

**SOUTH DAKOTA BOARD OF REGENTS**

**Full Board**

**AGENDA ITEM: 17**

**DATE: October 8-9, 2014**

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**SUBJECT: Revisions to BOR Policy 3:15 – Scholarships, Grants and Loans**

The Research Affairs Council discussed amending BOR Policy 3:15 to allow for the utilization of F&A receipts (sometimes called indirect or overhead receipts) to fund graduate research assistants and fellows at its [July 2014](#) and [December 2013](#) meetings. In summary, when an institution expends funds to cover the cost of tuition and fees, including tuition remission, that activity is designated as a “scholarship.” BOR Policy 3:15 specifies the allowable funding sources for scholarships, which does not include Facilities and Administration (F&A) receipts. Additionally, when an institution obtains F&A receipts they are subsumed by the institution, in effect becoming funds of the institution. Consequently, without a change in BOR Policy, the utilization of such funds to cover scholarships would constitute tuition discounting, which is prohibited.

The recommended changes were initially discussed and approved by RAC at its July meeting and vetted by BAC at its August meeting. BAC recommended a few minor modifications, which were incorporated and approved by RAC at its August meeting. COPS members should be prepared to discuss any campus specific issues or concerns regarding the recommended changes to BOR Policy 3:15.

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**RECOMMENDED ACTION OF THE EXECUTIVE DIRECTOR**

Approve the proposed changes to BOR Policy 3:15 set forth in Attachment I.

**SOUTH DAKOTA BOARD OF REGENTS****Policy Manual**

**SUBJECT:** Scholarships, Grants, and Loans

**NUMBER:** 3:15

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**1. System Scholarship Committee**

The system scholarship committee shall consist of one member from each university's general scholarship committee. The member from each institution shall be appointed by the President for a three year term.

- A. The Committee shall recommend recipients of system scholarships to the Board through the Executive Director.
- B. The Committee shall develop the processes and forms required to implement the system scholarships according to the agreements between the Board and donors of funds. The process and forms shall be standardized to the extent possible.
- C. The Committee shall advise the Executive Director, the Board, donors and groups involved in managing individual system scholarships.
- D. The Committee shall select new students to be accepted into the Veterinary Medicine Tuition Assistance program. (SDCL § 13-49-20.5)

**2. Endowed Scholarships**

Scholarships established through agreements between the Board of Regents and donors of funds shall be administered by the Executive Director. Information about the scholarships is available from the Executive Director.

**A. Ardell Bjugstad Scholarship**

The Ardell Bjugstad Scholarship program was established to benefit members of federally recognized tribes whose reservations are located in either North Dakota or South Dakota.

- 1) Eligibility is limited to entering freshmen who are
    - a. residents of North Dakota or South Dakota;
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- b. enrolled members of a federally recognized tribe whose reservation is located in either North Dakota or South Dakota;
  - c. pursuing studies directly leading to an agribusiness, agricultural production, agricultural sciences, or natural resources degree at any postsecondary institution. (U.S. Department of Education CIP 01 or 03).
- 2) The system scholarship committee shall recommend a recipient to the Board, which shall make the final selection.

**B. Annis Irene Fowler/Kaden Scholarship**

The Annis Irene Fowler/Kaden Scholarship was initiated to promote the education of deserving students who enroll on a full-time basis at a South Dakota public university providing teacher education majors.

- 1) Eligibility is restricted to persons who:
- a. select elementary education as their major field;
  - b. have at least a 3.0 cumulative high school grade point average;
  - c. are entering the university for the first time.
- 2) Selection of the recipient shall be based on:
- a. high school grade point average;
  - b. an analysis of the difficulty of the high school course of study pursued;
  - c. two letters of recommendation from high school staff; and,
  - d. an essay, of at least one thousand but not more than one thousand five hundred words in length, written on a topic selected for the purposes of the scholarship competition.
- 3) The system scholarship committee shall rate the applicants and recommend a recipient using the procedures specified in the agreement establishing the scholarship.

**C. Haines Memorial Scholarship Program**

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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.

- 1) Eligibility is limited to students:
  - a. with a minimum cumulative grade point average of 2.5;
  - b. registered in residence as sophomores, juniors, or seniors, and,
  - c. pursuing studies directly leading to a teaching certificate.
- 2) The system scholarship committee shall recommend a recipient or recipients to the Board, which shall make the final selection.

