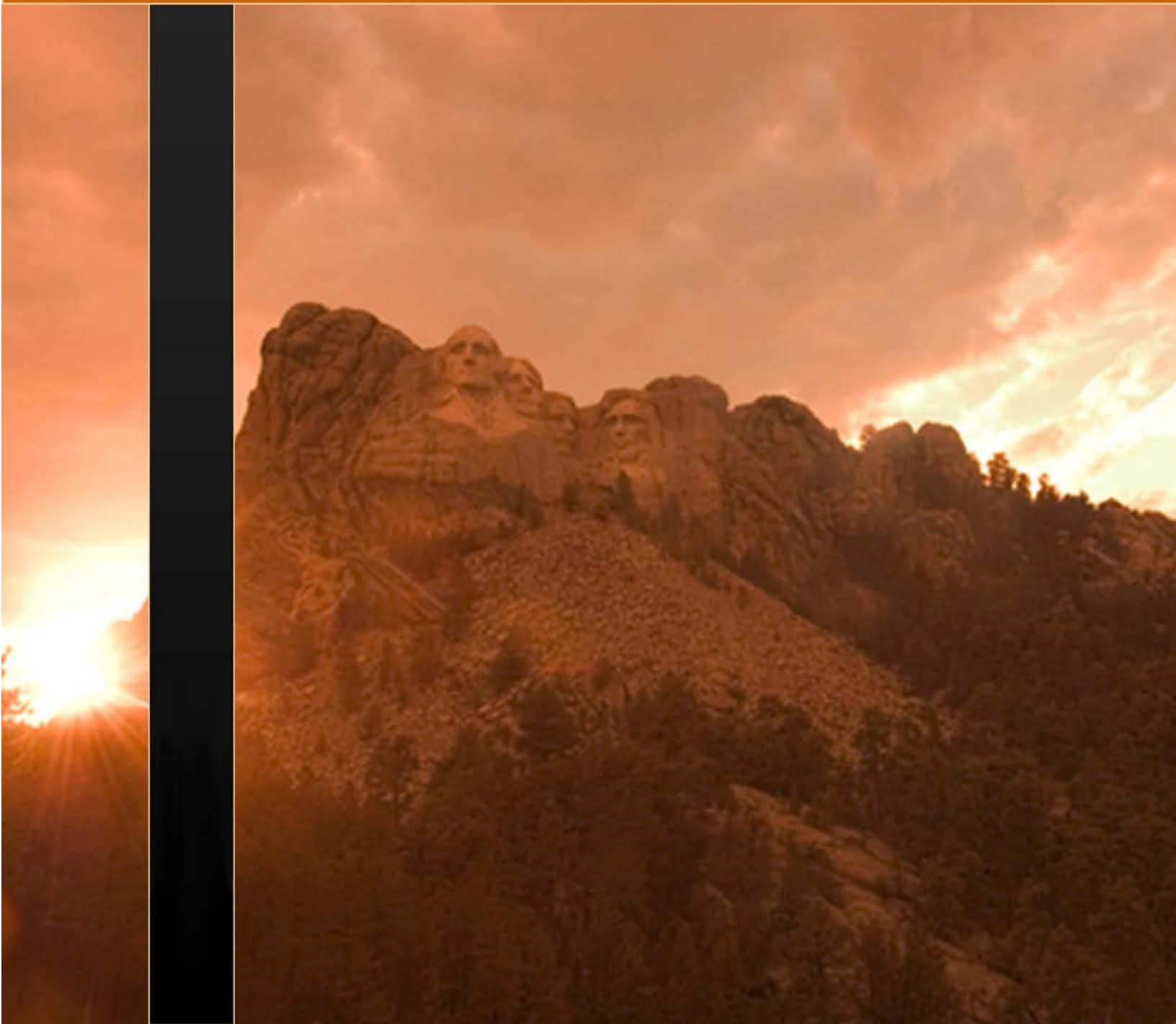


2012 Annual Report

South Dakota Opportunity Scholarship





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Additional copies of this report are available by contacting:

South Dakota Board of Regents
306 East Capital Avenue, Suite 200
Pierre, SD 57501
605-773-3455
info@sdbor.edu
<http://www.sdbor.edu>

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Executive Summary

The South Dakota Legislature authorized the development of the Opportunity Scholarship program in 2003 to provide financial support to South Dakota high school graduates who pursue their postsecondary careers in the state. Beginning with the 2004 graduating class, those students who obtained a 24 or higher on the ACT, and completed the Regents Scholar curriculum were eligible to receive up to \$5000 in funding during their four years of college. The purpose for the program was to encourage students to complete a rigorous high school curriculum and remain in the state to pursue their postsecondary education. The *South Dakota Opportunity Scholarship Annual Report* is designed to provide a comprehensive overview of the program during its eighth year.

Program Overview

A total of 8,577 South Dakota high school graduates have established initial eligibility in the scholarship program since the first cohort began during the Fall 2004 semester. A total of 828 recipients became eligible during the first semester, and the program has experienced a 48% increase in enrollments during the past eight years. The largest percentage increase occurred between the 2006-07 and 2007-08 academic years when the number of Fall recipients increased by 16%. This past year the program experienced a 4% increase after last year's slight drop in enrollment growth. The largest number of recipients enrolled during the most recent Fall 2011 semester.

South Dakota State University has enrolled the most SDOS recipients during

each year of the program (40%), followed by USD, SDSMT, Augustana, BHSU and NSU who accounted for more than 87% of all recipients. Engineering emerged as the most common major (10.2%), followed by Biological Sciences (8.4%), Nursing (5.3%), Humanities (5.1%), and Business/Business Administration (4.9%). Overall, Opportunity Scholarship recipients are more likely to enroll in majors resulting in career areas such as medicine, science, mathematics, engineering, and business.

Continuing Eligibility Status

Students can lose their eligibility for six reasons which include: 1) temporarily falling below the required GPA; 2) falling below the required credit hours; 3) falling below the required credit hours and failing to meet established GPA requirements; 4) withdrawing/transferring out of the program; 5) failure to pass the Collegiate Assessment of Academic Proficiency (CAAP) exam; and/or 6) graduation. When examining the eligibility of the cohort of recipients who entered during the 2004-05 academic year, a total of 56% (469 out of 840) were able to maintain eligibility into the final semester. This percentage increased slightly for the 2005-06 cohort with 59% maintaining eligibility until the final term (502 out of 858), decreased for the 2006-07 cohort (56% or 552 out of 983), but then increased again for the 2007-08 cohort (57% or 664 out of 1,167).

Of the 4,728 recipients who have established initial eligibility since the 2008-09 academic year, a total of 1,150 students have failed to meet the continuing eligibility requirements. For these cohorts, the largest

majority has failed to meet GPA requirement (55%), followed by those who fell below the required credit hours (19%), withdrew (17%), the GPA & credit hour requirements (10%), or graduated (.1%). Eligibility trends for each of the cohorts indicate that an average of 76% of recipients are able to maintain eligibility into the second year of the program. This declined to 62% when examined at the start of the third year, and only 60% have been able to sustain eligibility into their final year.

Student ACT and high school GPA continue to serve as strong predictors for student continuing eligibility. Thirty-nine percent of those students with an ACT of 24 have lost eligibility, with those students who scored a 30 or higher on the ACT having at least a 77% likelihood of maintaining eligibility into their second, third or fourth year of funding. Students obtaining a 4.00 GPA in high school have maintained eligibility 85% of the time, and only 55% have remained eligible if they had achieved the baseline threshold required for the program (3.24-3.00 GPA).

State statute has granted the Executive Director of the Board of Regents the authority to grant exceptions from the continuing eligibility requirements when good cause is shown. As of January 1, 2012 a total of 1,052 exemption requests have been received from students in the first eight cohorts. One-Hundred and forty-three exemption requests have been denied, and 909 requests have been granted for students across seventeen institutions. The most common exemption waiver has been granted for students' inability to meet *Credit Hour* requirements (87%). In addition to these six waiver classifications, six justifications have been attributed to student appeals for exemptions from the Executive Director. Sixty-five percent of the exemptions were

granted because of student *Program of Study Requirements*, with a majority of these waivers granted for students not meeting the Credit Hour Requirements. Considerable growth has also occurred in the number of exemption requests received by the executive director. A total of 34 requests were received during the 2005-06 academic year. This number doubled to 78 in 2006-07, and then tripled in 2007-08 to 234 exemption requests. In 2010 the number rose to 343; however, as a result of Senate Bill 125 in 2010, the new set of credit hour thresholds have significantly reduced the total number of exception request submitted each year. Fewer than 40 were process this past year resulting in a decline of almost 89%.

Impact Analysis

A variety of data elements were evaluated to determine the impact of the Opportunity Scholarship for meeting program objectives. Each year the Board of Regents creates the *High School to College Transition Report* to document the first year performance of students from the state's school districts. When comparing the most recent graduating class against those graduates who enrolled in the Regental system prior to the start of the scholarship program, the level of remedial enrollments has shown a continuous decline. Those students requiring remediation in math has dropped by 5%, and English remediation has declined by 3.8% during the past eight years. Unduplicated enrollments have also experienced a 5% decrease. The number of school districts with no students requiring remediation has increased to 15%, compared to 12% of the school districts in 2003.

Twenty-two percent of South Dakota high school graduates obtained a 24 or higher on the ACT the year leading into the implementation of the Opportunity Scholarship program. This percentage

increased to 23% in 2004, with the state experiencing a marked increase to 28% for 2011. In relation to the overall state percentage, the percentage of high school graduates with a 24 or higher ACT score entering the Regental system also experienced similar positive trends. A year before the program was implemented, roughly 46% of all graduates achieving a 24 or higher attended one of the six Regental institutions the year after graduation. This percentage has increased to approximately 50% over the past academic year. Graduates have also been able to meet *College Readiness Benchmarks* at higher rates than the national average, and a 6% increase has occurred on all four content areas of the ACT since the scholarship program began.

Retention rates for high achieving students have also increased when comparing Opportunity Scholarship recipients to cohorts of students who had achieved a 24 or higher on the ACT prior to the start of the program. Eighty percent of a pre-SDOS cohort of students were retained into their fourth year, while 88% of Opportunity Scholarship recipients had been retained within the state. Fifteen percent of pre-SDOS students dropped out prior to the start of the second year, compared to only 7% of Opportunity Scholarship recipients.

Opportunity Scholarship Graduate Survey

At the end of the Spring 2008, 2009, 2010 and 2011 semesters, an Opportunity Scholarship Graduation Survey was distributed to obtain feedback from recipients about the institutional services they received, future goals after graduation, as well as concerns they had about the program. A total of 1,609 recipients (29% response rate) completed the survey, with the majority of the recipients (34%) indicating they received \$2500 or more in additional financial support from their campus. Only

about one-quarter of the respondents indicated they received less than \$1000 each year from their institution in additional financial aid.

A total of 473 respondents indicated they planned to enter the workforce directly after graduation, and 248 (52%) had already secured employment with 72% of them intending to work in South Dakota. Four hundred and seventy-six respondents indicated they planned to pursue graduate work. Of these, 355 had already been accepted, and 66% of these planned to attend institutions in South Dakota. A total of 583 (55%) respondents had secured employment or been accepted in a graduate program after completing their under-graduate program. Approximately 68% chose to remain in South Dakota. When responding to a series of survey questions, recipients indicated they received appropriate levels of support from campus personnel when it came to working with the Opportunity Scholarship requirements. Many of the recipients did not experience difficulties meeting the requirements of the scholarship program.

Overall, data depicted in this report demonstrates how the Opportunity Scholarship program has served to provide financial support for South Dakota high school graduates. Additionally, the requirements established by the Legislature when developing the program has resulted in a number of positive results for the overall academic preparation of graduates as they make the transition into their postsecondary experience. Establishing the rigorous curriculum requirements has resulted in a decline in the need for remedial education, increased ACT performance and *College Readiness*, as well as enhanced student retention once they transition into the higher education environment.

Program Overview

Scholarship Program Background

In 2003 the South Dakota Legislature authorized the Regents Scholarship Program to allow South Dakota’s most academically accomplished high school graduates to receive an affordable education at any university, college, or technical school in South Dakota that is accredited by the Higher Learning Commission of the North Central Association of Colleges and Schools. The following year, the Legislature renamed the scholarship the South Dakota Opportunity Scholarship (SDOS) and authorized funding from the state of South Dakota’s Education Enhancement Trust Fund, beginning with high school graduating classes in 2004. The purpose for developing the Opportunity Scholarship program was to accomplish three primary objectives including the desire: 1) to persuade students to complete a rigorous high school curriculum that would enhance college readiness for high school graduates as they pursue postsecondary careers; 2) to encourage high achieving South Dakota graduates to remain in the state; and 3) enhance the likelihood that these students would remain in the state after graduation from their postsecondary education to become a part of the workforce.

South Dakota high school graduates, who are residents of South Dakota at the time of graduation, receive an ACT composite score of 24 or higher, and complete high school course requirements consistent with the Regents Scholar curriculum (see Table 1) are eligible for the Opportunity Scholarship. The purpose of the *South Dakota Opportunity Scholarship Annual Report* is to provide a comprehensive overview of recipients

Table 1
Regents’ Scholar Curriculum

Course Requirements	Units
<i>English</i>	4.0
<i>Social Studies</i>	3.0
<i>Mathematics</i>	4.0
<i>Science</i>	4.0
<i>Fine Arts</i>	1.0
<i>World Languages</i>	2.0
<i>Computer Studies</i>	0.5
Total Units	18.5

involved in the scholarship program since the first cohort of students enrolled in Fall 2004.

During the 2008 Legislative session, the curriculum provision was modified to align with the new distinguished graduation requirements established by the South Dakota Department of Education. Beginning with the 2010 graduating class, all recipients were required to complete the “distinguished” graduation track to meet the high school curriculum requirements (see Table 2). These curriculum provisions were

Table 2
Revised Graduation Requirements

Course Requirements	Units
<i>English & Communication Arts</i>	4.0
<i>Social Studies</i>	3.0
<i>Mathematics (Algebra I or Higher)</i>	4.0
<i>Science (3 Units of Lab Science)</i>	4.0
<i>Fine Arts</i>	1.0
<i>Health or Physical Education</i>	0.5
<i>Economics or Personal Finance</i>	0.5
<i>World Languages/CTE*</i>	2.0
<i>Computer Studies</i>	0.5
<i>Electives</i>	2.5
Total Units	22.0

*For students entering high school beginning Fall 2010.

further modified in 2010 to align with the newly established graduation requirements approved by the Board of Education prior to the start of the 2010 legislative session. Changes implemented in 2010 allow for students that enter high school during Fall 2010 to take either Foreign Language or Career and Technical Education coursework to meet initial eligibility requirements.



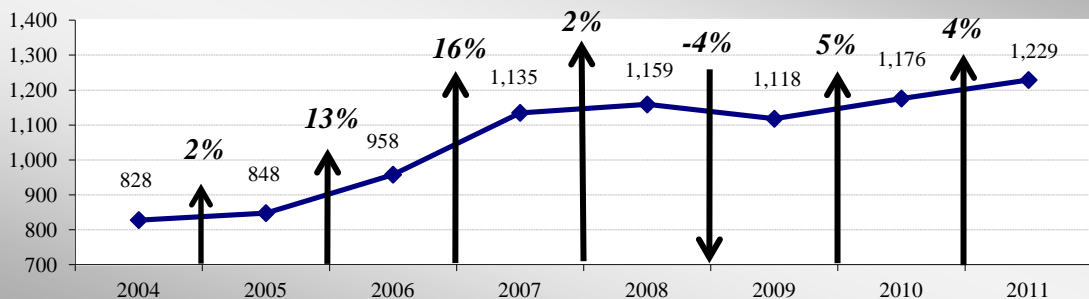
Scholarship Recipients

Governor Rounds established his 2010 Education Initiative in 2006 to provide a vision for the future of education in South Dakota. The 2010 initiative set forth five measurable goals, each with objectives and action steps in three major areas including starting strong, finishing strong, and staying strong. Goal Three of this initiative speaks specifically to the important impact that the South Dakota Opportunity Scholarship has for ensuring a postsecondary education system that will meet the state’s needs. Governor Rounds established an objective to “Double the number of students receiving the South Dakota Opportunity Scholarship” by 2010. Since the initial recipients entered the Opportunity Scholarship program during the Fall 2004 semester, a total of 8,577 South Dakota high school graduates have established

their initial eligibility.

A moderate increase in the number of Opportunity Scholarship recipients occurred between the first two academic years (2%) and the number of recipients who established eligibility between 2007 and 2008 (2%). One of the largest percentage increases in the number of recipients emerged when comparing the 2005 and 2006 cohorts (13%), and the following year when the largest percentage growth in the program was obtained (see Figure 1). Overall, there has been a 48% increase in the number of recipients compared with the 828 recipients who established initial eligibility during the Fall 2004 semester.

