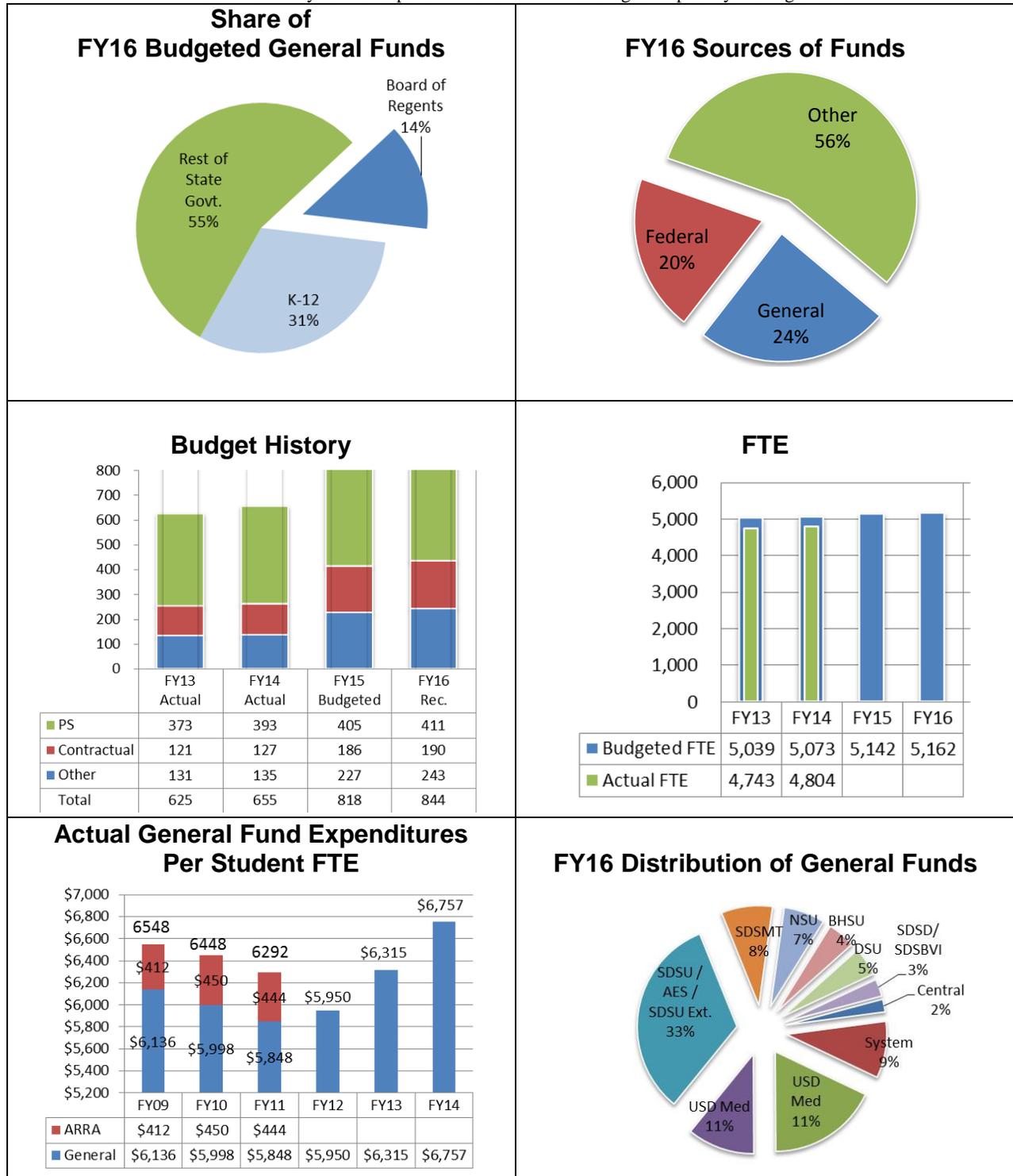


FY16 Budget Briefing

Board of Regents

Information contained in this document is based on the Governor's original recommended FY16 budget.
This document may not correspond with the final FY16 budget adopted by the Legislature.



✦ Does Not Include Salary Policy & Bureau Billings - \$9.3M Total – Page 7 ✦

Key Personnel

- Dr. Jack R. Warner, Executive Director and CEO
 - Dr. Paul Turman, System VP of Academic Affairs
 - Dr. Monte R. Kramer, System VP of Finance & Administration
 - Claudean Hluchy, Budget Manager
- South Dakota Board of Regents:**
- Dean Krogman, President, Board of Regents
 - Randy Schaefer, Vice President
 - Bob Sutton, Secretary
 - Terry Baloun
 - Kathryn Johnson
 - Joseph Schartz
 - Kevin Schieffer
 - John Bastian

Department Total

	Actual FY13	Actual FY14	Budgeted FY15	Agency Request FY16	Gov Rec FY16	Gov Rec Inc/Dec for FY16	% Change From FY2015
Personal Services							
Employee Salaries	300,468,085	312,271,012	324,319,230	329,743,802	324,555,062	235,832	0.1%
Employee Benefits	72,257,936	81,186,975	81,135,265	81,320,093	81,170,371	35,106	0.0%
FTE	4,743.0	4,804.1	5,142.4	5,166.4	5,162.4	20.0	0.4%
Funding Types							
General	145,321,366	156,731,546	161,169,108	166,507,570	161,169,108	0	0.0%
Federal	39,327,873	34,041,813	36,497,214	36,497,214	36,305,214	(192,000)	(0.5%)
Other	188,076,783	202,684,627	207,788,173	208,059,111	208,251,111	462,938	0.2%
Total PS	372,726,021	393,457,986	405,454,495	411,063,895	405,725,433	270,938	0.1%
Operating Expenses							
Travel	16,340,945	16,361,203	24,102,798	24,193,486	24,116,986	14,188	0.1%
Contractual Services	120,851,577	126,905,736	186,025,858	190,323,893	189,941,733	3,915,875	2.1%
Supplies & Materials	38,876,038	39,509,307	76,506,572	76,716,296	76,605,796	99,224	0.1%
Grants and Subsidies	30,001,522	29,136,934	70,535,674	69,099,864	61,809,735	(8,725,939)	(12.4%)
Capital Outlay	44,204,805	48,019,898	55,646,087	72,728,007	55,697,007	50,920	0.1%
Other	2,044,294	1,605,300	0	0	0	0	0.0%
Funding Types							
General	27,909,743	33,384,955	32,860,483	62,225,103	37,334,814	4,474,331	13.6%
Federal	41,257,092	33,925,949	134,947,160	124,947,160	124,939,160	(10,008,000)	(7.4%)
Other	183,152,345	194,227,475	245,009,346	245,889,283	245,897,283	887,937	0.4%
Total OE	252,319,180	261,538,379	412,816,989	433,061,546	408,171,257	(4,645,732)	(1.1%)
Totals							
Funding Types							
General	173,231,109	190,116,501	194,029,591	228,732,673	198,503,922	4,474,331	2.3%
Federal	80,584,965	67,967,762	171,444,374	161,444,374	161,244,374	(10,200,000)	(5.9%)
Other	371,229,128	396,912,102	452,797,519	453,948,394	454,148,394	1,350,875	0.3%
Total	625,045,202	654,996,366	818,271,484	844,125,441	813,896,690	(4,374,794)	(0.5%)

