

Report on School Finance Accountability Board Meetings: Summary and Recommendations



South Dakota Department of Education

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This document explains the legislation behind the creation of the School Finance Accountability Board and the implementation of the teacher compensation accountabilities. It then summarizes the recommendations of the School Finance Accountability Board to the Joint Committee on Appropriations regarding the requests for waivers submitted by school districts that failed to meet the accountabilities set forth in SDCL 13-13-73.6.

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Relevant Definitions and Calculations

Definitions

Teacher Compensation: The instructional salary and benefits paid to or on behalf of a certified teacher assigned to a K-12 self-contained class, course, or classroom situation in a single fiscal year.

Accountability on Total Teacher Compensation (Accountability #1): A district's increase in total teacher compensation from fiscal year 2016 to 2017 shall be equal to at least eighty-five percent of the district's increase in local need, defined as the increase in local need pursuant to § 13-13-10.1, excluding any effect due to change in the school district's fall enrollment and less the amount of revenue generated in school fiscal year 2016 pursuant to § 13-10-6 as a percentage increase, from fiscal year 2016 to fiscal year 2017 (SDCL 13-13-73.6)

Accountability on Average Teacher Compensation (Accountability #2): A district's increase in average teacher compensation from fiscal year 2016 to 2017 shall be equal to at least eighty-five percent of the district's percentage increase in local need, defined as the increase in local need pursuant to § 13-13-10.1, excluding any effect due to change in the school district's fall enrollment and less the amount of revenue generated in school fiscal year 2016 pursuant to § 13-10-6 as a percentage increase, from fiscal year 2016 to fiscal year 2017 (SDCL 13-13-73.6)

Calculations

Accountability #1:

- Target Total Teacher Compensation = FY2016 Total Teacher Compensation + 85% of Increase in Local Need pursuant to SDCL 13-13-73.6

Accountability #2:

- Target Average Teacher Compensation = FY2016 Average Compensation + 85% of Percentage Increase in Local Need pursuant to SDCL 13-13-73.6 from FY2016 to FY2017

Requests for Waiver

School districts missing accountabilities by .5% or less:

The school districts listed below missed both accountabilities by .5% or less or met one of the accountabilities and are within .5% of the other. Per a policy decided by the School Finance Accountability Board at the October 19, 2017 meeting, these districts were determined to have made a good faith effort in meeting the accountabilities and were not required to attend the November 16 and 17 meeting of the board. These school districts submitted waiver requests and supporting documentation that was reviewed by the Department of Education and summarized for the School Finance Accountability Board on November 16, 2017.

Edgemont School District

Accountability	Target	Actual	\$ Difference	% Difference	Met?
#1 Total Teacher Compensation	\$ 951,544	\$ 950,460	\$ (1,084)	-0.1%	NO
#2 Average Teacher Compensation	\$ 50,391	\$ 52,803	\$ 2,413	4.8%	YES
Board Determination	<0.5% Waiver				
Increase in Local Need under 13-13-73.6 (2)	\$71,746				
Penalty if waiver is denied	\$35,873				

The Edgemont School District missed the total teacher compensation accountability by a dollar amount of \$1,084 and a percentage equal to .1%. The reason for this shortfall includes factors (2) and (3) presented in ARSD 24:44:01:06 of declining student enrollment and a change in budgeted costs for benefits. Specifically, the District has faced declining student enrollment for the past 5 years and had a teacher decline to take health insurance through the school district unexpectedly. Despite these struggles, the Edgemont School District increased average teacher compensation by approximately 11.5%.

Kadoka Area School District

Accountability	Target	Actual	\$ Difference	% Difference	Met?
#1 Total Teacher Compensation	\$2,050,226	\$2,213,611	\$ 163,385	8.0%	YES
#2 Average Teacher Compensation	\$ 55,189	\$ 55,065	\$ (124)	-0.2%	NO
Board Determination	<0.5% Waiver				
Increase in Local Need under 13-13-73.6 (2)	\$195,557				
Penalty if waiver is denied	\$97,779				

The Kadoka Area School District missed the average teacher compensation accountability by a dollar amount of \$124 and a percentage equal to .2%. The reason for this shortfall includes factors (2) and (3) presented in ARSD 24:44:01:06 of declining student enrollment and change in budgeted costs for benefits. Specifically, Kadoka School District has faced declining enrollment for the past three years. The District also had a new teacher elect not to take the District's health insurance, leading to a decrease in compensation for that teacher.

Lyman School District

Accountability	Target	Actual	\$ Difference	% Difference	Met?
#1 Total Teacher Compensation	\$2,321,356	\$2,308,756	\$ (12,600)	-0.5%	NO
#2 Average Teacher Compensation	\$ 59,970	\$ 60,202	\$ 232	0.4%	YES
Board Determination	<0.5% Waiver				
Increase in Local Need under 13-13-73.6 (2)	<u>\$117,664</u>				
Penalty if waiver is denied	\$58,832				

The Lyman School District missed the total teacher compensation accountability by a dollar amount of \$12,600 and a percentage equal to .5%. The reason for this shortfall includes factors (4) and (5) presented in ARSD 24:44:01:06 of an unanticipated change in teacher FTE and any unforeseen or extenuating circumstances. Specifically, Lyman hired an individual who failed to meet the terms of the Plan of Intent set forth to ensure proper certification. Therefore, this individual was considered uncertified and was unable to be included in the calculations for total teacher compensation and led to a reduction in teacher FTE of .44.

Pierre School District

Accountability	Target	Actual	\$ Difference	% Difference	Met?
#1 Total Teacher Compensation	\$9,545,904	\$9,527,372	\$ (18,532)	-0.2%	NO
#2 Average Teacher Compensation	\$ 55,340	\$ 57,030	\$ 1,690	3.1%	YES
Board Determination	<0.5% Waiver				
Increase in Local Need under 13-13-73.6 (2)	<u>\$1,224,085</u>				
Penalty if waiver is denied	\$612,043				

The Pierre School District missed the total teacher compensation accountability by a dollar amount of \$18,532 and a percentage equal to .2%. The reason for this shortfall includes factors (4) and (5) presented in ARSD 24:44:01:06 of effects of an unanticipated change in teacher FTE and any unforeseen or extenuating circumstances. Specifically, the Pierre School District had an established teacher pass away unexpectedly mid-year. They were able to replace the teacher with another certified teacher, but there was decrease in salary and benefits between the two teachers. The District also had a teacher resign in February. This position was filled by a long-term substitute teacher, who was unable to be included in the total teacher compensation calculation.

Rosholt School District

Accountability	Target	Actual	\$ Difference	% Difference	Met?
#1 Total Teacher Compensation	\$1,270,932	\$1,267,363	\$ (3,569)	-0.3%	NO
#2 Average Teacher Compensation	\$ 58,632	\$ 59,923	\$ 1,291	2.2%	YES
Board Determination	<0.5% Waiver				
Increase in Local Need under 13-13-73.6 (2)	<u>\$193,174</u>				
Penalty if waiver is denied	\$96,587				

The Rosholt School District missed the total teacher compensation accountability by a dollar amount of \$3,569 and a percentage equal to .3%. The reason for this shortfall includes factor (4) presented in ARSD 24:44:01:06 of an unanticipated change in FTE. Specifically, the District was unable to hire a science teacher, despite making efforts to fill the position.

After hearing all of the waiver requests for the districts that missed accountabilities by .5% or less, the School Finance Accountability Board voted that based on the information presented, the Edgemont School District, the Kadoka School District, the Lyman School District, the Pierre School District and the Rosholt School District violated a provision of SDCL 13-13-73.6 by .5% or less and should be granted an outright waiver of the financial penalty imposed under SDCL 13-13-73.6.

DRAFT

School districts missing accountabilities by more than .5%:

The following summary accounts for events that occurred during the November 16 and 17 School Finance Accountability Board meetings held at the South Dakota state Capitol Building in Pierre, South Dakota. The districts are delineated in order of presentation in front of the board. The procedure for these presentations consisted of testimony from the school district’s representative, questions from the board, board discussion, and board action.

Highmore-Harrold School District

Accountability	Target	Actual	\$ Difference	% Difference	Met?
#1 Total Teacher Compensation	\$1,388,198	\$1,360,942	\$ (27,256)	-2.0%	NO
#2 Average Teacher Compensation	\$ 54,756	\$ 56,824	\$ 2,069	3.8%	YES
Board Determination	Full Waiver				

Increase in Local Need under 13-13-73.6 (2)	<u>\$185,691</u>
Penalty if waiver is denied	\$92,846

The first presentation was by the Highmore-Harrold School District. Superintendent Quinton Cermak provided testimony explaining the reason for the shortfall of the district on the Total Teacher Compensation Accountability equal to \$27,256. Superintendent Cermak cited ARSD reasons (3) and (4) in his account of a change in budgeted costs for benefits and an unanticipated change in teacher FTE. The Highmore-Harrold School District was unable to hire a music teacher by the beginning of the 2016-2017 school year, but hired a music teacher in December for the second semester. They also had a teacher drop the district-offered health insurance after previously taking the package.

The School Finance Accountability Board voted that based on the information presented, the Highmore-Harrold School District violated a provision of SDCL 13-13-73.6 and should be granted an outright waiver of the financial penalty.

Jones County School District

Accountability	Target	Actual	\$ Difference	% Difference	Met?
#1 Total Teacher Compensation	\$ 935,315	\$ 924,126	\$ (11,189)	-1.2%	NO
#2 Average Teacher Compensation	\$ 47,573	\$ 50,944	\$ 3,371	7.1%	YES
Board Determination	Conditional Waiver				

Increase in Local Need under 13-13-73.6 (2)	<u>\$173,165</u>
Penalty if waiver is denied	\$86,583

The Jones County School District presented next. Superintendent Lorrie Esmay served as the representative for the Jones County School District. Superintendent Esmay provided testimony that cited ARSD reason (1) of retirement of a teacher to explain the district’s shortfall in meeting the Total Teacher Compensation Accountability of \$11,189. The district had a long-time

teacher retire. The replacement teacher was a first-year teacher, resulting in a large salary differential. They also had a teacher change from a 1 FTE to a .6 FTE.

The Board agreed that while retirement is an acceptable reason for missing the teacher compensation accountabilities under ARSD 24:44:01:06, this reason should be used in the event of missing the Average Teacher Compensation Accountability rather than the Total Teacher Compensation Accountability as it was in the case of Jones County. The School Finance Accountability Board voted that based on the information presented, the Jones County School District violated a provision of SDCL 13-13-73.6 and should be granted a waiver conditional on the school district reopening contract negotiations and increasing teacher compensation by a total of at least \$11,189 by February 1, 2018.

White River School District

Accountability	Target	Actual	\$ Difference	% Difference	Met?
#1 Total Teacher Compensation	\$2,230,431	\$2,292,719	\$ 62,288	2.8%	YES
#2 Average Teacher Compensation	\$ 53,660	\$ 52,950	\$ (710)	-1.3%	NO
Board Determination	Conditional Waiver				
Increase in Local Need under 13-13-73.6 (2)	\$259,544				
Penalty if waiver is denied	\$129,772				

The next school district to present was the White River School District, represented by Superintendent Tom Cameron. The White River School District missed the Average Teacher Compensation Accountability by \$710 and cited ARSD reasons (1), (3), and (4) of retirement of a teacher, a change in budgeted costs for benefits, and an unanticipated change in teacher FTE in their testimony. Superintendent Cameron explained that the district was unable to fill a math teaching position. They also had an established teacher retire and two teachers waive the district health insurance benefit.

The Board pointed out that the teaching FTE in the White River School District increased from FY 2016 to FY 2017, despite the unfilled math position mentioned by Superintendent Cameron. In discussion, members of the Board concluded that this indicated that the increase in funding was used to hire more teachers, rather than raise the compensation of current teachers as the legislature intended. Using the shortfall on average compensation of \$710 multiplied by 43.3 FTE teachers in the White River School District, the Board came up with a dollar amount of \$30,743 in order to meet the Average Teacher Compensation Accountability. The School Finance Accountability Board voted that based on the information presented, the White River School District violated a provision of SDCL 13-13-73.6 and should be granted a waiver conditional on the school district reopening contract negotiations and increasing teacher compensation by a total of at least \$30,743 by February 1, 2018.

Kimball School District

Accountability	Target	Actual	\$ Difference	% Difference	Met?
#1 Total Teacher Compensation	\$1,472,900	\$1,438,933	\$ (33,967)	-2.3%	NO
#2 Average Teacher Compensation	\$ 52,469	\$ 53,994	\$ 1,525	2.9%	YES
Board Determination	Full Waiver				
Increase in Local Need under 13-13-73.6 (2)	<u>\$207,849</u>				
Penalty if waiver is denied	\$103,925				

The next presentation was by the Kimball School District, represented by Business Manager Eileen Kroupa. Business Manager Kroupa explained that the Kimball School District was requesting a data correction and had missed the Total Teacher Compensation Accountability because of ARSD reason (5), which is any unforeseen or extenuating circumstance. The correction the Kimball School District's FY 2016 data will lead to a lower FY 2017 Total Teacher Compensation Accountability. The remainder of the shortfall for Kimball was due to the military activation of one of the district's teachers, resulting in him missing 60% of the school year.

The Board confirmed the data correction and the new Total Teacher Compensation Accountability with the Department of Education. The School Finance Accountability Board then voted that based on the information presented, the Kimball School District violated a provision of SDCL 13-13-73.6 and should be granted a waiver of the financial penalty.

Plankinton School District

Accountability	Target	Actual	\$ Difference	% Difference	Met?
#1 Total Teacher Compensation	\$1,291,817	\$1,237,931	\$ (53,886)	-4.2%	NO
#2 Average Teacher Compensation	\$ 52,499	\$ 53,428	\$ 929	1.8%	YES
Board Determination	Conditional Waiver				
Increase in Local Need under 13-13-73.6 (2)	<u>\$247,554</u>				
Penalty if waiver is denied	\$123,777				

The next presentation heard by the Board was for the Plankinton School District. Superintendent Steve Randall and Business Manager Joan Swanson served as representatives for the district. The Plankinton School District missed the Total Teacher Compensation Accountability by \$53,886. They cited ARSD reasons (2) and (4) of declining student enrollment and an unanticipated change in teacher FTE in their testimony. The Plankinton representatives explained that they had attempted to hire an additional music teacher several times, but they have since decided to maintain only one music teacher due to the district's declining enrollment numbers.

The Board discussed the importance of declining enrollment in the determination of the amount that a school district is able to compensate existing teachers. The Board also cited the

over \$65,000 of increases in compensation to school support staff, classified staff and administrative staff as evidence that the district had additional funds that they could have put toward compensation to teachers. Eventually, the School Finance Accountability Board voted that based on the information presented, the Plankinton School District violated a provision of SDCL 13-13-73.6 and should be granted a waiver conditional on the school district reopening contract negotiations and increasing teacher compensation by a total of at least \$53,886 by February 1, 2018.

Herreid School District

Accountability	Target	Actual	\$ Difference	% Difference	Met?
#1 Total Teacher Compensation	\$ 716,963	\$ 701,816	\$ (15,147)	-2.1%	NO
#2 Average Teacher Compensation	\$ 54,053	\$ 53,944	\$ (109)	-0.2%	NO
Board Determination	Conditional Waiver				

Increase in Local Need under 13-13-73.6 (2)	\$132,841
Penalty if waiver is denied	\$66,421

The Herreid School District was the next to provide testimony. The Herreid School District was represented by Superintendent Daniel Hoey and Business Manager Colleen Rueb. The district missed the Average Teacher Compensation Accountability by \$109 and the Total Teacher Compensation Accountability by \$15,147. Superintendent Hoey cited ARSD reason (5) of any unforeseen or extenuating circumstances. The Herreid representatives first presented testimony supporting a data correction that would lead to no violation on the Average Teacher Compensation Accountability and a new shortfall of \$7,604 on the Total Teacher Compensation Accountability. They also discussed declining enrollment and a teacher deciding not to take the district-offered health insurance as reasons for missing the accountability.

The Board confirmed the data corrections with the Department of Education. The School Finance Accountability Board voted that based on the information presented, the Herreid School District violated a provision of SDCL 13-13-73.6 and should be granted a waiver conditional on the school district reopening contract negotiations and increasing teacher compensation by a total of at least \$7,604 by February 1, 2018.

Clark School District

Accountability	Target	Actual	\$ Difference	% Difference	Met?
#1 Total Teacher Compensation	\$1,718,144	\$1,649,288	\$ (68,856)	-4.0%	NO
#2 Average Teacher Compensation	\$ 51,140	\$ 54,075	\$ 2,935	5.7%	YES
Board Determination	Conditional Waiver				

Increase in Local Need under 13-13-73.6 (2)	\$161,918
Penalty if waiver is denied	\$80,959

Superintendent Luann Warren and Business Manager Mary Nelson provided testimony on behalf of the Clark School District in the next presentation brought before the Board. They cited ARSD reasons (2), (4) and (5) of declining student enrollment, an unanticipated change in teacher FTE, and any unforeseen or extenuating circumstances as reasons for the Clark School District's shortfall of \$68,856 on the Total Teacher Compensation Accountability. The district had a resignation at the end of the 2015-2016 school year that they decided not to fill due to declining enrollment. They also had a teacher employed as a .5 FTE that was uncertified. They brought a letter of support from the head negotiator within the Clark School District and stated that the shortfall has since been reinvested in teacher salaries and benefits.

Members of the Board questioned the decision not to reopen contract negotiations when the district knew that they were going to fall short of the required spending amount. The School Finance Accountability Board voted that based on the information presented, the Clark School District violated a provision of SDCL 13-13-73.6 and should be granted a waiver conditional on confirmation through the Department of Education that the Total Teacher Confirmation Accountability is now met based on FY 2018 teacher salaries and benefits. If this cannot be confirmed by the Department, the Clark School District will reopen contract negotiations and increase teacher compensation by a total of at least \$36,856 by February 1, 2018.

Willow Lake School District

Accountability	Target	Actual	\$ Difference	% Difference	Met?
#1 Total Teacher Compensation	\$1,432,012	\$1,392,875	\$ (39,137)	-2.7%	NO
#2 Average Teacher Compensation	\$ 57,738	\$ 58,158	\$ 420	0.7%	YES
Board Determination	Conditional Waiver				
Increase in Local Need under 13-13-73.6 (2)	<u>\$155,003</u>				
Penalty if waiver is denied	\$77,502				

The Willow Lake School District offered testimony to the Board next. The district was represented by Superintendent Scott Klautt and Business Manager Melissa Burke. The Willow Lake School District missed the Total Teacher Compensation Accountability by \$39,137 due to ARSD reason (1), which is retirement of a teacher. Superintendent Klautt and Business Manager Burke explained that the Willow Lake School District had two experienced teachers retire and they were replaced by two first-year teachers. This resulted in less expenditure on teacher compensation than the Willow Lake School District originally had anticipated.

The School Finance Accountability Board voted that based on the information presented, the Willow Lake School District violated a provision of SDCL 13-13-73.6 and should be granted a waiver conditional on the school district reopening contract negotiations and increasing teacher compensation by a total of at least \$39,137 by February 1, 2018.

Henry School District

Accountability	Target	Actual	\$ Difference	% Difference	Met?
#1 Total Teacher Compensation	\$ 769,108	\$ 750,021	\$ (19,087)	-2.5%	NO
#2 Average Teacher Compensation	\$ 52,157	\$ 53,080	\$ 923	1.8%	YES
Board Determination	Full Waiver				
Increase in Local Need under 13-13-73.6 (2)	<u>\$101,423</u>				
Penalty if waiver is denied	\$50,712				

Next, Superintendent Philip Schonebaum and Business Manager Gail Thompson provided testimony on behalf of the Henry School District. They cited ARSD reason (5), any unforeseen or extenuating circumstances, as the reason for the district's shortfall of \$19,087 on the Total Teacher Compensation Accountability. They also presented a need for a data correction, which was confirmed by the Department of Education. With this correction, the Henry School District fell short of the target amount by \$14,832. Specifically, the Henry School District employed a teacher who was unable to be counted in the teacher compensation data collection due to a failure to complete all the requirements of his certification program.

The Board asked the representatives from the Henry School District about the current certification status of the individual who was listed as uncertified for FY 2017. They learned that he possesses an alternative certification as of October and will count in the data collection process for FY 2018. The School Finance Accountability Board voted that based on the information presented, the Henry School District violated a provision of SDCL 13-13-73.6 and should be granted an outright waiver of the financial penalty.

Canistota School District

Accountability	Target	Actual	\$ Difference	% Difference	Met?
#1 Total Teacher Compensation	\$1,218,632	\$1,195,226	\$ (23,406)	-1.9%	NO
#2 Average Teacher Compensation	\$ 55,662	\$ 56,861	\$ 1,199	2.2%	YES
Board Determination	Conditional Waiver				
Increase in Local Need under 13-13-73.6 (2)	<u>\$184,203</u>				
Penalty if waiver is denied	\$92,102				

The Canistota School District presented next and was represented by Superintendent Larry Nebelsick and Business Manager Andrea Addy. President Terry Nebelsick and board member Patrick Weber recused themselves from any discussion and votes regarding the Canistota School District due to conflicts of interest within the district. President Nebelsick's brother is the superintendent at Canistota School District and Patrick Weber's sister-in-law is employed by the Canistota School District.

The Canistota School District missed the Total Teacher Compensation Accountability by \$23,406 due to ARSD reasons (2), (4), and (5). Superintendent Nebelsick and Business Manager

Addy presented testimony describing the impacts of declining enrollment and a late resignation by a teacher with a Master's degree on the district.

The Board looked further into the increases in compensation for school support specialists, classified staff and administrative staff in discussion. The School Finance Accountability Board then voted that based on the information presented, the Canistota School District violated a provision of SDCL 13-13-73.6 and should be granted a waiver conditional on the school district reopening contract negotiations and increasing teacher compensation by a total of at least \$23,406 by February 1, 2018.

