

State of South Dakota

EIGHTY-SECOND SESSION
LEGISLATIVE ASSEMBLY, 2007

767N0585 SENATE EDUCATION COMMITTEE ENGROSSED NO.
SB 157 - 02/14/2007

Introduced by: Senators Knudson, Abdallah, Albers, Bartling, Dempster, Garnos, Gray, Hansen (Tom), Hanson (Gary), Hauge, Heidepriem, Hunhoff, Jerstad, Koetzle, McCracken, Nesselhuf, Olson (Ed), and Peterson (Jim) and Representatives McLaughlin, Ahlers, Cutler, Gassman, Gillespie, Glenski, Halverson, Hargens, Jerke, Kirkeby, Krebs, Miles, Moore, Olson (Russell), Peters, Pitts, Steele, Tidemann, Vehle, and Willadsen

1 FOR AN ACT ENTITLED, An Act to revise the funding for K-12 education and to create a
2 teacher compensation assistance program.

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~~



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

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

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 "Fall enrollment," the
16 number of kindergarten through twelfth grade students enrolled in all schools
17 operated by the school district on the last Friday of September of the previous
18 school year minus the number of students for whom the district receives
19 tuition, except nonresident students who are in the care and custody of a state
20 agency and are attending a public school and students for whom tuition is
21 being paid pursuant to § 13-28-42.1, plus the number of students for whom the
22 district pays tuition. No student who is partially enrolled in a school may be
23 counted in the fall enrollment for that school unless the partial enrollment
24 exceeds fifty percent. When computing state aid to education for a school

1 district under the foundation program pursuant to § 13-13-73, the secretary of
2 the Department of Education shall use either the school district's fall
3 enrollment or the average of the school district's fall enrollment and the school
4 district's fall enrollment from the prior year, whichever is higher;

5 (1A) "Current fall enrollment," the number of kindergarten through twelfth grade students
6 enrolled in all schools operated by the school district on the last Friday of September
7 of the current school year minus the number of students for whom the district
8 receives tuition except nonresident students who are in the care and custody of a state
9 agency and are attending a public school and students for whom tuition is being paid
10 pursuant to § 13-28-42.1, plus the number of students for whom the district pays
11 tuition. No student who is partially enrolled in a school may be counted in the current
12 fall enrollment for that school unless the partial enrollment exceeds fifty percent;

13 (2) "Small school adjustment," for school districts with a fall enrollment of at least one
14 hundred, but less than six hundred, is calculated as follows:

15 (a) Multiply the fall enrollment times negative 0.0005;

16 (b) Add 0.3 to the result of subsection (a); and

17 (c) Multiply the sum obtained in subsection (b) times \$4,237.72;

18 (2A) "State general fund revenue," all revenue deposited into the state's general fund;

19 (3) "Index factor," is the annual percentage change in the consumer price index for urban
20 wage earners and clerical workers as computed by the Bureau of Labor Statistics of
21 the United States Department of Labor for the year before the year immediately
22 preceding the year of adjustment or ~~three percent, whichever is less~~ four and three-
23 tenths percent, whichever is greater. However, the index factor may not exceed the
24 annual percentage change in the state general fund revenue for the year prior to the

- 1 year immediately preceding the year of adjustment;
- 2 (4) "Per student allocation," for school fiscal year 2006 is \$4,237.72. Each school fiscal
3 year thereafter, the per student allocation is the previous fiscal year's per student
4 allocation increased by the index factor;
- 5 (5) "Local need," ~~the~~ is the sum of:
- 6 (a) The per student allocation multiplied by the ~~adjusted average daily~~
7 membership fall enrollment; and
- 8 (b) The small school adjustment, if applicable, multiplied by the fall enrollment;
- 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 lesser of:
- 18 (a) The general fund balance percentage as of June 30, 2000; or
- 19 (b) The maximum allowable percentage for that particular fiscal year as stated in
20 this subsection.
- 21 For fiscal year 2008, the maximum allowable percentage is one hundred percent; for
22 fiscal year 2009, eighty percent; for fiscal year 2010, sixty percent; for fiscal year
23 2011, forty percent; for fiscal year 2012 and subsequent fiscal years, twenty-five
24 percent. However, the general fund base percentage can never increase and can never