Department Object Detail

Item	Actual FY2012	Actual FY2013	Actual FY2014	Budgeted FY2015	Governor Rec FY2016	Inc/Dec Over FY2015	% Change Over FY2015
PERSONAL SERVICES							
General	139,706,030	145,321,366	156,731,546	161,169,108	161,169,108	0	0.0%
Federal	42,297,265	39,327,873	34,041,813	36,497,214	36,305,214	(192,000)	(0.5%)
Other Funds	178,965,386	188,076,783	202,684,627	207,788,173	208,251,111	462,938	0.2%
Total Personal Services	360,968,681	372,726,021	393,457,986	405,454,495	405,725,433	270,938	0.1%
FTE	4,646.3	4,743.0	4,804.1	5,142.4	5,162.4	20.0	0.0
TRAVEL							
General	272,677	523,860	459,440	472,271	472,271	0	0.0%
Federal	3,332,060	3,372,442	2,899,985	9,139,902	9,139,902	0	0.0%
Other Funds	11,691,757	12,444,642	13,001,779	14,490,625	14,504,813	14,188	0.1%
Total Travel	15,296,494	16,340,945	16,361,203	24,102,798	24,116,986	14,188	0.1%
CONTRACTUAL SERVICES							
General	9,919,236	20,631,979	22,854,828	24,536,384	27,736,714	3,200,330	13.0%
Federal	14,220,579	10,568,156	8,663,830	31,002,684	30,994,684	(8,000)	(0.0%)
Other Funds	86,310,737	89,651,443	95,387,078	130,486,790	131,210,335	723,545	0.6%
Total Contractual Services	110,450,552	120,851,577	126,905,736	186,025,858	189,941,733	3,915,875	2.1%
SUPPLIES AND MATERIALS							
General	409,091	765,095	764,426	1,103,768	1,103,768	0	0.0%
Federal	4,299,681	3,861,175	3,109,206	24,465,830	24,465,830	0	0.0%
Other Funds	34,882,938	34,249,767	35,635,675	50,936,974	51,036,198	99,224	0.2%
Total Supplies and Materials	39,591,710	38,876,038	39,509,307	76,506,572	76,605,796	99,224	0.1%
GRANTS AND SUBSIDIES							
General	4,723,279	4,718,199	6,222,334	6,149,499	7,423,500	1,274,001	20.7%
Federal	23,078,623	19,562,016	16,536,345	51,255,223	41,255,223	(10,000,000)	(19.5%)
Other Funds	5,123,936	5,721,307	6,378,255	13,130,952	13,131,012	60	0.0%
Total Grants and Subsidies	32,925,838	30,001,522	29,136,934	70,535,674	61,809,735	(8,725,939)	(12.4%)
CAPITAL OUTLAY							
General	789,681	1,270,444	3,083,843	598,561	598,561	0	0.0%
Federal	6,754,818	3,804,469	2,697,335	19,083,521	19,083,521	0	0.0%
Other Funds	37,119,725	39,129,892	42,238,720	35,964,005	36,014,925	50,920	0.1%
Total Capital Outlay	44,664,224	44,204,805	48,019,898	55,646,087	55,697,007	50,920	0.1%
OTHER							
General	3,155	166	85	0	0	0	0.0%
Federal	241,870	88,834	19,247	0	0	0	0.0%
Other Funds	2,122,764	1,955,294	1,585,968	0	0	0	0.0%
Total Other	2,367,789	2,044,294	1,605,300	0	0	0	0.0%
TOTAL							
General	155,823,149	173,231,109	190,116,501	194,029,591	198,503,922	4,474,331	2.3%
Federal	94,224,896	80,584,965	67,967,762	171,444,374	161,244,374	(10,200,000)	(5.9%)
Other Funds	356,217,242	371,229,128	396,912,102	452,797,519	454,148,394	1,350,875	0.3%
Total All Funds	606,265,287	625,045,202	654,996,366	818,271,484	813,896,690	(4,374,794)	(0.5%)

Major Expansions and Reductions

Budget Item	Governor's Recommendation				
	General	Federal	Other	Total	FTE
Board of Regents					
A. HEFF M&R Match - 3rd yr of 4-yr plan	2,055,512			2,055,512	
B. Critical Deferred Lease Payment	(7,665)			(7,665)	
C. Opportunity Scholarship	1,274,001			1,274,001	
D. USD - 20 FTE growth in self-support classes			1,150,875	1,150,875	20.0
E. SDSU Nurse Practitioner Preceptors	80,800			80,800	
F. SDSU-excess federal authority		(10,000,000)		(10,000,000)	
G. SDSBVI - funding change-summer program		(200,000)	200,000	-	
H. Increased costs in utilities	1,230,803			1,230,803	
I. Decrease in insurance costs	(159,120)			(159,120)	
	4,474,331	(10,200,000)	1,350,875	(4,374,794)	20.0

A. HEFF M&R Match – This is the third year of a four year plan to reach an M&R budget which is 2% of the replacement value of the buildings. The funding is used for maintenance and repair of campus infrastructure and academic buildings, including upgrades, renovations and beautification. Today, BOR invests a total of \$20M annually, \$3.4M from general funds, \$16M from HEFF, and \$971,000 from a \$1.60 per on-campus credit hour fee. HEFF receives 20% of each tuition dollar.

The campuses have identified a deferred maintenance need for the next ten years totaling \$441,418,452. This would require an annual investment of \$41,141,845 to fully fund.

The Board is currently increasing the amount going to the M&R account by 6% each year. However, in FY15 there will be no increase due to the tuition and fee freeze. \$24.4M needs to be invested annually to reach 2%. **Base dollars of \$2,055,512 for year three of the four year plan are needed.** With a state investment over a four-year period, the M&R allocation at the end of the four year period will equal approximately 2%.

The HEFF represents 20% of all state support tuition collected except for the first \$875,000 of medical school revenue, and an equivalent amount per credit hour on all self-support classes. The funds are used to maintain campus infrastructure, academic facilities, and to finance new or renovated facilities through the South Dakota Building Authority. The HEFF allocation formula is based on 50% of the replacement values and 50% of the gross square footage for academic buildings.

B. Lease Payments – According to the current lease payment schedule, the FY16 critical deferred maintenance lease payment is \$670,381, a decrease of **(\$7,665)**.

The 2007 Legislature (HB1101) authorized the SD Building Authority to provide \$8.6M in revenue bonds for critical maintenance and repair of certain academic buildings. The

legislature appropriated general funds to the BOR to pay the annual lease payment, which is repaid by the M&R fee revenue dollars. Securing a general fund appropriation provided the BOR the full faith and credit of the state, thus securing a very favorable bond rating.

The table below provides the payment adjustments for the life of the bonds and the necessary adjustments in funding.

- C. SD Opportunity Scholarship program** – The Governor proposes to grow the South Dakota Opportunity Scholarship from \$5,000 per student to \$6,500 per student at a cost of **\$1,274,001**.

