



Parent Handbook

A guide to the South Dakota Tax Credit Scholarship Program

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Welcome to South Dakota Partners in Education

Thank you for your interest in this unique education option. The South Dakota Partners in Education Tax Credit Scholarship Program was created with the sole purpose of providing children from income-eligible families a learning option they would otherwise not be able to afford. South Dakota Legislators passed the South Dakota Partners in Education Tax Credit bill in March 2016 and the program became law July 1st of 2016. The program depends on the contributions of Insurance companies, who receive state tax credit.

Children learn in different ways and in different environments. South Dakota Partners in Education (SDPE) wants to partner with parents so that you have the opportunity to choose the school where your child will succeed.

South Dakota Partners in Education (SDPE) is a private non-profit 501(c)(3) organization called a Scholarship Granting Organization (SGO).



Who can apply?

SDPE scholarships are available to students who meet the following requirements:

- The total household income the year before the student enters the program is no more than one hundred and fifty percent (150%) of the federally set amount for reduced-price meals in the National School Lunch Program.
- The student lives in South Dakota while receiving the scholarship.
- Or the student is in foster care.



2025-2026 Qualifying Income Scale

We honor the income level that originally qualified the student, or we use the lower-income level of a subsequent application submitted before the time to reapply.

A qualifying income cannot be more than what is listed below.

Household Size	Free Lunch Income Level	Reduced Lunch Income Level	150% Of Reduced Lunch Income Level	200% Reapplying Students Only
2	\$27,495	\$39,128	\$58,692	\$78,256
3	\$34,645	\$49,303	\$73,954	\$98,606
4	\$41,795	\$59,478	\$89,217	\$118,956
5	\$48,945	\$69,653	\$104,479	\$139,306
6	\$56,095	\$79,828	\$119,742	\$159,656
7	\$63,245	\$90,003	\$135,004	\$180,006
8	\$70,395	\$100,178	\$150,267	\$200,356
For each additional family member, add	\$7,150	\$10,175	\$15,262	\$20,350

INCOME ELIGIBILITY LIMITS

The Richard B. Russell National School Lunch Act, 42 U.S.C. 1751, et seq.
Effective from July 1, 2025 to June 30, 2026

Eligibility Cycles:

To enable SDPE to track the year a student must reapply, we label each student with the year they qualified. The Category Code designations also recognize that the law allows students that qualify in high school to be eligible until they graduate from high school. Those qualifying in 6th grade are then eligible without reapplying. If a student's 3 year eligibility overlaps with them entering 9th grade, the family may choose to reapply at 9th grade and receive the high school rate or stay at the same rate and wait until the initial eligibility runs out.

1 Gen students, F19, and F22 students must reapply for the 2025-2026 school year.

- **1 Gen** – A student who first qualified in the 2016-2017 school year
- **2 Gen** – A student who first qualified in the 2017-2018 school year
- **3 Gen** – A student who first qualified in the 2018-2019 school year
- **F19** – A student who first qualified in the 2019-2020 school year
- **F20** – A student who first qualified in the 2020-2021 school year
- **F21** – A student who first qualified in the 2021-2022 school year
- **F22** – A student who first qualified in the 2022-2023 school year
- **F23** – A student who first qualified in the 2023-2024 school year
- **F24** – A student who first qualifies in the 2024-2025 school year
- **F25** – A student who first qualifies in the 2025-2026 school year
- **High School** – A student who qualifies or reapplies in HS is eligible for the entirety of HS

Scale Revised 3/13/2025

Income Eligibility

The household income is based on the gross income from the previous year. The income documentation that is required is your IRS 1040 Income Tax form and the accompanying W-2 Statement(s). We do not require current pay stubs.

The Qualifying Income Scale is updated annually resulting in different income cut-off amounts each year. The Qualifying Income Scale will be updated as soon as the USDA publishes the Income Scale for the upcoming school year.

SDPE is obligated by the law to view each student individually and not by family. That requires us to have income documentation for each child at the time they first qualify and at 3-year intervals.



High School Application Renewal Policy

A Student Entering High School is a student who should reapply when they enter 9th grade even if their three-year eligibility has not expired. Students applying as a high school student are eligible for two scholarship benefits: 1) The High school awards are higher scholarship amounts. 2) Students qualifying in high school remain eligible until they graduate. They do not need to reapply.

