

SOUTH DAKOTA BOARD OF REGENTS

Academic and Student Affairs

AGENDA ITEM: 6 – A
DATE: December 13-14, 2023

SUBJECT

**Revised BOR Policy 3.6.1 – Scholarships, Grants, and Loans (Formerly Policy 3:15)
(Second Reading)**

CONTROLLING STATUTE, RULE, OR POLICY

BOR Policy 3:15 – Scholarships, Grants, and Loans

BACKGROUND / DISCUSSION

The South Dakota Board of Regents is deploying a new policy management solution. With this implementation, BOR academic staff have been evaluating BOR Policy 3.6.1 (formerly Policy 3:15). This policy requires substantial modifications due to historical and current changes in the management of the scholarships; therefore, the new draft presented in Attachment I will replace the old version.

The following modifications include:

1. Update to the current BOR policy template;
2. Update to the current BOR Policy formatting in all sections;
3. Addition of definitions to better accommodate internal and external stakeholders;
4. Inserted policy statements and expectations;
5. Addition of the following sections:
 - a. Endowed Scholarships Managed by the Board of Regents,
 - b. Legislated Scholarships Managed by the Board of Regents,
 - c. Other Scholarships Managed by the Board of Regents, and
 - d. Regental Institution Managed Scholarships;
6. Insertion of OurDakotaDreams in all of the BOR Managed Scholarships; and
7. Removal of language in SDCL or ARSD and referred to those rules, laws
8. Addition of language to allow 100% housing scholarships for institutions achieving a coverage ratio of 1.40 in the most recent Auxiliary System review.

No changes other than formatting were made to the reporting and the graduate research sections of this policy draft.

(Continued)

DRAFT MOTION 20231213_6-A:

I move to approve the second and final reading of the proposed new draft of BOR Policy 3.6.1, as presented.

Revised BOR Policy 3.6.1 (Formerly Policy 3:15)

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IMPACT AND RECOMMENDATION

The Academic Affairs Council (AAC) and the Student Affairs Council (SAC) have reviewed the draft policy revisions for approval at the Board of Regents meeting. This is the second reading of the proposed new draft of this policy. A revision has been made since the first reading at the October 2023 BOR meeting and is highlighted **yellow** within Attachment I.

BOR Academic staff supports the recommendation of approving BOR Policy 3.6.1.

ATTACHMENTS

Attachment I – Proposed New Draft of BOR Policy 3.6.1 – Scholarships, Grants, and Loans

SOUTH DAKOTA BOARD OF REGENTS

Policy Manual

SUBJECT: Scholarships, Grants, and Loans

NUMBER: 3.6.1

A. PURPOSE

The purpose of this policy is to inform internal and external stakeholders on the number of scholarships supported through the Board of Regents as well as specific Regental policies in reference to institutional scholarships.

B. DEFINITIONS

1. **Endowed Scholarships:** A donor privately funded scholarship.
2. **Graduate Research Assistant and Fellow:** Graduate research assistant and fellow shall be defined as graduate assistant or fellow whose assigned duties are primarily research activities and who meet the eligibility requirements contained in BOR Policy 5.22.
3. **Legislative Scholarships:** A state funded scholarship.
4. **Cumulative Grade Point Average:** A calculation of the student's grape point average based on all credits earned by the student (transfer credit plus earned non-regental or regental institution credit).
5. **General Activity Fee (GAF):** The general activity fee is a mandatory fee that supports student functions related to the co-curricular activities and operations and payment of debt incurred for the construction, maintenance, repair, and equipping of student unions, athletic facilities, and wellness facilities as approved by the Board.
6. **Major Program of Study:** An academic major or primary area of study within a degree program.
7. **Non-Regental Institutions:** Those public and private colleges and universities not part of the Board of Regents with the state of South Dakota.
8. **Regental Institutions:** Defined as one of the six (6) public universities: Black Hills State University, Dakota State University, Northern State University, South Dakota School of Mines and Technology, South Dakota State University, and the University of South Dakota.
9. **Regental System:** Defined to incorporate the six public institutions (universities) and the two special schools.
10. **Student Classification:** Student classification refers to one of the four undergraduate years: freshman, sophomore, junior, and senior. Student classification is based on transferred and earned credit hours.

