

## MEMORANDUM

TO: Senate and House Education Committee Members  
Joint Appropriations Committee Members  
Senate Leadership  
House Leadership

FROM: Tiffany Sanderson, Secretary of Education

CC: Mary Stadick Smith and Cody Stoeser, Department of Education  
Tony Venhuizen and Julie Muldoon, Office of Governor Kristi Noem  
Liza Clark, Derek Johnson, and Morgan Gruebele, Bureau of Finance and Management

DATE: January 13, 2021

RE: Proposal for One-Time Redistribution of \$11M in State Aid to General Education

During her budget address in December 2020, Governor Noem proposed redistributing approximately \$11M in existing state aid to general education funding to K-12 schools on a one-time basis. The information below outlines the administration's proposal for distributing that funding to our 149 public school districts.

### **Why is this funding available?**

\$11,060,739 represents the funding remaining between the FY21 appropriated budget for state aid to general education (based on *projected enrollments*) and the state aid required for Fall 2020's *actual enrollments* in K-12 schools. The change between the projected and actual fall enrollments is typically adjusted in the prior year general bill. This year's proposal sends that funding to school districts on a one-time basis.

### **What will this funding address?**

Districts have a variety of financial challenges because of the impact of COVID-19. The one-time redistribution of these state funds will help address some common issues around staffing, employment contracts, and food service. Federal funds have been awarded to K-12 schools as well for items such as cleaning and sanitation, facilities adaptations, personal protective equipment (PPE), technology for distance learning, staff training, and like efforts in the response to the pandemic.

COVID-19 has impacted school districts' ability to plan and budget in routine ways this year. Districts had to finalize contracts for staff in spring 2020 without a clear sense for what their fall enrollments would look like. For districts who saw unexpected drops in enrollment, their staffing levels didn't necessary align well with the students enrolled in their district.

We asked school districts to prioritize in-person learning during the 2020-21 school year and, with the exception of a small handful who have only offered distance instruction, they have done all they can to keep buildings open and offer families options for their children's education. To manage staffing levels through positive cases and close contacts, they have relied on substitutes during a time when subs have been in short supply. Some educators have been contracted for additional work to tutor students; conduct evaluations for services like special education, mental health, and English learners; and teach online coursework in addition to the in-person instructional day. The creative approaches to staffing, instruction, and addressing increased academic and wellbeing needs of students have increased the costs to operate schools.

Feeding students with the support of waivers from the U.S. Department of Education was a priority of all districts. Meals were served in non-traditional ways through the spring and summer. Flexible service options have continued through this school year. These alternative meal options have been more costly than traditional services due to disposable containers and pre-packaged food options. The majority of districts have overspent in their food service programs to address the needs they've recognized in their communities.

### **How do we propose distributing the funding?**

Due to COVID-19 and the variety of education paths families selected this year, school districts saw unexpected enrollment shifts, both up and down. Only 25 schools saw enrollments within 1% of their average trend from the three prior fiscal years (2018, 2019, and 2020).

To address the impacts of these shifts, we propose distributing the \$11M in the following manner:

- **\$30 per-student**
  - Approx. 40% of funding
  - All districts receive funds based on the 2020 state aid fall enrollments
  - Total = \$4,088,565
- Address **unexpected enrollment declines** from average
  - Approx. 60% of funding
  - Districts who saw lower enrollments than their average enrollment trend over fiscal years 2018, 2019, and 2020 receive proportional funding for the decrease from their average to the 2020 actual
    - 83 districts receive funds
  - Total = \$6,972,174

Sixty-six districts would not receive funding in the second category of funding because their enrollments in Fall 2020 exceeded their average enrollment trend over fiscal years 2018, 2019, and 2020.

For details on the calculations of this proposed distribution method, see the ENCLOSED document.

