

State of South Dakota

NINETY-FIRST SESSION
LEGISLATIVE ASSEMBLY, 2016

400X0315

JOINT APPROPRIATIONS ENGROSSED NO. **SB 67** - 02/29/2016

Introduced by: The Committee on Appropriations at the request of the Office of the
Governor

1 FOR AN ACT ENTITLED, An Act to establish a postsecondary scholarship grant fund, to make
2 an appropriation therefor, to transfer certain money, and to declare an emergency.

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

4 Section 1. That § 13-55A-14 be amended to read:

5 13-55A-14. There is hereby created in the education enhancement trust fund the South
6 Dakota ~~need-based~~ postsecondary scholarship grant fund for the purpose of providing grants and
7 scholarships through the Board of Regents ~~pursuant to this chapter to qualified students~~ for the
8 need-based grant program pursuant to chapter 13-55A and the critical teaching needs
9 scholarship program pursuant to §§ 13-55-64 to 13-55-71, inclusive. Any contributions into the
10 education enhancement trust fund not designated for any other purpose shall be allocated to the
11 ~~need-based~~ postsecondary scholarship grant fund. All distributions from the South Dakota ~~need-~~
12 ~~based~~ postsecondary scholarship grant fund are subject to transfer to the general fund and
13 expenditure of all distributions shall be by an appropriation by the Legislature through the
14 General Appropriations Act or special appropriations acts for the ~~need-based~~ postsecondary



1 scholarship grant programs consistent with the provision of S.D. Const., Art. XII, § 6, and § 4-5-
2 29.2. The board may accept any gifts, contributions, or funds obtained from any other source
3 for the purpose of carrying out the provisions of this section. For each fiscal year, the board may
4 determine the amounts awarded for each scholarship grant program and shall award all available
5 funds from the postsecondary scholarship grant fund annual transfer pursuant to § 4-5-29.2.

6 Section 2. That § 4-5-29.2 be amended to read:

7 4-5-29.2. Pursuant to S.D. Const., Art. XII, § 6, the state investment officer shall determine
8 the market value of the education enhancement trust fund as of December 31, 2003, and each
9 calendar year thereafter less the investment expenses transferred pursuant to § 4-5-30. The state
10 investment officer shall calculate an amount equal to four percent of that market value, without
11 invading principal, as eligible for distribution. For the purpose of this section, the term,
12 principal, means the sum of all contributions to the fund. Beginning with the distribution in
13 fiscal year 2008, the market value shall be determined by adding the market value of the trust
14 fund at the end of the sixteen most recent calendar quarters as of December thirty-first, and
15 dividing the sum by sixteen. Upon notice of that amount by the state investment officer, the state
16 treasurer shall transfer the amount from the education enhancement trust fund to the state
17 general fund as soon as practicable after July first of the next fiscal year. For fiscal year 2017,
18 the portion of the transfer to the general fund for the postsecondary scholarship grant programs
19 shall be \$126,707.35. Beginning in fiscal year ~~2015~~ 2018, the portion of the transfer to the
20 general fund for the ~~need-based matching program~~ postsecondary scholarship grant programs,
21 shall be calculated by the state investment officer based on the relative share of the contributions
22 made to the ~~need-based~~ postsecondary scholarship grant fund created pursuant to § 13-55A-14
23 to the most recently calculated total fair value of the education enhancement fund including the
24 contribution. The calculation shall be updated monthly to reflect any additional contributions

1 to the education enhancement trust fund and the portion of the transfer to the general fund for
2 the ~~need-based matching program~~ postsecondary scholarship grant programs shall be based on
3 the average of the monthly calculation as of December thirty-first, using the months available
4 for the first forty-eight months and then the most recent forty-eight calendar months thereafter.

5 ~~— Beginning in fiscal year 2015, a portion of the funds annually distributed to the general fund~~
6 ~~pursuant to this section representing the percentage of the appropriation in SL 2013, ch 91, § 9,~~
7 ~~when deposited, to the total fair value of the education enhancement fund applied to the~~
8 ~~distribution amount shall be used to fund the critical teaching needs scholarship program created~~
9 ~~in §§ 13-55-64 to 13-55-71, inclusive.~~

10 Section 3. The state treasurer shall transfer the original contribution of one million five
11 hundred thousand dollars from the critical teaching needs scholarship fund pursuant to § 13-55-
12 64 and one million five hundred thousand dollars from the need-based grant fund created
13 pursuant to § 13-55A-14 into the postsecondary scholarship grant fund. The state investment
14 officer shall calculate the fair value of the transfer amounts for purposes of the monthly
15 calculations per § 4-5-29.2 using the most recent monthly calculation applied to the most
16 recently calculated total fair value of the education enhancement trust fund.

17 Section 4. There is hereby appropriated from the general fund the sum of two million one
18 hundred thousand dollars (\$2,100,000) to the postsecondary scholarship grant fund established
19 pursuant to § 13-55A-14.

20 Section 5. The state treasurer shall transfer from the tuition and fees fund created by § 13-
21 53-15 to the postsecondary scholarship grant fund the sum of one million four hundred thousand
22 dollars.

23 Section 6. The executive director of the Board of Regents shall approve vouchers and the
24 state auditor shall draw warrants to pay expenditures authorized by this Act.

1 Section 7. Any amounts appropriated in this Act not lawfully expended or obligated shall
2 revert in accordance with the procedures prescribed in chapter 4-8.

3 Section 8. Whereas, this Act is necessary for the support of the state government and its
4 existing public institutions, an emergency is hereby declared to exist, and this Act shall be in
5 full force and effect from and after its passage and approval.