**D. 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 university in the Fall.

- 1) Criteria
    - a. Students at all public universities in South Dakota are eligible to apply for this scholarship.
    - b. Applicants are to be of junior standing at their public university in South Dakota at the time they receive the funding from this scholarship.
    - c. Applicants must have a 3.50 grade point average (4.00 = A) for work completed at the time this application is submitted.
    - d. The emphasis on selecting the awardee for this scholarship is based on academic and leadership potential.
  - 2) Candidates shall submit an essay describing their qualifications to the designated university selection committee.
  - 3) Each university shall nominate one student.
  - 4) The system scholarship committee shall recommend a recipient to the Board, which shall make the final selection. The scholarship committee shall recommend an alternate who, upon selection by the Board, shall receive the award in the event that the recipient fails to enroll in a Regental institution or does not maintain a 3.5 cumulative grade point average.
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### 3. Legislated Scholarships

The Legislature has established scholarship programs for the benefit of South Dakota residents. The programs shall be administered as provided in the legislation.

#### A. Richard Hagen-Minerva Harvey Memorial Scholarship Program

The Richard Hagen-Minerva Harvey Memorial Scholarship Program is established by SDCL §§ 13-55-37 to 13-55-46 and is administered by the Richard Hagen-Minerva Harvey Memorial Scholarship Board, under rules adopted by, and with administrative support from, the South Dakota Department of Education.

- 1) Eligibility is limited by SDCL § 13-55-39 to persons who:
    - a. attend or have graduated from a South Dakota accredited high school;
    - b. have met high school graduation requirements established by rules promulgated pursuant to chapter 1-26 by the Department of Education or be enrolled in a course of study such that upon graduation, the student will have met high school graduation requirements established by rules promulgated pursuant to chapter 1-26 by the Department of Education;
    - c. provide evidence to the board that the student has been accepted to attend a public or nonpublic accredited university, college, or technical institute located in South Dakota;
    - d. apply for a Richard Hagen-Minerva Harvey memorial scholarship within five years after graduating from high school or within one year of the student's release from active duty with an active component of the armed forces if the release is within five years of the student's graduation from high school; and
    - e. be an enrolled member of a tribe whose reservation is located in whole or in part in South Dakota.
  - 2) Pursuant to ARSD § 24:40:12:03, when recipients from among eligible applicants, the Richard Hagen-Minerva Harvey Memorial Scholarship Board gives preference to those individuals whose achievements suggest a commitment to learning and leadership. Such considerations may include the following:
    - a. demonstration of leadership potential;
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- b. demonstration of exceptional talent;
  - c. composite score on the test administered by the American College Testing Program;
  - d. high school cumulative grade point average;
  - e. other facts or circumstances that demonstrate high levels of accomplishment, persistence, and drive for success.
2. In order to maintain eligibility, a student who has been awarded a Richard Hagen-Minerva Harvey memorial scholarship shall:
- a. maintain a cumulative 2.5 grade point average on a 4.0 grade point scale;
  - b. be continuously enrolled for the fall and spring semesters in a public or nonpublic accredited university, college, or technical institution;
  - c. complete the equivalent of at least fourteen credit hours of instruction per semester; and
  - d. enroll in a public or nonpublic accredited university, college, or technical institution no later than the fall semester after the scholarship has been awarded.

If factors beyond the control of a student who has been awarded a Richard Hagen-Minerva Harvey memorial scholarship prevent the student from meeting the requirements in this section, the board may temporarily waive the requirements of this section as eligibility criteria. The board may rescind a scholarship award if the student does not maintain eligibility as prescribed by this section.

3. The Richard Hagen-Minerva Harvey Memorial Scholarship Program is funded through the earnings of a trust established for this purpose. The Richard Hagen-Minerva Harvey Memorial Scholarship Board determines annually the number of scholarships to be awarded, or to be re-awarded in the event that a holder loses eligibility. Scholarship award payments are to the institution at the beginning of the fall or spring semester on behalf of the eligible student who has received a Richard Hagen-Minerva Harvey memorial scholarship. The amount of the award is as follows:
- a. not less than one thousand dollars for the first year of attendance;
  - b. not less than one thousand dollars for the second year of attendance;
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- c. not less than one thousand five hundred dollars for the third year of attendance; and
- d. not less than two thousand five hundred dollars for the fourth year of attendance.

#### **4. Veterinary Medicine Tuition Assistance Awards**

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.

