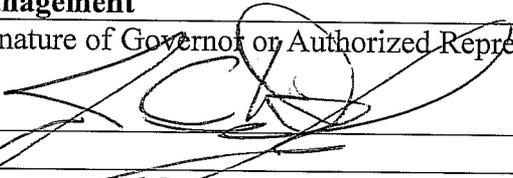


STATE FISCAL STABILIZATION FUND APPLICATION

PART 1: APPLICATION COVER SHEET (CFDA Nos. 84.394 and 84.397)

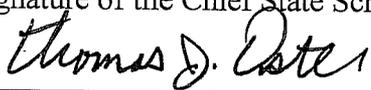
Legal Name of Applicant (Office of the Governor): Office of the Governor State of South Dakota	Applicant's Mailing Address: 500 East Capitol Ave. Pierre, SD 57501
State Contact for the Education Stabilization Fund (CFDA No. 84.394) Name: Jason Dilges Position and Office: Commissioner of the Bureau of Finance and Management Contact's Mailing Address: 500 East Capitol Ave. Pierre, SD 57501 Telephone: 605-773-3411 Fax: 605-773-4711 E-mail address: Jason.Dilges@state.sd.us	State Contact for the Government Services Fund (CFDA No. 84.397) <i>(Enter "same" if the same individual will serve as the contact for both the Education Stabilization Fund and the Government Services Fund.)</i> Name: same Position and Office: same Contact's Mailing Address: same Telephone: same Fax: same E-mail address: same

To the best of my knowledge and belief, all of the information and data in this application are true and correct.

Governor or Authorized Representative of the Governor (Printed Name): Jason C. Dilges, Commissioner of the Bureau of Finance and Management	Telephone: 605-773-3411
Signature of Governor or Authorized Representative of the Governor: 	Date: 7/7/10

Recommended Statement of Support from the Chief State School Officer (Optional):

The State educational agency will cooperate with the Governor in the implementation of the State Fiscal Stabilization Fund program.

Chief State School Officer (Printed Name): Thomas J. Oster	Telephone: 605-773-5669
Signature of the Chief State School Officer: 	Date: 7-7-10

JLB 7/7/12

PART 5, SECTION A: STATE USES OF THE EDUCATION STABILIZATION FUND

SPECIAL NOTES:

- Section A of Part 5 requests data on the Education Stabilization Fund (CFDA No. 84.394). In completing this portion of the application, please refer to Appendix D – Instructions for Part 5: State Uses of Funds.
- At a later date, the Department will collect data on the levels of State support for elementary, secondary, and postsecondary education in FY 2011.
- These data may differ from the data in the levels of support for maintenance-of-effort purposes. See instructions in Appendix D.
- The term “postsecondary education” refers to public IHEs.

1. Levels of State Support for Elementary, Secondary, and Postsecondary Education

Provide the following data on the levels of State support for elementary, secondary, and postsecondary education:

- (a) Level of State support for elementary and secondary education in FY 2008 provided through the State’s primary elementary and secondary education funding formulae \$ 318,511,828
- (b) Level of State support for public IHEs in FY 2008 \$ 170,010,033
- (c) Level of State support for elementary and secondary education in FY 2009 provided through the State’s primary elementary and secondary education funding formulae \$ 336,669,733 – prior enacted
\$ 313,280,822 – actual expenditure
- (d) Level of State support for public IHEs in FY 2009 \$ 175,964,730 – prior enacted
\$ 165,667,268 – actual expenditure
- (e) Level of State support for elementary and secondary education in FY 2010 provided through the State’s primary elementary and secondary education funding formulae \$ 345,749,069 – prior enacted
\$ 321,071,116 - budgeted
- (f) Level of State support for public IHEs in FY 2010 \$ 180,307,825 – prior enacted
\$ 162,538,608 – updated budgeted
- (g) Level of State support for elementary and secondary education in FY 2011 provided through the State’s primary elementary and secondary education funding formulae \$ 346,498,838 – formula required
\$ 316,510,858 – legislative appropriated
- (h) Level of State support for public IHEs in FY 2011 \$ 157,599,865 – legislative appropriated

Additional Information: Did the State, prior to October 1, 2008, approve formula increases to support elementary and secondary education in FY 2010 or 2011, or to phase in State equity and adequacy adjustments?*

Yes No

* See Appendix D Worksheets for further guidance on how such increases affect a State’s “use of funds” calculations.