Wall School District

Accountability	Target	Actual	\$ Difference	% Difference	Met?
#1 Total Teacher Compensation	\$1,420,932	\$1,411,633	\$ (9,299)	-0.7%	NO
#2 Average Teacher Compensation	\$ 60,534	\$ 62,656	\$ 2,121	3.5%	YES
Board Determination	Conditional Waiver				
Increase in Local Need under 13-13-73.6 (2)	<u>\$246,196</u>				
Penalty if waiver is denied	\$123,098				

The Wall School District came before the Board next. Superintendent Cooper Garnos, Business Manager Amy Bassette, and previous Business Manager Nicki Mohr provided testimony on behalf of the district. According to the Department of Education calculations, the Wall School District missed the Total Teacher Compensation Accountability by a dollar amount of \$9,299. After additional calculations by the Wall School District, they testified that the correct shortfall is \$27,144. The Wall School District cited ARSD reasons (2), (3), and (4) of declining student enrollment, a change in budgeted costs for benefits, and an unanticipated change in teacher FTE in their testimony.

The Board thanked the Wall School District for their candor in correcting the shortfall. The School Finance Accountability Board voted that based on the information presented and using the new calculations, the Wall School District violated a provision of SDCL 13-13-73.6 and should be granted a waiver conditional on the school district reopening contract negotiations and increasing teacher compensation by a total of at least \$27,144 by February 1, 2018.

New Underwood School District

Accountability	Target	Actual	\$ Difference	% Difference	Met?
#1 Total Teacher Compensation	\$1,222,836	\$1,097,308	\$ (125,528)	-10.3%	NO
#2 Average Teacher Compensation	\$ 57,592	\$ 56,446	\$ (1,146)	-2.0%	NO
Board Determination	Conditional Waiver				
Increase in Local Need under 13-13-73.6 (2)	<u>\$192,722</u>				
Penalty if waiver is denied	\$96,361				

The next presentation was by the New Underwood School District, represented by Superintendent George Seiler and Business Manager Irene Madsen. They cited ARSD reasons (1) and (2) of retirement of a teacher and declining student enrollment for the district's failure to meet either of the teacher compensation accountabilities. The New Underwood School District missed the Total Teacher Compensation Accountability by \$125,528 and the Average Teacher Compensation Accountability by \$1,146. In their testimony, Superintendent Seiler and Business Manager Madsen detailed the fiscal impacts of declining enrollment and the loss and subsequent replacement of three highly-paid teachers with teachers with less experience as factors in the district's failure to meet the accountabilities. The New Underwood School District was also unable to fill one teaching position.

The Board discussed the ability of the New Underwood School District to pay out the \$125,528 that would be necessary for them to be in compliance with the Total Teacher Compensation Accountability. Eventually they concluded that spending that much money would not be fiscally responsible for the district at this time. Instead, they multiplied the amount by which the district missed the Average Teacher Compensation Accountability, \$1,146, by the number of FTE teachers the district employs, 19.44. This would be an increase in spending for the New Underwood School District of \$22,278 and would allow the district to meet the Average Teacher Compensation Accountability. The School Finance Accountability Board voted that based on the information presented, the New Underwood School District violated a provision of SDCL 13-13-73.6 and should be granted a waiver conditional on the school district reopening contract negotiations and increasing teacher compensation by a total of at least \$22,278 by February 1, 2018.

Gayville-Volin School District

Accountability	Target	Actual	\$ Difference	% Difference	Met?
#1 Total Teacher Compensation	\$1,168,669	\$1,159,539	\$ (9,130)	-0.8%	NO
#2 Average Teacher Compensation	\$ 49,697	\$ 53,658	\$ 3,960	8.0%	YES
Board Determination	Full Waiver				
Increase in Local Need under 13-13-73.6 (2)	<u>\$234,543</u>				
Penalty if waiver is denied	\$117,272				

Superintendent Jason Selchert and Elementary School Principal Patrick Beeman provided testimony on behalf of the Gayville-Volin School District next. The Gayville-Volin School District missed the Total Teacher Compensation Accountability by \$9,130 due to ARSD reason (5) of any unforeseen or extenuating circumstances. The shortfall was caused by a teacher in the district letting her certification lapse. This teacher was therefore unable to be included in the teacher compensation data collection. The teacher in question has since renewed her certification.

The School Finance Accountability Board voted that based on the information presented, the Gayville-Volin School District violated a provision of SDCL 13-13-73.6 and should be granted an outright waiver of the financial penalty.

Garretson School District

Accountability	Target	Actual	\$ Difference	% Difference	Met?
#1 Total Teacher Compensation	\$1,866,678	\$1,779,317	\$ (87,361)	-4.7%	NO
#2 Average Teacher Compensation	\$ 54,950	\$ 55,673	\$ 724	1.3%	YES
Board Determination	Conditional Waiver				
Increase in Local Need under 13-13-73.6 (2)	\$203,779				
Penalty if waiver is denied	\$101,890				

The Garretson School District provided testimony next and was represented by Superintendent Guy Johnson and Garretson School Board President Shannon Nordstrom. The Garretson School District missed the Total Teacher Compensation Accountability by \$87,361. The district cited ARSD reasons (1), (2), and (4) of retirement of a teacher, declining student enrollment, and an unanticipated change in teacher FTE. Specifically, the district had two well-compensated teachers retire to be replaced by teachers with less experience and began a teacher-sharing agreement with the Baltic School District that changed their teacher compensation expenditures.

During Board discussion, the amount of the contract for the teacher that is shared with the Baltic School District was determined to be approximately \$25,000, which the Board thought should be removed from the amount by which the Garretson School District missed the accountability, as the expense will be incurred in coming years and represents money spent on a teacher. Members of the Board also questioned the large increases in compensation given to school support specialists, classified staff and administrative staff as money that could have been given to teachers in order to comply with the teacher compensation requirements. The School Finance Accountability Board voted that based on the information presented, the Garretson School District violated a provision of SDCL 13-13-73.6 and should be granted a waiver conditional on the school district reopening contract negotiations and increasing teacher compensation by a total of at least \$62,361 by February 1, 2018.

The Garretson School District was the final presentation for November 16, 2017. Board President Terry Nebelsick called for a recess until November 17.

Faith School District

Accountability	Target	Actual	\$ Difference	% Difference	Met?
#1 Total Teacher Compensation	\$ 794,999	\$ 785,898	\$ (9,101)	-1.1%	NO
#2 Average Teacher Compensation	\$ 43,646	\$ 48,874	\$ 5,229	12.0%	YES
Board Determination	Conditional Waiver				
Increase in Local Need under 13-13-73.6 (2)	<u>\$134,232</u>				
Penalty if waiver is denied	\$67,116				

The Faith School District was the first district to present at the November 17, 2017 meeting of the School Finance Accountability Board. The district was represented by Superintendent Kelly Daughters with Business Manager Amie Schauer available via phone. The Faith School District missed the Total Teacher Compensation Accountability by \$9,101 due to ARSD reasons (2), (3), and (4) of declining student enrollment, a change in budgeted costs for benefits, and an unanticipated change in teacher FTE. The Faith School District fell short of the required teacher compensation amount because of the accidental inclusion of a pre-kindergarten teacher in the calculations that were done when the district decided to reopen negotiations. Superintendent Daughters testified that Faith School District would have paid out the additional \$9,101 had they known in time that they would not meet the accountability. The Faith School District was also unable to hire a teacher to fill one position (they are no longer looking) and faces fiscal impacts due to declining enrollment.

Members of the Board questioned the need for a conditional waiver because of the declining student enrollment in the district. Superintendent Daughters stated that further staffing cuts, including teachers, will need to be made if enrollment numbers continue to decrease. The School Finance Accountability Board voted that based on the information presented, the Faith School District violated a provision of SDCL 13-13-73.6 and should be granted a waiver conditional on the school district reopening contract negotiations and increasing teacher compensation by a total of at least \$9,101 by February 1, 2018.

Gettysburg School District

Accountability	Target	Actual	\$ Difference	% Difference	Met?
#1 Total Teacher Compensation	\$1,121,599	\$1,079,355	\$ (42,244)	-3.8%	NO
#2 Average Teacher Compensation	\$ 49,841	\$ 50,203	\$ 361	0.7%	YES
Board Determination	Full Waiver				
Increase in Local Need under 13-13-73.6 (2)	<u>\$140,501</u>				
Penalty if waiver is denied	\$70,251				

Superintendent Chip Sundberg and Business Manager Barbara Everson presented next and provided testimony on behalf of the Gettysburg School District. The Gettysburg School District missed the Total Teacher Compensation Accountability by \$42,244. They cited ARSD reasons (2) and (4) of declining student enrollment and an unanticipated change in teacher

FTE. The district provided testimony relating the issues they have faced due to declining student counts. They also were unable to include an uncertified teacher in their total expenditure on teacher compensation calculation.

In discussion, the Board learned that the uncertified teacher employed by the Gettysburg School District was compensated at a rate of approximately \$47,000 and is now certified. The School Finance Accountability Board voted that based on the information presented, the Gettysburg School District violated a provision of SDCL 13-13-73.6 and should be granted an outright waiver of the financial penalty.

Faulkton Area School District

Accountability	Target	Actual	\$ Difference	% Difference	Met?
#1 Total Teacher Compensation	\$1,415,883	\$1,367,738	\$ (48,145)	-3.4%	NO
#2 Average Teacher Compensation	\$ 51,600	\$ 54,405	\$ 2,804	5.4%	YES
Board Determination	Full Waiver				
Increase in Local Need under 13-13-73.6 (2)	<u>\$107,334</u>				
Penalty if waiver is denied	\$53,667				

The next district to present was the Faulkton Area School District. The district was represented by Superintendent Derek Barrios and Business Manager Lisa Hushka. The Faulkton Area School District missed the Total Teacher Compensation Accountability by \$48,145 citing ARSD reasons (4) and (5) of an unanticipated change in teacher FTE and any unforeseen or extenuating circumstances. The testimony they provided cited an inability to fill a .76 FTE special education position in the district. This position has since been filled. The district also had a teacher’s certification lapse. The teacher in question is recertified as of October 2017, as confirmed by the Department of Education.

The School Finance Accountability Board voted that based on the information presented, the Faulkton Area School District violated a provision of SDCL 13-13-73.6 and should be granted an outright waiver of the financial penalty.

Bowdle School District

Accountability	Target	Actual	\$ Difference	% Difference	Met?
#1 Total Teacher Compensation	\$ 807,358	\$ 767,305	\$ (40,053)	-5.0%	NO
#2 Average Teacher Compensation	\$ 48,957	\$ 51,154	\$ 2,197	4.5%	YES
Board Determination	Full Waiver				
Increase in Local Need under 13-13-73.6 (2)	<u>\$70,426</u>				
Penalty if waiver is denied	\$35,213				

Next, Superintendent Hector Serna and Business Manager Carolynn Nelson provided testimony on behalf of the Bowdle School District. The Bowdle School District missed the Total Teacher Compensation Accountability by \$40,053 due to ARSD reason (4), which is an

unanticipated change in teacher FTE. Specifically, the Bowdle School District was unable to hire a Family and Consumer Sciences teacher for FY 2017. The position has since been filled and the current teacher is compensated at a rate of \$45,773 per year.

During the Board’s discussion, Superintendent Serna testified that the district attempted to fill the positions through advertising and calling leads throughout the year. The Board made the point that the district would be in compliance with both teacher compensation accountabilities if the new teacher was included. The School Finance Accountability Board voted that based on the information presented, the Bowdle School District violated a provision of SDCL 13-13-73.6 and should be granted an outright waiver of the financial penalty.

Edmunds Central School District

Accountability	Target	Actual	\$ Difference	% Difference	Met?
#1 Total Teacher Compensation	\$ 804,571	\$ 757,365	\$ (47,206)	-5.9%	NO
#2 Average Teacher Compensation	\$ 55,226	\$ 55,771	\$ 545	1.0%	YES
Board Determination	Full Waiver				
Increase in Local Need under 13-13-73.6 (2)	\$98,009				
Penalty if waiver is denied	\$49,005				

Superintendent Karen Fox for the Edmunds Central School District provided testimony next. Superintendent Fox cited ARSD reason (5), which is any unforeseen or extenuating circumstances, for missing the Total Teacher Compensation Accountability by \$47,206. The district missed this target due to an uncertified teacher whom was unable to be included in the teacher compensation data collection. The individual has since been certified.

The Board questioned the amount of the formerly uncertified individual’s contract and learned that the teacher is compensated \$48,938. The School Finance Accountability Board voted that based on the information presented, the Edmunds Central School District violated a provision of SDCL 13-13-73.6 and should be granted an outright waiver of the financial penalty.

Doland School District

Accountability	Target	Actual	\$ Difference	% Difference	Met?
#1 Total Teacher Compensation	\$1,141,429	\$1,128,916	\$ (12,513)	-1.1%	NO
#2 Average Teacher Compensation	\$ 53,575	\$ 55,721	\$ 2,147	4.0%	YES
Board Determination	Conditional Waiver				
Increase in Local Need under 13-13-73.6 (2)	\$125,404				
Penalty if waiver is denied	\$62,702				

The Doland School District provided testimony next and was represented by Superintendent Jim Hulscher and Business Manager Elisabeth Lewis. The Doland School District missed the Total Teacher Compensation Accountability by \$12,513. Their testimony cited ARSD reasons (2), (3), and (4) of declining student enrollment, a change in budgeted costs for

benefits, and an unanticipated change in teacher FTE. Specifically, the Doland School District had 5 teachers resign in the spring of 2016 and the district was only able to fill 4 of the positions. They also had a teacher who had previously used the district's health insurance decide to decline the benefits prior to the 2016-2017 school year.

The Board discussed the potential for a conditional waiver for the Doland School District. Superintendent Hulscher testified that the district reopened their contract negotiations to add \$1,800 in health insurance benefits to all teachers. Members of the Board felt that Doland School District could have increased compensation more when contracts were reopened to meet the teacher compensation accountabilities. The School Finance Accountability Board voted that based on the information presented, the Doland School District violated a provision of SDCL 13-13-73.6 and should be granted a waiver conditional on the school district reopening contract negotiations and increasing teacher compensation by a total of at least \$12,513 by February 1, 2018.

Summit School District

Accountability	Target	Actual	\$ Difference	% Difference	Met?
#1 Total Teacher Compensation	\$ 818,081	\$ 721,096	\$ (96,985)	-11.9%	NO
#2 Average Teacher Compensation	\$ 47,904	\$ 49,834	\$ 1,930	4.0%	YES
Board Determination	Full Waiver				
Increase in Local Need under 13-13-73.6 (2)	\$141,746				
Penalty if waiver is denied	\$70,873				

The next presentation was by the Summit School District. The district was represented by Superintendent Kurt Jensen and Business Manager Becky Hubsch. The Summit School District missed the Total Teacher Compensation Accountability by \$96,985. They cited ARSD reasons (3) and (4) of a change in budgeted costs for benefits and an unanticipated change in teacher FTE for this shortfall. The district presented documentation advocating for a data correction. This proposed correction was confirmed by the Department of Education and decreased the shortfall to \$70,567. The Summit School District had difficulty filling teaching positions with qualified teachers and had four teachers decline health insurance through the district.

In Board discussion, the Summit School District testified that they have now filled the open positions with one certified teacher and one uncertified teacher. They also clarified that the dropped insurance benefits have since been added to teacher benefit packages, so the district has no savings due to individuals that declined insurance. The Board computed a new amount that the Summit School District missed the accountability by, accounting for the new information, and determined that it fell below the .5% threshold that was previously utilized. The School Finance Accountability Board voted that based on the information presented, the Summit School District violated a provision of SDCL 13-13-73.6 and should be granted an outright waiver of the financial penalty.

Newell School District

Accountability	Target	Actual	\$ Difference	% Difference	Met?
#1 Total Teacher Compensation	\$1,570,115	\$1,459,687	\$ (110,428)	-7.0%	NO
#2 Average Teacher Compensation	\$ 49,400	\$ 52,132	\$ 2,732	5.5%	YES
Board Determination	Conditional Waiver				
Increase in Local Need under 13-13-73.6 (2)	<u>\$15,261</u>				
Penalty if waiver is denied	\$7,631				

The Newell School District presented next and was represented by Superintendent Robin Dutt, who was accompanied by two Newell School District Board Members. The Newell School District missed the Total Teacher Compensation Accountability by \$110,428 due to ARSD reasons (4) and (5) of an unanticipated change in teacher FTE and any unforeseen or extenuating circumstances. Superintendent Dutt testified that this shortfall was due to administrative turnover and misunderstanding of the requirements. The district also decreased from 32 FTE to 28 FTE that is counted in the teacher compensation calculations.

The Board recognized that Newell had experienced a 10% drop in enrollment in one year and that the potential penalty to the Newell School District was only \$7,631. In order to allocate money to teachers, the Board recommends a condition that Newell School District pay out the amount of their potential penalty to teachers. The School Finance Accountability Board voted that based on the information presented, the Newell School District violated a provision of SDCL 13-13-73.6 and should be granted a waiver conditional on the school district reopening contract negotiations and increasing teacher compensation by a total of at least \$7,631 by February 1, 2018.

Sisseton School District

Accountability	Target	Actual	\$ Difference	% Difference	Met?
#1 Total Teacher Compensation	\$4,064,822	\$3,920,036	\$ (144,786)	-3.6%	NO
#2 Average Teacher Compensation	\$ 56,182	\$ 56,936	\$ 754	1.3%	YES
Board Determination	Full Waiver				
Increase in Local Need under 13-13-73.6 (2)	<u>\$477,964</u>				
Penalty if waiver is denied	\$238,982				

Interim Superintendent Tammy Meyer and Business Manager Lori Kuschel provided testimony on behalf of the Sisseton School District next. The Sisseton School District missed the Total Teacher Compensation Accountability by \$144,786 due to ARSD reasons (1), (2), (3) and (4) of retirement of a teacher, declining student enrollment, a change in budgeted costs for benefits and an anticipated change in teacher FTE. The Sisseton School District struggled to hire teachers and left 4.5 FTE unfilled. They have since filled 3 of the 4.5 positions. They also had an uncertified teacher who was compensated \$51,625. These struggles were exacerbated by continual turnover in administration.

The Board commented that if the Sisseton School District had been able to hire for all of the positions they wished to, they would have been over the required compensation amount. The Board also mentioned that the Sisseton School District should consider closing some of the open positions and reinvesting the money in the current staff in the future. The School Finance Accountability Board voted that based on the information presented, the Sisseton School District violated a provision of SDCL 13-13-73.6 and should be granted an outright waiver of the financial penalty.

McLaughlin School District

Accountability	Target	Actual	\$ Difference	% Difference	Met?
#1 Total Teacher Compensation	\$2,254,169	\$1,982,696	\$ (271,473)	-12.0%	NO
#2 Average Teacher Compensation	\$ 54,285	\$ 56,648	\$ 2,363	4.4%	YES
Board Determination	Conditional Waiver				
Increase in Local Need under 13-13-73.6 (2)	\$245,613				
Penalty if waiver is denied	\$122,807				

The final presentation was by the McLaughlin School District. The district was represented by Superintendent Scott Lepke and Business Manager Kendra Sandquist. The McLaughlin School District missed the Total Teacher Compensation Accountability by \$271,473. The testimony provided cited ARSD reasons (4) and (5) for this shortfall. The McLaughlin School District was unable to fill 6 FTE due, in part, to their geographic location. They did employ two uncertified teachers as an art teacher and a Lakota language teacher. They are no longer seeking to fill the remaining open positions.

During the Board’s discussion, they used the information on uncertified teachers and teachers on a Plan of Intent that was provided by the McLaughlin School District. The Board calculated a new shortfall amount of \$114,730 that accounts for the salaries and benefits that were paid out to the uncertified individuals. The School Finance Accountability Board voted that based on the information presented, the McLaughlin School District violated a provision of SDCL 13-13-73.6 and should be granted a waiver conditional on the school district reopening contract negotiations and increasing teacher compensation by a total of at least \$114,730 by February 1, 2018.

Appeal of DOE Determination

The following school districts submitted documentation to appeal the determination of the Department of Education that they had not met both teacher compensation accountabilities. The districts provided evidence that a data correction for either the FY 2016 or the FY 2017 teacher compensation data would allow them to be in compliance. School Districts that were determined to be in compliance with SDCL 13-13-73.6 following these corrections by the School Finance Accountability Board require no further action by the Joint Committee on Appropriations.

School districts missing accountabilities by .5% or less:

The following school districts missed both accountabilities by .5% or less or met one of the accountabilities and are within .5% of the other. Per a policy decided by the School Finance Accountability Board at the October 19, 2017 meeting, these districts were determined to have made a good faith effort in meeting the accountabilities and were not required to attend the November 16 and 17 meeting of the board. The information provided by these districts was reviewed by the Department of Education and summarized for the School Finance Accountability Board on November 16, 2017.

Colome Consolidated School District

The Colome Consolidated school district missed the total teacher compensation accountability by a dollar amount of \$4,529 and a percentage equal to .4%. The district missed this target amount because they reported incorrect data that did not include the worker's compensation portion of teacher benefits. The Department of Education has reviewed the information submitted by the Colome Consolidated school district and found that with the proposed corrections, the district will meet the accountability and no longer be in violation of SDCL 13-13-7.6.

Lemmon School District

The Lemmon school district missed the total teacher compensation accountability by a dollar amount of \$4,407 and a percentage equal to .3%. The district missed this target amount because they reported incorrect data that overstated the compensation in FY 2016 for two teachers. This error caused the district's accountabilities to be higher than they would have been with the correct data. The Department of Education has reviewed the information submitted by the Lemmon school district and found that with the proposed corrections, the district will meet the new accountability and no longer be in violation of SDCL 13-13-73.6.