There are 4 sections for review, shown in navy at the top of page 1:

1. **State Aid Fall Enrollment:** 2016 – 2020 enrollments by school district
2. **Per Student Allocation:**
  - a. 2020 State Aid Fall Enrollment
  - b. Proposed allocation for \$30 per student distribution
3. **Impacted Fall Enrollment Allocation:**
  - a. Percent change in enrollments for 2017, 2018, and 2019
  - b. 3-year average growth
  - c. Actual enrollment percent change from fall 2019 to 2020
  - d. Proposed allocation for enrollment decreases from average trend to fall 2020 actual enrollment
4. **Total Combined Allocation:** \$30 per student allocation + allocation for decreased enrollment







Stanley County 57-1	57001	436.00	449.00	435.86	406.00	415.00
Summit 54-6	54006	143.00	150.00	158.00	171.15	176.00
Tea Area 41-5	41005	1,709.51	1,791.25	1,906.50	1,962.25	2,061.25
Timber Lake 20-3	20003	339.00	352.29	335.00	349.00	334.00
Todd County 66-1	66001	2,042.31	2,060.30	2,106.80	2,147.61	2,181.10
Tripp-Delmont 33-5	33005	151.00	151.00	130.00	125.00	143.00
Tri-Valley 49-6	49006	908.00	921.00	968.00	961.00	987.00
Vermillion 13-1	13001	1,202.34	1,219.79	1,259.26	1,260.58	1,258.61
Viborg-Hurley 60-6	60006	354.00	344.00	346.00	343.70	349.07
Wagner 11-4	11004	852.25	848.99	839.00	807.00	820.00
Wall 51-5	51005	245.00	257.00	271.00	284.53	276.00
Warner 06-5	6005	319.00	313.00	310.00	312.69	314.88
Watertown 14-4	14004	3,950.12	3,930.72	3,927.97	3,858.69	3,867.90
Waubay 18-3	18003	169.00	169.00	170.00	173.00	184.00
Waverly 14-5	14005	247.00	246.00	235.00	252.00	253.00
Webster Area 18-5	18005	558.00	537.00	542.00	528.00	504.00
Wessington Springs 36-2	36002	328.00	332.00	312.18	321.20	376.20
West Central 49-7	49007	1,372.56	1,364.20	1,410.25	1,379.40	1,384.00
White Lake 01-3	1003	110.00	116.00	119.00	125.00	119.00
White River 47-1	47001	418.00	404.00	412.00	381.00	383.00
Willow Lake 12-3	12003	222.00	237.00	249.00	269.00	279.00
Wilmot 54-7	54007	200.00	222.00	223.00	227.00	218.00
Winner 59-2	59002	708.00	723.00	710.00	704.00	711.00
Wolsey-Wessington 02-6	2006	357.00	362.00	346.00	358.00	353.00
Woonsocket 55-4	55004	218.00	233.00	245.00	243.00	251.00
Yankton 63-3	63003	2,717.19	2,723.12	2,775.69	2,769.50	2,808.99
		<b>132,815.04</b>	<b>134,186.34</b>	<b>135,316.78</b>	<b>136,519.17</b>	<b>136,285.50</b>

415.00	\$	12,450
176.00	\$	5,280
2,061.25	\$	61,838
334.00	\$	10,020
2,181.10	\$	65,433
143.00	\$	4,290
987.00	\$	29,610
1,258.61	\$	37,758
349.07	\$	10,472
820.00	\$	24,600
276.00	\$	8,280
314.88	\$	9,446
3,867.90	\$	116,037
184.00	\$	5,520
253.00	\$	7,590
504.00	\$	15,120
376.20	\$	11,286
1,384.00	\$	41,520
119.00	\$	3,570
383.00	\$	11,490
279.00	\$	8,370
218.00	\$	6,540
711.00	\$	21,330
353.00	\$	10,590
251.00	\$	7,530
2,808.99	\$	84,270
136,285.50	\$	<b>4,088,565</b>

