

**SOUTH DAKOTA BOARD OF REGENTS**

**Budget and Finance**

**AGENDA ITEM: 7 – G**  
**DATE: March 29-30, 2023**

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**SUBJECT**

**FY24 General Bill Summary**

**CONTROLLING STATUTE, RULE, OR POLICY**

[SDCL § 4-7-13](#) – Legislative adoption of financial plan for each year.  
[BOR Policy 5:19](#) – System Funding

**BACKGROUND / DISCUSSION**

The 2023 legislative session concluded with the passage of the FY24 General Bill SB210. The Board of Regents received a general fund base increase of \$11,998,809 (4.6%). This nearly \$12M increase does not include the 7% salary policy, health insurance increase funding (\$1,910 per benefit eligible FTE), or targeted jobs funding for generally-funded employees as those amounts are appropriated to statewide pools that are allocated by the Bureau of Finance and Management (BFM) after session concludes. A separate BFM pool holds \$12,445,274 specifically designated to freeze tuition in FY24 and provide 7% salary policy, health insurance increase funding, and targeted jobs funding for tuition-funded employees.

**IMPACT AND RECOMMENDATIONS**

A summary of the general fund base changes are as follows:

- An increase to general fund M&R base funding of \$4,043,762 bringing the base general fund amount for M&R to \$20,644,874.
- A transfer of \$3,672,951 in general funds from GOED’s research budget to the Central Office budget.
- An additional \$1,971,851 to the campuses for 100% tuition reimbursement for SD National Guard members (a policy change approved under HB1039).
- An increase in generally funded utilities of \$1,228,194, based on projected utility rates and usage for FY24.
- An allocation of \$500,000 for BHSU base funding to address funding inequities.
- Additional \$445,000 to USD for SD Small Business Development Center and \$118,000 for SD APEX Accelerator (formerly Procurement Technical Assistance Center) to support operations that were previously funded by GOED future funds.
- A \$21,589 increase to the Post-Secondary Scholarship based on endowment proceeds.
- A decrease of (\$2,538) for lease payment adjustments.

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**INFORMATIONAL ITEM**

The FY24 budget also had an additional \$500,000 in federal funds expenditure authority and a total reduction of (\$6,672,951) and (5.0 FTE) in other funds expenditure authority. These changes resulted in a 0.53% increase in federal funds spending authority, a decrease of (1.32%) in other funds authority, and a system decrease of (5.0) FTE or a (0.10%) decrease.

The federal fund expenditure authority increase was for additional SDSMT grant awards, while the other fund expenditure authority adjustments included the requested reductions to NSU's tuition authority due to elimination of departmental support staff and budget realignments and the reduction of NSU's other fund authority for reduced sales and service and auxiliary bookstore activity. Also included by the Legislature, was a reduction of the BOR Central Office other fund authority to correspond directly with the transfer of the GOED research center budget that was previously sub awarded to the BOR Central Office.

#### **ATTACHMENTS**

Attachment I – General Fund Base Changes from FY23 to FY24 By Campus

Attachment II – SDBOR's Original Request and Final Legislative Action

**FY24 SDBOR GENERAL FUND BASE CHANGES**

INSTITUTION	FY23 GENERAL FUND BASE	M&R FUNDING	GOED	TUITION	UTILITIES	BHSU BASE INCREASE	USD SMALL	USD APEX ACCELERATOR OPERATIONS	POST- SECONDARY SCHOLARSHIP	LEASE PAYMENTS	FY24 GENERAL FUND BASE
			RESEARCH BUDGET TRANSFER	REIMBURSEMENT FOR NATIONAL GUARD			BUSINESS DEVELOPMENT CENTER OPERATIONS				
<b>BOR</b>	\$35,945,190	\$4,043,762	\$3,672,951						\$21,589	(\$2,538)	\$43,680,954
<b>BHSU</b>	\$11,984,639			\$358,859	\$48,526	\$500,000					\$12,892,024
<b>DSU</b>	\$12,238,993			\$103,574	\$40,745						\$12,383,312
<b>NSU</b>	\$14,515,036			\$73,784	\$31,037						\$14,619,857
<b>NSU E-LEARNING</b>	\$3,734,179										\$3,734,179
<b>SDSMT</b>	\$20,521,574			\$315,457	\$403,813						\$21,240,844
<b>SDSU</b>	\$57,650,240			\$658,731	\$1,029,704						\$59,338,675
<b>EXT</b>	\$9,635,363										\$9,635,363
<b>AES</b>	\$14,050,692										\$14,050,692
<b>USD</b>	\$42,720,001			\$461,446	(\$292,761)		\$445,000	\$118,000			\$43,451,686
<b>LAW</b>	\$2,136,097										\$2,136,097
<b>MED</b>	\$26,887,679										\$26,887,679
<b>SDSD</b>	\$2,831,820				(\$37,327)						\$2,794,493
<b>SDSBVI</b>	\$3,522,785				\$4,457						\$3,527,242
<b>Total</b>	<b>\$258,374,288</b>	<b>\$4,043,762</b>	<b>\$3,672,951</b>	<b>\$1,971,851</b>	<b>\$1,228,194</b>	<b>\$500,000</b>	<b>\$445,000</b>	<b>\$118,000</b>	<b>\$21,589</b>	<b>(\$2,538)</b>	<b>\$270,373,097</b>
										<b>\$ INCREASE</b>	<b>\$11,998,809</b>
										<b>% INCREASE</b>	<b>4.6%</b>