Sanborn Central School District

The Sanborn Central school district missed the total teacher compensation accountability by a dollar amount of \$3,023 and a percentage equal to .3%. The district missed this target amount because they reported incorrect data that included extra duty pay for one teacher in FY 2016, which is not to be included in this definition of teacher compensation. This error caused the district's accountabilities to be higher than they would have been with the correct data. The Department of Education has reviewed the information submitted by the Sanborn Central school district and found that with the proposed correction, the district will meet the new accountability and no longer be in violation of SDCL 13-13-73.6.

After hearing a summary of the situations faced by school districts disputing the determination of the Department of Education that they missed one or both accountabilities by .5% or less, the School Finance Accountability Board voted unanimously to accept the changes to the data and agree that the above school districts are now in compliance with SDCL 13-13-73.6.

School districts missing accountabilities by more than .5%:

Corsica-Stickney School District

The Corsica-Stickney School District provided testimony to the School Finance Accountability Board on November 16, 2017. Superintendent Scott Muckey and Business Manager Angie Feenstra represented the district. The Corsica-Stickney School District missed the Average Teacher Compensation Accountability by \$779, but maintained that this was due to a reporting error in the salary for one teacher in FY 2016. The Board confirmed that the correction would cause the Corsica-Stickney School District to no longer have a shortfall in the Average Teacher Compensation Accountability with the Department of Education. The School Finance Accountability Board voted that based on the information presented, the Corsica-Stickney School District did not violate a provision of SDCL 13-13-73.6.

Hitchcock-Tulare School District

After hearing the testimony from the Corsica-Stickney School District, School Finance Accountability Board President Terry Nebelsick asked the Department of Education if there were any other districts that missed the accountabilities by an amount greater than the .5% threshold due to a data error. The Department of Education explained that Hitchcock-Tulare had missed the Total Teacher Compensation Accountability due to a failure to update the salaries in the Annual Report System after re-opening contracts to meet the accountabilities. The Department of Education confirmed that the district would meet both accountabilities if the

proposed corrections were made. The School Finance Accountability Board voted that based on the information presented, the Hitchcock-Tulare School District did not violate a provision of SDCL 13-13-73.6 and would not be required to present testimony in their scheduled time-slot on November 17, 2017.

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Meeting Documents

The following section provides documents that were made available at the November 16 and 17 meeting for both the board members and the general public. On page 11 is an analysis of the student enrollment counts used for state aid in FY 2016, FY 2017 and FY 2018 for the 34 school districts that applied for waivers of the financial penalty. On page 12 is an analysis of the lowest monthly cash balance amounts for the 34 school districts for FY 2015, FY 2016 and FY 2017. This analysis also includes the percentage of total general fund expenditures that this amount represents and the target percentage for each of the included school districts.

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School Finance & Accountability Board Meeting

District Data Analysis #1

Used 2 Yr Avg

District Name	FY2016 State Aid Need	FY2017 State Aid Need	ACTUAL Increase State Aid Need	Target Accountability #1 (85% of new funding)	Student Count for FY2016 State Aid	Student Count for FY2017 State Aid	Student Count for FY2018 State Aid
Bowdle 22-1	\$713,248	\$752,667	\$39,419	\$59,862	124.60	110.20	109.00
Canistota 43-1	\$1,229,598	\$1,380,957	\$151,359	\$156,572	216.09	202.22	210.53
Clark 12-2	\$2,030,897	\$2,256,127	\$225,230	\$137,631	370.50	351.00	356.00
Colome Consolidated 59-3	\$1,371,425	\$1,530,460	\$159,035	\$101,259	243.50	228.00	224.00
Corisca-Stickney 21-3	\$1,301,970	\$1,633,228	\$331,258	\$167,662	230.00	246.00	251.00
Doland 56-2	\$1,042,938	\$1,183,300	\$140,362	\$106,593	179.00	170.00	174.00
Edgemont 23-1	\$915,888	\$970,818	\$54,930	\$60,984	160.00	142.14	153.29
Edmunds Central 22-5	\$755,608	\$874,242	\$118,634	\$83,308	132.00	128.00	147.00
Faith 46-2	\$1,099,066	\$1,181,592	\$82,526	\$114,097	192.00	173.00	164.00
Faulkton Area 24-4	\$1,724,108	\$1,988,221	\$264,113	\$91,234	312.50	308.00	306.00
Garrison 49-4	\$2,481,361	\$2,715,874	\$234,513	\$173,212	484.50	463.00	477.00
Gayville-Volin 63-1	\$1,589,969	\$1,949,600	\$359,631	\$199,362	287.00	304.00	279.00
Gettysburg 53-1	\$1,461,721	\$1,605,135	\$143,414	\$119,426	261.28	241.04	243.04
Henry 14-2	\$1,001,753	\$1,161,102	\$159,349	\$86,209	175.00	170.00	165.00
Herreld 10-1	\$687,717	\$799,111	\$111,394	\$112,915	120.14	117.00	109.00
Highmore-Harrold 34-2	\$1,477,930	\$1,655,761	\$177,831	\$157,838	264.50	250.00	238.00
Hitchcock-Tulare 56-6	\$1,236,442	\$1,559,471	\$323,029	\$148,271	216.00	231.00	232.00
Jones County 37-3	\$1,077,387	\$1,290,872	\$213,485	\$147,190	188.00	189.00	187.29
Kadoka Area 35-2	\$1,961,763	\$2,175,601	\$213,838	\$166,223	365.00	348.00	322.00
Kimball 07-2	\$1,695,074	\$1,912,081	\$217,007	\$176,672	307.00	296.00	304.25
Lemmon 52-4	\$1,522,355	\$1,747,841	\$225,486	\$155,725	273.37	266.55	246.19
Lyman 42-1	\$2,117,986	\$2,475,408	\$357,422	\$100,014	399.50	410.00	366.00
McLaughlin 15-2	\$2,480,532	\$2,693,029	\$212,497	\$208,771	484.00	457.50	441.36
New Underwood 51-3	\$1,475,416	\$1,633,228	\$157,812	\$163,814	264.00	246.00	237.00
Newell 09-2	\$1,790,279	\$1,915,061	\$124,782	\$12,972	328.35	297.47	292.00
Pierre 32-2	\$13,002,817	\$14,661,469	\$1,658,652	\$1,040,473	2,664.56	2,682.24	2,720.38
Plankinton 01-1	\$1,883,403	\$2,035,515	\$152,112	\$210,421	338.00	309.00	299.00
Rosholt 54-4	\$1,305,628	\$1,549,646	\$244,018	\$164,198	230.00	229.00	244.00
Sanborn Central 55-5	\$1,101,080	\$1,306,240	\$205,160	\$87,380	191.50	190.00	180.00
Sisseton 54-2	\$4,468,331	\$4,908,047	\$439,716	\$406,269	915.00	894.00	885.00
Summit 54-6	\$878,256	\$986,937	\$108,681	\$120,484	153.00	143.00	150.00
Wall 51-5	\$1,437,577	\$1,627,577	\$190,000	\$209,267	256.50	245.00	257.00
White River 47-1	\$2,132,442	\$2,514,106	\$381,664	\$220,612	402.75	418.00	404.00
Willow Lake 12-3	\$1,262,574	\$1,532,752	\$270,178	\$131,753	217.50	222.00	237.00

School Finance & Accountability Board Meeting

District Data Analysis #2

District Name	Lowest Monthly Cash Balance FY2015 General Fund	% of Total General Fund Expenditures	Lowest Monthly Cash Balance FY2016 General Fund	% of Total General Fund Expenditures	Lowest Monthly Cash Balance FY2017 General Fund	% of Total General Fund Expenditures	GF Base % (based on 3 yr SAFE count)
Bowdle 22-1	\$526,462	44.00%	\$420,352	34.31%	\$316,731	21.41%	40%
Canistota 43-1	\$914,687	55.96%	\$832,443	44.66%	\$549,731	26.20%	30%
Clark 12-2	\$97,381	3.78%	\$220,175	8.31%	\$422,399	14.60%	30%
Colome Consolidated 59-3	\$1,068,112	57.78%	\$778,053	36.88%	\$278,894	12.20%	30%
Corisca-Stickney 21-3			\$1,577,450	82.15%	\$1,138,950	48.16%	30%
Doland 56-2	\$582,199	41.78%	\$792,590	53.52%	\$605,773	35.23%	40%
Edgemont 23-1	\$970,857	57.47%	\$798,196	49.16%	\$550,444	31.53%	40%
Edmunds Central 22-5	\$364,991	28.40%	\$404,780	32.79%	\$581,888	39.95%	40%
Faith 46-2	\$435,745	31.50%	\$689,700	50.94%	\$665,417	42.50%	40%
Faulkon Area 24-4	\$164,954	8.03%	\$640,777	31.19%	\$1,020,700	39.84%	30%
Garretson 49-4	\$812,118	25.67%	\$512,561	15.98%	\$433,633	13.53%	30%
Gayville-Volin 63-1	\$842,305	48.66%	\$805,840	44.20%	\$881,628	40.05%	30%
Gettysburg 53-1	\$655,665	34.86%	\$604,071	31.79%	\$604,511	29.33%	30%
Henry 14-2	\$345,348	30.05%	\$365,578	28.58%	\$129,021	8.15%	40%
Herreid 10-1	\$0	0.00%	\$7,044	0.67%	\$147,979	12.03%	40%
Higmore-Harrold 34-2	\$14,432	0.72%	\$2,049,327	97.68%	\$1,544,275	59.54%	30%
Hitchcock-Tulane 56-6	\$81,545	4.24%	\$389,111	19.19%	\$295,480	13.95%	30%
Jones County 37-3	\$424,410	26.71%	\$382,766	25.15%	\$463,680	26.04%	40%
Kadoka Area 35-2	\$496,050	13.39%	\$279,027	8.00%	\$375,030	9.83%	30%
Kimball 07-2	\$559,060	26.00%	\$509,904	23.01%	\$348,798	14.25%	30%
Lemmon 52-4	\$0	0.00%	\$1,540	0.07%	\$123,717	4.89%	30%
Lyman 42-1	\$1,013,492	27.31%	\$725,463	19.11%	\$886,861	21.25%	30%
McLaughlin 15-2	\$0	0.00%	(\$2,121,599)	0.00%	(\$4,427,258)	0.00%	30%
New Underwood 51-3	\$551,131	30.57%	\$482,433	26.10%	\$307,432	15.54%	30%
Newell 09-2	\$1,237,106	45.87%	\$934,404	31.20%	\$534,678	18.61%	30%
Pierre 32-2	\$3,902,507	25.38%	\$3,879,133	24.86%	\$4,220,558	24.68%	25%
Plankinton 01-1	\$697,274	24.53%	\$736,942	26.57%	\$553,806	16.76%	30%
Rosholt 54-4	\$701,218	40.09%	\$796,791	41.34%	\$468,042	19.87%	30%
Sanborn Central 55-5	\$499,426	30.39%	\$307,977	17.53%	\$276,099	13.52%	40%
Sissemou 54-2	\$792,731	9.63%	(\$80,753)	0.00%	(\$135,587)	0.00%	25%
Summit 54-6	\$27,515	2.10%	\$50,351	3.73%	(\$21,145)	0.00%	40%
Wall 51-5	\$130,857	5.59%	\$210,698	8.96%	(\$1,772,727)	0.00%	30%
White River 47-1	\$0	0.00%	(\$1,324,884)	0.00%	(\$362,677)	0.00%	30%
Willow Lake 12-3	\$1,226,572	62.99%	\$947,224	45.60%	\$655,334	28.73%	30%

Summary

In summary, the following school districts submitted documentation disputing the determination of the Department of Education that they were in violation of one or both of the teacher compensation accountabilities set forth in SDCL 13-13-73.6:

- Colome Consolidated
- Lemmon
- Sanborn Central
- Hitchcock-Tulare
- Corsica-Stickney

With verification of compliance pending data corrections, the School Finance Accountability Board voted to accept changes and determine that the districts listed above did not violate a provision of SDCL 13-13-73.6.

The following school districts submitted documentation requesting a waiver of the financial penalty per SDCL 13-13-73.6 and were granted outright waivers by the School Finance Accountability Board:

- Edgemont
- Kadoka Area
- Lyman
- Pierre
- Rosholt
- Highmore-Harrod
- Kimball
- Henry
- Gayville-Volin
- Gettysburg
- Faulkton Area
- Bowdle
- Edmunds Central
- Summit
- Sisseton

The following school districts submitted documentation requesting a waiver of the financial penalty per SDCL 13-13-73.6 and were granted conditional waivers by the School Finance Accountability Board:

- **Jones County:** The School Finance Accountability Board determined that the Jones County school district was in violation of the accountabilities and based on the

documentation presented, they should be granted waiver of the financial penalty, conditional on a total increase to teacher compensation for FY 2018 of \$11,180 to be included in contracts no later than February 1, 2018.

- **White River:** The School Finance Accountability Board determined that the White River school district was in violation of the accountabilities and based on the documentation presented, they should be granted waiver of the financial penalty, conditional on a total increase to teacher compensation for FY 2018 of \$30,743 to be included in contracts no later than February 1, 2018.
- **Plankinton:** The School Finance Accountability Board determined that the Plankinton school district was in violation of the accountabilities and based on the documentation presented, they should be granted waiver of the financial penalty, conditional on a total increase to teacher compensation for FY 2018 of \$53,886 to be included in contracts no later than February 1, 2018.
- **Herreid:** The School Finance Accountability Board determined that the Herreid school district was in violation of the accountabilities and based on the documentation presented, they should be granted waiver of the financial penalty, conditional on a total increase to teacher compensation for FY 2018 of \$7,604 to be included in contracts no later than February 1, 2018.
- **Clark:** The School Finance Accountability Board determined that the Clark school district was in violation of the accountabilities and based on the documentation presented, they should be granted waiver of the financial penalty, conditional on verification of documentation showing an increase in total teacher compensation of \$36,866 for FY 2018 has been included in contracts. This documentation will be provided to the Department of Education and compliance will be confirmed no later than February 1, 2018.
- **Willow Lake:** The School Finance Accountability Board determined that the Willow Lake school district was in violation of the accountabilities and based on the documentation presented, they should be granted waiver of the financial penalty, conditional on a total increase to teacher compensation for FY 2018 of \$39,137 to be included in contracts no later than February 1, 2018.
- **Canistota:** The School Finance Accountability Board determined that the Herreid school district was in violation of the accountabilities and based on the documentation presented, they should be granted waiver of the financial penalty, conditional on a total increase to teacher compensation for FY 2018 of \$23,406 to be included in contracts no later than February 1, 2018.
- **Wall:** The School Finance Accountability Board determined that the Wall school district was in violation of the accountabilities and based on the documentation presented, they should be granted waiver of the financial penalty, conditional on a total increase to teacher compensation for FY 2018 of \$27,144 to be included in contracts no later than February 1, 2018.

- **New Underwood:** The School Finance Accountability Board determined that the New Underwood school district was in violation of the accountabilities and based on the documentation presented, they should be granted waiver of the financial penalty, conditional on a total increase to teacher compensation of approximately \$22,000 for FY 2018 to be included in contracts no later than February 1, 2018.
- **Garretson:** The School Finance Accountability Board determined that the Garretson school district was in violation of the accountabilities and based on the documentation presented, they should be granted waiver of the financial penalty, conditional on a total increase to teacher compensation for FY 2018 of approximately \$62,000 to be included in contracts no later than February 1, 2018.
- **Faith:** The School Finance Accountability Board determined that the Faith school district was in violation of the accountabilities and based on the documentation presented, they should be granted waiver of the financial penalty, conditional on a total increase to teacher compensation for FY 2018 of \$9,101 to be included in contracts no later than February 1, 2018.
- **Doland:** The School Finance Accountability Board determined that the Doland school district was in violation of the accountabilities and based on the documentation presented, they should be granted waiver of the financial penalty, conditional on a total increase to teacher compensation for FY 2018 of \$12,513 to be included in contracts no later than February 1, 2018.
- **Newell:** The School Finance Accountability Board determined that the Newell school district was in violation of the accountabilities and based on the documentation presented, they should be granted waiver of the financial penalty, conditional on a total increase to teacher compensation for FY 2018 of \$7,631 to be included in contracts no later than February 1, 2018.
- **McLaughlin:** The School Finance Accountability Board determined that the McLaughlin school district was in violation of the accountabilities and based on the documentation presented, they should be granted waiver of the financial penalty, conditional on a total increase to teacher compensation for FY 2018 of \$114,730 to be included in contracts no later than February 1, 2018.

The Department of Education asked for clarification from the Board regarding the amounts for several school districts, the February 1 deadline for all conditional waivers, and the timeline allowed for districts to pay out the additional amounts identified on the conditional waivers (per a request from the South Dakota Education Association). The Board clarified that the February 1, 2018 deadline would apply to all districts receiving a conditional waiver. They also stated that the deadline refers to the completion of negotiations, but the pay out of the required amounts may occur any time before the end of the fiscal year.

Appendix A: Draft Meeting Minutes for November 16 and 17

Date: Thursday, November 16 & 17, 2017 - 8:30 a.m. CST

Location: Capitol Building, Fourth Floor, Room 412
500 E Capitol Avenue, Pierre, South Dakota 57501

Public telephonic access: 1-866-410-8397/conference code: 5214682374

Present: Terry Nebelsick, President
Susan Proefrock, Vice-President
Jarod Larson, Member
Eric Stroeder, Member
Patrick Weber, Member

Absent:

DOE staff in attendance: Tamara Darnall, Susan Woodmansey, Bobbi Leiferman, Kathryn Blumhardt, Holly Farris, and Olivia Waggoner

Others in attendance:

Bob Mercer, Capital Journal, Superintendent Quinton Cermak from the Highmore-Harold School District, Superintendent Lorrie Esmay from the Jones County School District, Superintendent Tom Cameron from the White River School District, Business Manager Eileen Kroupa from the Kimball School District, Superintendent Steve Randall and Business Manager Joan Swanson from the Plankinton School District, Superintendent Scott Muckey and Business Manager Angie Feenstra from the Corsica-Stickney School District, Superintendent Daniel Hoey and Business Manager Colleen Rueb from the Herreid School District, Superintendent Luann Warren and Business Manager Mary Nelson from the Clark School District Superintendent Scott Klautdt and Business Manager Melissa Burke from the Willow Lake School District, Superintendent Philip Schonebaum and Business Manager Gail Thompson from the Henry School District, Superintendent Larry Nebelsick and Business Manager Andrea Addy from the Canistota School District, Superintendent Cooper Garnos, Business Manager Amy Bassette, and previous Business Manager Nicki Mohr from the Wall School District, Superintendent George Seiler and Business Manager Irene Madsen from the New Underwood School District, Superintendent Jason Selchert and Gayville-Volin Elementary Principle Patrick Beeman from the Gayville-Volin School District, Superintendent Guy Johnson and Board President Shannon Nordstrom from the Garretson School District, Superintendent Kelly Daughters and Business Manager Amie Schauer (via phone) from the Faith School District, Superintendent Chip Sundberg and Business Manager Barbara Everson from the Gettysburg School District,

Superintendent Derek Barrios and Business Manager Lisa Hushka from the Faulkton Area School District, Superintendent Hector Serna and Business Manager Carolynn Nelson from the Bowdle School District, Superintendent Karen Fox from the Edmunds Central School District, Superintendent Jim Hulscher and Business Manager Elisabeth Lewis from the Doland School District, Superintendent Kurt Jensen and Business Manager Becky Hubsch from the Summit School District, Superintendent Robin Dutt from the Newell School District, Interim Superintendent Tammy Meyer and Business Manager Lori Kuschel from the Sisseton School District, Superintendent Scott Lepke and Business Manager Kendra Sandquist from the McLaughlin School District and other members of the public via telephone.

Call to Order and Roll Call:

Meeting was called to order by President Nebelsick at approximately 8:30 a.m. CST.

Adoption of Agenda:

Motion by Eric Stroeder, seconded by Patrick Weber, to adopt the November 16 & 17, 2017, proposed agenda. Roll call, all present voted in favor. Motion carried.

Approval of Minutes:

Motion to approve the minutes from the October 19, 2017 meeting was made by Vice-President Proefrock, seconded by Jarod Larson. Roll call, all present voted in favor. Motion carried.

Summary of Submitted Waivers and DOE Comments:

Kathryn Blumhardt provided a summary of the submitted waivers for review. There were three school districts that are appealing the determination of the Department of Education that they missed one or both of the accountabilities by less than .5%. The three school districts that are appealing the determination are: Colome Consolidated, Lemmon, and Sanborn-Central. The Department of Education has reviewed the proposed corrections by all three school districts and found that with these corrections, the districts will meet the new accountability and will no longer be in violation of SDCL 13-13-73.6.

Patrick Weber moved, seconded by Jarod Larson that based on the information presented to the Board by the school districts the Board determine that the Colome Consolidated School District, the Lemmon School District, and the Sanborn-Central School District did not violate a provision of SDCL 13-13-73.6. Roll call, all present voted in favor. Motion carried.

Kathryn Blumhardt provided a summary of five school districts that are applying for waivers of the financial penalty, but missed the target threshold by .5% or less. The five school districts mentioned are: the Edgemont School District, the Kadoka School District, the Lyman School District, the Pierre School District, and the Rosholt School District.

Eric Stroeder moved, seconded by Vice-President Proefrock, that based on the information presented to the Board, the Board determine that the Edgemont School District, the Kadoka School District, the Lyman School district, the Pierre School District, and the Rosholt School District violated a provision of SDCL 13-13-73.6 by less than 0.5 percent and grant a waiver to those school districts from the financial penalty imposed under SDCL 13-13-73.6. Roll call, all present voted in favor. Motion carried.