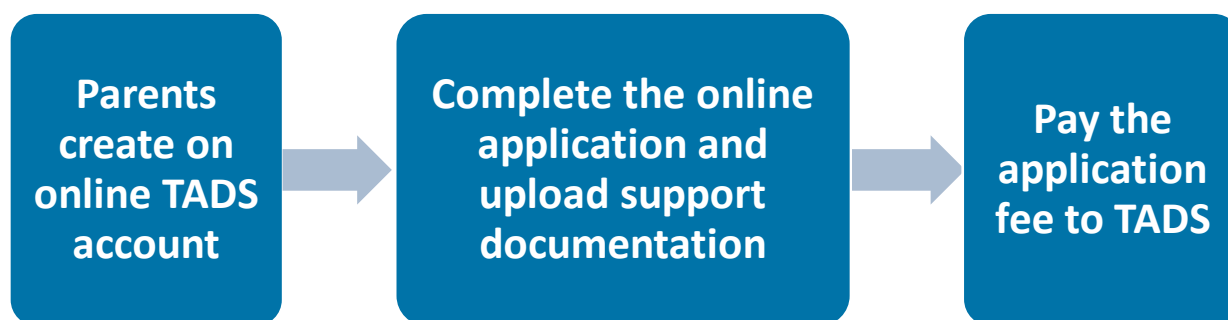
Should a student entering high school who has more time on their 3-year eligibility choose to not reapply, they will continue at the original scholarship amount until it expires, at which time they must reapply to continue in the program.

Policy Enacted 2/16/2022

Best Way to Apply

The best way to apply for a scholarship is to visit our website, <http://www.sdpartnersinedu.org>. The SDPE website explains the program and gives you a link to the online application. The application is hosted by TADS. You will be asked to create a TADS account, upload income documentation, and pay a fee to apply.

If at any time you feel you need assistance with filling out the scholarship application, you will be able to contact the TADS Help Center by calling Toll-free: 800-477-8237; or Email: support@tads.com. If you have decided on a school, we also encourage you to seek help from someone at the school in filling out the scholarship application. If needed, the school can also assist with the use of a computer and internet access so that you can apply.



Each family is required to document household income to see if your household qualifies. In reviewing your application, South Dakota Partners in Education will consider all the people who live in your household and all the income that is derived from the people who live in the household. Income sources include monthly gross income from pay checks, cash wages, unemployment, Social Security Income/Disability for every household member (including children), child support, and other income. Completing this process is the responsibility of the parent/guardian, not the school.

We encourage you to complete your application as soon as possible. Income-eligibility is determined by the previous year's gross income for the household. New students to the program must have a family application at a GOOD form rating by May 31st.

Form Ratings in TADS

TADS tags each application with a form rating designation. SDPE only awards scholarships to students who have their form rating at GOOD. Here are the four (4) TADS form ratings:

- **IN AUDIT** – the family has set up a TADS account and begun entering basic information.
- **POOR** – Some information has been entered but documentation is lacking.
- **FAIR** – Most of the information is in, but TADS is waiting for some additional documentation to be uploaded.

- **GOOD** – All necessary documents are on file and TADS auditors designate this application as complete.

Scholarship Priority Award Policy

The number of scholarships and scholarship amounts are contingent on the contributions made to the program. If contributions reach the tax credit limit, **SDPE commits to supporting the qualifying returning students** with scholarships at or near the previous year’s award. After that, SDPE will determine the amount of available funds and the number of individual scholarships that can be awarded to qualifying new student applicants. Due consideration will be given to our State law requirements and fulfilling the mission of SDPE.

A “qualifying **new** scholarship applicant” is a student that meets the requirements of the law, did not receive a SDPE scholarship in the previous year, and has the online application at a GOOD form rating by May 31st.

If it is determined by SDPE that the amount of funds available for scholarships to qualifying new scholarship applicants is insufficient, SDPE will award scholarships to such applicants on a first come – first served basis determined by when the required income documents have been received bringing the application to a GOOD form status.

Conditional Scholarship Award Notification

Schools will receive a Conditional Scholarship Award Notification list in the Spring with the goal of assisting schools as they determine local financial aid packages for their families. Families will receive a Conditional Scholarship Award Notification for each child in such family that has applied for a SDPE scholarship prior to the start-date of school from either the school or SDPE.

