
58TH ANNUAL FALL CONFERENCE – SDASBO STATE AID AND SCHOOL FINANCE



south dakota
DEPARTMENT OF EDUCATION

Learning. Leadership. Service.

FOOD SERVICE PROGRAM UPDATES

- Net Cash Resources flexibility
 - Flexibility extended for FY2024 food service data, school districts will be allowed up to 5 months net cash resources in fund 51
 - The SASF Office will complete the net cash resource calculation for each district based on the fund 51 annual report data and provide the information to the CANS program staff
 - The CANS program staff will work with districts on approving a 2-year spend down plan to meet compliance with the NCR requirement for those districts that exceed the 5-month limitation
- Supply Chain Assistance
 - Tracking the eligible food expenses for these funds
 - Manual Journal Entry for Revenue Recognition
 - Debit 51 475, Credit 51 4810

ANNUAL FINANCIAL REPORT SUMMARY – FY2024

■ Rural Electric and Telephone Gross Receipts Revenues

- Revenue Account 10 1140
- Rural Electric Tax paid on County Remittances (typically in July)
- Telephone Gross Receipts paid by Dept of Revenue (around August 20th)
- These revenues are one component of Other Revenue Local Effort in the general state aid formula

■ Receivables – Revenue Recognition

- Booking receivables for grant revenue related to FY2024 federal expenditures
- Clearing receivables for revenues when payment is received (cash receipt should go to the 140 due from Govt Account)
 - Improperly recording these receipts to the revenue account again doubles up the revenue in more than 1 fiscal year
- Submit claims for federal reimbursement requests for eligible expenditures before the end of the fiscal year

ANNUAL FINANCIAL REPORT SUMMARY – FY2024

■ Computer Hardware & Software Expenditures

- Computers/iPads/Chromebooks, etc. – purchased for students and/or teachers are instructional expenditures. These need to be coded to the 1111, 1121, 1131 or applicable instruction function.
- These expenditures should not be coded to 2227-technology coordinator function.

■ Coding and Tracking Federal Grant Expenditures

- All restricted federal grant expenditures must be tracked and separately identified by grant in all funds.
 - Includes Title I, Title II & IV-REAP, IDEA 611, IDEA 619, SRSA-Small Rural School Achievement, Perkins, Johnson O'Malley funds
 - Utilize the additional coding options in your software other than the fund, function and object codes to identify these expenditures.
 - Expenditures must match the approved budget outlined in the Grants Management System.
 - Submit amendments before making expenditures that are not in your approved budget.

ANNUAL FINANCIAL WRAP UP – FY2024

- Finish the final review of all fiscal data – In Process
- Final Review of Monthly Cash Balance data
 - Preliminary contact with districts that did not meet the accountability
 - Official notification by October 4th, 2024
- Final Teacher Compensation data review
 - Preliminary review completed of individual district data
 - Statewide review of district data for irregular benefit amounts
 - Overall review of district total salary & benefit data compared to prior years
 - Official notification by October 4th, 2024
- Annual Report Verification Forms – Final step to close out the annual report data collection
 - Anticipated request for these forms next week also (watch for the email request)

ANNUAL FINANCIAL DATA USES

- State Aid Accountabilities
 - Teacher Compensation & Excess General Fund Monthly Cash Balances
- Other State Aid Program Requirements
 - Special Education Excess Fund Balance, Other Revenue Local Effort, Special Education Disability Allocations
- Other State Agency Support
 - Dept of Revenue Capital Outlay Debt Verification
- Federal Fiscal Compliance
 - Maintenance of Effort, Indirect Cost Calculations, Food Service Net Cash Resources, IDEA Excess Cost, ESSA Report Card
- General Data Reporting
 - Statistical Digest, Legislative Data Requests
- Federal Data Reporting
 - National Education Association, National Public Education Finance Survey, F-33 Annual Survey of School System Finances, School Level Finance Survey

EVERY STUDENT SUCCEEDS ACT (ESSA) REPORTING

- Per student Expenditure reporting by school and by funding source.
- This data is collected from each district during December & January annually with the basis of the reporting coming from the finalized annual reports.
- Our office creates and provides a template to assist with the breakdown of expenditures.
- In addition to excluding capital expenditures, our state also excludes preschool, adult programs and community service activities.
- Summary information calculated on the excel template are reported in the annual financial report under the ESSA Survey menu (due January 15, 2025).
- ESSA fiscal information will be provided to the Report Card office for public display in January.

FY2024 STATE AID ACCOUNTABILITIES

■ Monthly Cash Balance Accountability

- No statutory sunset on cash balance accountability
- Percent of cash balance = lowest monthly cash balance amount divided by the general fund expenditures for that same fiscal year (exclude other financing uses).
- District allowable percentages are based on the State Aid Fall Enrollment student count (SDCL 13-13-10.1(2))
 - Student count used is lesser of the 2 previous years or the current year
 - SAFE count <201 40%
 - SAFE count 201-599 30%
 - SAFE count >599 25%
- Cash balance information reported on the FY2024 annual report will be used to determine the penalty for FY2025 general state aid
 - Penalty will be applied to FY2025 general state aid if no waiver is granted.
 - Penalty is a reduction in the general state aid allocation for the amount in excess.

