) Multiply the result of subsection (c) of this subdivision times the average daily
23 membership;

24 (3) "Index factor," is the annual percentage change in the consumer price index for urban

1 wage earners and clerical workers as computed by the Bureau of Labor Statistics of
2 the United States Department of Labor for the year before the year immediately
3 preceding the year of adjustment or three percent, whichever is less;

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

7 (5) "Local need," the per student allocation multiplied by the sum of the adjusted average
8 daily membership and the sparsity average daily membership;

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

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

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

17 (9) "General fund base percentage," is the general fund balance percentage as of June 30,
18 2000. However, the general fund base percentage can never increase and can never
19 be less than twenty percent;

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

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

24 (12) "General fund exclusions," revenue a school district has received from the imposition

1 of the excess tax levy pursuant to § 10-12-43; revenue a school district has received
2 from gifts, contributions, grants, or donations; revenue a school district has received
3 under the provisions of §§ 13-6-92 to 13-6-96, inclusive; and any revenue in the
4 general fund set aside for a noninsurable judgment.