Figure 1
Fall Opportunity Scholarship Recipients – Eight Year Trend



Recipient Institutional Distributions

The most recent cohort of SDOS recipients for 2011-12 academic year includes 1,229 South Dakota graduates, which is an increase of 47 recipients when compared to the 2010-11 academic year. The distribution of recipients has remained relatively consistent over seven years of the program and has aligned primarily with enrollment trends at the colleges and universities throughout South Dakota. For this past Fall cohort, the top six institutions enrolling the largest number of recipients were SDSU followed by USD, SDSMT, Augustana, BHSU and NSU who accounted for more than 87% of the recipients for the 2011-12 academic year (see Table 3).

Overall, SDSU (39.7%) has enrolled the most SDOS recipients in each of the eight academic years since the program began (see Table 3). The 2011 cohort resulted in the largest cohort of recipients since the scholarship program was established. The

increase signals that the program continues to serve as an important tool for encouraging South Dakota students to attend institutions in the state.

Although the highest percentage of scholarship recipients are awarded during the Fall semester, a small percentage of recipients will establish initial eligibility during the Spring term. The administrative rules that govern the program specify that a student may wait up to five years from the point of high school graduation to establish initial eligibility. Also, students who attend a regionally accredited institution outside South Dakota and return within two years may receive partial funding if they have maintained continuing eligibility requirements while they attended outside the state. As a result, you will note in Table 3 below that a slightly higher number of recipients have become eligible beyond the Fall recipients identified in Figure 1 on the preceding page.

Table 3
Recipients Funded Across First Eight Academic Years

<i>Participating Institution</i>	<i>2004-05</i>	<i>2005-06</i>	<i>2006-07</i>	<i>2007-08</i>	<i>2008-09</i>	<i>2009-10</i>	<i>2010-11</i>	<i>2011-12</i>	<i>8 Year Total</i>	<i>8 Year %</i>
Augustana College	79	58	82	90	100	97	95	108	709	8.3%
Black Hills State U.	36	52	56	61	65	55	80	56	461	5.4%
Colorado Technical U.	2	1	0	0	1	1	0	2	7	0.1%
Dakota State U.	23	30	46	48	36	45	57	52	337	3.9%
Dakota Wesleyan U.	8	9	17	22	11	24	26	18	135	1.6%
Lake Area Tech. Inst.	2	6	7	11	15	9	18	15	83	0.9%
Mitchell Tech. Institute	3	0	2	5	5	4	6	4	29	0.3%
Mount Marty College	15	15	10	15	15	9	15	23	117	1.4%
National American U.	3	0	0	0	1	0	0	1	5	0.1%
Northern State U.	30	35	45	53	50	52	54	56	375	7.9%
Presentation College	4	7	11	7	7	9	1	6	52	0.6%
SD Sch. of Mines/Tech	64	77	72	101	97	92	103	108	714	8.3%
SD State U.	339	361	387	459	484	480	445	452	3,407	39.7%
Southeast Tech Inst.	3	6	7	7	15	12	5	9	64	0.7%
U. of Sioux Falls	27	28	35	48	46	41	35	33	293	3.4%
U. of South Dakota	201	172	204	239	228	209	241	285	1,779	20.7%
W. Dakota Tech. Inst.	1	1	2	1	2	1	1	1	10	0.1%
	840	858	983	1,167	1,178	1,140	1,182	1,229	8,577	

County Distribution

To establish initial eligibility, a student must be a South Dakota resident and graduate from an accredited high school. A spatial map was generated to visually depict the geographic distribution of the 8,577 Opportunity Scholarship recipients throughout South Dakota. The recipients' high school code was used to determine the county where they had graduated from prior to entering their postsecondary career (note this information was used rather than student primary mailing address). Figure 1 provides both the total number of recipients from each county in South Dakota with the largest number of recipients coming from the largest population centers in the state including Minnehaha (1,884), Pennington (759), Brown (373), Codington (314), Lincoln (318), and Brookings (310).

Additional analysis was also performed to further explore the geographic distribution of recipients based on the total number of graduates from each county. Data available from the South Dakota Department of Education (2011) were used to determine an average number of graduates from each school district throughout the state. An average was then created for each county, and these county averages were then compared against the total number of recipients that have established initial eligibility over the past eight years. The five counties with the highest percentage of graduates receiving the scholarship include Charles Mix (26%), Grant (20%), Clay (20%), Hutchinson (20%), and Clark (19%). The complete distribution by county can be determined by using the heat legend depicted in Figure 2.

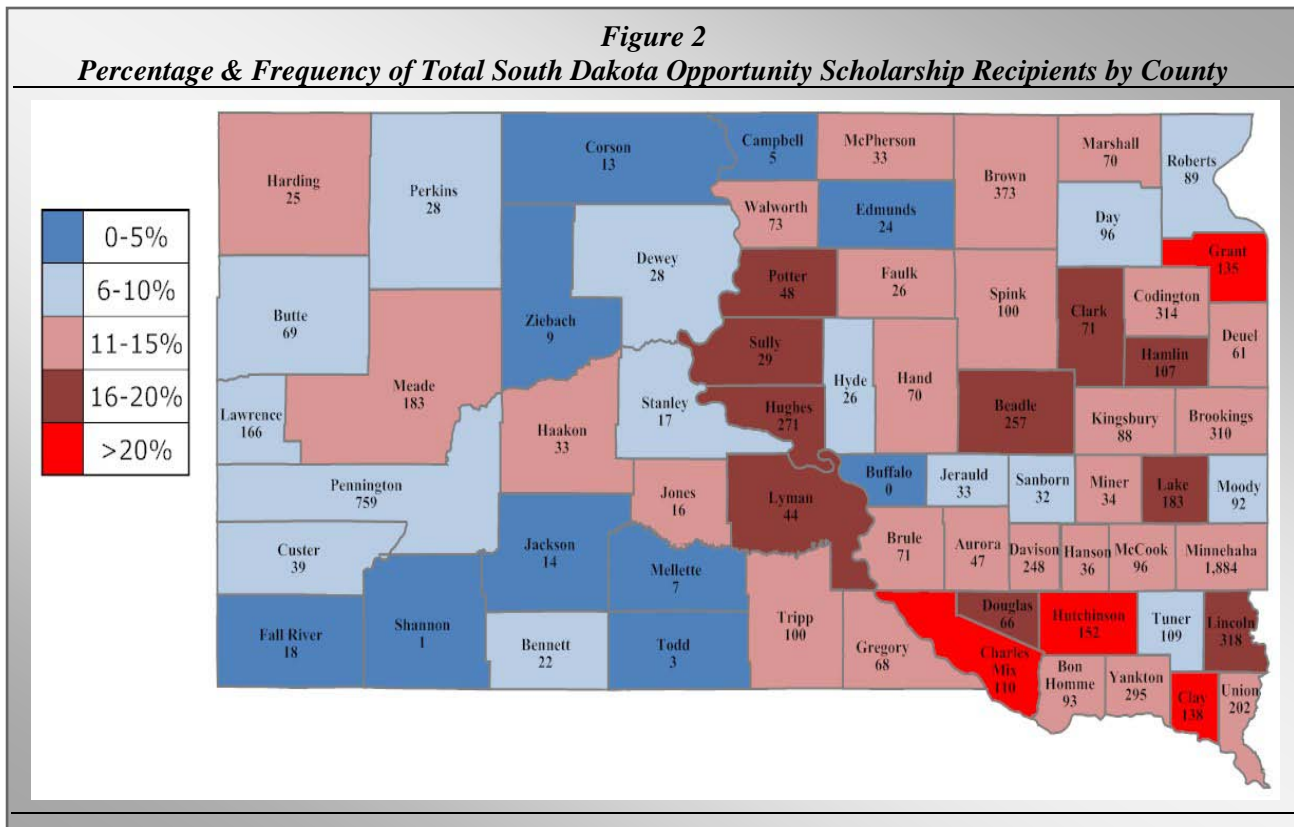
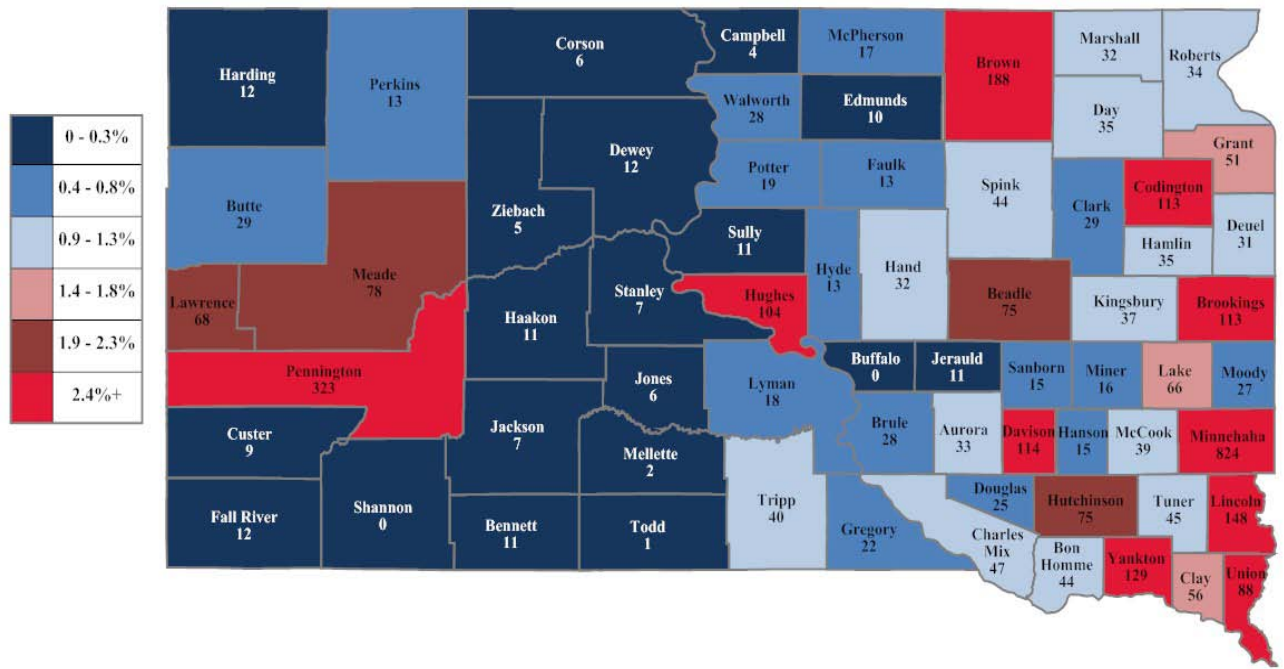


Figure 3
Percentage & Frequency of the South Dakota Opportunity Scholarship Recipients by County for Those Maintaining Eligibility into the 2011-12 Academic Year



Each year the Board of Regents provides the Bureau of Finance Management with a set of projections that are used to anticipate the total number of recipients that will be eligible for the Opportunity Scholarship program during the upcoming fiscal year. These projections are established by comparing existing attrition rates with the anticipated growth in new cohorts for each academic term since the program was established in 2004. Using these formulas, projections indicated that approximately \$4.2 million dollars would be needed from the state’s general fund to cover the funding needs for eligible students in the scholarship program.

At the start of each term, campus representatives are asked to verify student initial and continuing eligibility criteria and submit a funding request for all eligible recipients to the Board of Regents office. Funding allocations are then distributed to

eligible recipients during both the Fall and Spring term. A total of 3,605 students were eligible at the start of the Fall 2011 semester and Figure 3 provides a spatial representation of the originating county home locations for these students. The numbers depicted for each county signify the total number of eligible recipients receiving funding during the 2011-12 academic year. The legend to the left specifies the percentage of the \$4.2 million being allocated to recipients from each of the counties across South Dakota. For example, a total of 11 students from Sully county (Sully Buttes high school) are recipients of the scholarship program this year, which accounts for approximately \$13,000 in scholarship funding, or 0.2% of the total expenditures in the program. Overall distributions for each county are highly correlated with the total county population.

SDOS Major Enrollments

Participating institutions are asked to identify recipients' major enrollments on their campus, and those recipients who maintain eligibility have their major status updated in the SDOS database each semester. In the past, major enrollments have been reported for all students in the SDOS program, with majors for those recipients who have lost eligibility documented at the point of their last eligible semester. However, to more accurately depict the range of student majors (e.g., recipient enrollment in double and triple majors), data for this year reflects only those students who are classified as eligible or temporarily eligible in the SDOS database representing 3,605 major enrollments.



Major	#
1. Engineering	366 (10.2%)
2. Biological Sciences	299 (8.4%)
3. Nursing	191 (5.3%)
4. Humanities	182 (5.1%)
5. Business/Business Admin.	174 (4.9%)
6. Education	111 (3.1%)
7. Elementary Ed.	105 (2.9%)
8. Mathematics	98 (2.7%)
9. Comp. Science/Network	93 (2.6%)
10. Journalism/Comm.	69 (1.9%)
11. English	67 (1.9%)
12. Art & Graphic/Int. Design	64 (1.8%)
13. Political Science	45 (1.3%)
14. Accounting	39 (1.1%)
15. Economics/Finance	37 (1.0%)
16. Agricultural Sciences	35 (1.0%)
17. Early Childhood Ed.	33 (0.9%)
18. History	33 (0.9%)
19. Special Education	32 (0.9%)
20. Music	31 (0.9%)
	2,104 (59%)

For reporting purposes, an unduplicated major enrollment report was developed to represent the recipient's primary major at his/her institution. An analysis of data reveal that SDOS recipients are more likely to enroll in majors resulting in career areas such as medicine, science, mathematics, engineering, and business. Table 4 provides frequency and percentages for the top twenty majors across the eligible Opportunity Scholarship recipients. Engineering (366 or 10.2%) was the most common major going into the eighth year of the program, with student enrollment in these 20 majors representing 59% of the 3,605 enrollments.

Similar major enrollment trends existed for those recipients who were able to maintain eligibility throughout the duration of the scholarship program after entering during the 2004-05, 2005-06, 2006-07, and 2007-08 academic years. Specifically, Humanities and Engineering were tied for the primary major for approximately 14% each of these recipients followed by Nursing

(9%), Biological Sciences (9%), and Education (7%). Table 5 provides an overview of the ten most common majors for graduates from the initial academic cohort. These ten majors constitute roughly 62% of the 3,848 recipients who were eligible for the scholarship program during its first four years. Biological science as well as Biochemistry/Chemistry both represent programs where students admitted into these major are likely to continue their postsecondary education as they go on to complete graduate work.

Pre-Professional Program Enrollments

Most professional schools and universities throughout the United States require a baccalaureate degree for admission to programs such as medicine, dentistry and law. To help prepare students for these programs, institutions have created a number of pre-professional programs designed to prepare students to apply to various types of professional schools. Recipient enrollment in these pre-professional tracking programs results in 20% of the majors reported by institutional representatives. Please note that some institutions use the Pre-classification to signify a student on a particular degree track with specific set of criteria for admissions. Pre-nursing and pre-economics represent two of these programs.

For the Fall 2011 semester, Medicine (201 or 5.6%) had the highest pre-professional enrollments followed by Pre-Nursing (4.3%), Pre-pharmacy (3.1%), Pre-physical Therapy (2.2%), and Economics (1.5%). Table 6 provides a complete list of pre-professional majors across the 17 institutions taking part in the Opportunity Scholarship program. South Dakota institutions provide professional programs in eight of these majors (excluding Veterinary, Dentistry, Chiropractic, and Optometry).

Table 5
Ten Most Common Majors for Scholarship Program Graduates

Major	#
1. Humanities	321 (14%)
2. Engineering	315 (14%)
3. Nursing	207 (9%)
4. Biological Sciences	194 (9%)
5. Education	159 (7%)
6. Business/Business Admin.	135 (6%)
7. Biochemistry/Chemistry	125 (6%)
8. Economics/Finance	98 (4%)
9. Accounting	89 (4%)
10. Mathematics	73 (3%)
	1,395 (62%)

However, the state currently operates under a memorandum of agreement with Iowa State University that allows six South Dakota students to attend the Veterinary program and pay in-state tuition. South Dakota pays the difference between the cost for in-state and out-of-state rates for these students with the requirement that students return to practice in the state for each year of financial support obtained.

