

South Dakota ASBO 55th Annual Spring Conference

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Office of State Aid and School Finance

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FY2023 General State Aid

- Target Teacher Salary - \$55,756.31
- General Fund Property Tax Levies – Pay 2023
 - Agriculture – \$1.362 per \$1,000 valuation
 - Owner Occupied – \$3.048 per \$1,000 valuation
 - Non-Ag (Utilities) - \$6.308 per \$1,000 valuation
- Overhead Rate – 38.78%
- Per Student Equivalent - \$6,654.56 (Sparsity)
- General State Aid Calculator
 - <https://doe.sd.gov/ofm/schoolbudget.aspx>

Impact of HB 1119

- Revises the general state aid formula to include alternative instruction students participating in high school sanctioned interscholastic activities in the prior school year.
- The count to be included is equal to 10% of the number of eligible students.
- This is will not be a separate calculated payment, the count of eligible students will be added to the SAFE count for funding purposes as a component of the funding formula.

HB 1119 Count of students

- Any K-12 alternative instruction student participating in high school sanctioned activities.
 - Excludes elementary and middle school activities.
 - Includes middle school aged children participating in high school activities.
- Alternative instruction students are only counted one time, no matter the number of activities he/she may participate in.
- Alternative instruction students that were included in the State Aid Fall Enrollment count as of the last Friday in September will be excluded for this purpose.

HB 1119 – Next Steps

- Alternative instruction student information will be gathered through a partnership with the SD High School Activities Association.
- SDHSAA is currently in the process of collecting a count of alternative instruction students participating in high school sanctioned activities.
- SDHSAA will provide a listing of unduplicated alternative instruction students to the Dept of Education by May 20th.
- DOE staff will compare the listing against the SAFE count to exclude students that were already included for funding. (tentative June)
- A file of the final count of these students to be added to the SAFE count for funding purposes will be emailed out to districts the end of June.
- Student count will be separately displayed and posted on state aid calculation worksheets.

English Learner (EL) Adjustment

- Includes 25% of K-12 students from the prior school year who scored less than 4.0 on the state language proficiency assessment.
- Current general state aid formula (FY22) included an allowance to utilize 25% of the EL count of eligible students from the Spring of 2020 or Spring of 2021, whichever is greater.
- FY2023 state aid returns to the original formula of 25% of eligible EL students (scoring less than 4.0 on the language assessment) taking the language assessment test in the preceding year. (Spring of 2022)

Other Revenue Equalization

- FY2023 Fully Equalized in the General State Aid Formula
 - Base Amount for all districts = \$0
 - Other Revenues included in the equalization
 - Rural Electric and Telephone Utility Taxes (1140)
 - Local Revenue in Lieu of Taxes (1210)
 - County Apportionment (2110)
 - County Revenue in Lieu of Taxes (2200)
 - Select Wind Farm Taxes (3113)
 - Bank Franchise Tax (3114)
 - Continue to budget and receipt each of these revenue sources as usual. There is no change in how the revenue is paid to each district.

Other Revenue Equalization (continued)

Any district may review the revenue amounts reported for all 6 other revenues from a report available in Annual Report program.

- Click on **Reports**
- Select Report Group **District**
- Select – **DVR – All Reports**
- Look for **Report: Other Revenue Summary Report**

Revenue Account:	<u>1140</u>	<u>1210</u>	<u>2110</u>	<u>2200</u>	<u>3113</u>	<u>3114</u>
FY2017	\$343,293.87	\$0.00	\$377,538.47	\$19,662.10	\$0.00	\$388,310.67
FY2018	\$343,373.18	\$0.00	\$446,617.17	\$19,494.06	\$0.00	\$414,878.29
FY2019	\$332,466.65	\$0.00	\$432,047.51	\$18,090.36	\$0.00	\$395,534.65
FY2020	\$324,734.59	\$9,583.51	\$416,480.96	\$10,260.71	\$0.00	\$543,413.07
FY2021	\$316,244.04	\$20,156.69	\$421,646.00	\$0.00	\$2,762.97	\$560,837.98

Teacher Compensation Accountability

- Compare the average TC reported on the annual report for 2021-2022 school year to the average TC from FY2017.
- The district's FY2022 average **MUST BE equal to or greater than** the reported average from FY2017.
- Penalty for non-compliance - \$500 per total FTE reported on Teacher Compensation
- See Teacher Compensation Calculator - <https://doe.sd.gov/ofm/schoolbudget.aspx>