1 be less than ~~twenty~~ twenty-five percent;

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

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

6 ~~—(12)—~~ "General fund exclusions," revenue a school district has received from the imposition
7 of the excess tax levy pursuant to § 10-12-43; revenue a school district has received
8 from gifts, contributions, grants, or donations; revenue a school district has received
9 under the provisions of §§ 13-6-92 to 13-6-96, revenue a school district has received
10 as compensation for being a sparse school district under the terms of §§ 13-13-78 and
11 13-13-79, inclusive; and any revenue in the general fund set aside for a noninsurable
12 judgment.

13 Section 2. There is hereby created the teacher compensation assistance program within the
14 Department of Education to provide funds to school districts for the purpose of assisting them
15 with teacher compensation. The amount of funding available to each school district for this
16 voluntary program shall be calculated as follows:

17 (1) Determine the amount received for this program per fall enrollment as defined in
18 subdivision 13-13-10.1(1) in the prior year;

19 (2) Increase the amount in (1) by the index factor as defined in subdivision 13-13-
20 10.1(3);

21 (3) Multiply the result of (2) by the fall enrollment;

22 (4) Multiply the fall enrollment by the adjusted per student allocation as defined in this
23 Act;

24 (5) Subtract the index factor from the annual percentage change in the state general fund

1 revenue for the year prior to the year immediately preceding the year of adjustment,
2 the result of which may not exceed 0.5 percent;

3 (6) Multiply the product in (4) by the result of (5);

4 (7) Add the product in (3) to the product in (6).

5 Section 3. If a school district's average mean teacher salary increases by less than the index
6 factor minus 0.6 percent, the school district's foundation program state aid shall be
7 proportionally reduced. However, the minimum increase in the per student allocation for each
8 school district is three percent or the index factor, whichever is less, and the base year for the
9 calculations is school fiscal year 2007.

10 Section 4. That § 13-13-72 be amended to read as follows:

11 13-13-72. It is the policy of the Legislature that the appropriation for the state aid to
12 education foundation program increase on an annual basis by the percentage increase in local
13 need on an aggregate statewide basis so that the relative proportion of local need paid by local
14 effort and state aid shall remain constant. However, the increase in the per student allocation on
15 an annual basis that exceeds three percent shall be paid solely by the state and is not a factor in
16 this policy.

17 Section 5. The Board of Education shall promulgate rules, pursuant to chapter 1-26, to create
18 an oversight board appointed by the secretary of education for approval of applications as well
19 as guidelines for district applications based on district instructional goals or market
20 compensation. Participation in the program is discretionary. District applications shall be
21 approved by the local board of education. The applications shall be reviewed by the teacher
22 compensation assistance program oversight board and shall be recommended to the Board of
23 Education for final approval.

24 Section 6. Once a school district's initial five-year plan is complete, the school district may

1 reapply for the program. If a school district reapplies and the district's application is denied by
2 the Board of Education due to changes in the program's requirements, that school district is still
3 entitled to receive funding for this program, if the school district continues to follow its original
4 teacher compensation plan that it followed during the initial five years. The funding that school
5 district is entitled to receive during the first year following the denial and in each year thereafter,
6 as long as the school district continues to follow the original teacher compensation plan, shall
7 be calculated as follows:

- 8 (1) Determine the amount received for this program per fall enrollment as defined in
9 subdivision 13-13-10.1(1) in the prior year;
- 10 (2) Increase the amount in (1) by the index factor as defined in subdivision 13-13-
11 10.1(3); and
- 12 (3) Multiply the result in (2) by the fall enrollment.

13 Section 7. The South Dakota Board of Education shall promulgate rules pursuant to chapter
14 1-26 establishing the application process; application timelines; the guidelines for district
15 applications based on school district instructional goals or market compensation; and a system
16 to monitor the progress of participating school districts with their compensation assistance plans
17 and to ensure that each participating school district is complying with the plan as submitted to
18 the board.