C. POLICY STATEMENTS AND STANDARDS

1. Board of Regents Policy 1.1.1, 1.1.2 and SDCL § 13-49 through § 13-53 provides the authority to govern the Regental system.
2. The Board of Regents Executive Director will create a scholarship committee to be managed by the board academic staff for the appropriate endowed scholarships.
3. The Board of Regents academic staff will supervise and manage all Board of Regent managed scholarship processing through the information system and technology solutions.
4. The Board of Regents academic staff will audit and ensure the Board of Regents managed scholarships comply with the rules of the designated scholarship (including financial auditing, student roster auditing, etc.).
5. The Board of Regents academic staff will develop and disseminate guidelines on the administration of the Board of Regents managed scholarships to the appropriate non-regental and regental institution, board, or any other stakeholder that is engaged in the processing of the scholarships.
6. The Regental institutions shall comply with federal, state, and local rules, laws, and policies as it relates to the management of their scholarships, reporting, and fund allocation requirements.

D. ENDOWED SCHOLARSHIPS MANAGED BY THE BOARD OF REGENTS

Scholarships established through agreements between the Board of Regents and donors of funds shall be administered by the Executive Director.

1. Ardell Bjugstad Scholarship

The Ardell Bjugstad Scholarship program was established to benefit members of federally recognized tribes whose reservations are in either North Dakota or South Dakota. Eligibility for this scholarship includes entering freshman classification for residents of North Dakota or South Dakota enrolled in a federally recognized tribe (in North Dakota or South Dakota). The major program of study must be in agribusiness, agriculture production, agricultural sciences, or natural resources degree at any postsecondary institution. (U.S. Department of Education CIP 01 or 03). An approved scholarship committee assigned by the Executive Director, Board of Regents, shall recommend a recipient to the Board, which shall make the final selection. More information may be found: OurDakotaDreams.

2. Annis Irene Fowler/Kaden Scholarship

The Annis Irene Fowler/Kaden Scholarship was initiated to promote the education of deserving first-time students who enroll on a full-time basis at a South Dakota public university providing teacher education majors specific to elementary education with a 3.0 cumulative high school grade point average or higher. An approved scholarship committee assigned by the Executive Director, Board of Regents, shall recommend a recipient to the Board, which shall make the final selection. Selection shall be based on the rules of the endowment. More information may be found: OurDakotaDreams.

3. Haines Memorial Scholarship Program

The Haines Memorial Scholarship Fund was established to benefit South Dakota public higher education and its teaching students by providing scholarships of an amount sufficient to make a substantial contribution toward the recipient student's college expenses. Eligibility for this scholarship includes a continuing student (classification of sophomore, junior, senior) with a minimum of cumulative grade point average of 2.5 and pursuing a major of study leading to a teaching certificate. An approved scholarship committee assigned by the Executive Director, Board of Regents, shall recommend a recipient to the Board, which shall make the final selection. More information may be found: OurDakotaDreams.

4. Marlin R. Scarborough Board of Regents Memorial Scholarship

The Marlin R. Scarborough Board of Regents Memorial Scholarship is awarded in the spring to a student who shall be a junior at a Regental institution in the fall. Eligibility for this scholarship includes a cumulative 3.5 grade point average or higher. An approved scholarship committee assigned by the Executive Director, Board of Regents, shall recommend a recipient to the Board, which shall make the final selection. Selection shall be based on the rules of the endowment. More information may be found: OurDakotaDreams.

E. LEGISLATED SCHOLARSHIPS MANAGED BY THE BOARD OF REGENTS

The Legislature has established scholarship programs for the benefit of South Dakota residents.