2. State’s Primary Education Funding Formulae

Additional Submission Requirement: In an attachment to the application, identify and describe each of the State’s primary elementary and secondary education funding formulae that were used in determining the calculations provided above for the levels of State support for elementary and secondary education.

3. Data on State Support for Postsecondary Education

Additional Submission Requirement: In an attachment to the application, identify and describe the specific State data sources that were used in determining the calculations provided above for the levels of State support for public IHEs.

4. Restoration Amounts

Based on the Worksheets included in Appendix D, calculate and provide the amount of Education Stabilization funds that the State will use to restore the levels of State support for elementary, secondary, and postsecondary education in FYs 2009 and 2010. As explained in the Instructions in Appendix D, a State must determine the amount of funds needed to restore fully the levels of State support for elementary, secondary, and postsecondary education in FY 2009 before determining the amount of funds available to restore the levels of such support in FY 2010.

SPECIAL NOTES:

- At a later date, the Department will collect data on the amount of funds, if any, that remain available to (1) restore the levels of State support for elementary, secondary, and postsecondary education in FY 2011, and (2) award subgrants to local educational agencies (LEAs) based on their proportionate shares of funding under Part A of Title I of the ESEA.
- The calculations for these data must be based on the State’s total Education Stabilization Fund allocation as reflected in Appendix A and not on the State’s initial Education Stabilization Fund award.
- Although the State must follow the Instructions in Appendix D, in order to determine the amount of funds that LEAs and IHEs will receive under the program (i.e., the “restoration amounts”), the Governor has discretion in determining when to release these funds to LEAs and IHEs.

- (a) Amount of the State’s total Education Stabilization Fund allocation to be used to restore the level of State support for elementary and secondary education in FY 2009 \$ 22,069,562
- (b) Amount of the State’s total Education Stabilization Fund allocation to be used to restore the level of State support for public IHEs in FY 2009 \$ 10,262,056

JCR 2/7/10

Restoration Amounts (continued)

- (c) Amount of the State's total Education Stabilization Fund allocation to be used to restore the level of State support for elementary and secondary education in FY 2010 \$ 24,677,980
- (d) Amount of the State's total Education Stabilization Fund allocation to be used to restore the level of State support for public IHEs in FY 2010 \$ 13,410,754
- (e) Amount of funds, if any, remaining after restoring State support for elementary, secondary, and postsecondary education in FY 2009 and FY 2010 \$ 33,872,336
- (f) Amount of the State's total Education Stabilization Fund allocation to be used to restore the level of State support for elementary and secondary education in FY 2011 \$ 21,007,304
- (g) Amount of the State's total Education Stabilization Fund allocation to be used to restore the level of State support for public IHEs in FY 2011 \$ 12,865,032
- (h) Amount of funds, if any, remaining after restoring State support for elementary, secondary, and postsecondary education in FY 2009, FY 2010, and FY 2011 \$ 0

5. Process for Awarding Funds to Public IHEs

Additional Submission Requirement: In an attachment to the application, describe the process that the State will use to determine the amount of funding that individual public IHEs will receive from the funds that the State sets aside to restore the levels of State support for these institutions.

7/7/10

Amendment to State Fiscal Stabilization Fund
 State of South Dakota
 07/07/2010

Level of State Support, Part 5, Section A, #1

	Original Application 04/15/2009	Amended Application 06/30/2010
K-12		
FY2009*	314,600,171	313,280,822
FY2010	321,071,116	321,071,116
FY2011**	NA	316,510,858

* The change for FY2009 represents actual expenditures on the amended application vs. budgeted amounts on the original application.

