

State of South Dakota

EIGHTY-EIGHTH SESSION
LEGISLATIVE ASSEMBLY, 2013

767U0727

SENATE STATE AFFAIRS

ENGROSSED NO. **SB 237** - 02/15/2013

This bill has been extensively amended (hoghoused) and may no longer be consistent with the original intention of the sponsor.

Introduced by: Senators Olson (Russell), Adelstein, Brown, Johnston, Lederman, Rave, and Vehle and Representatives Lust, Bartling, Cronin, Feickert, Gibson, Hajek, Hawks, Hawley, Heinemann (Leslie), Heinert, Hunhoff (Bernie), Killer, Kirschman, Mickelson, Munsterman, Parsley, Peterson, Ring, Schrempp, Soli, Tyler, Westra, and Wismer

1 FOR AN ACT ENTITLED, An Act to appropriate funds for deposit into the need-based grant
2 fund, to provide for annual funding of the need-based grant fund with a portion of the funds
3 received from the education enhancement trust fund, and to declare an emergency.

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

5 Section 1. That § 13-55A-1 be amended to read as follows:

6 13-55A-1. The South Dakota Legislature finds that providing need-based financial aid to
7 qualified resident students ~~in education beyond high school in South Dakota~~ enrolled in
8 participating postsecondary institutions within the state is in the public interest.

9 Section 2. That § 13-55A-2 be amended to read as follows:

10 13-55A-2. Terms used in this chapter, unless the context otherwise requires, mean:

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



1 proprietary institutions, including four-year colleges and universities, community and
 2 junior colleges, area technical or vocational schools, trade schools, technical
 3 institutes, 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 postsecondary
 5 educational services by a recognized and appropriate accrediting agency, as
 6 determined by the executive director, and which has an agreement with the United
 7 States secretary of education for the conduct of any of the programs currently
 8 participating in any federal financial assistance program authorized by Title IV of
 9 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 of
 11 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 director
 18 to be a resident of South Dakota and who is enrolled at an eligible institution;

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

20 (6) "~~Leveraging Educational Assistance Partnership~~ South Dakota need-based grant or
 21 ~~Special Leveraging Educational Assistance Partnership grant~~," an award by the State
 22 of South Dakota to a qualified student under this chapter.

23 Section 3. That § 13-55A-3 be amended to read as follows:

24 13-55A-3. A ~~leveraging educational assistance partnership~~ South Dakota need-based grant

1 ~~or special leveraging educational assistance partnership grant~~ may be awarded to any qualified
2 South Dakota resident student who is admitted and is in attendance at any eligible institution
3 on at least a half-time basis, and has established financial need ~~and has received qualifying~~
4 ~~matching aid.~~

5 Section 4. That § 13-55A-4 be amended to read as follows:

6 13-55A-4. A participating eligible institution shall ~~calculate the amount of award a~~
7 ~~leveraging educational assistance partnership~~ South Dakota need-based grant ~~or special~~
8 ~~leveraging educational assistance partnership grant~~ to a qualified student for the normal
9 academic year, or its equivalent, from a range of not less than ~~one~~ five hundred dollars nor more
10 than ~~one~~ two thousand dollars, ~~and shall make a recommendation to the executive director for~~
11 ~~his approval, disapproval or modification.~~ The institution making the recommendation for each
12 ~~leveraging educational assistance partnership~~ South Dakota need-based grant ~~or special~~
13 ~~leveraging educational assistance partnership grant~~ shall consider any other financial assistance
14 available to the qualified student in relation to the financial assistance available to other
15 qualified students attending that institution and may not exceed the lesser of the unmet need of
16 the qualified student or the amount of qualifying matching aid.

17 Section 5. That § 13-55A-5 be amended to read as follows:

18 13-55A-5. Each applicant, in accordance with the rules and regulations of the executive
19 director, shall:

- 20 (1) Be responsible for providing the information required to make a financial need
21 determination; and
- 22 (2) Report promptly to the ~~executive director~~ participating institution any information
23 requested which is necessary to make a proper determination with respect to the
24 student's need determination.