*NOTE: The FY24 Salary policy package has not been included for generally-funded employees nor has the funding provided for the tuition freeze as both are held in pools at Bureau of Finance and Management and are distributed after session concludes.*

South Dakota Board of Regents FY24 Board of Regents Request and Legislatively Appropriated				
	Base General Fund	FTE	Base General Fund	FTE
<b>FY23 Base General Fund Budget</b>	\$258,374,288	5,082.9	\$258,374,288	5,082.9
<b>Priorities</b>	<b>Requested</b>		<b>Recommended</b>	
System - Tuition Freeze	\$8,592,579	0.0	\$0*	0.0
System - Additional General Fund Maintenance and Repair	\$7,155,427	0.0	\$4,043,762	0.0
BOR Office - Transfer Research Budget from GOED	\$3,672,951	0.0	\$3,672,951	0.0
System - Reimbursement for Free Tuition for SD National Guard Members	\$0	0.0	\$1,971,851	0.0
BHSU - Base Increase	\$0	0.0	\$500,000	0.0
USD - APEX Accelerator Operations	\$0	0.0	\$118,000	0.0
USD - Small Business Development Center Operations	\$0	0.0	\$445,000	0.0
<b>Base Budget Maintenance</b>				
Utilities Adjustment	\$1,228,194	0.0	\$1,228,194	0.0
Lease Adjustment	(\$2,538)	0.0	(\$2,538)	0.0
Post-Secondary Scholarship Adjustment	\$0	0.0	\$21,589	0.0
<b>FY24 Requested and Appropriated</b>	\$20,646,613	0.0	\$11,998,809	0.0
<b>FY24 Total Base Funding Appropriated</b>	\$279,020,901	5,077.9	\$270,373,097	5,077.9
<b>Increase without Salary Policy</b>	7.4%	-0.1%	4.6%	-0.1%
<b>One-Time General Fund Requests</b>				
System - Support for Rising Construction Costs	\$29,000,000	0.0		
SDSMT - Mineral Industries Building			\$4,400,000*	0.0
SDSU - Bioproducts Facility			\$3,000,000*	0.0
BHSU - West River Health Sciences Center Design Costs			\$1,500,000*	0.0
NSU - Lincoln Hall Design Costs			\$1,500,000*	
System - Cybersecurity Upgrade	\$8,125,820	0.0	\$5,106,000***	0.0
System - Deferred Maintenance and Repair	\$32,599,000	0.0	\$18,148,600***	0.0
System - Utilities Adjustments	\$366,876	0.0	\$1,341,556***	0.0
System - South Dakota Opportunity Scholarship		0.0	(\$575,000)***	0.0
System - Pre-K Reduced Tuition		0.0	\$25,000***	0.0
USD - Half Year Funding for SBDC/PTAC		0.0	\$281,500***	0.0
<b>FY24 Tuition Fund Authority Requests</b>				
Authority Changes	(\$1,600,000)	(4.0)	(\$1,600,000)	(4.0)
<b>FY24 Federal and Other Fund Authority Requests</b>				
Authority Changes	(\$1,400,000)	(1.0)	(\$1,400,000)	(1.0)
<b>FY24 Informational Federal and Other Fund Authority Requests</b>				
Authority Changes	\$500,000	0.0	(\$3,172,951)	0.0

\* The Legislature provided \$12,445,274 for a FY24 tuition freeze. This money was placed into a separate BFM pool and will be distributed with other salary policy allocations by BFM.

\*\* The Legislature approved a FY23 Emergency Special Appropriations for this one-time funding request.

\*\*\* The Legislature included these items in the FY23 General Bill Amendment (HB1049).