** The state support amount listed for FY2011 is the legislative adopted FY2011 budget

IHE's	Original Application 04/15/2009	Amended Application 06/30/2010
FY2009*	165,702,674	165,667,268
FY2010**	162,553,976	162,538,608
FY2011***	NA	157,599,865

* The change for FY2009 represents actual expenditures on the amended application vs. budgeted amounts on the original application.

** The change for FY2010 represents a legislative adopted adjustment to the FY2010 budget based on lower utility costs.

*** The state support amount listed for FY2011 is the legislative adopted FY2011 budget

Restoration Amounts, Part 5, Section A, #4, pages 8-9

	FY2009		FY2010		FY2011		TOTAL
	K-12	IHEs	K-12	IHEs	K-12	IHEs	
Original Application 04/16/2009	22,069,562	10,262,056	24,677,980	13,410,754	NA	NA	70,420,352
Amended Application 07/07/2010	22,069,562	10,262,056	24,677,980	13,410,754	21,007,304	12,865,032	104,292,688

JCD 7/2/11

FY2011 Funding - May 2010 Amendments

	<u>Elementary & Secondary Education</u>	<u>Public Institutions of Higher Education</u>
State General Funds	\$316,510,858	\$157,599,865
State Fiscal Stabilization Funds	\$24,442,647	\$11,365,508
Total	\$340,953,505	\$168,965,373

FY2011 Funding - July 7, 2010 Revised Amendments

	<u>Elementary & Secondary Education</u>	<u>Public Institutions of Higher Education</u>
State General Funds	\$319,946,201	\$154,164,522
State Fiscal Stabilization Funds	\$21,007,304	\$12,865,032
Remaining SFSF		\$1,935,819
Total	\$340,953,505	\$168,965,373

The July 7, 2010 revised amounts change the allocation of SFSF for elementary & secondary education and Public Institutions of Higher Education. The state general fund amount also changes in order to maintain the correct total funding.



**Amendment to State Fiscal Stabilization Funds Application Phase I
South Dakota 7/7/10**

The attached amendment includes data on levels of state support as well as restoration amounts for FY2011 for South Dakota's State Fiscal Stabilization Funds (SFSF) phase I application.

Changes in funding levels for Elementary and Secondary Education from FY2010 to FY2011

For FY2010 elementary and secondary education funding, the South Dakota Legislature appropriated \$321,071,116 in state general funds and appropriated \$24,677,980 in SFSF to restore the prior enacted budget of \$345,749,069 to meet the required formula increases per South Dakota state law.

For South Dakota's elementary and secondary education funding, the per student allocation for FY2010 was \$4,804.60. Due to the prolonged national recession which caused a decline in the state's general fund revenues, the Governor proposed and the 2010 Legislature passed Senate Bill (SB) 22 which maintained the exact same per student allocation for FY2011.

For FY2011 elementary and secondary education funding, the South Dakota Legislature appropriated a total of \$340,953,505, of which \$316,510,858 were state general funds and \$24,442,647 were SFSF, to restore funding to the current per student allocation of \$4,804.60 through SB 196 and SB 22 from the 2010 legislative session. Without the SFSF funding, the state would have been forced to make drastic cuts throughout state government, including education funding.

The total appropriation for FY2011 is lower than FY2010 because local property tax valuations increased more than estimated which caused a slight decrease in the state funding requirement in FY2011. Changes in projected elementary and secondary education enrollments also caused adjustments in the total funding level for FY2011. There will not be a decrease in the per student funding to elementary and secondary education as school districts will receive the exact same amount per student in FY2011 as they did in FY2010.

If the state had sufficient resources to fund the inflationary increase per student, total funding would have increased to the formula required amount of \$346,498,838 in FY2011.