19 Section 8. That chapter 13-6 be amended by adding thereto a NEW SECTION to read as
20 follows:

21 Any school district that has a fall enrollment, as defined in this Act, of less than one hundred
22 and is not a sparse school district, as defined in § 13-13-78, shall reorganize with another school
23 district or school districts to create a newly reorganized school district with a fall enrollment of
24 one hundred or greater. Any school district that is not sparse and has a fall enrollment of one

1 hundred or less on July 1, 2007 shall prepare a plan for reorganization by June 30, 2009. After
 2 July 1, 2007, if the fall enrollment of any school district that is not sparse falls to one hundred
 3 or below, that school district shall prepare a plan for reorganization within two years. If any such
 4 district fails to prepare a plan for reorganization by the deadline, the Board of Education shall
 5 prepare a reorganization plan for the district.

6 Section 9. That § 13-6-92 be amended to read as follows:

7 13-6-92. If two or more school districts consolidate ~~after July 1, 2001~~, the new school
 8 district is entitled to an additional ~~three~~ six hundred dollars per ~~average daily membership as~~
 9 ~~defined in § 13-13-10.1~~ fall enrollment as defined in this Act, up to a maximum of four hundred
 10 ~~average daily membership~~ fall enrollment from each school district or a prorated portion thereof
 11 from a partial school district as it existed prior to consolidation for the first year after
 12 consolidation. If two or more school districts consolidate ~~after July 1, 2001~~, the new school
 13 district is entitled to an additional ~~two~~ four hundred dollars per ~~average daily membership as~~
 14 ~~defined in § 13-13-10.1~~ fall enrollment as defined in this Act, up to a maximum of four hundred
 15 ~~average daily membership~~ fall enrollment from each school district or a prorated portion thereof
 16 from a partial school district as it existed prior to consolidation for the second year after
 17 consolidation. If two or more school districts consolidate ~~after July 1, 2001~~, the new school
 18 district is entitled to an additional ~~one~~ two hundred dollars per ~~average daily membership as~~
 19 ~~defined in § 13-13-10.1~~ fall enrollment as defined in this Act, up to a maximum of four hundred
 20 ~~average daily membership~~ fall enrollment from each school district or a prorated portion thereof
 21 from a partial school district as it existed prior to consolidation for the third year after
 22 consolidation.

23 Section 10. That chapter 13-13 be amended by adding thereto a NEW SECTION to read as
 24 follows:

1 The consolidation incentives provided for in §§ 13-13-1.4 to 13-13-1.7, inclusive, apply only
2 to those school districts whose consolidations are completed prior to July 1, 2007.

3 Section 11. That § 13-13-1.4 be amended to read as follows:

4 13-13-1.4. If two or more school districts consolidate, for a period of four years after
5 consolidation, the ~~adjusted average daily membership~~ local need for the newly formed district
6 shall be based upon the ~~average daily membership as defined in § 13-13-10.1~~ fall enrollment
7 as defined in this Act of those school districts that have not previously benefited from this
8 section as they existed prior to consolidation. In years two to four, inclusive, after the
9 consolidation, the relationship between the ~~adjusted average daily membership~~ local need and
10 ~~average daily membership~~ fall enrollment shall be proportional to the relationship that existed
11 for the first year.

12 Section 12. That § 13-13-1.5 be amended to read as follows:

13 13-13-1.5. In years five to eight, inclusive, after the consolidation of two or more school
14 districts, the ~~adjusted average daily membership~~ local need for the newly formed district shall
15 be calculated as follows:

- 16 (1) Calculate ~~adjusted average daily membership~~ local need pursuant to § ~~13-13-10.1~~
17 § 13-13-73;
- 18 (2) Notwithstanding the four-year time limit, calculate ~~adjusted average daily~~
19 ~~membership~~ local need pursuant to § 13-13-1.4;
- 20 (3) Subtract the results of subdivision (1) from the results of subdivision (2);
- 21 (4) Multiply the results of subdivision (3) by eighty percent in the fifth year, sixty
22 percent in the sixth year, forty percent in the seventh year, and twenty percent in the
23 eighth year;
- 24 (5) Add the results of subdivision (1) and the results of subdivision (4).