The 2003 Legislature passed HB1026 which provided the structure for a Regents scholarship program. The bill had no funding attached but created the structure for the scholarship. The 2004 Legislature revised the name of the scholarship to be the South Dakota Opportunity Scholarship and revised the total of the four-year scholarship from \$6,000 to \$5,000. The first group of eligible students was awarded the scholarship in the fall of 2004 and the funding was provided by the Education Enhancement Trust Fund.

With this historical background in mind, it is important to consider that when the first cohort of recipients entered into the program during the Fall 2004 semester, a full time student completing 32 credit hours each year was paying \$4,812.16 each year. At this rate, the Opportunity Scholarship program funded approximately 26% of a student's cost of attendance when considering all mandatory tuition and fees for students attending a Regental institution in the state. For the most recent academic year, full time students completing 30 credit hours will be expected to pay \$8,038.50 in mandatory tuition and fees. The Opportunity Scholarship represents about 16% of the current 4 year cost.

During the 2010 Legislative Session, the program was changed and provides for additional program growth. The change made will reduce attrition rates and the number of eligible students will grow. The modification was:

- All students (including home schooled children) are now eligible if they have a 28 or higher ACT score – effective FY15 (projected 51 additional students).

During the 2013 Legislative Session, HB1198 was enacted which allowed the Scholarship recipients who graduate within three years to keep the remainder of their scholarship award if they pursue graduate studies in South Dakota.

The program anticipates funding 3,816 students, including 779 students in the 4th year of the program.

- D. USD – 20.0 FTE growth in self-support classes –**

The University of South Dakota is seeing growth in self-support and retained revenue. Additional other fund authority is needed to expend this revenue. With this growth comes the need for increased course offering and additional FTE to teach those courses. **Therefore, USD has requested an additional 20.0 FTE. This is a total request of \$1,150,875 in other fund authority.**

- E. SDSU Nurse Practitioner Preceptors** – This **\$80,800 general fund request** will provide the necessary funding for current and ongoing DNP preceptor payments. In FY15, SDSU received an appropriation of \$260,000 for DNP preceptor payments. Because the Rapid City site only admits every other year, preceptor payments for that site was delayed to FY16. There were also no hours requested for post-Master's to

DNP students who complete additional clinical hours to reach 1,020 hours. The additional preceptor payment dollars for FY16 are to meet current enrollment, and ongoing enrollment caps: 27 admits per year (Brookings/Sioux Falls), 10 admits every other year (Rapid City) and approximately 3 post-MS to DNP students per year. Because of the every other year admission cycle in Rapid City, the total preceptor hours of 1020 is divided by 2 in the request (510 preceptor hours). These preceptors are essential to DNP education and requests for voluntary services as a DNP preceptor compete directly with currently reimbursed services available to other healthcare education programs. **\$80,800 is being requested to reimburse these DNP preceptors.**

- F. SDSU Excess Federal Authority** – SDSU has seen a decrease in grant awards in the last few years. Therefore, they have excess federal authority that they are requesting be decreased from their budget. This is a reduction of **\$10,000,000** in federal authority.
- G. SDSBVI funding change** – This funding change is needed for the summer program within the School for the Blind and Visually Impaired. This is a reduction of **(\$200,000)** in federal authority and an increase of \$200,000 in other authority. The summer program helps their current students continue their progress and not regress during time off. The summer program includes orientation and mobility, braille, assistive technology, and social and interactive skills. The program was funded by a federal grant through the SD DOE. This funding will be gone in one year due to reductions in federal funding and the need to reprioritize by the SD DOE. Due to the loss of federal funding, the authority was transferred to other fund authority. The other funds will come from the Department of Education.
- H. Utilities** – **\$1,230,803** has been recommended in general funds for increased costs in utilities. The requested increase is based on BFM's utility spreadsheet and includes increases/decreases for electricity, heat-contracted, water and sewer.
- I. Insurance** – There is a decrease of **(\$159,120)** in general funds due to adjustments related to insurance costs.

Governor's Recommended Compensation Plan and Billings Pool (page 01-23 of the Governor's FY16 Budget Book)

For FY16, the Governor recommended the 1) state employee compensation plan, 2) bureau billings, and 3) that captive insurance be placed in a pool in BFM to be distributed to each agency. *Therefore, individual agency personal services and contractual services budgets do not reflect budget increases for the compensation plan, bureau billings, or captive insurance.*

- Below are the estimated distributions for employee compensation for FY16. BFM will distribute dollars from the Pool after employees are placed in the new General Pay Structure and career band pay-for-performance scores and percentages are calculated. The distributed amount to the agency will be in addition to the agency's appropriated personal services budget.

Est. FY16 Expenditures	General Funds	Federal Funds	Other Funds	Total Funds
Market Adjustments	3,106,387	719,922	3,798,342	7,624,651
Movement Toward Market Value	1,012,471	63,697	595,115	1,671,283
<i>Total Comp Pkg</i>	4,118,858	783,619	4,393,457	9,295,934

- ✓ Recommended FY16 – 2% market adjustment for all permanent employees; 2.5% movement toward market value for General Pay Structure and PACE; 0% health insurance.
- ✓ FY15 – 3% across-the-board/market adjustment for all permanent employees; 3% adjustment toward job worth for PACE; targeted compensation adjustments for a small number of hard-to-fill, below market vocational jobs; 18.6% health insurance.
- ✓ FY14 – 3% across-the-board for all permanent employees; 3.5% adjustment toward job worth for PACE; 14.7% health insurance.
- ✓ FY13 – 3% across-the-board for all permanent employees; 2.5% adjustment toward job worth for PACE; 3.3% health insurance.

- Below are the estimated distributions for bureau billings for FY16. The amount distributed to the agency will be in addition to the agency's appropriated contractual services budget.

Est. FY16 Expenditures	General Funds	Federal Funds	Other Funds	Total Funds
Bureau Billings for Expansion	76	0	11,773	11,849
Bureau Billings for Comp Pkg	36	0	5,574	5,610
<i>Total</i>	112	-	17,347	17,459

- The estimated distribution for Captive Insurance is not available at this time.

Interagency Billings

The Board of Regents used the following sources of funds to pay for central services from the state's internal service bureaus.

FY14 Actual Expenditures	General Funds	Federal Funds	Other Funds	Total Funds
Bureau of Administration	122,718	38,830	2,487,527	2,649,075
Bureau of Finance and Management	1,745	-	270,146	271,891
Bureau of Human Resources	713	-	2,435	3,148
Bureau of Information and Telecommunications	1,848,085	1,220	2,901,407	4,750,712
<i>Total Bureau Billings</i>	1,973,262	40,051	5,661,515	7,674,827

CENTRAL OFFICE

The South Dakota Board of Regents has constitutional authority to govern the system of public higher education in the State of South Dakota. Supported by an Executive Director and staff, the Board provides leadership and sets policies for the programs and services delivered through its six universities and two special schools. Dynamic and progressive leadership is cultivated at the campuses through the presidents, superintendents, faculty, and staff.

The Board of Regents selects an Executive Director who serves as the Unified System's chief executive officer on behalf of the Board. The Board delegates to the Executive Director the responsibility to lead a consultative process of System administration and coordination of the use of System resources. The Executive Director provides the Board of Regents with independent information and analysis and advises on matters considered by the Board. The Executive Director administers the policies of the Board and secures compliance with Board regulations. The Executive Director serves as the System's principal spokesperson on higher education issues.