Table 6
SDOS Recipients Enrolled in Pre-Professional Tracking Programs

Major	Frequency
1. Medicine	201 (5.6%)
2. Nursing	155 (4.3%)
3. Pharmacy	112 (3.1%)
4. Physical Therapy	79 (2.2%)
5. Economics	55 (1.5%)
6. Veterinary Med.	41 (1.1%)
7. Occupational Th.	20 (0.6%)
8. Law	17 (0.5%)
9. Dental	16 (0.4%)
10. Physicians Ass.	16 (0.4%)
11. Dental Hygiene	13 (0.4%)
12. Optometry	12 (0.3%)
	737 (20.4%)

Recipient Continuing Eligibility Status

After a student establishes initial eligibility in the Opportunity Scholarship program, he/she must meet a number of continuing eligibility requirements each semester. Recipients must maintain a cumulative 3.0 grade point average on a 4.0 scale as well as attempt and complete enough credit hours of instruction to meet the credit hour threshold for the forthcoming year (30 credit hours for 3rd and 4th term funding, 60 credit hours for 5th and 6th term funding, and 90 credit hours for 7th and 8th term funding). Any recipient who loses eligibility because the student's cumulative grade point average falls below 3.0 may reestablish eligibility by raising the cumulative grade point average to 3.0 or greater. Failure to complete the required number of credit hours before the start of the specific semester disqualifies the student from further participation in the program.

Due to the fact that the new credit hour thresholds did not take effect until Fall 2010, data for continuing eligibility reflects the impact stemming from the “15 credit hour per semester” model that was put in place when the program was enacted. For reporting purposes, recipient ineligibility has been categorized into six areas using the above criteria. Ineligibility occurs when a: 1) Recipient fails to attempt or complete 15 credit hours; 2) Recipient is no longer enrolled resulting from persistence issues (stop-out, transfer, withdrawal); 3) Recipient falls below the 3.0 cumulative grade point average; 4) Recipient fails to attempt and complete 15 credit hours and maintain a 3.0 cumulative grade point average; 5) Recipient fails one or more of the content areas for the proficiency examination (Reading, Writing Skills, Science



Reasoning, Mathematics), fails to sit for the exam during the semester established in Board of Regents Policy; or 6) Recipient has graduated.

Each semester the 17 South Dakota institutions monitor recipient continuing eligibility in the Opportunity Scholarship program and upload recipient data into a database maintained by the Board of Regents. These data are carefully monitored at both the institutional and system level to ensure that all students have met the continuing eligibility requirements specified in legislative statute (see Appendix A) and the administrative rules (see Appendix B) that govern the scholarship program. For instance, campus personnel review recipient credit hours attempted at the start of each semester, and notify those students who are in jeopardy of not meeting their credit hour threshold. Those students who fail to meet their respective credit hour benchmark are

ineligible for funding unless an executive director exemption is granted.

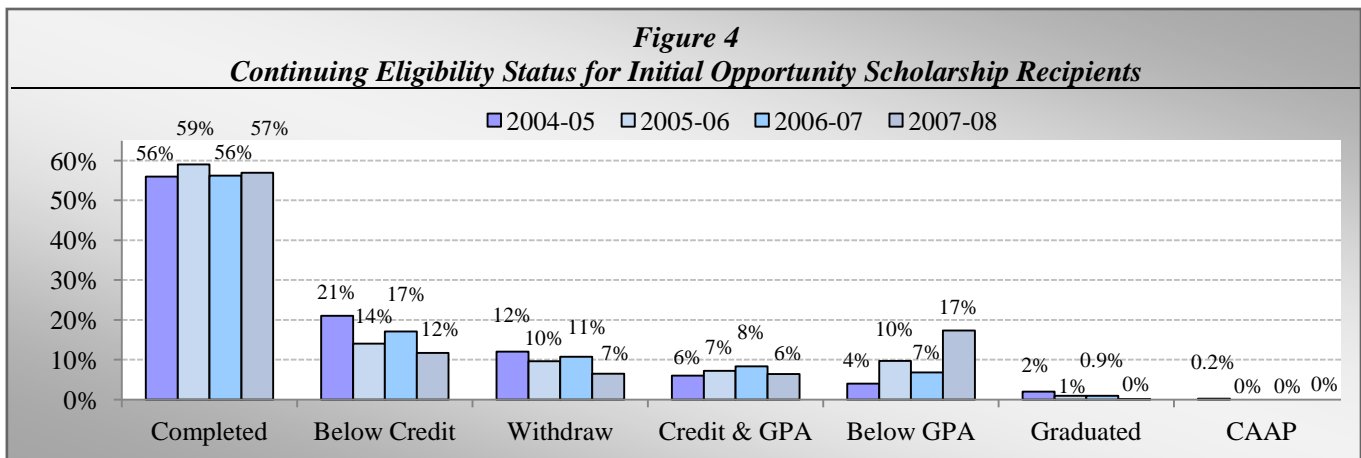
Completed Cohort Eligibility

The first four cohorts of Opportunity Scholarship recipients entered during the 2004-05 (840), 2005-06 (858), 2006-07 (983), and 2007-08 (1,167) academic years. A total of 3,848 recipients became eligible during this time period, and the Spring 08 academic year marked the first time when a cohort of recipients met the maturation period for receiving the total award allocated to eligible South Dakota high school students. The largest percentages of recipients from these four groups were able to successfully maintain their continuing eligibility in the program and receive funding during their final semester (56%, 59%, 56% & 57%). Roughly one percent of the recipients did not receive funding during this final semester because they had already graduated prior to the conclusion of their fourth year. A large number of these students represent graduates from one of the four technical institutions, as well as a small number of students who completed undergraduate work before beginning graduate level programs in South Dakota.

Maintaining eligibility in the scholarship program was an issue for the remaining

students from the initial cohorts (see Figure 4). The most significant factor was a student's inability to maintain the 15 credit hour requirement with 21%, 14%, 17% and 12% of the initial recipients failing to register for or complete the required number of hours each semester. The second most common justification for failing to maintain continuing eligibility was student withdrawal (12%, 10%, 11% & 7%) followed by a recipient's inability to maintain his/her cumulative grade point average while also meeting the 15 credit hour load. Approximately seven percent of students failed to meet both of these requirements, while about nine percent did not meet cumulative grade point average. Only a small portion of the students failed to take the proficiency exam as required (0.2%).

A small portion (12 or 1%) are still eligible for funding during the Fall 2011 semester after receiving persistence waivers through the Executive Director exemption process. These included instances of medical hardship, military deployment, and internships that caused these twelve students to go unfunded for one semester and continue to receive funding upon their return to one of the 17 participating postsecondary institutions.



Current Cohort Eligibility

A total of 4,728 recipients are represented in the eight cohorts that have established eligibility since the 2008-09 academic year. From these seven cohorts, a total of 3,578 recipients (76%) have maintained their eligibility into the Fall 2011 semester. Included in this calculation are the 1,229 recipients who had just established initial eligibility during the Fall 2011 semester, all of whom are currently eligible in the program. The remaining 1,150 recipients (24% of the 4,728 total) who were unfunded during the Fall 2011 semester were either permanently or temporarily ineligible for the Opportunity Scholarship. Of these 1,150 students, a total of 629 (55%) are temporarily ineligible due to their failure to maintain a 3.0 cumulative grade point average and could be reinstated and funded in the future.

The GPA requirement (55%) served as the primary justification for recipient failure to maintain on-going eligibility. This was followed by a student’s inability to meet the 15 credit hour requirements (19%), student withdrawal (17%), credit hour & GPA (10%), and graduation (0.1%).

Table 7 depicts the frequency of ineligible students across the five classification areas by each institution. The final column in the table provides both the frequency and percentage of recipients who have maintained their eligibility since initial enrollment in the program. It is important to note that student graduation as a classification for lost eligibility is included as a cause for ineligibility for percentage calculations so that institutions are not adversely impacted by successful degree completion.

Table 7
Recipient Ineligibility Across All SDOS Institutions

<i>Institution</i>	<i>Credit & GPA</i>	<i>Below Credit</i>	<i>Below GPA</i>	<i>Withdraw</i>	<i>Grad.</i>	<i>Eligible</i>
Augustana	8	14	66	6	0	299 (76%)
Black Hills State	4	12	35	10	0	208 (77%)
Colorado Technical	0	0	1	1	0	2 (50%)
Dakota State	1	11	31	5	0	148 (76%)
Dakota Wesleyan	3	2	8	10	0	56 (71%)
Lake Area Technical	1	2	4	12	0	33 (63%)
Mitchell Technical	0	5	0	3	0	8 (50%)
Mount Marty	1	0	2	3	0	53 (90%)
National American	0	0	0	0	0	0 (0%)
Northern State	6	5	16	7	0	181 (84%)
Presentation	1	0	0	1	0	20 (91%)
SD Mines & Tech.	20	19	72	7	0	271 (70%)
SD State U.	45	94	274	63	0	1,422 (75%)
Southeast Technical	2	5	5	10	1	18 (44%)
U. of Sioux Falls	3	3	7	13	0	126 (83%)
U. of South Dakota	15	44	108	40	0	732 (78%)
W. Dakota Technical	0	3	0	0	0	1 (25%)
	110	219	629	191	1	3,578 (76%)

Eligibility Trends

Examination of the continuing eligibility trends over the past eight years demonstrates moderate consistency across each of the academic terms. However, an inverse trend appears to exist when comparing recipient eligibility in the second and third year of the program. During the transition from year-one to year-two of the program, the highest percentage of ineligible recipients was from the first cohort which had 76% maintain eligibility. A modest decline occurred for the following five cohorts with only 73% of the recipients from the 2010-11 cohort able to maintain eligibility into the second year.

Trends have varied from year to year during the third and fourth year of eligibility for recipients in the program. Some years have noted growth in attrition rates for students, despite having a lower percentage of retention for students in a previous year. The highest eligibility rate in year three occurred for the initial cohort (68%) with the lowest retention rate occurring this past year (62%). Similarly, 61% of retention into the final year is the highest rate achieved by

Cohort	Year One	Year Two	Year Three	Year Four
2004-05	808	614 (76%)	551 (68%)	496 (61%)
2005-06	858	620 (72%)	544 (63%)	517 (60%)
2006-07	959	701 (73%)	617 (64%)	583 (61%)
2007-08	1,135	829 (73%)	736 (65%)	661 (58%)
2008-09	1,159	821 (71%)	727 (62%)	685 (60%)
2009-10	1,132	807 (71%)	764 (65%)	**
2010-11	1,194	906 (73%)	**	**
2011-12	1,248	**	**	**
Total	8,493	5,298 (73%)	3,939 (65%)	2,942 (60%)

the initial cohort, and this has dropped to as low as 58% of the 2007-08 cohort which finished up this past year (see Table 8).

Since it started, four cohorts have achieved the point of maturation for funding in the Opportunity Scholarship program. Fifty-eight percent of these students in the fourth cohort were able to maintain their eligibility throughout their final semester (as reported in spring 2011). When comparing with Fall 11 eligibility, 60% of those who first enrolled during the 2008-09 academic year were able to continue eligibility into the fourth year. It is important to note that these 685 students must also meet the eligibility criteria into the Spring 12 semester, and a number of these students may still become ineligible for the final installment (see table 9).

Institution	Below Credit	Withdraw	Below GPA	Credit & GPA	Lost-CAAP	Grad.	Ineligible
2004-05	176 (21%)	98 (12%)	35 (4%)	51 (6%)	2 (0.2%)	9 (1.1%)	371 (44%)
2005-06	118 (14%)	82 (9.6%)	83 (9.7%)	62 (7.2%)	3 (0.3%)	8 (0.9%)	356 (31%)
2006-07	168 (39%)	67 (16%)	82 (19%)	105 (34%)	0 (0%)	9 (2%)	0 (0%)
2007-08	170 (33%)	85 (16%)	58 (11%)	204 (40%)	0 (0%)	0 (0%)	0 (0%)
2008-09	117 (26%)	52 (12%)	88 (20%)	186 (42%)	0 (0%)	3 (0.7%)	0 (0%)
2009-10	38 (12%)	35 (11%)	118 (36%)	135 (41%)	0 (0%)	1 (0.3%)	0 (0%)
2010-11	24 (2%)	40 (3%)	224 (19%)	10 (1%)	0 (0%)	0 (0%)	0 (0%)
	811	459	688	753	5	30	727

Continued Eligibility Indicators

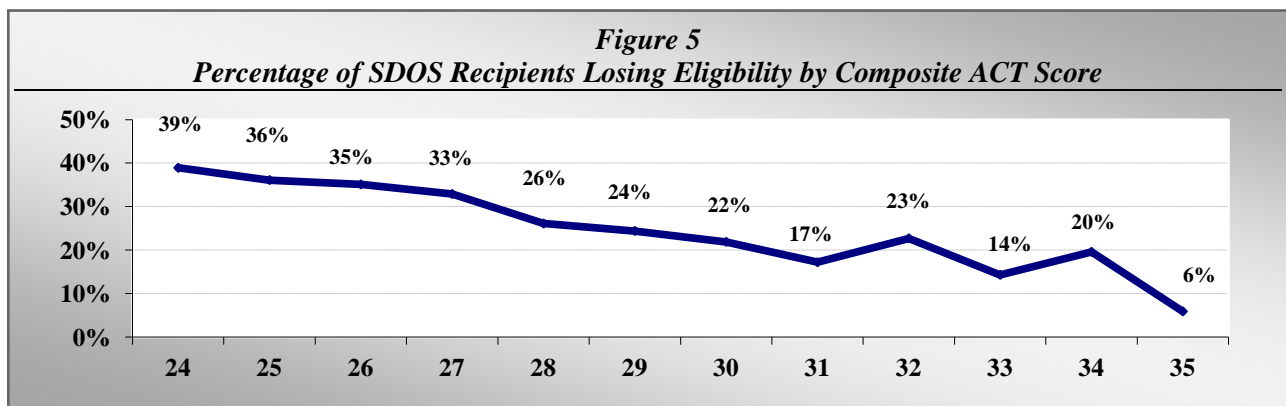
Various performance indicators were examined to determine factors that may serve as predictors for recipient eligibility loss in the scholarship program. The initial eligibility requirements specify that all students must obtain a 24 or higher on their ACT composite score. Students have until the official ACT testing date in June following their high school graduation to achieve this score, and the students highest scores are reported in the Opportunity Scholarship database. Data were excluded from the 1,229 students who became eligible during the Fall 11 semester since these students were all eligible during their initial term in the program. Those recipients (establishing eligibility during the first four academic years of the program) who became ineligible scored significantly lower on the ACT when compared to recipients who have been able to maintain eligibility (26.8 vs. 26.1)¹. Although these findings depict statistical significance on face value, the difference between these two groups does not appear to meet established levels of practical significance.

After further review of the data from the first four academic years, it was evident that a strong linear trend existed when examining composite ACT scores and continued eligibility (see Table 10). Only 61% of those recipients who entered the program

Table 10
Frequency and Percentage of SDOS Eligibility by Composite ACT Score

Composite ACT Score	Ineligible Recipients	Eligible Recipients
24	757 (39%)	1,190 (61%)
25	546 (36%)	967 (64%)
26	464 (35%)	858 (65%)
27	358 (33%)	730 (67%)
28	231 (26%)	654 (74%)
29	145 (24%)	449 (76%)
30	113 (22%)	404 (78%)
31	56 (17%)	270 (83%)
32	48 (23%)	163 (77%)
33	15 (14%)	90 (86%)
34	10 (20%)	41 (80%)
35	1 (6%)	16 (94%)
Total	2,744 (32%)	5,832 (68%)

with a composite score of 24 have maintained their eligibility. Fewer than half (39%) of those who entered during the Fall 2004-05 academic year with a 24 ACT were able to maintain eligibility throughout the duration of the program. The overall percentage gradually increases as the composite ACT score increases with those students obtaining a 30 or higher having at least a 77% chance of maintaining eligibility into the second, third or fourth year of the program (see Figure 5).

