

State of South Dakota

EIGHTIETH LEGISLATIVE ASSEMBLY, 2005

400L0383

SENATE BILL NO. 64

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

1 FOR AN ACT ENTITLED, An Act to revise certain provisions regarding school district funds.

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

3 Section 1. That § 13-16-30 be amended to read as follows:

4 13-16-30. Any funds received from the federal government under the provisions of P.L. 103-
5 382, title VIII for basic support ~~may be deposited into the P.L. 103-382, title VIII fund~~ shall be
6 placed in funds enumerated in § 13-16-2. Any dollars remaining in the impact aid special
7 revenue fund shall be transferred to funds enumerated in § 13-6-2 prior to June 30, 2005.

8 Section 2. That § 13-16-31 be repealed.

9 ~~—13-16-31. The P.L. 103-382, title VIII fund shall serve as a fund from which transfers shall~~
10 ~~be made to the funds enumerated in § 13-16-2. A school district may not make expenditures out~~
11 ~~of its P.L. 103-382, title VIII fund. Transfers out of the P.L. 103-382, title VIII fund shall be~~
12 ~~made at the discretion of the school board.~~

13 Section 3. That § 13-16-2 be amended to read as follows:

14 13-16-2. All school district funds shall be placed in either the general fund, capital outlay
15 fund, special education fund, public service enterprise fund, trust or agency fund as defined in
16 § 4-4-4, or bond redemption fund, ~~or 874 fund~~ as hereinafter defined.



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

2 13-13-10.1. Terms used in this chapter mean:

3 (1) "Average daily membership," the average number of resident and nonresident
4 kindergarten through twelfth grade pupils enrolled in all schools operated by the
5 school district during the previous regular school year, minus average number of
6 pupils for whom the district receives tuition, except pupils described in subdivision
7 (1A) and pupils for whom tuition is being paid pursuant to § 13-28-42 and plus the
8 average number of pupils for whom the district pays tuition;

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

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

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

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

24 (c) For districts with an average daily membership of six hundred or more,

- 1 multiply 1.0 times their average daily membership;
- 2 (3) "Index factor," is the annual percentage change in the consumer price index for urban
3 wage earners and clerical workers as computed by the Bureau of Labor Statistics of
4 the United States Department of Labor for the year before the year immediately
5 preceding the year of adjustment or three percent, whichever is less;
- 6 (4) "Per student allocation," for school fiscal year 2005 is \$4,086.56. Each school fiscal
7 year thereafter, the per student allocation is the previous fiscal year's per student
8 allocation increased by the index factor;
- 9 (5) "Local need," the per student allocation multiplied by the adjusted average daily
10 membership;
- 11 (6) "Local effort," the amount of ad valorem taxes generated in a school fiscal year by
12 applying the levies established pursuant to § 10-12-42;
- 13 (7) "General fund balance," the unreserved fund balance of the general fund, less general
14 fund exclusions plus, beginning with transfers made in fiscal year 2001, any transfers
15 out of the general fund for the previous school fiscal year;
- 16 (8) "General fund balance percentage," is a school district's general fund balance divided
17 by the school district's total general fund expenditures for the previous school fiscal
18 year, the quotient expressed as a percent;
- 19 (9) "General fund base percentage," is the general fund balance percentage as of June 30,
20 2000. However, the general fund base percentage can never increase and can never
21 be less than twenty percent;
- 22 (10) "Allowable general fund balance," the fund base percentage multiplied by the
23 district's general fund expenditures in the previous school fiscal year;
- 24 (11) "Imputed interest rate," the average prime rate for the preceding fiscal year minus 2.5

1 percentage points;

2 (12) "General fund exclusions," revenue a school district has received from the imposition
3 of the excess tax levy pursuant to § 10-12-43; revenue a school district has received
4 from gifts, contributions, grants, Title VIII of the Elementary and Secondary
5 Education Act of 1965, or donations; revenue a school district has received under the
6 provisions of §§ 13-6-92 to 13-6-96, inclusive; and any revenue in the general fund
7 set aside for a noninsurable judgment.

8 Section 5. That § 13-13-11.1 be repealed.

9 ~~— 13-13-11.1. For the purpose of distributing state aid to education under the provisions of~~
10 ~~§§ 13-13-10.1 to 13-13-41, inclusive, funds received from the federal government under the~~
11 ~~provisions of P.L. 103-382, title VIII for basic support shall be included in total general fund~~
12 ~~revenue at the times the funds are transferred from the school district P.L. 103-382, title VIII~~
13 ~~fund to the school district funds. For the purposes of distributing state aid to special education~~
14 ~~under the provisions of § 13-37-36.1, funds received from the federal government under the~~
15 ~~provisions of P.L. 103-382, title VIII add on for children with disabilities shall be deposited into~~
16 ~~the school district special education fund.~~

17 Section 6. This Act is effective on June 21, 2005.