

2021 South Dakota Legislature

Senate Bill 171**AMENDMENT 171D FOR THE INTRODUCED BILL**

1 **An Act to provide ~~needs-based scholarship funding for South Dakota students for~~**
2 **the South Dakota Freedom Scholarship, make an appropriation therefor, and**
3 **declare an emergency.**

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

5 **Section 1.** There is hereby appropriated from the general fund the sum of ~~\$1,000,000~~
6 \$50,000,000 to the Bureau of Finance and Management, for purposes of funding the South
7 Dakota needs based-scholarship endowment held with the South Dakota Community
8 Foundation and administered by the South Dakota ~~Needs-Based-Freedom~~ Scholarship Board
9 established under this Act.

10 **Section 2.** The commissioner of the Bureau of Finance and Management shall approve
11 vouchers and the state auditor shall draw warrants to pay expenditures authorized by this
12 Act.

13 **Section 3.** Any amounts appropriated in this Act not lawfully expended or obligated shall
14 revert in accordance with the procedures prescribed in chapter 4-8.

15 **Section 4.** The funds appropriated in section 1 of this Act shall be transferred to the South
16 Dakota Community Foundation to fund the South Dakota ~~needs-based scholarship-Freedom~~
17 Scholarship endowment, to be administered in accordance with the provisions of this Act.

18 **Section 5.** That § 13-55A-2 be AMENDED.

19 **13-55A-2. Definitions.**

20 Terms used in ~~this chapter~~ §§ 13-55A-2 to 13-55A-14, inclusive, unless the context
21 otherwise requires, mean:

22 (1) "Eligible institution," an institution of education beyond the high school level,
23 located in South Dakota, which may include all public and private nonprofit and

1 proprietary institutions, including four-year colleges and universities, community
2 and junior colleges, area technical or vocational schools, trade schools, technical
3 colleges, schools of nursing or of the health professions or any institution which is
4 determined by the executive director to be regularly accredited to offer
5 postsecondary educational services by a recognized and appropriate accrediting
6 agency, as determined by the executive director, and which has an agreement with
7 the United States secretary of education for the conduct of any of the programs
8 currently participating in any federal financial assistance program authorized by
9 Title IV of The Higher Education Act of 1965, as amended to January 1, 2010;

10 (2) "Financial need," the amount of assistance, as determined by a federal department
11 of education by calculating a student's estimated cost of attendance (minus family
12 contribution and additional aid granted) at an eligible institution;

13 (3) "Qualified student," a resident student who is enrolled in an eligible institution in a
14 course of study on at least a half-time basis, as certified by the institution, and who
15 has established financial need and who is maintaining satisfactory progress toward
16 graduation;

17 (4) "Resident student," an individual who has been determined by the executive
18 director to be a resident of South Dakota and who is enrolled at an eligible
19 institution;

20 (5) "Executive director," the executive director of the Board of Regents;

21 (6) "South Dakota need-based grant," an award by the State of South Dakota to a
22 qualified student under this chapter.

23 **Section 6.** That a NEW SECTION be added:

24 **13-55A-15. South Dakota needs-based scholarship-Freedom Scholarship**
25 **endowment fund.**

26 The South Dakota needs-based scholarship-Freedom Scholarship endowment fund
27 may be established within the South Dakota Community Foundation. The purpose of the
28 endowment fund is to provide eligible South Dakota students, as described in § 13-55A-
29 17, with a needs-based scholarship to attend an eligible postsecondary institution, as
30 described in § 13-55A-18. The earnings on the South Dakota needs-based scholarship
31 Freedom Scholarship endowment shall be expended annually to benefit eligible South
32 Dakota students and for the administration of the program. Any excess earnings or other
33 income to the endowment shall be added to the endowment principal.

1 **Section 7.** That a NEW SECTION be added:

2 **13-55A-16. South Dakota needs-based scholarship board Freedom**
3 **Scholarship Board established.**

4 The South Dakota Needs-Based-Freedom Scholarship Board is hereby established.
5 The board shall consist of five members appointed by the Governor for a term of five
6 years, except that the initial appointments shall be for periods of one, two, three, four,
7 and five years. The Governor shall appoint one member as the temporary chair of the
8 board. The board shall elect a chair at its first meeting. A majority of the board shall be
9 present either personally or by teleconference to constitute a quorum.

10 The board shall annually determine the manner and method of disbursement of
11 the needs-based scholarships, based upon the undergraduate enrollments of each
12 participating, eligible institution, as described in § 13-55A-18.

13 **Section 8.** That a NEW SECTION be added:

14 **13-55A-17. Endowment fund scholarship--Eligible student.**

15 A student is eligible for a South Dakota needs-based scholarship Freedom
16 Scholarship, pursuant to § 13-55A-15, if the student:

- 17 (1) Is a state resident for at least one year prior to application for the scholarship;
18 (2) Attends an eligible institution;
19 (3) Establishes financial need, as determined by the eligible institution;
20 (4) Commits, in writing, to live and work in this state for a period of three years after
21 graduation, or following military service or graduate education, if applicable;
22 (5) Maintains a 2.5 GPA or higher while enrolled at the eligible institution;
23 (6) Graduates from the eligible institution within five years; and
24 (7) Agrees, through a promissory note, that failure to comply with the provisions of
25 this section shall result in the scholarship being converted to an interest-bearing
26 loan.

27 Notwithstanding the provisions of this section, the South Dakota Needs-Based
28 Freedom Scholarship Board may temporarily or permanently waive the requirements of this
29 section if factors beyond the student's control prevent the student from satisfying the
30 requirements in this section.

31 **Section 9.** That a NEW SECTION be added:

1 **13-55A-18. Endowment fund scholarship--Eligible institution.**

2 For purposes of §§ 13-55A-15 to 13-55A-17, inclusive, an eligible institution is an
3 accredited public, ~~tribal~~, or nonpublic nonprofit postsecondary institution, with a primary
4 physical campus in this state, that:

5 (1) Elects to participate in the ~~needs-based~~ scholarship program provided in §§ 13-
6 55A-15 to 13-55A-18, inclusive;

7 (2) Offers a baccalaureate degree; and

8 (3) Designates an associated nonprofit entity to receive and award scholarship funds
9 to the institution's eligible students, as described in § 13-55A-17, on the eligible
10 institution's behalf.

11 **Section 10.** The Governor, on behalf of this state, shall enter into an agreement with the
12 South Dakota Community Foundation to provide for the administration of the South Dakota
13 Needs-Based-Freedom Scholarship endowment in a manner consistent with the provisions of
14 this Act.

15 **Section 11.** Whereas, this Act is necessary for the support of the state government and its
16 existing public institutions, an emergency is hereby declared to exist, and this Act shall be in
17 full force and effect from and after its passage and approval.