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

3 If a school district's current fall enrollment, as defined in this Act, increases by at least five
4 percent or by a minimum of twenty-five students over the fall enrollment, that school district
5 shall receive a one-time payment equal to fifty percent of the per student allocation times the
6 number of students by which the current fall enrollment exceeds the fall enrollment. The
7 payment shall be made to the district prior to the first of December in the current school year.

8 Section 14. That § 13-13-73.2 be amended to read as follows:

9 13-13-73.2. A school district's state aid for general education as calculated pursuant to § 13-
10 13-73 shall be reduced by the following calculation:

11 ~~(1) Subtract the allowable general fund balance from the general fund balance. If the~~
12 ~~result is less than zero, (1) equals zero;~~

13 ~~(2) Determine the lower of the general fund base percentage or the general fund balance~~
14 ~~percentage;~~

15 ~~(3) Subtract twenty percent (0.2) from the result of (2). If the result is less than zero, (3)~~
16 ~~equals zero;~~

17 ~~(4) Multiply the result of (3) by the district's general fund expenditures in the previous~~
18 ~~school fiscal year;~~

19 ~~(5) Multiply the result of (4) by the imputed interest rate;~~

20 ~~(6) Add the result of (1) and the result of (5) amount calculated by subtracting the~~
21 ~~allowable general fund balance from the general fund balance. If the result is less~~
22 ~~than zero, the result equals zero.~~

23 Section 15. That § 13-13-73.3 be amended to read as follows:

24 13-13-73.3. The secretary of education shall determine the reduction in state aid to education

1 pursuant to § 13-13-73.2. The secretary of education shall distribute the amount of money so
2 determined to school districts that received state aid pursuant to chapter 13-13 on a pro rata
3 basis according to the district's ~~average daily membership~~ fall enrollment compared to the total
4 ~~average daily membership~~ fall enrollment of all districts eligible for this distribution.

5 Section 16. That § 13-13-78 be amended to read as follows:

6 13-13-78. Terms used in § 13-13-79 mean:

- 7 (1) "Sparse school district," a school district that meets each of the following criteria:
- 8 (a) Has ~~an average daily membership~~ a fall enrollment per square mile of 0.50 or
9 less;
 - 10 (b) Has ~~an average daily membership~~ a fall enrollment of five hundred or less;
 - 11 (c) Has an area of four hundred square miles or more;
 - 12 (d) Has at least fifteen miles between its secondary attendance center or centers
13 and that of an adjoining district;
 - 14 (e) Operates a secondary attendance center;
 - 15 (f) Levies ad valorem taxes at the maximum rates allowed pursuant to § 10-12-42
16 or more; and
 - 17 (g) Has a general fund balance percentage of thirty percent or less excluding
18 revenue received from opting out of property tax limitations pursuant to
19 chapter 10-12;
- 20 (2) "Sparsity ~~average daily membership~~ fall enrollment," for sparse school districts with
21 a fall enrollment as defined in this Act of less than eighty-three or greater than two
22 hundred thirty-two, is calculated as follows:
- 23 (a) ~~For sparse school districts with an adjusted average daily membership as~~
24 ~~defined in subdivision 13-13-10.1(2) of less than one hundred or greater than~~

1 ~~two hundred seventy-five, divide the average daily membership as defined in~~
 2 ~~subdivision 13-13-10.1(1)~~ Divide the fall enrollment as defined in this Act by
 3 the area of the school district in square miles;

4 (b) Multiply the quotient obtained in subsection (a) times negative 0.125;

5 (c) Add 0.0625 to the product obtained in subsection (b); and

6 (d) Multiply the sum obtained in subsection (c) times the ~~average daily~~
 7 ~~membership~~ fall enrollment;

8 (3) "Sparsity adjusted ~~average daily membership~~ fall enrollment," calculated as follows:
 9 ~~For any sparse school district with an adjusted average daily membership as defined~~
 10 ~~in subdivision 13-13-10.1(2) of no less than one hundred, but no more than two~~
 11 ~~hundred seventy-five, the sparsity adjusted average daily membership is two hundred~~
 12 ~~seventy-five~~ for sparse school districts with a fall enrollment as defined in this Act
 13 of at least eighty-three, but no more than two hundred thirty-two, subtract the fall
 14 enrollment from two hundred thirty-two.