Presentation of Waiver Requests by Districts:

Highmore-Harrold School District:

Superintendent Quinton Cermak provided testimony to the Board on behalf of the Highmore-Harrold School District. The Highmore-Harrold School District missed the Total Expenditures for Teacher Compensation Accountability by a dollar amount of \$27,256.

Patrick Weber moved, seconded by Vice-President Proefrock that based on the information presented to the Board by the school district the Board determine that the Highmore-Harrold school district violated the provisions of SDCL 13-13-73.6. Roll call, all present voted in favor. Motion carried.

Eric Stroeder moved, seconded by Jarod Larson, that based on the information presented to the Board by the school district, the Board grant the Highmore-Harrold school district a waiver from the financial penalty imposed under 13-13-73.6. Roll call, all present voted in favor. Motion carried.

Jones County School District:

Superintendent Lorrie Esmay provided testimony to the Board on behalf of the Jones County School District. The Jones County School District missed the Total Teacher Compensation Accountability by a dollar amount of \$11,189.

Eric Stroeder moved, seconded by Patrick Weber that based on the information presented to the Board by the school district, the Board determine that the Jones County School District violated the provisions of SDCL 13-13-73.6. Roll call, all present voted in favor. Motion carried.

Patrick Weber moved, seconded by Eric Stroeder that based on the information presented to the Board by the school district, the Board grant the Jones County School District a waiver from the financial penalty imposed under SDCL 13-13-73.6, provided the following condition is fulfilled:

The Jones County School District re-open salary negotiations with teachers for the 2017-2018 school year increasing their teacher compensation by a total of at least \$11,189 by February 1, 2018.

Roll call, all present voted in favor. Motion carried.

White River School District:

Superintendent Tom Cameron provided testimony to the Board on behalf of the White River School District. The White River School District missed the Average Teacher Compensation Accountability by a dollar amount of \$710.

Vice-President Proefrock moved, seconded by Patrick Weber that based on the information presented to the Board by the school district, the Board determine that the White River School District violated the provisions of SDCL 13-13-73.6. Roll call, all present voted in favor. Motion carried.

Patrick Weber moved, seconded by Vice-President Proefrock that based on the information presented to the Board by the school district, the Board grant the White River School District a waiver from the financial penalty imposed under SDCL 13-13-73.6, provided the following condition is fulfilled:

The White River School District re-open salary negotiations with teachers for the 2017-2018 school year increasing their compensation by a total of at least \$30,743 by February 1, 2018

Roll call, all present voted in favor. Motion carried.

Kimball School District:

Business Manager Eileen Kroupa provided testimony to the Board on behalf of the Kimball School District. The Kimball School District missed the Total Expenditures for Teacher Compensation by a dollar amount of \$33,967.

Eric Stroeder moved, seconded by Patrick Weber that based on the information presented to the Board by the school district, the Board determine that the Kimball School District violated the provisions of SDCL 13-13-73.6. Roll call, all present voted in favor. Motion carried.

Jarod Larson moved, seconded by Patrick Weber that based on the information presented to the Board by the school district, the Board grant the Kimball School District a waiver from the financial penalty imposed under SDCL 13-13-73.6. Roll call, all present voted in favor. Motion carried.

Plankinton School District:

Superintendent Steve Randall and Business Manager Joan Swanson provided testimony to the Board on behalf of the Plankinton School District. The Plankinton School District missed the Total Expenditures for Teacher Compensation by a dollar amount of \$53,886.

Eric Stroeder moved, seconded by Vice-President Proefrock that based on the information presented to the Board by the school district, the Board determine that the Plankinton School District violated the provisions of SDCL 13-13-73.6. Roll call, all present voted in favor. Motion carried.

Patrick Weber moved, seconded by Eric Stroeder that based on the information presented to the Board by the school district, the Board grant the Plankinton School District a waiver from the financial penalty imposed under SDCL 13-13-73.6, provided the following condition is fulfilled:

The Plankinton School District re-open salary negotiations with teachers for the 2017-2018 school year increasing their teacher compensation by a total of at least \$53,886 by February 1, 2018.

Roll call vote. Jarod Larson, yes; Patrick Weber, yes; President Nebelsick, no; Eric Stroeder, no; Vice-President Proefrock, yes. Motion carried.

Corsica-Stickney School District:

Superintendent Scott Muckey and Business Manager Angie Feenstra provided testimony to the Board on behalf of the Corsica-Stickney School District. The Corsica-Stickney School District missed the Average Teacher Compensation by a dollar amount of \$779.

Patrick Weber moved, seconded by Jarod Larson that based on the information presented to the Board by the school district, the Board determine that the Corsica-Stickney School District did not violate a provision of SDCL 13-13-73.6. Roll call, all present voted in favor. Motion carried.

Herreid School District:

Superintendent Daniel Hoey and Business Manager Colleen Rueb provided testimony to the Board on behalf of the Herreid School District. The Herreid School District missed the Total Expenditures for Teacher Compensation by a dollar amount of \$15,147. The Herreid School District also missed the Average Teacher Compensation by a dollar amount of \$109.

Patrick Weber moved, seconded by Vice-President Proefrock that based on the information presented to the Board by the school district, the Board determine the Herreid School District violated the provisions of SDCL 13-13-73.6. Roll call, all present voted in favor. Motion carried.

Eric Stroeder moved, and seconded by Jarod Larson that based on the information presented to the Board by the school district, the Board grant the Herreid School District a waiver from the financial penalty imposed under SDCL 13-13-736, provided the following condition is fulfilled:

The Herreid School District re-open salary negotiations with teachers for the 2017-2018 school year increasing their teacher compensation by a total of at least \$7,604 by February 1, 2018.

Roll call, all present voted in favor. Motion carried.

Hitchcock-Tulare School District:

Patrick Weber moved, and seconded by Eric Stroeder that based on the requested corrections to the 2017 teacher compensation presented to the Board and verified by the Department of Education, the Board waived Hitchcock-Tulare's hearing on November 17, 2017 and find them not in violation of SDCL 13-13-73.6. Roll call, all present voted in favor. Motion carried.

Clark School District:

Superintendent Luann Warren and Business Manager Mary Nelson provided testimony to the Board on behalf of the Clark School District. The Clark School District missed the Total Expenditures for Teacher Compensation Accountability by a dollar amount of \$68,856.

Eric Stroeder moved, and seconded by Patrick Weber that based on the information presented to the Board by the school district, the Board determine that the Clark School District violated the provisions of SDCL 13-13-73.6. Roll call, all present voted in favor. Motion carried.

Eric Stroeder moved, and seconded by Vice-President Proefrock that based on the information presented to the Board by the school district, the Board grant Clark School District a waiver from the financial penalty imposed under SDCL 13-13-73.6. Motion withdrawn.

Patrick Weber moved, and seconded by Jarod Larson that based on the information presented to the Board by the school district, the Board grant the Clark School District a waiver from the financial penalty imposed under SDCL 13-13-73.6, provided the following conditions are fulfilled:

The Clark School District work directly with the Department of Education in order to verify that the teacher compensation adjustment made in the 2017-2018 year clearly meets the intent of the law.

In the event that the adjustment made may not be verified, the Clark School District will re-open salary negotiations with teachers for the 2017-2018 school year increasing their teacher compensation by a total of at least \$36,856 by February 1, 2018.

Roll call, all present voted in favor. Motion carried.

Willow Lake School District:

Superintendent Scott Klaudt and Business Manager Melissa Burke provided testimony to the Board on behalf of the Willow Lake School District. The Willow Lake School District missed the Total Expenditures for Teacher Compensation by a dollar amount of \$39,137.

Eric Stroeder moved, and seconded by Patrick Weber that based on the information presented to the Board by the school district, the Board determine that the Willow Lake School District violated the provisions of SDCL 13-13-73.6. Roll call, all present voted in favor. Motion carried.

Patrick Weber moved, and seconded by Eric Stroeder that based on the information presented to the Board by the school district, the Board grant the Willow Lake School District a waiver from the financial penalty imposed under SDCL 13-13-73.6, provided the following condition is fulfilled:

The Willow Lake School District will re-open salary negotiations with teachers for the 2017-2018 school year increasing their teacher compensation by a total of at least \$39,137 by February 1, 2018.

Roll call, all present voted in favor. Motion carried.

Henry School District:

Superintendent Philip Schonebaum and Business Manager Gail Thompson provided testimony to the Board on behalf of the Henry School District. The Henry School District missed the Total Expenditures for Teacher Compensation by \$19,087.

Vice-President Proefrock moved, and seconded by Eric Stroeder that based on the information presented to the Board by the school district, the Board determine that the Henry School District violated the provisions of SDCL 13-13-73.6. Roll call, all present voted in favor. Motion carried.

Patrick Weber moved, and seconded by Jarod Larson that based on the information presented to the Board by the school district, the Board grant Henry School District a waiver from the financial penalty imposed under SDCL 13-13-73.6. Roll call, all present voted in favor. Motion carried.

Canistota School District:

President Nebelsick and Patrick Weber recused themselves from any discussion and vote with this school district due to conflict of interests within the district.

Superintendent Larry Nebelsick and Business Manager Andrea Addy provided testimony to the Board on behalf of the Canistota School District. The Canistota School District missed the Total Expenditures for Teacher Compensation by a dollar amount of \$23,406.

Vice-President Proefrock moved, and seconded by Eric Stroeder that based on the information presented to the Board by the school district, the Board determine that the Canistota School District violated the provisions of SDCL 13-13-73.6. Roll call, President Nebelsick and Patrick Weber recused themselves from the vote. All participating members voted in favor. Motion carried.

Jarod Larson moved, and seconded by Eric Stroeder that based on the information presented to the Board by the school district, the Board grant the Canistota School District a waiver from the financial penalty imposed under SDCL 13-13-73.6, provided the following condition is fulfilled:

The Canistota School District will re-open salary negotiations with teachers for the 2017-2018 school year increasing their total teacher compensation by a total of at least \$23,406 by February 1, 2018.

Roll call, President Nebelsick and Patrick Weber recused themselves from the vote. All participating members voted in favor. Motion carried.

Wall School District:

Superintendent Cooper Garnos, Business Manager Amy Bassette, and previous Business Manager Nicki Mohr provided testimony to the Board on behalf of the Wall School District. According to the Department of Education calculations, the Wall School District missed Total Expenditures for Teacher Compensation by a dollar amount of \$9,299. After additional calculations from the Wall School District, the correct dollar amount is \$27,144.

Vice-President Proefrock moved, and seconded by Patrick Weber that based on the information presented to the Board by the school district, the Board determine that the Wall School District violated the provisions of SDCL 13-13-73.6. Roll call, all present voted in favor. Motion carried.

Patrick Weber moved, and seconded by Vice-President Proefrock that based on the information presented to the Board by the school district the Board grant the Wall School District a waiver from the financial penalty imposed under SDCL 13-13-73.6, provided the following condition is fulfilled:

The Wall School District re-open salary negotiations with teachers for the 2017-2018 school year increasing their total teacher compensation by a total of at least \$27,144 by February 1, 2018.

Roll call, all present voted in favor. Motion carried.

New Underwood School District:

Superintendent George Seiler and Business Manager Irene Madsen provided testimony to the Board on behalf of the New Underwood School District. The New Underwood School District missed Total Expenditure for Teacher Compensation by a dollar amount of \$125,528. The New Underwood School District also missed the Average Teacher Compensation by a dollar amount of \$1,146.

Jarod Larson moved, and seconded by Vice-President Proefrock that based on the information presented to the Board by the school district the Board determine that the New Underwood School District violated the provisions of SDCL 13-13-73.6. Roll call, all present voted in favor. Motion carried.

Patrick Weber moved, and seconded by Eric Stroeder that based on the information presented to the Board by the school district the Board grant the New Underwood School District a waiver from the financial penalty imposed under SDCL 13-13-73.6, provided the following condition is fulfilled:

The New Underwood School District re-open salary negotiations with teachers for the 2017-2018 school year increasing their total teacher compensation by at least \$22,278 to meet standards of the Average Teacher Compensation Accountability by February 1, 2018. The New Underwood School District recognizes that the Board is waiving Total Expenditure for Teacher Compensation.

Roll call vote. Jarod Larson, yes; Patrick Weber, yes; President Nebelsick, no; Eric Stroeder, yes; Vice-President Proefrock, yes. Motion carried.

Gayville-Volin School District:

Superintendent Jason Selchert and Gayville-Volin Elementary Principle Patrick Beeman provided testimony to the Board on behalf of the Gayville-Volin School District. The Gayville-Volin School District missed the Total Expenditures for Teacher Compensation by a dollar amount of \$9,130.

Vice-President Proefrock moved, and seconded by Patrick Weber that based on the information presented to the Board by the school district, the Board determine that the Gayville-Volin School District violated the provisions of SDCL 13-13-73.6. Roll call, all present voted in favor. Motion carried.

Vice-President Proefrock moved, and seconded by Eric Stroeder that based on the information presented to the Board by the school district, the Board grant the Gayville-Volin School District a waiver from the financial penalty imposed under SDCL 13-13-73.6. Roll call, all present voted in favor. Motion carried.

Garretson School District:

Superintendent Guy Johnson and Board President Shannon Nordstrom provided testimony to the Board on behalf of the Garretson School District. The Garretson School District missed the Total Expenditures for Teacher Compensation by a dollar amount of \$87,361.

Eric Stroeder moved, and seconded by Patrick Weber that based on the information presented to the Board by the school district, the Board determine that the Garretson School District violated the provisions of SDCL 13-13-73.6. Roll call, all present voted in favor. Motion carried.

Patrick Weber moved, and seconded by Vice-President Proefrock that based on the information presented to the Board by the school district, the Board grant the Garretson School District a waiver from the financial penalty imposed under SDCL 13-13-73.6, provided the following condition is fulfilled:

The Garretson School District re-open salary negotiations with teachers for the 2017-2018 school year increasing their total teacher compensation by a total of at least \$62,361 by February 1, 2018.

Roll call vote. Jarod Larson, yes; Patrick Weber, yes; President Nebelsick, no; Eric Stroeder, yes; Vice-President Proefrock, yes. Motion carried.

Recess

Presentation of Waiver Requests by Districts:

Faith School District:

Superintendent Kelly Daughters and Business Manager Amie Schauer (via phone) provided testimony to the Board on behalf of the Faith School District. The Faith School District missed the Total Expenditures for Teacher Compensation by a dollar amount of \$9,101.

Patrick Weber moved, and seconded by Vice-President Proefrock that based on the information presented to the Board by the school district, the Board determine that the Faith School District violated the provisions of SDCL 13-13-73.6. Roll call, all present voted in favor. Motion carried.

Patrick Weber moved, and seconded by Vice-President Proefrock that based on the information presented to the Board by the school district, the Board grant the Faith School District a waiver from the financial penalty imposed under SDCL 13-13-73.6, provided the following condition is fulfilled:

The Faith School District re-open salary negotiations with teachers for the 2017-2018 school year increasing their total teacher compensation by a total of at least \$9,101 by February 1, 2018.

Roll call vote. Jarod Larson, yes; Patrick Weber, yes; President Nebelsick, no; Eric Stroeder, no; Vice-President Proefrock, yes. Motion carried.

Gettysburg School District:

Superintendent Chip Sundberg and Business Manager Barbara Everson provided testimony to the Board on behalf of the Gettysburg School District. The Gettysburg School District missed the Total Expenditures for Teacher Compensation by a dollar amount of \$42,244.

Jarod Larson moved, and seconded by Patrick Weber that based on the information presented to the Board by the school district, the Board determine that the Gettysburg School District violated the provisions of SDCL 13-13-73.6. Roll call, all present voted in favor. Motion carried.

Jarod Larson moved, and seconded by Patrick Weber that based on the information presented to the Board by the school district, the Board grant Gettysburg School District a waiver from the financial penalty imposed under SDCL 13-13-73.6. Roll call, all present voted in favor. Motion carried.

Faulkton Area School District:

Superintendent Derek Barrios and Business Manager Lisa Hushka provided testimony to the Board on behalf of the Faulkton Area School District. The Faulkton Area School District missed the Total Expenditures for Teacher Compensation by a dollar amount of \$48,145.

Eric Stroeder moved, and seconded by Vice-President Proefrock that based on the information presented to the Board by the school district, the Board determine that the Faulkton Area School District violated the provisions of SDCL 13-13-73.6. Roll call, all present voted in favor. Motion carried.

Eric Stroeder moved, and seconded by Vice-President Proefrock that based on the information presented to the Board by the school district, the Board grant Faulkton Area School District a waiver from the financial penalty imposed under SDCL 13-13-73.6. Roll call, all present voted in favor. Motion carried.

Bowdle School District:

Superintendent Hector Serna and Business Manager Carolynn Nelson provided testimony to the Board on behalf of the Bowdle School District. The Bowdle School District missed the Total Expenditures for Teacher Compensation by a dollar amount of \$40,053.

Eric Stroeder moved, and seconded by Vice-President Proefrock that based on the information presented to the Board by the school district, the Board determine that the Bowdle School District violated the provisions of SDCL 13-13-73.6. Roll call, all present voted in favor. Motion carried.

Eric Stroeder moved, and seconded by Patrick Weber that based on the information presented to the Board by the school district, the Board grant Bowdle School District a waiver from the financial penalty imposed under SDCL 13-13-73.6. Roll call, all present voted in favor. Motion carried.

Edmunds Central School District:

Superintendent Karen Fox provided testimony to the Board on behalf of the Edmunds Central School District. The Edmunds Central School District missed the Total Expenditures for Teacher Compensation by a dollar amount of \$47,206.

Jarod Larson moved, and seconded by Patrick Weber that based on the information presented to the Board by the school district, the Board determine that the Edmunds Central School District violated the provisions of SDCL 13-13-73.6. Roll call, all present voted in favor. Motion carried.

Patrick Weber moved, and seconded by Eric Stroeder that based on the information presented to the Board by the school district, the Board grant Edmunds Central School District a waiver from the financial penalty imposed under SDCL 13-13-73.6. Roll call, all present voted in favor. Motion carried.

Doland School District:

Superintendent Jim Hulscher and Business Manager Elisabeth Lewis provided testimony to the Board on behalf of the Doland School District. The Doland School District missed the Total Expenditures for Teacher Compensation by a dollar amount of \$12,513.

Eric Stroeder moved, and seconded by Jarod Larson that based on the information presented to the Board by the school district, the Board determine that the Doland School District violated the provisions of SDCL 13-13-73.6. Roll call, all present voted in favor. Motion carried.

Eric Stroeder moved, and seconded by Vice-President Proefrock that based on the information presented to the Board by the school district, the Board grant the Doland School District a waiver from the financial penalty imposed under SDCL 13-13-73.6, provided the following condition is fulfilled:

The Doland School District re-open salary negotiations with teachers for the 2017-2018 school year increasing their total teacher compensation by a total of at least \$12,513 by February 1, 2018.

Motion withdrawn for further discussion.

Patrick Weber moved that based on the information presented to the Board by the school district, the Board grant the Doland School District a waiver from the financial penalty imposed under SDCL 13-13-73.6, provided the following condition is fulfilled:

The Doland School District re-open negotiations with teachers for the 2017-2018 school year increasing their total teacher compensation by a total of at least \$12,513 by February 1, 2018.

Motion dies for lack of second.

After further discussion, Patrick Weber moved, seconded by Eric Stroeder that based on the information presented to the Board by the school district, the Board grant the Doland School District a waiver from the financial penalty imposed under SDCL 13-13-73.6, provided the following condition is fulfilled:

The Doland School District re-open negotiations with teachers for the 2017-2018 school year increasing their total teacher compensation by a total of at least \$12,513 by February 1, 2018.

Roll call vote. Jarod Larson, no; Patrick Weber, yes; President Nebelsick, no; Eric Stroeder, yes; Vice-President Proefrock, yes. Motion carried.

Summit School District:

Superintendent Kurt Jensen and Business Manager Becky Hubsch provided testimony to the Board on behalf of the Summit School District. The Summit School District missed the Total Expenditures for Teacher Compensation by a dollar amount of \$96,985.

Patrick Weber moved, and seconded by Eric Stroeder that based on the information presented to the Board by the school district, the Board determine that the Summit School District violated the provisions of SDCL 13-13-73.6. Roll call, all present voted in favor. Motion carried.

Eric Stroeder moved, and seconded by Vice-President Proefrock that based on the information presented to the Board by the school district, the Board grant Summit School District a waiver from the financial penalty imposed under SDCL 13-13-73.6. Roll call, all present voted in favor. Motion carried.

Newell School District:

Superintendent Robin Dutt provided testimony to the Board on behalf of the Newell School District. The Newell School District missed the Total Expenditures for Teacher Compensation by a dollar amount of \$110,428.

Vice-President Proefrock moved, and seconded by Jarod Larson that based on the information presented to the Board by the school district, the Board determine that the Newell School District violated the provisions of SDCL 13-13-73.6. Roll call, all present voted in favor. Motion carried.

Patrick Weber moved, and seconded by Eric Stroeder that based on the information presented to the Board by the School District, the Board grant Newell School District a waiver from the financial penalty imposed under SDCL 13-13-73.6, provided the following condition is fulfilled:

The Newell School District re-open negotiations with teachers for the 2017-2018 school year increasing their total teacher compensation by a total of at least \$7,631 by February 1, 2018.

Roll call vote. Jarod Larson, yes; Patrick Weber, yes; President Nebelsick, no; Eric Stroeder, yes; Vice-President Proefrock, yes. Motion carried.

Sisseton School District:

Interim Superintendent Tammy Meyer and Business Manager Lori Kuschel provided testimony to the Board on behalf of the Sisseton School District. The Sisseton School District missed the Total Expenditures for Teacher Compensation by a dollar amount of \$144,786

Eric Stroeder moved, and seconded by Vice-President Proefrock that based on the information presented to the Board by the school district, the Board determine that the Sisseton School District violated the provisions of SDCL 13-13-73.6. Roll call, all present voted in favor. Motion carried.