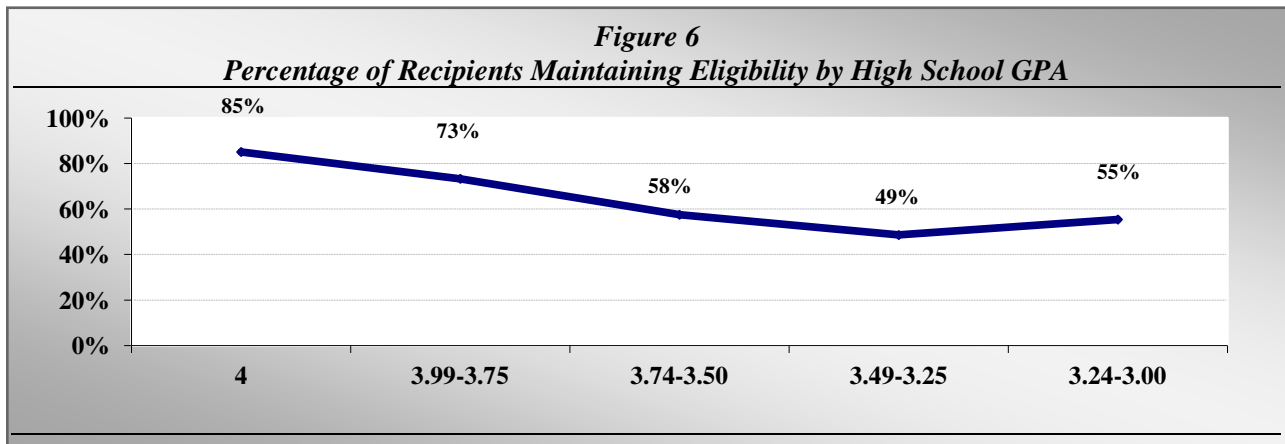


In addition to completing the Regents Scholar curriculum, all recipients are required to obtain a 3.0 cumulative grade point average on all high school coursework. Statistical analysis² indicates that those students who have failed to maintain eligibility in the scholarship program are significantly more likely to have a lower high school GPA when compared to those who have remained eligible (3.85 vs. 3.68). However, from a practical stand-point, the difference between these two groups warrants further analysis to determine the extent that a recipient's GPA does successfully predict his/her ability to attempt and complete the credit hour requirements each semester while maintaining the 3.0 cumulative GPA in their postsecondary coursework.

For further analysis, student high school GPA was aligned into one of five classifications. Eighty-five percent of the students who achieved a 4.00 GPA were able to maintain eligibility, while only 55% of those who had been able to meet the high school GPA threshold (3.24-3.00) were able to achieve continuing eligibility requirements. The students in the highest GPA classification were over 1.5 times more likely to continue receiving scholarship funding into the second year and beyond when compared to those students who had just met the 3.0 threshold prior to their high



school graduation (see Figure 6). Furthermore, there appeared to be a noticeable decline when examining the postsecondary performance of those students who had scored between a 3.99 and 3.75 GPA during high school which accounted for the largest percentage of scholarship recipients for the first seven academic year cohorts (916 or 33%). Only 73% of these recipients had maintained their eligibility.



Executive Director Exemptions

State statute (see Appendix A) and administrative rules (see Appendix B) grants the Executive Director of the Board of Regents the authority to grant exceptions to continuous eligibility requirements when good cause is shown. As a result, when a situation arises that hinders a student from meeting the eligibility requirements for the South Dakota Opportunity Scholarship, he/she has the opportunity to request an exemption waiver from the Executive Director. Exemption waivers can be granted for student inability to meet *Credit Hour*, *GPA*, or *Persistence* requirements. Furthermore, instances have and will continue to occur that represent unique situations where the Executive Director has granted a waiver to ensure that the intent of the scholarship program is best served. In these situations, the classification of *other* has been assigned. In addition to these three waiver classifications, six justifications have been attributed to student appeals for exemptions from the Executive Director that include:

1. Situations where *Medical Hardship* has hindered a student's progress;
2. Student participation in an approved *Exchange Program* through their institution;
3. Conflict with *Program of Study Requirements* that dictate student credit hours;
4. Instances where *Administrative Error* has occurred;
5. Participation in an institution approved *Internship* program;
6. *Military Deferral* for National Guard or military service;

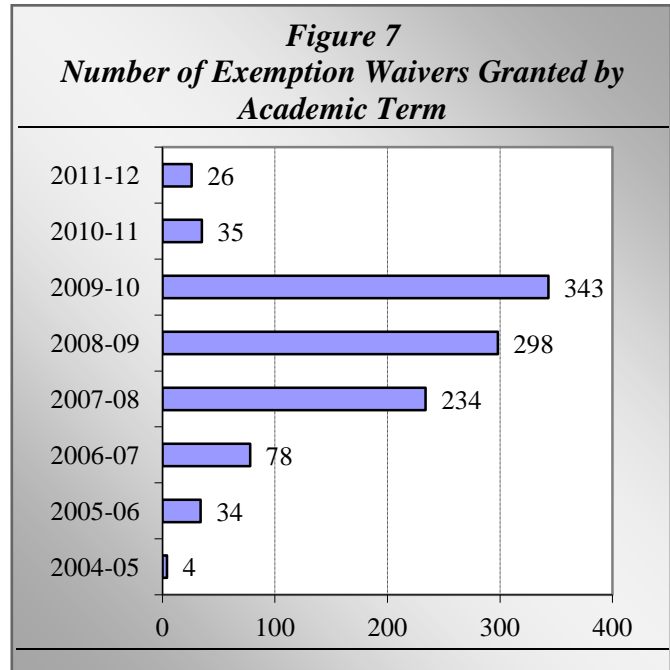
Since Fall 2004, the Executive Director has received 1,052 exemption requests from students across the eight cohorts. One

hundred and forty-three (14%) of these exemption requests have been denied; while 909 have been granted to students across 17 institutions (see Table 12). To this date, Colorado Technical University is the only institution that has not had a student seek an exemption request to waive the continuing eligibility requirements for the program. Consistent with the initial eligibility distribution across the 17 participating institutions, recipients from SDSU (445 or 42%) have requested the highest number of waivers, but have also accounted for more than 52% of the requests denied by the Executive Director. As the exemption request process has unfolded over the past eight years, a series of guidelines and resource materials have been developed to aid students as they pull together materials to make their appeal. These resources can be found on the Opportunity Scholarship website.

<i>Institution</i>	<i>Requested</i>	<i>Denied</i>	<i>Granted</i>
<i>AUG</i>	105	12	93
<i>BHSU</i>	38	7	31
<i>CTU</i>	0	0	0
<i>DSU</i>	17	2	15
<i>DWU</i>	4	0	4
<i>LATI</i>	9	0	9
<i>MTI</i>	3	1	2
<i>MMC</i>	15	3	12
<i>NAU</i>	1	0	1
<i>NSU</i>	30	2	28
<i>PRE</i>	7	1	6
<i>SDSMT</i>	104	8	96
<i>SDSU</i>	445	74	371
<i>STI</i>	5	2	3
<i>USF</i>	23	5	18
<i>USD</i>	244	26	218
<i>WDTI</i>	2	0	2
	<i>1,052</i>	<i>143</i>	<i>909</i>

As the total number of recipients in the program has grown over the past eight years, the total number of exemption requests each year has also increased. During the first academic year (2004-05), a total of four exemption requests were granted by the Executive Director (see Figure 6). This number increased significantly during the 2005-06 academic year when 34 recipients sought waivers to the continuing eligibility requirements. The largest growth occurred during the 2009-10 academic year when 343 exemption requests were submitted. Sixty-five percent of these requests were from recipients who had maintained eligibility since entering the program during the Fall 2004 semester and had sought an exemption because they required fewer than 15 credit hours to meet degree completion requirements.

When examining the type of waivers granted by the Executive Director since the scholarship program began, the largest percentage has gone to students seeking to fall below the *Credit Hour* requirement (87%). For this particular waiver, the largest percentage of students sought exemptions resulting from conflicts that existed with their unique program of study requirements (e.g., student teaching experience, not requiring 15 hours to meet graduation requirements, having met all



elective/general education curriculum requirements, etc.). The second most common waiver was *Persistence* (8%), followed by *Other* (2%), *Proficiency Exam* (1%), and *Medical Hardship* (1%). Overall, inability to meet *Program of Study Requirements* (65%) was the most common justification for the Executive Director to grant a waiver to students seeking exemptions (see Table 12).

Table 12
Executive Director Exemption Waiver Request by Exemption Justifications

Exemption Justification	Exemption Waiver Request							Total
	Credit Hour	GPA	Medical Hardship	Persist	Proficiency Exam	Reconsider Award	Other	
<i>Administrative Error</i>	22	0	0	0	1	3	15	41
<i>Exchange Program</i>	73	1	0	20	6	0	3	103
<i>Internship</i>	50	0	0	18	1	0	1	70
<i>Medical Hardship</i>	54	1	9	13	4	0	2	83
<i>Military Deferral</i>	5	0	0	17	0	0	0	22
<i>Program of Study Req.</i>	586	0	0	3	0	0	1	590
	790	2	9	71	12	3	22	909

Impact Analysis

The purpose for developing the Opportunity Scholarship program was to accomplish three primary objectives including the desire: 1) to persuade students to complete a rigorous high school curriculum that would enhance college readiness for high school graduates as they pursue postsecondary careers; 2) to encourage high achieving South Dakota high school graduates to remain in the state; and 3) to enhance the likelihood that those students would remain in the state after graduation from their postsecondary education and become a part of the workforce. Data are presented below to track the impact of the program.

Impact of a Rigorous Curriculum

For the past 16 years, the South Dakota Board of Regents has been producing the *High School to College Transition Report* which has served as a valuable tool for providing South Dakota high school administrators with information about their graduates' performance during their first year of college. A narrative report is

prepared each fall to depict South Dakota graduate readiness for postsecondary education, along with individual reports to each school district that provide a snapshot of the graduates' first year at one of the six public universities in South Dakota. When compared against the data prior to the year the Opportunity Scholarship program was implemented, a higher percentage of South Dakota graduates have remained in the state and attended one of the six public institutions (up 3% despite a decline in the number of graduates). Student performance on the ACT exam has also increased as the average score for students entering the system has increased from 22.2 to 22.9 over the past eight years. Additionally, as noted in Table 13 below, the level of remedial enrollments (unduplicated for mathematics and English) has also experienced a continuous decline, dropping to roughly 29.6% this past year after a high of 34% in 2003. Specifically, graduates requiring remediation in English has dropped by 3.8% during this eight year period, and 5% for those requiring remediation in mathematics.

Table 13
South Dakota High School Graduates Entering Regental Institutions Between 2003-2010

	2003	2004	2005	2006	2007	2008	2009	2010
<i>Entering Regental</i>	3,000	2,961	2,929	2,925	2,950	2,934	2,736	2,940
<i>% Enter Regental</i>	30%	31%	31%	32%	32%	33%	32%	33%
<i>ACT Composite</i>	22.2	22.5	22.5	22.7	23.2	23.1	23.0	22.9
<i>Remedial English</i>	17%	13%	14%	13%	9%	14%	13.6%	13.2%
<i>Remedial Math</i>	30%	27%	25%	25%	21%	22%	24.2%	25.0%
<i>Both Remedial</i>	34%	32%	31%	30%	26%	27.9%	29.1%	29.6%
<i>Average GPA</i>	2.73	2.79	2.82	2.82	2.85	2.80	2.84	2.77

Table 14
Eight Year Trend for South Dakota Graduates Enrolled in Remedial Courses

Percent of Students	2003	2004	2005	2006	2007	2008	2009	2010
0%	19 (12%)	14 (9%)	24 (13%)	27 (15%)	32 (18%)	21 (12%)	24 (14%)	25 (15%)
1 - 9%	3 (2%)	2 (1%)	1 (1%)	3 (2%)	6 (3%)	1 (1%)	2 (1%)	1 (1%)
10 - 24%	21 (13%)	30 (18%)	43 (23%)	41 (23%)	47 (26%)	47 (27%)	34 (19%)	39 (23%)
25 - 49%	87 (54%)	82 (50%)	74 (41%)	73 (40%)	59 (33%)	64 (36%)	73 (42%)	71 (41%)
50 % - Above	30 (19%)	35 (22%)	42 (22%)	35 (20%)	35 (20%)	45 (26%)	41 (24%)	36 (21%)
Total	160	163	184	179	179	178	174	172

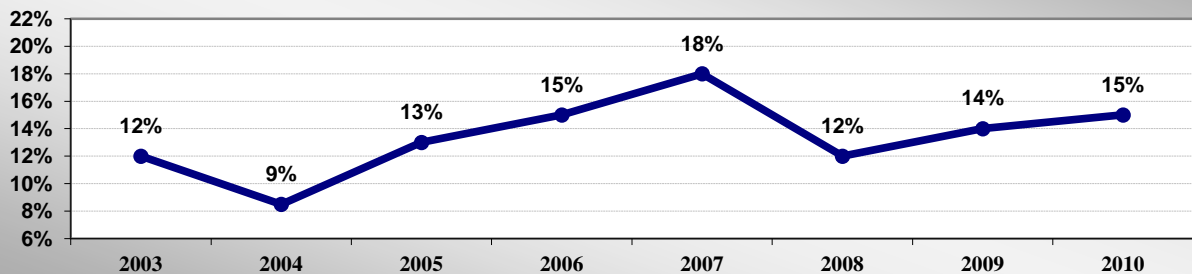
School District Remedial Trends

Data on graduate remedial placement were further examined to determine the percentage of students required to take remedial coursework from each of the 172 high schools in South Dakota that had students enter the Regental system. This past year 25 (15%) of the South Dakota high schools had no students required to enroll in remedial courses (see Table 14). This represents a slight increase in the percentage of high schools requiring no remedial coursework when compared to the previous year, and this rate is slightly higher than the percentage of 2003 high school having no students requiring remedial coursework when the scholarship program was implemented.

During the years 2005-2007, the percentage of the high schools with no students enrolled in remedial courses

steadily increased (see Figure 8). Previous *High School Transition to College Report* data removed high schools that had fewer than three students when determining the percent of high schools with no students enrolled in remedial education courses. However, the data depicted in Table 14 and Figure 8 reflect all schools regardless of the number of students enrolled from a particular high school (e.g., includes those schools with 1 and 2 students). Note that this produced a dramatic increase in the total number of schools with no students (13%) when compared to the previous two years. Despite this change in reporting structure, modest gains were made during the following two academic years with an increase of 5% in the number of high schools that had students who required no form of remediation in math or English. Major fluctuations are likely in these numbers from year-to-year based on two

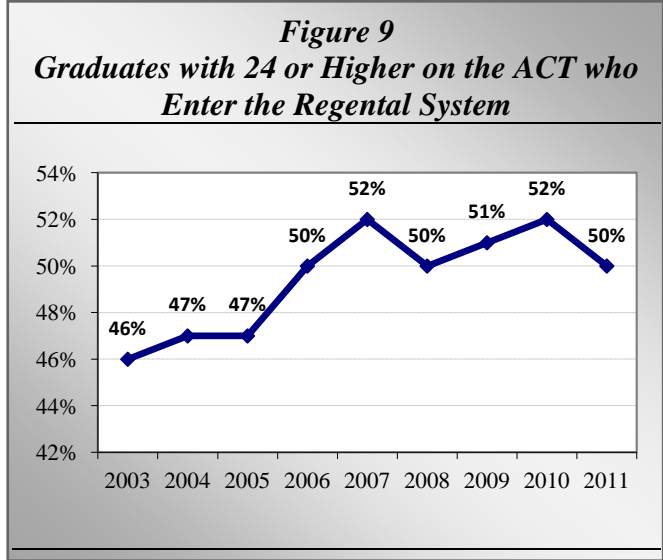
Figure 8
Comparison of High Schools with No Remedial Enrollments



factors: 1) the total number of high schools included in the report; and 2) the total number of part-time students which varies from year-to-year.

ACT Performance

ACT Inc. (2005a) recommends that all students take a college preparatory curriculum that includes four years of English and three years each of mathematics, social studies, and science. The ACT is designed to measure students’ academic achievement and their readiness for college-level work. Research has continually demonstrated that students who complete a college preparatory curriculum achieve higher scores on the ACT. A rigorous college preparatory curriculum has been a cornerstone of the Board of Regents since it implemented its Regents’ Scholar Curriculum in 1990. This curriculum was later adopted by the South Dakota Legislature as it established initial eligibility requirements for the Opportunity Scholarship program in 2004. In 2006, the South Dakota Department of Education (DOE) implemented new minimum graduation requirements, which apply to high school graduates between 2010 and 2013.



In addition to establishing rigorous curriculum requirements for the Opportunity Scholarship Program, the South Dakota Legislature requires students to obtain a 24 or higher on the ACT to become eligible for the program. Including this requirement has produced a significant increase in the number of South Dakota high school graduates who meet or exceed this qualifying score. Twenty-two percent of South Dakota high school graduates obtained a 24 or higher on the ACT the year leading into the implementation of the Opportunity Scholarship program. This percentage increased to 23% in 2004, with the state seeing increases to roughly 29% or 28% over the past few years. In relation to the overall state percentage, the percentage of high school graduates with a 24 or higher ACT score entering the Regental system also experienced similar positive trends (see Figure 9). A year before the program was implemented, roughly 46% of all South Dakota high school graduates who obtained a 24 or higher on the ACT attended one of the six Regental institutions the year after graduation. This percentage has increased to approximately 50% this past academic year.

