

Table of Contents

INTRODUCTION	1
GENERAL BACKGROUND INFORMATION	2
PHASES	
PHASE I: PLANNING ACTIVITIES	4
FAQ	6
PHASE II: DEVELOPMENT OF THE REORGANIZATION PLAN .	7
PHASE III: THE ELECTION AND OFFICIAL BALLOT	9
PHASE IV: THE REST OF THE STORY (DEENE DAYTON)	10
APPENDIX	
APPENDIX A: SAMPLE COMMUNITY QUESTIONNAIRE	13
APPENDIX B: SCHOOL REORGANIZATION CHECKLIST	14
APPENDIX C: ASBSD SUMMARY OF REORGANIZATION STATUTES	16
APPENDIX D: PETITION FOR MULTIPLE SCHOOL DISTRICT REORGANIZATION TO CREATE A NEW DISTRICT	18
APPENDIX E: SCHOOL DISTRICT A-B DIRECTIVE	20
APPENDIX F: SOUTH DAKOTA DEPARTMENT OF EDUCATION FORMAT OF REORGANIZATION PLANS	22
APPENDIX G: STATUTES REPEALED BY SB132 – 2016	24



INTRODUCTION

This booklet is a compilation of ideas and recommendations from the experiences of school board members, superintendents, business officials, school attorneys and auditors regarding the reorganization process. Many South Dakota school boards are experiencing declining enrollments and revenues. Each situation is unique. Boards must have a current Reduction in Force (RIF) policy that is fully understood by the administration. The only ways school boards can save substantial general fund dollars are to cut programs, cut staff, combine or alternate classes or close attendance centers.

2014-2015 ASBSD

STANDING POSITION STATEMENT

School district reorganization, resource sharing and cooperative arrangements are in the best interest of South Dakota's Public Schools when:

- Educational outcomes, measured in expanded educational opportunities with expectations for improved achievement, is the most important consideration; and
- Geographical issues are considered, including the amount of student travel time and allowing for continued community participation; and
- Reorganization is voluntary-initiated and voted upon by the school board or the citizens of the school districts involved.

DEFINITIONS IN

SOUTH DAKOTA LAW

The following definitions provide guidance for school districts depending on your direction.

- Reorganization – the formation, consolidation, or subdivision of school districts. (SDCL 13-6-1 and 13-6-99)
- Consolidation – the combining of two or more districts in which a new district and school board are created. (SDCL 13-6-1)
- Dissolution – a district dissolves and is absorbed by the surrounding districts. No new district is created. (SDCL 13-6-61.1)
- Note: Work through the reorganization process with your school attorney who is conversant with school laws and specifically those statutes (SDCL Chapter 13-6 and 13-15) relating to the reorganization of school districts. ASBSD, your association, will provide information and assistance where appropriate and upon request.

GENERAL BACKGROUND INFORMATION

School boards have a legal responsibility to govern the local school district and assure that schools provide appropriate educational opportunities for students in a safe environment and to hire a superintendent. The school board and administration constantly monitor the fiscal and academic status of the district. Under the current state aid formula enrollment declines reduce revenues. The District Governance team, Board members and superintendent, begin to consider cost reduction options for many reasons. When a district's ability to provide adequate educational opportunities for children is reduced, other options must be considered. Reorganization requires lead-time as the process takes thoughtful planning, involvement, and must be approved by a majority of the registered voters in the district. Reorganization can be a mutually beneficial process for all students involved when boards focus on the strengths of the districts involved.

There were 173,791 pupils enrolled in South Dakota's approximately 3,000 school districts in 1968-69 when the massive school district reorganization commenced. By 2007 the number had decreased to 120,229. A total of 53,562 students (30.82%), an average of 1,409 students lost annually over 38 years. School district boundaries are constantly shifting. In 1955-56 there were 3,295 South Dakota school districts, 3,023 were "common" school districts in grades one through eight. About 260 districts had high schools. Memories and old biases interfere with the reasonable and logical process for merging districts to enhance educational opportunities for students.

Churches and schools were among the first institutions put in place by South Dakota's pioneers. They invested their meager resources, many in rural areas, to assure places to worship God and educate their children. These rural communities are redefined today to meet ever-changing needs. Has the priority for educating our children diminished as family size decreased and the average age for South Dakotans increased? South Dakota communities have been redefined many times over the years. This redefinition is influenced by the fact that many "wants" of the past are seen as the "needs" of today.

Super-highways, modern cars, instant information and modern medicine have changed our lives and sense of community while the average age in South Dakota is increasing. Our medical community extends from a local clinic to Sioux Falls to Rochester, MN and beyond. The reality is that local hospitals cannot attract the specialists or afford the specialized equipment to perform complex medical procedures. So they "reorganized" and we accept this as a reality and necessity.

This reality challenges school board's abilities to attract and hold quality staff as the learning pace and specialized equipment costs increase. Acceptance of this fact by school patrons is not very high. Reasons for this lack of acceptance include: fewer families, fewer school age children and it is expensive to raise children.

School district reorganization often triggers strong emotions due to the comfort level we enjoy with "what is" and "what used to be". Institutions exist to serve needs. Institutions no longer fulfilling the need that caused its creation must be redefined to meet current needs, or go out of

existence. Loss of an institution triggers good memories related to that institution. And the law gives “ME” a vote in this matter. Patrons may become angry with the loss of an institution. If emotion and reason collide, emotion often wins. In a school district reorganization process, **students**, our future and the very reason school districts exist, are too often forgotten.

So start where your patrons are. One can’t succeed without public understanding and support. Develop a communication strategy. Meet with patrons to determine what they want education in their community to be. You may hear things you would rather not hear. Survey the community (see Appendix A). Modify the survey to fit your situation.