Eric Stroeder moved, and seconded by Vice-President Proefrock that based on the information presented to the Board by the school district, the Board grant Sisseton School District a waiver from the financial penalty imposed under SDCL 13-13-73.6. Roll call, all present voted in favor. Motion carried.

McLaughlin School District:

Superintendent Scott Lepke and Business Manager Kendra Sandquist provided testimony to the Board on behalf of the McLaughlin School District. The McLaughlin School District missed the Total Expenditures for Teacher Compensation by a dollar amount of \$271,473.

Patrick Weber moved, and seconded by Eric Stroeder that based on the information presented to the Board by the school district, the Board determine that the McLaughlin School District violated the provisions of SDCL 13-13-73.6. Roll call, all present voted in favor. Motion carried.

Patrick Weber moved, and seconded by Vice-President Proefrock that based on the information presented to the Board by the School District, the Board grant McLaughlin School District a waiver from the financial penalty imposed under SDCL 13-13-73.6, provided the following condition is fulfilled:

The McLaughlin School District re-open negotiations with teachers for the 2017-2018 school year increasing their total teacher compensation by a total of at least \$114,729 by February 1, 2018.

Roll call vote. Jarod Larson, yes; Patrick Weber, yes; President Nebelsick, no; Eric Stroeder, no; Vice-President Proefrock, yes. Motion carried.

Board Summary of Actions Taken:

Kathryn Blumhardt provided a summary of actions to the Board from the previous two days.

Future Meeting Schedule:

President Nebelsick determined that the next meeting of the School Finance Accountability Board to be held via conference call on Monday, November 27, 2017 at 9:30 CST.

Adjournment:

Motion to adjourn by Patrick Weber and seconded by Vice-President Proefrock. Roll call, all present voted in favor. Motion carried.

The meeting was adjourned at 3:43 p.m. CST.

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Appendix B: Brief History of SDCL 13-13-73.6

In 2015, the Blue Ribbon Task Force was appointed by Governor Dennis Daugaard to collect feedback and analyze the intricacies of school funding and teacher compensation. During the 2016 Legislative Session, the recommendations of this task force helped Governor Daugaard to propose House Bill 1182, Senate Bill 131, and Senate Bill 133. These three bills passed through the legislature and took effect in the summer of 2016.

The new school funding laws formed through the new legislation advocated a target teacher salary of \$48,500 statewide. They included a half-cent increase in the state sales tax and a new calculation of the K-12 school funding formula. This new formula uses a target student-to-teacher ratio based on a sliding scale of student enrollment. The formula then calculates a target number of teachers using this student-to-teacher ratio and the district's fall enrollment number, which is recorded in late September. The formula finds a district's total instructional need by multiplying the target number of teachers for the district by the target salary of \$48,500 and adding an increase of 29% in order to account for benefits. An additional 31% is then added to cover non-instructional costs, which include operating costs and compensation for non-instructional staff. This final number is the total need in the district. Finally, the formula subtracts the calculated amount of local effort to find the need for state aid.

Part of the new legislation creates requirements, or accountabilities, for how school districts in the state spend the additional funding that they will receive as a result of the half-cent sales tax increase. The first of these requirements necessitates the use of 85% of a district's increase in total need from fiscal year 2016 to fiscal year 2017 on instructional salaries and benefits on instructional staff. Secondly, a district is required to examine the percentage by which its total need is projected to increase from fiscal year 2016 to fiscal year 2017 and increase average instructional salaries and benefits by 85% of that percentage increase. The financial penalty for failing to meet these accountabilities is set at a reduction in fiscal year 2018 state aid to general education funding equal to fifty percent of the new money. These accountabilities are to be calculated without regard to changes in enrollment. This means that a district with increasing enrollment can spend the new funds it receives for additional students as it sees it. It also means that a district with declining enrollment may need to make cuts; the district cannot use funds intended for teacher salaries to defer cuts caused by enrollment declines.

The law creates a School Finance Accountability Board to oversee the implementation of these new teacher compensation accountabilities. This board has the responsibility to make recommendations for waivers of the financial penalty described in SDCL 13-13-73.6. The school

districts that fail to meet one or both of the accountabilities and can demonstrate good cause for failing to meet the requirements are able to apply for a waiver of the penalty. Per ARSD 24:44:01:06, the following factors shall be considered by the board in the determination of recommendation of waiver of the financial 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; and
- (5) Any unforeseen or extenuating circumstances affecting the school district's ability to meet its accountability targets as documented by the school district.

Source: 44 SDR 22

This report provides a summary of the recommendations made by the School Finance Accountability Board during a two-day meeting held from November 16 to November 17, 2017. At this meeting, each district had the opportunity to come before the board and present documentation and testimony describing their situation and the reasons for their request. The board then took action on each district to approve or deny the recommendation of a waiver of financial penalties to school districts for failing to meet the teacher compensation accountabilities outlined in South Dakota Codified Law 13-13-73.6.

SDCL 13-13-73.6 reads as follows:

Increases in teacher compensation. The Department of Education shall calculate the following for each school district:

- (1) The average teacher salary, based on data collected pursuant to §§ 13-8-47 and 13-3-51;
- (2) The increase in local need pursuant to § 13-13-10.1, excluding any effect due to change in the school district's fall enrollment and less the amount of revenue generated in school fiscal year 2016 pursuant to § 13-10-6 as a percentage increase, from fiscal year 2016 to fiscal year 2017; and
- (3) The increase in average teacher compensation as a percentage increase, as defined in § 13-8-47, from fiscal year 2016 to fiscal year 2017.

For each school district, the district's increase in average teacher compensation from fiscal year 2016 to 2017 shall be equal to at least eighty-five percent of the district's increase in local need, as defined in subdivision (2), from fiscal year 2016 to fiscal year 2017 and, notwithstanding any negotiated agreement, at least eighty-five percent of the increase in state aid to general education funding the school district receives for fiscal year 2017 less the amount of revenue generated in fiscal year 2016

pursuant to § 13-10-6 shall be used to increase instructional salaries and benefits for certified instructional staff.

If a district fails to comply with the requirements of this section, state aid to general education funding to the district in fiscal year 2018 shall be decreased by an amount equal to fifty percent of the amount calculated in subdivision (2). For fiscal years 2019, 2020, and 2021, if a district's average teacher compensation is less than the district's average teacher compensation in fiscal year 2017, state aid to general education funding to the district in the following fiscal year shall be reduced by an amount equal to five hundred dollars for each teacher employed in the school district.

A school district may request a waiver from any penalty imposed under this section from the School Finance Accountability Board.

Source: SL 2016, ch 83, § 27.

DRAFT

Appendix C: Request for Waiver Forms

The following appendix contains the request for waiver forms for all districts included in this report. They are listed alphabetically, as follows:

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Summit	xxxiv
Wall	xxxvi

White Riverxxxvi
Willow Lakexxxvii

DRAFT

**Request for Waiver - Teacher Compensation Accountabilities
SDCL 13-13-73.6**

Name of School District: Bowdle 22-1

School Year: 2017

FY2016 Total Teacher Compensation:	\$747,496		
FY2016 Average Teacher Compensation:	\$45,166		
FY2017 Total Teacher Compensation:	\$767,305	Difference Total TC:	\$19,809
FY2017 Average Teacher Compensation:	\$51,154	Difference Avg TC:	\$5,988
FY2017 Total Teacher Compensation Accountability:	\$807,358	Difference Accountability #1	(\$40,053)
FY2017 Average Teacher Compensation Accountability:	\$48,957	Difference Accountability #2	\$2,197

Check the appropriate accountability:

Request to Waive Accountability #1: Total Expenditures for Teacher Compensation

Request to Waive Accountability #2: Average Teacher Compensation

Please list all documents provided to the board supporting this request*:

* Documentation must include a copy of the report: Teacher Compensation Prior Year Current Year Comparison.

Enclosed is a copy of the expenditure report for the FACS Dept. and a copy of the signed teacher's contract for the 2017-18 position.

Please explain the reason(s) for this request:

We were unable to hire a FACS teacher for the 2016-17 school year. Salary for a first year teacher would have been \$34773.00 and benefits would have been \$11000.00. For this reason we did not meet total expenditures. We have hired a full time FACS teacher for the 2017-18 school year.

Contact Person: Hector Salvador Serne Title: Superintendent
 Date: 10/10/2017 Signature: [Handwritten Signature]

As per ARSD the board may consider a request to waive an accountability due to:

- 1) Retirement of a Teacher; or
- 2) Declining Student Enrollment; or
- 3) Change in Budgeted Costs for Benefits; or
- 4) An Unanticipated Change in Teacher FTE; or
- 5) Any Un-Foreseen or Extenuating Circumstances

School Finance/Accountability Board Action	
Approved	_____
Denied	_____
Date:	_____
Appropriations Committee Action	
Approved	_____
Denied	_____
Date:	_____

**Request for Waiver - Teacher Compensation Accountabilities
SDCL 13-13-73.6**

Name of School District: Canistota 43-1

School Year: 2017

FY2016 Total Teacher Compensation:	\$1,062,060		
FY2016 Average Teacher Compensation:	\$49,375		
FY2017 Total Teacher Compensation:	\$1,195,226	Difference Total TC:	\$133,166
FY2017 Average Teacher Compensation:	\$56,861	Difference Avg TC:	\$7,486
FY2017 Total Teacher Compensation Accountability:	\$1,218,632	Difference Accountability #1	(\$23,406)
FY2017 Average Teacher Compensation Accountability:	\$55,662	Difference Accountability #2	\$1,199

Check the appropriate accountability:

- Request to Waive Accountability #1: Total Expenditures for Teacher Compensation
- Request to Waive Accountability #2: Average Teacher Compensation

Please list all documents provided to the board supporting this request*:

* Documentation must include a copy of the report: Teacher Compensation Prior Year Current Year Comparison.

- Document 1: Letter of Explanation from Superintendent Larry J. Nebelsick.
- Document 2: Report of Prior and Current teacher compensation.
- Document 3: Copy of Administrative Rule 24:44:01:06.
- Document 4: Narrative on the change in Student count and resulting change in State Aid.
- Document 5: Spreadsheet of projected State Aid increase based on 2015 count day (216 students).
- Document 6: Fall 2015 State Enrollment Verification.
- Document 7: Spreadsheet with actual State Aid received based on 2016 count day (202 students).
- Document 8: Signed verification of actual 2016 enrollment
- Document 9: Narrative explaining full compliance following anticipated retirements.
- Document 9A: Spreadsheet on compliance before anticipated retirements.
- Document 9B: Spreadsheet documenting full compliance after retirements.
- Document 10: Narrative explaining the impact of April resignation of teacher on MA salary and reduction in qualifying teacher FTE.
- Document 10A: Spreadsheet of impact of resignation following negotiations, and a reduction of qualifying FTE.

Please explain the reason(s) for this request:

- Factors to consider based on SDCL 13-13-73.6 supported by South Dakota Administrative Rule 24:44:01:06:
1. South Dakota Administrative Rule #2: Fiscal impact due to declining student enrollment.
 2. South Dakota Administrative Rule #4: Effects of unexpected teacher resignation.
 3. South Dakota Administrative Rule #5: Unforeseen circumstances affecting the district's ability to meet accountability targets.

Contact Person: Larry Nebelsick Title: Superintendent

Date: 10/27/2017 Signature: *Larry J. Nebelsick*

As per ARSD the board may consider a request to waive an accountability due to:

- 1) Retirement of a Teacher; or
- 2) Declining Student Enrollment; or
- 3) Change in Budgeted Costs for Benefits; or
- 4) An Unanticipated Change in Teacher FTE; or
- 5) Any Un-Foreseen or Extenuating Circumstances

School Finance/Accountability Board Action	
Approved	_____
Denied	_____
Date:	_____
Appropriations Committee Action	
Approved	_____
Denied	_____
Date:	_____

Request for Waiver - Teacher Compensation Accountabilities
SDCL 13-13-73.6

Name of School District: Clark 12-2

School Year: 2017

FY2016 Total Teacher Compensation:	\$1,580,513		
FY2016 Average Teacher Compensation:	\$47,894		
FY2017 Total Teacher Compensation:	\$1,649,288	Difference Total TC:	\$68,775
FY2017 Average Teacher Compensation:	\$54,075	Difference Avg TC:	\$6,181
FY2017 Total Teacher Compensation Accountability:	\$1,718,144	Difference Accountability #1	(\$68,856)
FY2017 Average Teacher Compensation Accountability:	\$51,140	Difference Accountability #2	\$2,935

Check the appropriate accountability:

Request to Waive Accountability #1: Total Expenditures for Teacher Compensation

Request to Waive Accountability #2: Average Teacher Compensation

Please list all documents provided to the board supporting this request*:

* Documentation must include a copy of the report: Teacher Compensation Prior Year Current Year Comparison.

We missed accountability #1 and did not meet total expenditures for teacher compensation. We missed it by \$68,856. I have included the breakdown of our certified staff as of when we negotiated on 04/21/2016.

Please explain the reason(s) for this request:

When we met on 04/20/2016, an increase of \$4,500 to salary and \$50.00 to insurance benefit was negotiated. With these increases, we spent \$1,734,763.50 which would have met the accountability requirements. At the end of the school year, Megan Baule, English teacher gave her resignation. With some juggling around, we absorbed our English curriculum amongst our current staff; therefore, we did not replace her position which accounts for \$47,824.00. This improved our student teacher ratio with our declining enrollment. Through conversations with Travis Jordan following Megan Baule's resignation, it was considered a change in FTE that we could rectify in the 2017-2018 negotiations, which we did. John Brown was a full time middle school Science teacher and a 30 year veteran of our school. He resigned following the 2015-2016 school year due to health complications from a school related accident which prohibited him from full time employment. Looking at our options, we had to get creative, we then asked him to come back part time as we wanted an excellent teacher in the classroom. Through all this, he neglected to renew his certification. After I submitted my teacher compensation this summer, I received a call from DOE stating he was not certified and his salary and benefits could not be included. His salary and benefits accounts for \$32,187.00. He is currently working on recertification which he let lapse due to his medical condition. As you can see, the combination of these 2 salaries, \$80,011.00, were more than enough to meet the shortfall. We respectfully ask that these waiver requests be granted due to unforeseen circumstances. Thank you!

Contact Person: Mary Nelson Title: Business Manager
Date: 10/23/17 Signature: Mary Nelson

As per ARSD the board may consider a request to waive an accountability due to:

- 1) Retirement of a Teacher; or
- 2) Declining Student Enrollment; or
- 3) Change in Budgeted Costs for Benefits; or
- 4) An Unanticipated Change in Teacher FTE; or
- 5) Any Un-Foreseen or Extenuating Circumstances

School Finance/Accountability Board Action	
Approved	_____
Denied	_____
Date:	_____
Appropriations Committee Action	
Approved	_____
Denied	_____
Date:	_____

**Request for Waiver - Teacher Compensation Accountabilities
SDCL 13-13-73.6**

Name of School District: Doland 56-2

School Year: 2017

FY2016 Total Teacher Compensation:	\$1,034,836		
FY2016 Average Teacher Compensation:	\$48,607		
FY2017 Total Teacher Compensation:	\$1,128,916	Difference Total TC:	\$94,080
FY2017 Average Teacher Compensation:	\$55,721	Difference Avg TC:	\$7,114
FY2017 Total Teacher Compensation Accountability:	\$1,141,429	Difference Accountability #1	(\$12,513)
FY2017 Average Teacher Compensation Accountability:	\$53,575	Difference Accountability #2	\$2,146

Check the appropriate accountability:

Request to Waive Accountability #1: Total Expenditures for Teacher Compensation

Request to Waive Accountability #2: Average Teacher Compensation

Please list all documents provided to the board supporting this request*:

* Documentation must include a copy of the report: Teacher Compensation Prior Year Current Year Comparison.

The Doland School District has included the following documents for the accountability board: negotiations, non teaching staff, District fall enrollment, general fund revenues and expenditures, FTE and average compensation, staff resigned between 2016 and 2017, teacher enrollment change for insurance, FY 2017 accountability calculator, Hillside Colony Elementary declining enrollment, part of the Board of Education minutes from January 11, 2010, motion: 10-088, projected expenditures for teacher compensation, and teacher compensation prior year and current year comparison.

Please explain the reason(s) for this request:

The Doland School District had a teacher who had been employed for six year who received health benefits. The teacher who starting her seventh year with the District. On September 23, 2016, the employee filled out an application for enrollment changes to drop her insurance coverage. Since she had taken the insurance for six years previously this was an unforeseen change from budgeted benefits (\$6,000). In the spring of 2016, Doland School had 5 teachers plus a salaried pre-school teacher resign. Two of the positions to resign were math position on March 30, 2016. We were unable to fill one of the positions with a quality candidate. The Hillside Colony Attendance Center has had declining enrollment. The Board of Education made a decision in early 2014 based off policy made in 2010 to decrease the number of teachers at Hillside Colony Elementary for the 2016-2017 school year. The decision was supported by the new teacher accountability calculator with the target student to teacher ratio provided by the State.

Contact Person: Jim Hulscher Title: Superintendent
 Date: 10/31/2017 Signature: [Signature]

As per ARSD the board may consider a request to waive an accountability due to:

- 1) Retirement of a Teacher; or
- 2) Declining Student Enrollment; or Hillside Elementary
- 3) Change in Budgeted Costs for Benefits; or
- 4) An Unanticipated Change in Teacher FTE; or
- 5) Any Un-Foreseen or Extenuating Circumstances

School Finance/Accountability Board Action	
Approved	_____
Denied	_____
Date:	_____
Appropriations Committee Action	
Approved	_____
Denied	_____
Date:	_____

**Request for Waiver - Teacher Compensation Accountabilities
SDCL 13-13-73.6**

Name of School District: Edgemont 23-1

School Year: 2017

FY2016 Total Teacher Compensation:	\$890,560		
FY2016 Average Teacher Compensation:	\$47,245		
FY2017 Total Teacher Compensation:	\$950,460	Difference Total TC:	\$59,900
FY2017 Average Teacher Compensation:	\$52,803	Difference Avg TC:	\$5,558
FY2017 Total Teacher Compensation Accountability:	\$951,544	Difference Accountability #1	(\$1,084)
FY2017 Average Teacher Compensation Accountability:	\$50,391	Difference Accountability #2	\$2,412

Check the appropriate accountability:

Request to Waive Accountability #1: Total Expenditures for Teacher Compensation

Request to Waive Accountability #2: Average Teacher Compensation

Please list all documents provided to the board supporting this request*:

* Documentation must include a copy of the report: Teacher Compensation Prior Year Current Year Comparison.

FY17 District Compensation Report
 FY17 Teacher Compensation/Benefit Calculation Spreadsheet
 Specific Teacher Compensation Difference (S Hollenbeck)

Please explain the reason(s) for this request:

The past 5 years the Edgemont School District has had a declining enrollment. This trend continued in FY17. Due to the current trend of declining enrollment we were conservative in our budgeting process while still striving to make sure we were meeting both accountability pieces. We were successful in reaching Accountability #2 with an approximate increase of 11.5%. We found in going through our original budget calculations we had a teacher that planned to take Health Insurance through the district and she did not.

Contact Person: Dave Cortney Title: Superintendent
 Date: 10/26/2017 Signature: _____

As per ARSD the board may consider a request to waive an accountability due to:

- 1) Retirement of a Teacher; or
- 2) Declining Student Enrollment; or
- 3) Change in Budgeted Costs for Benefits; or
- 4) An Unanticipated Change in Teacher FTE; or
- 5) Any Un-Foreseen or Extenuating Circumstances

School Finance/Accountability Board Action	
Approved	_____
Denied	_____
Date:	_____
Appropriations Committee Action	
Approved	_____
Denied	_____
Date:	_____

**Request for Waiver - Teacher Compensation Accountabilities
SDCL 13-13-73.6**

Name of School District: Edmunds Central 22-5

School Year: 2017

FY2016 Total Teacher Compensation:	\$721,263		
FY2016 Average Teacher Compensation:	\$49,742		
FY2017 Total Teacher Compensation:	\$757,365	Difference Total TC:	\$36,102
FY2017 Average Teacher Compensation:	\$55,771	Difference Avg TC:	\$6,029
FY2017 Total Teacher Compensation Accountability:	\$804,571	Difference Accountability #1	(\$47,206)
FY2017 Average Teacher Compensation Accountability:	\$55,226	Difference Accountability #2	\$545

Check the appropriate accountability:

Request to Waive Accountability #1: Total Expenditures for Teacher Compensation

Request to Waive Accountability #2: Average Teacher Compensation

Please list all documents provided to the board supporting this request*:

* Documentation must include a copy of the report: Teacher Compensation Prior Year Current Year Comparison.

Please explain the reason(s) for this request:

Dear Board Members,

It has come to my attention that Edmunds Central School District failed to meet the standards put forth on total teacher compensation. Herein lies the district's explanation as to why this was not met for the Funding Year 2017. During the 2016-2017 school year Edmunds Central School District hired an individual to teach art who did not possess a teaching degree. The position was difficult to fill and was advertised in several publications such as the newspapers, ASBSD website, as well as attending job fairs. The person hired had an Associates Degree in graphic art and this was the closest we could find to a highly qualified teacher. In addition, this was the only person who applied for the vacancy. This was an oversight on our part and was brought to our attention via an email that we received from Bobbi Lieferman on August 17, 2017. We missed the mark by \$49,005 the exact amount of the teacher's salary and benefits.

To rectify the situation this teacher has since obtained an educator permit for the 2017-2018 school term. If you should have additional questions or concerns please feel free to contact me.

