



## 2023 South Dakota Legislature

# Senate Bill 100

Introduced by: **Senator Novstrup**

1 **An Act to establish the stronger families scholarship program for children in foster**  
 2 **care, to make an appropriation therefor, and to declare an emergency.**

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

4 **Section 1.** There is hereby appropriated from the general fund the sum of \$15,000,000 to  
 5 the Department of Education, for purposes of establishing the stronger families scholarship  
 6 program as authorized in sections 4 to 18, inclusive, of this Act.

7 **Section 2.** The secretary of the Department of Education shall approve vouchers and the  
 8 state auditor shall draw warrants to pay expenditures authorized by this Act.

9 **Section 3.** Any amounts appropriated in this Act not lawfully expended or obligated shall  
 10 revert on June 30, 2026, in accordance with the procedures prescribed in chapter 4-8.

11 **Section 4. That a NEW SECTION be added to title 13:**

12 Terms used in this chapter mean:

13 (1) "Acting parent," a parent, foster parent, adoptive parent, or other person with the  
 14 authority to act in place of a parent for the child;

15 (2) "Department," the Department of Education;

16 (3) "Scholarship granting organization," a nonprofit organization that complies with  
 17 the requirements of this chapter and awards scholarships to eligible students; and

18 (4) "Program," the stronger families scholarship program established pursuant to this  
 19 chapter.

20 **Section 5. That a NEW SECTION be added to title 13:**

21 The stronger families scholarship program is established. Annual scholarships are  
 22 available beginning in the 2023-2024 school year. A student may receive a scholarship of

1 four thousand dollars to reimburse eligible expenses incurred by an acting parent as  
2 described in section 7 of this Act.

3 A scholarship granting organization shall administer scholarships for eligible  
4 students attending a nonpublic school. The department shall administer scholarships for  
5 eligible students attending a public school in this state.

6 **Section 6. That a NEW SECTION be added to title 13:**

7 A student is eligible to receive a scholarship if the student is an abused or neglected  
8 child in the custody of the Department of Social Services for at least thirty days pursuant  
9 to a court directive and is currently placed, or during the previous state fiscal year was  
10 placed, in foster care or other out-of-home care. An eligible student retains program  
11 eligibility regardless of subsequent placement out of the foster care system.

12 **Section 7. That a NEW SECTION be added to title 13:**

13 For the purposes of this chapter, the term, eligible expenses, means:

- 14 (1) For a student attending an eligible nonpublic school, tuition and fees charged by  
15 the nonpublic school;  
16 (2) Payment for tutoring or teaching services provided by an individual or facility  
17 accredited by a state, regional, or national accrediting organization;  
18 (3) The purchase price of curricula and supplementary instructional materials;  
19 (4) Tuition or fees for an online learning program;  
20 (5) Fees for:  
21 (a) A nationally standardized norm-referenced achievement test;  
22 (b) An advanced placement examination; and  
23 (c) Any exams related to college or university admission;  
24 (6) Technology purchases, including computer hardware and technological devices  
25 primarily used for educational purposes; and  
26 (7) For a student attending a public school, transportation expenses to and from the  
27 school that the student attends, if the student is enrolled in a school district that is  
28 not the student's district of residence and the district does not provide  
29 transportation for the student.

30 **Section 8. That a NEW SECTION be added to title 13:**

1           To receive an initial scholarship for a student attending an eligible nonpublic school,  
2 the acting parent shall:

3 (1) Submit an application to a scholarship granting organization by a date established  
4 by the organization; and

5 (2) Provide documentation to the scholarship granting organization that:

6           (a) The student is enrolled full-time at an eligible nonpublic school; and

7           (b) The acting parent has met with the nonpublic school's principal or the  
8 principal's designee to review the school's academic programs and policies,  
9 educational programs, code of student conduct, and attendance policies.

10           A scholarship granting organization shall verify the contents of the application,  
11 determine if the student is eligible as provided in section 6 of this Act, and verify with the  
12 department that the student is not enrolled in a school district. The scholarship granting  
13 organization shall notify the department and the acting parent if the student is awarded a  
14 scholarship.

15           Upon notification from the scholarship granting organization that a student has  
16 been awarded a scholarship, the department shall release the student's scholarship funds  
17 to the organization. The scholarship granting organization shall create an account for the  
18 student and deposit the student's scholarship funds received from the department into  
19 the student's account.

20           Prior to submitting any invoice of eligible expenses, the acting parent shall sign an  
21 agreement with the organization affirming that scholarship funds will only be used for  
22 eligible expenses.

23           The acting parent shall submit an invoice of eligible expenses incurred on the  
24 student's behalf to the scholarship granting organization for reimbursement. The  
25 organization shall release funds from the student's account for eligible expenses invoiced  
26 by the acting parent.