Dr. Jim Saterlee of SDSU showed a loss of over half of the farms and ranches between 1950 and 1997 (68,000 in 1950 to 32,000 in 1997, over 750 agricultural operations lost each year in South Dakota). This loss is huge for the cities, towns and small rural communities. Often the loss of the school is seen as the end of a town even though that town’s business vitality is already gone. How many families are supported on each existing farm or ranch operation in your school district? How many children were in families of the past and how many children do rural families send to school? Farmers and ranchers “reorganized” to stay in business the same as local businesses have “reorganized” to keep their doors open. Farmers, ranchers and businessmen made tough decisions in order to remain in business. The schools are no different when you look at cash flow and number of children. There is a time when reorganization should be considered.

Some patrons see reorganization as vital to assuring a quality education. Others see gloom. Schools exist to educate children, not shore up the economy of a town making the choice difficult. Board members face the challenge of keeping patron factions from developing with the “I won, you lost mentality”. The focus must be on winning for the children. There is no way to go back to “what used to be”.

In South Dakota some school age youngsters already travel 35 or more miles, one way, to school. The legislature has recognized a sparsity factor to help students spend nights under parental supervision. So the board must explore all of the options available to the district such as:

- What staff and services might be shared to create efficiencies and economies?
- Combine school districts to enhance educational opportunities for students.
- The longevity of a proposed reorganization to avoid short-term solutions. Think ahead 10 years or more.
- School mascot and colors can become an emotional issue.

PHASE I: PLANNING ACTIVITIES

It is recommended that a “Planning Committee” be appointed in each district. Legally the board is the responsible body and that responsibility cannot be delegated. The number of committee members recommended is between five (5) and nine (9) with definite tasks and timelines for completion of the assigned work. A board member should serve on the committee, but not chair the committee. If there is a desire to involve more people set up sub-committees that report to the “planning committee” not the board, thus permitting the “planning committee” to be the central focus of the work.

Planning committees require quality information which may be gathered through a survey prepared by the “planning committee”, with assistance from the administrative staff (Appendix A) or data prepared by administrators and made available to the planning committees. Each district’s administrators compile historical, current and projected decision-making data. Individual district data is combined to illustrate trends. The current status data provides a snapshot of what exists today and projected data illustrates how things would look in the combined district. School administrators serve as staff to “planning committees” and compile data. *Note: it may be best to simply copy land descriptions from the county auditor to avoid errors and save time.* A checklist (Appendix B) and a copy of the applicable reorganization statutes (Appendix C) may be appropriate for the committee. Appendix D is the petition, requires 20 signatures, used for a patron-initiated reorganization.

CONSOLIDATION DATA COMPILED FOR BOARD AND COMMITTEE

The following suggestions are ideas for districts to collect data for review when considering reorganization.

- Enrollment for the previous five years, the current year and projections for five years.
- Current curricular offerings including any unique programs (i.e. pre-kindergarten).
- Achievement data and number of hours in the school term.
- Address any non-required curricular or graduation requirements.
- Staffing at all levels, administration, teachers, aides, custodial/maintenance, cooks, bus drivers, secretaries, counselors and any other staff members.
- Budget data – past year, current year and projections for at least the next 2 years; tax and valuation trends for all funds, unreserved fund balances and indebtedness.
- Special Education Expenditures five years historical, current and projected.
- If there is an opt-out provide examples of the cost of that opt-out. NOTE: Opt-outs do not carry over to the new district unless they are part of the plan and must be advertised in accordance with statutory (opt-out) requirements.
- A map of the proposed school district. **NOTE: No islands may be created.**

- Current and proposed bus routes or mileage payment estimates.
- A listing of facilities, proposed future use/disposition and condition.
- Rationale for the selection of a reorganization partner(s).
- Effective date of the proposed reorganization.
- Absentee ballots in the election (SDCL 12-19)
- Eligible voters (SDCL 13-7-4.2). Poll watchers may challenge voters.
- School board election: the size of the board and how they will be elected.
- Name of the new district.
- Any non-negotiable factors.
- Survey information from school district patrons.
- Statutory provisions for reorganization.

REORGANIZATION INITIATED
BY THE SCHOOL BOARD OR VOTERS

A petition presented to a school board requiring a school district to reorganize can cause an emotional reaction. In struggling districts it may be prudent for school boards to bring in a facilitator to assist the process of plan preparation and seeking a mutually acceptable agreement. SDCL 13-6-10 requires that a plan be developed within 180 days after the petition was filed. The DOE Secretary may grant two extensions, not to exceed ninety days each. An extension would be based on good faith efforts by involved boards preparing the reorganization plan. What appears to be ample plan development time may be a short timeline if there is disagreement on the contents of that plan (i.e. location of an attendance center). If boards can't agree, the DOE Secretary shall submit a plan to the voters. Appendix E is the directive for dissolution of a district. A mediator may be identified by the Attorney General's Office since it involves state law enforcement. It is recommended that school boards apprise the DOE Secretary regarding plan development progress at an early stage to avoid conflict with statutes.

REQUIRED ELEMENTS OF
A REORGANIZATION PLAN

1. A map(s) showing boundaries of the proposed district or districts, the boundaries of the involved districts, the location of existing and proposed attendance centers and a facility description and proposed school bus routes, if any;
2. A legal description of the boundaries of the proposed district or districts (Note: it is not necessary to retype the property descriptions received from the County auditors as it is very easy to make an error in transcribing);
3. Estimates of the school age population within the proposed district or districts;
4. The assessed valuation of all taxable property of each district and of the proposed district or districts;
5. Outstanding general obligation bonds of any component district, funds in all school accounts and estimated receipts in all accounts in process of collection;
6. If a joint district, the designation of the county of jurisdiction;
7. The official name of the proposed district;

8. A statement regarding proposed method of adjustment of assets and liabilities (**Note:** the County Commission becomes the responsible party in asset adjustment. The County Commission generally doesn't want to deal with school finance—that is not their area of expertise. It is best to prepare a plan for the adjustment of assets and submit it to the County Commission for their approval).
9. The proposed number of school board members if a new entity is to be created;
10. A description of the proposed educational program;
11. A budget estimating annual receipts and expenditures for the proposed district(s);
12. A statement recognizing any requests for minor boundary changes;
13. Show compliance with State Board standards for school districts.