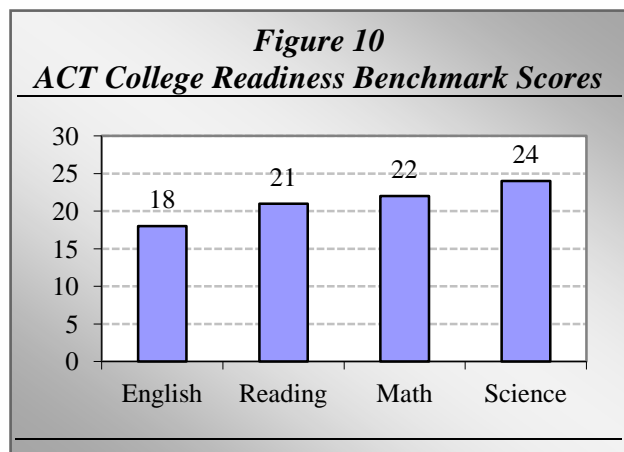
Table 15
South Dakota High School Graduates with 24 or Higher on the ACT

Year	SD Graduates	Above 24 on ACT	Entered Regental
2003	10,591	2,334 ^(22%)	1,084 ^(46%)
2004	10,722	2,511 ^(23%)	1,172 ^(47%)
2005	10,442	2,411 ^(23%)	1,136 ^(47%)
2006	9,908	2,443 ^(25%)	1,229 ^(50%)
2007	9,340	2,530 ^(27%)	1,322 ^(52%)
2008	9,136	2,556 ^(28%)	1,287 ^(50%)
2009	8,802	2,478 ^(28%)	1,272 ^(51%)
2010	8,697	2,493 ^(29%)	1,300 ^(52%)
2011	8,929	2,536 ^(28%)	1,269 ^(50%)

College Readiness

In conjunction with this college preparatory curriculum, ACT Inc. established *College Readiness* benchmark scores (see Figure 10) in 1997 to enhance the practical value for students and high school administrators as they attempt to evaluate the significance of exam scores. Using student actual performance in college, ACT Inc. developed benchmarks in English, reading, mathematics, and science test scores that correspond to high chances of success in entry-level college courses. These Benchmarks are the minimum ACT scores a student must achieve on an ACT test to ensure at least a 50% chance of scoring a B or higher, or at least a 75-80% chance of achieving a C or higher in specific first-year college level courses (Allen & Sconing, 2006). For example, a student who obtains an ACT Mathematics score of 22 or higher has a 50% chance of earning at least a B or higher grade in college algebra.

The ACT *College Readiness Standards*, content standards in the four areas of English, reading, mathematics and science, indicate the skills and knowledge possessed by students obtaining particular ACT scores. These standards are organized into a series of “strands” that describe specific knowledge and skills that can be aligned with standards established within a given high school curriculum.



When comparing South Dakota graduates' college readiness prior to the start of the Opportunity Scholarship program, there has been modest growth in all four content areas. College readiness in Science has experienced the largest growth with an increase of 7% of those students tested. This was followed by a 5% increase in Mathematics, a 3% increase in Reading, and a 1% increase in English (see Table 16). When comparing the percentage of students in South Dakota who were able to meet all four college readiness benchmarks, an overall increase of 6% has occurred during just the past eight years. In 2003, only 23% of students had met all college readiness benchmarks, compared to more than 29% this past year. When comparing these numbers against the national data, students in the state have made stronger gains in this area than the rest of the students throughout the country.

Table 16
Percentage of South Dakota Students Meeting ACT College Readiness Benchmark

	2003	2004	2005	2006	2007	2008	2009	2010	2011
<i>English</i>	71	71	72	74	75	75	74	74	72
<i>Mathematics</i>	47	47	46	50	50	50	49	50	52
<i>Reading</i>	55	56	55	58	58	59	60	58	58
<i>Science</i>	30	31	31	34	34	35	36	35	37
<i>All Subscores</i>	23	25	24	27	27	28	28	28	29
National	20	21	21	21	23	22	23	24	25

Because a rigorous high school curriculum is an essential feature of the initial eligibility criteria for the Opportunity Scholarship (and many merit based programs around the country), it is warranted to consider the impact the curriculum requirements for this program have had on producing a larger number of students each year who are meeting college readiness standards.

The South Dakota Department of Education was a partner in the States Scholar Program which also lists two years of foreign language as the foundation for a rigorous college preparatory curriculum. Due to the curriculum requirements for the program, the state has experienced a 6% increase in the number of students meeting College Readiness Benchmarks established by ACT.

An important way to look at this growth is to consider the increase in the total number of students per year who have been able to enter college ready to be successful in college level courses. A total of 1,685 South Dakota students had met the ACT College Readiness Benchmarks the year before the Opportunity Scholarship program was put in place. This represented a total of

23% of all test-takers. The following year, this percentage grew to 24%, resulting in a total of 1,852 students meeting these same benchmarks. This resulted in a growth of 148 additional students that had now met this standard when compared to the same percentage just a year earlier. When one seeks to apply this methodology to each of the last eight high school graduating classes, in actual numbers 2,210 more students have met these benchmarks than would have done had the program not been implemented. As a result, they are better prepared to successfully complete a degree when they do arrive at a college or university.

As a state continues to work at implementing a more comprehensive accountability system that explores multiple measures (one being college and career readiness), it is valuable to understand the impact this program has had in improving student performance in this area despite remaining rather consistent in the overall composite ACT score obtained by all test-takers throughout the state.

Table 17
Total Growth in the Number of Students Who have Met College Readiness Benchmarks since the Opportunity Scholarship Program was Established

<i>Year</i>	<i>Total Student Tested</i>	<i>% Meeting All Benchmarks</i>	<i>Total Students Meeting Benchmarks</i>	<i>Total Students If % Remained at 2003 Level</i>	<i>Difference</i>
2003	7,327	23%	1,685	1,685	0
2004	7,408	25%	1,852	1,704	+ 148
2005	7,170	24%	1,720	1,649	+ 71
2006	6,807	27%	1,837	1,565	+ 272
2007	6,975	27%	1,883	1,604	+ 279
2008	6,959	28%	1,948	1,601	+ 347
2009	6,676	28%	1,869	1,535	+ 334
2010	6,871	28%	1,923	1,580	+ 343
2011	6,983	29%	2,025	1,609	+416
					+ 2,210

Retention Rates

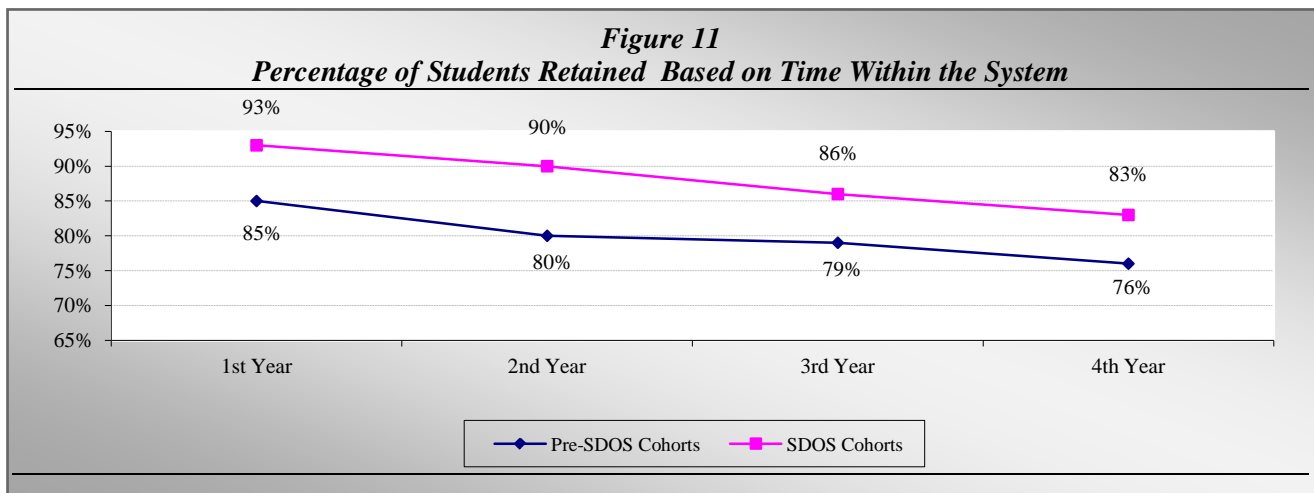
Retention data also depicts positive implications for the funding provided by the legislature toward the Opportunity Scholarship program. To establish a benchmark to compare the success of the program, data from a set of Pre-SDOS cohorts were evaluated to establish a baseline for high achieving students within the Regental system. Beginning with the 2000-01 entering class of South Dakota high school graduates, students with an ACT of 24 or higher were flagged and tracked through the four following academic years. The unique student identifiers employed in the Regents Information System were used to compare student retention beginning with the start of the Fall 2004 semester.

Data in Table 18 depicts the number of students entering in 2000-01 with an ACT of 24 or higher and their retention rate four years later at the start of the 2004-05 semester. The 2002-03 cohort represents student retention after two years, and 2003-04 depicts this percentage after just one year in the system. Using this data, a total of 80% of these students had been retained within the system throughout the four-year time period (see Table 18). Analysis of SDOS recipient data, using the same general

Table 18
Retention Rates for Pre-SDOS and SDOS Cohorts

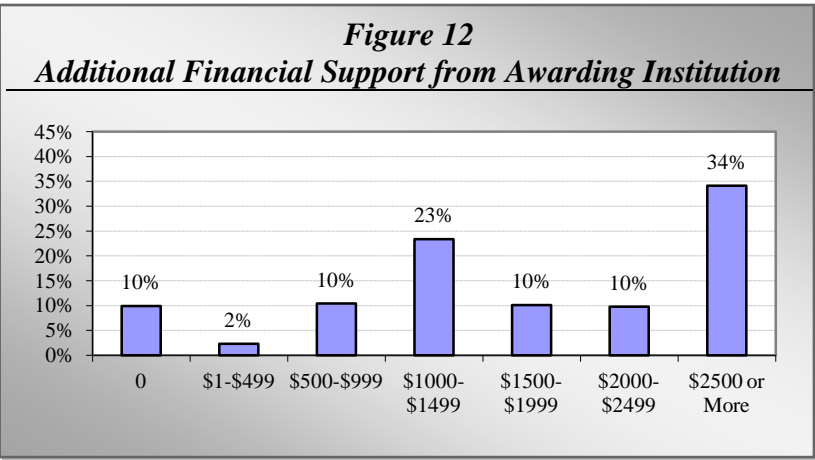
<i>Pre-SDOS</i>	<i>Enrolled</i>	<i>No Longer Enrolled</i>	<i>Total</i>
2000-01	627 (76%)	198 (24%)	825
2001-02	665 (79%)	179 (21%)	844
2002-03	847 (80%)	218 (20%)	1,065
2003-04	1,022 (85%)	181 (15%)	1,203
	3,161 (80%)	776 (20%)	3,937
SDOS			
2004-05	697 (83%)	143 (17%)	840
2005-06	738 (86%)	120 (14%)	858
2006-07	885 (90%)	98 (10%)	983
2007-08	1,085 (93%)	82 (7%)	1,167
	3,405 (88%)	443 (12%)	3,848

time frame parameters, indicates that 88% of SDOS recipients have been retained by a postsecondary institution within the state. More specifically, Figure 11 demonstrates that recipients in the scholarship program were retained at higher levels than pre-SDOS cohorts at all time periods. Fifteen percent of students dropped out prior to the start of the second year, compared to only 7% of SDOS recipients. When extending to the fourth year, 10% more of the SDOS recipients were retained (83% vs. 76%). This is the case despite the fact that 29% (1,116 out of 3,848) of recipients in these four academic cohorts have lost their eligibility in the scholarship program.



Opportunity Scholarship Graduation Survey

An *Opportunity Scholarship Graduation Survey* was developed once the first cohort reached the point of graduation to obtain feedback from recipients about the institutional services they received, future goals after graduation, as well as concerns they had about the program. Across the four cohorts, a total of 2,257 recipients had maintained their eligibility into the final semester, and a total of 1,961 active email addresses were obtained for seeking recipient participation in the data collection efforts. A total of 1,069 students ultimately completed the survey instrument resulting in a 29% response rate. A strong relationship appears to exist when comparing the percentage of responses from each institution, and then aligning those with the percentage of recipients who had established initial eligibility at that institution during the



2004-05, 2005-06, 2006-07 and 2007-08 academic years (see Table 19).

The scholarship program funds each student \$500 each fall and spring semester during the first three years, and then \$1,000 during the final two terms. A number of institutions have developed matching scholarship programs with similar initial and continuing eligibility requirements that provide students with added financial support. Respondents were asked to indicate the level of support they received each year from the awarding institution. The majority (34%) of the respondents noted that they received \$2,500 or more in additional financial support from their campus (see Figure 12). Only about one-quarter of the students indicated they received less than \$1,000 each year from their institution in additional financial compensation. Overall, more than 77% of the recipients receive an additional \$1,000 or more of financial support in the form of merit or need base funding, or discipline/activity based financial assistance.

Table 19
Graduation Survey Respondents by Awarding Institution

Institution	Responded	Cohort
SDSU	452 (42%)	1,546 (42%)
USD	281 (26%)	816 (22%)
SDSMT	88 (8%)	314 (9%)
AUG	73 (7%)	309 (9%)
NSU	51 (5%)	163 (4%)
BHSU	46 (4%)	205 (6%)
DSU	42 (4%)	147 (4%)
MMC	20 (2%)	55 (1.5%)
PRE	14 (1%)	29 (0.8%)
DWU	1 (0.1%)	56 (1.5%)
NAU	1 (0.1%)	3 (0.1%)
	1,069 (29%)	3,643

Future Career Objectives

Recipients were asked to indicate their future intentions after graduation by specifying employment or the continuation of their postsecondary education through graduate work. A total of 473 respondents (44%) indicated they planned to enter the work force directly after graduation, and a total of 248 (52%) of these respondents had already secured employment. Those that had secured employment after graduation were further asked to identify the state in which they intended to work, with 72% (179 out of 248) specifying they intended to enter the workforce in South Dakota (note that seven of these students will be reporting for active military service which required deployment outside of the state).

A large portion of the respondents (476 or 45%) indicated they intended to pursue graduate work after completing their postsecondary undergraduate experience. Three hundred and thirty-five (70%) of these recipients had already been accepted into graduate programs, and 220 (66%) had been accepted in graduate programs offered at a postsecondary institution in South Dakota. When considering these two pools of students, a total of 583 (55%) respondents

had secured employment or been accepted into a graduate program after completing their under-graduate program. Approximately 68% of these recipients chose to remain in South Dakota. Nebraska appeared to attract the largest number of recipients when further examining the geographic placement for those who had obtained employment or graduate school placement (see Table 20). Of the students who planned to move to Nebraska, all 24 planned to attend graduate programs at either Creighton University or the University of Nebraska-Lincoln in either Law, Dentistry, Physical Therapy, Physician Assistant, or Chemistry. Minnesota and Iowa had the next highest with 21 recipients split in areas of graduate work and employment. It is important to note that at the time the survey was completed a number of recipients may still have had additional credit hours to complete before successfully completing their under-graduate studies (e.g., those with double and triple majors, changing degree tracks, etc.). A small portion of the recipients were undecided (56 or 5%), or planned to continue their undergraduate degree (64 or 6%).

Recipient Perceptions of Program

Thirteen survey questions were developed to measure three general issues regarding the Opportunity Scholarship program including: 1) campus support of scholarship recipients; 2) recipient hardship with continuing eligibility policies; and 3) perceived influence of the scholarship program. Recipients were asked to read each of the statements and specify their level of agreement (Strongly Disagree,

***Table 20
Intended Geographic Placement for Employment and Graduate Work for 2004-05, 2005-06, 2006-07 & 2007-08 Opportunity Scholarship Recipients***

<i>State</i>	<i>Graduate Work</i>	<i>Employment</i>	<i>Total</i>
<i>South Dakota</i>	220 ^(66%)	179 ^(72%)	399 ^(68%)
<i>Nebraska</i>	22 ^(6%)	2 ^(0.8%)	24 ^(4%)
<i>Minnesota</i>	12 ^(4%)	9 ^(4%)	21 ^(4%)
<i>Iowa</i>	14 ^(4%)	7 ^(3%)	21 ^(4%)
<i>Colorado</i>	4 ^(1%)	5 ^(2%)	9 ^(1.5%)
<i>North Dakota</i>	3 ^(0.9%)	6 ^(2.5%)	9 ^(1.5%)
<i>Wyoming</i>	0 ^(0%)	5 ^(2%)	5 ^(0.8%)
<i>Montana</i>	0 ^(0%)	2 ^(0.8%)	2 ^(0.3%)
<i>Outside Region</i>	60 ^(18%)	33 ^(13%)	93 ^(16%)
<i>Total</i>	335	248	583

Disagree, Neutral, Agree, and Strongly Agree). Four to five statements were developed to address each of these issues to eliminate the potential for overreliance on a single item when making policy based interpretations. These statements were then inserted randomly into the survey instrument to ensure that recipient response to the preceding item would not have an effect on subsequent responses. Lastly, the items were both positively and negatively worded to ensure that recipients took the time to read each item before responding. This final section of the report will focus on each of these issues separately in an attempt to highlight recipient opinions related to these topics.