	Actual FY13	Actual FY14	Budgeted FY15	Agency Request FY16	Gov Rec FY16	Gov Rec Inc/Dec for FY16	% Change From FY2015
Personal Services							
Employee Salaries	4,338,170	4,524,659	5,069,801	9,810,441	5,069,801	0	0.0%
Employee Benefits	1,071,240	1,139,215	1,346,304	1,361,926	1,346,304	0	0.0%
FTE	62.2	60.8	75.3	75.3	75.3	0.0	0.0%
Funding Types							
General	3,741,371	3,943,072	4,286,083	9,042,345	4,286,083	0	0.0%
Federal	41,748	58,675	54,258	54,258	54,258	0	0.0%
Other	1,626,291	1,662,127	2,075,764	2,075,764	2,075,764	0	0.0%
Total PS	5,409,411	5,663,874	6,416,105	11,172,367	6,416,105	0	0.0%
Operating Expenses							
Travel	266,534	253,475	245,989	253,989	245,989	0	0.0%
Contractual Services	24,198,703	28,920,170	46,569,566	48,745,675	48,617,413	2,047,847	4.4%
Supplies & Materials	506,826	394,708	149,818	149,818	149,818	0	0.0%
Grants and Subsidies	1,760,411	2,492,001	5,632,344	9,032,344	5,632,344	0	0.0%
Capital Outlay	11,533,204	14,065,951	364,800	10,364,800	364,800	0	0.0%
Other	624	0	0	0	0	0	0.0%
Funding Types							
General	8,442,513	10,581,890	8,980,909	24,565,018	11,028,756	2,047,847	22.8%
Federal	356,454	302,333	574,450	574,450	574,450	0	0.0%
Other	29,467,334	35,242,082	43,407,158	43,407,158	43,407,158	0	0.0%
Total OE	38,266,302	46,126,306	52,962,517	68,546,626	55,010,364	2,047,847	3.9%
Totals							
Funding Types							
General	12,183,884	14,524,962	13,266,992	33,607,363	15,314,839	2,047,847	15.4%
Federal	398,202	361,008	628,708	628,708	628,708	0	0.0%
Other	31,093,626	36,904,209	45,482,922	45,482,922	45,482,922	0	0.0%
Total	43,675,712	51,790,179	59,378,622	79,718,993	61,426,469	2,047,847	3.4%

Budget Notes

HEFF M&R Match – The Higher Education Facilities Fund (HEFF) represents twenty percent of all state support tuition collected except for the first \$875,000 of medical school revenue, and an equivalent amount per credit hour on all self-support courses. The funds are used to maintain campus infrastructure, academic facilities, and to finance new or renovated facilities through the South Dakota Building Authority. The HEFF allocation formula is based on 50% of the replacement values and 50% of the gross square footage for academic buildings.

Each institution’s project is placed into one of the following categories: Public Health, Safety and Compliance; Building Integrity; Programmatic Suitability; Energy and Utility Savings; or Other according to Board Policy 6:6. The policy provides for funding realignments and transfers between approved projects. Changes to the approved project list for projects estimated to cost \$50,000 to \$100,000 must be submitted for the Executive Director’s approval and projects more than \$100,000 must be submitted for Board approval.

This is the third year of a four year plan to reach an M&R budget which is 2% of the replacement value of the buildings. The funding is used for maintenance and repair of campus infrastructure and academic buildings, including upgrades, renovations and beautification. Today, BOR invests a total of \$20M annually, \$3.4M from general funds, \$16M from HEFF, and \$971,000 from a \$1.60 per on-campus credit hour fee. HEFF receives 20% of each tuition dollar.

The campuses have identified a deferred maintenance need for the next ten years totaling \$441,418,452. This would require an annual investment of \$41,141,845 to fully fund.

The Board is currently increasing the amount going to the M&R account by 6% each year. However, in FY15 there will be no increase due to the tuition and fee freeze. \$24.4M needs to be invested annually to reach 2%. **Base dollars of \$2,055,512 for year three of the four year plan are needed.** With a state investment over a four-year period, the M&R allocation at the end of the four year period will equal approximately 2%.

Replacement Values	\$1,223,540,211	
M&R Fee Per Cr Hr	\$ 1.60	per credit hour
Projected Cr Hrs	<u>606,756</u>	
FY16 M&R Funds	\$ 970,810	
FY15 HEFF Allocation	\$ 16,011,702	
2% Replacement	\$24,470,804.22	
FY16 HEFF Allocation	\$ (16,011,702)	
M&R Fee	\$ (970,810)	
GF (2 years)	<u>\$ (3,377,270)</u>	
Additional Need	\$ 4,111,023	
3rd Year Allocation	<u>\$ 2,055,512</u>	

Lease Payments – According to the current lease payment schedule, the FY16 critical deferred maintenance lease payment is \$670,381, a decrease of **(\$7,665)**.

The 2007 Legislature (HB1101) authorized the SD Building Authority to provide \$8.6M in revenue bonds for critical maintenance and repair of certain academic buildings. The legislature appropriated general funds to the BOR to pay the annual lease payment, which is repaid by the M&R fee revenue dollars. Securing a general fund appropriation provided the BOR the full faith and credit of the state, thus securing a very favorable bond rating.

The table below provides the payment adjustments for the life of the bonds and the necessary adjustments in funding.

Critical Deferred Maintenance

	General Fund	Differential
FY15	\$678,046	
FY16	\$670,381	(\$7,665)
FY17	\$662,259	(\$8,122)
FY18	\$658,757	(\$3,502)
FY19	\$654,569	(\$4,188)
FY20	\$649,696	(\$4,873)
FY21	\$644,137	(\$5,559)
FY22	\$637,894	(\$6,243)
FY23	\$630,965	(\$6,929)
FY24	\$628,427	(\$2,538)
FY25	\$624,975	(\$3,452)
FY26	\$620,609	(\$4,366)
FY27	\$615,330	(\$5,279)

CAPITAL IMPROVEMENT PROJECTS

During the 2012 Legislative Session, the Board of Regents requested approval for a number of building construction projects and infrastructure upgrades as part of a new 10-year Capital Improvement Plan. The projects are part of the **\$210.9 million Capital Improvement Plan** approved by the South Dakota Board of Regents. The Board developed similar long-term capital plans in 2001 and 2005 – both were completed early due to favorable bonding terms and higher than anticipated revenue.

About \$105 million of the total amount will be financed from the state’s Higher Education Facilities Fund (HEFF), (20 cents of every tuition dollar) which is dedicated to construction, maintenance, and repair on the campuses. The remainder of the costs—about \$99.5 million—will be paid for primarily from private donations, along with some federal grants. No state tax dollars will go to finance any of the construction projects.

