



2020 South Dakota Legislature

House Bill 1230

Introduced by: **Representative** Cwach

1 **An Act to provide for an increased distribution from the education enhancement**
 2 **trust fund in fiscal year 2021.**

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

4 **Section 1.** That § 4-5-29.2 be AMENDED:

5 **4-5-29.2. Education enhancement trust fund--Calculation of amount eligible**
 6 **for distribution--Transfer to general fund--Postsecondary scholarship grant**
 7 **programs.**

8 Pursuant to S.D. Const., Art. XII, § 6, the state investment officer shall determine
 9 the market value of the education enhancement trust fund as of December 31, 2003, and
 10 each calendar year thereafter less the investment expenses transferred pursuant to § 4-
 11 5-30. The state investment officer shall calculate an amount equal to four percent of that
 12 market value, without invading principal, as eligible for distribution, except for fiscal year
 13 2021, the state investment officer shall calculate an amount equal to thirty-two million
 14 four hundred nineteen thousand nine hundred forty as eligible for distribution. For the
 15 purpose of this section, the term, principal, means the sum of all contributions to the fund.
 16 Beginning with the distribution in fiscal year 2008, the market value shall be determined
 17 by adding the market value of the trust fund at the end of the sixteen most recent calendar
 18 quarters as of December thirty-first, and dividing the sum by sixteen. Upon notice of that
 19 amount by the state investment officer, the state treasurer shall transfer the amount from
 20 the education enhancement trust fund to the state general fund as soon as practicable
 21 after July first of the next fiscal year. For fiscal year 2017, the portion of the transfer to
 22 the general fund for the postsecondary scholarship grant programs shall be \$126,707.35.
 23 Beginning in fiscal year 2018, the portion of the transfer to the general fund for the
 24 postsecondary scholarship grant programs, shall be calculated by the state investment
 25 officer based on the relative share of the contributions made to the postsecondary
 26 scholarship grant fund created pursuant to § 13-55A-14 to the most recently calculated

1 total fair value of the education enhancement fund including the contribution. The
2 calculation shall be updated monthly to reflect any additional contributions to the
3 education enhancement trust fund and the portion of the transfer to the general fund for
4 the postsecondary scholarship grant programs shall be based on the average of the
5 monthly calculation as of December thirty-first, using the months available for the first
6 forty-eight months and then the most recent forty-eight calendar months thereafter.