15 Section 17. That § 13-13-79 be amended to read as follows:

16 13-13-79. At the same time that foundation program state aid is distributed to school
 17 districts pursuant to §§ 13-13-10.1 to 13-13-41, inclusive, the secretary of the Department of
 18 Education shall distribute funds to sparse school districts by multiplying ~~either the sparsity~~
 19 ~~average daily membership calculation or the sparsity adjusted average daily membership~~
 20 ~~calculation in § 13-13-78~~ the result of the calculation in either subdivision 13-13-78(2) or
 21 subdivision 13-13-78(3) by the per student allocation as defined in § 13-13-10.1. However, no
 22 sparse school district may receive a sparsity benefit in any year that exceeds ~~two hundred fifty~~
 23 ~~one hundred twenty-five~~ thousand dollars.

24 Section 18. That § 13-13-1.2 be amended to read as follows:

1 13-13-1.2. Any records related to the reporting of ~~average daily membership~~ fall enrollment
2 of a public school district shall be subject to examination by the Department of Education at all
3 times.

4 Section 19. That § 13-13-1.3 be amended to read as follows:

5 13-13-1.3. If, in the department's examination of ~~average daily membership~~ fall enrollment,
6 it is determined that the data was overreported, the department shall recover the amount of state
7 aid overpaid as a result of the overreporting. Upon recovery of the overpayment, the department
8 shall deposit the overpayment into the state general fund. If the overreporting occurred with the
9 intent to increase the amount of state aid received by overreporting, the ~~individual~~ person
10 responsible for the overreporting may be charged with a Class 1 misdemeanor as provided in
11 § 13-8-44, with the maximum penalty as defined in § 22-6-2.

12 Section 20. That § 13-13-1.8 be amended to read as follows:

13 13-13-1.8. ~~Students~~ No student attending the Black Hills Forest High School in Lawrence
14 County may ~~not~~ be included by any school district in its ~~average daily membership~~ fall
15 enrollment for purposes of state aid to education.

16 Section 21. That § 13-15-28 be amended to read as follows:

17 13-15-28. Any school district that enters into contractual agreements pursuant to § 13-15-11
18 and sends over fifty percent of its resident students enrolled in grades for which it contracts to
19 an adjoining school district or districts located in South Dakota shall reorganize the school
20 district pursuant to chapter 13-6 within two years of the end of the school year. For the purposes
21 of this section, the number of students attending adjoining districts shall be based on ~~average~~
22 ~~daily membership pursuant to subdivision 13-13-10.1(1)~~ fall enrollment as defined in this Act.
23 This section does not apply to a school district located wholly within the boundaries of an Indian
24 reservation.

1 Section 22. That § 13-28-40 be amended to read as follows:

2 13-28-40. An enrollment options program is established to enable any South Dakota
3 kindergarten through twelfth grade student to attend any public school that serves the student's
4 grade level in any South Dakota school district, subject to the provisions in §§ 13-28-40 to 13-
5 28-47, inclusive. For purposes of determining state aid to education as it relates to the provisions
6 of §§ 13-28-40 to 13-28-47, inclusive, ~~average daily membership as defined in § 13-13-10.1~~
7 fall enrollment as defined in this Act is used to compute foundation aid and special education
8 average daily membership as defined in § 13-37-35 is used to determine funding for special
9 education.