2.98%	-2.93%	-6.85%	-2.27%	2.22%
4.90%	5.33%	8.32%	6.18%	2.83%
4.78%	6.43%	2.92%	4.71%	5.05%
3.92%	-4.91%	4.18%	1.06%	-4.30%
0.88%	2.26%	1.94%	1.69%	1.56%
0.00%	-13.91%	-3.85%	-5.92%	14.40%
1.43%	5.10%	-0.72%	1.94%	2.71%
1.45%	3.24%	0.10%	1.60%	-0.16%
-2.82%	0.58%	-0.66%	-0.97%	1.56%
-0.38%	-1.18%	-3.81%	-1.79%	1.61%
4.90%	5.45%	4.99%	5.11%	-3.00%
-1.88%	-0.96%	0.87%	-0.66%	0.70%
-0.49%	-0.07%	-1.76%	-0.77%	0.24%
0.00%	0.59%	1.76%	0.79%	6.36%
-0.40%	-4.47%	7.23%	0.79%	0.40%
-3.76%	0.93%	-2.58%	-1.81%	-4.55%
1.22%	-5.97%	2.89%	-0.62%	17.12%
-0.61%	3.38%	-2.19%	0.19%	0.33%
5.45%	2.59%	5.04%	4.36%	-4.80%
-3.35%	1.98%	-7.52%	-2.96%	0.52%
6.76%	5.06%	8.03%	6.62%	3.72%
11.00%	0.45%	1.79%	4.41%	-3.96%
2.12%	-1.80%	-0.85%	-0.17%	0.99%
1.40%	-4.42%	3.47%	0.15%	-1.40%
6.88%	5.15%	-0.82%	3.74%	3.29%
0.22%	1.93%	-0.22%	0.64%	1.43%
<b>1.03%</b>	<b>0.84%</b>	<b>0.89%</b>	<b>0.92%</b>	<b>-0.17%</b>

396.80	415.00	18.20	0.00	\$	-
181.73	181.73	-5.73	5.73	\$	13,146
2,054.74	2,061.25	6.51	0.00	\$	-
352.71	352.71	-18.71	18.71	\$	42,906
2,183.94	2,183.94	-2.84	2.84	\$	6,511
117.60	143.00	25.40	0.00	\$	-
979.62	987.00	7.38	0.00	\$	-
1,280.72	1,280.72	-22.11	22.11	\$	50,684
340.37	349.07	8.70	0.00	\$	-
792.55	820.00	27.45	0.00	\$	-
299.08	299.08	-23.08	23.08	\$	52,912
310.63	314.88	4.25	0.00	\$	-
3,828.79	3,867.90	39.11	0.00	\$	-
174.36	184.00	9.64	0.00	\$	-
253.98	253.98	-0.98	0.98	\$	2,248
518.47	518.47	-14.47	14.47	\$	33,175
319.21	376.20	56.99	0.00	\$	-
1,382.06	1,384.00	1.94	0.00	\$	-
130.45	130.45	-11.45	11.45	\$	26,256
369.71	383.00	13.29	0.00	\$	-
286.80	286.80	-7.80	7.80	\$	17,886
237.02	237.02	-19.02	19.02	\$	43,613
702.77	711.00	8.23	0.00	\$	-
358.54	358.54	-5.54	5.54	\$	12,692
252.08	252.08	-1.08	1.08	\$	2,485
2,787.28	2,808.99	21.71	0.00	\$	-
137,938.04	139,326.34		<b>3,040.84</b>	<b>\$</b>	<b>6,972,174</b>

\$	12,450	\$	-	\$	12,450
\$	5,280	\$	13,146	\$	18,426
\$	61,838	\$	-	\$	61,838
\$	10,020	\$	42,906	\$	52,926
\$	65,433	\$	6,511	\$	71,944
\$	4,290	\$	-	\$	4,290
\$	29,610	\$	-	\$	29,610
\$	37,758	\$	50,684	\$	88,443
\$	10,472	\$	-	\$	10,472
\$	24,600	\$	-	\$	24,600
\$	8,280	\$	52,912	\$	61,192
\$	9,446	\$	-	\$	9,446
\$	116,037	\$	-	\$	116,037
\$	5,520	\$	-	\$	5,520
\$	7,590	\$	2,248	\$	9,838
\$	15,120	\$	33,175	\$	48,295
\$	11,286	\$	-	\$	11,286
\$	41,520	\$	-	\$	41,520
\$	3,570	\$	26,256	\$	29,826
\$	11,490	\$	-	\$	11,490
\$	8,370	\$	17,886	\$	26,256
\$	6,540	\$	43,613	\$	50,153
\$	21,330	\$	-	\$	21,330
\$	10,590	\$	12,692	\$	23,282
\$	7,530	\$	2,485	\$	10,015
\$	84,270	\$	-	\$	84,270
<b>\$</b>	<b>4,088,565</b>	<b>\$</b>	<b>6,972,174</b>	<b>\$</b>	<b>11,060,739</b>

\* The one-time funding amount available is not final. Various items may impact the final amount available for distribution (i.e. cross border agreements, Jump Start, Gaming Revenues).