

Request for Waiver - Cash Balance Penalty

SDCL 13-13-73.5

School District:

Agar-Blunt-Onida 58-3

Penalty Fiscal Year:

2026

Lowest Monthly Cash Balance, General Fund (FY2025)

\$1,646,802

Total General Fund Expenditures (FY2025)

\$3,503,419

Cash Balance %

47.01%

State Aid Fall Enrollment, Fall 2023

228.09

State Aid Fall Enrollment, Fall 2024

216.06

State Aid Fall Enrollment, Fall 2025 - PRELIMINARY

223.01

Allowable Cash Balance Percentage

30.00%

Amount Exceeding Allowable Percentage

\$595,776

Estimated FY2026 General State Aid Allocation

\$0

Please explain the reason(s) for this request and attach supporting documentation:

Please see the attachment for full waiver request narrative.

The School Finance & Accountability Board may consider a waiver due to special circumstances such as:

- 1) Revenue needed in following year(s) due to a natural disaster; or
- 2) Funding needed to expand educational programs; or
- 3) Impact of reorganization; or
- 4) Any unforeseen or extenuating circumstance explained on this request.

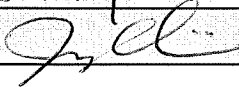
Superintendent Name:

Jeremy Chicoine

Date:

10/21/25

Superintendent Signature:



Request for Waiver: Excess General Fund Cash Balance

The Agar-Blunt-Onida School District respectfully requests a waiver for an excess general fund cash balance. The circumstances below explain why our current balance is temporarily elevated and outline our plan for responsible reduction over the next budget cycles:

1. Blunt Elementary closure and phased staffing adjustments (conclusion of SY 2023–24).

With the closure of the Blunt Elementary Attendance Center, several positions were eliminated. We have retained a limited number of staff during the transition and are reducing FTEs through natural attrition. This planned, student-focused approach temporarily sustains a higher balance while we complete the staffing realignment.

2. Change in capital outlay practices beginning in FY 2026.

For FY 2026, we lowered our capital outlay levy and discontinued use of capital outlay flexibility to supplement the general fund. As this policy shift takes effect over the fiscal year, we anticipate a corresponding decrease in general fund reserves following the FY 2026 budget year.

3. Cash-flow needs unique to our “self-funded” tax-receipt schedule.

The district receives just two county property-tax disbursements annually (May and November). To meet payroll and operating obligations year-round, we must maintain sufficient cash-flow capacity between those disbursements, which can result in higher point-in-time reserve levels.

4. Program expansions that increase ongoing general fund expenditures.

Beginning in FY 2026, we expanded Career and Technical Education from a 1.0 FTE Vo-Ag program to a 1.5 FTE Vo-Ag/Building Trades program. In addition, we are planning to add a Junior Kindergarten and/or Pre-Kindergarten program in 2026–27, which will require at least one—and possibly two—additional FTEs, further increasing general fund spending.

5. Sustained commitment to competitive teacher compensation.

Throughout this period, the district has exceeded minimum teacher compensation growth requirements and will continue to do so, ensuring stability in recruitment and retention while aligning with state expectations.

Given these factors, the current general fund balance reflects prudent cash-flow management and strategic, student-centered investments during a period of transition. We remain committed to managing reserves responsibly and expect balances to normalize as the staffing plan, levy adjustments, and program expansions fully phase in.