10 Section 23. That § 13-28-49 be amended to read as follows:

11 13-28-49. Notwithstanding the provisions of § 13-28-40, any student who enrolls in another
12 school district pursuant to the provisions contained in §§ 13-28-40 to 13-28-47, inclusive, from
13 a district that does not receive state aid pursuant to chapter 13-13 in the succeeding fiscal year
14 remains the financial obligation of the resident district. For each student, the resident district
15 shall pay tuition to the nonresident district in the succeeding fiscal year per the following
16 calculation:

- 17 (1) ~~Multiply~~ Determine the nonresident district's ~~adjusted average daily membership~~
18 ~~calculated pursuant to subdivision 13-13-10.1(2) by the per student allocation as~~
19 ~~defined in subdivision 13-13-10.1(4)~~ local need pursuant to subdivision 13-13-73(2);
- 20 (2) Divide the result of (1) by the nonresident district's ~~average daily membership~~
21 ~~calculated pursuant to subdivision 13-13-10.1(1)~~ fall enrollment as defined in this
22 Act;
- 23 (3) Multiply the result of (2) by the number of days the student was enrolled in the
24 nonresident district;

1 (4) Divide the result of (3) by the number of days the nonresident district was in session.

2 Section 24. That § 13-28A-7 be amended to read as follows:

3 13-28A-7. For the purposes of state aid to education distributed pursuant to chapter 13-13,
4 any student sent to South Dakota from North Dakota is included in the receiving school district's
5 ~~average daily membership~~ fall enrollment.

6 Section 25. That § 13-28A-8 be amended to read as follows:

7 13-28A-8. For the purposes of state aid to education distributed pursuant to chapter 13-13,
8 any student sent to North Dakota from South Dakota may not be included in the resident school
9 district's ~~average daily membership~~ fall enrollment.

10 Section 26. That § 12-25-6.1 be amended to read as follows:

11 12-25-6.1. The provisions of this chapter, except §§ 12-25-27 to 12-25-31, inclusive, do not
12 apply to any candidate or candidate election for judicial, municipal, or other governmental
13 subdivision offices. However, the governing body of any municipality or other governmental
14 subdivision may adopt an ordinance or resolution to make the provisions of chapter 12-25, with
15 or without amendments, applicable to municipal or other governmental subdivision elections.
16 The provisions of this chapter do apply to any candidate or candidate election for any county
17 office or school board seat in a district with ~~an average daily membership~~ a fall enrollment in
18 excess of two thousand students during the previous academic year.

19 Section 27. That § 42-7B-48.1 be amended to read as follows:

20 42-7B-48.1. Disbursements from the Gaming Commission fund shall be as set forth in § 42-
21 7B-48 until such time as the net municipal proceeds paid to the City of Deadwood equals six
22 million eight hundred thousand dollars for each year, and after payment of commission expenses
23 pursuant to subdivision 42-7B-48(2), and after payment of one hundred thousand dollars to the
24 State Historical Preservation Grant and Loan fund pursuant to subdivision 42-7B-48(4).

1 Thereafter, all remaining funds shall be distributed as follows:

- 2 (1) Seventy percent to the state general fund;
- 3 (2) Ten percent to be distributed to municipalities in Lawrence County, except the City
4 of Deadwood, pro rata according to their population;
- 5 (3) Ten percent to be distributed to school districts, pro rata based upon the previous
6 year's ~~average daily membership~~ fall enrollment, located in whole or in part, in
7 Lawrence County. For any school district located only partly in Lawrence County,
8 only that portion of the district's ~~average daily attendance~~ fall enrollment which
9 represents students residing in Lawrence County shall be considered in calculating
10 the proration required by this subdivision; and
- 11 (4) Ten percent to the City of Deadwood for deposit in the historic restoration and
12 preservation fund.

13 Section 28. That § 13-16-26 be amended to read as follows:

14 13-16-26. All or any part of a surplus of any school district fund, except the capital outlay
15 fund provided by §§ 13-16-6 to 13-16-9, inclusive, and the special education fund provided by
16 § 13-37-16 may be transferred to any other school district fund. ~~However, any~~ Only a school
17 district with a plan for reorganization that has been approved by the voters pursuant to § 13-6-47
18 may transfer all or any part of a surplus in the capital outlay fund to the general fund. Any
19 unused portion of money that has been transferred into the special education fund may be
20 transferred from the special education fund within the current fiscal year to the fund from which
21 it originated. All or any part of any school district fund may be loaned to any other school
22 district fund for a term not to exceed twenty-four months.