DISPOSITION OF FACILITIES

School boards may give a facility to a local government under SDCL Chap. 6-5. SDCL 6-5-2 specifically permits gratuitous transfer of real property. A board considering giving property to the community is advised to work with their school attorney to avoid any potential for error and ensure board members do not become personally liable.

FAQ

CAN A DISTRICT OPERATE A K-6 OR K-8 SCHOOL DISTRICT?

No. Whole Grade Sharing permits two or more districts to work together to provide shared academic/technical opportunities under a formal agreement. South Dakota law permits only K-12 districts.

CAN ADMINISTRATION BE CUT?

Most boards have already cut administration. In South Dakota we have about 3/4 Superintendent per district. Our new waiver with the federal government places great demands on boards, administration and staff.

CAN TEACHING STAFF BE CUT?

Staffing is reviewed constantly. In many districts further cuts will jeopardize accreditation. However, cutting staff is the only way to save significant dollars.

CAN EXPENSIVE ATHLETIC PROGRAMS BE CUT?

Statewide co-curricular activities represent 4.14% of the general fund, gate receipts stay in the General Fund. Since activities are visible they become emotional issues for some.

WHO IS RESPONSIBLE FOR A REORGANIZATION?

School boards may initiate a reorganization plan or it may be initiated by a petition of resident voters.

IF WE LOSE OUR SCHOOL THE TOWN WILL DIE?

Towns grew around a demand for necessary goods and services—church, school and stores. The institutions served a need, needs changed, businesses reorganized resulting in a diminution in institutional vitality resulting in fewer: dealers, grocery stores, churches schools and etc. The

primary focus of a reorganization should be on the educational benefits for the students.

DOES OUR DISTRICT STAY INTACT AS WE REORGANIZE?

The final decision is with your patrons, and a reorganization plan requires a minor boundary change option.

WHAT HAPPENS TO THE DISTRICTS ASSETS?

Asset distribution is part of the plan. The County Commission, under law, has authority to distribute assets, but the board should provide substantial guidance to the county.

WHO SERVES ON THE BOARD OF THE NEW DISTRICT?

Any qualified person who runs and wins the election.

WHO PAYS FOR BONDED INDEBTEDNESS?

Residents within the area that approved to bond for the building.

CAN STUDENTS RIDE THE BUS MORE THAN AN HOUR?

Yes. State law does not have a time limit.

ARE THERE MONETARY INCENTIVES FOR REORGANIZATION?

No. Incentive monies ended 7-1-10. Only those obligations owed will be paid out.

WHY REORGANIZE SCHOOL DISTRICTS?

To provide enhanced educational opportunities for students or to meet the requirements of state laws and rules.

WHAT HAPPENS WHEN THE VOTES ARE CANVASSED?

Open returns from each precinct found in the poll-book, ascertain that the votes are genuine—not forged, tabulate returns from precincts, declare and make an abstract of the results and certify the abstract.

CAN THE DISTRICT NUMBER BE RETAINED?

No, the Department of Education will assign a number.

PHASE II: DEVELOPMENT OF THE REORGANIZATION PLAN

Phase I (a map and legal description of the property) makes up a majority of the plan's paperwork. Photocopying legal descriptions provided by the County Auditor eliminates potential retyping mistakes and saves a great deal of work. Public meetings must be conducted in each district prior to the submission of the plan to the Secretary of DOE.

Joint board meetings to receive the recommendations of committees give boards an indication of the feelings of all communities regarding the proposed reorganization. Some concerns expressed may require clarification to garner support. It is important that boards get an accurate reading of their school community's feelings about the proposed reorganization and ideas to modify the plan to make it more acceptable.

A process that has worked well is posting large maps of the reorganization proposal on the gym walls. Patrons receive copies of the curriculum, valuation, census, facility data and budget. Coffee and cookies were provided. Each involved school board is present and called into session. Others present are superintendents and planning committee members seated facing the patrons to assure eye contact and body language signals throughout the session. The “home” board president opens the remarks with a thank you for turning out, introductions and an outline of the evening’s activities. A microphone is used to assure that the audience can hear the remarks. Patrons have a 3X5 card for submitting written questions. The superintendent then presents:

- An outline of the steps required for reorganization
- An outline of the timelines under consideration
- A description of the maps, land area included, and bus routes
- An explanation of the census information
- An explanation of the valuation and budget information
- An explanation of the curriculum information
- An explanation of proposed bus routes
- An explanation of the disposition and use of facilities in the proposed district
- A description of the proposed school board election process
- A description of work for the new board and phase out of the existing boards

Some boards request that an ASBSD staff member be present. Rules of order should be provided at the beginning of the meeting. Cards with questions are collected and similar questions combined. ASBSD staff can answer general questions. District specific questions require a district representative to respond. This session is a key to success. There may be tough questions, some with a strong bias. A consultant, reading questions, permits removal of the sharp edge from some questions yet allows for a complete answer as one can’t appear to duck the tough questions. Meetings should proceed in an orderly fashion. Not everyone goes home happy, but each individual had an opportunity to be heard. A key to success is the high level of preparation by the respective boards and administrators.

TIMELINE

The school board may by resolution, or shall, if presented by a petition signed by fifteen percent of the registered voters, develop a plan for reorganization. Within 180 days after the petition was filed, the school board shall file the reorganization plan with the county commissioners and the (DOE) Department of Education. (SDCL 13-6-10). An election on the plan shall be held within 90 days after the reorganization plan is approved by the DOE (SDCL 13-6-41, 41.2). Districts falling below 100 in enrollment are required to reorganize in two years.