27           To renew the scholarship under this section, the acting parent must annually apply  
28 to the scholarship granting organization on a date established by the organization and  
29 sign a sworn compliance statement affirming that scholarship funds have only been used  
30 for eligible expenses.

31 **Section 9. That a NEW SECTION be added to title 13:**

32           To receive a scholarship for a student attending a public school, an acting parent  
33 shall apply to the department by a date established by the department. The department  
34 shall verify the contents of the application and determine if the student is eligible as

1 provided in section 6 of this Act. The department shall notify the acting parent if the  
2 student is awarded a scholarship.

3 Prior to submitting any invoice of eligible expenses, the acting parent shall sign an  
4 agreement with the department affirming that scholarship funds will only be used for  
5 eligible expenses.

6 The acting parent shall submit an invoice of eligible expenses incurred on the  
7 student's behalf to the department for reimbursement. The department shall release funds  
8 for eligible expenses invoiced by the acting parent.

9 To renew the scholarship under this section, the acting parent must annually apply  
10 to the department on a date established by the department and sign a sworn compliance  
11 statement affirming that scholarship funds have only been used for eligible expenses.

12 **Section 10. That a NEW SECTION be added to title 13:**

13 Section 7 of this Act notwithstanding, scholarship funds may not be used to  
14 reimburse a group or residential treatment center for standard education provided to  
15 students in a group or residential treatment setting.

16 **Section 11. That a NEW SECTION be added to title 13:**

17 An acting parent may be reimbursed for eligible expenses during any single school  
18 year until June thirtieth of the applicable school year, or until:

19 (1) The student graduates from high school or reaches age twenty-two, whichever  
20 occurs first; or

21 (2) The scholarship balance is expended.

22 The department may deny or revoke a student's scholarship due to fraud, abuse,  
23 or noncompliance by an acting parent with any of the requirements of this chapter.

24 Any scholarship funds remaining on June thirtieth of the applicable school year  
25 revert to the state.

26 **Section 12. That a NEW SECTION be added to title 13:**

27 A nonpublic school is eligible to participate in the program if the nonpublic school:

28 (1) Operates within the boundaries of this state, or on a federally recognized Indian  
29 reservation within the boundaries this state;

30 (2) Is accredited by the department;

31 (3) Provides education to elementary or secondary students; and

1       (4) Notifies a scholarship granting organization of its intention to participate in the  
2       program and comply with the program requirements.

3       An eligible nonpublic school shall provide a scholarship granting organization the  
4       documentation required by the organization for a student's participation, including the  
5       nonpublic school and student's fee schedules, at least thirty days before any  
6       reimbursement is made for the student.

7       **Section 13. That a NEW SECTION be added to title 13:**

8               A scholarship granting organization shall:

9       (1) Receive applications, determine student eligibility, award scholarships, and notify  
10       acting parents of scholarship awards;

11       (2) Submit the list of students awarded scholarships and related documentation to the  
12       department;

13       (3) Submit an annual report to the department, by a date determined by the  
14       department, which must include the number of scholarship recipients; the  
15       demographics of scholarship recipients; the expended scholarship amount per  
16       student; the total expenditures of scholarship awards; and any other information  
17       deemed necessary by the department;

18       (4) Submit any information requested by the department relating to the program; and

19       (5) Notify the department of any violation of this chapter by an acting parent or  
20       nonpublic school.

21       A scholarship granting organization may request an amount for administrative  
22       expenses associated with performing functions under this chapter based on the total  
23       amount of scholarships awarded by the organization.

24       **Section 14. That a NEW SECTION be added to title 13:**

25               The department shall:

26       (1) Notify a scholarship granting organization of the deadlines for submitting the list  
27       of students determined to be eligible to verify that each student is not enrolled in  
28       a school district; and

29       (2) Compensate a scholarship granting organization for administrative expenses  
30       associated with performing functions under this chapter, based on the total amount  
31       of scholarships awarded by the organization.

32       **Section 15. That a NEW SECTION be added to title 13:**

- 1           The department shall promulgate rules, pursuant to chapter 1-26, to:  
2           (1) Establish the procedure and conduct of administrative hearings related to  
3           contested actions made by the department;  
4           (2) Establish guidelines and criteria for approval of applications; and  
5           (3) Establish guidelines and criteria for approval of expenses and distribution of funds.

6           **Section 16. That a NEW SECTION be added to title 13:**

7           No liability shall arise on the part of the state based on the award or use of a  
8           scholarship from the program.

9           **Section 17. That a NEW SECTION be added to title 13:**

10           The inclusion of eligible nonpublic schools in the program does not expand the  
11           regulatory authority of the state, its officers, or any school district to impose any additional  
12           regulation of nonpublic schools beyond those reasonably necessary to enforce  
13           requirements expressly set forth in this chapter.

14           **Section 18.** This Act is repealed July 1, 2026.

15           **Section 19.** 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.