CHAPTER 24:44:01

SCHOOL FINANCE ACCOUNTABILITY BOARD

Section

24:44:01:01 Definitions.

24:44:01:02 Meetings ~~--how~~ How called.

24:44:01:03 Quorum of board ~~--majority~~ Majority vote required for action.

24:44:01:04 ~~Appeal of financial penalty~~ Notice of violation -- Request of waiver.

24:44:01:05 Determination of violation, Repealed.

24:44:01:06 Factors considered.

24:44:01:07 ~~Appeal~~ Waiver documentation.

24:44:01:08 ~~Appeal review timeline~~ Review of waivers.

24:44:01:09 Appeal of waiver denial, Repealed.

24:44:01:10 Waiver recommendations, Repealed.

24:44:01:02. Meetings – ~~how~~ How called. The board shall meet on call of the president. ~~However, the~~ The president shall call a meeting upon request of at least three members.

Source: 44 SDR 22, effective August 8, 2017.

General Authority: SDCL 1-45-38.

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

24:44:01:03. Quorum of Board – ~~majority~~ Majority vote required for action. A majority of board members shall constitute a quorum for the transaction of business. To take any official action, the affirmative vote of three members of the board is required.

Source: 44 SDR 22, effective August 8, 2017.

General Authority: SDCL 1-45-38.

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

24:44:01:04. ~~Appeal of financial penalty~~ **Notice of violation -- Request of waiver.** The department shall notify a school district ~~by the first Friday in October of any financial penalty owed pursuant to SDCL 13-13-73.6~~ of any violation of SDCL 13-13-73.5, 13-13-73.6, or 13-13-73.8. The school district may ~~appeal to the board from the imposition of the~~ a ~~financial penalty according to the requirements of § 24:44:01:07~~ request, within thirty days of the notice, that the board waive any reduction to the district's state aid for general education or penalty imposed.

Source: 44 SDR 22, effective August 8, 2017.

General Authority: SDCL 1-45-38.

Law Implemented: SDCL 1-45-38, 13-13-73.5, 13-13-73.6, 13-13-73.8, 13-13-73.9.

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

Repealed.

Source: 44 SDR 22, effective August 8, 2017.

~~**General Authority:** SDCL 1-45-38.~~

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

24:44:01:06. Factors considered. ~~If a school district appeals the imposition of a financial penalty imposed under SDCL 13-13-73.6, the board shall consider the following factors in determining whether to recommend waiver of the penalty:~~

~~(1) Fiscal impact due to teacher retirement;~~

~~(2) Fiscal impact due to declining student enrollment;~~

~~(3) Fiscal impact due to changes in benefit expenditures such as changes in family status and health insurance;~~

~~(4) Effects of unexpected teacher resignations; and~~

~~(5) Any unforeseen or extenuating circumstances affecting the school district's ability to meet it's accountability targets as documented by the school district~~

When determining whether to grant a waiver of a penalty, the board shall consider:

(1) The fiscal impact due to:

(a) Teacher retirement;

(b) Declining student enrollment;

(c) Changes in benefit expenditures, including changes in family status and health insurance; and

(d) Ongoing teacher vacancies;

(2) The effects of unexpected teacher resignations; and

(3) Any unforeseen or extenuating circumstances affecting the school district's ability to meet the accountability measures as documented by the school district.

Source: 44 SDR 22, effective August 8, 2017.

General Authority: SDCL 1-45-38.

Law Implemented: SDCL 1-45-38, 13-13-73.5, 13-13-73.6, 13-13-73.8, 13-13-73.9.

24:44:01:07. ~~Appeal~~ Waiver documentation. A school district's ~~application to appeal the imposition of a financial penalty shall~~ request to waive any reduction to the district's state aid for general education or penalty imposed must include written documentation of ~~the following~~:

(1) The district's projected average teacher salary~~, based on data collected pursuant to SDCL 13-8-47 and SDCL 13-3-51~~ and compensation for the current fiscal year;

(2) ~~The increase in average teacher compensation, as defined in SDCL 13-8-47, from fiscal year 2016 to fiscal year 2017 and all subsequent years;~~

~~(3) The increase in total teacher compensation, as defined in SDCL 13-8-47, from fiscal year 2016 to fiscal year 2017~~ The projection of the district's lowest monthly cash balance percentage for the current fiscal year; and

~~(4)~~(3) Any additional information requested by the board to enable the board to make a determination.

~~School districts may supplement the documentation required by this section with additional information supporting the application of appeal.~~

Source: 44 SDR 22, effective August 8, 2017.

General Authority: SDCL 1-45-38.

Law Implemented: SDCL 1-45-38, 13-8-47, 13-13-73.5, 13-13-73.6, 13-13-73.8, 13-13-73.9.

24:44:01:08. ~~Appeal review timeline~~ Review of waivers. ~~An application to appeal the imposition of a financial penalty shall be submitted before the first Friday of November using the appeal application form provided by the department. No appeal application received by the board after the first Friday of November will be considered. All appeal applications shall be considered by the board at a meeting to occur before the last Monday in November.~~ The board shall consider any request for a waiver at the next board meeting. The board may not consider any request for a waiver submitted more than thirty days after the date of the notice provided pursuant to § 24:44:01:04. The board ~~will~~ shall allot time at that meeting for a school district to present testimony or information in support of its ~~application of appeal~~ waiver request.

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

Source: 44 SDR 22, effective August 8, 2017.

General Authority: SDCL 1-45-38.

Law Implemented: SDCL 1-45-38, 13-8-47, 13-13-73.5, 13-13-73.6, 13-13-73.8, 13-13-73.9.

24:44:01:09. Appeal of waiver denial. ~~A school district may appeal the board's denial of an appeal of the imposition of the financial penalty under SDCL 13-13-73.6 to the secretary of education within 15 calendar days of receipt of the notice of denial. The appeal to the secretary shall be in writing and specify the adverse action being appealed. The appeal shall also include a copy of the school district's application to the board appealing the imposition of the financial penalty of SDCL 13-13-73.6 and the minutes of the board meeting at which the adverse action was taken. The secretary may require the district to submit additional information in order to make the determination.~~

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

Source: 44 SDR 22, effective August 8, 2017.

~~**General Authority:** SDCL 1-45-38.~~

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

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

Source: 44 SDR 22, effective August 8, 2017.

~~**General Authority:** SDCL 1-45-38.~~

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