

# State of South Dakota

EIGHTY-SIXTH SESSION  
LEGISLATIVE ASSEMBLY, 2011

758S0246

## SENATE BILL NO. 126

Introduced by: Senators Johnston, Gray, Krebs, Putnam, and Schlekeway and  
Representatives Hunhoff (Bernie), Brunner, Dennert, Nelson (Stace), and Sly

1 FOR AN ACT ENTITLED, An Act to stabilize the funding of the state aid to education formula  
2 for two years by appropriating money from the education enhancement trust fund and  
3 borrowing money from certain school districts, to create the education stabilization fund,  
4 and to prohibit school districts from imposing an excess tax levy for two years.

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

6 Section 1. There is hereby created in the Department of Education the education stabilization  
7 fund. All moneys in the education stabilization fund are subject to appropriation by the  
8 Legislature through the General Appropriations Act or special appropriations acts to provide  
9 funding to school districts pursuant to this Act. Any interest earned shall be credited to the fund.

10 Section 2. There is hereby appropriated from the education enhancement trust fund the sum  
11 of twenty million dollars (\$20,000,000), or so much thereof as may be necessary, to the  
12 education stabilization fund to provide ten million dollars in fiscal year 2012 and ten million  
13 dollars in fiscal year 2013 to fund foundation program state aid pursuant to chapter 13-13.

14 Section 3. For fiscal years 2012 and 2013, the amount of state funding per year to which all  
15 school districts are entitled under the foundation funding formula pursuant to chapter 13-13 shall



1 be reduced by ten million dollars with an equal amount of funding per fall enrollment being  
2 deducted from the amount of money to which each school district is entitled. Each school  
3 district's share of the reduction shall be deducted in equal installments from the twelve payments  
4 the school district receives in state aid funding during each fiscal year pursuant to § 13-13-74.

5 Section 4. That subdivision (4) of § 13-13-10.1 be amended to read as follows:

6 (4) "Per student allocation," for school fiscal ~~year 2011~~ years 2012 and 2013 is \$4,804.60.

7 Each school fiscal year thereafter, the per student allocation is the previous fiscal  
8 year's per student allocation increased by the index factor;

9 Section 5. That chapter 10-12 be amended by adding thereto a NEW SECTION to read as  
10 follows:

11 Notwithstanding the provisions of § 10-12-43, no school district may originally impose or  
12 subsequently increase an excess tax levy for the period of time beginning on July 1, 2011 and  
13 ending on June 30, 2013.

14 Section 6. Beginning in school fiscal year 2014, the total amount by which state funding to  
15 school districts is reduced in school fiscal years 2012 and 2013 shall be paid to school districts  
16 with funds from the education stabilization fund. Each school district is entitled to receive an  
17 amount equal to the total amount deducted from its foundation formula payments pursuant to  
18 section 3 of this Act. One-third of the amount to which each school district is entitled shall be  
19 paid per year in school fiscal years 2014, 2015, and 2016, and the accrued interest remaining in  
20 the education stabilization fund at the end of each of those three fiscal years shall be distributed  
21 following the end of each of those years to the school districts receiving payments pursuant to  
22 this section on a per fall enrollment basis.

23 The payments made to school districts pursuant to this section are in addition to any  
24 payments the school district is entitled to receive under the foundation funding formula.

1       Section 7. If, in any fiscal year, an amount of state funding per student is either added to or  
2       deducted from the amount of state funding to which a student is entitled under the foundation  
3       funding formula pursuant to chapter 13-13, any contract that the school district may have that is  
4       contingent upon the per student allocation as defined in § 13-13-10.1 shall instead be contingent  
5       upon the actual amount of state funding per student that is received by the school district in that  
6       fiscal year.