



2023 South Dakota Legislature

Senate Bill 100

Introduced by: **Senator Novstrup**

1 **An Act to establish the stronger families scholarship program for children in foster**
 2 **care, to make an appropriation therefor, and to declare an emergency.**

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

4 **Section 1.** There is hereby appropriated from the general fund the sum of \$15,000,000 to
 5 the Department of Education, for purposes of establishing the stronger families scholarship
 6 program as authorized in sections 4 to 18, inclusive, of this Act.

7 **Section 2.** The secretary of the Department of Education shall approve vouchers and the
 8 state auditor shall draw warrants to pay expenditures authorized by this Act.

9 **Section 3.** Any amounts appropriated in this Act not lawfully expended or obligated shall
 10 revert on June 30, 2026, in accordance with the procedures prescribed in chapter 4-8.

11 **Section 4. That a NEW SECTION be added to title 13:**

12 Terms used in this chapter mean:

13 (1) "Acting parent," a parent, foster parent, adoptive parent, or other person with the
 14 authority to act in place of a parent for the child;

15 (2) "Department," the Department of Education;

16 (3) "Scholarship granting organization," a nonprofit organization that complies with
 17 the requirements of this chapter and awards scholarships to eligible students; and

18 (4) "Program," the stronger families scholarship program established pursuant to this
 19 chapter.

20 **Section 5. That a NEW SECTION be added to title 13:**

21 The stronger families scholarship program is established. Annual scholarships are
 22 available beginning in the 2023-2024 school year. A student may receive a scholarship of

1 four thousand dollars to reimburse eligible expenses incurred by an acting parent as
2 described in section 7 of this Act.

3 A scholarship granting organization shall administer scholarships for eligible
4 students attending a nonpublic school. The department shall administer scholarships for
5 eligible students attending a public school in this state.

6 **Section 6. That a NEW SECTION be added to title 13:**

7 A student is eligible to receive a scholarship if the student is an abused or neglected
8 child in the custody of the Department of Social Services for at least thirty days pursuant
9 to a court directive and is currently placed, or during the previous state fiscal year was
10 placed, in foster care or other out-of-home care. An eligible student retains program
11 eligibility regardless of subsequent placement out of the foster care system.

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

13 For the purposes of this chapter, the term, eligible expenses, means:

- 14 (1) For a student attending an eligible nonpublic school, tuition and fees charged by
15 the nonpublic school;
16 (2) Payment for tutoring or teaching services provided by an individual or facility
17 accredited by a state, regional, or national accrediting organization;
18 (3) The purchase price of curricula and supplementary instructional materials;
19 (4) Tuition or fees for an online learning program;
20 (5) Fees for:
21 (a) A nationally standardized norm-referenced achievement test;
22 (b) An advanced placement examination; and
23 (c) Any exams related to college or university admission;
24 (6) Technology purchases, including computer hardware and technological devices
25 primarily used for educational purposes; and
26 (7) For a student attending a public school, transportation expenses to and from the
27 school that the student attends, if the student is enrolled in a school district that is
28 not the student's district of residence and the district does not provide
29 transportation for the student.

30 **Section 8. That a NEW SECTION be added to title 13:**

1 To receive an initial scholarship for a student attending an eligible nonpublic school,
2 the acting parent shall:

3 (1) Submit an application to a scholarship granting organization by a date established
4 by the organization; and

5 (2) Provide documentation to the scholarship granting organization that:

6 (a) The student is enrolled full-time at an eligible nonpublic school; and

7 (b) The acting parent has met with the nonpublic school's principal or the
8 principal's designee to review the school's academic programs and policies,
9 educational programs, code of student conduct, and attendance policies.

10 A scholarship granting organization shall verify the contents of the application,
11 determine if the student is eligible as provided in section 6 of this Act, and verify with the
12 department that the student is not enrolled in a school district. The scholarship granting
13 organization shall notify the department and the acting parent if the student is awarded a
14 scholarship.

15 Upon notification from the scholarship granting organization that a student has
16 been awarded a scholarship, the department shall release the student's scholarship funds
17 to the organization. The scholarship granting organization shall create an account for the
18 student and deposit the student's scholarship funds received from the department into
19 the student's account.

20 Prior to submitting any invoice of eligible expenses, the acting parent shall sign an
21 agreement with the organization affirming that scholarship funds will only be used for
22 eligible expenses.

23 The acting parent shall submit an invoice of eligible expenses incurred on the
24 student's behalf to the scholarship granting organization for reimbursement. The
25 organization shall release funds from the student's account for eligible expenses invoiced
26 by the acting parent.

27 To renew the scholarship under this section, the acting parent must annually apply
28 to the scholarship granting organization on a date established by the organization and
29 sign a sworn compliance statement affirming that scholarship funds have only been used
30 for eligible expenses.