1 Section 6. That § 13-55A-10 be amended to read as follows:

2 13-55A-10. If a recipient of a ~~leveraging educational assistance partnership~~ South Dakota
3 need-based grant or ~~special leveraging educational assistance partnership grant~~ discontinues
4 attendance before the end of any semester, summer school ~~sessions~~ session, or their equivalents,
5 the entire amount of any refund due that student from the eligible institution on a pro rata basis,
6 up to the amount of any payment made under the ~~leveraging educational assistance partnership~~
7 South Dakota need-based grants or ~~special leveraging educational assistance partnership grant~~,
8 shall be paid by the eligible institution to the state.

9 Section 7. That § 13-55A-11 be amended to read as follows:

10 13-55A-11. The executive director shall administer this program and shall:

- 11 (1) Adopt rules and regulations, pursuant to chapter 1-26, to define tuition and
12 mandatory fees, to define residents for the purposes of this chapter, and to determine
13 the amount of grant funds available to students at each eligible institution. The
14 executive director may provide for proration of funds if the available funds are
15 insufficient to pay all approved grants;
- 16 (2) Approve and award ~~leveraging educational assistance partnership~~ South Dakota
17 need-based grants or ~~special leveraging educational assistance partnership grants~~; and
- 18 (3) Establish and maintain records required by good accounting practices.

19 Section 8. That § 13-55A-12 be amended to read as follows:

20 13-55A-12. The ~~executive director~~ Board of Regents is further authorized to establish a
21 South Dakota need-based matching program. Any postsecondary institution eligible to
22 participate in the program established under § 13-55A-1 may apply to the executive director
23 once it has accumulated funding equal to three times the total need-based award. When an
24 award is made, the board may distribute such monies at the rate of one dollar of the sum

1 appropriated in this Act for every three dollars of private funding held and allocated to need-
2 based financial aid by the participating institution. The Board of Regents may accept gifts,
3 grants, and contributions, public or private, that will facilitate the education of South Dakota
4 students pursuant to this chapter.

5 Section 9. That § 13-55A-12.1 be amended to read as follows:

6 13-55A-12.1. The executive director is hereby authorized to accept and expend any funds
7 received from ~~federal~~ state or private sources as provided for in this chapter, provided such
8 acceptance and expenditure is approved in accordance with § 4-8B-10. Expenditures authorized
9 under this section shall be paid out on warrants drawn by the state auditor on vouchers approved
10 by the executive director, ~~or his designee.~~

11 Section 10. There is hereby appropriated from the general fund the sum of one dollar (\$1)
12 to the need-based grant fund established pursuant to § 13-55A-14.

13 Section 11. That § 13-55A-14 be amended to read as follows:

14 13-55A-14. There is hereby created in the ~~state treasury~~ education enhancement trust fund
15 the South Dakota need-based grant fund in the Board of Regents for the purpose of providing
16 grants pursuant to this chapter to qualified students. All moneys in the South Dakota need-based
17 grant fund are subject to appropriation by the Legislature through the General Appropriations
18 Act or special appropriations acts for the need-based grant programs. Any interest earned shall
19 be credited to the fund. The board may accept any gifts, contributions, or funds obtained from
20 any other source for the purpose of carrying out the provisions of this section.

21 Section 12. The state treasurer shall approve vouchers and the state auditor shall draw
22 warrants to pay expenditures authorized by this Act.

23 Section 13. That § 4-5-29.2 be amended to read as follows:

24 4-5-29.2. Pursuant to S.D. Const., Art. XII, § 6, the state investment officer shall determine

1 the market value of the education enhancement trust fund as of December 31, 2003, and each
2 calendar year thereafter less the investment expenses transferred pursuant to § 4-5-30. The state
3 investment officer shall calculate an amount equal to four percent of that market value, without
4 invading principal, as eligible for distribution. For the purpose of this section, the term,
5 principal, means the sum of all contributions to the fund. Beginning with the distribution in
6 fiscal year 2008, the market value shall be determined by adding the market value of the trust
7 fund at the end of the sixteen most recent calendar quarters as of December thirty-first, and
8 dividing the sum by sixteen. Upon notice of that amount by the state investment officer, the state
9 treasurer shall transfer the amount from the education enhancement trust fund to the state
10 general fund as soon as practicable after July first of the next fiscal year. The transfer to the
11 general fund shall be apportioned based on the relative share of the contributions made to the
12 need-based grant program as a proportion of the total principle balance in the trust fund as
13 earnings available for the need-based grant program. Earnings apportioned to the need-based
14 grant fund shall be appropriated to make awards authorized by this Act.

15 Section 14. 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.