



2026 South Dakota Legislature

Senate Bill 84

Introduced by: **Senator Peterson (Sue)**

1 **An Act to increase thresholds for the value of and eligibility for the partners in**
 2 **education scholarship.**

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

4 **Section 1. That § 13-65-1 be AMENDED:**

5 **13-65-1.** Terms, as used in this chapter, mean:

6 (1) "Certified enrollment," the K-12 enrollment data required to be submitted to the
 7 Department of Education by an accredited school by October fifteenth of each year
 8 and published by the department on the department's website;

9 (2) "Division," the Division of Insurance in the Department of Labor and Regulation;

10 (3) "Educational scholarship," a grant to an eligible student to cover all or part of the
 11 tuition and fees at a qualifying school. The average value of all scholarships
 12 awarded by a scholarship granting organization may not exceed ~~eighty-two and~~
 13 ~~five-tenths percent of the state's share of the per student equivalent, as defined in~~
 14 § 13-13-10.1;

15 (4) "Eligible student," any student entering kindergarten through twelfth grade who
 16 resides in South Dakota while receiving the educational scholarship and:

17 (a) Is a member of a household whose total annual income, the year before the
 18 student enters the program, did not exceed ~~one hundred fifty~~ two hundred
 19 percent of the income standard used to qualify for a free or reduced-price
 20 lunch under the national free or reduced-price lunch program. ~~If sufficient~~
 21 ~~funding is available, once~~ Once a student meets the initial income eligibility
 22 requirement, the student ~~remains income eligible for three years or if the~~
 23 ~~student is entering high school, until the student graduates high school~~
 24 ~~regardless of household income. After the initial period of income eligibility,~~
 25 ~~a student remains eligible if the student is a member of a~~ to reapply for and
 26 receive an educational scholarship in subsequent years, if the student's

household ~~whose total annual income in the prior year did~~ income does not exceed two hundred fifty percent of the income standard used to qualify for a free or reduced-price lunch under the national free or reduced-price lunch program; or

(b) Is in foster care;

(5) "Low-income eligible student," any student who is a member of a household whose total annual income, the year before the student enters the program, did not exceed one hundred percent of the income standard used to qualify for a free or reduced-price lunch under the national free or reduced-price lunch program;

(6) "Parent," any guardian, custodian, or other person with authority to act in place of a parent for the child;

(7) "Program," the partners in education tax credit program established pursuant to this chapter;

(8) "Qualifying school," any nonpublic school that operates within the boundaries of South Dakota or any tribally controlled school on a federally recognized Indian reservation that operates within the boundaries of South Dakota, is accredited by the Department of Education, provides education to elementary or secondary students, and has notified a scholarship granting organization of its intention to participate in the program and comply with the program requirements. This term excludes any school that receives a majority of its revenues from public funds; and

(9) "Scholarship granting organization," a nonprofit organization that complies with the requirements of the program and provides educational scholarships to students.