Thank you for the opportunity to explain the circumstances surrounding not meeting total teacher compensation at Edmunds Central School District.

Contact Person: Karen K. Fox



Title: Superintendent

Date: 10/26/2017

Signature: _____

**Request for Waiver - Teacher Compensation Accountabilities
SDCL 13-13-73.6**

Name of School District: Faith 46-2

School Year: 2017

FY2016 Total Teacher Compensation:	\$680,902		
FY2016 Average Teacher Compensation:	\$39,541		
FY2017 Total Teacher Compensation:	\$785,898	Difference Total TC:	\$104,996
FY2017 Average Teacher Compensation:	\$48,874	Difference Avg TC:	\$9,333
FY2017 Total Teacher Compensation Accountability:	\$794,999	Difference Accountability #1	(\$9,101)
FY2017 Average Teacher Compensation Accountability:	\$43,646	Difference Accountability #2	\$5,228

Check the appropriate accountability:

- Request to Waive Accountability #1: Total Expenditures for Teacher Compensation
- Request to Waive Accountability #2: Average Teacher Compensation

Please list all documents provided to the board supporting this request*:

* Documentation must include a copy of the report: Teacher Compensation Prior Year Current Year Comparison.

1. FY2017 Accountability Targets.
2. 2016-2017 Negotiations Information.
3. Signed Negotiated Agreement.
4. Minutes approving the Negotiated Agreement and the approval of certified contracts as well as the approval of administrative contracts and issuance of non-certified contracts.
5. Resignation letter.
6. Minutes approving the resignation.
7. Copies of email to advertise position, newspaper advertisement, newspaper billing of position.
8. Email requesting cancellation of district health insurance.
9. Signed Addendum to the 2016-2017 Negotiated Agreement.
10. Minutes approving addendum.
11. Email verifying reported Teacher Compensation amounts.
12. Teacher Compensations Prior Year/Current Year Comparison – with notes.
13. FY2017 Teacher Compensation Comparison – with notes.
14. FY2016 Teacher Compensation Comparison.

Please explain the reason(s) for this request:

Negotiations, including the 85% of additional state aid, for the 2016-2017 school year were completed in April and approved in May 2016. The enrollment in our district is steadily declining and therefore when our .71 FTE computer teacher decided not to return we did not fill his position.

In June, our 7th Grade teacher resigned. The position was advertised but was never able to be filled with a full 1.0 FTE. We re-arranged the schedules of our high school and remaining junior high teachers to cover the classes for both high school and junior high students the best we could, then hired one of our paraprofessionals as a .57 FTE.

In September 2016, we were notified by one of teachers that she would no longer be participating in the district's health insurance.

In November, Travis Jordan contacted us to verify the amounts submitted for Teacher Compensation and informed us that we would fall short of the required amount. After several phone calls and emails back and forth between Travis and the district, we took his recommendation and reopened negotiations in March 2017 in order to meet the Total Teacher Compensation amount. An addendum was attached to each of the certified contracts and a lump-sum payment of \$1,920.00 was made in May 2017.

During the entry of the teacher salaries and benefits in the annual report we noticed that our pre-school teacher was only listed as .75 FTE (because she is paid out of Title I for pre-school) rather than a 1.0 FTE. This resulted in a \$9,101 shortfall from the original \$794,999.00 and led to this waiver request.

To make a long story short, we felt we had met both accountabilities with the original negotiated amounts until the resignation of one teacher and the cancellation of group health insurance by another. Neither of which the district had any control over.

Throughout the research for this waiver however, we have come to the belief that we have indeed met both accountabilities. As shown on the FY2017 Accountability Targets, 85% of our increased need for teacher compensation is \$114,097 to reach a target total compensation of \$794,999. However, that figure is only the target IF we continue to have the same number of FTE's as the prior year. We didn't. We have 1.14 fewer FTE's in FY17 than in FY16 and we feel the "true" target should actually be the \$114,097, which we met.

We have included documentation to show the FY16 and FY17 FTE's; FY16 base salary, FY17 base salary and the FY17 addendum and the payroll taxes associated with each of these increases.

In the end, we believe that we actually spent \$147,581 while we were only required to spend \$114,097 - 110% of the total funding increase rather than the 85% required increase and we respectfully ask that you grant our waiver request.

Contact Person: Amie Schauer Title: Business Manager
Date: 10-25-2017 Signature: Amie Schauer

As per ARSD the board may consider a request to waive an accountability due to:

- 1) Retirement of a Teacher; or
- 2) Declining Student Enrollment; or
- 3) Change in Budgeted Costs for Benefits; or
- 4) An Unanticipated Change in Teacher FTE; or
- 5) Any Un-Foreseen or Extenuating Circumstances

School Finance/Accountability Board Action	
Approved	_____
Denied	_____
Date:	_____
Appropriations Committee Action	
Approved	_____
Denied	_____
Date:	_____

Request for Waiver - Teacher Compensation Accountabilities
SDCL 13-13-73.6

Name of School District: Faulkton Area 24-4

School Year: 2017

FY2016 Total Teacher Compensation:	\$1,324,649		
FY2016 Average Teacher Compensation:	\$49,007		
FY2017 Total Teacher Compensation:	\$1,367,738	Difference Total TC:	\$43,089
FY2017 Average Teacher Compensation:	\$54,405	Difference Avg TC:	\$5,398
FY2017 Total Teacher Compensation Accountability:	\$1,415,883	Difference Accountability #1	(\$48,145)
FY2017 Average Teacher Compensation Accountability:	\$51,600	Difference Accountability #2	\$2,805

Check the appropriate accountability:

Request to Waive Accountability #1: Total Expenditures for Teacher Compensation

Request to Waive Accountability #2: Average Teacher Compensation

Please list all documents provided to the board supporting this request*:

* Documentation must include a copy of the report: Teacher Compensation Prior Year Current Year Comparison.

The district had 3 unanticipated changes in Teacher FTE from FY16 to FY17. (1) The district advertised and could not fill a .76 FTE special education teacher position for FY17. The district's base pay for FY17 was \$35,000, so minimum salary for this position would have been \$26,600, plus minimum benefits of \$10,660.99, total of \$37,260.99. (2) The district had originally planned on assigning the High School Principal, Craig Cassens, with teaching a science class like they had done in previous years. However, the board decided to assign that class to the other science teacher that year instead. This one class was .13 FTE for Craig Cassens. Salary for this .13 FTE position would have been \$7,452.21, benefits of \$4,240.41, total of \$11,692.63. (3) Teacher, Laura Cassens, accidentally let her teaching certificate expire on 6/30/16. She was in the process of filing for a 1-year extension when her 17-year old son tragically died in a car accident in October 2016. The district was unaware of the certificate expiration until completion of the annual report for FY17. Laura's 1 FTE salary is \$38,200, benefits are \$14,480.42, for a total of \$52,680.42. The state issued a 1-year extension as of 10/12/17.

Please explain the reason(s) for this request:

The district did not meet accountability #1 due to said reasons above and would like a waiver granted.

Contact Person: Lisa Hushka Title: Business Manager
Date: 10/13/17 Signature: Lisa Hushka

As per ARSD the board may consider a request to waive an accountability due to:

- 1) Retirement of a Teacher; or
- 2) Declining Student Enrollment; or
- 3) Change in Budgeted Costs for Benefits; or
- 4) An Unanticipated Change in Teacher FTE; or
- 5) Any Un-Foreseen or Extenuating Circumstances

School Finance/Accountability Board Action	
Approved	_____
Denied	_____
Date:	_____
Appropriations Committee Action	
Approved	_____
Denied	_____
Date:	_____

**Request for Waiver - Teacher Compensation Accountabilities
SDCL 13-13-73.6**

Name of School District: Garretson 49-4

School Year: 2017

FY2016 Total Teacher Compensation:	\$1,693,466		
FY2016 Average Teacher Compensation:	\$51,364		
FY2017 Total Teacher Compensation:	\$1,779,317	Difference Total TC:	\$85,851
FY2017 Average Teacher Compensation:	\$55,673	Difference Avg TC:	\$4,309
FY2017 Total Teacher Compensation Accountability:	\$1,866,678	Difference Accountability #1	(\$87,361)
FY2017 Average Teacher Compensation Accountability:	\$54,950	Difference Accountability #2	\$723

Check the appropriate accountability:

Request to Waive Accountability #1: Total Expenditures for Teacher Compensation

Request to Waive Accountability #2: Average Teacher Compensation

Please list all documents provided to the board supporting this request*:

* Documentation must include a copy of the report: Teacher Compensation Prior Year Current Year Comparison.

1. Teacher Compensation Prior Year Current Year Comparison
2. 2015-2016 Instructional Staff – spreadsheet (2 pages)
3. 2016-2017 Instructional Staff (before retirements and shared services grant) spreadsheet (2 pages)
4. 2016-2017 Instructional Staff (after retirements and shared services grant) spreadsheet (2 pages)
5. FY16/FY17 School Administrators / Admin Assistants
6. Classified Staff 2015-2016 to 2016-2017
7. FY 2017 Accountability Calculator – Garretson
- i. FY 2017 Revenues: Projections vs. Actual

Please explain the reason(s) for this request:

Thank you for the opportunity to explain why we believe that the Garretson School District has followed the proper steps and is in compliance with the intent of the law passed by the South Dakota Legislature in 2016. There are a number of reasons that our District requests a waiver to accountability #1, the total expenditures for Teacher Compensation. To understand the present context, it is helpful to look at the recent past as well. For the past several years, the Garretson School District has actively and knowingly, budgeted more expenditures than revenue, understanding that we were spending down the general fund reserves. In the 15-16 school year, it became apparent that this pattern was not sustainable, and that the District would either need to make substantial reductions in programming or would need to garner the financial support of the community through an opt out in order to maintain reserves large enough for "cash flow," and also remain competitive in the regional market.

The Garretson Board of Education chose to opt out of the property tax limits, but only to the point where it would fill the revenue deficit in the budget. The Board sent the opt out to a vote of the community, where over 50% of registered voters in the District showed up at the polls, and approximately 57% of those people voted yes. Our public is well informed with respect to the financial condition of the District, and our Board takes very seriously the responsibility of stewardship for the public's money and trust.

Of the five factors that the SFAB shall consider when determining a recommendation for an accountability waiver, the Garretson School District has encountered three of them.

The first factor for consideration is the retirement of veteran staff, with replacement by less experienced, and therefore, less costly teachers. In the Garretson School District, we had two such retirements that impacted the total dollars spent on Teacher Compensation. Mr. Bob Bennet was replaced by Samantha Blake, a first year teacher. The difference between Mr. Bennet's total compensation and that of his replacement is \$19,837. The second retirement with significant impact was that of Mr. Ed Mueller, who was replaced by Alysha Kientopf. The difference between Mr. Mueller's total compensation and Ms. Kientopf's total compensation is \$15,566. The total financial impact of these two retirements on the District is \$35,403.

The second factor for consideration is the fiscal impact of declining enrollment from FY16 to FY17. The accountability numbers are based on 474 students for the Garretson School District. On the count date in FY 17, the Garretson School District had 463 students, k-12. We have included a summary of the projected versus actual State Aid Need for your review. The board was aware that the enrollment in the District would be less than the previous year, and did not feel comfortable obligating the District to pay expenses for which the revenue would not materialize. The difference between projected revenues and actual revenues is approximately \$48,202.

The third factor for consideration is an unanticipated change in teacher FTE, or other extenuating circumstances. As we ended FY16, our Spanish teacher resigned to work in the Sioux Falls School District. This afforded us the opportunity to evaluate this position, and by working with the Baltic School District, we were able to come up with an arrangement in which the two districts share a full-time Spanish teacher. We applied for, and were granted a Shared Services Grant from the SD Department of Education. In FY 17, the State reimbursed the districts for the entire cost of the shared Spanish teacher. In FY 18, the Districts will pay for half of the personnel costs and the State will pay for half of the costs. In FY19, the Districts will pay 75% and the State will pay 25%. In the FY 2017, this saved the District \$46,422. The board was fully aware that while the District was not obligated to pay this cost the first year, we would eventually be responsible for the entire cost of the 0.5 FTE position, and therefore, the board chose not to roll that \$46,422 into other on-going expenses for the district.

These three factors have had a financial impact in the district of \$130,027. In the case of having fewer students, we knew that revenue for those students would not be forthcoming, and the Board chose not to obligate funds that we did not believe would be available for expenditure. In the case of the Shared Services Grant, we knew that those expenses for the 0.5 FTE Spanish teacher would fully transfer to the District after three years, and so, the board chose not to roll that amount back into other teaching positions in order to ensure that we were not forced to consider cutting the program after the responsibility for the cost shifted back to the District.

The Garretson School Board is committed to doing the very best that can be done for our teachers, and negotiated in good faith with the Garretson Teacher's Association. The Board is also very cognizant of the fact that the decisions they make regarding recurring expenses have a significant impact as they look to the financial future of the school district. Long term budgeting has proved to be a challenge in the context of a changing process, but the Garretson School District is committed to following the intent of the law, to the best of our ability, while balancing the need to remain competitive in the region and maintain the long-term financial health of the District. Thank you for your time considering our District's unique story. We respectfully ask that you recommend a waiver to the accountability rules for the Garretson School District.

Contact Person: Buy Johnson Title: Superintendent
Date: 10/31/17 Signature: 

As per ARSD the board may consider a request to waive an accountability due to:

- 1) Retirement of a Teacher; or
- 2) Declining Student Enrollment; or
- 3) Change in Budgeted Costs for Benefits; or
- 4) An Unanticipated Change in Teacher FTE; or
- 5) Any Un-Foreseen or Extenuating Circumstances

School Finance/Accountability Board Action	
Approved	_____
Denied	_____
Date:	_____
Appropriations Committee Action	
Approved	_____
Denied	_____
Date:	_____

**Request for Waiver - Teacher Compensation Accountabilities
SDCL 13-13-73.6**

Name of School District: Gayville-Volin 63-1

School Year: 2017

FY2016 Total Teacher Compensation:	\$969,307		
FY2016 Average Teacher Compensation:	\$44,160		
FY2017 Total Teacher Compensation:	\$1,159,539	Difference Total TC:	\$190,232
FY2017 Average Teacher Compensation:	\$53,658	Difference Avg TC:	\$9,498
FY2017 Total Teacher Compensation Accountability:	\$1,168,669	Difference Accountability #1	(\$9,130)
FY2017 Average Teacher Compensation Accountability:	\$49,697	Difference Accountability #2	\$3,961

Check the appropriate accountability:

Request to Waive Accountability #1: Total Expenditures for Teacher Compensation

Request to Waive Accountability #2: Average Teacher Compensation

Please list all documents provided to the board supporting this request*:

* Documentation must include a copy of the report: Teacher Compensation Prior Year Current Year Comparison.

Teacher Compensation Prior Year Current Year Comparison
 District Teacher Compensation FY 2017 & FY 2016
 FY 2017 accountability calculator
 Internal Worksheets Used to Calculate Required Increases in Teacher Compensation
 Documentation Presented to School Board regarding pay increases for FY 2017
 copy of teaching certificate for staff member in question
 Letter from Elementary Principal
 copy of newspaper editorial regarding teacher salary increases

Please explain the reason(s) for this request:

We had a teacher listed on the FY 2016 teacher compensation report who did not get her teaching certificate renewed and it expired on 7/01/16. Therefore, we cannot include this teacher on the FY 2017 listing. There were ongoing communications with this teacher throughout the 2016 - 2017 school term regarding the renewal of her teaching certificate. She informed school administration that she had indeed completed an application and was waiting on the state to complete the processing of her application. Her teaching certificate has been renewed as of 10/02/2017.

We had several meetings with the school board when trying to determine how much of a raise to give to the teaching staff and we had every intention of meeting and even exceeding the accountabilities.

The figures used to determine the required teacher salary increase for the FY 2017 contract year in order to meet the accountability included this teacher's compensation. The teacher in question is still employed in our school district.

Contact Person: Alice Hight Title: Business Manager
 Date: 10/05/17 Signature: Alice Hight

As per ARSD the board may consider a request to waive an accountability due to:

- 1) Retirement of a Teacher; or
- 2) Declining Student Enrollment; or
- 3) Change in Budgeted Costs for Benefits; or
- 4) An Unanticipated Change in Teacher FTE; or
- 5) Any Un-Foreseen or Extenuating Circumstances

School Finance/Accountability Board Action	
Approved	_____
Denied	_____
Date:	_____
Appropriations Committee Action	
Approved	_____
Denied	_____
Date:	_____

**Request for Waiver - Teacher Compensation Accountabilities
SDCL 13-13-73.6**

Name of School District: Gettysburg 53-1

School Year: 2017

FY2016 Total Teacher Compensation:	\$1,002,173		
FY2016 Average Teacher Compensation:	\$46,077		
FY2017 Total Teacher Compensation:	\$1,079,355	Difference Total TC:	\$77,182
FY2017 Average Teacher Compensation:	\$50,203	Difference Avg TC:	\$4,126
FY2017 Total Teacher Compensation Accountability:	\$1,121,599	Difference Accountability #1	(\$42,244)
FY2017 Average Teacher Compensation Accountability:	\$49,841	Difference Accountability #2	\$362

Check the appropriate accountability:

Request to Waive Accountability #1: Total Expenditures for Teacher Compensation

Request to Waive Accountability #2: Average Teacher Compensation

Please list all documents provided to the board supporting this request*:

* Documentation must include a copy of the report: Teacher Compensation Prior Year Current Year Comparison.

*2016-2017 Comparison Report
 *Teacher Compensation Comparison report explanation
 *Expenditures at the time of contracts
 *Other raises given
 *Student count decrease
 *New teacher hired and not able to include her salary in teacher compensation explanation
 *Teacher certificate

Please explain the reason(s) for this request:

The Gettysburg School District would like to give explanation as to the reason why the District did not make accountability for teacher compensation.

Contact Person: Chip Sundberg Title: Superintendent
 Date: 11/1/17 Signature: *Chip Sundberg*

As per ARSD the board may consider a request to waive an accountability due to:

- 1) Retirement of a Teacher; or
- 2) Declining Student Enrollment; or
- 3) Change in Budgeted Costs for Benefits; or
- 4) An Unanticipated Change in Teacher FTE; or
- 5) Any Un-Foreseen or Extenuating Circumstances

School Finance/Accountability Board Action

Approved _____
 Denied _____
 Date: _____

Appropriations Committee Action

Approved _____
 Denied _____
 Date: _____

**Request for Waiver - Teacher Compensation Accountabilities
SDCL 13-13-73.6**

Name of School District: Henry 14-2

School Year: 2017

FY2016 Total Teacher Compensation:	\$682,899		
FY2016 Average Teacher Compensation:	\$48,024		
FY2017 Total Teacher Compensation:	\$750,021	Difference Total TC:	\$67,122
FY2017 Average Teacher Compensation:	\$53,080	Difference Avg TC:	\$5,056
FY2017 Total Teacher Compensation Accountability:	\$769,108	Difference Accountability #1	(\$19,087)
FY2017 Average Teacher Compensation Accountability:	\$52,157	Difference Accountability #2	\$923

Check the appropriate accountability:

Request to Waive Accountability #1: Total Expenditures for Teacher Compensation

Request to Waive Accountability #2: Average Teacher Compensation

Please list all documents provided to the board supporting this request*:

* Documentation must include a copy of the report: Teacher Compensation Prior Year Current Year Comparison.

Teacher contracts
 Kirsten Thompson 15-16
 Shana Vandangeft 15-16
 Tyler Grasset 16-17

emails indicating errors and accountability need
 Document from superintendent explaining errors.
 TC prior current year comparison on two dates
 6/26/17 & 10/10/17
 Accountability worksheet.

Please explain the reason(s) for this request:

The district used information from accountability form to give raises FY17. Unfortunately staff changes along with an error on FTE made it appear the district did not meet requirements. please accept this waiver as the district used appropriate measures to ensure accountability.

Contact Person: Philip Schonebaum Title: Superintendent
 Date: 10/10/2017 Signature: *Philip Schonebaum*

As per ARSD the board may consider a request to waive an accountability due to:

- 1) Retirement of a Teacher; or
- 2) Declining Student Enrollment; or
- 3) Change in Budgeted Costs for Benefits; or
- 4) An Unanticipated Change in Teacher FTE; or
- 5) Changes that could not be reasonably anticipated by the district.

School Finance/Accountability Board Action	
Approved	_____
Denied	_____
Date:	_____
Appropriations Committee Action	
Approved	_____
Denied	_____
Date:	_____

**Request for Waiver - Teacher Compensation Accountabilities
SDCL 13-13-73.6**

Name of School District: Herreid 10-1

School Year: 2017

FY2016 Total Teacher Compensation:	\$604,048		
FY2016 Average Teacher Compensation:	\$46,430		
FY2017 Total Teacher Compensation:	\$701,816	Difference Total TC:	\$97,768
FY2017 Average Teacher Compensation:	\$53,944	Difference Avg TC:	\$7,514
FY2017 Total Teacher Compensation Accountability:	\$716,963	Difference Accountability #1	(\$15,147)
FY2017 Average Teacher Compensation Accountability:	\$54,053	Difference Accountability #2	(\$109)

Check the appropriate accountability:

Request to Waive Accountability #1: Total Expenditures for Teacher Compensation

Request to Waive Accountability #2: Average Teacher Compensation

Please list all documents provided to the board supporting this request*:

* Documentation must include a copy of the report: Teacher Compensation Prior Year Current Year Comparison.

a spreadsheet which shows calculations used to make the initial adjustments to salaries and benefits
 a spreadsheet which shows more accurate figures reflecting salaries and benefits
 FY Accountability Calculator
 FY 17 Accountability Targets
 Compensation Prior/Current Comparison
 FY 16 Teacher Compensation from Annual Report
 FY 17 Teacher Compensation from Annual Report.

