



## 2020 South Dakota Legislature

# Senate Bill 72

*Introduced by: The Committee on Appropriations*

1 **An Act to establish the Dakota's promise scholarship program, to establish the**  
 2 **Dakota's promise fund, and to make an appropriation therefor.**

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

4 **Section 1.** That a NEW SECTION be added:

5 **13-55-79. Dakota's promise scholarship program--Establishment--Purposes.**

6 There is established the Dakota's promise scholarship program. The purpose of the  
 7 program is to provide scholarships through the Board of Regents to eligible students to  
 8 allow the students to receive an affordable education at any university or college  
 9 accredited by the Higher Learning Commission and that provides instruction from a  
 10 campus located in South Dakota.

11 **Section 2.** That a NEW SECTION be added:

12 **13-55-80. Administration of scholarship program--Report to Legislature.**

13 The executive director of the Board of Regents shall:  
 14 (1) Administer the Dakota's promise scholarship program;  
 15 (2) Establish and maintain program records that are necessary and required by good  
 16 accounting practices; and  
 17 (3) Track the outcomes and impact of the program and report on the outcomes and  
 18 impact to the Legislature.

19 **Section 3.** That a NEW SECTION be added:

20 **13-55-81. Eligibility for scholarship--Requirements.**

21 In order to be eligible for a Dakota's promise scholarship, a student shall:  
 22 (1) Be a resident of South Dakota at the time of graduation from high school;  
 23 (2) Receive a Pell Grant from the United States Department of Education;

- 1       (3) Obtain a composite score of at least twenty-two on the ACT test or a comparable  
2       score on the Scholastic Aptitude Test as determined by the Board of Regents;  
3       (4) Have a cumulative high school grade point average of 3.0 or higher on a 4.0 scale;  
4       (5) Attend a university or college accredited by the Higher Learning Commission that  
5       provides instruction from a campus located in South Dakota; and  
6       (6) Enroll in twelve credit hours per semester, unless the student is in the student's  
7       final semester and requires fewer than twelve credit hours to complete the  
8       student's degree.

9       **Section 4.** That a NEW SECTION be added:

10           **13-55-82. Maintaining eligibility.**

11           In order to maintain eligibility for the Dakota's promise scholarship program, a  
12           student shall:

- 13           (1) Earn thirty credit hours prior to the beginning of the second year of instruction,  
14           sixty credit hours prior to the beginning of the third year of instruction, and ninety  
15           credit hours prior to the fourth year of instruction; and  
16           (2) Maintain a cumulative grade point average of 2.0 or higher on a 4.0 scale.

17           If factors beyond the control of a student who has been awarded a Dakota's  
18           promise scholarship prevent the student from meeting the requirements in subdivision  
19           (1), the executive director may temporarily waive the requirement of that subdivision and  
20           allow the student to remain eligible for the Dakota's promise scholarship. A student may  
21           receive a Dakota's promise scholarship for up to four academic years, or until the student  
22           obtains a baccalaureate degree, whichever comes first.

23       **Section 5.** That a NEW SECTION be added:

24           **13-55-83. Postsecondary institution participation--Matching funds.**

25           If a postsecondary institution eligible to participate in the program under § 13-55-  
26           79 accumulates funding equal to the amount of funding necessary to fund Dakota's  
27           promise scholarships for all the institution's eligible students, the institution may apply to  
28           the executive director to participate. When a scholarship is issued, the executive director  
29           may distribute funding from the Dakota's promise fund established in § 13-55-85 at the  
30           rate of one dollar from the fund for every one dollar of private funding allocated to the  
31           eligible students by the participating institution. The executive director may provide for  
32           the proration of funds if the available funds are insufficient to pay all approved  
33           scholarships.

1 **Section 6.** That a NEW SECTION be added:

2 **13-55-84. Scholarship awards.**

3 A participating institution shall award a Dakota's promise scholarship to an eligible  
4 student for the normal academic year, or its equivalent, in the amount of one thousand  
5 two hundred fifty dollars payable from the Dakota's promise fund and, subject to the  
6 required private match established in § 13-55-83. Under no circumstances may the award  
7 of a Dakota's promise scholarship result in an eligible student receiving more financial  
8 assistance than is necessary to cover the eligible student's tuition and fees; required  
9 books, supplies, or equipment; and room and board expenses. If a scholarship in the  
10 amount of one thousand two hundred fifty dollars would exceed an eligible student's  
11 financial need, the participating institution may award a scholarship to the student in an  
12 amount less than one thousand two hundred fifty dollars.

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

14 **13-55-85. Dakota's promise fund--Establishment--Contents--Continuous**  
15 **appropriation.**

16 There is established in the state treasury the Dakota's promise fund for the purpose  
17 of funding the Dakota's promise scholarship program established in § 13-55-79. The fund  
18 shall consist of:

- 19 (1) Any funds appropriated by the Legislature for the purposes of §§ 13-55-79 through  
20 13-55-87;  
21 (2) Any gifts, grants, and donations deposited by or on behalf of an institution of higher  
22 education in this state for the purpose of providing scholarships to eligible students  
23 in accordance with §§ 13-55-79 through 13-55-87; and  
24 (3) Any interest or income earned thereon.

25 Any money in the Dakota's promise fund is continuously appropriated. Any money  
26 deposited into or distributed from the fund shall be set forth in an information budget as  
27 provided in § 4-7-7.2.

28 **Section 8.** That a NEW SECTION be added:

29 **13-55-86. Dakota's promise funds--Acceptance and expenditures.**

30 The executive director shall accept and expend any funds received from state or  
31 private sources as provided in § 13-55-85 if the acceptance and expenditure is approved  
32 in accordance with chapter 4-8. Expenditures authorized under this section shall be paid

1 out on warrants drawn by the state auditor on vouchers approved by the executive  
2 director.

3 **Section 9.** That a NEW SECTION be added:

4 **13-55-87. Promulgation of rules.**

5 The Board of Regents may promulgate rules, pursuant to chapter 1-26, to establish  
6 the process for accepting applications, determining eligibility, and distributing funds; and  
7 to establish the process for contesting any decisions pertaining to the Dakota's promise  
8 scholarship program.

9 **Section 10.** There is hereby appropriated from the general fund the sum of two million  
10 dollars (\$2,000,000), or so much thereof as may be necessary, to the Dakota's promise fund  
11 for the purposes of §§ 13-55-79 through 13-55-87.