

Synopsis: The Legislature first authorized a state scholarship program in 2003 for South Dakota’s most academically accomplished high school graduates to receive an affordable education at any regionally accredited university, college, or technical school in the state. In 2004, the Legislature renamed the scholarship the South Dakota Opportunity Scholarship and started funding it from state trust funds, beginning with high school graduating classes in 2004. We now have four years of experience with the Opportunity Scholarship program. It is working—more students take a core curriculum and stay in South Dakota for their higher education. In order to keep this scholarship competitive and attractive to prospective students, several changes in the scholarship law are needed.

What are the Proposed Changes to the Opportunity Scholarship Program?

1. Change the eligibility requirements from the Regents’ Scholar curriculum to the state’s new Distinguished High School Graduation curriculum.

Impact: These two curricula are now nearly identical, with the South Dakota Department of Education’s Distinguished High School Graduation requirements adding .5 unit of Economics or Personal Finance, .5 unit of Health or Physical Education, and 2.5 units of electives. All other requirements remain the same.

Reason for Change: High schools are familiar with the state’s graduation requirements, and the “distinguished” designation already is placed on transcripts of students whose coursework qualifies. The distinctions between the distinguished and scholarship (SDOS) tracks are identified below:

<i>South Dakota Department of Education Distinguished Graduation Requirement Comparison</i>			
<i>Course Requirements</i>	<i>DOE Units</i>		<i>SDOS Units</i>
<i>English/Reading and Communication Arts</i>	4.0		4.0
<i>Social Studies</i>	3.0		3.0
<i>Mathematics (Algebra I or Higher)</i>	4.0		4.0
<i>Science (Minimum of 3 Units of Lab Science)</i>	4.0		4.0
<i>Fine Arts</i>	1.0		1.0
<i>Health or Physical Education</i>	0.5		**
<i>Economics or Personal Finance</i>	0.5		**
<i>World Languages (2 Years Same Language)</i>	2.0		2.0
<i>Computer Studies</i>	0.5		0.5
<i>Electives</i>	2.5		**
<i>Comprehensive Total Units</i>	22.0		18.5

2. Change the continuing eligibility requirement from 15 hours a semester to 12 hours a semester.

Impact: This would reduce the course-load requirement and eliminate the many appeals received for exemption from this requirement.

Reason for Change: This would make the Opportunity Scholarship's credit-load requirement consistent with the federal government's financial aid requirement of 12 hours a semester. Several academic disciplines (engineering, nursing, pharmacy, and education) have requirements less than the 15 credit-hour load in some semesters. This is due largely to clinical and practicum experiences. Students transferring back to South Dakota from other states also would more likely qualify.

3. Extend scholarship eligibility for a full four years, regardless of whether the student has already graduated with a certificate or two-year degree.

Impact: Students who have already completed a certificate (generally a one-year program) or an associate degree (two-year program) could continue their scholarship eligibility for up to a full four years.

Reason for Change: Students with these kinds of talents should be encouraged to complete a four-year degree if they have the interest.

4. Increase the value of the scholarship to \$6,000 over four years.

Impact: The scholarship amount would be increased by 20 percent. For years 1 through 3 the amount would change from \$1,000 to \$1,200; for year 4 it would go from \$2,000 to \$2,400. The anticipated funding for next year of \$3.8 million would increase to \$4.6 million.

Reason for Change: National data indicate that the rate of inflation has increased by an average of 2.7 percent since the Opportunity Scholarship program was first envisioned seven years ago. More specifically, since that time the buying power of the \$1,000 scholarship has decreased by 19 percent. As a result, recipients in 2008 will only be provided about \$813 in actual purchasing power toward college expenses.

Actual Purchasing Power of the Opportunity Scholarship Based on Inflation Trends