Please explain the reason(s) for this request:

When the teacher compensation legislation was passed our past district administrator calculated salary increases based on the compensation requirements. He made the calculations assuming he was following the guidelines, unfortunately he used incorrect figures and his calculations caused the district to be in a shortfall. Reasons for this are incorrect current salary figures were used to begin calculations, staff members have chosen to discontinue insurance benefits through the district and declining enrollment. I believe FY 16 compensation reports submitted may have had some errors and were not noticed which resulted in FY 17 comparisons to be skewed. We are hopeful that some explanation through the enclosed documents helps to clarify any shortcomings. We in good faith attempted to meet the compensation targets. We believed we met the original calculated targets and going forward our intent is to meet the compensation targets. We will seek guidance from SD DOE to ensure that we have correct calculations moving forward.

Contact Person: Colleen Rueb Title: Business Manager
 Date: 10-31-17 Signature: Colleen Rueb

As per ARSD the board may consider a request to waive an accountability due to:

- 1) Retirement of a Teacher; or
- 2) Declining Student Enrollment; or
- 3) Change in Budgeted Costs for Benefits; or
- 4) An Unanticipated Change in Teacher FTE; or
- 5) Any Un-Foreseen or Extenuating Circumstances

School Finance/Accountability Board Action	
Approved	_____
Denied	_____
Date:	_____
Appropriations Committee Action	
Approved	_____
Denied	_____
Date:	_____

**Request for Waiver - Teacher Compensation Accountabilities
SDCL 13-13-73.6**

Name of School District: Highmore-Harrold 34-2

School Year: 2017

FY2016 Total Teacher Compensation:	\$1,230,360		
FY2016 Average Teacher Compensation:	\$49,472		
FY2017 Total Teacher Compensation:	\$1,360,942	Difference Total TC:	\$130,582
FY2017 Average Teacher Compensation:	\$56,824	Difference Avg TC:	\$7,352
FY2017 Total Teacher Compensation Accountability:	\$1,388,198	Difference Accountability #1	(\$27,256)
FY2017 Average Teacher Compensation Accountability:	\$54,756	Difference Accountability #2	\$2,068

Check the appropriate accountability:

Request to Waive Accountability #1: Total Expenditures for Teacher Compensation

Request to Waive Accountability #2: Average Teacher Compensation

Please list all documents provided to the board supporting this request*:

* Documentation must include a copy of the report: Teacher Compensation Prior Year Current Year Comparison.

1. Copy of teacher compensation report for certified music teacher who left the system after FY 2016. Melissa Todd: Salary and benefits = \$46,379
2. Copy of teacher compensation report for certified music teacher hired in December for 2nd semester FY 2017, Kayla Kallenbach: salary and benefits = \$22,219 (Kayla declined to take the health insurance benefit.
3. Copies of Todd and Kallenbach's contracts.
4. Health insurance invoices for October and November showing employee dropping the insurance benefit after marrying in October 2016. -\$613 x 10 months = \$6130.

Please explain the reason(s) for this request:

Highmore-Harrold School District lost our music teacher when she left the District after the FY 2016. We were unable to fill the position until December 2016 for the 2nd semester. We had a science teacher who got married in October 2016 and dropped her health insurance benefit with us to be on her husband's plan.

Contact Person: Quinton Cermak Title: Superintendent
 Date: 10/11/17 Signature: [Signature]

As per ARSD the board may consider a request to waive an accountability due to:

- 1) Retirement of a Teacher; or
- 2) Declining Student Enrollment; or
- 3) Change in Budgeted Costs for Benefits; or
- 4) An Unanticipated Change in Teacher FTE; or
- 5) Any Un-Foreseen or Extenuating Circumstances

School Finance/Accountability Board Action	
Approved	_____
Denied	_____
Date:	_____
Appropriations Committee Action	
Approved	_____
Denied	_____
Date:	_____

**Request for Waiver - Teacher Compensation Accountabilities
SDCL 13-13-73.6**

Name of School District: Jones County 37-3

School Year: 2017

FY2016 Total Teacher Compensation:	\$788,125		
FY2016 Average Teacher Compensation:	\$41,855		
FY2017 Total Teacher Compensation:	\$924,126	Difference Total TC:	\$136,001
FY2017 Average Teacher Compensation:	\$50,944	Difference Avg TC:	\$9,089
FY2017 Total Teacher Compensation Accountability:	\$935,315	Difference Accountability #1	(\$11,189)
FY2017 Average Teacher Compensation Accountability:	\$47,573	Difference Accountability #2	\$3,371

Check the appropriate accountability:

Request to Waive Accountability #1: Total Expenditures for Teacher Compensation

Request to Waive Accountability #2: Average Teacher Compensation

Please list all documents provided to the board supporting this request*:

* Documentation must include a copy of the report: Teacher Compensation Prior Year Current Year Comparison.

Teacher Compensation Prior Year/Current Year Comparison
FY 2016, FY2017 and increase of 16-17 salary excel sheet showing breakdown in salary and benefits.

Please explain the reason(s) for this request:

JC School District had a teacher who retired after over 50 years of teaching and was replaced by a first year teacher thus changing the total expenditures for teacher compensation for 2017. Spreadsheet shows the difference in compensation between a teacher who taught for more than 50 years and a first year teacher.

Additionally we had an unanticipated change in a teacher FTE in 2016 from 1 to .57 in 2017.

Contact Person: Lorrie Esmay Title: Superintendent
 Date: 10-24-17 Signature: Lorrie Esmay

As per ARSD the board may consider a request to waive an accountability due to:

- 1) Retirement of a Teacher; or
- 2) Declining Student Enrollment; or
- 3) Change in Budgeted Costs for Benefits; or
- 4) An Unanticipated Change in Teacher FTE; or
- 5) Any Un-Foreseen or Extenuating Circumstances

School Finance/Accountability Board Action	
Approved	_____
Denied	_____
Date:	_____
Appropriations Committee Action	
Approved	_____
Denied	_____
Date:	_____

Request for Waiver - Teacher Compensation Accountabilities
SDCL 13-13-73.6

Name of School District: School Year

Contact Person:
Phone Number:
Date:

Title:
Email Address:
Signature: 

FY2016 Total Teacher Compensation:	\$	1,884,003	Difference Total TC:	\$	329,608
FY2016 Average Teacher Compensation:	\$	50,878	Difference Avg TC:	\$	4,187
FY2017 Total Teacher Compensation:	\$	2,213,611	Difference Accountability #1	\$	NA
FY2017 Average Teacher Compensation:	\$	55,065	Difference Accountability #2	\$	124
FY2017 Total Teacher Compensation Accountability	\$	166,223			
FY2017 Average Teacher Compensation Accountability	\$	4,311			

Check the appropriate accountability:

Request to Waive Accountability #1: Total Expenditures for Teacher Compensation

<input type="checkbox"/>
<input checked="" type="checkbox"/>

Request to Waive Accountability #2: Average Teacher Compensation

Please list all documents provided to the board supporting this request*:

* Districts must submit Teacher Compensation Report (as reported for Annual Report)

Average teacher compensation accountability spreadsheet.

Please explain the reason(s) for this request:

Health inc is offered to all certified staff. At the time of negotiations our music teacher took the health in benefit (12 months @ \$685). A teacher to replace her was hired and elected not to take the district health inc. When she declined the district health inc that decreased the average teacher compensation. Our district has also had a declining enrollment for the past three years.

As per ARSD the board may consider a request to waive an accountability due to:

- 1) Retirement of a Teacher; or
- 2) Declining Student Enrollment; or
- 3) Change in Budgeted Costs for Benefits; or
- 4) An Unanticipated Change in Teacher FTE; or
- 5) Any Un-Foreseen or Extenuating Circumstance.

School Finance/Accountability Board Action	
Approved	<input type="checkbox"/>
Denied	<input type="checkbox"/>
Date:	<input type="text"/>
Appropriations Committee Action	
Approved	<input type="checkbox"/>
Denied	<input type="checkbox"/>
Date:	<input type="text"/>

**Request for Waiver - Teacher Compensation Accountabilities
SDCL 13-13-73.6**

Name of School District: Kimball 07-2

School Year: 2017

FY2016 Total Teacher Compensation:	\$1,296,228		
FY2016 Average Teacher Compensation:	\$47,516		
FY2017 Total Teacher Compensation:	\$1,438,933	Difference Total TC:	\$142,705
FY2017 Average Teacher Compensation:	\$53,994	Difference Avg TC:	\$6,478
FY2017 Total Teacher Compensation Accountability:	\$1,472,900 *	Difference Accountability #1	(\$33,967)
FY2017 Average Teacher Compensation Accountability:	\$52,469	Difference Accountability #2	\$1,525

Check the appropriate accountability:

- Request to Waive Accountability #1: Total Expenditures for Teacher Compensation
- Request to Waive Accountability #2: Average Teacher Compensation

Please list all documents provided to the board supporting this request*:

* Documentation must include a copy of the report: Teacher Compensation Prior Year Current Year Comparison.

see attachments

Please explain the reason(s) for this request:

- * 1) JKIPS teacher - had a change in PRF coding for this teacher resulting in a request for a lower FY2017 total Teacher Compensation Accountability
- 2) A teacher was serving in the military for .6 of a school year - thus reducing salary + benefits.

Contact Person: Eileen L Kroupa Title: Business Manager
 Date: 11/2/17 Signature: Eileen L Kroupa

As per ARSD the board may consider a request to waive an accountability due to:

- 1) Retirement of a Teacher; or
- 2) Declining Student Enrollment; or
- 3) Change in Budgeted Costs for Benefits; or
- 4) An Unanticipated Change in Teacher FTE; or
- 5) Changes that could not be reasonably anticipated by the district.

School Finance/Accountability Board Action	
Approved	_____
Denied	_____
Date:	_____
Appropriations Committee Action	
Approved	_____
Denied	_____
Date:	_____

**Request for Waiver - Teacher Compensation Accountabilities
SDCL 13-13-73.6**

Name of School District: Lyman 42-1

School Year: 2017

FY2016 Total Teacher Compensation:	\$2,221,342		
FY2016 Average Teacher Compensation:	\$57,266		
FY2017 Total Teacher Compensation:	\$2,308,756	Difference Total TC:	\$87,414
FY2017 Average Teacher Compensation:	\$60,202	Difference Avg TC:	\$2,936
FY2017 Total Teacher Compensation Accountability:	\$2,321,356	Difference Accountability #1	(\$12,600)
FY2017 Average Teacher Compensation Accountability:	\$59,970	Difference Accountability #2	\$232

Check the appropriate accountability:

Request to Waive Accountability #1: Total Expenditures for Teacher Compensation

Request to Waive Accountability #2: Average Teacher Compensation

Please list all documents provided to the board supporting this request*:

* Documentation must include a copy of the report: Teacher Compensation Prior Year Current Year Comparison.

Teacher Compensation Report

Please explain the reason(s) for this request:

Teacher Anthony Callahan's teaching certification expired July 1, 2016.

Contact Person: _____ Title: _____
Date: _____ Signature: _____

As per ARSD the board may consider a request to waive an accountability due to:

- 1) Retirement of a Teacher; or
- 2) Declining Student Enrollment; or
- 3) Change in Budgeted Costs for Benefits; or
- 4) An Unanticipated Change in Teacher FTE; or
- 5) Changes that could not be reasonably anticipated by the district.

School Finance/Accountability Board Action	
Approved	_____
Denied	_____
Date:	_____
Appropriations Committee Action	
Approved	_____
Denied	_____
Date:	_____

Request for Waiver - Teacher Compensation Accountabilities
SDCL 13-13-73.6

Name of School District: McLaughlin 15-2

School Year: 2017

FY2016 Total Teacher Compensation:	\$2,045,398		
FY2016 Average Teacher Compensation:	\$50,071		
FY2017 Total Teacher Compensation:	\$1,982,696	Difference Total TC:	(\$62,702)
FY2017 Average Teacher Compensation:	\$56,648	Difference Avg TC:	\$6,577
FY2017 Total Teacher Compensation Accountability:	\$2,254,169	Difference Accountability #1	(\$271,473)
FY2017 Average Teacher Compensation Accountability:	\$54,285	Difference Accountability #2	\$2,363

Check the appropriate accountability:

Request to Waive Accountability #1: Total Expenditures for Teacher Compensation

Request to Waive Accountability #2: Average Teacher Compensation

Please list all documents provided to the board supporting this request*:

* Documentation must include a copy of the report: Teacher Compensation Prior Year Current Year Comparison.

A table showing Fiscal Year 2016 teachers reported compared to Fiscal Year 2017 teachers, and their respective positions. A front/back copy of Teacher Compensation Accountability data provided in the Annual Report for FY16, and a separate front/back copy of the same for FY17.

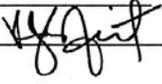
Please explain the reason(s) for this request:

For the duration of the 2016-2017 school year, the McLaughlin School District was unable to fill a third section for First Grade, Second Grade, Fourth Grade, and Fifth Grade. In the 2015-2016 school year, the Elementary Special Education Teacher position was filled by a certified teacher, but the Early Childhood Teacher and Middle/High School Special Education Teacher positions were filled by non-certified teachers on plans of intent. In the 2016-2017 school year, we were unable to fill any of these three Special Education Teacher positions for Early Childhood, Elementary School, and Middle/High School. We added an Elementary Music certified position, however we filled High School Art and High School Lakota Language with non-certified staff. Our aggregate FTE difference is 6 certified teachers for FY17 since the FY16 report.

Contact Person: Kendra Sandquist

Title: Business Manager

Date: 08/30/2017

Signature: 

As per ARSD the board may consider a request to waive an accountability due to:

- 1) Retirement of a Teacher; or
- 2) Declining Student Enrollment; or
- 3) Change in Budgeted Costs for Benefits; or
- 4) An Unanticipated Change in Teacher FTE; or
- 5) Changes that could not be reasonably anticipated by the district.

School Finance/Accountability Board Action

Approved _____

Denied _____

Date: _____

Appropriations Committee Action

Approved _____

Denied _____

Date: _____

**Request for Waiver - Teacher Compensation Accountabilities
SDCL 13-13-73.6**

Name of School District: New Underwood 51-3

School Year: 2017

FY2016 Total Teacher Compensation:	\$1,059,022		
FY2016 Average Teacher Compensation:	\$51,837		
FY2017 Total Teacher Compensation:	\$1,097,308	Difference Total TC:	\$38,286
FY2017 Average Teacher Compensation:	\$56,446	Difference Avg TC:	\$4,609
FY2017 Total Teacher Compensation Accountability:	\$1,222,836	Difference Accountability #1	(\$125,528)
FY2017 Average Teacher Compensation Accountability:	\$57,592	Difference Accountability #2	(\$1,146)

Check the appropriate accountability:

- Request to Waive Accountability #1: Total Expenditures for Teacher Compensation
- Request to Waive Accountability #2: Average Teacher Compensation

Please list all documents provided to the board supporting this request*:

* Documentation must include a copy of the report: Teacher Compensation Prior Year Current Year Comparison.

1. Teacher year comparison prior year and current year comparison (retirement of a teacher) #2
2. Information on increases of salary and benefits for teachers spring 2016
3. Information on increases of salary and benefits for teachers fall 2016
4. Information on increases of salary and benefits for teachers total compensation
5. Information on increases of salary and benefits for school support specialists
6. Information on increases of salary and benefits for classified staff
7. Information on increases of salary and benefits for administration
8. School board minutes with the motions approving the increases in pay April 25 and December 7 (2 pages)
9. Verification of fall enrollment forms for declining student enrollment (declining enrollment) #2 (2 pages)
10. The state aid accountability calculator with 231 students spring (declining enrollment) #2
11. The state aid accountability calculator with 246 students fall (declining enrollment) #2
12. The state aid accountability calculator with 258 students projected enrollment (declining enrollment) #2
13. Teacher compensation report with the amount that the teachers who left would have received if they stayed and the amount the new teachers were paid. (three teachers resigning #5)
14. Declining general fund fund balance sheet
15. Monthly cash balance surveys
16. Capital Outlay flexibility increased usage for general fund expenditures (7 pages)

Please explain the reason(s) for this request:

1. We had a teacher that retired in the spring of 2016. To become more efficient, and in keeping with the language of the law, the school district elected not to fill the position to decrease our total staff number. This retired teacher's salary from the previous year was used to increase salaries for our staff for the 2016-2017 school year.

2. The information on the salary increases for the certified staff, school support specialists, classified staff, and administration has been included. The documents show the average percentage raise for each category of staff.

3. Based on the declining enrollment figures we both met and exceeded the accountability standards for 246 students. The student enrollment figures in the fall determined the revenue that was paid to the New Underwood School District based on our verified child enrollment count in September of 2016. The figures used can be found on page 13 of the documents provided.

4. The spring negotiation projections of enrollment showed that we would have 231 students based on our graduating senior class and the kindergarten students that would be enrolling in the fall of 2016. To stay competitive with surrounding districts, we used the salary of the retired teacher to raise teacher salaries. When the district received the final verification of our fall 2016 student enrollment numbers, the school board reopened negotiations to pay out the additional amount of funding for our 246 students to our teaching staff. This additional funding allowed us to increase our teacher salaries to stay competitive with other surrounding districts without the utilization of the retired teacher's salary.

5. The district had three teachers that resigned. The positions were filled by teachers with less experience and education than the teachers that were replaced.

6. The school district has been deficit spending in our general fund. The school district is currently below the 30% threshold required by the state. The district has elected to use capital outlay flexibility to offset general fund expenditures and stay competitive with teacher salaries across the state.

7. The current amount of staff to student ratio based on the accountability formula for the New Underwood School District is 12.28 students per teacher. The New Underwood School District decided to reduce deficit spending and during the 2017-2018 school year, the district had a reduction in force of three staff members. The reduction in staff currently puts the student to teacher ratio at 14.3 students per teacher based on 237 students and the school district employing 16.54 certified teachers.

Contact Person: George Seiler Title: Superintendent
 Date: 10-26-2017 Signature: George Seiler

As per ARSD the board may consider a request to waive an accountability due to:

- 1) Retirement of a Teacher; or
- 2) Declining Student Enrollment; or
- 3) Change in Budgeted Costs for Benefits; or
- 4) An Unanticipated Change in Teacher FTE; or
- 5) Any Un-Foreseen or Extenuating Circumstances

School Finance/Accountability Board Action	
Approved	_____
Denied	_____
Date:	_____
Appropriations Committee Action	
Approved	_____
Denied	_____
Date:	_____

**Request for Waiver - Teacher Compensation Accountabilities
SDCL 13-13-73.6**

Name of School District: Newell 09-2

School Year: 2017

FY2016 Total Teacher Compensation:	\$1,557,143		
FY2016 Average Teacher Compensation:	\$49,044		
FY2017 Total Teacher Compensation:	\$1,459,687	Difference Total TC:	(\$97,456)
FY2017 Average Teacher Compensation:	\$52,132	Difference Avg TC:	\$3,088
FY2017 Total Teacher Compensation Accountability:	\$1,570,115	Difference Accountability #1	(\$110,428)
FY2017 Average Teacher Compensation Accountability:	\$49,400	Difference Accountability #2	\$2,732

Check the appropriate accountability:

Request to Waive Accountability #1: Total Expenditures for Teacher Compensation

Request to Waive Accountability #2: Average Teacher Compensation

Please list all documents provided to the board supporting this request*:

* Documentation must include a copy of the report: Teacher Compensation Prior Year Current Year Comparison.

Teacher Compensation Prior Year Current Year Comparison
 Certified Staff Changes FY2016-FY2017
 Classified Staff Changes FY2016-FY2017
 Newell Accountability Calculator
 Newell Accountability Target

Please explain the reason(s) for this request:

The entire administration and a majority of the school board have been replaced since the new accountability fund rules were put in place. From my investigation to file this waiver, I can tell they did not understand all the rules. The information on Accountability Calculator states the dollar amounts in cell E31 must be spent. It was their understanding that when they gave individual raises of \$3400 per certified staff member that the total was more than the \$12,972 listed in the spreadsheet cell E31. In addition, the number of teachers the funds were to encompass was calculated at 22.8. At the time, the district had 32 certified teachers, so in an effort to come closer to the target student to teacher ratio, the certified staff was reduced to 28 for the FY17 school year. No one had seen the Accountability Target Spreadsheet and consequently it was not used to gauge the total dollar amount needed to be used to meet the requirements. Classified staff also received considerable wage increases to be in line with the certified staff salary increases. Even with the changes, Newell School District had a deficit budget of \$236,000, leaving us with less than 25% in our general education fund reserves. Now that I am aware of the infraction, I would like to be able to apply the funding appropriately and work on a plan to use the funds locally, as they were intended.

Contact Person: Robin Dutt Title: Superintendent
 Date: 11-2-17 Signature: Robin J. Dutt

As per ARSD the board may consider a request to waive an accountability due to:

- 1) Retirement of a Teacher; or
- 2) Declining Student Enrollment; or
- 3) Change in Budgeted Costs for Benefits; or
- 4) An Unanticipated Change in Teacher FTE; or
- 5) Any Un-Foreseen or Extenuating Circumstances

School Finance/Accountability Board Action	
Approved	_____
Denied	_____
Date:	_____
Appropriations Committee Action	
Approved	_____
Denied	_____
Date:	_____

Request for Waiver - Teacher Compensation Accountabilities
SDCL 13-13-73.6

Name of School District: Pierre 32-2

School Year: 2017

FY2016 Total Teacher Compensation:	\$8,505,431		
FY2016 Average Teacher Compensation:	\$51,238		
FY2017 Total Teacher Compensation:	\$9,527,372	Difference Total TC:	\$1,021,941
FY2017 Average Teacher Compensation:	\$57,030	Difference Avg TC:	\$5,792
FY2017 Total Teacher Compensation Accountability:	\$9,545,904	Difference Accountability #1	(\$18,532)
FY2017 Average Teacher Compensation Accountability:	\$55,340	Difference Accountability #2	\$1,690

Check the appropriate accountability:

Request to Waive Accountability #1: Total Expenditures for Teacher Compensation

Request to Waive Accountability #2: Average Teacher Compensation

Please list all documents provided to the board supporting this request*:

* Documentation must include a copy of the report: Teacher Compensation Prior Year Current Year Comparison.

