

State of South Dakota

SEVENTY-FIFTH SESSION
LEGISLATIVE ASSEMBLY, 2000

813D0562

HOUSE BILL NO. 1236

Introduced by: Representatives Juhnke, Brooks, Brown (Richard), McCoy, and Monroe and
Senators Hutmacher, Benson, and Ham

1 FOR AN ACT ENTITLED, An Act to establish the South Dakota teacher incentive student loan
2 repayment program and to make an appropriation therefor.

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

4 Section 1. Terms used in this Act mean:

5 (1) "Applicant," any person who has applied for student loan repayment under the South
6 Dakota teacher incentive student loan repayment program;

7 (2) "Department," the Department of Education and Cultural Affairs;

8 (3) "Program," the South Dakota teacher incentive student loan repayment program;

9 (4) "Student loan" or "loan," any loan for education purposes that meets the
10 requirements of section 3 of this Act.

11 Section 2. The South Dakota teacher incentive student loan repayment program is hereby
12 established. Under the program, any public or nonpublic school teacher who, after the effective
13 date of this Act, begins teaching in South Dakota for the first time may receive an annual
14 payment as provided in this Act from the department to pay a portion of qualifying student loans
15 incurred in enrolling in and completing any postsecondary undergraduate or graduate degree that
16 is directly related to the teacher's current teaching position.

1 Section 3. A qualifying student loan for the South Dakota teacher incentive student loan
2 repayment program includes any federally insured student loan, any education loan provided by
3 this or any other state, or any education loan from any private or public source. A loan is a
4 qualifying loan if the applicant can document that the proceeds of the loan were paid to an
5 educational institution for use in the completion of a postsecondary undergraduate or graduate
6 degree that is directly related to the applicant's employment as a teacher in South Dakota.

7 Section 4. Under the program, a qualified applicant may receive an amount not to exceed
8 fifty percent of the principal of cumulative qualifying student loans incurred by the applicant. The
9 total amount of funds paid under the program to a qualifying applicant may not exceed fifteen
10 thousand dollars, and disbursement to the applicant shall be divided into five equal annual
11 payments. If the applicant ceases to be a teacher in this state, the applicant's remaining payments
12 under the program are forfeited. No person may receive more than five payments under the
13 program.

14 Section 5. The department shall promulgate rules pursuant to chapter 1-26 to administer the
15 South Dakota teacher incentive student loan repayment program. The rules shall establish
16 application requirements and procedures, procedures for the disbursement of funds, procedures
17 for documenting the nature of education loans incurred by an applicant, procedures for verifying
18 the applicant's eligibility for the program, and other procedures and requirements necessary to
19 operate the program.

20 Section 6. The teacher incentive student loan repayment fund is hereby established in the
21 state treasury. Any money in the fund shall be used to make disbursements under the program
22 and to administer the program. Any interest earned on money in the fund shall be deposited into
23 the fund. Money in the fund is continuously appropriated to the department to carry out the
24 purposes of this Act.

25 Section 7. There is hereby appropriated from the general fund the sum of two million five

1 hundred thousand dollars (\$2,500,000), or so much thereof as may be necessary, to the
2 Department of Education and Cultural Affairs to operate and administer the South Dakota
3 teacher incentive student loan repayment program established pursuant to this Act.

4 Section 8. The secretary of the Department of Education and Cultural Affairs shall approve
5 vouchers and the state auditor shall draw warrants to pay expenditures authorized by this Act.

6 Section 9. Any amounts appropriated in this Act not lawfully expended or obligated by
7 June 30, 2003, shall revert in accordance with § 4-8-21.