1. South Dakota Opportunity Scholarship

The South Dakota Legislature authorized the Regents Scholarship Program in 2003 to allow South Dakota's most academically accomplished high school graduates to receive an affordable education at any regental or non-regental institution in South Dakota that is accredited by the Higher Learning Commission of the North Central Association of Colleges and Schools. In 2004, the Legislature renamed the scholarship the South Dakota Opportunity Scholarship and authorized funding from the state of South Dakota. South Dakota Codified Law and Administrative Rules govern the eligibility, funding, and selection criteria required. South Dakota Board of Regents manages and administers this scholarship for the state of South Dakota. More information may be found: OurDakotaDreams.

The Board of Regents academic staff manage this scholarship through their information technology systems and require documentation by both non-regental and regental institutions. Management includes auditing of the scholarship.

2. Critical Teaching Needs Scholarship

Established during the 2013 Legislative Session, the purpose of the program is to encourage South Dakota's high school graduates to obtain their postsecondary education in South Dakota for teaching, to remain in the state upon completion of their education, and to contribute to the state and its citizens by working in a critical need teaching area. Eligibility for this scholarship includes both non-regental and regental institutions that are

accredited by the Higher Learning Commission of the North Central Association of Colleges and Schools. The Board of Regents academic staff working with the Critical Teaching Needs Scholarship Board shall approve the application process, select the qualified candidates, and approve. Selection shall be based on the rules of the scholarship as defined in South Dakota Codified Law. More information may be found: OurDakotaDreams.

3. Needs-Based Scholarship

The 2013 SD Legislature approved the appropriation of funding for a need-based grant fund. South Dakota Codified Law manages the overall requirements of this scholarship (SDCL 13-55A). Eligibility for this scholarship includes both non-regental and regental institutions that are accredited by the Higher Learning Commission of the North Central Association of Colleges and Schools. This needs-based scholarship is based on the financial need of the applicant. Required paperwork to establish the financial need is required. More information may be found: OurDakotaDreams.

4. Jump Start Scholarship

During the 2011 Session, the Legislature approved the creation of the Jump Start Scholarship program which is designed to provide a student who graduates from a public high school in three years or less to receive a scholarship funded with a portion of the money saved by the state in state aid to education funding pursuant to chapter 13-13. Eligibility for this scholarship includes both non-regental and regental institutions that are accredited by the Higher Learning Commission of the North Central Association of Colleges and Schools. Students must complete the requirements defined by the Board of Education pursuant to South Dakota Codified Law §13-1-12.1. The Board of Regents academic staff shall manage this scholarship in accordance with South Dakota Codified Law. More information may be found: OurDakotaDreams.

F. OTHER SCHOLARSHIPS MANAGED BY THE BOARD OF REGENTS

Private **and/or** other funded scholarships programs have been developed for the benefit of South Dakota residents.

1. Dakota Corp Scholarship

Governor Rounds developed this scholarship to encourage South Dakota's high school graduates to obtain their post-secondary education in South Dakota, remain in the state upon completion/graduation, and contribute to the state of South Dakota and its citizens by working in a critical need occupation. Eligibility for this scholarship includes both non-regental and regental institutions that are accredited by the Higher Learning Commission of the North Central Association of Colleges and Schools. The Board of Regents academic staff working with the Dakota Corp Scholarship Board shall approve the application process, define the rules, select the qualified candidates, and approve. More information may be found: OurDakotaDreams.

2. Veterinary Medicine Tuition Assistance Program

SDCL § 13-49-20.5 authorizes the Board to establish a tuition assistance program for South

Dakota residents who have been admitted to accredited institutions of higher education in a course of veterinary medicine. The awarding process is managed through South Dakota State University and must comply with Board of Regents rules, state law and administrative rules. The requirements, application, selection, funding, and awarding process shall be outlined in the Student Affairs Guidelines.