The building projects on the 2012 10-year plan, and the total project cost for each, include:

Black Hills State University

- Jonas Science Renovation, \$4,200,000
- E.Y. Berry Library Renovation, \$4,500,000

Dakota State University

- Information Systems Building, \$11,400,000

Northern State University

- Johnson Fine Arts Center Renovation and Addition, \$13,800,000

South Dakota School of Mines and Technology

- Research Center, \$37,040,000

South Dakota State University

- New Headhouse and Greenhouses, \$4,414,000
- Architecture, Math, and Engineering Building, \$17,082,800
- Visual Arts Facility, \$12,400,000
- Performing Arts Center, \$33,103,713
- New Cow-Calf Research and Education Unit at Volga, \$4,630,756

The University of South Dakota

- Science, Health, and Research Lab Building, \$12,599,085
- Patterson Hall Renovation, \$6,500,000
- Dakota Hall, \$7,500,000

The BOR identifies capital improvement projects as those fitting one of the following descriptions:

1. The erection of a new facility;
2. The addition, expansion, or extension of an existing facility that adds to the facility's overall external dimensions or adds to the total gross square footage of the facility; or
3. Any major maintenance, repair, renovation, or alteration project whose cost exceeds \$1,500,000 whether done in phases or not.

The review and approval of capital improvement projects involves several phases, and Board approval is required before a project may advance from one stage/phase to another. The **Board is not committed** to a project until it approves the Program Plan.

A **flow chart** detailing the phases and approvals can be found on Page 16.

All non-revenue projects require legislative approval, which usually happens after the facility program plan although it may happen at different stages.

Notes concerning the following Capital Improvement Project Listing:

- **Includes** the projects listed on page 12 – **2012 10-Year Plan**
- Some projects listed have a preliminary facility statement, **but may not have the commitment of the Board.**

Capital Improvement Projects, cont.

Facility Name	Ten-Year Plan Critical M&R	Authorization	Fund Type	Approved Amount	Project Status	Projected Completion Date
BLACK HILLS STATE UNIVERSITY						
Academic Facilities						
Center for the Cultural, Visual & Performing Arts			Donations / Local / Federal		Facility Statement	
E.Y. Berry Library Renovation	FY12 10-Yr. Plan	HB1051-2012	HEFF Private	\$3,000,000 \$1,500,000 \$4,500,000	Facility Statement	2015
Infrastructure Repair and Upgrade	FY12 10-Yr. Plan	HB1051-2012	HEFF HEFF M&R	\$4,000,000 \$500,000 \$4,500,000	Construction	2015
Jonas Science Renovation	FY12 10-Yr. Plan	HB1051-2012 SB19-2014	HEFF Private Local / Federal	\$1,250,000 \$2,500,000 \$450,000 \$4,200,000	Construction	2015
Northern Black Hills Business Incubator			Donations / Local / Federal		Facility Statement	
School of Business					Facility Statement	
Revenue Facilities						
New Residence Hall			Bonds Local	\$8,021,301 \$3,133,016 \$11,154,317	Construction	2015
DAKOTA STATE UNIVERSITY						
Academic Facilities						
Energy Efficiency and ADA Compliance	FY12 10-Yr. Plan	HB1051-2012	HEFF	\$1,275,000	Facility Statement	2015
Athletic Indoor Practice Facility			Donations		Facility Statement	2017
Information Systems Building	FY12 10-Yr. Plan	HB1051-2012 SB19-2014	HEFF Private	\$6,000,000 \$5,400,000 \$11,400,000	Facility Statement	Fall 2017
Revenue Facilities						
Trojan Center Student Union Renovation					Facility Statement	
NORTHERN STATE UNIVERSITY						
Academic Facilities						
Johnson Fine Arts Center	FY12 10-Yr. Plan	HB1051-2012	HEFF Private	\$5,000,000 \$8,800,000 \$13,800,000	Bid	2015
New Greenhouse Facility		SB18-2014	HEFF	\$750,000		
Revenue Facilities						
New Residence Hall					Facility Statement	
SOUTH DAKOTA SCHOOL OF MINES AND TECHNOLOGY						
Academic Facilities						
Chemistry/Chemical Engineering Building Repair & Renovation			HEFF M&R (1) HEFF Bonds Federal/Private	\$519,000 \$6,040,000 \$3,441,000 \$10,000,000	Program Plan	
(1) Per action at the August 2014 Board meeting, legislation was submitted in 2015 to change the SDSM&T 10 yr plan from the Research Facility to the Chemistry/Chemical Engineering Building Repair & Renovation						
Mineral Industries Building					Facility Statement	
Music Center (Old Gym) Renovation					Facility Statement	
Research Facility	FY12 10-Yr. Plan	HB1051-2012	HEFF Private	\$6,040,000 \$31,000,000 \$37,040,000	Facility Statement	2021
Student Innovation Center			Donations		Facility Statement	
Utility Infrastructure and Chiller Installation	FY12 10-Yr. Plan	HB1051-2012	HEFF HEFF M&R	\$2,740,000 \$500,000 \$3,240,000	Bid	2015
Revenue Facilities						
SDSMT Student Wellness & Recreation Ctr			Bonds Donations	\$6,700,000 \$2,200,000 \$8,900,000	Design	Spring 2015
Surbeck Center Addition					Facility Statement	

Capital Improvement Projects, cont.

Facility Name	Ten-Year Plan Critical M&R	Authorization	Fund Type	Approved Amount	Project Status	Projected Completion Date
SOUTH DAKOTA STATE UNIVERSITY						
Academic Facilities						
Animal Disease Research & Diagnostic Lab - Addition & Renovations						
Architecture, Math, and Engineering Building	FY12 10-Yr. Plan	HB1051-2012	HEFF Private	\$10,000,000 \$7,082,800 <u>\$17,082,800</u>	Program Plan Construction	2015
Bioscience Research Laboratory			Federal/Local		Facility Statement	
Central Heating Plant-Boiler Replacement & Plant	M&R Bonds	HB1007-2011	HEFF	\$5,787,000	Construction	2014
Indoor Practice Facility and Human Performance Facility			SB 11-2013	Donations	\$32,000,000	Construction 2014
Medary Commons/Enrollment Services Center Renovation		HB1015-2013	HEFF M&R Local	\$2,250,000 \$750,000 <u>\$3,000,000</u>	Construction	2014
New Cow/Calf Research & Education Unit - Volgr	FY12 10-Yr. Plan	HB1016-2013 HB1051-2012	HEFF Local	\$900,000 \$3,730,756 <u>\$4,630,756</u>	Bid	2015
New Headhouse New Greenhouse	FY12 10-Yr. Plan	HB1051-2012	HEFF Private/Local	\$1,000,000 \$3,414,000 <u>\$4,414,000</u>	Final Inspection Design	2014 2015
New Football Stadium		SB15-2014	Bond Re-Finance Donations Local	\$36,000,000 \$27,000,000 <u>\$2,000,000</u> <u>\$65,000,000</u>	Construction	2016
Performing Arts Center - Theater & Music Education Addition	FY12 10-Yr. Plan	HB1051-2012	HEFF Private	\$13,000,000 <u>\$20,103,713</u> <u>\$33,103,713</u>	Facility Statement	2021
Physical Education Center - Frost Arena HCAC Repl			HEFF M&R	\$2,100,000	Construction	2014
Plant Science Research Support Facility			Local Grant Private	\$2,900,000 \$1,100,000 <u>\$500,000</u> <u>\$4,500,000</u>	Program Plan	
Swine Education & Research Facility		SB 10-2013 HB1112-2014	Donations HEFF M&R General Funds	\$2,483,000 \$1,000,000 <u>\$2,037,000</u> <u>\$5,520,000</u>	Design	2015
Utility Tunnel (North), Steam/condensate Infrastructure Repair and Modernization	FY12 10-Yr. Plan	HB1051-2012	HEFF HEFF M&R M&R	\$7,000,000 \$6,100,000 <u>\$220,000</u> <u>\$13,320,000</u>	Design	2015
Utility Repairs and Upgrades - Water, Sanitary Sewer, Storm Sewer	FY12 10-Yr. Plan	HB1051-2012	HEFF HEFF M&R	\$5,000,000 <u>\$5,043,000</u> <u>\$10,043,000</u>	Facility Statement	2021
Visual Arts Facility	FY12 10-Yr. Plan	HB1051-2012	HEFF Private	\$7,500,000 <u>\$4,900,000</u> <u>\$12,400,000</u>	Facility Statement	2021
Wecota Annex - Renovations			HEFF M&R Private	\$2,785,000 <u>\$1,512,700</u> <u>\$4,297,700</u>	Facility Statement	2017
Wecota Hall - Lower Level Renovation			HEFF M&R Private	\$964,000 <u>\$1,672,000</u> <u>\$2,636,000</u>	Facility Statement	
Revenue Facilities						
Brown Hall - Renovation			Bonds Local	\$5,000,000 <u>\$2,000,000</u> <u>\$7,000,000</u>	Design	