A reorganization plan submitted to the Secretary of Education for approval (SDCL 13-6-17) requires the plan be published as part of the board minutes of the meeting(s) when it is approved. If the same newspaper is used by both school districts a single publication will suffice. Items to be considered as reorganization plans are discussed include:

1. School boards: prepared the reorganization plan, held public meeting(s) (this requires three months plus an additional 30 days for approval by the Secretary) Be prepared to take the plan to a vote 9/15-10/15. These dates allow participating districts to retain student enrollment for the final year of operation. The DOE Secretary sets the election date and works with administrators and school boards to set the date.
2. The election to approve the plan must be held within 90 days of plan approval by the DOE Secretary. Minimum time to set up an election is 35 to 40 days. The county auditor (county with jurisdiction) conducts the new district(s) school board election. December elections permit a new board to assume office after the first Monday in January in the year a district becomes operational. Timing is vital, as the new board needs time to adopt policies and employ staff for the new district.
3. The new entity becomes operational on July first. The boards of the former districts go out of existence on June 30th. The new board assumes responsibility on July 1 to consider all the business of the new district.

WINDOW OF OPPORTUNITY STATUTES

DCL 13-16-26 and SDCL 6-5-5 allow reorganizing districts to:

1. Transfer dollars between funds; and
2. Convey property (i.e. give a building to a town).

PHASE III: THE ELECTION AND OFFICIAL BALLOT

The DOE Secretary sets the election date for the plan. Pre-preparation for the election is necessary as timelines are short. Have the background work done when the approved plan is received from the Secretary (keep communication lines open). This interim may be a good time to provide an open house to visit school buildings.

Follow the provisions of SDCL 13-7-4.2. An eligible voter is a person who has lived in the district for a minimum of thirty days in the past year or a member of the armed services with a home within the district. There are limitations on voting by absentee property owners in school elections. Poll watchers may challenge under the provisions of SDCL 12-18-10 to election officials. The noted restrictions also apply to those voting by absentee ballot SDCL 12-19-1 if permitted to vote. **See sample ballot below.** Election results are transmitted to the Secretary (SDCL 13-6-45). The Secretary will notify the school boards of each district involved and the county commissioners of counties affected by the plan. The effective date of the reorganization is a part of the plan.

There are always patrons who will vote against any change. Patron representation can provide a feeling for the rationale used to oppose the reorganization plan. Assume that those absolutely opposed will not change as their minds are closed on the issue. Focus your energy on the undecided category and maintain a positive relationship with citizens favoring the proposed reorganization. Citizen leaders are great ambassadors in this effort since they do not have the appearance of a “vested” interest.

_____ School District # __-__
_____, South Dakota
(Date)

The following question brought before the voters for their acceptance or rejection. Place an (X) or check mark (✓) in the square at the left of your choice.

- For accepting the proposed reorganization plan dissolving the _____ School District __-__ and the _____ School District # __-__ and creating a new district pursuant to SDCL 13-6.
- Against accepting the proposed reorganization plan dissolving the _____ School District __-__ and the _____ School District # __-__ and creating a new district pursuant to SDCL 13-6.

PHASE IV: THE REST OF THE STORY

[HTTP://LEGISLATIVEAUDIT.SD.GOV](http://LEGISLATIVEAUDIT.SD.GOV)

It is difficult to identify everything that evolves after reorganization has passed. The business manager and superintendent must prepare for the items such as:

1. Transfer of titles of school owned vehicles to the new entity.
2. Will names on the school district buses require a change?
3. At the July annual meeting the new board assumes full responsibility.
4. Current board members meet to cover “old business” prior to June 30th.

FINANCIAL AND TRANSFER ASPECTS

Several tasks need to be addressed following the completion of district reorganization. They include:

- **Social Security Administration** – contact the Social Security Administration on-line to obtain an ID # for the new district.
- **OASI** – Contact the OASI division of the state auditor’s office to let them know that a new entity has been created. OASI regulations require that a staff presentation and a vote of the employees to have occurred in order to continue participation in the social security plan.
- **Bank Accounts** – Establish new bank accounts and order new check stock.
- **Credit Cards** – Cancel old credit cards and apply for new ones.
- **Direct Deposit** – Money that is received by direct deposit (from the federal and state governments) should be updated to flow to the new bank accounts.

- **Sales Tax** – the Department of Revenue and Regulation should be contacted to receive a new sales tax exemption certificate number www.state.sd.us/DRR select Tax Exempt Status Application Form
- **DUNS Number** – acquire a new DUNS number on-line by going to www.dnb.com/US/duns_update/
- **Agency Funds** – Each club should be planning the outcome of their money in the final year. They may either spend their cash resources on allowable club expenses or instruct the district to transfer their residual balance to a similar club in the new district(s). It is paramount that this action be taken by each club before the students leave in the final year.
- **Closing Books** – When a district closes, the remaining cash should be paid as indicated in the “directives” passed by the county commission. Such money may flow either directly to the new district or may be temporarily held by the parent county. Any district receiving this money should record the revenue as an “extraordinary item” (5160)
- **Audit** – Districts that reorganize are generally transitioning from a going concern basis to a liquidation basis of accounting. Consideration should be given during the final audit of a district to address the guidance offered in AU 9508.33 relating to reports issued in relation to a liquidation basis of accounting.
- **Indirect Cost Rate** – New districts should contact the Office of Grants Management, Department of Education (773-3248) to establish a new indirect cost rate.
- **South Dakota Retirement System** – Passage of several resolutions are required as follows: To create a new entity; to acknowledge a tax efficient purchase unit; and to establish a special pay plan. Also, all employees of the former district(s) will need to complete a B-1 termination form and all employees of the new district(s) will need to complete an E-1 enrollment form.
- **E-Rate** – Each new district should coordinate with their tech coordinator so that the district is signed up with its new identity.
- **Accounting Software** – Contact your software provider to ensure that they are carrying your new district with the appropriate name/number. They may also provide other services such as rolling accounts/amounts forward from the former districts as well as background shading to readily identify with respective entities.
- **Stamp** – A new deposit stamp may be needed to identify with your new entity name and account.
- **License Plates** – License plates and titles will need to be updated by contacting the Department of Revenue and Regulation.
- **Medicaid** – The Department of Social Services will need to be contacted to update the Medicaid provider agreement.
- **Multi-Year Contracts** – Review and update multiple year lease contracts for such items as laptop computers, copiers and auditorium rent.
- **SDHSAA** – Contact the South Dakota High School Activities Association to apprise them of the new school name and mascot.
- **Press** – A designated newspaper should be established for the new district and the press should be contacted to apprise them of the new school’s name.
- **W-2’s** – Since reorganization takes place in the middle of a calendar year, separate W-2’s need to be prepared for the former district and the new district. Each district must use their respective tax ID #.

