

State of South Dakota

SEVENTY-NINTH SESSION
LEGISLATIVE ASSEMBLY, 2004

400J0709

SENATE BILL NO. 206

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

1 FOR AN ACT ENTITLED, An Act to increase the per student allocation in the state aid to
2 education formula.

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
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
16 counting a student who meets these criteria in its general enrollment average daily



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

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

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

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

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

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

17 (4) "Per student allocation," for school fiscal year ~~2004~~ 2005 is ~~\$3,967.88~~ \$4,086.56.
18 Each school fiscal year thereafter, the per student allocation is the previous fiscal
19 year's per student allocation increased by the index factor;

20 (5) "Local need," the per student allocation multiplied by the adjusted average daily
21 membership;

22 (6) "Local effort," the amount of ad valorem taxes generated in a school fiscal year by
23 applying the levies established pursuant to § 10-12-42;

24 (7) "General fund balance," the unreserved fund balance of the general fund, less general

1 fund exclusions plus, beginning with transfers made in fiscal year 2001, any transfers
2 out of the general fund for the previous school fiscal year;

3 (8) "General fund balance percentage," is a school district's general fund balance divided
4 by the school district's total general fund expenditures for the previous school fiscal
5 year, the quotient expressed as a percent;

6 (9) "General fund base percentage," is the general fund balance percentage as of June 30,
7 2000. However, the general fund base percentage can never increase and can never
8 be less than twenty percent;

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

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

13 (12) "General fund exclusions," revenue a school district has received from the imposition
14 of the excess tax levy pursuant to § 10-12-43; revenue a school district has received
15 from gifts, contributions, grants, or donations; revenue a school district has received
16 under the provisions of §§ 13-6-92 to 13-6-96, inclusive; and any revenue in the
17 general fund set aside for a noninsurable judgment.