



2022 South Dakota Legislature

Senate Bill 154

Introduced by: **Senator Breitling**

1 **An Act to revise criteria for the South Dakota freedom scholarship.**

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

3 **Section 1. That § 13-55A-15 be AMENDED:**

4 **13-55A-15.** The agreement required in section 9 of SL 2021, ch 83, ~~shall~~must
5 provide for a governing board. The board ~~shall~~must consist of five members appointed
6 by the Governor, for a term of five years, except that the initial appointments ~~shall be~~ are
7 for periods of one, two, three, four, and five years. The Governor shall appoint one
8 member as the temporary chair of the board. The board shall elect a chair at its first
9 meeting. A majority of the board ~~shall~~must be present—~~either~~ personally or ~~by~~
10 ~~teleconference~~electronically to constitute a quorum.

11 The board shall provide eligible South Dakota students, as described in § 13-55A-
12 16, with a needs-based scholarship to attend an eligible postsecondary institution, as
13 described in § 13-55A-17. The distributable income of the South Dakota Freedom
14 Scholarship endowment ~~shall~~must be expended annually to benefit eligible South Dakota
15 students. Any excess earnings or other income to the endowment ~~shall~~must be added to
16 the endowment principal. The board shall determine the manner and method of
17 disbursement of the needs-based scholarships, based upon the undergraduate full-time,
18 degree-seeking, South Dakota resident enrollments of each participating, eligible
19 institution, as described in § 13-55A-17.

20 **Section 2. That § 13-55A-16 be AMENDED:**

21 **13-55A-16.** ~~The board may consider a~~ A student is eligible for a South Dakota
22 Freedom Scholarship, pursuant to § 13-55A-15, if the student:

- 23 (1) Is a state resident for at least one year prior to application for the scholarship;
24 (2) Attends an eligible institution in pursuit of a baccalaureate degree;

- 1 (3) Establishes financial need, as determined by the eligible institution and the board
2 described in § 13-55A-15;
- 3 (4) Commits, in writing, to live and work in this state for a period of three years after
4 graduation, or following military service or graduate education, if applicable;
- 5 (5) Maintains a ~~2.5~~ GPA ~~or higher~~ of at least 2.0 while enrolled at an eligible institution;
6 and
- 7 ~~Graduates from an eligible institution within five years; and~~
- 8 ~~(7)~~ Agrees, through a promissory note or other agreement, that failure to comply with
9 ~~the provisions of this section shall result~~ results in the scholarship being converted
10 to an interest-bearing loan.

11 A student is eligible to receive a scholarship under this section for five years. If a
12 student fails to complete a baccalaureate degree within five years from the date of initial
13 attendance, the board may convert any amounts awarded to the student into an interest-
14 bearing loan.

15 Notwithstanding the provisions of this section, the board may temporarily or
16 permanently waive the requirements of this section if factors, as determined by the board
17 ~~may determine~~, prevent a student from satisfying the requirements in this section.

18 **Section 3. That § 13-55A-17 be AMENDED:**

19 **13-55A-17.** For purposes of §§ 13-55A-15 to 13-55A-17, inclusive, an eligible
20 institution is an accredited public or nonpublic nonprofit postsecondary institution,
21 including any tribal college, with a primary physical campus in this state, that:

- 22 (1) Elects to participate in the scholarship program provided in §§ 13-55A-15 to 13-
23 55A-17, inclusive; and
- 24 (2) Offers a baccalaureate degree; ~~and~~
- 25 ~~(3) Designates an associated nonprofit entity to receive and award scholarship funds~~
26 ~~to the institution's eligible students, as described in § 13-55A-16, on the eligible~~
27 ~~institution's behalf.~~