- **Labor** – An “Application for Transfer of Liability” should be completed for the South Dakota Department of Labor office in Aberdeen.

COUNTY PROCEDURES

In addition to the financial and transfer aspects, the district needs to be aware of county procedures.

- **Property Taxes** – Second half and back year property taxes remaining from the former district should be apportioned and remitted in accordance with the directives passed by the county commissioners.
- **Bank Franchise** – The apportionment of bank franchise dollars should be adjusted to account for the new/dissolved districts.
- **Fines** – Fines are distributed based upon ADM totals provided each January by the Department of Education. However, because of the time lag evident in ADM, an alternative procedure is suggested. Fines that would have went to a dissolved district will need to be allocated for a period of 18 months to neighboring districts based on the percentage of assessed valuation absorbed.

SCHOOL REORGANIZATION CHECKLIST

There are two processes: a) two or more districts combine creating a new district and all districts vote, or b) an existing district dissolves entirely and its area is attached to one or more existing districts and only the dissolving district votes. You are **strongly** advised to enlist the service of an attorney. This checklist is unofficial and not a substitute for the advice of your school attorney. The precise statutory language controls- **not this outline.**

- ___ 1. The Board creates a plan of reorganization by motion or in response to a petition signed by 15% of the voters. A plan of reorganization is created jointly by the boards when more than one district is involved. (SDCL 13-6-10).
- ___ 2. SDCL 13-6-13 mandatory contents of the plan and SDCL 13-6-17 plan is part of the minutes of each school board.
- ___ 3. The plan is filed with the County Commissioners in each county that the territory of the proposed district is located and two copies of the plan are delivered to the Secretary of Education (hereafter called DOE).(SDCL 13-6-17)
- ___ 4. DOE determines plan compliance with statutes. DOE may require public hearings or request additional data. The plan may be disapproved for too little valuation or enrollment to assure an adequate educational program. DOE notifies the school boards and the county commissioners that the plan is or is not approved. If the plan is disapproved, boards may amend the plan or abandon the process. Upon receipt of plan approval boards set up special elections by resolution adopted by each school board. (SDCL 13-6-13, 13-6-18, 13-6-41)
- ___ 5. Minor boundary changes are considered when the plan is passed (SDCL 13-6-18.1, 13-6-84.2, 13-6-85 & 13-6-86.1). Follow special election procedures (SDCL 13-7, 13-7-4.2, 12-19-1). The notice must state the elections purpose, boundary description contained in the plan, time and place of election. The ballot is the form prescribed in SDCL 13-6-43. Election costs are assumed by the school districts. (SDCL 13-6-41.3)
- ___ 6. Opt-Outs--Statutory requirements (SDCL 10-12-43).
- ___ 7. Plans to dissolve and annex to existing district(s), the election is **only** in the dissolving district (SDCL 13-6-41.1). The election must be held within 90 days of the date of plan approval. Election date is set by the DOE (SDCL 13-6-41.2).
- ___ 8. At the next regular meeting following the election, votes cast are certified and totals for and against the reorganization plan determined and transmitted to the DOE for review after canvassing is complete (SDCL 13-6-45). If a majority of the votes cast in each district favor the reorganization, the plan is approved. (SDCL 13-6-47).
- ___ 9. After reviewing election results, DOE notifies school boards included in the plan and the county commissions affected by the plan. In an approved plan, the DOE issues an order containing: boundary descriptions; effective date, number of board members to be elected, and county of jurisdiction. The DOE sends copies of the new district verifying order to: each district school board, county auditors, Secretary of State and county commission chairman. Upon receipt of the order the county commissioners will correct school districts legal description and notify the DOE of the corrections made. (SDCL 13-5-14, 13-6-48, 13-6-48.1, 13-6-48.2)
- ___ 10. If voters reject a plan, the school board may call a special election within one year for reconsideration of the plan. If voters (20% or more) submit a petition requesting it, the school board must set a reconsideration election. The results of this election are sent to the DOE and all of the above rules followed. (SDCL 13-6-49)
- ___ 11. The new school district takes effect on July 1 following the date of the DOE's order unless the order is issued after March 1st. (SDCL 13-6-48 and SDCL 13-6-61)

- ___ 12. If a new district is created, the county auditor of jurisdiction conducts an election to elect school board members for the new district. Newly elected school board members for the new district qualify and assume office any time after the first Monday in January. The school boards of the existing districts reorganized into the newly created district operate the old districts until the end of the current fiscal year. (SDCL 13-6-61, 13-6-62, 13-6-63, 13-6-64)
- ___ 13. School districts are dissolved when the new district takes effect. Terms of the dissolved district's officers expire when newly elected members assume offices and duties as directed by the board of county commissioners performed (SDCL 13-6-67). Records of the old school districts become the property of the new school district. (SDCL 13-6-83)

