

State of South Dakota

EIGHTY-EIGHTH SESSION
LEGISLATIVE ASSEMBLY, 2013

956U0430

SENATE BILL NO. 233

Introduced by: Senators Rave, Adelstein, Heineman (Phyllis), Jensen, Johnston, Kirkeby, Lucas, Maher, Novstrup (Al), Olson (Russell), Rampelberg, Soholt, and Vehle and Representatives Cronin, Bartling, Bolin, Ecklund, Greenfield, Hansen, Hawks, Heinert, Johns, Kirschman, Lust, Nelson, Novstrup (David), Ring, Schaefer, Schoenfish, Schrempp, Sly, Stevens, Tulson, Tyler, Wick, and Wink

1 FOR AN ACT ENTITLED, An Act to create the critical teaching needs scholarship program
2 and the critical teaching needs trust fund, and to make an appropriation therefor.

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

4 Section 1. That chapter 13-55 be amended by adding thereto a NEW SECTION to read as
5 follows:

6 There is hereby created the South Dakota critical teaching needs scholarship program. The
7 purpose of the program is to encourage South Dakota's high school graduates to obtain their
8 postsecondary education in South Dakota for teaching, to remain in the state upon completion
9 of their education, and to contribute to the state and its citizens by working in a critical need
10 teaching area.

11 Section 2. That chapter 13-55 be amended by adding thereto a NEW SECTION to read as
12 follows:

13 The South Dakota critical teaching needs scholarship program shall be administered by the



1 Critical Teaching Needs Scholarship Board, which is hereby established. The board shall consist
2 of five members appointed by the Governor for a term of five years, except that the initial
3 appointments shall be for periods of one, two, three, four, and five years. A majority of the
4 board shall be present either personally or by teleconference to constitute a quorum. The
5 secretary of education shall routinely collect data from school districts to determine the critical
6 need teaching areas, and the board shall use this data when selecting eligible critical need
7 teaching areas.

8 The Board of Regents shall provide necessary support services to the board.

9 Section 3. That chapter 13-55 be amended by adding thereto a NEW SECTION to read as
10 follows:

11 From the total pool of applicants, the Critical Teaching Needs Scholarship Board shall
12 award scholarships based on the requirements of sections 5 and 6 of this Act, the filling of
13 critical need teaching areas, other academic and personal characteristics of each applicant as
14 determined by the board, and the amount of funding available for the scholarships.
15 Notwithstanding the provisions of this section, if the board rescinds a scholarship that has been
16 awarded, the board may award the amount of the rescinded scholarship to an alternate.

17 Section 4. That chapter 13-55 be amended by adding thereto a NEW SECTION to read as
18 follows:

19 All accredited South Dakota public and nonpublic postsecondary institutions which offer
20 a baccalaureate degree in elementary or secondary education are eligible to participate in the
21 scholarship program. Each institution may choose whether to participate in the program and may
22 limit the number of scholarship recipients the institution will accept in each academic year.

23 Section 5. That chapter 13-55 be amended by adding thereto a NEW SECTION to read as
24 follows:

1 In order to be eligible for a critical teaching needs scholarship, a student shall:

2 (1) Agree, in writing, to stay in South Dakota and work in a critical teaching needs area
3 for five years after graduation from a participating postsecondary institution;

4 (2) Agree, through a promissory note, that failure to abide by the provisions of
5 subdivision (1) will result in the scholarship being converted into an interest-bearing
6 loan;

7 (3) Attend a participating South Dakota postsecondary institution as an undergraduate
8 enrolled in the student's final two years of postsecondary education and be enrolled
9 in an elementary or secondary education program at the institution that is preparing
10 the student to work in a critical need teaching area; and

11 (4) Be a United States citizen or lawful permanent resident.

12 For purposes of subdivision (3), the student shall be fully admitted into a teacher education
13 program at the institution and shall successfully complete a student teaching experience within
14 the final two years of attendance.

15 A student is eligible to participate in the South Dakota critical teaching needs scholarship
16 program for the equivalent of two academic years (four consecutive spring and fall terms) or
17 until the attainment of a baccalaureate degree in elementary or secondary education in a critical
18 need teaching area, whichever comes first. However, the Critical Teaching Needs Scholarship
19 Board may grant exceptions to the continuous enrollment requirements for good cause.