Campus Support. First, recipients responded to five items regarding their interaction with campus personnel about the Opportunity Scholarship program (see Table 21). A sizable number of the recipients specified that they had limited contact with personnel at their campus (48%), and the majority specified that personnel responsible for administering the program were helpful when it came to identifying strategies to ensure that they maintained their ongoing eligibility in the program. Recipients

indicated that personnel were knowledgeable about the requirements for the program (60%), with a similar number of respondents specifying that they were able to obtain appropriate answers to questions they had about the program (57%). However, recipients suggested mixed results when responding to the statement about requests for assistance. Forty-eight percent of recipients were neutral in their opinion of the response rate they received, while 47% indicated appropriate response rates. Overall, recipients appeared to be satisfied with the assistance they received from campus personnel as they worked to maintain eligibility in the program.

Table 21
Student Interaction with Campus Personnel Regarding Opportunity Scholarship Program

<i>Item</i>	<i>Disagree</i>	<i>Neutral</i>	<i>Agree</i>
1. I found personnel at my institution to be knowledgeable about the requirements for the scholarship program.	105 ^(10%)	321 ^(30%)	641 ^(60%)
2. Personnel at my institution assisted in identifying strategies to ensure that I maintain my eligibility in the scholarship program.	346 ^(33%)	322 ^(30%)	400 ^(37%)
3. I have had frequent contact with personnel from my institution regarding the scholarship.	512 ^(48%)	343 ^(32%)	214 ^(20%)
4. My institution was helpful in addressing my questions about the scholarship program.	92 ^(9%)	366 ^(34%)	609 ^(57%)
5. I have always received timely responses to my requests for assistance regarding the Opportunity Scholarship.	51 ^(5%)	510 ^(48%)	505 ^(47%)

Student Hardships.

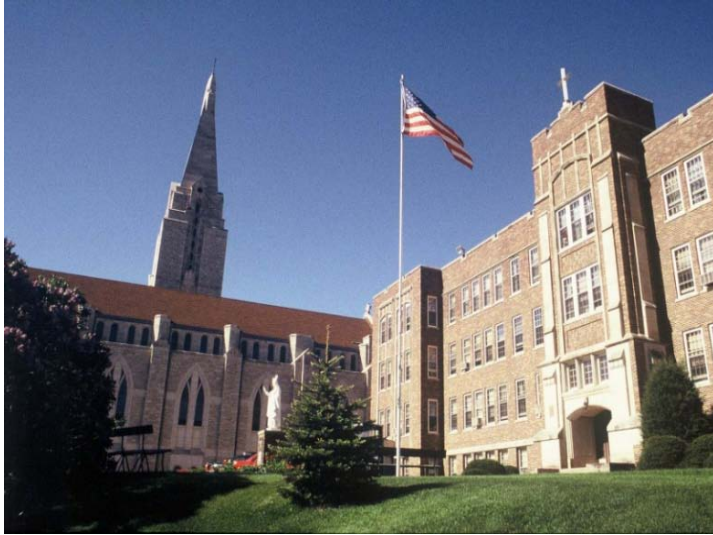
Second, recipient ability to maintaining 15 credit hours each semester continues to be the single biggest concern expressed by SDOS recipients. Students desire some degree of flexibility in managing their credit load each semester. At any given time they may be confronted with whether to complete a particularly difficult course versus maintaining their GPA. When examining continuing eligibility data, failure to attempt and complete 15 credit hours remains the primary cause of lost eligibility. Analysis performed on recipients that have lost eligibility across the first four initial cohorts shows that a larger number have become permanently ineligible because they failed to complete 15 or more credit hours during their final semester of eligibility. However, student GPA and credit hour completion appear to be highly correlated producing two possible by-products. First, a number of students fall below the required GPA, and then make a choice to bring that GPA up by taking fewer credit hours the following semester. Second, students will intentionally drop a course that might be lowering their GPA to maintain their GPA requirements for other scholarship programs.

To determine the extent these recipients were inversely influenced by the continuing eligibility requirements, respondents were asked to react to four statements. The majority of the recipients disagreed that the eligibility requirements were difficult to understand (60%), and many of them (56%) felt that having to complete 15 credits each

Table 22
Recipient Difficulty Maintaining Eligibility in the Opportunity Scholarship Program

<i>Item</i>	<i>Disagree</i>	<i>Neutral</i>	<i>Agree</i>
1. At times I found it difficult to understand the guidelines for maintaining my eligibility in the scholarship program	644 ^(60%)	221 ^(21%)	203 ^(19%)
2. The eligibility requirements for the scholarship program have been helpful in ensuring that I finish my degree in a timely fashion.	208 ^(20%)	258 ^(24%)	599 ^(56%)
3. The continuing eligibility requirements had an impact on the degree I ultimately selected to pursue.	784 ^(73%)	178 ^(17%)	103 ^(10%)
4. I found it difficult to manage a schedule of at least 15 credit hours each semester.	786 ^(74%)	116 ^(11%)	165 ^(15%)

semester was helpful in ensuring that they finish their degree in a timely fashion. College financial aid counselors and university presidents noted that students pursuing particular degrees and majors are also disadvantaged by this requirement (engineering, pharmacy, education, etc.). Unexpected demands of internship or student teaching obligations, or unique course-taking requirements based on their field of study further complicate the situation for students. To address this concern, respondents were asked to indicate whether the credit hour requirements had an unintended impact on the degree they chose to pursue. Only 10% agreed with this statement, with a sizable number (73%) specifying that they disagree or strongly disagree with this statement. It is important to note that the results from the survey instrument only reflect those students who have been able to maintain eligibility.



Perceived Influence. Finally, four items were used to help measure the perceived influence the Opportunity Scholarship program had on recipients' choice of institution and for remaining in South Dakota. A sizable portion of the recipients (52%) indicated they had chosen their institution because of the financial assistance provided, while 27% disagreed with this statement. A small percentage appeared to be unaffected by the financial assistance, suggesting that these students were probably more directly influenced by the degree program offered at the awarding institution.

Two additional questions were used to determine the impact of the scholarship program for encouraging recipient geographic placement within South Dakota. Fifty-three percent of recipients noted that the scholarship program was a critical factor for choosing to remain at an institution in the state. Approximately one-fifth of the recipients indicated that the scholarship program was not critical, and more

interestingly about 22% of the respondents who said the scholarship was an important factor indicated they would have attended an institution outside South Dakota if they had not received the additional funding the program allowed. Of more critical importance is the recipient response to the final question which asked whether they were more likely to remain in South Dakota after graduation due to the financial support they received from the scholarship. Only 31% of the students felt this type of obligation, with a large number of respondents neutral to the idea. This may be explained by the potential for employment or graduate degree programs of interest for students, but additional information is warranted to better determine student perceptions related to this particular objective of the scholarship program. With such a large portion of the recipients making the choice to remain in the state, one would anticipate that the scholarship program had an impact on this decision, even though it may not have been a conscious decision.

Table 23
Perceived Influence of the Opportunity Scholarship Program

<i>Item</i>	<i>Disagree</i>	<i>Neutral</i>	<i>Agree</i>
1. I chose my institution based on the financial assistance it provided me to attend.	283 (27%)	225 (21%)	556 (52%)
2. Receiving the Opportunity Scholarship was a critical factor in my choice to attend an institution in South Dakota.	224 (21%)	275 (26%)	568 (53%)
3. I would have attended an institution outside of South Dakota without the financial support I received from the scholarship program.	513 (48%)	319 (30%)	234 (22%)
4. I am more likely to remain in South Dakota after graduation because of the financial support I received from the scholarship program.	362 (34%)	377 (35%)	327 (31%)

Department of Labor

Recipient Placement through DOL

This past year the Board of Regents examined the placement outcomes of Regental degree completers. Of primary interest to this analysis was the extent to which Regental graduates – within one calendar year of graduation – either 1) are hired into the in-state workforce or 2) continue their education by enrolling in post-graduation coursework. Data for this project were gathered from three main sources: Regents Information Systems (RIS), the South Dakota Department of Labor and Regulation (DLR), and the National Student Clearinghouse (NSC). First, a combined roster of all undergraduate and graduate degree major completers from the 2005-06, 2006-07, 2007-08, and 2008-09 academic years (n=20,716) was generated by RIS staff. Next, in partnership with DLR, state employment data systems were queried to determine the job placement outcomes of the degree major completers identified in the RIS roster. DLR data provided industry and wage information for up to three concurrent job placements for each completer.

Altogether, matched employment data were found for n=10,802 of the n=20,716 Regental completers.⁸ Those records for which no match was found in the DLR database were submitted to the NSC to gather enrollment information on any students attempting collegiate coursework after (Regental) graduation. The resultant NSC

dataset contained institutional information for each student matriculating to a NSC-reporting college or university. An additional n=2,322 matched enrollment records were found by this method. Among those completers matriculating from South Dakota, the SD-placement rate was 69.4%. In practical terms, this means that roughly 70% of in-state students graduating from a Regental institution will remain in South Dakota after graduation, either to work or to pursue additional postsecondary education.

From this data set, it was possible to explore all graduates that had been recipients of the Opportunity Scholarship program to determine their placement. Note that the largest percentage of recipients would have graduated during the 2008-09 academic year from the first eligible cohort who entered in 2004-05. Across this time period a total of 916 recipients had graduated. Of these recipients a total of 507 (56%) were employed in South Dakota, 213 (23%) were enrolled in graduate school, and 196 (21%) were not employed in South Dakota. When combining the employed and enrolled students together, roughly 79% of these students had met the placement criteria used in the DOL analysis. This is an increase of approximately 9% when compared to the average Regental system graduate that had originated in South Dakota before going on to postsecondary.

Table 24
Placement of South Dakota Residents and Opportunity Scholarship Recipient Graduates from the 2005-06, 2006-07, 2007-08, and 2008-09 Academic Years

<i>South Dakota Residents</i>	Employed/Enrolled in SD	69.4%
	Not Employed in SD	30.6%
<i>Opportunity Scholarship Recipients</i>	Employed/Enrolled in SD	78.6%
	Not Employed in SD	21.4%

Legislative Policy Issues

Fiscal Impact of Statute Changes

Recipients began receiving funding for the South Dakota Opportunity Scholarship program during the Fall 2004 semester. Since that time, concerns about the initial and continuing eligibility criteria have produced a number of changes to the original statute over the past five legislative sessions. Even when a minor statute change is proposed, a fiscal impact is anticipated for the ongoing funding for the scholarship program resulting from the projected increase on the total number of eligible recipients. Furthermore, established attrition rates are also affected as a larger number of recipients are able to maintain their eligibility in the program. Each time a statute change is proposed, a “fiscal impact projection” is generated using existing data to provide legislators with an accurate picture for how the legislation will have a long term effect on the program.

When calculating the overall fiscal implications, a four year projection is used to demonstrate how the program is influenced once four cohorts of students are filtered into program. For example, in 2008

Governor Rounds proposed to lower the ACT score to 23 and at that time it was projected that an additional 100 students would become eligible each year. In the first year the statute change would have taken effect, the cost to the general fund would have been \$100,000. During the next year an additional 100 students would have become eligible, along with 72% of those who had been eligible the previous year and continued to meet the continuing eligibility requirements (when current attrition rates were applied). These data indicate that a total of 172 students would have been eligible in the second year of the statute change resulting in a \$172,000 increase to the general fund when compared to what the program would have cost assuming no change had been implemented. This number rose to 237 students in year three, and then 295 at year four. Fifty-eight of those students would have received \$2,000 during their senior year and 258 would have each received \$1,000 resulting in a total cost of \$353,000 (see Table 24).

Since the program was initially established, a total of twelve bills have been considered which sought to change either

<i>Yearly Increase</i>	<i>2009-10</i>	<i>2010-11</i>	<i>2011-12</i>	<i>2012-13</i>
<i>Year 1</i>	100	72	65	58
<i>Year 2</i>	**	100	72	65
<i>Year 3</i>	**	**	100	72
<i>Year 4</i>	**	**	**	100
At \$1,000	100	172	237	237
At \$2,000				58
	\$100,000	\$172,000	\$237,000	\$237,000
				\$116,000
				\$353,000

the initial/continuing eligibility criteria or alter the existing funding structure. Six changes have been proposed and approved (projected fiscal impact of \$775,830), while six pieces of legislation did not receive overwhelming support from the legislature (projected fiscal impact of \$941,577). The complete list of bills can be found below and include legislation in each year of the program except for 2005:

- **2006 - House Bill 1140.** Allow student to regain eligibility in the scholarship program after they had failed to meet the 3.0 cumulative grade point average.
- **2006 - House Bill 1157** – Allow students to become eligible for the scholarship program within two years of their high school graduation if they had initially had enrolled at a postsecondary institution outside of South Dakota.
- **2007 - House Bill 1142** – Increase the value of the program to \$6,000 allowing students to receive \$1,200 during the first three years and then \$2,400 in the final year of eligibility.
- **2008 - House Bill 1186** – Allow students to take the ACT or SAT after high school graduation but prior to the start of their postsecondary career.
- **2008 - House Bill 1306** – Allow students receiving alternative forms of high school instruction the ability to participate in the program if they receive an ACT score of 24 and at least a 22 on each of the sub-scores.
- **2008 - Senate Bill 59** - Increase the value of the program to \$6,000 allowing students to receive \$1,200 during the first three years and then \$2,400 in the final year of eligibility.
- **2008 - Senate Bill 201** – Allow students receiving a 23 on the ACT to establish initial eligibility in the scholarship program.

- **2009 - Senate Bill 1154** – Allow students, who have established eligibility in the program, attend an institution outside the state and then return to South Dakota within two years and still maintain eligibility in the program.
- **2010 - House Bill 1160** – Allow students who receive a 28 or higher on the ACT and meeting the college readiness benchmarks for each of the sub-scores and become eligible without meeting the high school curriculum requirements.
- **2010 - House Bill 1190** – Allow students the ability to take either Career and Technical education or Foreign Language to meet the high school curriculum requirements for the program.
- **2010 - House Bill 1224** – Defer the payment of the scholarship funds until a student has met continuing eligibility criteria for the first full year of postsecondary education.
- **2010 - Senate Bill 145** – Replace the 15 credit hour per semester requirement with a set of credit hour benchmarks (30, 60, 90) that students must complete to maintain continuing eligibility requirements in the program.

Table 25 provides a depiction of the estimated fiscal impacts that were anticipated for each of these bills to aid the legislature in determining not only the policy implications associated with each proposed change, but the relative impact such a change would have on the long-term financial viability for the program. The three changes that were proposed last year (with delayed implementation on HB 1190 and HB 1160) resulted in the largest fiscal impact to the program since it was established in 2004. The full fiscal impact for these two pieces of legislation are not fully felt until FY17 when the total number of new students fully cycle into the program.

Table 26
Total Cost of Statute Changes

Legislation Drafted - Approved	Estimated Fiscal Impact
2006 – HB 1140 - Reinstatement after 3.0 GPA	\$42,000
2006 – HB 1157 - Returning From Out of State	\$57,000
2008 – HB 1186 - Scoring 24 After High School Graduation	\$28,000
2010 – HB 1160 - 28 ACT Score and Benchmarks	\$180,030
2010 – HB 1190 - Allow CTE Coursework	\$227,200
2010 – SB 145 - Modified Credit Hours	\$241,600
Total	\$775,830
Legislation Drafted - Not Approved	
2007 – HB 1142 - Increase Value to \$6000	\$805,957
2008 – SB 59 - Increase Value to \$6000	**
2008 – HB 1306 - Alternative Instruction Students	\$70,600
2008 – SB 201 - Lower ACT to 23	\$353,000
2009 – SB 1154 - Transfer Out then Return	\$33,000
2010 – HB 1224 - Defer Payment Until 2nd Year	(\$321,000)
Total	\$941,557
Total Assuming All Approved	\$1,717,387

Growing Program Costs

Legislatures around the country are being forced to reconsider the merit-based programs they put in place over the past two decades. For example, the Opportunity Scholarship was fashioned after the Hope Scholarship program in Georgia. Due to decreased state revenues, legislators in that state have had to scale back the program to just cover tuition (excluding student fees) and reduce the book allowance from \$350 to

\$175 dollars. If South Dakota had implemented a scholarship program at this scale, then the cost would have been at \$23 million this year rather than the \$4 million that we are currently spending. The modest program has produced positive results at 18% of what it would cost to implement in other states. This is also only 38% of what the program costs would be if the scaled back Hope Scholarship benefits were applied.