ASBSD SUMMARY OF REORGANIZATION STATUTES

CHAPTER 13-6

SCHOOL DISTRICT REORGANIZATION

**** statutes not listed have been repealed or transferred

Updated 7-1-2016

- [13-6-1](#) Definition of terms.
- [13-6-1.1](#) Validation of past reorganization proceedings--Disputed proceedings excepted.
- [13-6-2](#) Legislative policy.
- [13-6-3.2](#) Record of proceedings kept by county commissioners
--Plats transmitted to secretary.
- [13-6-3.3](#) Public officials to make available information from public records.
- [13-6-4](#) Requirements for school district reorganization.
- [13-6-7](#) Municipality to be all in same district--Exception.
- [13-6-9.2](#) County commissioners as school board for district unable to furnish own board
--Power to finance and operate school program.
- [13-6-10](#) Reorganization initiated by school board or voters--Development of plan
--Deadlines for acknowledging petition and filing plan
--Submission of plan to voters.
- [13-6-13](#) Contents of reorganization plan
--Acceptance or rejection of annexed area by receiving board--Excess tax levy.
- [13-6-13.1](#) Former school district representation areas for consolidated districts
--Establishment--Election of board members. .
- [13-6-17](#) Plan incorporated in minutes--Distribution of copies
--Approved plan binding--Superseding later plan.
- [13-6-18](#) Review of plan by secretary--Hearings--Notice of compliance or noncompliance
--Duration of plan.
- [13-6-18.1](#) Boundary changes--When allowed.
- [13-6-30](#) Annexed territory to remain with original school district--Exception.
- [13-6-41](#) Special election called on state approval of plan--Eligibility to vote.
- [13-6-41.1](#) Election on dissolution of district restricted to dissolving district
--Resolution of annexing district.
- [13-6-41.2](#) Date of election.
- [13-6-41.3](#) Notice of election--Contents--Costs of election.
- [13-6-43](#) Ballot form for election on reorganization.
- [13-6-44](#) General election law applicable to reorganization elections.
- [13-6-45](#) Certification and canvass of votes--Results transmitted to secretary.
- [13-6-47](#) Vote required to approve reorganization plan.
- [13-6-48](#) Secretary's notice of election results--Order effecting plan--Contents.
- [13-6-48.1](#) Distribution of copies of reorganization order.
- [13-6-48.2](#) Correction of county boundary records to show reorganization
--Notice to secretary.
- [13-6-49](#) Reconsideration of rejected plan.
- [13-6-53](#) Joint exercise of county powers in reorganization of joint districts.

- [13-6-54 to 13-6-58.](#) Repealed.

- [13-6-59](#) Joint district controlled by county with majority of children.
- [13-6-61](#) Operative date of reorganization--Participation in elections before operative date.
- [13-6-61.1](#) Operative date when reorganization consists solely of dissolution of school district.
- [13-6-62](#) Election of board for new district--Notices and declarations of candidacy--Costs.
- [13-6-63](#) Election and terms of members of new board--Residence requirements.
- [13-6-64](#) Assumption of office,
organization and contracts made before new district operational
--Continued operation of old boards.
- [13-6-66](#) Effective date of change of boundaries by creation of new district.
- [13-6-67](#) Dissolution of district after transfer of total area by reorganization
--Expiration of terms of officers.
- [13-6-75](#) Filling of vacancies on school board created by transfer of territory to another district.
- [13-6-77](#) Valuation by county commissioners of school property and debt
--Adjustments--Joint county action.
- [13-6-78](#) Transfer of assets and liabilities on reorganization
--Copy of directive to secretary.
- [13-6-81](#) Tax to discharge liabilities of district dissolved in reorganization
--Tax limitation--Bond issue.
- [13-6-82](#) Bonded indebtedness not transferred by reorganization
--Continuation of tax levy and redemption of bonded indebtedness--Trust fund.
- [13-6-83](#) Disposition of records of district dissolved by reorganization.
- [13-6-84](#) Board approval or disapproval of boundary changes.
- [13-6-84.1](#) Criteria for boundary changes.
- [13-6-84.2](#) Resolution of intent to make boundary change--Public hearing
--Final school board action--Action by county commissioners.
- [13-6-84.3](#) Submission of question by school board when requested by five percent of votes
--Majority vote--Submission to county commissioners upon passage.
- [13-6-85](#) Minor boundary changes on petition by voters--Appeal from school board
--Procedure.
- [13-6-85.1](#) Description of area in petition for minor boundary change--Map.
- [13-6-85.2](#) Amendment, addition, or deletion of information--Time limits.
- [13-6-85.3](#) Moratorium on minor boundary changes.
- [13-6-86](#) Contents of petition or resolution for boundary change.
- [13-6-86.1](#) Approval or disapproval of petition for boundary change--Time limits.
- [13-6-87](#) Order of county commissioners approving or making boundary change
--Distribution of copies.
- [13-6-88](#) Adjustment of assets and liabilities on boundary change.
- [13-6-89](#) Appeals in school district reorganization matters.
- [13-6-97](#) Required reorganization of school district with low enrollment--Exceptions.
- [13-6-98](#) Repealed.
- [13-6-99](#) School district created by reorganization to consist of adjoining territory
--Exemption.

Petition for Multiple School District Reorganization to Create a New District

A Separate petition must be submitted to each school board involved. Each petition may be signed only by residents of that district.

WE, THE UNDERSIGNED qualified voters of the _____ School District No. _____, petition that the school boards of the following school districts:

Develop a reorganization plan dissolving the school districts and creating a new district pursuant to SDCL 13-6 and that an election be held on the plan.

INSTRUCTION TO SIGNERS:

1. Signers of this petition must individually sign their names in the form in which they are registered to vote or as they usually sign their names.
2. Before the petition is filed, each signer of the circulator must add the residence address of the signer and the date of signing. If the signer is a resident of a second or third class municipality, a post office box may be used for the residence address.
3. Before the petition is filed, each signer of the circulator must print the name of the signer in the space provided and add the county of voter registration.
4. Abbreviations of common usage may be used. Ditto marks may not be used.
5. Failure to provide all information requested may invalidate the signature.

