

State of South Dakota

EIGHTY-FIFTH SESSION
LEGISLATIVE ASSEMBLY, 2010

776R0375

SENATE BILL NO. 105

Introduced by: Senators Garnos, Kloucek, and Maher and Representatives Van Gerpen,
Juhnke, and Sorenson

1 FOR AN ACT ENTITLED, An Act to allow all school districts to have a general fund balance
2 percentage of up to forty percent for fiscal years 2011 through 2015.

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 § 13-28-42.1 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
15 membership of the receiving district when enrolled in the receiving district. When



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

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

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

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

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

14 (2A) "Fall enrollment," the number of kindergarten through twelfth grade students enrolled
15 in all schools operated by the school district on the last Friday of September of the
16 previous school year minus the number of students for whom the district receives
17 tuition, except nonresident students who are in the care and custody of a state agency
18 and are attending a public school and students for whom tuition is being paid
19 pursuant to § 13-28-42.1, plus the number of students for whom the district pays
20 tuition. When computing state aid to education for a school district under the
21 foundation program pursuant to § 13-13-73, the secretary of the Department of
22 Education shall use either the school district's fall enrollment or the average of the
23 school district's fall enrollment and the school district's fall enrollment from the prior
24 year, whichever is higher. However, if a school district qualifies to benefit from both

1 the averaging permitted in this subdivision and the one-time payment provided in
2 § 13-13-80 in the same fiscal year, the school district may not benefit from both, but
3 only from the one that provides the most additional funding to the district;

4 (2B) "Current fall enrollment," the number of kindergarten through twelfth grade students
5 enrolled in all schools operated by the school district on the last Friday of September
6 of the current school year minus the number of students for whom the district
7 receives tuition except nonresident students who are in the care and custody of a state
8 agency and are attending a public school and students for whom tuition is being paid
9 pursuant to § 13-28-42.1, plus the number of students for whom the district pays
10 tuition;

11 (2C) "Small school adjustment," calculated as follows:

12 (a) For districts with a fall enrollment of two hundred or less, multiply 0.2 times
13 \$4,237.72;

14 (b) For districts with a fall enrollment of greater than two hundred, but less than
15 six hundred, multiply the fall enrollment times negative 0.0005; add 0.3 to that
16 result; and multiply the sum obtained times \$4,237.72;

17 (3) "Index factor," is the annual percentage change in the consumer price index for urban
18 wage earners and clerical workers as computed by the Bureau of Labor Statistics of
19 the United States Department of Labor for the year before the year immediately
20 preceding the year of adjustment or three percent, whichever is less;

21 (4) "Per student allocation," for school fiscal year 2009 is \$4,664.66. Each school fiscal
22 year thereafter, the per student allocation is the previous fiscal year's per student
23 allocation increased by the index factor;

24 (5) "Local need," is the sum of:

- 1 (a) The per student allocation multiplied by the fall enrollment; and
- 2 (b) The small school adjustment, if applicable, multiplied by the fall enrollment;
- 3 and
- 4 (c) The payment distributed pursuant to § 13-13-80, if applicable;
- 5 (6) "Local effort," the amount of ad valorem taxes generated in a school fiscal year by
- 6 applying the levies established pursuant to § 10-12-42;
- 7 (7) "General fund balance," the unreserved fund balance of the general fund, less general
- 8 fund exclusions plus, beginning with transfers made in fiscal year 2001, any transfers
- 9 out of the general fund for the previous school fiscal year;
- 10 (8) "General fund balance percentage," is a school district's general fund balance divided
- 11 by the school district's total general fund expenditures for the previous school fiscal
- 12 year, the quotient expressed as a percent;
- 13 (9) "General fund base percentage," is the lesser of:
- 14 ~~_____ (a) The general fund balance percentage as of June 30, 2000; or~~
- 15 ~~_____ (b) The maximum allowable general fund balance percentage for that particular~~
- 16 ~~_____~~ fiscal year as stated in this subsection.
- 17 ~~_____ For fiscal year 2008, the maximum allowable percentage is one hundred percent; for~~
- 18 ~~_____ fiscal year 2009, eighty percent; for fiscal year 2010, sixty percent; for fiscal year~~
- 19 ~~_____ 2011, forty percent~~ For fiscal years 2011 through 2015, the maximum allowable
- 20 percentage is forty percent; for fiscal year 2012 2016 and subsequent fiscal years,
- 21 twenty-five percent. However, the general fund base percentage can never be less
- 22 than twenty-five percent;
- 23 (10) "Allowable general fund balance," the general fund base percentage multiplied by the
- 24 district's general fund expenditures in the previous school fiscal year;

1 (11) "General fund exclusions," revenue a school district has received from the imposition
2 of the excess tax levy pursuant to § 10-12-43; revenue a school district has received
3 from gifts, contributions, grants, or donations; revenue a school district has received
4 under the provisions of §§ 13-6-92 to 13-6-96, inclusive; revenue a school district
5 has received as compensation for being a sparse school district under the terms of
6 §§ 13-13-78 and 13-13-79; any revenue a school district has received under the
7 provisions of the American Recovery and Reinvestment Act of 2009 (P.L. 111-5);
8 and any revenue in the general fund set aside for a noninsurable judgment.