

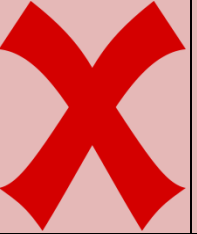






Information on Accountabilities

- **Instructional Salary:** The reported salary should be reflective of the total contract salary cost for K-12 teachers. Contract salary amounts should exclude bonuses, extra-duty pay and extended contract pay.
- **Benefits:** 200 Employee Benefits - amounts paid by the LEA on behalf of employees. These amounts are not included in the gross salary, but are over and above. Such payments are fringe benefit payments; and, while not paid directly to employees, nevertheless are part of the cost of salaries and benefits. Examples are: (1) Group Health or Life Insurance, (2) Contributions to Employee Retirement, (3) Social Security, (4) Worker’s Compensation, and (5) Payments Made to Personnel on Sabbatical Leave.

Accountabilities	FY2017	FY2018	FY2019	FY2020	FY2021
Total Teacher Compensation- 85% of new money- See Definition Below	School districts must meet their individual Total Teacher Compensation Accountability	No Accountability 	No Accountability 	No Accountability 	No Accountability 
Average Teacher Compensation- 85% of the percent increase- See Definition Below	School districts must meet their individual Average Teacher Compensation	No Accountability 	District must maintain their own reported FY17 Average Teacher Compensation	District must maintain their own reported FY17 Average Teacher Compensation	District must maintain their own reported FY17 Average Teacher Compensation
Cash Balance Caps- See Definition Below	No Accountability 	No Accountability-- *See FY19 	Cash Balance Caps Accountability goes into effect. *This accountability is based upon data collected from FY18	Must be below Cash Balance Cap	Must be below Cash Balance Cap

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- **Total Compensation Accountability:** Multiply the amount of new money by 85 percent. This is the MINIMUM dollar amount that teacher salaries and benefits must increase by.
- **Average Teacher Compensation Accountability:** Divide the amount of new money by the amount of total need generated under the funding formula in place for FY 2016. Multiply the result by 85 percent to arrive at the MINIMUM percent that teacher salaries and benefits must increase by.
- **Cash Balance Caps:** The districts lowest monthly cash balance divided by the total general fund expenditures. The cash balance cap limits are determined by your fall enrollment see below.
 - Forty percent for a school district with a fall enrollment of two hundred or less;
 - Thirty percent for a school district with fall enrollment of more than two hundred but less than six hundred; and
 - Twenty-five percent for a school district with fall enrollment greater than or equal to six hundred.

Penalties

- Penalties for FY2017
 - If a district does not meet BOTH teacher compensation accountabilities the penalty in FY2017 is a reduction in FY2018 state aid equal to half of the new money a district received in FY2017.
- Penalties for FY2018
 - There are no accountabilities in FY2018--- There will still be a data collection by DOE. Maintain documentation as changes in staffing may affect future accountabilities.
- Penalties for FY2019
 - **Average Teacher Compensation Accountability:** For FY 2019, 2020 and 2021, if a district's average teacher compensation is less than the district's average teacher compensation in FY 2017, state aid to general education funding to the district in the following fiscal year shall be reduced by an amount equal to \$500 for each teacher employed in the school district.(Included in teacher compensation on annual report)
 - **Cash Balance Caps:** Beginning on July 1, 2018, a school district's state aid for general education as calculated pursuant to SDCL 13-13-73 shall be reduced by subtracting the allowable general fund cash balance from the lowest general fund monthly cash balance. If the result is less than zero, the reduction equals zero.

School Finance Accountability Board

Rules have been approved---Go to SFAB webpage to review. Rules give a timeline for when waivers need to be submitted and when they will be reviewed. <http://doe.sd.gov/accountabilityboard/>

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24:44:01:05. Factors considered. In determining whether to recommend a waiver, the Board shall consider the following factors:

- (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;
- (5) Any unforeseen or extenuating circumstances affecting the school district's ability to meet its accountability targets as documented by the school district.