

Critical Needs Workforce Scholarship

Purpose

The Critical Need Workforce Scholarship was created to encourage South Dakota students to:

- Obtain technical training at a South Dakota Postsecondary Technical Institute in areas where there is a critical workforce shortage;
- Encourage students who are training for employment in areas of critical need to remain in South Dakota upon completion of their postsecondary technical education;
- Contribute to the economic growth of South Dakota and its long-range workforce development.

Administration and Funding

Upon recommendation by the Governor of South Dakota, each of the four technical institutes will receive funds to establish a scholarship program that will address critical need areas in the state's work force, or enhance existing scholarship programs which address those same needs. Funds for this program will be administered by the South Dakota Department of Education in collaboration with the South Dakota Department of Labor and Regulation.

Scholarship Funding

The Joint Committee on Appropriations has approved \$500,000 in the FY 2013 budget to be distributed equally among the four technical institutes; Lake Area Technical Institute, Mitchell Technical Institute, Southeast Technical Institute, and Western Dakota Technical Institute. Each president will facilitate the scholarship at his/her technical institute to ensure South Dakota's critical need work force shortage is addressed. Presidents are encouraged to find partnerships with private industry and education foundations that could leverage additional scholarship funding.

Each technical institute must have scholarship funds obligated within two years of receiving. Any funds not obligated must be returned to the Department of Education.

Scholarship Award

An individual could be eligible for a scholarship amount up to \$5,000 for a two year program and up to \$2,500 for a one year program. The scholarship amount will be dispersed on a per semester basis. The amount of an individual scholarship, once awarded, will not change during the term of the scholarship.

The actual scholarship numbers may vary from year to year based on the total amount of money available for distribution that year. For example, in year one there might be \$400,000 available and 80 two year program scholarships distributed for a scholarship award of \$5,000. In year two there might be \$410,000 available and 82 two year program scholarships.

The actual scholarship numbers may vary from technical institutes, based on enrollment and industry partnerships.

Eligibility

To be eligible for the Critical Needs Workforce Scholarship a person shall:

- Have a high school diploma or general equivalency diploma (GED);
- Agree in writing to stay in South Dakota and work in a critical need area for a period of forty-eight consecutive months following graduation from a South Dakota Postsecondary Technical Institute;
- Enroll in a South Dakota Postsecondary Technical Institute for a course of study in an area of critical need leading to a technical degree from the Technical Institute;
- Must maintain a 2.5 grade point average on a 4.0 scale and maintain standing as a full-time or part-time student at the postsecondary Technical Institute and complete the program of instruction;
- Recipients of scholarship seeking a two-year AAS degree must complete and graduate from the program of study within three calendar school years. Recipients of scholarship seeking a one year diploma must complete and graduate from the program of study within two calendar school years.

Determination of Areas of Critical Need

A South Dakota Technical Institute will submit a formal request to the SD Department of Education indicating a program(s), along with CIP codes, which subsequently fulfills a critical workforce need. The DOE in collaboration with the Department of Labor and Regulation will ensure identified program(s) qualify as a critical need area. Upon approval, a Memorandum of Understanding must be completed between the Technical Institute and the SD Department of Education before funds will be released.

The Scholarship Commitment

Each recipient agrees to enter a critical need occupation in South Dakota following graduation from a pre-determined program of study. To fulfill the entire obligation, a recipient must begin employment in an area of critical need within six months of earning an eligible technical degree and be employed in South Dakota for a period of forty-eight months in the first sixty months after graduation.

A course of study and corresponding employment or occupation that was deemed an area of critical need at the time of the person's scholarship award remains an area of critical need for the duration of the person's course of study and for the forty-eight month employment period for purposes of determining any repayment obligation that person may incur.

If a student fails to complete his/her obligation, the scholarship will be rescinded and paid back to the individual technical institute that has been afforded scholarship funds as indicated by the conditions of the promissory note used to provide this scholarship to the student. Funds recovered by the individual technical institute by these means can be redistributed and obligated for subsequent critical workforce scholarships within a one year period.

Noncompliance with Scholarship requirements

Should the student fail to fulfill their employment obligations, the Department of Education will send a letter of notification to the student and the technical institute that provided the initial scholarship that the student is out of compliance with their obligations under the program requirements and will give the student 90 days to remedy the situation. If the student does not remedy the employment obligation within 90 days, the student and the technical institute who issued the scholarship will be notified by the Department of Education that their case is being referred to collection via the issuing technical institute.

Technical institutes that issue scholarships will be given the latitude to excuse repayment of defaulted scholarship obligations if the student, through no fault of his own or circumstances beyond their control, is unable to fulfill their obligations due to circumstances such as industry reductions in force, etc. Such forgiveness by the technical institutes shall, however, receive consensual agreement from the Department of Education and Department of Labor and Regulations. Any repayment forgiveness shall be accounted for and reported to the Department of Education annually.

Reporting

Once a student has been hired into a critical workforce area the name of the student and all contact information for the student and the employer must be reported to the Department of Education and the Department of Labor and Regulation by the technical institute that provided the scholarship funds to that student. The Department of Labor and Regulation will then track compliance with the employment requirements of the scholarship.

Technical Institutes afforded funds through this program are required to report to the Department of Education, on a semester basis, an accounting of the fund usage. This would include, number of scholarships awarded, amounts awarded each semester, critical need area addressed, employment statistics, matching funds from industry, and other reporting as required. The purpose of this reporting, is to demonstrate to the Legislature that the funds dedicated to this program are being accounted for, managed wisely, and are producing the results sought by the Legislature. Reporting for this will coincide with the timelines established for the Board of Education reports. The Department of Education, in turn, will submit a written report to the Committee outlining the details of the scholarships. This report is due December 31, of each year.