Table 27
State Appropriations if Hope Scholarship (Original and Revised) Benefits Were Used for the Opportunity Scholarship Program

Assuming Original Hope Scholarship Benefits		FY12 Hope Scholarship Benefits	
Tuition & Fees	\$6,516	Tuition & Fees	\$2,994
Book Allowance	\$350	Book Allowance	\$175
Per Student Cost	\$6,866	Per Student Cost	\$3,169
Total Program Cost	\$23,227,678	Total Program Cost	\$10,720,727

Maintaining Scholarship Value

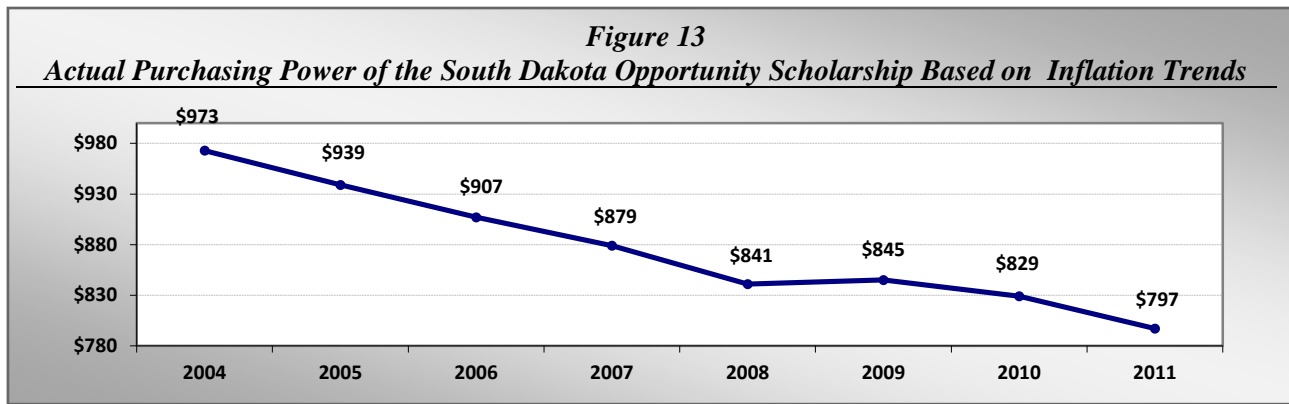
One important policy issue appears to be at the forefront for on-going dialogue regarding the future of the Opportunity Scholarship program. The early history of the Opportunity Scholarship (SDOS) program dates to 2001, when Governor Bill Janklow introduced Senate Bill 239 to establish the Regents Scholarship Program and provide for its funding. As Governor Janklow originally envisioned, the scholarships would be available only to students who attended public universities or the state-supported technical institutes. By the time SB 239 reached the Governor’s desk, the bill had been amended to include non-public universities, colleges, and technical schools as well. Gov. Janklow vetoed the bill, and the Legislature sustained his decision.

During the 2003 Legislative session, a bill nearly identical to the one vetoed in 2001 actually became law but was not funded. The total value of the scholarship over four years had been set at \$6,000. In 2004, the Legislature renamed the scholarship the South Dakota Opportunity Scholarship and authorized funding from the state’s Education Enhancement Trust Fund, beginning with high school graduating classes in 2004. The Legislature also reduced the scholarship amount, to be

Fiscal Year	Percentage Increase
2004	2.7%
2005	3.4%
2006	3.2%
2007	2.8%
2008	3.8%
2009	-0.4%
2010	1.6%
2011	3.2%
Total	20.3%

earned over four years, from \$6,000 to \$5,000.

With this historical background in mind, it is important to consider the financial impact of the state support for high achieving students. National data indicates that the rate of inflation has increased by an average of 2.5% over the past eight years (see Table 27). More specifically, since the first cohort took advantage of the SDOS seven years ago, the buying power of the \$1000 scholarship has decreased by 20.3% (US Inflation Calculator, 2012). As a result, students are provided approximately \$797 in actual purchasing power toward college expenses (see Figure 13). Although this past year the program continued to experience an increase in the overall number of new recipients, the program fell below projections anticipated to meet the objective for doubling the number of Opportunity Scholarship recipients by 2010.



Appendix A: South Dakota Opportunity Scholarship Legislative Statutes

13-55-30. Opportunity scholarship program established. There is established the South Dakota opportunity scholarship program to be administered by the Board of Regents. The purpose of the program is to allow South Dakota's most academically accomplished high school graduates to receive an affordable education at any university, college, or technical school that is accredited by the North Central Association of Colleges and Schools and that provides instruction from a campus located in South Dakota.

13-55-31. Eligibility requirements for opportunity scholarship. In order to be eligible for a South Dakota opportunity scholarship award, a student shall:

- (1) Be a resident of South Dakota at the time of graduation from high school;
- (2) Have a composite score of 24, or higher, on the test administered by the American College Testing Program or an equivalent score as determined by the Board of Regents on the Scholastic Assessment Test. The student shall take the ACT or SAT test before beginning postsecondary education;
- (3) Meet the high school course requirements for graduation as provided in § 13-55-31.1;
- (4) Attend a university, college, or technical school that is accredited by the North Central Association of Colleges and Schools and that provides instruction from a campus located in South Dakota; and
- (5) Enter into the program within five years of graduation 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. If a student attends full-time a regionally accredited university, college, or technical school located outside South Dakota and within two years following high school graduation or within two years following release from active military service returns to the state to attend full-time a regionally accredited university, college, or technical school, the student is eligible to receive a partial award.

A student is eligible to participate in the South Dakota opportunity scholarship program for the equivalent of four academic years (eight consecutive spring and fall terms) or

until the attainment of a baccalaureate degree, whichever comes first. However, the executive director of the Board of Regents may grant exceptions to the continuous enrollment requirements for good cause shown.

A student who would have been eligible for the scholarship, but who applies after completing one or more semesters of full-time work at an accredited institution, may be admitted to the program only if the student has complied with the same grade point and credit hour requirements that would apply to program participants. Admission granted under these circumstances may not be retroactive, and eligibility for participation in the program shall be reduced by one semester for each semester of work completed prior to admission to the program.

13-55-31.1. High school course requirements for opportunity scholarship eligibility. To be eligible for an opportunity scholarship, a student who entered the ninth grade prior to the 2010-2011 school year shall complete the following high school course requirements:

- (1) Four or more units of language arts that include a minimum of the following:
 - (a) One and one-half units of writing;
 - (b) One and one-half units of literature that must include one-half unit of American Literature;
 - (c) One-half unit of speech or debate; and
 - (d) One-half unit of a language arts elective;
- (2) Three or more units of social studies that include the following:
 - (a) One unit of U.S. History;
 - (b) One-half unit of U.S. government;
 - (c) One-half unit of geography;
 - (d) One-half unit of world history; and
 - (e) One-half unit of a social studies elective;
- (3) Four units of mathematics that must include the following:
 - (a) One unit of algebra I;
 - (b) One unit of geometry;
 - (c) One unit of algebra II; and
 - (d) One unit of advanced math;
- (4) Four units of science, including at least three units in laboratory science, that must include the following:
 - (a) One unit of biology;
 - (b) One unit of any physical science;
 - (c) One unit of chemistry or physics; and
 - (d) One unit of science electives;

- (5) Two units of world languages (two years of the same language);
- (6) One-half unit of computer studies;
- (7) One unit of fine arts;
- (8) One-half unit of personal finance or economics; and
- (9) One-half unit of physical education or health.

A student may earn academic core content credit by completing an approved career and technical education course. Approval to offer credit for a career and technical education course must be obtained through an application process with the Department of Education. The Department of Education shall meet with the Board of Regents to determine final course approval. The application must include:

- (1) Course syllabus;
- (2) Standards-based curriculum;
- (3) Teacher certification; and
- (4) Assessment of standards by methods including end-of-course exams, authentic assessment, project-based learning or rubrics.

To be eligible for an opportunity scholarship, a student who enters the ninth grade in the 2010-2011 school year or thereafter shall complete the following high school course requirements:

- (1) Four or more units of language arts that include a minimum of the following:
 - (a) One and one-half units of writing;
 - (b) One and one-half units of literature that must include one-half unit of American literature;
 - (c) One-half unit of speech or debate; and
 - (d) One-half unit of a language arts elective;
- (2) Three units or more of social studies that include the following:
 - (a) One unit of U.S. history;
 - (b) One-half unit of U.S. government;
 - (c) One-half unit of geography;
 - (d) One-half unit of world history; and
 - (e) One-half unit of a social studies elective;
- (3) Four units of mathematics that must include the following:
 - (a) One unit of algebra I;
 - (b) One unit of geometry;
 - (c) One unit of algebra II; and
 - (d) One unit of advanced math;
- (4) Four units of science, including at least three units in laboratory science, that must include the following:
 - (a) One unit of biology;
 - (b) One unit of any physical science;
 - (c) One unit of chemistry or physics; and
 - (d) One unit of science electives;

- (5) Two units of either of the following or a combination of the two:
 - (a) Approved career and technical education courses; and
 - (b) World languages.

Approval for a career and technical education course must be obtained through an application process with the Department of Education. The department shall meet with the Board of Regents to determine final course approval;

- (6) One-half unit of personal finance or economics;
- (7) One unit of fine arts;
- (8) One-half unit of physical education; and
- (9) For students entering the ninth grade in the 2013-2014 school year and thereafter, one-half unit of health or health integration.

A student may be granted up to one unit of credit in fine arts for participation in extracurricular activities. A maximum of one-fourth unit of credit may be granted for each extracurricular activity in which a student participates during each school year. In order to grant credit for an extracurricular activity, a school district must document the alignment of the activity with fine arts content standards approved by the South Dakota Board of Education.

Students entering the ninth grade in the 2013-2014 school year and thereafter are required to take one-half unit of health at anytime during grades six through twelve. A school district may choose to integrate health across the curriculum at the middle or high school level in lieu of a stand-alone course.

A student may earn academic core content credit by completing an approved career and technical education course. Approval to offer credit for a career and technical education course must be obtained through an application process with the Department of Education. The Department of Education shall meet with the Board of Regents to determine final course approval. The application must include:

- (1) Course syllabus;
- (2) Standards-based curriculum;
- (3) Teacher certification; and
- (4) Assessment of standards by methods including end-of-course exams, authentic assessment, project-based learning or rubrics.

13-55-33. Allocation of scholarship funds--Proration in cases of insufficient funds--Total scholarship amount set. One-half of the annual scholarship award shall be paid to public institutions on behalf of eligible students there enrolled or directly to eligible students enrolled at nonpublic institutions at the beginning of the fall semester and the other half shall be paid at the beginning of the spring semester. The amount of the annual award shall be as follows:

- (1) One thousand dollars for the first year of attendance;
- (2) One thousand dollars for the second year of attendance;
- (3) One thousand dollars for the third year of attendance;
- (4) Two thousand dollars for the fourth year of attendance unless the student attended full-time a regionally accredited university, college, or technical school located outside South Dakota prior to admission to the program, in which case the award shall be one thousand dollars.

If, in any year, the total funds available to finance the scholarship awards are insufficient to permit each eligible recipient to receive the full amount provided in this section, the available moneys shall be prorated and distributed to each recipient in proportion to the entitlement contemplated by this section. The total amount of the scholarship may not exceed five thousand dollars.

13-55-34. Continuing eligibility requirements for scholarship recipients. In order to maintain eligibility, a student shall:

- (1) Maintain a cumulative 3.0 grade point average on a 4.0 scale. Cumulative grade point average shall be calculated after the second semester and every semester thereafter. The student shall complete consecutive spring and fall terms in order to remain eligible for continuation of the scholarship program from term to term. A student whose cumulative grade point average falls below 3.0 on a 4.0 scale shall forfeit the scholarship for the subsequent semester and for subsequent semesters until the student has reestablished eligibility. To reestablish eligibility, the student shall comply with all course load, enrollment, and proficiency examination requirements for continued eligibility stated in §§ 13-55-30 to 13-55-35, inclusive, and the student shall achieve a cumulative grade point average of 3.0, or greater, on a 4.0 scale. The scholarship shall be reinstated beginning the semester following that in which the student achieves a cumulative grade point average of

3.0, or greater, on a 4.0 scale. Reinstatement of a scholarship does not extend the time allowed under the scholarship program; any scholarship award forfeited cannot be reclaimed after a student has regained eligibility. A student whose cumulative grade point average falls below 3.0 on a 4.0 scale a second time forfeits the scholarship for all subsequent semesters; and

- (2)
 - (a) Enroll in and complete at least fifteen credit hours of instruction in each consecutive spring and fall term if the student completed ninth grade prior to the 2010-2011 school year; or
 - (b) Enroll in and complete at least thirty credit hours of instruction in each academic year if the student completed ninth grade in the 2010-2011 school year or thereafter. For purposes of this subdivision, an academic year consists of consecutive fall and spring terms.

Earn thirty credit hours prior to the beginning of the second year of instruction, sixty credit hours prior to the beginning of the third year of instruction, and ninety credit hours prior to the fourth year of instruction. If the executive director of the Board of Regents determines that a student's failure to enroll or to maintain continued enrollment occurred as a direct result of legitimate factors outside the student's control, or has resulted from the student's participation in an activity that in the executive director's judgment provides knowledge or experience that will enhance the student's academic pursuits, the executive director may extend the student's eligibility to participate in the program for up to two additional years, if the student does not enroll in a noneligible institution.

13-55-35. Board of Regents to allocate appropriated funds and other funds received for program. The Board of Regents may allocate funds appropriated by the Legislature or funds generated by gifts, donations, grants, or endowments for the purposes of §§ 13-55-30 to 13-55-36, inclusive, to students qualifying pursuant to § 13-55-31.

13-55-36. Board of Regents to promulgate rules. The Board of Regents shall promulgate rules, pursuant to chapter 1-26, to accomplish the purposes of §§ 13-55-30 to 13-55-36, inclusive.

Appendix B: South Dakota Opportunity Scholarship Administrative Rules

24:40:13:01. Definitions. Terms used in this chapter mean:

- (1) "Board," the South Dakota Board of Regents;
- (2) "Credit hour," the unit of measure employed by an institution to track progress toward degree completion. Only units that satisfy graduation requirements under institutional rules may be recognized as credit hours under this chapter;
- (3) "Cumulative grade point average," the grade point average based upon the numeric grades or their letter equivalents for all credits earned by the student. For purposes of continuing eligibility, the cumulative grade point average is the average of grades assigned in courses attempted after admission to the scholarship program, with the exception of courses for which no credit hours would be awarded by the participating institution that enrolled the student as a regular student;
- (4) "Executive director," the executive director of the South Dakota Board of Regents, or the executive director's designee;
- (5) "Full-time attendance," enrollment in a participating institution as a regular student for at least 15 semester credit hours;
- (6) "Grade on a 4.0 scale," the numeric designation of grade equivalencies shown on the following conversion table:

Letter Grade	Grade Point
A or A+	4.00
A-	3.66
B+	3.33
B	3.00
B-	2.66
C+	2.33
C	2.00
C-	1.67
D+	1.33
D	1.00
D-	0.67
F	0.00

- (7) "High school," a school as defined in § 24:03:01:01(32) that has been approved or accredited by the secretary of the Department of Education to provide instruction through grade twelve;
- (8) "Institution," any university, college, or technical school that is accredited by a regional accrediting agency, or, in the case of institutions located outside the United States of America, any university, college, or technical school recognized by governmental authorities as adhering to comparable quality standards in matters of curriculum, resources, and business practices;
- (9) "Participating institution," any university, college, or technical school that is accredited by the Higher Learning Commission of the North Central Association of Colleges and Schools providing instruction from a campus located in South Dakota and that executes an agreement pursuant to this chapter;
- (10) "Regular student," a person who is enrolled or accepted for enrollment at an institution for the purpose of obtaining a degree, certificate, or other recognized educational credential offered by that institution;
- (11) "Scholarship," any grant-in-aid awarded pursuant to this chapter;
- (12) "Scholarship program," the South Dakota Opportunity Scholarship program established to allow South Dakota's most academically accomplished high school graduates to receive an affordable education at any participating institution;
- (13) "Student," any person who has not received a baccalaureate degree.