Teacher Compensation Accountability

- Teacher Compensation Reporting
 - Data is pre-filled from the Personnel Record Form Database
 - Includes K-12 Certified Instructional Staff
 - Shared Teachers are reported by the District holding the teacher's contact and paying the salary/benefits.
- Examples of Staff excluded from this reporting
 - Non-certified teachers, general education Pre-K teachers, guidance counselors, librarians, technology directors/coordinators, long term substitutes (non-contract), administrators and classified staff.

<https://doe.sd.gov/ofm/documents/19-TC-Guidance.pdf>

Timeline for Teacher Compensation

- **Currently available** - Teacher Compensation calculator available to all school district administrators to determine if meeting the accountability regarding average TC.
- **July 1, 2022** - school districts may start to enter TC data (Annual Financial Report)
- **August 1, 2022** - Teacher Compensation data is due. (SDCL 13-8-47)
- **August 30, 2022** - Teacher Compensation data is considered late and subject to penalties (SDCL 13-8-47 & 13-13-38)
- **September 30, 2022** - SASF staff complete their review and notify school district administrators to finalize their submission by signing final certification.
- **October 7, 2022** - All districts will be notified by email of their Teacher Compensation accountability status and potential penalties pursuant to SDCL 13-13-73.6. (ARSD 24:44:01:04) based on submitted data.
- **October 14, 2022** - TC waiver form will be made available for districts to use.
- **November 3rd, 2022** - Teacher Compensation waiver form and all supporting documentation for must be submitted to DOE (ARSD 24:44:01:08).
- **Before November 28, 2022** - SFAB board will meet to review submitted waivers. All districts submitting a waiver must be in attendance.
- **Within 5 business days of the board's determination-** SFAB will meet to approve a written report of their determinations and submit the report to the Joint Committee on Appropriations for approval. (ARSD 24:44:01:08)

Monthly Cash Balance Accountability – General Fund

- % of cash balance = lowest monthly amount divided by the TOTAL general fund expenditures for the fiscal year (may not include any “other financing uses”).
- Allowable percentages: (student count is the lesser of the 2 previous years or the current year)
 - » Student count less than 201 40%
 - » Student count 201 to 599 30%
 - » Student count greater than 599 25%
- FY2022 Annual Report Cash Balances are covered under the 2-year waiver granted due to the impact of the Covid-19 pandemic.
- Beginning on July 1, 2022 (FY2023 annual report cash balances) – cash balance information will be used to determine FY2024 general state aid penalties.

FY2023 Special Education State Aid

- Disability Funding Allocations
 - Level 1 - \$6,532 (10.72% of ADM)
 - Level 2 - \$15,411
 - Level 3 - \$19,682
 - Level 4 - \$15,981
 - Level 5 - \$34,293 (State Multiple Disability)
 - Level 6 - \$9,066
- Special Education Levies – Pay 2023
 - Local Effort, 100% participation funding formula – \$1.399 per \$1,000 valuation
 - Maximum Levy (required for ECF) – \$1.599 per \$1,000 valuation
- Special Education State Aid Calculator
 - <https://doe.sd.gov/ofm/schoolbudget.aspx>

Alternative Instruction Student Count for Special Education Funding Purposes

- SDCL 13-37-35.1 (16) includes the number of alternative instruction children under age 18, reported as of the last Friday in September of the previous school year in the count for level 1 funding.
- Change in reporting method for alternative instruction notifications makes it difficult to verify the student count and eligibility.
- DOE staff are working to verify student eligibility and will provide a count of students as soon as possible.
- Student counts for students that were also included the state aid fall enrollment count need to be excluded to avoid duplication.

Extraordinary Cost Fund (ECF)

- Funding available FY2022 = \$5,500,000 (maximum)
- Application available from April 1st thru Friday, April 29th
- DOE staff review applications and make you aware of questions about your submission.
- May 11th – ECF board meeting to review all applications and make recommendations to Secretary Sanderson regarding funding.
- May 16th-20th – Districts notified regarding funding status
- May state aid – approved ECF included with monthly state aid payment.

Contact Information

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