The information contained in these Notifications will be subject to the following conditions:

- Adequate funding as anticipated by SDPE is available.
- The student is either a returning, re-applying, a student entering high school, or new scholarship applicant.
- The student has met the eligibility requirements of the SD Law 13-65 – Partners in Education Tax Credit Program and the policies of SDPE (South Dakota Partners in Education Scholarship Granting Organization) as verified by the school and/or TADS.

Those requirements include:

- The student lives in South Dakota.
- The student is income-eligible for this program.
- The student is enrolled at a participating private school in South Dakota.
- Or the student is in foster care.


Committing to a School

The next step is to formally select a participating private school. Scholarships are not awarded to the private schools; scholarships are awarded to students. However, a scholarship check can only be cashed in conjunction with a participating school. A list of the SDPE member private schools can be found on the SDPE website. If you enroll your child before your application has been completed and income-eligibility determined, you may find yourself responsible for any tuition and/or fees that are due.

What Does the Scholarship Pay For?

The law places restrictions on the amount of a student scholarship. Member schools report their tuition and fees to SDPE so that the scholarship award can be accurate and not exceed the amount permitted. For students switching to a new school after the beginning of the school year, the actual amount of the scholarship award will be pro-rated based on the child's actual start date at the private school.

The scholarship funds are applied to tuition first. If the school's tuition is less than the amount SDPE can award, the remainder of the scholarship may be used towards the following private school fees. They will be allocated in the order below until the maximum award is reached or until all fees are satisfied:



Tuition
Books sold through the school (e.g. textbooks, workbooks, etc.)
Registration
Testing (e.g. standardized or entrance testing)
Other fees (e.g. graduation fees, yearbook fees, field trips, etc.)

After - school care services are NOT included.

Different schools have different rates for tuition and fees. The same published tuition schedule must apply to all students, whether they are receiving scholarships or paying privately. The scholarship cannot

be used for any fees that are not included on the published fee schedule provided by the school to prospective parents.

In some cases, private schools may decide to provide scholarship students with supplemental financial assistance to cover the additional cost. You must talk with your child's school to see if there are local financial aid funds available. Every family must pay the difference between the school's tuition and fees and the amount provided by the South Dakota Partners in Education Scholarship and the financial assistance the school may provide. There are no exceptions to this rule. Students may lose the South Dakota Partners in Education scholarship if they fail to pay what is owed to the school.

How the Scholarship Payments Are Made

The school notifies the parent/guardian that the scholarship check is waiting for them at the school. The scholarship checks are made payable to the parents or guardians listed on the application. The check is sent directly to the private school. The parent or guardian listed on the check must personally sign the check at the private school. The school then deposits the check and applies the amount to your child's tuition/fee bill. There are no exceptions to this rule. Failure of the parent/guardian to sign the check within the time specified by the private school could result in the loss of your scholarship.

In some cases, a limited power of attorney may be accepted in place of the parent signature. Your school will provide you with the Limited Power of Attorney form. The completed form will be sent to SDPE and kept on file.

There will be one scholarship check per qualifying student sent to the school during the first semester. Should SDPE receive additional contributions later in the school year, your child may receive an additional check for more scholarship money. SDPE is committed to providing the most amount of money available and permitted by the law to the eligible students who apply.

Student Verification

A few weeks before a check is sent, each private school is provided a report showing your child's name and scholarship amount. We ask each school to confirm your child's ongoing attendance.

Parents, please note that when you sign the scholarship check, the back of the check should read "For Deposit Only" and the location of that deposit should be the school's account.



Student Behavior Obligations

Scholarship students must follow all academic and discipline policies of the private school they attend. Private schools have the right to expel or suspend students if their published policies are not followed. We recommend that you carefully review those policies and procedures when you enroll your child. South Dakota Partners in Education does not govern private school policies regarding the retention or dismissal of students due to academic or discipline failures.

The third time a student is expelled from an eligible private school, he or she will lose the scholarship permanently, with no option to renew. Should a student be expelled due to a violent event, the student's scholarship will be revoked immediately. (This will not affect the scholarship of any siblings.)

We have found that some students need help in making the adjustment to a new private school environment. The courses may be more advanced and difficult. There may be more homework. The private school may have tougher enforcement of rules, stricter discipline procedures and less tolerance for unruly or disrespectful behavior. We urge parents to remain in constant contact with the private school, its administrators, counselors, and teachers. If needed, use tutoring or mentoring services that might be available.

