

State of South Dakota

SEVENTY-FOURTH SESSION
LEGISLATIVE ASSEMBLY, 1999

911C0167

SENATE STATE AFFAIRS COMMITTEE

ENGROSSED NO. **HB1218** - 3/1/99

Introduced by: Representatives Richter, Brown (Richard), Clark, Duniphan, Fiegen, Haley, Lucas, Smidt, and Waltman and Senators Duxbury, Brosz, Frederick, Olson, and Paisley

1 FOR AN ACT ENTITLED, An Act to create a postsecondary education loan and scholarship
2 program and to make an appropriation therefor.

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

4 Section 1. There is hereby created the South Dakota education loan and scholarship program
5 to provide postsecondary education loans and scholarships for eligible students of institutions
6 of higher education located in South Dakota who are South Dakota high school graduates.

7 Section 2. Terms used in this Act mean:

8 (1) "Board," the South Dakota Board of Regents;

9 (2) "Eligible student," any South Dakota high school graduate who is a full-time student
10 at an eligible institution;

11 (3) "Fund," the South Dakota education loan and scholarship program fund;

12 (5) "Program," the South Dakota education loan and scholarship program;

13 (6) "South Dakota high school graduate," any graduate of a public or private high school
14 in South Dakota, or a South Dakota resident who graduated from a high school in a
15 neighboring state where the student had attended high school pursuant to a contract

1 according to chapter 13-15, if the student graduated in the academic year immediately
2 preceding the initial award of the loan; and

3 (7) "Eligible institution," any accredited institution of higher education located in South
4 Dakota.

5 Section 3. There is hereby created in the state treasury the South Dakota education loan and
6 scholarship program fund into which shall be deposited any appropriations, private donations,
7 grants, and other funds provided to the board for loans and scholarships pursuant to this Act. All
8 revenues generated by loan repayments and any penalties received pursuant to this Act shall also
9 be deposited in the fund. Expenditures from the fund shall be in the ratio of one general fund
10 dollar to every four dollars from other sources.

11 Section 4. The Board of Regents shall oversee the fund created in this Act and make loans
12 and scholarships to eligible students as funds are available based upon recommendations from
13 one of the eligible institutions.

14 Section 5. No loan or scholarship made pursuant to this Act may exceed the cost of tuition
15 and mandatory fees for a full-time student as defined by the Board of Regents.

16 Section 6. The Board of Regents shall promulgate rules, pursuant to chapter 1-26, to process
17 loan and scholarship applications, to determine a means of selecting eligible students to receive
18 loans and scholarships if applications exceed available money in the fund, and to govern
19 satisfactory progress and conditions under which an eligible student may enroll at less than a full-
20 time basis, including conditions under which a student may withdraw from an institution without
21 penalty.

22 Section 7. Any student selected for a loan or scholarship pursuant to this Act shall sign a
23 contract agreeing to comply with the rules promulgated by the board.

24 Section 8. An eligible student may participate in the program for up to eight semesters,
25 whether consecutive or not. No student may participate in the program for more than seven years

1 after commencing participation, whether consecutive or not. Any student who receives a loan
2 or scholarship and who fails to maintain satisfactory academic progress is ineligible for continued
3 participation and is ineligible for forgiveness of any loan received.

4 Section 9. The board may establish program requirements which allow eligible students to
5 qualify for forgiveness of a loan or loans received through the program.

6 Section 10. There is hereby appropriated from the general fund the sum of two hundred four
7 thousand dollars (\$204,000), or so much thereof as may be necessary, to the Board of Regents
8 for deposit in the South Dakota education loan and scholarship program fund to make loans and
9 scholarships pursuant to this Act.

10 Section 11. There is hereby appropriated the sum of eight hundred sixteen thousand dollars
11 (\$816,000) of other fund expenditure authority to the Board of Regents to make loans pursuant
12 to this Act.

13 Section 12. The Board of Regents shall annually determine, based upon each institution's
14 percentage share of the most recent statewide total of full-time equivalent student fall enrollment
15 of South Dakota residents, the total amount of loans and scholarships which may be allocated
16 to each eligible institution. If an eligible institution does not participate in the program, its share
17 of the amount available for loans and scholarships shall be redistributed to the participating
18 eligible institutions.

19 Section 13. The executive director of the Board of Regents shall approve vouchers and the
20 state auditor shall draw warrants to pay expenditures authorized by this Act.

21 Section 14. Any amounts appropriated in this Act not lawfully expended or obligated by
22 June 30, 2000, shall revert in accordance with § 4-8-21.

23 Section 15. The Board of Regents shall annually provide the state treasurer a report
24 indicating the recipients of loans and scholarships pursuant to this Act, and copies of contracts.

25 Section 16. The state treasurer is directed to transfer to the state general fund the sum of two

- 1 hundred four thousand dollars (\$204,000) from the private activity bond fees fund, created in
- 2 § 1-7-10, for the purposes of this Act.

1 **BILL HISTORY**

2 1/27/99 First read in House and referred to State Affairs. H.J. 216

3 1/28/99 Referred to State Affairs. H.J. 240

4 2/1/99 House of Representatives Referred to Appropriations. H.J. 278

5 2/12/99 Scheduled for Committee hearing on this date.

6 2/12/99 Appropriations Deferred to another day.

7 2/17/99 Scheduled for Committee hearing on this date.

8 2/18/99 Scheduled for Committee hearing on this date.

9 2/18/99 Appropriations Do Pass Amended, Passed, AYES 9, NAYS 0. H.J. 594

10 2/19/99 House of Representatives Placed on Calendar. H.J. 645

11 2/22/99 Motion to Amend, Passed. H.J. 680

12 2/22/99 House of Representatives Do Pass Amended, Passed, AYES 54, NAYS 16. H.J. 681

13 2/23/99 First read in Senate and referred to State Affairs. S.J. 645

14 2/26/99 Scheduled for Committee hearing on this date.

15 2/26/99 State Affairs Do Pass Amended, Passed, AYES 7, NAYS 1. S.J. 706