

13-6-97. Required reorganization of school district with low enrollment--Exceptions. Any school district that has a fall enrollment, as defined in § 13-13-10.1, of less than one hundred and is not a sparse school district, as defined in § 13-13-78, shall reorganize with another school district or school districts to create a newly reorganized school district with a fall enrollment of one hundred or greater. After July 1, 2007, if the fall enrollment of any school district that is not sparse falls to one hundred or below, that school district shall prepare a plan for reorganization within two years. If any such district fails to prepare a plan for reorganization by the deadline, the Board of Education shall prepare a reorganization plan for the district. However, the provisions of this section do not apply to any school district that receives no foundation program state aid distributed pursuant to chapter 13-13, and that is located at least twenty-five miles from the nearest high school in an adjoining school district in the state. The provisions of this section also do not apply to any school district that is a part of a consortium of school districts exercising joint powers pursuant to chapter 1-24 or intergovernmental cooperation in education pursuant to chapter 13-15 for the purposes stated in § 13-8-1, provided that any such joint powers agreement or intergovernmental cooperation agreement is approved each year before the first day of July by the secretary of education. The Board of Education may promulgate rules pursuant to chapter 1-26 to establish the procedures and criteria for the secretary's approval of agreements pursuant to this section. The criteria shall take into account any significant cost savings that may be achieved through such an agreement and the educational needs of the students in the districts.

**Source:** SL 2007, ch 93, § 2; SL 2011, ch 85, § 1; SL 2013, ch 72, § 1.

13-13-78. Definition of terms used in § 13-13-79. Terms used in § 13-13-79 mean:

- (1) "Sparse school district," a school district that meets each of the following criteria:
  - (a) Has a fall enrollment per square mile of 0.50 or less;
  - (b) Has a fall enrollment of five hundred or less;
  - (c) Has an area of four hundred square miles or more;
  - (d) Has at least fifteen miles between its secondary attendance center or centers and that of an adjoining district;
  - (e) Operates a secondary attendance center; and
  - (f) Levies ad valorem taxes at the maximum rates allowed pursuant to § 10-12-42 or more;
- (2) "Sparsity fall enrollment," for sparse school districts with a fall enrollment as defined in § 13-13-10.1 of less than eighty-three or greater than two hundred thirty-two, is calculated as follows:
  - (a) Divide the fall enrollment as defined in § 13-13-10.1 by the area of the school district in square miles;
  - (b) Multiply the quotient obtained in subsection (a) times negative 0.125;
  - (c) Add 0.0625 to the product obtained in subsection (b); and
  - (d) Multiply the sum obtained in subsection (c) times the fall enrollment;
- (3) "Sparsity adjusted fall enrollment," for sparse school districts with a fall enrollment as defined in § 13-13-10.1 of at least eighty-three, but no more than two hundred thirty-two, subtract the fall enrollment from two hundred thirty-two.

**Source:** SL 2006, ch 75, § 6; SL 2007, ch 95, § 1, eff. Mar. 1, 2007; SL 2007, ch 93, § 11; SL 2011, ch 87, § 6.

13-6-92. Consolidated school districts entitled to additional funds. If two or more school districts consolidate after July 1, 2001 and on or before July 1, 2007, the new school district is entitled to an additional three hundred dollars per average daily membership as defined in § 13-13-10.1, up to a maximum of four hundred average daily membership from each school district or a prorated portion thereof from a partial school district as it existed prior to consolidation for the first year after consolidation. If two or more school districts consolidate after July 1, 2001 and on or before July 1, 2007, the new school district is entitled to an additional two hundred dollars per average daily membership as defined in § 13-13-10.1, up to a maximum of four hundred average daily membership from each school district or a prorated portion thereof from a partial school district as it existed prior to consolidation for the second year after consolidation. If two or more school districts consolidate after July 1, 2001 and on or before July 1, 2007, the new school district is entitled to an additional one hundred dollars per average daily membership as defined in § 13-13-10.1, up to a maximum of four hundred average daily membership from each school district or a prorated portion thereof from a partial school district as it existed prior to consolidation for the third year after consolidation.

If two or more school districts consolidate after July 1, 2007, and on or before July 1, 2010, for the first year after consolidation, each new school district is entitled to one thousand dollars for each sending district student included in the receiving district's fall enrollment for the first year after consolidation, up to a maximum of four hundred sending district students. If two or more school districts consolidate after July 1, 2007, and on or before July 1, 2010, for the second year after consolidation, each new school district is entitled to eight hundred dollars for each sending district student included in the receiving district's fall enrollment for the first year after consolidation, up to a maximum of four hundred sending district students. If two or more school districts consolidate after July 1, 2007, and on or before July 1, 2010, for the third year after consolidation, each new school district is entitled to four hundred dollars for each sending district student included in the receiving district's fall enrollment for the first year after consolidation, up to a maximum of four hundred sending district students.

For the purposes of the entitlement provided in this section, if a receiving district receives fewer than ten sending district students, the receiving district is entitled to payment for ten sending district students.

**Source:** SL 2001, ch 73, § 1; SL 2007, ch 93, § 3; SL 2008, ch 73, § 1, eff. Feb. 27, 2008; SL 2008, ch 77, § 10; SL 2010, ch 79, § 1.

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# Sparsity

- Funded outside the formula
- Recognizes unique challenges of rural, isolated districts
- Eligible to receive additional state dollars not to exceed \$110,000 per district
- 28 districts received sparsity dollars in the 2012-2013 school year.

# Opt Outs

- Each year the property tax levies for the general fund of a school district are set by the South Dakota Legislature. If a district needs additional funds to operate, they can opt out of the maximum property tax levies with a 2/3 vote of the local school board. In many instances, this is referred to a public vote and must be passed by a simple majority of the public.
- For property taxes payable in 2013, there were 66 school districts that opted out of the maximum levies for a total amount of \$26.1 million.

## Local Need - Small School Adjustment (SSA)

13-13-10.1. Definition of terms. Terms used in this chapter mean...

(2C)"Small school adjustment," calculated as follows:

- (a) For districts with a fall enrollment of two hundred or less, multiply 0.2 times \$4,237.72;
- (b) For districts with a fall enrollment of greater than two hundred, but less than six hundred, multiply the fall enrollment times negative 0.0005; add 0.3 to that result; and multiply the sum obtained times \$4,237.72;

Based on the statute, this is how the formula looks:

$$\text{Districts } \leq 200 = .2 \times 4,237.72 = \$847.54$$

$$\text{Districts } > 200 \text{ and } \leq 600 =$$

$$(.3 - .0005 \times \text{FE}) \times 4,237.72 = \text{SSA PSA}$$

$$(.3 - .0005 \times 201) \times 4,237.72 = \$845.43$$

$$(.3 - .0005 \times 300) \times 4,237.72 = \$635.66$$

$$(.3 - .0005 \times 400) \times 4,237.72 = \$423.77$$

$$(.3 - .0005 \times 500) \times 4,237.72 = \$211.89$$

$$(.3 - .0005 \times 599) \times 4,237.72 = \$ 2.12$$

$$(.3 - .0005 \times 600) \times 4,237.72 = \$ 0.00$$

**In FY2013, 110 of the 151 public school districts qualified for the small school adjustment**