



2023 South Dakota Legislature

House Bill 1044

HOUSE HEALTH AND HUMAN SERVICES ENGROSSED

This bill has been extensively amended (hoghoused) and may no longer be consistent with the original intention of the sponsor.

Introduced by: **Representatives** Rehfeldt, Deutsch, Healy, Ernie Otten, and Stevens and **Senators** Tobin, Reed, Schoenfish, and Wheeler at the request of the Study Committee on Juvenile Justice

1 **An Act to establish scholarships for individuals pursuing careers in the behavioral**
 2 **health field, 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 \$5,000,000 for
 5 the purpose of administering and funding the first five years of behavioral health scholarships
 6 described in sections 5 to 13, inclusive, of this Act.

7 **Section 2.** The state treasurer shall transfer from the general fund the sum of \$15,000,000
 8 to the behavioral health scholarship fund, established in section 14 of this Act.

9 **Section 3.** The executive director of the Board of Regents shall approve vouchers and the
 10 state auditor shall draw warrants to pay expenditures from the fund.

11 **Section 4.** Any amounts appropriated in section 1 of this Act not lawfully expended or
 12 obligated by June 30, 2028, shall revert in accordance with the procedures prescribed in
 13 chapter 4-8.

14 **Section 5. That chapter 13-55 be amended with a NEW SECTION:**

15 The Board of Regents shall award annual behavioral health scholarships to
 16 undergraduate students having a declared major in, and students pursuing graduate
 17 degrees for:

18 (1) Psychology;

19 (2) Counseling;

20 (3) Therapy;

21 (4) Social work; or

22 (5) Any other field related to behavioral health, as determined by the Board of Regents.

1 **Section 6. That chapter 13-55 be amended with a NEW SECTION:**

2 To be eligible for a behavioral health scholarship, a student must:

- 3 (1) Be a resident of this state, or a resident of Iowa, Minnesota, Montana, Nebraska,
4 North Dakota, or Wyoming;
- 5 (2) Be continuously enrolled in:
- 6 (a) An institution under the control of the Board of Regents;
7 (b) An institution under the control of the Board of Technical Education; or
8 (c) A regionally accredited private institution of higher education or tribal
9 college, having a physical location in this state;
- 10 (3) Have achieved a grade point average of at least 2.8 on a 4.0 grading scale in the
11 preceding academic year, or in the last year of enrollment as a full-time student
12 prior to application; and
- 13 (4) Maintain an annual grade point average of at least 2.8 during the academic year
14 to which the scholarship is applicable.

15 **Section 7. That chapter 13-55 be amended with a NEW SECTION:**

16 The Board of Regents shall develop, and make available on the Board of Regent's
17 website, forms for use in the behavioral health scholarship application process. The Board
18 of Regents shall determine the final date by which all applications must be submitted.

19 **Section 8. That chapter 13-55 be amended with a NEW SECTION:**

20 Applications submitted to the Board of Regents must be reviewed by a behavioral
21 health scholarship advisory committee, consisting of:

- 22 (1) One member appointed by the speaker of the House of Representatives;
23 (2) One member appointed by the president pro tempore of the Senate;
24 (3) One behavioral health professional appointed by the secretary of the Department
25 of Health;
26 (4) One school behavioral professional appointed by the secretary of the Department
27 of Education; and
28 (5) One member appointed by the executive director of the Board of Regents.

29 **Section 9. That chapter 13-55 be amended with a NEW SECTION:**

30 The advisory committee shall verify the contents of each behavioral health
31 scholarship application and recommend scholarship recipients to the Board of Regents.

1 The advisory committee shall give priority to residents of this state. The Board of Regents
2 shall annually award scholarships in an amount not exceeding the lesser of:

3 (1) The total amount payable by the student for tuition and mandatory fees at the
4 institution in which the student is enrolled; or

5 (2) The total amount payable for tuition and mandatory fees for a comparable program
6 at an institution under the control of the Board of Regents.

7 The Board of Regents may reduce a scholarship by the amount of any scholarship
8 or grant available to the student.

9 **Section 10. That chapter 13-55 be amended with a NEW SECTION:**

10 A behavioral health scholarship awarded pursuant to sections 5 to 13, inclusive, of
11 this Act is automatically renewed upon verification by the Board of Regents that the
12 student is pursuing an eligible major or program and maintains eligibility pursuant to
13 section 6 of this Act.

14 If a student is no longer pursuing an eligible major or program or does not maintain
15 eligibility, the Board of Regents shall notify the student that the total amount of
16 scholarship funds awarded to the student are converted to an interest-bearing loan.

17 The Board of Regents may grant an exception, upon application of the student and
18 for good cause shown, to the continuous enrollment requirement in section 6 of this Act.