NAME	RESIDENCE	DATE/COUNTY
SIGN	STREET AND NUMBER OR RURAL ROUTE AND BOX NUMBER	DATE OF SIGNING
1 PRINT	..... CITY OR TOWN	..... COUNTY OF REGISTRATION
SIGN	STREET AND NUMBER OR RURAL ROUTE AND BOX NUMBER	DATE OF SIGNING
2 PRINT	..... CITY OR TOWN	..... COUNTY OF REGISTRATION
SIGN	STREET AND NUMBER OR RURAL ROUTE AND BOX NUMBER	DATE OF SIGNING
3 PRINT	..... CITY OR TOWN	..... COUNTY OF REGISTRATION
SIGN	STREET AND NUMBER OR RURAL ROUTE AND BOX NUMBER	DATE OF SIGNING
4 PRINT	..... CITY OR TOWN	..... COUNTY OF REGISTRATION
SIGN	STREET AND NUMBER OR RURAL ROUTE AND BOX NUMBER	DATE OF SIGNING
5 PRINT	..... CITY OR TOWN	..... COUNTY OF REGISTRATION
SIGN	STREET AND NUMBER OR RURAL ROUTE AND BOX NUMBER	DATE OF SIGNING
6 PRINT	..... CITY OR TOWN	..... COUNTY OF REGISTRATION
SIGN	STREET AND NUMBER OR RURAL ROUTE AND BOX NUMBER	DATE OF SIGNING
7 PRINT	..... CITY OR TOWN	..... COUNTY OF REGISTRATION
SIGN	STREET AND NUMBER OR RURAL ROUTE AND BOX NUMBER	DATE OF SIGNING
8 PRINT	..... CITY OR TOWN	..... COUNTY OF REGISTRATION
SIGN	STREET AND NUMBER OR RURAL ROUTE AND BOX NUMBER	DATE OF SIGNING
9 PRINT	..... CITY OR TOWN	..... COUNTY OF REGISTRATION
SIGN	STREET AND NUMBER OR RURAL ROUTE AND BOX NUMBER	DATE OF SIGNING
10 PRINT	..... CITY OR TOWN	..... COUNTY OF REGISTRATION
SIGN	STREET AND NUMBER OR RURAL ROUTE AND BOX NUMBER	DATE OF SIGNING
11 PRINT	..... CITY OR TOWN	..... COUNTY OF REGISTRATION

School District A – B Directive

STATE OF South Dakota)

COUNTY OF _____)

IN THE MATTER OF THE DISSOLUTION OF THE)
A SCHOOL DISTRICT No. __, THE DISSOLUTION)
OF THE B SCHOOL DISTRICT No. __, AND THE)
CREATION OF THE A-B SCHOOL DISTRICT No.)
__ OF _____ COUNTY South Dakota)

**NOTICE OF ORDER OF
TRANSMITTAL OF ASSETS**

TO: The School Boards of the _____ School District No. __, and the _____ School District No. __,
of __, __ and __ Counties, South Dakota: the State Secretary of Education: the County
Auditors, Treasurers,
and State’s Attorneys of __, __ and __ Counties, South Dakota.

Based on the results of the election and approval of the plan; and an order having been duly
made, filed and Served by the Secretary of Education, dissolving the school districts above
named, and after a thorough consideration of the properties, assets, indebtedness and other
liabilities of the districts involved in the dissolution an equitable adjustment of said properties,
assets, indebtedness, and other liabilities of the original school district will be made.

IT IS, as required by law, ORDERED, AND NOTICE IS HEREBY GIVEN:

1. All monies which have been or will be collected as a result of previous tax levies for school purposes and all other funds which come into the hands of the County Treasurers before July 1, _____, to be apportioned to the former A School District No. __ and B School District No. __, shall be apportioned and districted to the new A-B School District No. __.
2. The School Board of the A School District No. __ and the B School District No. __ are hereby directed to transfer all cash assets to the A-B School District No. __ and deposit the same into a special clearing account in the General Fund in order to retire out-standing debts against the A School District No. __ and the B School District No. __. Such deposits shall identify as to the fund from which they were received, i.e. General Fund, Special Education, Capital Outlay, Pension, Trust and Agency and School Food Services. It shall be the duty of the receiving school district to attest to the accuracy of such receipts.
3. Transfer of property. All property now held by the A School District No. __ and B School District No. __ to include, but not limited to, buildings and contents, and buses to be transferred to the A-B School District No. __.
4. Liquidation of liabilities and unpaid obligations. All liabilities and unpaid obligations as were legally incurred by the A School District No. __ and the B School District No. __ shall be the responsibility of the A-B School District and shall be paid from the special clearing account mentioned.
5. Any credits due the A School District No. __ and the B school District No. __ shall be deposited in the special clearing account heretofore mentioned.
6. Discrepancies discovered in the above accounts shall be brought to the attention of the Board of County Commissioners by the person charged with the responsibility under the provisions of the above directives and no action shall be taken until so ordered by the Board of County Commissioners of __, __ and __ Counties.

7. Copies of the NOTICE AND ORDER shall be served upon the Business Managers of the A School District No. __, the B School District No. __, and the A-B School District No. __ the county Auditors, County Treasurers, State's Attorneys, and Boards of County Commissioners, all of the Counties of __, __ and __, A and B, South Dakota, and upon the State Secretary of Education of Pierre, South Dakota, by delivery of the same, either personally or by mail by the Secretary of the (County of Record) Board of County Commissioners.

Dated this _____ day of _____, 20___. (County of Record) COUNTY, South Dakota

BY: _____
Chairman of Board of County Commissioners

Attest

County Auditor



700 Governors Drive
Pierre, SD 57501-2291
T 605.773.3134
F 605.773.6139
www.doe.sd.gov

POLICY: Format of Reorganization Plans

Effective: July 1, 2010
Updated: May 12, 2010

Purpose: The contents of a school district reorganization plan are prescribed by SDCL 13-6-13. This policy outlines for districts the format that such plans must follow.

