

## 2023 South Dakota Legislature

**House Bill 1044****AMENDMENT 1044C  
FOR THE HOUSE HEALTH AND HUMAN SERVICES  
ENGROSSED BILL**

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 become a licensed provider in this state~~ in a field related to behavioral  
23 health, as referenced in section 5 of this Act, ~~and work~~ in this state for a period of  
24 five years following graduation or completion of the academic program being  
25 pursued; and

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

29 If the student is unable to meet the ~~licensure and~~ employment requirements of this  
30 section within six years following graduation or completion of the academic program being  
31 pursued, the Board of Regents shall initiate collection proceedings for the purpose of  
32 recouping a pro rata share of the total amount of behavioral health scholarships awarded

1 to the student, based on the percentage of the five-year period during which the student  
2 was not engaged in the field of behavioral health.

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

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

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

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

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

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

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

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

27 The following monies must be deposited into the fund:

- 28 (1) Any monies transferred by the Legislature for the purposes provided in sections 5  
29 to 13, inclusive, of this Act;  
30 (2) Any gifts, grants, or donations received for scholarships provided by this Act; and

1       (3) Any monies and interest repaid from an individual who failed to meet the eligibility,  
2       licensure, or employment requirements.

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

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

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