- A. Veterinary tuition assistance awards may not exceed the difference between the resident and nonresident tuition at the student's institution.
  - B. New applicants for veterinary tuition assistance awards shall complete and submit to the Executive Director:
    - 1) a notarized affidavit of residency form;
    - 2) a veterinary tuition assistance application signed by an appropriate official from the accredited institution verifying that the stated in-state and out-of-state tuition rates are accurate and that the student is classified as a non-resident for tuition purposes; and
    - 3) a signed contract agreeing to:
      - a. complete the undergraduate and graduate veterinary medicine education requirements to become a practicing veterinarian;
      - b. practice veterinary medicine in South Dakota within three years after completion of his veterinary education and maintain that practice for a period of one year for each academic year the student received a veterinary medicine tuition award pursuant to this chapter;
      - c. pay interest on the amount of the tuition assistance at the category A rate of interest specified in SDCL § 54-3-16 to accrue from the time the scholarship is awarded, if the student does not complete the terms of the contract.
  - C. For every year that funds are appropriated, continuing students shall submit a new application signed by an appropriate official from the accredited institution verifying that the stated in-state and out-of-state tuition rates are accurate and that the student is classified as a non-resident for tuition purposes.
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- D. Effective January 1, 1992, new students shall be accepted into the program on a competitive basis, provided that available funding shall permit acceptance of additional award recipients.
- 1) An advisory committee, chaired and appointed by the Executive Director of the Board of Regents, shall consist of:
    - a. the dean of the college of agriculture and biological sciences at South Dakota State University;
    - b. the head of the department of veterinary and biomedical sciences at South Dakota State University;
    - c. the state veterinarian;
    - d. a representative of livestock and dairy producers;
    - e. the president of the state veterinary medical association; and
    - f. one veterinarian who is a member of the state veterinary association.
  - 2) The Executive Director, in consultation with the advisory committee, shall determine the number of new students to be accepted into the program, the criteria for their selection, and the amount of awards available to them.
  - 3) The System Scholarship Committee shall select new students to be accepted into the program according to the criteria determined by the Executive Director in consultation with the advisory committee.
- E. The assistance shall be awarded by semester. Upon approval of the application, an award notice shall be mailed to the recipient from the Board of Regents' Office and a warrant shall be drawn in the name of the institution the student shall be attending. The warrant shall be mailed to the student and must be presented to the institution for partial payment of tuition.
- F. If the state treasurer determines that the recipient of a veterinary medicine tuition award has violated the provisions of the contract, the recipient shall repay the amount of the tuition awards and pay such damages as may be determined by any circuit court in the state in which a civil action may be brought by the state treasurer. If the recipient is required to repay tuition awards and interest, he shall do so no later than five years after the state treasurer has determined a violation of the agreement has occurred. The state treasurer may forgive or defer all or part of the repayment required in this chapter if he determines that special circumstances exist due to the death or disability of the student or due to an extreme hardship which renders the student unable to complete his veterinary education or fulfill his service obligation.
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## **5. Athletically Related Student Aid**

- A. 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 in order to be eligible to receive such assistance. (Pub. L. 101-542, The Student Right to Know and Campus Security Act).
- B. Universities 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.
- C. 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 with the exception of the Auxiliary System, trademark royalties, camp profits, ticket sales and donations.
  - 1) All fund sources used for athletic scholarships must be tracked and reported to the Board on an annual basis.

## **6. General University Scholarships**

General university 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 with the exception of the Auxiliary System, trademark royalties, camp profits, ticket sales and donations.

- 1) All fund sources used for general university scholarships must be tracked and reported to the Board on an annual basis.

## **7. 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.

## **8. Residence Hall Scholarships**

The universities may offer residence hall scholarships per year valued at 50% of the current double occupancy resident rate. The residence hall system shall be reimbursed to the extent that additional GAF and USF fees are generated from the students receiving the scholarship.

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**9. Graduate Research Assistant and Fellow Related Student Aid**

- A. 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.
- B. Graduate research assistant and fellow shall mean any graduate assistant or fellow whose assigned duties are primarily research activities and who meets the eligibility requirements contained in BOR Policy 5:22. The Board may adopt additional policies governing graduate research assistant and fellow related student aid at its discretion.
- C. 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.
- 1) All fund sources used for graduate research and fellow related student aid must be tracked and reported to the Board on an annual basis.
- D. 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.

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, Dec. 1992; October 1998; December 1999; June 2003; June 2004; December 2007; December 2010; December 2012; and October 2014.

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