1. Pierre School District Unforeseen Events - Supporting Calculations
2. 2016-17 teaching contracts for H Zakahi, J Hodges and R Nelson
3. Documentation of Death/H Zakahi
4. Letter of Resignation/R Nelson
5. Teacher Compensation Prior Year Current Year Comparison
6. New additional items of supporting documentation requested by accountability board with all waiver requests.

Please explain the reason(s) for this request:

Two unexpected events occurred in fiscal year 2017 related to the teaching staff for the Pierre School District:

1. On February 7, 2017 a teacher, Hyrna Zakahi, unexpectedly passed away after a very short illness. As a result, only 112 days of her 181 day contract was paid in fiscal year 2017 and the district spent a total of \$29,460 less on her compensation than anticipated when the contract was issued. Though another certified teacher, Jennifer Hodges, was able to be hired to fill the position for the remainder of the school year, the total compensation for the replacement was only \$11,398. The net reduction in salary and benefits paid in fiscal year 2017 due to this event was \$18,062.
2. On February 10, 2017, a teacher, Rhona Nelson, resigned her teaching position effective immediately. As a result, only 114 days of her 181 day contract was paid in fiscal year 2017 and the district spent a total of \$18,548 less on her compensation than would otherwise have been paid had her contract been fulfilled. Her position was filled with a long term substitute.

As a result of these two events, \$36,610 less was spent on teacher compensation by the Pierre School District than intended at the time teaching contracts were issued.

Contact Person: Darla Mayer Title: Business Manager
Date: 10/26/17 Signature: Darla Mayer

As per ARSD the board may consider a request to waive an accountability due to:

- 1) Retirement of a Teacher; or
- 2) Declining Student Enrollment; or
- 3) Change in Budgeted Costs for Benefits; or
- 4) An Unanticipated Change in Teacher FTE; or
- 5) Any Un-Foreseen or Extenuating Circumstances

School Finance/Accountability Board Action	
Approved	_____
Denied	_____
Date:	_____
Appropriations Committee Action	
Approved	_____
Denied	_____
Date:	_____

**Request for Waiver - Teacher Compensation Accountabilities
SDCL 13-13-73.6**

Name of School District: Plankinton 01-1

School Year: 2017

FY2016 Total Teacher Compensation:	\$1,081,396		
FY2016 Average Teacher Compensation:	\$47,223		
FY2017 Total Teacher Compensation:	\$1,237,931	Difference Total TC:	\$156,535
FY2017 Average Teacher Compensation:	\$53,428	Difference Avg TC:	\$6,205
FY2017 Total Teacher Compensation Accountability:	\$1,291,817	Difference Accountability #1	(\$53,886)
FY2017 Average Teacher Compensation Accountability:	\$52,499	Difference Accountability #2	\$929

Check the appropriate accountability:

- Request to Waive Accountability #1: Total Expenditures for Teacher Compensation
- Request to Waive Accountability #2: Average Teacher Compensation

Please list all documents provided to the board supporting this request*:

* Documentation must include a copy of the report: Teacher Compensation Prior Year Current Year Comparison.

Teacher Compensation Prior Year/Current Year Comparison
 Monthly Cash Balance Survey - FY2017
 District Fund Summary - General Fund FY2017
 Proof of Advertising for K-12 Vocal Music Instructor
 Projected costs for Salaries/Benefits for School Support Staff, Administration, Classified Staff

Please explain the reason(s) for this request:

Our FY2017 Accountability Targets based upon the Fall 2015 SAFE Count showed the Plankinton School District as having a calculated formula funding increase of \$247,554.00 with \$210,421.00 for the target 85% of Increased Need for Teacher Compensation. In 2015-16 our full time vocal/5 & 6 band teacher was Molly Woodard. We purchased .60 FTE band teacher, Brett Jacobson, from the Mt. Vernon School District. Brett verbally notified us in February 2016 that he would be resigning from Mt. Vernon School. We decided to increase our FTE by 1.0 and hire our own band teacher and also have them teach 7 & 8 Gr. English and/or Math as well. We hired Russell Garry in February 2016 as a 1.0 FTE for band/7 & 8 English/and or Math. We withheld approximately \$51,000.00 to cover this position as allowed per #1 - FY2017 Total Teacher Compensation. We also withheld \$9,845.48 to increase Mercia Schroeder from .8 to 1.0 FTE and \$12,418.52 to increase Carrie Tobin from .6 to .8 FTE.

In April 2016 Molly Woodard resigned (effective at the conclusion of 2015-16) as vocal/5 & 6 band teacher to teach at a different district.

Beginning in April 2016 we started advertising for a full time vocal teacher in the South Dakota Mail (our legal newspaper) and S.D. Teacher Placement. In May 2017 we advertised for a full time vocal teacher in the Statewide Classifieds. In July 2016 we advertised for a full time vocal teacher on KELOLAND Employment. The beginning of August 2016, Supt. Randall was contacted by Susan Almjdeld in regard to the vocal teacher position. She was interviewed and offered a contract. By then it was close to the beginning of the 2016-17 school year. Susan decided she didn't want to leave her current school district in the lurch so she didn't accept our offer.

The beginning of May 2016 we settled negotiations giving every teacher a \$5,350.00 increase in salary which exceeded the #2 - FY2017 Average Teacher Compensation Accountability by \$929 each. Due to the fact that we were not able to fill the vocal music position we did not meet the #1 - FY2017 Total Teacher Compensation Accountability. We had to amend Russell Garry's contract to have him teach both band and vocal in 2016-17.

In December 2016 we hired Susan Almjdeld to be our full time vocal teacher for the 2017-18 school year thus fulfilling our initial intention of increasing our FTE. In April 2017 Russell Garry resigned as our band teacher (effective at the conclusion of the 2016-17 school year) to accept a teaching position at a different district. By then we were in financial difficulty. The board approved the RIF of an elementary position and the RIF of the music position currently held by Russell Garry. Supt. Randall notified Susan Almjdeld that she would have to teach both band and vocal during the 2017-18 school year.

Susan Almjdeld did not want to teach both band and vocal so she resigned in June 2017. Supt. Randall then advertised in the South Dakota Mail and on the S.D. Teacher Placement site for a full time band and vocal teacher. We did have two applicants and hired Rachel Erpelding in July 2017 to be our band and vocal teacher for the 2017-18 school year.

In the spring of 2016 we had no way of knowing that our enrollment would decline by 11 students. Our preschool class size was comparable to our graduating senior class. We had several families move away from the district over the summer. Due to this circumstance we are actually submitting our Request for Waiver based upon Declining Student Enrollment. We only received an increase in funding of \$93,812.00 rather than the projected Formula Funding Increase of \$247,554.00. The salary increase of \$5,350.00 given to each teacher cost us \$146,728.30 so we deficit spent (\$52,916.30) just on teacher salaries/benefits.

We gave the same raise (\$5,350.00) as the teachers received to our pre-school teacher (.50) and our guidance counselor costing us a total of \$9,120.42 for salaries/benefits.

We gave the same raise (\$5,350.00) as the teachers received to our administration costing us a total of \$21,089.13 for salaries/benefits.

We gave our classified staff an increase of \$1.25/hour costing us \$34,868.80 for salaries/benefits.

The increases for salaries/benefits for school support staff, administration and classified staff cost us a total of \$65,078.35 with no additional funding.

As you can see from the copy of our Monthly Cash Balance Survey for FY2017 our General Fund cash balance decreased by \$99,274. I also enclosed a copy of our District Fund Summary for the General Fund FY2017 which shows a change in our Fund Balance of (\$203,192).

We have an opt out of \$175,000 which runs through taxes payable 2020.

For FY2017-18 we did RIF two FTE teaching positions. We also budgeted an Operating Transfer In of \$75,000.00 from Capital Outlay to the General Fund. Our Student Count for FY2017-18 is 262 so we decreased by 9 students.

We were happy to give a large salary increase to our teachers but without the funding to pay for the increase, it has really put a financial burden on our district.

We respectfully request a waiver on the #1 - FY2017 Total Teacher Compensation due to declining enrollment.

Contact Person: Joan Swanson Title: Business Manager
Date: 11-1-17 Signature: Joan Swanson

As per ARSD the board may consider a request to waive an accountability due to:

- 1) Retirement of a Teacher; or
- 2) Declining Student Enrollment; or
- 3) Change in Budgeted Costs for Benefits; or
- 4) An Unanticipated Change in Teacher FTE; or
- 5) Any Un-Foreseen or Extenuating Circumstances

School Finance/Accountability Board Action	
Approved	_____
Denied	_____
Date:	_____
Appropriations Committee Action	
Approved	_____
Denied	_____
Date:	_____

**Request for Waiver - Teacher Compensation Accountabilities
SDCL 13-13-73.6**

Name of School District: Rosholt 54-4

School Year: 2017

FY2016 Total Teacher Compensation:	\$1,106,734		
FY2016 Average Teacher Compensation:	\$52,082		
FY2017 Total Teacher Compensation:	\$1,267,363	Difference Total TC:	\$160,629
FY2017 Average Teacher Compensation:	\$59,923	Difference Avg TC:	\$7,841
FY2017 Total Teacher Compensation Accountability:	\$1,270,932	Difference Accountability #1	(\$3,569)
FY2017 Average Teacher Compensation Accountability:	\$58,632	Difference Accountability #2	\$1,291

Check the appropriate accountability:

Request to Waive Accountability #1: Total Expenditures for Teacher Compensation

Request to Waive Accountability #2: Average Teacher Compensation

Please list all documents provided to the board supporting this request*:

* Documentation must include a copy of the report: Teacher Compensation Prior Year Current Year Comparison.

Here is a list of documents supporting our request:

1. Teacher Compensation Prior Year current Year Comparison
2. Rosholt School District Anticipated Salaries for FY17 worksheet
3. Example of ads attempting to hire a Science Teacher
4. Letter from DOE indicating missed Accountability.
5. Non-teaching Compensation Comparison

Please explain the reason(s) for this request:

The Rosholt School District missed the total teacher compensation target for FY17 in the amount of \$3,569. Had we been able to hire a science teacher, even at beginning teacher salary, Rosholt School would have fulfilled the accountability requirement of teacher compensation.

We have enclosed a copy of the anticipated salaries we had at the time contracts were issued. It reflects that "Total Teacher Compensation" would have been \$1,328,115.37 well over the "Target Total Compensation FY2017 of \$1,270,932. In our effort to meet this goal, we increased our teacher salaries by over 12%.

We advertised on ASBSD and Edpost, Minnesota's statewide educator job board, for several weeks. Ads were also ran in local area newspapers. Quite often leads for teachers come into the district office by community members. All leads were pursued to no avail.

Contact Person: Teresa Appel Title: Superintendent
 Date: 10-31-17 Signature: Teresa Appel

As per ARSD the board may consider a request to waive an accountability due to:

- 1) Retirement of a Teacher; or
- 2) Declining Student Enrollment; or
- 3) Change in Budgeted Costs for Benefits; or
- 4) An Unanticipated Change in Teacher FTE; or
- 5) Any Un-Foreseen or Extenuating Circumstances

School Finance/Accountability Board Action	
Approved	_____
Denied	_____
Date:	_____
Appropriations Committee Action	
Approved	_____
Denied	_____
Date:	_____

**Request for Waiver - Teacher Compensation Accountabilities
SDCL 13-13-73.6**

Name of School District: Sisseton 54-2

School Year: 2017

FY2016 Total Teacher Compensation:	\$3,658,553		
FY2016 Average Teacher Compensation:	\$51,500		
FY2017 Total Teacher Compensation:	\$3,920,036	Difference Total TC:	\$261,483
FY2017 Average Teacher Compensation:	\$56,936	Difference Avg TC:	\$5,436
FY2017 Total Teacher Compensation Accountability:	\$4,064,822	Difference Accountability #1	(\$144,786)
FY2017 Average Teacher Compensation Accountability:	\$56,182	Difference Accountability #2	\$754

Check the appropriate accountability:

Request to Waive Accountability #1: Total Expenditures for Teacher Compensation

Request to Waive Accountability #2: Average Teacher Compensation

Please list all documents provided to the board supporting this request*:

* Documentation must include a copy of the report: Teacher Compensation Prior Year Current Year Comparison.

Please See Attached

Please explain the reason(s) for this request:

Please See Attached

Contact Person: Tammy Meyer Title: Superintendent
 Date: 11-3-2017 Signature: Tammy D. Meyer

As per ARSD the board may consider a request to waive an accountability due to:

- 1) Retirement of a Teacher; or
- 2) Declining Student Enrollment; or
- 3) Change in Budgeted Costs for Benefits; or
- 4) An Unanticipated Change in Teacher FTE; or
- 5) Any Un-Foreseen or Extenuating Circumstances

School Finance/Accountability Board Action	
Approved	_____
Denied	_____
Date:	_____
Appropriations Committee Action	
Approved	_____
Denied	_____
Date:	_____

Request for Waiver - Teacher Compensation Accountabilities
SDCL 13-13-73.6

Name of School District: Summit School District 54-6 School Year: 2017

Contact Person: Kurt Jensen
Phone Number: 605-398-6211
Date: _____

Title: Superintendent
Email Address: kurt.jensen@k12.sd.us
Signature: _____

FY2016 Total Teacher Compensation:	\$ 697,597 -	Difference Total TC:	\$ 23,499 -
FY2016 Average Teacher Compensation:	\$ 42,125 -	Difference Avg TC:	\$ 7,709 -
FY2017 Total Teacher Compensation:	\$ 721,096 -	Difference Accountability #1:	\$ (96,985)
FY2017 Average Teacher Compensation:	\$ 49,934 -	Difference Accountability #2:	\$ 1,936 -
FY2017 Total Teacher Compensation Accountability:	\$ 818,681 -		
FY2017 Average Teacher Compensation Accountability:	\$ 47,904 -		

Check the appropriate accountability:

Request to Waive Accountability #1: Total Expenditures for Teacher Compensation

Request to Waive Accountability #2: Average Teacher Compensation

Please list all documents provided to the board supporting this request*:

* Districts must submit Teacher Compensation Report (as reported for Annual Report)

Please explain the reason(s) for this request:

As per ARSD the board may consider a request to waive an accountability due to:

- 1) Retirement of a Teacher; or
- 2) Declining Student Enrollment; or
- 3) Change in Budgeted Costs for Benefits; or
- 4) An Unanticipated Change in Teacher FTE; or
- 5) Any Un-Foreseen or Extenuating Circumstance.

School Finance/Accountability Board Action	
Approved	<input type="checkbox"/>
Denied	<input type="checkbox"/>
Date:	<input type="text"/>
Appropriations Committee Action	
Approved	<input type="checkbox"/>
Denied	<input type="checkbox"/>
Date:	<input type="text"/>

Request for Waiver - Teacher Compensation Accountabilities
SDCL 13-13-73.6

Name of School District: Wall 51-5

School Year: 2017

FY2016 Total Teacher Compensation:	\$1,211,665		
FY2016 Average Teacher Compensation:	\$52,842		
FY2017 Total Teacher Compensation:	\$1,411,633	Difference Total TC:	\$199,968
FY2017 Average Teacher Compensation:	\$62,656	Difference Avg TC:	\$9,814
FY2017 Total Teacher Compensation Accountability:	\$1,420,932	Difference Accountability #1	(\$9,299)
FY2017 Average Teacher Compensation Accountability:	\$60,534	Difference Accountability #2	\$2,122

Check the appropriate accountability:

Request to Waive Accountability #1: Total Expenditures for Teacher Compensation

Request to Waive Accountability #2: Average Teacher Compensation

Please list all documents provided to the board supporting this request*:

* Documentation must include a copy of the report: Teacher Compensation Prior Year Current Year Comparison.

- Teacher Compensation Prior Year/Current Year Comparison
- Teacher Compensation Appeals Waiver Spreadsheet
- Teacher Compensation Appeals Waiver Detail

Please explain the reason(s) for this request:

- FY17 total compensation for Kent Anderson (Teacher A) needs to be corrected to reflect .73 of his total compensation equaling \$46,892.28.
 - o The full FTE was listed at \$64,236, however, only .73 FTE is teacher pay for Mr. Anderson. This equates to a decreased amount of \$17,344 for WSD total teacher compensation.
 - o However, if we would have kept him at .86 FTE we would have expected the compensation to increase by \$7,178
- Teacher B went from family health insurance coverage (FY16) to single health insurance coverage (FY17). This saved the district \$3,429 for that teacher's total compensation.
- WSD rural teacher (Teacher C) left the position and new teacher was hired. The new teacher's compensation was \$2,273 more than the previous teacher's total compensation.
- Veteran teacher (Teacher D) retired. WSD hired a replacement from within school district which was a newer, less experienced teacher. The district saved \$21,078.
- Veteran teacher (Teacher E) retired. Her teaching portion of her FTE was .8 FTE
 - o Replacement from within the district by another veteran teacher, with a full FTE. This position's compensation increased by \$13,850.
- First grade went from 2 full FTE teachers to 1 full FTE teacher because FY17's class size decreased.
 - o This saved the district \$51,971 (Teacher F)
- HS Spanish/MS Teacher (Teacher G) resigned from the district. Position was opened and advertised and unable to be filled. Loss of this position saved the district \$51,189
- WSD hired 1 FTE SPED teacher (Teacher H) with \$47,201 total compensation
- .5 FTE SPED position (Teacher I) was added to the district which increased teacher compensation by \$38,394
- WSD used the estimated 85% of New Money (\$199,968) entirely to increase teachers' salary. This totaled \$8,600 salary increase per teacher, when including payroll taxes and retirement that was a \$9,774 compensation increase per teacher

Contact Person: Cooper Carnos Title: Superintendent
 Date: 10-19-17 Signature: Cooper Carnos

Request for Waiver - Teacher Compensation Accountabilities SDCL 13-13-73.6

Name of School District: White River 47-1 **School Year:** 2017

FY2016 Total Teacher Compensation:	\$2,009,819		
FY2016 Average Teacher Compensation:	\$48,629		
FY2017 Total Teacher Compensation:	\$2,292,719	Difference Total TC:	\$282,900
FY2017 Average Teacher Compensation:	\$52,950	Difference Avg TC:	\$4,321
FY2017 Total Teacher Compensation Accountability:	\$2,230,431	Difference Accountability #1	\$62,288
FY2017 Average Teacher Compensation Accountability:	\$53,660	Difference Accountability #2	(\$710)

Check the appropriate accountability:

Request to Waive Accountability #1: Total Expenditures for Teacher Compensation

Request to Waive Accountability #2: Average Teacher Compensation

Please list all documents provided to the board supporting this request*:

- Documentation must include a copy of the report: Teacher Compensation Prior Year Current Year Comparison.

Please explain the reason(s) for this request:

Contact Person: _____ Title: _____

Date: _____ Signature: _____

As per ARSD the board may consider a request to waive an accountability due to:

- 1) Retirement of a Teacher; or
- 2) Declining Student Enrollment; or
- 3) Change in Budgeted Costs for Benefits; or
- 4) An Unanticipated Change in Teacher FTE; or
- 5) Any Un-Foreseen or Extenuating Circumstances

School Finance/Accountability Board Action	
Approved	
Denied	
Date:	
Appropriations Committee Action	
Approved	
Denied	
Date:	_____

**Request for Waiver - Teacher Compensation Accountabilities
SDCL 13-13-73.6**

Name of School District: Willow Lake 12-3

School Year: 2017

FY2016 Total Teacher Compensation:	\$1,300,259		
FY2016 Average Teacher Compensation:	\$52,282		
FY2017 Total Teacher Compensation:	\$1,392,875	Difference Total TC:	\$92,616
FY2017 Average Teacher Compensation:	\$58,158	Difference Avg TC:	\$5,876
FY2017 Total Teacher Compensation Accountability:	\$1,432,012	Difference Accountability #1	(\$39,137)
FY2017 Average Teacher Compensation Accountability:	\$57,738	Difference Accountability #2	\$420

Check the appropriate accountability:

Request to Waive Accountability #1: Total Expenditures for Teacher Compensation

Request to Waive Accountability #2: Average Teacher Compensation

Please list all documents provided to the board supporting this request*:

* Documentation must include a copy of the report: Teacher Compensation Prior Year Current Year Comparison.

I am providing two spreadsheets. The first spreadsheet shows the breakdown of salary and benefits reported for FY 2017. The second spreadsheet shows information had two teachers not retired and had returned for the 2016-17 school year.

Please explain the reason(s) for this request:

The reason for our request is we did meet average teacher compensation, but we did not meet total compensation. We had two teachers retire that had a combined 58 years of experience with the Willow Lake School District. They were replaced by two, first year teachers. Had they stayed, we would have meet total compensation for the 16-17 school year. I have included a spreadsheet showing what they would have made had they been here.

Contact Person: Melissa A. Burke Title: Business Manager
 Date: 10.17.17 Signature: Melissa A. Burke

As per ARSD the board may consider a request to waive an accountability due to:

- 1) Retirement of a Teacher; or
- 2) Declining Student Enrollment; or
- 3) Change in Budgeted Costs for Benefits; or
- 4) An Unanticipated Change in Teacher FTE; or
- 5) Changes that could not be reasonably anticipated by the district.

School Finance/Accountability Board Action	
Approved	_____
Denied	_____
Date:	_____
Appropriations Committee Action	
Approved	_____
Denied	_____
Date:	_____