20 Scholarships are not provided for summer session students enrolled in traditional four-year
21 programs.

22 Section 6. That chapter 13-55 be amended by adding thereto a NEW SECTION to read as
23 follows:

24 In addition to the eligibility criteria identified in section 5 of this Act, applicants shall have

1 maintained a minimum cumulative grade point average of 2.8 on a 4.0 scale, and a grade point
2 average of 2.8 for all major course work. The Critical Teaching Needs Scholarship Board may
3 require applicants to submit a written essay or other information by which to judge the academic
4 and personal qualifications of the applicant.

5 Section 7. That chapter 13-55 be amended by adding thereto a NEW SECTION to read as
6 follows:

7 The amount of the scholarship shall be determined by calculating the student's remaining
8 financial need, and may not exceed the tuition and generally applicable fees for thirty credit
9 hours at a South Dakota public postsecondary institution as of July 1, 2014. The scholarship
10 amount paid to a recipient attending a participating nonpublic postsecondary institution shall
11 equal the amount paid to a recipient attending a public postsecondary institution.

12 During each year of eligibility, one-half of the annual scholarship shall be paid to public
13 postsecondary institutions on behalf of eligible students there enrolled or directly to eligible
14 students enrolled at nonpublic postsecondary institutions at the beginning of the fall semester,
15 and the other half shall be paid at the beginning of the spring semester.

16 If, in any year, the total funds available to fund the critical teaching needs scholarships are
17 insufficient to permit each eligible recipient to receive the full amount provided in this section,
18 the available moneys shall be prorated and distributed to each recipient in proportion to the
19 entitlement contemplated by this section. The total amount of the scholarship may not exceed
20 the amount stipulated in this section.

21 Section 8. That chapter 13-55 be amended by adding thereto a NEW SECTION to read as
22 follows:

23 In order to maintain eligibility for the critical teaching needs scholarship program, a student
24 shall:

- 1 (1) Maintain a cumulative 2.8 grade point average on a 4.0 scale. The student shall
2 complete consecutive fall and spring terms in order to remain eligible for
3 continuation of the scholarship program from term to term; and
- 4 (2) Maintain full-time status, or demonstrate continued satisfactory progress toward
5 degree completion within the scholarship funding period.

6 If factors beyond the control of a student who has been awarded a critical teaching needs
7 scholarship prevent the student from meeting any of the requirements in subdivisions (1) and
8 (2), the Critical Teaching Needs Scholarship Board may temporarily waive the requirements of
9 those subdivisions. The board may rescind a scholarship award if the student does not maintain
10 eligibility as prescribed in those subdivisions.

11 Section 9. There is hereby created in the state treasury a trust fund named the critical
12 teaching needs trust fund. The state treasurer shall transfer from the general fund the sum of five
13 million dollars for deposit into the critical teaching needs trust fund. Thereafter, the state
14 treasurer shall deposit into the critical teaching needs trust fund any funds appropriated to the
15 critical teaching needs trust fund by the Legislature.

16 The South Dakota Investment Council or its successor shall invest the critical teaching needs
17 trust fund in stocks, bonds, mutual funds, and other financial instruments as provided by law.
18 Beginning in fiscal year 2015, and each year thereafter, the state treasurer shall make a
19 distribution from the critical teaching needs trust fund into the state general fund to be
20 appropriated through the normal budgeting process for the critical teaching needs scholarship
21 program created in this Act. The amount of the distribution shall be calculated pursuant to
22 section 10 of this Act, and the distribution may promote growth of the fund and a steadily
23 growing distribution amount. The critical teaching needs trust fund may not be diverted for other
24 purposes nor may the principal be invaded unless appropriated by a three-fourths vote of all the

1 members-elect of each house of the Legislature.

2 Section 10. The state investment officer shall determine the market value of the critical
3 teaching needs scholarship fund as of December 31, 2013, and each calendar year thereafter less
4 the investment expenses transferred pursuant to § 4-5-30. The state investment officer shall
5 calculate an amount equal to four percent of that market value, without invading principal, as
6 eligible for distribution. For the purposes of this section, the term, principal, means the sum of
7 all contributions to the fund. Beginning with the distribution in fiscal year 2019, the market
8 value shall be determined by adding the market value of the trust fund at the end of the sixteen
9 most recent quarters as of December thirty-first, and dividing the sum by sixteen. Upon notice
10 of that amount by the state investment officer, the state treasurer shall transfer the amount from
11 the critical teaching needs trust fund to the state general fund as soon as practicable after July
12 first of the next fiscal year.