FY2024 STATE AID ACCOUNTABILITIES

■ Monthly Cash Balance Accountability Waivers

- School districts not in compliance with the cash balance accountability must submit a waiver from the penalty to the School Finance Accountability Board.
- Based on PRELIMINARY DATA districts that have an excess will be notified.
 - DOE will provide the calculation form with the preliminary data. (based on the calculator)
- Before November 1st – Districts must remit to DOE their final waiver form and supporting documentation to be considered by the School Finance Accountability Board. (waivers due October 31st, 2024)
- SFAB will meet in November to review waivers. Each school district must present their waiver.
- SFAB actions are forwarded to the Joint Committee on Appropriations for final approval and/or action. (December)

FY2024 STATE AID ACCOUNTABILITIES

- Teacher Compensation Accountability
 - FY2024 Average Teacher Compensation must meet or exceed the Average Teacher Compensation reported in FY2017
 - Official notification to each district is required by **October 4th, 2024**
 - FY2024 is the final year under this accountability measure
 - FY2024 Teacher Compensation data will be the baseline for determining accountability under the new statute

FY2025 STATE AID ACCOUNTABILITIES

- Two teacher compensation accountability measures
 - Average Teacher Compensation effective FY2025
 - Minimum Teacher Salary (effective FY2027 reporting)
- Average teacher compensation accountability
 - Each district must increase their average teacher compensation from FY2024, so the cumulative increase in average teacher compensation is at least equal to the cumulative percentage change in the target teacher salary.
 - Each district is compliant if the average compensation is at least 97% of the average teacher compensation requirement.
 - FY2024 will be the new baseline year.

FY2025 STATE AID ACCOUNTABILITIES

NEW Teacher Compensation and Minimum Salary Accountability Calculator



FY2025 District Average Teacher Compensation Accountability

FY2024 District Average Teacher Compensation:	
Percent Change in Target Teacher Salary (FY2024 to FY2025)	4%
FY2025 District Target Average Teacher Compensation	\$0
FY2025 Minimum Required Average Teacher Compensation for Compliance	\$0
FY2025 State Minimum Salary (no accountability required)	\$45,000

Enter the FY2024 average teacher compensation amount.

97% of required increase = Compliance

FY2026 District Average Teacher Compensation Accountability

Percent Change in Target Teacher Salary (FY2025 to FY2026)	
FY2026 District Target Average Teacher Compensation	\$0
FY2026 Minimum Required Average Teacher Compensation for Compliance	\$0
FY2026 State Minimum Salary (no accountability required)	\$45,000

FY2027 District Average Teacher Compensation/Minimum Salary Accountability

Percent Change in Target Teacher Salary (FY2026 to FY2027)	
FY2027 District Target Average Teacher Compensation	\$0
FY2027 Minimum Required Average Teacher Compensation for Compliance	\$0
FY2027 State Minimum Salary (1st year of accountability)	\$45,000

FY2025 STATE AID ACCOUNTABILITIES

- **Teacher Compensation Accountability Fiscal Penalties**
 - Penalty for non-compliance = \$500 per total FTE reported on the Teacher Compensation submission.
 - Penalty is imposed on FY2026 General State Aid for non-compliance on average teacher compensation
 - Penalty is imposed on FY2028 General State Aid for non-compliance on both average teacher compensation and minimum teacher salary
- **Teacher Compensation Calculator**
 - <https://doe.sd.gov/ofm/schoolbudget.aspx>

FY2025 STATE AID ACCOUNTABILITIES

*NEW – School Finance Accountability Board may recommend the Department of Education review the accreditation of any school district that does not meet either the Teacher Compensation Accountability or the Monthly Cash Balance Accountability.

FALL 2024 STATE AID FALL ENROLLMENT (SAFE COUNT)

- Fall count of students used to determine FY2025 general state aid
 - Count is taken as of a single day
 - Count is reported as an ADM, which allows students enrolled less than full time to be included for the partial enrollment
- Official Count Date – September 27, 2024 (last Friday in September)
- Students NOT included in this SAFE count:
 - Students over the age of 21
 - PK or EC students
 - Home School / Alternative Instruction students
 - Students at the School for Visually Impaired or Human Services Center
- Common errors to SAFE count:
 - Transposing resident/service district in Infinite Campus student database
 - Percent of day enrollment for KG students (roll forward error from a PK program)
 - Students tuitioned OUT of district (listed individually at the top of each district SAFE report) – CRITICAL that these placements are reviewed

FALL 2024 STATE AID FALL ENROLLMENT (SAFE COUNT)

- Districts have until mid October to ensure all students served in their district are correctly reported in Infinite Campus
 - Students are rolled forward at the beginning of the school year if marked as “continuing” at the end of last school year
 - Overlap Reports and reviewing/resolving overlaps in student reporting (overlap reports are mailed to districts weekly)
 - Students with unexcused absences greater than 15 days must end the enrollment as of the last day of attendance
 - Students tuitioned out of district will be listed by name and placement at the top of each enrollment report. If a student is missing, it is the district’s responsibility to work with the serving entity to get the student properly reported as a resident of your district.
- Reports will be mailed out to district superintendents – **October 17th, 2024**
- SAFE Count Verifications must be signed and returned with the final student count on or before **October 31st**
 - No students may be added to a district count after October 31st
- Retain a copy of the final student count verification in your office to provide to your auditor upon request.

QUESTIONS & CONTACT INFORMATION

Office of State Aid and School Finance (SASF)

Bobbi Leiferman

Bobbi.Leiferman@state.sd.us

605-773-5407