

AN ACT

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

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

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

13-55A-14. There is hereby created in the education enhancement trust fund the South Dakota postsecondary scholarship grant fund for the purpose of providing grants and scholarships through the Board of Regents for the need-based grant program pursuant to chapter 13-55A and the critical teaching needs scholarship program pursuant to §§ 13-55-64 to 13-55-71, inclusive. Any contributions into the education enhancement trust fund not designated for any other purpose shall be allocated to the postsecondary scholarship grant fund. All distributions from the South Dakota postsecondary scholarship grant fund are subject to transfer to the general fund and expenditure of all distributions shall be by an appropriation by the Legislature through the General Appropriations Act or special appropriations acts for the postsecondary scholarship grant programs consistent with the provision of S.D. Const., Art. XII, § 6, and § 4-5-29.2. The board may accept any gifts, contributions, or funds obtained from any other source for the purpose of carrying out the provisions of this section. For each fiscal year, the board may determine the amounts awarded for each scholarship grant program and shall award all available funds from the postsecondary scholarship grant fund annual transfer pursuant to § 4-5-29.2.

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

4-5-29.2. Pursuant to S.D. Const., Art. XII, § 6, the state investment officer shall determine the market value of the education enhancement trust fund as of December 31, 2003, and each calendar year thereafter less the investment expenses transferred pursuant to § 4-5-30. The state investment officer shall calculate an amount equal to four percent of that market value, without invading

principal, as eligible for distribution. For the purpose of this section, the term, principal, means the sum of all contributions to the fund. Beginning with the distribution in fiscal year 2008, the market value shall be determined by adding the market value of the trust fund at the end of the sixteen most recent calendar quarters as of December thirty-first, and dividing the sum by sixteen. Upon notice of that amount by the state investment officer, the state treasurer shall transfer the amount from the education enhancement trust fund to the state general fund as soon as practicable after July first of the next fiscal year. For fiscal year 2017, the portion of the transfer to the general fund for the postsecondary scholarship grant programs shall be \$126,707.35. Beginning in fiscal year 2018, the portion of the transfer to the general fund for the postsecondary scholarship grant programs, shall be calculated by the state investment officer based on the relative share of the contributions made to the postsecondary scholarship grant fund created pursuant to § 13-55A-14 to the most recently calculated total fair value of the education enhancement fund including the contribution. The calculation shall be updated monthly to reflect any additional contributions to the education enhancement trust fund and the portion of the transfer to the general fund for the postsecondary scholarship grant programs shall be based on the average of the monthly calculation as of December thirty-first, using the months available for the first forty-eight months and then the most recent forty-eight calendar months thereafter.

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

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

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

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

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

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

An Act to establish a postsecondary scholarship grant fund, to make an appropriation therefor, to transfer certain money, and to declare an emergency.

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I certify that the attached Act originated in the

SENATE as Bill No. 67

Secretary of the Senate

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President of the Senate

Attest:

Secretary of the Senate

Speaker of the House

Attest:

Chief Clerk

Senate Bill No. 67
File No. _____
Chapter No. _____

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Received at this Executive Office this _____ day of _____ ,

20____ at _____ M.

By _____
for the Governor

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The attached Act is hereby approved this _____ day of _____ , A.D., 20____

Governor

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STATE OF SOUTH DAKOTA,
ss.

Office of the Secretary of State

Filed _____ , 20____
at _____ o'clock __ M.

Secretary of State

By _____
Asst. Secretary of State