Capital Improvement Projects, cont.

UNIVERSITY OF SOUTH DAKOTA

Academic Facilities

Dakota Hall	FY12 10-Yr. Plan	HB1051-2012	HEFF	\$7,500,000		2021
Graduate Education & Applied Research (GEAR) Bldg Expansion					Facility Statement	
Mechanical Overhaul and Modernization	FY12 10-Yr. Plan	HB1051-2012	HEFF	\$8,000,000	Construction	2015
			HEFF M&R	\$2,000,000		
				\$10,000,000		
National Music Museum Facility Improvements			Other		Facility Statement	
Native American Academic Center			Donations		Facility Statement	
Paterson Hall Infrastructure Upgrade	FY12 10-Yr. Plan	HB1051-2012	HEFF	\$6,500,000	Design	2021
Science, Health and Research Lab Building	FY12 10-Yr. Plan	HB1051-2012	HEFF	\$8,695,000	Design	2017
			Private	\$2,404,085		
			Local	\$1,500,000		
				\$12,599,085		
Sports Performance Enhancement Facility		SB 8-2013	HEFF	\$22,700,000	Design	2017
			Foundation	\$27,523,380		
			Local	\$3,400,000		
				\$53,623,380		

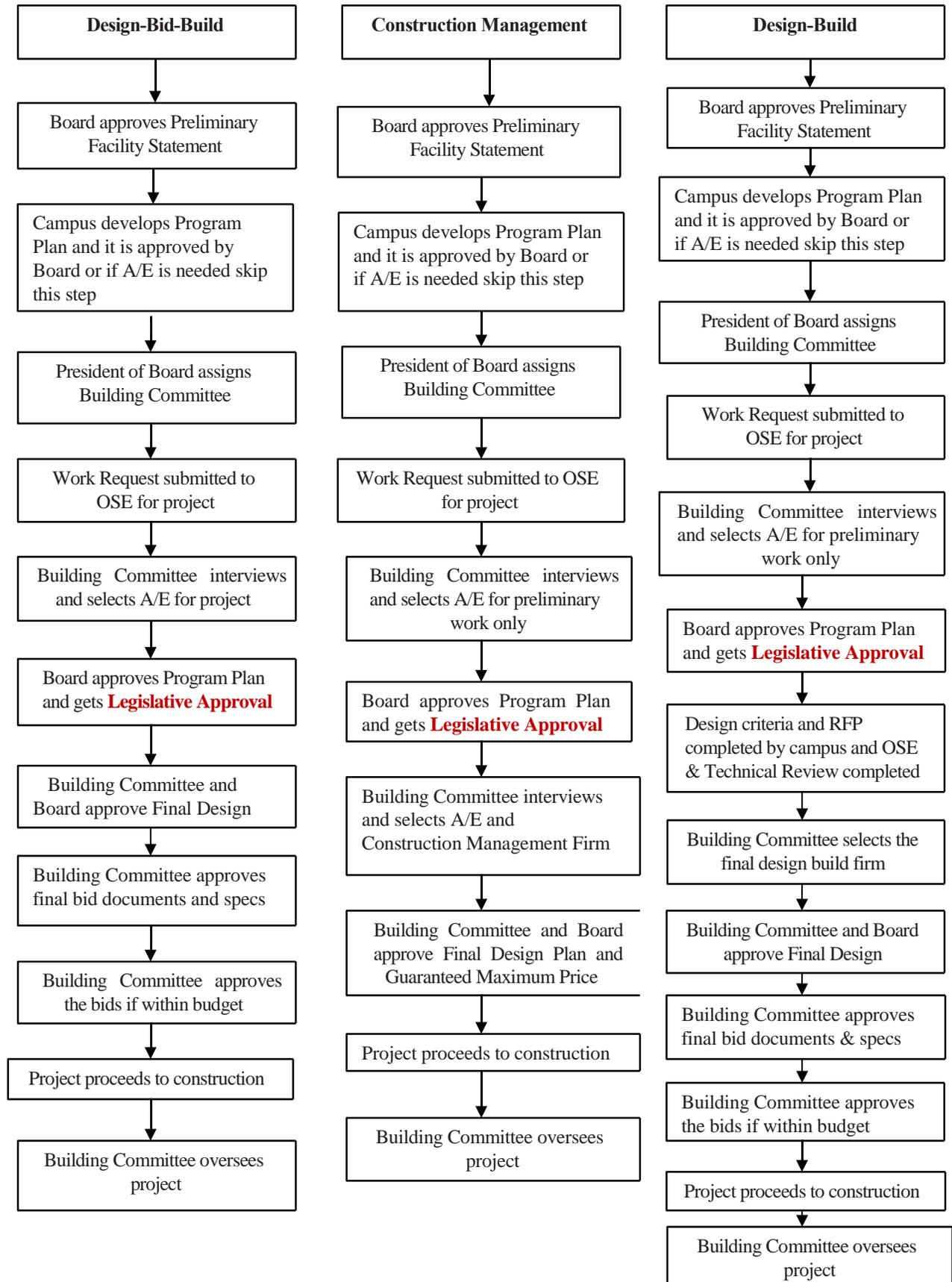
Revenue Facilities

USD Muenster University Center Expansion			Local - Int. Loan	\$7,127,607	Construction	Spring 2014
			Local - Cash	\$4,472,393		
				\$11,600,000		

Project Phases and Approvals:

- 1) Preliminary Facility Statement - Board Approves
- 2) A/E Selection - Building Committee Approves
- 3) Facility Program Plan - Board Approves
- 4) Design - Building Committee and Board Approve
- 5) Bid - Building Committee Approves if within approved limits
- 6) Bid - Board approves substantive changes from Program Plan

Review and Approval of Capital Improvement Requests



RESEARCH POOL

The South Dakota Science and Innovation Strategy provides framework to help South Dakota, over a seven-year period from 2013-2020, to leverage existing investments by focusing research and development activity around key industry sectors that are projected to produce the highest potential for economic development in the state. These research and development areas include: 1) Advanced Manufacturing & Materials; 2) Energy and Environment; 3) Human Health and Nutrition (including Medical Technology); 4) Information Technology/Cyber Security/Information Assurance; 5) Plant and Animal Bioscience; 6) Underground Science & Engineering; and 7) Visualization (from the molecular level to global systems).

