



Joint Committee on Appropriations
SENATOR DEB PETERS, CO-CHAIR
REPRESENTATIVE JUSTIN CRONIN, CO-CHAIR

April 1, 2016

Dr. Michael Rush, Executive Director
SD Board of Regents
306 E. Capitol Ave., Suite 200
Pierre, SD 57501

Letter of Intent Regarding Legislation Approved in the 2016 Session

Dear Executive Director Rush:

This Letter of Intent sets forth a particular view held by the Joint Committee on Appropriations related to the funding approved in SB67, An Act to establish a postsecondary scholarship grant fund, to make an appropriation therefor, to transfer certain money, and to declare an emergency. As such, this Letter of Intent seeks to supplement that legislation with specific policy guidance as approved on March 29, 2016. While the guideline does not have the direct force of statutory law, it rests solidly on a long-standing tradition of Legislative-Executive relationships in South Dakota and it will be used by the Joint Committee as one basis for the fiscal oversight of your agency and its continued funding.

SB67 merges the Critical Need Teaching and South Dakota needs Based Scholarship endowments that are held within the Education Enhancement Trust Fund. It is the Committee's intent to supplement that legislation with specific policy guidance for the allocation of scholarship funds for these two programs, and the requirement for an annual report depicting the distribution of such funds to recipients in each program.

Background

The 2012 South Dakota Legislature appropriated \$3 million in one-time funds (\$1.5 million allocated separately to each of the two newly created scholarship programs) to be placed in the Education Enhancement Trust Fund with the intent that interest earnings from these two pools of funds would be distributed to students under the statute requirements as approved by that legislative body. The 2016 South Dakota Legislature appropriated \$3.3 million in one-time funds to be placed in the Education Enhancement Trust Fund and

merged the two endowments to create a Scholarship Fund that allows the Board of Regents the authority to distribute the interest earnings to meet the program requirements as outlined in the statute for each scholarship. It is the intent of the Committee that the Board of Regents allocate 75% of the interest earnings according to student need, and the remaining dollars shall be set aside and distributed for the purpose of maintaining the Critical Teaching Need Scholarship. If it is determined that either of the scholarship programs are in greater need of the interest earnings in a given year resulting from other funding allocations, the Board of Regents has the authority to reallocate funds, pursuant to Section 1 of Senate Bill 67. The Critical Need Teaching Board will continue to oversee the selection of candidates and make award decisions to eligible teacher education candidates.

Required Reporting

It is the intent of the Joint Committee on Appropriations that the Board of Regents provides information to the Committee on the specific distribution of funds for each of these programs each year, the number of recipients receiving the scholarship, and provide metrics tracking the success and outcomes associated with the two programs.

Thank you for your cooperation.

/S/ Senator Deb Peters

Senator Deb Peters

Co-Chair, Joint Committee on Appropriations

/S/ Representative Justin Cronin

Representative Justin Cronin

Co-Chair, Joint Committee on Appropriations

cc: Marty Guindon, Auditor General
Jason Dilges, Commissioner, Bureau of Finance and Management