
FALL CONFERENCE – SDASBO
DIVISION OF FINANCE AND MANAGEMENT
SEPTEMBER 25, 2025



south dakota
DEPARTMENT OF EDUCATION
Learning. Leadership. Service.

WEBSITE REVIEW – HELPFUL LINKS

- State Aid <https://doe.sd.gov/ofm/statefunding.aspx>
- School Finance <http://doe.sd.gov/ofm/schfinance.aspx>
- Federal Grant Allocations <https://doe.sd.gov/ofm/grantallocations.aspx>
- BFM Vendor Payment <https://bfm.sd.gov/vendor/index.asp>
- Open SD <https://open.sd.gov/>
- DOE School Budget Information <https://doe.sd.gov/ofm/schoolbudget.aspx>
- Monthly Federal Grant Payments <https://doepaymentportal.appssd.sd.gov/>
- Dept. of Legislative Audit <https://legislativeaudit.sd.gov/resources/resources.aspx>

STATE AID UPDATES

- Special Education State Aid Calculation
 - Final excess fund balance numbers from the FY2025 annual report
 - Preliminary Pay 2026 valuations for 2nd half local effort
- General State Aid Calculation
 - State Aid Fall Enrollment
 - Home School Activity
 - Excess Cash Balance
 - Preliminary Pay 2026 valuations for 2nd half local effort

FALL 2025 STATE AID FALL ENROLLMENT (SAFE COUNT)

- Fall count of students used to determine FY2026 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 26, 2025 (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

FALL 2025 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 to review/resolving overlaps in student reporting between districts (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 are listed by name and placement entity at the top of each enrollment report.
 - CRITICAL that these placements are reviewed
 - 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, 2025**
- SAFE Count Verifications must be signed/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.

ANNUAL FINANCIAL REPORT SUMMARY – FY2025

- Rural Electric Generation Tax and Telephone Gross Receipts Revenues
 - Revenue Account 10 1140
 - Rural Electric Generation Tax paid by counties 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 FY2025 federal expenditures
 - Clearing receivables for revenues when payment is received
 - Cash receipt should be recorded to the 140 due from Govt Account for reimbursements that were booked as receivables
 - Improperly recording these receipts to the revenue account again doubles up the revenue in more than 1 fiscal year
 - Submit timely claims for federal reimbursement requests of eligible expenditures before the end of the fiscal year

ANNUAL FINANCIAL REPORT SUMMARY – FY2025

■ Computer Hardware & Software Expenditures

- Computers/iPads/Chromebooks, Smart Boards, 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.

MISCELLANEOUS CODING TOPICS

- MTSS – PBIS - RTI
 - Federal Grant Award Program to provide supports and interventions to students.
 - Grant Awards are funded through IDEA 611 funds.
 - The Grant Program supports all students in the district, so not specific to the special education program.
 - This is a General Fund activity.
 - Expenditures should be tracked
 - Revenue would be coded to 10 4175

MISCELLANEOUS CODING TOPICS

- School District/Community Fitness Centers
 - The community members are able to use the school district's weight room and gymnasiums with a paid fee.
 - This would be considered Enterprise Operation and the operation of a District Operated Fitness Center needs to be run through the Other Enterprise Fund 53.
 - Community Recreation Services Function for expenses – 53 3200 xxx XXX
 - Membership Revenues – 53 1979

ANNUAL FINANCIAL WRAP UP – FY2025

- 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 3rd, 2025
- 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 3rd, 2025
- Annual Report Verification Forms – Final step to close out the annual report data collection
 - Anticipated request for these forms the 1st week of October (watch for the email request)

FOOD SERVICE PROGRAM UPDATES

- Net Cash Resources flexibility ending
 - Flexibility of basing the net cash resource on 5 months of cash will be ending with this current year calculation (FY2025 annual report data)
 - The calculation after this year will return to utilizing the normal 3-month cash calculation
 - The SASF Office completes the net cash resource calculation for each district based on the fund 51 annual report data and provides the information to the CANS fiscal staff (Stacey Booth)
 - $\text{Total Food Service Expenses} / 9 \text{ Months} * 3 \text{ Months} = 3 \text{ Months Operating Expenses}$
 - $\text{Total Current Assets} (-) \text{Total Current Liabilities} (-) 3 \text{ Months Operating Expenses} = \text{NCR}$
 - The CANS staff will work with districts currently exceeding 5 months excess cash using the FY2025 annual report information.
 - Notification letters will go out end of December/early January.
 - 2-year spend down plan to become compliant with the NCR requirement will need to be submitted.