	Actual FY13	Actual FY14	Budgeted FY15	Agency Request FY16	Gov Rec FY16	Gov Rec Inc/Dec for FY16	% Change From FY2015
Operating Expenses							
Grants and Subsidies	0	1,000,000	1,000,000	4,049,500	1,000,000	0	0.0%
Funding Types							
General	0	1,000,000	1,000,000	4,049,500	1,000,000	0	0.0%
Federal	0	0	0	0	0	0	0.0%
Other	0	0	0	0	0	0	0.0%
Total OE	0	1,000,000	1,000,000	4,049,500	1,000,000	0	0.0%
Totals							
Funding Types							
General	0	1,000,000	1,000,000	4,049,500	1,000,000	0	0.0%
Federal	0	0	0	0	0	0	0.0%
Other	0	0	0	0	0	0	0.0%
Total	0	1,000,000	1,000,000	4,049,500	1,000,000	0	0.0%

SOUTH DAKOTA OPPORTUNITY SCHOLARSHIPS

The South Dakota Legislature authorized the Opportunity Scholarship program in 2003 to provide financial support to South Dakota high school graduates who pursue their post-secondary careers in the state. Each eligible freshman, sophomore, and junior receives \$1,000 per year, and each eligible senior receives \$2,000 in their final year. No student may receive more than \$5,000 in total.

	Actual FY13	Actual FY14	Budgeted FY15	Agency Request FY16	Gov Rec FY16	Gov Rec Inc/Dec for FY16	% Change From FY2015
Operating Expenses							
Grants and Subsidies	4,276,999	4,482,500	4,699,499	6,814,129	5,973,500	1,274,001	27.1%
Funding Types							
General	4,276,999	4,482,500	4,699,499	6,814,129	5,973,500	1,274,001	27.1%
Federal	0	0	0	0	0	0	0.0%
Other	0	0	0	0	0	0	0.0%
Total OE	4,276,999	4,482,500	4,699,499	6,814,129	5,973,500	1,274,001	27.1%
Totals							
Funding Types							
General	4,276,999	4,482,500	4,699,499	6,814,129	5,973,500	1,274,001	27.1%
Federal	0	0	0	0	0	0	0.0%
Other	0	0	0	0	0	0	0.0%
Total	4,276,999	4,482,500	4,699,499	6,814,129	5,973,500	1,274,001	27.1%

	ACTUAL FY 2013	ACTUAL FY 2014	ESTIMATED FY 2015	ESTIMATED FY 2016
PERFORMANCE INDICATORS				
2007 Graduates	0	0	0	0
2008 Graduates	0	0	0	0
2009 Graduates	679	0	0	0
2010 Graduates	792	729	0	0
2011 Graduates	916	833	780	0
2012 Graduates	1,202	931	820	779
2013 Graduates	0	1,202	915	842
2014 Graduates	0	0	1,395	962
2015 Graduates	0	0	0	1,233
Total Eligible Students	3,589	3,694	3,910	3,816

Budget Notes

SD Opportunity Scholarship program – The Governor proposes to grow the South Dakota Opportunity Scholarship from \$5,000 per student to \$6,500 per student at a cost of **\$1,274,001**.

The 2003 Legislature passed HB1026 which provided the structure for a Regents scholarship program. The bill had no funding attached but created the structure for the scholarship. The 2004 Legislature revised the name of the scholarship to be the South Dakota Opportunity Scholarship and revised the total of the four-year scholarship from \$6,000 to \$5,000. The first group of eligible students was awarded the scholarship in the fall of 2004 and the funding was provided by the Education Enhancement Trust Fund.

With this historical background in mind, it is important to consider that when the first cohort of recipients entered into the program during the Fall 2004 semester, a full time student

completing 32 credit hours each year was paying \$4,812.16 each year. At this rate, the Opportunity Scholarship program funded approximately 26% of a student's cost of attendance when considering all mandatory tuition and fees for students attending a Regental institution in the state. For the most recent academic year, full time students completing 30 credit hours will be expected to pay \$8,038.50 in mandatory tuition and fees. The Opportunity Scholarship represents about 16% of the current 4 year cost.

During the 2010 Legislative Session, the program was changed and provides for additional program growth. The change made will reduce attrition rates and the number of eligible students will grow. The modification was:

- All students (including home schooled children) are now eligible if they have a 28 or higher ACT score – effective FY15 (projected 51 additional students).

During the 2013 Legislative Session, HB1198 was enacted which allowed the Scholarship recipients who graduate within three years to keep the remainder of their scholarship award if they pursue graduate studies in South Dakota.

The program anticipates funding 3,816 students, including 779 students in the 4th year of the program.

Refer to the previous page, Performance Indicators, “Estimate FY2016” column for a breakdown of these figures.

Currently, in years one through three, \$1,000 is awarded to students. In year four, \$2,000 is awarded to students. The Governor's recommended budget provides funding to allow for an increase of \$1,500 in the total scholarship – from \$5,000 to \$6,500. With this recommendation, the amount awarded for years one through three would increase from \$1,000 to \$1,300. In year four, the amount awarded would increase from \$2,000 to \$2,600. Assuming the student projections, the amount needed is \$1,274,001. Below are the calculations that show how this amount was derived.

	Projected Awards	Award Amount	Total
Year 1 through 3	3,037	\$1,300	\$3,948,100
Year 4	<u>779</u>	\$2,600	<u>\$2,025,400</u>
Total Eligible Students	3,816		<u>\$5,973,500</u>

Total Amount Needed in FY16 Budget	\$5,973,500
Less: FY15 Budget	<u>(\$4,699,499)</u>
Amount of Increase Needed	<u>\$1,274,001</u>

Scholarship Expenditure History

Recipients	Actual FY 2010	Actual FY 2011	Actual FY 2012	Actual FY 2013	Actual FY 2014	Estm. FY 2015	Estm. FY 2016
2004 Graduates							
2005 Graduates							
2006 Graduates	571						
2007 Graduates	715	647.5					
2008 Graduates	800	718	696				
2009 Graduates	1,100	808	756	679			
2010 Graduates		1,191	890	792	716		
2011 Graduates			1,238	916	832	779	
2012 Graduates				1,202	944	843	779
2013 Graduates					1,228	962	842
2014 Graduates						1233	962
2015 Graduates							1233
Total Recipients	3,186	3,363	3,580	3,589	3,720	3,817	3,816