19 **Section 11. That chapter 13-55 be amended with a NEW SECTION:**

20 As a condition of accepting a behavioral health scholarship, a student shall agree,
21 in writing:

22 (1) To serve in a field related to behavioral health, as referenced in section 5 of this
23 Act, in this state for a period of five years following graduation or completion of
24 the academic program being pursued; and

25 (2) That failure to pursue an eligible major or program, or to maintain the eligibility
26 requirements in section 6 of this Act, shall result in the scholarship being converted
27 to an interest-bearing loan.

28 If the student is unable to meet the employment requirements of this section within
29 six years following graduation or completion of the academic program being pursued, the
30 Board of Regents shall initiate collection proceedings for the purpose of recouping a pro
31 rata share of the total amount of behavioral health scholarships awarded to the student,
32 based on the percentage of the five-year period during which the student was not engaged
33 in the field of behavioral health.

1 The Board of Regents may, upon application of the student and for good cause
2 shown, delay or elect to waive the loan or collection proceedings.

3 **Section 12. That chapter 13-55 be amended with a NEW SECTION:**

4 The Board of Regents shall verify a behavioral health scholarship recipient's
5 employment status within six months of graduation or completion of the academic
6 program being pursued, and annually thereafter. If the Board of Regents is unable to
7 verify the recipient's employment status in a behavioral health field or the individual no
8 longer works in this state, the Board of Regents shall notify the recipient that collection
9 proceedings will be initiated.

10 **Section 13. That chapter 13-55 be amended with a NEW SECTION:**

11 The Board of Regents shall promulgate rules, pursuant to chapter 1-26, to establish
12 the process for:

- 13 (1) Accepting applications, determining eligibility, and distributing funds;
14 (2) Applications for exceptions under section 10 of this Act, and applications for the
15 delay or waiver of the requirements in section 11 of this Act; and
16 (3) Contesting any decision pertaining to behavioral health scholarships.

17 **Section 14. That chapter 13-55 be amended with a NEW SECTION:**

18 There is created in the education enhancement trust fund the behavioral health
19 scholarship fund, for the purpose of administering and funding scholarships provided by
20 sections 5 to 13, inclusive, of this Act. Distributions from the behavioral health scholarship
21 fund are subject to transfer to the general fund, and expenditure of distributions must be
22 by an appropriation by the Legislature through the General Appropriations Act or a special
23 appropriation for behavioral health scholarships consistent with the provision of S.D.
24 Const., Art. XII, § 6, and § 4-5-29.2.

25 The following monies must be deposited into the fund:

- 26 (1) Any monies transferred by the Legislature for the purposes provided in sections 5
27 to 13, inclusive, of this Act;
28 (2) Any gifts, grants, or donations received for scholarships provided by this Act; and
29 (3) Any monies and interest repaid from an individual who failed to meet the eligibility
30 or employment requirements.

31 **Section 15. That § 4-5-29.2 be AMENDED:**

1 **4-5-29.2.** Pursuant to S.D. Const., Art. XII, § 6, the state investment officer shall
2 determine the market value of the education enhancement trust fund as of December 31,
3 2003, and each calendar year thereafter less the investment expenses transferred
4 pursuant to § 4-5-30. The state investment officer shall calculate an amount equal to four
5 percent of that market value, without invading principal, as eligible for distribution. For
6 the purpose of this section, the term, principal, means the sum of all contributions to the
7 fund. Beginning with the distribution in fiscal year 2008, the market value ~~shall be~~ is
8 determined by adding the market value of the trust fund at the end of the sixteen most
9 recent calendar quarters as of December thirty-first, and dividing the sum by sixteen.
10 Upon notice of that amount by the state investment officer, the state treasurer shall
11 transfer the amount from the education enhancement trust fund to the state general fund
12 as soon as practicable after July first of the next fiscal year. ~~For fiscal year 2017, the portion~~
13 ~~of the transfer to the general fund for the postsecondary scholarship grant programs shall~~
14 ~~be \$126,707.35. Beginning in fiscal year 2018, the~~ The portion of the transfer to the
15 general fund for the postsecondary scholarship grant programs and the behavioral health
16 scholarship, shall must be calculated by the state investment officer based on the relative
17 share of the contributions made to the postsecondary scholarship grant fund created
18 pursuant to § 13-55A-14 and the behavioral health scholarship fund created pursuant to
19 section 14 of this Act to the most recently calculated total fair value of the education
20 enhancement fund including the contribution. The calculation ~~shall must~~ be updated
21 monthly to reflect any additional contributions to the education enhancement trust fund
22 ~~and the~~ The portion of the transfer to the general fund for the postsecondary scholarship
23 grant programs ~~shall be~~ and the behavioral health scholarship fund is based on the
24 average of the monthly calculation as of December thirty-first, using the months available
25 for the first forty-eight months and then the most recent forty-eight calendar months
26 thereafter.

27 **Section 16.** Whereas, this Act is necessary for the support of the state government and its
28 existing public institutions, an emergency is hereby declared to exist, and this Act shall be in
29 full force and effect from and after its passage and approval.