



HB 1171

Overview

The House of Representatives offered their plan to enhance K-12 education, making use of \$9 million in increased tobacco tax revenues to fund several enhancement programs in South Dakota. Unlike the Senate, the House is moving their enhancement package separately from HB 1082, the “omnibus” education reform bill.

Tobacco tax revenues

The bill folds in language from HB 1139, which was introduced to dedicate increased tobacco tax revenues directly to education rather than allowing them to contribute to the principle in the education enhancement trust fund. This section of this bill essentially creates the funding mechanism for other portions of this bill.

\$13 per student in additional aid

HB 1171 sets aside \$1.7 million for additional aid to schools, distributed on a per student basis.

Teacher compensation assistance program

House Bill 1171 adds another \$1 million to the \$4 million Gov. Rounds proposed to fund a teacher compensation assistance program. Unlike Gov. Rounds’ bill, introduced this year as HB 1291, this version calls for a four-fifths state match, rather than a two-thirds match. To participate in the program, school districts need apply each year. A plan, approved at the district level, must also be approved by the Department of Education.

Establish and fund the Education Service Agencies

This package also includes \$1.7 million to fund the Education Service Agencies. The seven education service agencies received a \$1.7 million cut in funding as part of Gov. Rounds’ FY08 budget. This section restores those funding cuts.

Funding task force reforms

House Bill 1171 devotes \$3.1 million to fund the reforms suggested by the state aid study task force. Some of the suggested changes, such as the increased consolidation incentives and funding for districts with enrollment fluctuations, do have a price tag – and approximately one-third of the money available from the increase in the tobacco tax revenues will go to fund these reforms.

Career and tech education

House Bill 1171 uses \$1.5 million to fund expansions of career and technical education programs in South Dakota. These funds are over-and-above the \$1 million suggested in Gov. Rounds’ FY08 budget address.