

# State of South Dakota

EIGHTY-NINTH SESSION  
LEGISLATIVE ASSEMBLY, 2014

964V0462

SENATE ENGROSSED NO. **HB 1142** - 03/11/2014

Introduced by: Representatives Mickelson, Bolin, Conzet, Dryden, Ecklund, Erickson, Hagggar (Don), Hajek, Heinemann (Leslie), Hickey, Hoffman, Langer, Lust, May, Novstrup (David), Otten (Herman), Rozum, Solum, Stalzer, Werner, Westra, Wick, and Wink and Senators White, Curd, Frerichs, Heineman (Phyllis), Jones (Tom), Kirkeby, Krebs, Peters, Rampelberg, Rave, Van Gerpen, and Vehle

1 FOR AN ACT ENTITLED, An Act to enhance the support for public postsecondary technical  
2 institutes, to make an appropriation therefor, and to declare an emergency.

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

4 Section 1. That chapter 9-21 be amended by adding thereto a NEW SECTION to read as  
5 follows:

6 The governing body of a municipality may contribute sums of money to provide general  
7 operating and capital support to any postsecondary technical institute and other career and  
8 technical education purposes. The funds necessary to execute this section may be appropriated  
9 out of the municipal general fund, the capital outlay fund, or both.

10 Section 2. That chapter 7-18 be amended by adding thereto a NEW SECTION to read as  
11 follows:

12 Any county of this state may, through its county commissioners, contribute sums of money  
13 to provide general operating and capital support to any postsecondary technical institute and



1 other career and technical education purposes. The funds necessary to execute this section may  
2 be appropriated from the county general fund, the capital outlay fund, or both.

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

4 13-16-3. The general fund of the school district is a fund provided by law to meet all the  
5 operational costs of the school district, excluding capital outlay fund and special education fund  
6 expenditures pursuant to § 13-13-37, and to redeem all outstanding warrants against the general  
7 fund. Notwithstanding the provisions of § 13-16-6, the general fund may be used to purchase  
8 or lease computer hardware and software. The general fund may be used to support a  
9 postsecondary technical institute and other career and technical education purposes.

10 Section 4. That § 13-39-38 be amended to read as follows:

11 13-39-38. The secretary of education shall apportion and distribute funds made available for  
12 postsecondary technical institutes through a formula approved by the South Dakota Board of  
13 Education to the LEAs having jurisdiction over postsecondary technical institutes to assist in  
14 maintaining and operating those schools. The use of the funds are subject to rules promulgated  
15 by the state board pursuant to subdivision 13-39-37(3) and in accordance with the approved  
16 state plan for career and technical education. However, the formula approved by the South  
17 Dakota Board of Education may not reduce or increase the apportionment and distribution to  
18 any postsecondary technical institute as a result of any municipal, county, or LEA financial  
19 support.

20 Section 5. That chapter 13-39 be amended by adding thereto a NEW SECTION to read as  
21 follows:

22 Any postsecondary technical institute, LEA school district or school districts, or any  
23 combination of them that established a postsecondary technical institute may modify the  
24 postsecondary technical institute's governing board, the procedure for selecting the governing

1 board members and may determine whether to establish the postsecondary technical institute  
2 as a distinct separate LEA, which shall be an LEA and a public body under chapter 1-16A. Upon  
3 establishment of such a separate LEA, the school district shall assign to, and the newly  
4 established separate LEA shall expressly assume, all rights, covenants and obligations of the  
5 school district in connection with any lease purchase agreement or sublease authorized under  
6 §§ 13-39-66 to 13-39-71, inclusive, and any and all instruments and other agreements related  
7 thereto.

8 Section 6. There is established a postsecondary technical institute equipment fund. All funds  
9 in excess of nineteen million four hundred twenty-four thousand five hundred eighty-six dollars  
10 available as a result of the termination of the large project contractor's excise tax refund program  
11 and the sunseting of any potential remaining refund claim pursuant to chapter 10-46B shall be  
12 used to fund the postsecondary technical institute equipment fund.

13 Section 7. The postsecondary technical institutes facilities fund shall be terminated and the  
14 balance transferred to the postsecondary technical institute equipment fund provided the  
15 collateral requirements associated with the postsecondary technical institute facilities fund have  
16 been released or satisfied.

17 Section 8. Any money in the postsecondary technical institute equipment fund is  
18 continuously appropriated for distribution as provided in this section. The secretary of education  
19 shall grant the money to the postsecondary technical institutes to purchase equipment.  
20 Equipment purchases shall be based upon priorities established by each postsecondary technical  
21 institute, approved by each postsecondary technical institute's governing body and approved by  
22 the South Dakota Board of Education.

23 Section 9. There is hereby appropriated from the general fund the sum of two hundred fifty  
24 thousand dollars (\$250,000), or so much thereof as may be necessary, to the Department of

1 Education for the maintenance and repair of the postsecondary technical institute buildings to  
2 be apportioned and distributed by the South Dakota Board of Education.

3 Section 10. The secretary of education shall approve vouchers and the state auditor shall  
4 draw warrants to pay expenditures authorized by this Act.

5 Section 11. Any amounts appropriated in this Act not lawfully expended or obligated by  
6 June 30, 2015, shall revert in accordance with the procedures prescribed in chapter 4-8.

7 Section 12. That § 1-16A-95 be amended to read as follows:

8 1-16A-95. Beginning on July 1, 2013, the issuance of any additional bonds, notes, or other  
9 obligations of the authority which are payable out of receipts, rentals, and other payments made  
10 pursuant to lease purchase agreements with the Western Dakota Technical Institute, the  
11 Southeast Technical Institute, the Lake Area Technical Institute, the Mitchell Technical  
12 Institute, or the South Dakota Board of Education under the authority of chapter 13-39 shall be  
13 approved by the Legislature before issuance. This requirement, however, does not apply to the  
14 issuance of bonds for the purposes of refinancing or refunding existing bonds, notes, or other  
15 obligations.

16 Section 13. Whereas, this Act is necessary for the support of the state government and its  
17 existing public institutions, an emergency is hereby declared to exist, and this Act shall be in  
18 full force and effect from and after its passage and approval.