31 **Section 9. That a NEW SECTION be added to title 13:**

32 To receive a scholarship for a student attending a public school, an acting parent
33 shall apply to the department by a date established by the department. The department
34 shall verify the contents of the application and determine if the student is eligible as

1 provided in section 6 of this Act. The department shall notify the acting parent if the
2 student is awarded a scholarship.

3 Prior to submitting any invoice of eligible expenses, the acting parent shall sign an
4 agreement with the department affirming that scholarship funds will only be used for
5 eligible expenses.

6 The acting parent shall submit an invoice of eligible expenses incurred on the
7 student's behalf to the department for reimbursement. The department shall release funds
8 for eligible expenses invoiced by the acting parent.

9 To renew the scholarship under this section, the acting parent must annually apply
10 to the department on a date established by the department and sign a sworn compliance
11 statement affirming that scholarship funds have only been used for eligible expenses.

12 **Section 10. That a NEW SECTION be added to title 13:**

13 Section 7 of this Act notwithstanding, scholarship funds may not be used to
14 reimburse a group or residential treatment center for standard education provided to
15 students in a group or residential treatment setting.

16 **Section 11. That a NEW SECTION be added to title 13:**

17 An acting parent may be reimbursed for eligible expenses during any single school
18 year until June thirtieth of the applicable school year, or until:

19 (1) The student graduates from high school or reaches age twenty-two, whichever
20 occurs first; or

21 (2) The scholarship balance is expended.

22 The department may deny or revoke a student's scholarship due to fraud, abuse,
23 or noncompliance by an acting parent with any of the requirements of this chapter.

24 Any scholarship funds remaining on June thirtieth of the applicable school year
25 revert to the state.

26 **Section 12. That a NEW SECTION be added to title 13:**

27 A nonpublic school is eligible to participate in the program if the nonpublic school:

28 (1) Operates within the boundaries of this state, or on a federally recognized Indian
29 reservation within the boundaries this state;

30 (2) Is accredited by the department;

31 (3) Provides education to elementary or secondary students; and

1 (4) Notifies a scholarship granting organization of its intention to participate in the
2 program and comply with the program requirements.

3 An eligible nonpublic school shall provide a scholarship granting organization the
4 documentation required by the organization for a student's participation, including the
5 nonpublic school and student's fee schedules, at least thirty days before any
6 reimbursement is made for the student.

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

8 A scholarship granting organization shall:

9 (1) Receive applications, determine student eligibility, award scholarships, and notify
10 acting parents of scholarship awards;

11 (2) Submit the list of students awarded scholarships and related documentation to the
12 department;

13 (3) Submit an annual report to the department, by a date determined by the
14 department, which must include the number of scholarship recipients; the
15 demographics of scholarship recipients; the expended scholarship amount per
16 student; the total expenditures of scholarship awards; and any other information
17 deemed necessary by the department;

18 (4) Submit any information requested by the department relating to the program; and

19 (5) Notify the department of any violation of this chapter by an acting parent or
20 nonpublic school.

21 A scholarship granting organization may request an amount for administrative
22 expenses associated with performing functions under this chapter based on the total
23 amount of scholarships awarded by the organization.

24 **Section 14. That a NEW SECTION be added to title 13:**

25 The department shall:

26 (1) Notify a scholarship granting organization of the deadlines for submitting the list
27 of students determined to be eligible to verify that each student is not enrolled in
28 a school district; and

29 (2) Compensate a scholarship granting organization for administrative expenses
30 associated with performing functions under this chapter, based on the total amount
31 of scholarships awarded by the organization.

32 **Section 15. That a NEW SECTION be added to title 13:**

- 1 The department shall promulgate rules, pursuant to chapter 1-26, to:
2 (1) Establish the procedure and conduct of administrative hearings related to
3 contested actions made by the department;
4 (2) Establish guidelines and criteria for approval of applications; and
5 (3) Establish guidelines and criteria for approval of expenses and distribution of funds.

6 **Section 16. That a NEW SECTION be added to title 13:**

7 No liability shall arise on the part of the state based on the award or use of a
8 scholarship from the program.

9 **Section 17. That a NEW SECTION be added to title 13:**

10 The inclusion of eligible nonpublic schools in the program does not expand the
11 regulatory authority of the state, its officers, or any school district to impose any additional
12 regulation of nonpublic schools beyond those reasonably necessary to enforce
13 requirements expressly set forth in this chapter.

14 **Section 18.** This Act is repealed July 1, 2026.

15 **Section 19.** Whereas, this Act is necessary for the support of the state government and its
16 existing public institutions, an emergency is hereby declared to exist, and this Act shall be in
17 full force and effect from and after its passage and approval.