- A. Plan pages must be numbered; this does not apply to attachments.
- B. Cover page must include a date. The date must concur with board resolution to approve and submit to the Department of Education. If multiple plans are submitted, it must be clearly identifiable which is the most recent plan or final plan submitted.
- C. All required components of the plan need to be referenced. If a component is not applicable, please indicate as such. It is recommended to address each content requirement within the plan in the same order as outlined in SDCL 13-6-13.
- D. Plan must be able to be reproduced or copied on paper no larger than 8.5" x 11." This includes the maps.
- E. Legal descriptions must include (as appropriate) the County, Township, Range and Section. Lists of individuals and/or tax rolls are not considered an acceptable format
- F. Statement with regard to proposed method of adjustments of assets and liabilities:
 - ✓ Donations or contributions of any assets are only allowed when granting to another South Dakota governmental entity (SDCL 6-5-5), which must be specifically identified, and if they involve multiple entities, show how the allocation shall be split.
 - ✓ If aligning the percentage of adjustment to the distribution of land area or valuation, the plan must include the specific percentage break down that is applicable.
- G. Reasonably detailed budget shall include a revenue/expenditure statement for each governmental fund operated.
- H. Additional information should include (as applicable):
 - ✓ Identification of district of record (contact for future questions about transcripts, records and students from a closing school district)
 - ✓ If plan includes an opt-out or the continuation of an opt-out, the plan must include all required documentation as outlined in the statute 13-6-13 and 10-12-43.
 - ✓ An acknowledgement and actions taken by the districts involved regarding annual financial reporting and completion of audits for closing districts.

Other Suggestions*

- a. Electronic submission is encouraged; PDF format is preferred.
- b. Include contact information regarding any questions about the plan and/or the setting of the election date.
- c. If creating a new district, choose a district name that is different than the present name. This clearly and visually identifies the new district when the reorganization is effective. The Department of Education assigns a new district number to all newly created school districts.

- d. Make valuations, enrollments and budgets as current as possible.
- e. If school board members will be elected from representation areas, provide the documentation to support how those representation areas were determined and also an assurance statement that the representation areas will be reviewed as required by statute.
- f. Do not ask the Secretary of Education to approve a plan that includes questionable allocations or accounting/auditing practices. If donating current or future assets or requesting allowances that would be considered unique to the plan, research the authority to do as outlined and/or provide documentation that supports inclusion within the plan, such as a letter from your school attorney or school auditor that indicates their review.
- g. Deadlines for submitting a plan to the Department of Education for approval:
 - ✓ Reorganization or consolidation plans – 1st week of January
 - ✓ Dissolve and attach plans – 1st week of April

*These suggestions, although helpful, if not followed may not keep a plan from being approved by the department.

SB 132 THE FOLLOWING STATUTES WERE REPEALED BY SB 132 – 2016

13-13-1.4. Small school adjustment for consolidated school districts--Years one to four. If two or more school districts consolidate, for a period of four years after consolidation, the small school adjustment for the newly formed district shall be calculated by subtracting the sum of the average daily membership of the consolidating districts as they existed prior to consolidation from the sum of the adjusted average daily membership of the consolidated districts as they existed prior to consolidation, and dividing the difference by the sum of the average daily membership of the consolidated districts as they existed prior to consolidation. The resulting quotient is multiplied by \$4,237.72. Only school districts who have not previously benefited from this section may be included in this calculation.

13-13-1.5. Local need for consolidated school districts--Years five to eight. In years five to eight, inclusive, after the consolidation of two or more school districts, the local need for the newly formed district shall be calculated as follows:

- (1) Calculate local need pursuant to § 13-13-73;
- (2) Notwithstanding the four-year time limit, calculate local need pursuant to § 13-13-1.4;
- (3) Subtract the results of subdivision (1) from the results of subdivision (2);
- (4) Multiply the results of subdivision (3) by eighty percent in the fifth year, sixty percent in the sixth year, forty percent in the seventh year, and twenty percent in the eighth year;
- (5) Add the results of subdivision (1) and the results of subdivision (4).

13-13-1.6. Options for state aid, average daily membership, and local effort calculations for certain consolidated school districts--Notification--Limitations. If two or more school districts consolidate, for a period of four years after consolidation, the newly formed district may opt to have its state aid calculated based on the school districts as they existed prior to consolidation. In years two to four, inclusive, after the consolidation of two or more school districts, all factors relevant to the calculation of state aid pursuant to chapter 13-13 of the former districts may be based upon a pro-rata share of the relevant factors of the newly formed district as compared to the relevant factors of the former districts in the first year. Any district that opts to benefit from this section shall notify the secretary of the Department of Education of its intent to do so as part of its reorganization plan. A district that benefits from this section may not benefit from § 13-13-10.1 or 13-13-1.5 simultaneously, or in future years.

13-13-1.7. State aid calculation for consolidated school districts--Years five to eight. In years five to eight, inclusive, after the consolidation of two or more school districts that opted to benefit from § 13-13-1.6, state aid shall be calculated as follows:

- (1) Calculate state aid pursuant to § 13-13-73;
- (2) Notwithstanding the four-year time limit, calculate state aid pursuant to § 13-13-1.6;
- (3) Subtract the results of subdivision (1) from the results of subdivision (2);
- (4) Multiply the results of subdivision (3) by eighty percent in the fifth year, sixty percent in the sixth year, forty percent in the seventh year, and twenty percent in the eighth year;
- (5) Add the results of subdivision (1) and the results of subdivision (4).

[13-13-1.8. Repealed by SL 2008, ch 74, § 1.]

13-13-1.9. Consolidation incentives applicable to consolidations completed before July 1, 2007. The consolidation incentives provided for in §§ 13-13-1.4 to 13-13-1.7, inclusive, apply only to those school districts whose consolidations are completed prior to July 1, 2007.



FOR MORE INFORMATION

Randall Royer, Leadership Development Director
Associated School Boards of South Dakota
306 East Capitol, Pierre SD 57501
605.773.2504 [phone]
rroyer@asbsd.org [email]
www.asbsd.org [ASBSD site]