

ADMINISTRATIVE RULES
DEPARTMENT OF EDUCATION

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ARTICLE 24:44

SCHOOL FINANCE ACCOUNTABILITY

Chapter

24:44:01 School Finance Accountability Board.

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CHAPTER 24:44:01

SCHOOL FINANCE ACCOUNTABILITY BOARD

Section

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24:44:01:01. Definitions. Terms used in this article mean:

- (1) “Benefits,” Expenditures paid by the school district which are not included in an instructional salary and are not paid directly to an employee, but are calculated into the cost to the school district for compensation, including but not limited to group health or life insurance, employee retirement contributions, social security, workers compensation, and payments for sabbatical leave.
- (2) “Board,” the School Finance Accountability Board;
- (3) “Department” the South Dakota Department of Education
- (4) “Instructional salary,” the annual contracted salary representative of a fiscal year of teaching, exclusive of hiring bonuses, extra duty pay, extended contract pay, or any other

bonuses.

(5) “Teacher compensation,” the instructional salary and benefits paid to the teacher compensation staff member in a single fiscal year.

(6) “Teacher compensation staff member,” a certified teacher assigned to a grade K-12 self-contained class, course, or classroom situation. This term does not include instructional aides, administrative staff, long term substitutes, counselors, librarians, speech therapists, technology coordinators, directors, professional development center teachers, or any non-certified teacher.

(7) “Total teacher compensation,” the total amount spent by a school district on instructional salaries and benefits for all teacher compensation staff in a single fiscal year.

Collateral Reference: Definition, South Dakota Department of Legislative Audit Accounting Manual pg. 82-83 (2016).

Source:

General Authority: SDCL 1-45-38.

Law Implemented: SDCL 1-45-38, 13-13-73.5, 13-13-73.

24:44:01:02. Meetings – how called. The Board shall meet on call of the President. However, the President shall call a meeting upon request of three members.

Source:

General Authority: SDCL 1-45-38.

Law Implemented: SDCL 1-45-38, 13-13-73.5, 13-13-73.6.

24:44:01:03. Quorum of Board—majority vote required for action. A majority (three) of Board members shall be a quorum for the transaction of business. To take any official

action, the affirmative vote of three members of the Board shall be required.

Source:

General Authority: SDCL 1-45-38.

Law Implemented: SDCL 1-45-38, 13-13-73.5, 13-13-73.6.

24:44:01:04. Appeal of financial penalty. The Department shall notify a school district by the first Friday in October of the financial penalty owed pursuant to SDCL 13-13-73.6. The school district may appeal to the Board from the imposition of the financial penalty according to the requirements of 24:44:01:07.

Source:

General Authority: SDCL 1-45-38.

Law Implemented: SDCL 1-45-38, 13-13-73.5, 13-13-73.6.

24:44:01:05. Determination of violation. The Board shall determine whether a school district appealing the imposition of a financial penalty under SDCL 13-13-73.6 is in violation of SDCL 13-13-73.6. The determination shall be made concurrently with the Board's determination on whether to approve an appeal to waive the financial penalty. An appeal of the decision that a school district is in violation of SDCL 13-13-73.6 is governed by SDCL 1-26.

Source:

General Authority: SDCL 1-45-38.

Law Implemented: SDCL 1-45-38, 13-13-73.5, 13-13-73.6.

24:44:01:06. Factors considered. If a school district appeals the imposition of the financial penalty imposed under SDCL 13-13-73.6, the Board shall consider the following factors in

determining whether to recommend waiver of the penalty:

- (1) Fiscal impact due to teacher retirement;
- (2) Fiscal impact due to declining student enrollment;
- (3) Fiscal impact due to changes in benefit expenditures such as changes in family status and health insurance;
- (4) Effects of unexpected teacher resignations;
- (5) Any unforeseen or extenuating circumstances affecting the school district's ability to meet its accountability targets as documented by the school district.

Source:

General Authority: SDCL 1-45-38.

Law Implemented: SDCL 1-45-38, 13-13-73.5, 13-13-73.6.

24:44:01:07. Appeal documentation. A school district's application to appeal the imposition of the financial penalty shall include written documentation of the following:

- (1) The average teacher salary, based on data collected pursuant to §§ 13-8-47 and 13-3-51;
- (2) The increase in average teacher compensation, as defined in § 13-8-47, from fiscal year 2016 to fiscal year 2017 and all subsequent years;
- (3) The increase in total teacher compensation, as defined in § 13-8-47, from fiscal year 2016 to fiscal year 2017; and
- (4) Any additional information requested by the Board to enable the board to make a determination.

School districts may supplement the documentation required by this section with

additional information supporting the application of appeal.

Source:

General Authority: SDCL 1-45-38.

Law Implemented: SDCL 1-45-38, 13-8-47, 13-13-73.5, 13-13-73.6.

22:44:01:08. Appeal review timeline. An application to appeal the imposition of the financial penalty shall be submitted before the first Friday of November using the appeal application form provided by the department. Any appeal application received by the Board after the first Friday of November shall not be considered. All appeal applications will be considered by the Board at a meeting to occur before the last Monday in November. The Board will allot time at such meeting for a school district to present testimony or information in support of its application of appeal.

Within five days of the Board's determinations, the Board shall forward all recommendations to the Joint Committee on Appropriations for approval. If an appeal is denied, the school district shall be served written notice of the denial via certified mail.

Source:

General Authority: SDCL 1-45-38.

Law Implemented: SDCL 1-45-38, 13-8-47, 13-13-73.5, 13-13-73.6.

24:44:01:09. Appeal of waiver denial. A school district may appeal the Board's denial of an appeal of the imposition of the financial penalty under SDCL 13-13-73.6 to the Secretary of Education within 15 days of receipt of the notice of denial. The appeal to the Secretary must be in writing and specify the adverse action being appealed. The appeal must also include a copy of the district's application to the Board appealing the imposition of the financial penalty of 13-

13-73.6 and the minutes of the Board meeting at which the adverse action was taken. The Secretary may require the district to submit additional information in order to make the determination.

The Secretary shall issue a written decision within 30 days of receipt of the appeal of the notice of denial. The decision shall be served upon the school district via certified mail. The Secretary shall forward recommendations for waiver to the Joint Committee on Appropriations for approval. If the Secretary upholds the Board's denial of an appeal of imposition of the financial penalty, the decision of the Secretary is final.

Source:

General Authority: SDCL 1-45-38.

Law Implemented: SDCL 1-45-38, 13-8-47, 13-13-73.5, 13-13-73.6.

24:44:01:10. Waiver recommendations. The Board shall deliver appeal recommendations to the Joint Committee on Appropriations or the Interim Committee on Appropriations. The decision of the Joint Committee on Appropriations or Interim Committee on Appropriations is final. The Board shall notify a district of the decision of the Joint Committee on Appropriations or the Interim Committee on Appropriations within ten business days after the Board receives the decision of the Joint Committee on Appropriations or the Interim Committee on Appropriations.

Source:

General Authority: SDCL 1-45-38.

Law Implemented: SDCL 1-45-38, 13-13-73.5, 13-13-73.6