

State of South Dakota

EIGHTY-FIRST SESSION
LEGISLATIVE ASSEMBLY, 2006

857M0179

HOUSE BILL NO. 1213

Introduced by: Representatives Dennert, Gillespie, Haley, Halverson, Hargens, Rausch,
Tidemann, and Wick and Senator Hundstad

1 FOR AN ACT ENTITLED, An Act to provide for the compensation of school districts that
2 experience significant gains in enrollment from one year to the next.

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

4 Section 1. There is hereby established in the state treasury the extraordinary growth fund.
5 The fund shall be administered by the Department of Education, and the funds it contains shall
6 be used to compensate school districts that experience extraordinary growth in enrollment from
7 one school year to the next.

8 Section 2. That § 13-13-10.1 be amended to read as follows:

9 13-13-10.1. Terms used in this chapter mean:

10 (1) "Average daily membership," the average number of resident and nonresident
11 kindergarten through twelfth grade pupils enrolled in all schools operated by the
12 school district during the previous regular school year, minus average number of
13 pupils for whom the district receives tuition, except pupils described in subdivision
14 (1A) ~~and pupils for whom tuition is being paid pursuant to § 13-28-42~~ and plus the
15 average number of pupils for whom the district pays tuition;



- 1 (1A) Nonresident students who are in the care and custody of the Department of Social
2 Services, the Unified Judicial System, the Department of Corrections, or other state
3 agencies and are attending a public school may be included in the average daily
4 membership of the receiving district when enrolled in the receiving district. When
5 counting a student who meets these criteria in its general enrollment average daily
6 membership, the receiving district may begin the enrollment on the first day of
7 attendance. The district of residence prior to the custodial transfer may not include
8 students who meet these criteria in its general enrollment average daily membership
9 after the student ceases to attend school in the resident district;
- 10 (2) "Adjusted average daily membership," calculated as follows:
- 11 (a) For districts with an average daily membership of two hundred or less,
12 multiply 1.2 times the average daily membership;
- 13 (b) For districts with an average daily membership of less than six hundred, but
14 greater than two hundred, raise the average daily membership to the 0.8293
15 power and multiply the result times 2.98;
- 16 (c) For districts with an average daily membership of six hundred or more,
17 multiply 1.0 times their average daily membership;
- 18 (3) "Index factor," is the annual percentage change in the consumer price index for urban
19 wage earners and clerical workers as computed by the Bureau of Labor Statistics of
20 the United States Department of Labor for the year before the year immediately
21 preceding the year of adjustment or three percent, whichever is less;
- 22 (4) "Per student allocation," for school fiscal year 2006 is \$4,237.72. Each school fiscal
23 year thereafter, the per student allocation is the previous fiscal year's per student
24 allocation increased by the index factor;

- 1 (5) "Local need," the per student allocation multiplied by the adjusted average daily
2 membership;
- 3 (6) "Local effort," the amount of ad valorem taxes generated in a school fiscal year by
4 applying the levies established pursuant to § 10-12-42;
- 5 (7) "General fund balance," the unreserved fund balance of the general fund, less general
6 fund exclusions plus, beginning with transfers made in fiscal year 2001, any transfers
7 out of the general fund for the previous school fiscal year;
- 8 (8) "General fund balance percentage," is a school district's general fund balance divided
9 by the school district's total general fund expenditures for the previous school fiscal
10 year, the quotient expressed as a percent;
- 11 (9) "General fund base percentage," is the general fund balance percentage as of June 30,
12 2000. However, the general fund base percentage can never increase and can never
13 be less than twenty percent;
- 14 (10) "Allowable general fund balance," the fund base percentage multiplied by the
15 district's general fund expenditures in the previous school fiscal year;
- 16 (11) "Imputed interest rate," the average prime rate for the preceding fiscal year minus 2.5
17 percentage points;
- 18 (12) "General fund exclusions," revenue a school district has received from the imposition
19 of the excess tax levy pursuant to § 10-12-43; revenue a school district has received
20 from gifts, contributions, grants, or donations; revenue a school district has received
21 under the provisions of §§ 13-6-92 to 13-6-96, inclusive; and any revenue in the
22 general fund set aside for a noninsurable judgment;
- 23 (13) "Current average daily membership," the average number of resident and nonresident
24 kindergarten through twelfth grade pupils enrolled in all schools operated by the

1 school district during the most recent reporting period, minus the average number of
2 pupils for whom the district receives tuition, except pupils described in subdivision
3 (1A) and plus the average number of pupils for whom the district pays tuition;
4 (14) "Reporting period," the period of time between the reporting deadlines by which
5 school districts must submit certain student and enrollment data to the Department
6 of Education as set forth in ARSD 24:17:03:02.

7 Section 3. That chapter 13-13 be amended by adding thereto a NEW SECTION to read as
8 follows:

9 If a school district's current average daily membership for the third reporting period of a
10 school fiscal year is at least fifteen percent higher than its average daily membership, the school
11 district shall receive funds from the extraordinary growth fund established in section 1 of this
12 Act to compensate the district for the difference between its current average daily membership
13 and its average daily membership.