Scholarship students are also expected to maintain regular school attendance and be in good standing with the private school's existing attendance policy. If you plan to withdraw your student during the school year, please notify the private school before you withdraw your child so the school can notify South Dakota Partners in Education.

Moving to Another Eligible Private School

One of the benefits of this scholarship program is that if you are not satisfied with a private school, you can always go to another one - if there is another private school in your area. You may transfer your child at any time to another eligible, participating private school. However, to transfer any remaining scholarship money, you cannot have outstanding financial accounts at the private school you are leaving.

If you plan to withdraw your student during the school year, please notify your current private school prior to withdrawal. To transfer the scholarship, the private school must first withdraw the student by notifying the SDPE administrator. Once the withdraw has been reported, the new school will need to complete the SDPE Student Verification Form for the newly enrolled student. South Dakota Partners in Education will not transfer a scholarship to the new private school until it has confirmation from the school your child is leaving and that you have no outstanding balances due or have agreed to a payment plan.

The new private school you choose must contact South Dakota Partners in Education to transfer what remains of your child's scholarship to the new school. A new check will be issued for the remainder of your child's scholarship. The check will be mailed to the new private school.

When Does a Family Apply or Re-apply?

Students receiving a scholarship will fall into one of the following categories:

1. **A New student** is a student who was not funded by the scholarship program in the previous year. The student is a member of a household whose total annual income, did not exceed one hundred fifty percent (150%) of the income standard used to qualify for a reduced-price lunch under the [Federal Free & Reduced-Price Lunch Program](#). New qualifying students remain eligible for three (3) years or if the student is entering high school, until the student graduates from high school.
2. **A Returning Student** is a student who attended a participating private school and received SDPE Scholarship funding during the previous academic year. Income verification for scholarships is student specific, meaning that income eligibility must be established with income documentation the year the student first qualifies. A qualifying renewal student does not have to submit a TADS application until they are beginning their 4th year in the program. The family must apply every year a new sibling becomes eligible to apply for a scholarship.
3. **A Student Entering High School** is a student that should reapply when they enter 9th grade even if their three-year eligibility has not expired. Students applying as a high school student are eligible for two scholarship benefits: 1) The High school awards are higher scholarship amounts. 2) Students qualifying in high school remain eligible until they graduate. They do not need to reapply.

Should a student entering high school who has more time on their 3-year eligibility choose to not reapply, they will continue at the original scholarship amount until it expires. At which time they must reapply to continue in the program.

4. **A Reapplying student** is a student that has received the South Dakota Partners in Education Scholarship for three (3) years at which time the family must reapply for income-eligibility purposes to continue to receive a scholarship. A reapplying student remains eligible if the student is a member of a household whose total annual income in the prior year did not exceed two hundred percent (200%) of the income standard used to qualify for reduced-price lunch. Once approved of income eligibility, the student is again able to receive the scholarship for another three (3) years.
5. **Foster Children Qualify.** The 2022 amendment to the law governing this scholarship program [13-65-1 (3)(b)] lists “Is in foster care” as an eligible student regardless of the household income. Documentation that the student is in Foster Care must be submitted to SDPE.

Children in Foster Care

The law governing the SDPE Scholarship program was amended in 2022 to include any child in foster care as an eligible student. A foster child will be awarded at the Free Lunch Income Level. SDPE recognizes that foster care is designed to be a temporary situation for the child. However, SDPE will honor the 3-year eligibility given to all students in the program.

The foster family is required to submit a TADS application and to indicate that the child is in foster care by answering the question to that effect on the TADS application. TADS will ask foster parents to submit documentation stating that the child is in foster care. The foster family is not held to the income eligibility requirement when applying for a foster child. Complete household income documentation is not required in this case. SDPE will award a scholarship to a foster child based on confirming the child is in Foster Care and not on the form rating.

Foster parents should also notify the school that the child is in foster care.

SDPE partners with families, donors, schools, and the people of South Dakota to empower school choice.

We hope this educational opportunity will be a good experience for you and your child. South Dakota Partners in Education is committed to making the application process as simple as possible.

The scholarship amounts awarded to income eligible K-12 students are contingent on the number of contributions the program receives in any given year. Scholarship amounts may change from year-to-year.

More Information on the Program

(605) 679-0112

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Apply Today