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 16, 2026).
- ESSA fiscal information will be provided to the Report Card office for public display in February.

FY2026 STATE AID ACCOUNTABILITIES

■ Monthly 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 percentage is based on 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 FY2025 annual report will be used to determine the penalty for FY2026 general state aid
 - Penalty will be applied to FY2026 general state aid if no waiver is granted.
 - Penalty is a reduction in the general state aid allocation for the amount in excess.

FY2026 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 7th – Districts must remit to DOE their final waiver form and supporting documentation to be considered by the School Finance Accountability Board. (waivers due November 6th, 2025)
- SFAB will meet in November to review waivers. Each school district must present their waiver.
- School Finance Accountability Board may recommend the Department of Education review the accreditation of any school district that does not meet the Monthly Cash Balance Accountability.
- SFAB actions are forwarded to the Joint Committee on Appropriations for final approval and/or action. (December 2025)

FY2026 STATE AID ACCOUNTABILITIES

- Two teacher compensation accountability measures
 - Average Teacher Compensation
 - 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 was the baseline year.

Teacher Compensation and Minimum Salary Accountability Calculator

as of 3/31/2025

School District:

ABERDEEN



Beginning in fiscal year 2025, each school district must increase its average teacher compensation so the cumulative increase in the average teacher compensation since 2024 is greater than or equal to the cumulative percentage change in the target teacher salary since 2024. A school district complies with the average teacher compensation if the average is at least 97% of the average teacher compensation otherwise required.

FY2025 District Average Teacher Compensation Accountability

FY2024 District Average Teacher Compensation:	\$75,130
Percent Change in Target Teacher Salary (FY2024 to FY2025)	4%
FY2025 District Target Average Teacher Compensation	\$78,135
FY2025 Minimum Required Average Teacher Compensation for Compliance	\$75,791
FY2025 State Minimum Salary (no accountability required)	\$45,000

FY2026 District Average Teacher Compensation Accountability

Percent Change in Target Teacher Salary (FY2025 to FY2026)	1.25%
FY2026 District Target Average Teacher Compensation	\$79,112
FY2026 Minimum Required Average Teacher Compensation for Compliance	\$76,739
FY2026 State Minimum Salary (no accountability required)	\$45,563

FY2027 District Average Teacher Compensation/Minimum Salary Accountability

Percent Change in Target Teacher Salary (FY2026 to FY2027)	
FY2027 District Target Average Teacher Compensation	\$79,112
FY2027 Minimum Required Average Teacher Compensation for Compliance	\$76,739
FY2027 State Minimum Salary (1st year of accountability)	\$45,563

FY2026 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
 - School Finance Accountability Board may recommend the Department of Education review the accreditation of any school district that does not meet the Teacher Compensation Accountability.
- Teacher Compensation Calculator
 - <https://doe.sd.gov/ofm/schoolbudget.aspx>

FEDERAL GRANT PROGRAM UPDATES

■ Indirect Cost

- South Dakota finally received approval on our rate calculation methodology for the current fiscal year only.
- We are currently in the process of updating the rates and will send out the agreement through DocuSign.
- The new rates will be loaded into GMS when the DocuSign process is completed.
- Additionally, the Reallocation and Carryover funds for Title Programs will be completed at the same time.
- School districts will need to log into GMS and must amend your budget for the new rate to show up and to budget out those additional funds.

FEDERAL GRANT PROGRAM UPDATES

Federal Procurement Thresholds to Rise October 1, 2025

- ⌘ The Uniform Grant Guidance (UGG) follows the procurement thresholds in the [Federal Acquisition Regulations \(FAR\)](#).
- ⌘ On August 27, 2025, the federal government issued a [final rule](#) raising the FAR's thresholds effective October 1, 2025 (federal law requires an adjustment of statutory thresholds every five years for inflation):
 - The new **micro-purchase threshold** will be **\$15,000** (previously \$10,000).
 - The new **simplified acquisition threshold** will be **\$350,000** dollars (previously \$250,000).
- ⌘ If a state, district, or other subrecipient sets a lower threshold, the lower threshold will apply.

QUESTIONS & CONTACT INFORMATION

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