

South Dakota Technical Institutes 2019 Legislative Wrap-Up

MAJOR POLICY BILLS OF 2019

Free Tuition for Veterans at Technical Institutes

- HB1171 would have added technical institutes to a statute that permits veterans to attend regental institutions without the payment of tuition, if such veteran had exhausted all federal tuition relief funds.
- The bill's Sponsor, Rep. Sue Peterson (R-Sioux Falls), led us to believe the benefit would be provided to the state, but no appropriation was included.
- We killed the bill in the final day of session, labeling it an unfunded mandate of unknown size, but pledged to track how many veterans had exhausted their federal benefits and revisit the topic next year.
- Sen. Klumb (R-Mitchell) was very helpful in protecting the technical institutes once it became clear that the bill was an unfunded mandate.
- **Bottom Line: We need to get a solid figure and make it a budget priority.**

Guns on Campus

- SB122 would have mandated that technical institute campuses allow any person to carry a firearm on any part of campus, unless such carriage would violate another state or federal law. The bill was broad, and several practical problems were readily apparent, from our perspective and the Regents'.
- The bill had very few sponsors and very little support. Notably, the National Rifle Association (NRA) did not support the bill.
- We killed the bill on the Senate floor, led by Sen. Schoenbeck (R-Watertown).
- The next iteration of this bill will have more, stronger sponsors and will be narrowed to eliminate the most obvious arguments against it. I think that an "enhanced concealed carry" version, permitting those with that permit, is the most obvious next choice for this bill. A similar mechanism passed this year for Guns in the Capitol.
- Bottom Line: We should review internal firearm policies and discuss what state policies, if any, might be palatable.

Campus Free Speech

- HB1087 passed this year, which requires the Board of Regents to submit a report about free speech promotion and includes statutory language guaranteeing free speech and non-discriminatory promotion of speech, most of which roughly mirrors First Amendment jurisprudence.
- The bill went through several iterations and, actually, died. After the Hawaiian Day fiasco at the USD Law School, the bill was revived, negotiated by the interested parties (including the Regents), and passed. The Regents did not oppose the final form of the bill.
- Bottom Line: The issue appears resolved for the moment. We should keep tabs on any relevant internal policies to ensure that we continue fostering an environment that permits all types of free speech.

Higher Ed Scholarships (“Dakota Promise”)

- SB116 (after being hog house amended on the Senate floor) would have created the Dakota promise fund for needs-based scholarships at regental institutes and private colleges. The bill specifically not did not include technical institutes. The funding mechanism is for the State to provide “matching funds” to donations by or on behalf of an institution.
- The bill was extremely late-developing and became a budget priority for certain Senators, most notably Sen. Jeff Partridge (R-Rapid City).
- The bill died on the House floor. We did not actively support nor oppose.
- I expect some form of this bill to come back. It is, as far as I can tell, the Regents’ new top budget priority. Obviously, some form of needs-based scholarship program is a popular idea among the Democratic caucus.
- I believe that we need to get a plan in place for a State-provided needs-based scholarship for technical institutes. The Regents already have the Opportunity Scholarship, which is an ongoing appropriation for scholarships that does not benefit us much at all. At very least, we need to be there to ensure that if a multi-million dollar appropriation is approved for the Regents, at least some portion of that funds our plan as well.
- Bottom Line: We need to work on a mechanism and fleshed-out plan for a State-provided, broad-based scholarship to pitch alongside the Regents’ request for the Dakota Promise. Once in place, we need to identify champions and ensure that we do not get passed by.

POTENTIAL BUDGET CONCERNS

Reserves

- There was some concern ahead of our budget hearing about the level of our institutions’ reserve funds. The information we provided did not quell those concerns, although they did not become a topic of the hearing.
- We need to make clear what portion are Capital Outlay (a mechanism the Appropriators know) and which are true Reserves at the end of the fiscal year (not how much is unspent, but obligated mid-year). Remember that the State keeps a 10% reserve fund.
- Bottom Line: This is not a real problem right now, so long as we are transparent and provide apples-to-apples numbers and some perspective to Appropriators.

Dual Credit Program

- There was a lengthy discussion in Appropriations about the Dual Credit program, which has been growing at a pretty rapid rate, costing the State additional millions.
- A bill in 2018 set the funding mechanism in law: some money from student, reduced tuition rate by institutions (BOR and TI), and a contribution from the State. This program fueled most (if not all) of our system-wide growth in the last couple years.
- I do not believe the program will be eliminated, but if the growth continues as it has the last year or two, it may be revised to make the State portion less generous, thus placing the funding shortfall either on the student or the institution.
- Notably – I do not think the growth will continue on current trajectories. I think the growth here is more likely to plateau, given the number of students interested in dual credit.
- Bottom Line: Keep tabs on Dual Credit and be ready to defend it, showing positive impacts on retention, completion, student cost, etc.