G. ATHLETIC RELATED STUDENT AID

Athletically related student aid means any scholarship, grant, or other form of financial assistance the terms of which require the recipient to participate in a program of intercollegiate athletics to be eligible to receive such assistance. (Pub. L. 101-542, The Student Right to Know and Campus Security Act). Regental institutions shall adhere to the policies governing athletically related student aid promulgated by the appropriate governing conference or national association. The Board may review governing conference or national association policies or adopt additional policies governing athletically related student aid at its discretion.

1. Funding

Athletic scholarships may be funded from athletic gate receipts, athletic sponsorships, athletic broadcasting agreements, athletic guarantees, athletic commissions, advertising revenue, facility rentals, extra-curricular concession profits, vending profits, business related profits except for the Auxiliary System, trademark royalties, camp profits, ticket sales, late payment fees, tuition remission and donations.

2. Reporting

All fund sources used for athletic scholarships must be tracked and reported to the Board on an annual basis.

H. REGENTAL INSTITUTIONAL MANAGED SCHOLARSHIPS

Regental institutions may provide need or merit-based scholarships at their university.

1. Rules

Each Regental institution will document the rules, application eligibility, selection, and awarding process at their respective university and for the applicable scholarships.

2. Funding

Regental institution scholarships awarded on a need or merit basis may be funded from advertising revenue, facility rentals, extra-curricular concession profits, vending profits, business related profits except for the Auxiliary System, trademark royalties, camp profits, ticket sales, late payment fees, tuition remission, and donations.

2.1. Vending Machine Income

The profits from vending machine income shall accrue to the benefit of the students. These benefits could be in the form of: (a) Scholarships; (b) Student loan funds; and (c) Special student activities. Whenever vending machines are operated in essentially

employee areas, the profits may be used for the benefit of these groups upon the President's written approval.

3. Residence Life Scholarships

The Regental institutions may offer residence hall scholarships per year valued at 50% of the current double occupancy resident rate. The residence hall system shall be reimbursed the total of the residence hall fees waived from GAF (General Activity Fee) and tuition generated from the students receiving the scholarship.

Provided a Regental Institution generated a coverage ratio of at least 1.40 in the most recent Auxiliary System review, said university may offer up to 100% of the current double occupancy rate as a housing scholarship with the cost covered by the Auxiliary System.

4. Reporting

All fund sources used for Regental institution scholarships must be tracked and reported to the Board on an annual basis.

I. GRADUATE RESEARCH ASSISTANT AND FELLOW RELATED STUDENT AID

Graduate research assistant and fellow related student aid means any stipend, grant, tuition remission or other form of financial assistance given to a graduate research assistant or fellow in exchange for their service as a graduate research assistant or fellow.

The Board may adopt additional policies governing graduate research assistant and fellow related student aid at its discretion.

1. Rules

Each Regental institution will document the rules, application eligibility, selection, and awarding process at their respective university and for the applicable graduate research assistant and fellow programs.

Notwithstanding the foregoing, externally funded graduate research assistants and fellows shall be administered in accordance with the terms and conditions imposed by the external funding source.

2. Funding

Graduate research assistant and fellow related student aid may be funded from Facilities and Administration (F&A) receipts (sometimes called indirect or overhead receipts) generated from grants or contracts.

3. Reporting

All fund sources used for Regental institution scholarships must be tracked and reported to the Board on an annual basis.

FORMS / APPENDICES:

None

SOURCE:

BOR April 1990; March, 1991; June, 1988; June 1984; 1988; SDCL 13-55-1, 1975; 1984 Legislation; SDCL 13-55-14, 1990; SDC: 13-49-20.5; P.L. 101-542; BOR December 1992; October 1998; December 1999; June 2003; June 2004; December 2007; December 2010; December 2012; October 2014; December 2014; March-April 2016; **BOR December 2023.**

DRAFT