24:40:13:02. Initial eligibility requirements. In order to be eligible to receive a South Dakota Opportunity Scholarship, a student must:

- (1) Be graduated from high school with a cumulative average grade of "B" (3.0 on a 4.0 scale), or greater, for all work attempted and completed as designated on the official high school transcript at the time of graduation;
- (2) Be a resident of South Dakota at the time of graduation from high school;
- (3) Take the test administered by the American College Testing Program (ACT) or the Scholastic

Assessment Test (SAT) examination while in high school or the summer following graduation from high school and before postsecondary enrollment;

- (4) Receive a composite score on the ACT of at least 24 or an equivalent score on the SAT as determined by the Board of Regents;
- (5) Complete the required number of high school courses in the following subjects effective for 2004-2009 high school graduates:
 - (a) Four units of English: courses with major emphasis upon grammar, composition, or literary analysis. One year of debate instruction may be included to meet this requirement;
 - (b) Four units of algebra or higher mathematics: algebra, geometry, trigonometry, or other advanced mathematics, including accelerated or honors mathematics (algebra) provided at the 8th grade level. Arithmetic, business, consumer or general mathematics, or other similar courses, are not included;
 - (c) Four units of science, including three units of approved laboratory science: courses in biology, chemistry, or physics in which at least one regular laboratory period is scheduled each week. Accelerated or honors science (biology, physics, or chemistry) provided in the 8th grade are accepted. Qualifying physical science or earth science courses (with lab) may be accepted on a case-by-case basis;
 - (d) Three units of social studies: history, economics, sociology, geography, United States or South Dakota government, American Problems, and similar courses;
 - (e) Two units of a modern or classical language, including American Sign Language. The two units must be in the same language;
 - (f) One unit of fine arts: effective for the fall 2005 semester for students graduating from South Dakota high schools, one unit in art, theatre, or music. Such credit may be in appreciation, analysis, or performance. Through the fall 2004 semester for students graduating from South Dakota high schools, one-half unit of art, theatre, or music is required. Such credit may be in appreciation, analysis, or performance;
 - (g) One half unit of computer science: students must have basic keyboarding skills, experience in using computer word processing, database, and spreadsheet packages, and experience in using the Internet or other wide area networks.

No course in which a student received a final grade below a "C" (2.0 on a 4.0 scale) may be counted for purposes of this subdivision. If a student who receives disqualifying grades in

courses required under this subdivision retakes those courses while in high school, the student may still qualify for eligibility if the student has the required number of courses with grades of C or above in each subcategory;

- (6) Meet the high school course requirements for graduation from the distinguished high school program (§ 24:43:11:05) effective for the persons graduated from high school in 2010 or thereafter high school graduates;
- (7) Attend a participating institution; and
- (8) Enter into the scholarship program within five years of the date of graduation from high school. A student who entered active military duty immediately after the date of graduation from high school may qualify for the scholarship if the student's release from military service occurs within five years from the student's graduation and the student enters the scholarship program within one year of the student's release from active military duty.

24:40:13:03. Loss of eligibility due to attendance outside South Dakota.

A student is not eligible for the scholarship program if the student attends an institution located outside South Dakota for one or more semesters or quarters. Enrollment in a distance education program offered by an institution located outside South Dakota constitutes attendance outside South Dakota for purpose of this rule. However, if a student attends an institution out of state and then returns to South Dakota to attend a participating institution starting no later than the beginning of the fall term within two years of the student's high school graduation and has met all initial and continuing eligibility requirements for the scholarship program, the student may qualify for a partial scholarship award. A student who entered active military duty immediately after attending an institution out of state may qualify for the scholarship if the student enters the scholarship program within one year of the student's release from active military duty.

24:40:13:04. Exceptions to attendance restrictions.

Notwithstanding the provisions of § 24:40:13:03, full-time attendance at an institution located outside South Dakota is permitted in the following circumstances:

- (1) If the attendance occurs during a summer term or an interim term;
- (2) If the attendance occurs as part of a formal exchange program sponsored or approved by the participating institution where the student is enrolled as a regular student;

- (3) If the participating institution where the student is enrolled as a regular student has outsourced a portion of its curriculum to an out-of-state institution and the attendance occurs in completing that portion of the curriculum; or
- (4) If the executive director has granted an exception for good cause shown.

24:40:13:05. Credit hour threshold requirements for continuing eligibility. To maintain eligibility, each student in the scholarship program must meet the following credit hour thresholds for the respective term of enrollment: 30 credit hours before the start of the third semester, 60 credit hours before the start of the fifth semester, and 90 credit hours before the start of the seventh semester.

Failure to complete the required number of credit hours before the start of the specific semester disqualifies the student from further participation in the program, effective at the start of the semester in which the student fails to meet the established credit hour threshold. In calculating the student's credit hour total, the participating institution shall factor in all credit hours completed and transcribed whether or not the receiving institution otherwise accepts the credit hours and counts them towards satisfaction of its degree requirements. However, credit granted for remedial coursework will not be counted. Disqualification is subject to the following exceptions:

- (1) A student who fails to meet the credit hour threshold requirement because the student must report for active military service does not thereby lose his or her eligibility. In such situations a persistence waiver may be granted by the executive director;
- (2) The executive director may grant a waiver of the credit hour threshold requirement for good cause shown and may place such conditions upon the waiver as may be necessary and prudent to achieve the objectives of the scholarship program.

24:40:13:06. Persistence requirements for continuing eligibility. Upon entering the scholarship program, each student shall maintain continuous attendance, enrolling in consecutive spring and fall terms, subject to the following exceptions:

- (1) A student may petition the executive director to be excused from strict compliance with this regulation during semesters in which the student participates in institutionally sponsored or approved exchange programs, internships, or similar structured,

supervised, credit-bearing learning experiences that preclude enrollment in the participating institution's standard curriculum;

- (2) A student who fails to complete continuous enrollment requirements because the student must report for active military service will not thereby lose his or her eligibility;
- (3) The executive director may waive continuous enrollment requirements for good cause shown and may place such conditions upon the waiver as may be necessary and prudent to achieve the objectives of the scholarship program.

24:40:13:07. Grade point requirements for continuing eligibility. Numeric grades or their letter equivalents must be assigned for each credit hour that each student attempts and completes after admission into the scholarship program. Each student must maintain a cumulative grade point average for all credit hours completed of at least 3.0 on a 4.0 scale to remain eligible to receive benefits under the scholarship program.

24:40:13:08. Payment of benefits to students participating in the scholarship program. Upon a student's admission to the scholarship program, the executive director shall make scholarship payments for the benefit of the student who complies with course load requirements for two consecutive semesters without regard to the student's grade point average. Thereafter, payments may only be made if the student has met the credit hour threshold and persistence requirements and if the student's cumulative grade point average for all coursework completed is at least 3.0 on a 4.0 scale. The executive director shall make the payments each semester for each student whose compliance with credit hour threshold, persistence, and grade point requirements has been verified by the participating institution that enrolls the student as a regular student. No payment may be made on behalf of any student who fails to comply with credit hour threshold, persistence, and cumulative grade point requirements or whose compliance has not been verified by the participating institution that enrolls the student as a regular student.

24:40:13:09. Reinstatement of eligibility lost due to failure to maintain grade point average. Any student who loses eligibility because the student's cumulative grade point average falls below 3.0 on a 4.0 scale may reestablish by raising the cumulative grade point average to 3.0, or greater, on a 4.0 scale and complying with all requirements for continued eligibility relating to credit hour threshold and persistence. The following requirements related to reinstatement also apply:

- (1) The student must apply to the participating institution the student attends as a regular student for reinstatement of eligibility before the rosters of eligible regular students are submitted by participating institutions on October 1 for the fall semester or by February 25 for the spring semester;
- (2) After verification by the participating institution where the student attends as a regular student that the student qualifies for reinstatement, the executive director shall disburse payments on behalf of the student for the term following that in which reinstatement is earned and for all subsequent terms during which the student remains eligible;
- (3) Any student who loses eligibility a second time may not be reinstated a second time.

24:40:13:10. Treatment of special enrollments for purposes of eligibility: summer sessions, interim sessions, repeated courses, asynchronous distance education courses. The following conditions for purposes of eligibility apply to special enrollments:

- (1) **Summer and interim sessions.** Credit hours completed during summer sessions or interim sessions are counted as part of a student's cumulative grade point average. Credit hours earned during the summer or interim sessions do count toward meeting the credit hour thresholds established for the third, fifth, and seventh term of eligibility;
- (2) **Repeated courses.** A student who fails to maintain the required cumulative grade point average may repeat courses as part of the student's effort to secure reinstatement of scholarship benefits eligibility under § 24:40:13:07. Repeated courses may not count for purposes of compliance with the credit hour threshold requirement. Upon completion of the repeated course, the grade assigned in the repeated course replaces that assigned in the original course for purposes of calculating the cumulative grade point average;
- (3) **Internships and similar external placements that affect load or grade assignment.** A participating institution may request that the executive director issue standing persistence waivers from credit hour thresholds established under §§ 24:40:13:05 and 24:40:13:07, respectively, where institutional policy requires participating students to take a reduced course load during the semester in which an internship occurs.

24:40:13:11. Progression examination requirements for continuing eligibility. Repealed.

24:40:13:12. Transfer among participating institutions.

A student may transfer among participating institutions without losing eligibility if the student makes timely application to transfer before September 1 for the fall semester or by January 15 for the spring semester. The student must also document continued compliance with course load, persistence, grade point, and proficiency examination requirements.

24:40:13:13. Equivalencies. For any requirement in this chapter that is stated in terms of semester, semester credit hours, grade point averages, or other technical terms commonly employed by institutions of higher education, the executive director shall establish an equivalency to determine the initial and continued eligibility of each student who attends an institution that uses an alternative calendar, grade system, or other means of tracking academic progress and accomplishment. The equivalency standards are used to assure equal treatment of each student who attends an institution that uses an alternative system.

24:40:13:14. Application for admission to the scholarship program or for transfer between participating institutions. The following application and transfer requirements apply to the scholarship program:

- (1) Any student who requests to participate in the scholarship program must apply to the admissions office of the participating institution that the student intends to attend. The executive director shall specify the application forms:
 - (a) Each student is responsible for arranging the submission of official high school transcripts and official test score reports from the ACT or SAT unless the high school includes these scores on its official transcript;
 - (b) An application is not complete until the participating institution has received the official high school transcripts and official test reports;
 - (c) Each application must be complete by September 1 for the fall semester or by January 15 for the spring semester;
- (2) Each student who requests to transfer between participating institutions must apply to the admissions office of the participating institution that the student intends to attend on forms specified by the executive director:
 - (a) Each student is responsible for arranging the submission of all official transcripts and documents needed to demonstrate compliance with credit hour threshold, persistence, and grade point requirements;

- (b) An application is not complete until the participating institution has received the official transcripts and required documents;
- (d) Each application must be complete by September 20 for the fall semester or by February 15 for the spring semester.

24:40:13:15. Tentative acceptance into the scholarship program and tentative approval of continued eligibility for transfer students. The participating institution shall notify the prospective student whether it is likely that the student will qualify to participate in the scholarship program. Notice of final acceptance is given after receipt and review of a final official transcript from the student's high school to confirm satisfactory completion of all high school courses and graduation.

The participating institution will notify a transfer student whether it is likely that the student will qualify to participate in the scholarship program. Notice of final acceptance is given after receipt and review of all official transcripts and documents submitted to demonstrate compliance with credit hour thresholds, persistence, and cumulative grade point average requirements. In calculating the cumulative grade point average, the participating institution shall factor in all credit hours attempted and completed and transcribed by the participating institution from which the student transferred, whether or not the receiving institution otherwise accepts the credit hours and counts them towards satisfaction of its degree requirements.

24:40:13:16. Agreement to conditions of the scholarship program. Participation in the scholarship program is limited to each student who abides by all conditions and requirements of the program, including any requirements for cooperation and release of information that the executive director may prescribe to assess the operation and effectiveness of the scholarship program or to audit program administration. Each student also agrees that, if the student withdraws or otherwise terminates enrollment and is entitled to a refund, the student authorizes the participating institution that the student attends to pay to the executive director that portion of the student's refund that reflects monies received by the participating institution from the scholarship program.

24:40:13:17. Grievance procedures. The student shall be permitted to bring a grievance to challenge institutional actions involving the determination of eligibility to participate in the program or of compliance with program requirements. Grievances shall be limited to alleged violation, misinterpretation, or misapplication of

specific terms or conditions of the laws or rules that govern the program, to be arbitrary or capricious or to discriminate on a basis proscribed under law.

- (1) Participating institutions shall establish procedures to adjust grievances permitted under this section;
- (2) Students may appeal institutional decisions to the board, which, at its discretion, may accept the grievance and conduct its own review or refer the grievance to an independent hearing examiner for review and recommendations concerning the proper resolution of disputed legal or factual matters as provided under the contested case provisions of SDCL chapter [1-26](#);
- (3) Participating institutions shall comply with any order issued to resolve a student grievance, subject to the exercise of the right to appeal from the board's resolution of the grievance as provided under law;
- (4) Participating institutions shall be responsible for all costs for hearing examiners retained by the board to review such grievances or related expenses reasonably incurred for such reviews.

24:40:13:18. Institutional agreements. Any institution that is accredited by the North Central Association of Colleges and Schools and that provides instruction from a campus located in South Dakota may enter into a written agreement with the board to permit its eligible regular students to participate in the scholarship program. Until such an institution has agreed to comply with the requirements of this chapter, the board may not recognize it as a participating institution and no student enrolled at the institution as a regular student may participate in the scholarship program. The executive director shall develop a standard contract document for execution by such institutions. The standard contract shall obligate a participating institution, at a minimum, to do the following:

- (1) Comply with all requirements placed upon participating institutions in this chapter;
- (2) Review existing institutional procedures and policies and provide any special assistance that may be necessary to permit students to comply with the scholarship program requirements;
- (3) Notify prospective students of the program availability and of procedures employed by the participating institution to implement the program;
- (4) Process student applications for each school term by distributing and collecting student applications and verifying eligibility of applicants;
- (5) Submit to the executive director a roster of its eligible regular students on October 1, or the first

working day thereafter, and on February 28, or the first working day thereafter;

- (6) Permit participating students to attend classes without obligation to make payment toward that portion of tuition and fee charges that will be covered by scholarship program funds and without any interest or penalty if funds are disbursed after the time when tuition and fee charges ordinarily accrue interest or penalties;
- (7) Allocate funds transferred by the executive director to the benefit of each eligible student participating in the scholarship program;
- (8) Document the application of all funds received;
- (9) Administer the program under the same procedures employed to administer other financial aid programs that the participating institution offers to its students, subject to such adjustments as may be needed to comply with scholarship program requirements;
- (10) Treat mid-semester withdrawals of program participants in the same manner that the institution treats withdrawal of students who receive federal financial aid, prorating the aid allocable to the student based upon active attendance and remitting to the board such sums as have not been earned by the student prior to the last day of attendance;
- (11) Expedite the preparation of official transcripts and other documentation required by participating students who transfer to other participating institutions, unless, under institutional policy, a transferring student is ineligible for the release of academic records pending settlement of outstanding debts to the institution;
- (12) Cooperate with the executive director in all matters relating to assessment of the operation and effectiveness of the scholarship program;
- (13) Cooperate with the executive director in all matters relating to the audit of program administration;
- (14) Provide prompt assistance to the executive director in responding to legislative inquiries; and
- (15) Accept such amendments or modifications to the standard contract terms as the executive director may subsequently prescribe.

¹ An independent sample t-test was performed to determine the extent that recipients who had failed to meet continuing eligibility requirements obtained significantly lower ACT composite scores. Findings from the analysis ($t = 9.15, p < .001$) indicate that students who were able to maintain their eligibility scored significantly higher ($M = 26.85, SD = 2.54$) on the ACT when compared to those who became ineligible in the program ($M = 26.16, SD = 2.09$).

² An independent sample t-test was performed to determine

24:40:13:19. Duties of the executive director. The executive director shall oversee the creation, operation, effectiveness, and adjustment of the scholarship program. To these ends, the executive director may delegate functions, appoint assistants, or contract for services to assure the prudent and efficient operation of the program. The executive director shall do the following:

- (1) Develop all terms, conditions, and required forms or contracts for the scholarship program;
- (2) Prorate available appropriations if the appropriations are insufficient to permit each participant to receive a full scholarship payment;
- (3) Transfer funds on October 15, or the first working day thereafter, and March 15, or the first working day thereafter, to participating institutions to cover scholarship awards for each participating regular student whose eligibility for benefits under the scholarship program has been verified by the participating institution.

the extent that recipients who had failed to meet continuing eligibility requirements obtained significantly lower high school grade point averages. Findings from the analysis ($t = 19.29, p < .001$) indicate that students who were able to maintain their eligibility achieve a significantly higher GPA ($M = 3.84, SD = .22$), when compared to those who became ineligible in the program ($M = 3.67, SD = .27$).