Scholarship Cost

\$ Needed for Fresh, Soph, Jr. (\$1,000)	2,615,000	2,715,500	2,884,000	2,910,000	3,004,000	3,038,000	3,948,100 *
\$ Needed for Seniors (\$2,000)	1,142,000	1,295,000	1,392,000	1,358,000	1,432,000	1,558,000	2,025,400 *
Total Funding Needed	3,757,000	4,010,500	4,276,000	4,268,000	4,436,000	4,596,000	5,973,500
Actual Expenditures (all sources)	3,773,167	4,030,000	4,230,667	4,266,000	4,435,000	4,595,500	5,973,500
2009 Session - FY10 G-Bill - General Funds	1,943,848						
2010 Session - FY11 G-Bill - General Funds		3,939,358					
2011 Session - FY12 G-Bill - General Funds			4,156,341				
2011 Internal Reprioritization of Department Funds		82,142					
2012 Session - FY12 G-Bill Amendment - General Funds			115,158				
2012 Session - FY13 G-Bill - General Funds				4,277,000			
2013 Session - FY14 G-Bill - General Funds					4,381,167		
2014 Session - FY15 G-Bill - General Funds						4,689,502	
2014 Session - FY14 G-Bill Amendment - General Funds							
2015 Session - Proposed FY15 G-Bill - General Funds							5,973,500
Previous Year Ending Balance	1,837,819	8,500	0	40,832	51,832	(2,001)	92,001
Total Funding Available	3,781,667	4,030,000	4,271,499	4,317,832	4,432,999	4,687,501	6,065,501
Ending Balance	8,500	0	40,832	51,832	(2,001)	92,001	92,001

* Note the scholarship cost under the "Estimated FY16" column has been adjusted to \$1,300 for "Fresh, Soph, Jr." and adjusted to \$2,600 for "Seniors" as proposed in the Governor's FY2016 Recommendation.

¹DCTF - Dakota Cement Trust Fund Earnings

²The Governor's Book understated FY2010 expenditures by \$773,500 and overstated FY11 expenditures by a like amount due to a delayed payment.

³The Governor's Book understated FY2011 expenditures by \$82,142.

UNIVERSITY OF SOUTH DAKOTA - PRESIDENT, MR. JAMES W. ABBOTT

The mission of USD is to provide undergraduate and graduate programs, as the comprehensive university within the South Dakota system of higher education, in the liberal arts, sciences, business, education, fine arts, law, and medicine; to promote excellence in teaching and learning; to support research, scholarly and creative activities; and to provide service to the State of South Dakota and the region.

	Actual FY13	Actual FY14	Budgeted FY15	Agency Request FY16	Gov Rec FY16	Gov Rec Inc/Dec for FY16	% Change From FY2015
Personal Services							
Employee Salaries	63,379,509	66,287,784	68,510,160	68,745,992	68,745,992	235,832	0.3%
Employee Benefits	15,491,210	17,544,993	16,865,193	16,900,299	16,900,299	35,106	0.2%
FTE	1,032.3	1,040.9	1,076.2	1,096.2	1,096.2	20.0	1.9%
Funding Types							
General	28,516,169	31,210,467	31,743,616	31,743,616	31,743,616	0	0.0%
Federal	6,927,009	6,342,550	6,655,725	6,655,725	6,655,725	0	0.0%
Other	43,427,540	46,279,759	46,976,012	47,246,950	47,246,950	270,938	0.6%
Total PS	78,870,719	83,832,776	85,375,353	85,646,291	85,646,291	270,938	0.3%
Operating Expenses							
Travel	3,694,862	3,947,027	4,693,617	4,707,805	4,707,805	14,188	0.3%
Contractual Services	22,057,009	24,270,826	26,297,438	27,205,172	27,159,678	862,240	3.3%
Supplies & Materials	4,901,072	4,968,837	8,389,157	8,488,381	8,488,381	99,224	1.2%
Grants and Subsidies	2,192,345	1,114,141	3,085,119	3,085,179	3,085,179	60	0.0%
Capital Outlay	4,270,473	5,804,341	12,046,517	19,097,437	12,097,437	50,920	0.4%
Other	200	1,318	0	0	0	0	0.0%
Funding Types							
General	2,780,845	3,750,908	3,564,109	10,756,298	3,710,804	146,695	4.1%
Federal	4,647,618	2,917,942	8,637,986	8,637,986	8,637,986	0	0.0%
Other	29,687,499	33,437,639	42,309,753	43,189,690	43,189,690	879,937	2.1%
Total OE	37,115,962	40,106,489	54,511,848	62,583,974	55,538,480	1,026,632	1.9%
Totals							
Funding Types							
General	31,297,014	34,961,375	35,307,725	42,499,914	35,454,420	146,695	0.4%
Federal	11,574,627	9,260,493	15,293,711	15,293,711	15,293,711	0	0.0%
Other	73,115,039	79,717,398	89,285,765	90,436,640	90,436,640	1,150,875	1.3%
Total	115,986,680	123,939,265	139,887,201	148,230,265	141,184,771	1,297,570	0.9%

Budget Notes

USD – 20.0 FTE growth in self-support classes –

The University of South Dakota is seeing growth in self-support and retained revenue. Additional other fund authority is needed to expend this revenue. With this growth comes the need for increased course offering and additional FTE to teach those courses. **Therefore, USD has requested an additional 20.0 FTE. This is a total request of \$1,150,875 in other fund authority.**

Utilities – \$1,230,803 total has been recommended in general funds for increased costs in utilities. The requested increase is based on BFM's utility spreadsheet and includes

increases/decreases for electricity, heat-contracted, water and sewer. **USD's total request is \$192,189.**

Insurance – There is a total decrease of (\$159,120) in general funds due to adjustments related to insurance costs. **USD's decrease totals (\$45,494).**

USD Revenue Sources

Extracted from the Governor's Budget Book

	ACTUAL FY 2013	ACTUAL FY 2014	ESTIMATED FY 2015	ESTIMATED FY 2016
REVENUES				
State Appropriations	31,297,014	34,961,375	35,307,725	35,454,420
One-Time State Appropriations	737,717		1,000,000	
State Grants and Contracts	2,387,496	2,732,526	2,814,502	2,898,937
State Financial Aid	1,163,010	1,220,951	1,245,370	1,270,278
Federal Grants and Contracts	12,752,680	10,195,009	10,500,860	10,815,886
Federal Financial Aid	9,629,947	9,200,665	9,568,691	9,951,439
State Support Tuition Allocation	17,160,787	17,830,661	18,737,566	19,299,693
Self-Support Tuition	17,188,068	17,566,435	18,157,311	18,702,031
Student Fees	20,585,688	20,549,156	22,276,692	22,944,993
Room and Board	14,122,702	14,886,347	15,380,517	15,697,583
School and Public Lands	236,041	236,041	236,041	236,041
Other Grants and Contracts	1,869,476	2,307,930	2,377,168	2,448,483
Indirect Cost Recovery	1,927,431	1,692,110	1,725,952	1,760,471
Other Financial Aid	7,240,062	8,115,369	8,277,676	8,443,229
Sales and Services of Auxiliary Enterprises	429,115	487,549	492,424	497,348
Other Sales and Services	11,155,085	11,604,475	11,720,519	11,837,724
Transfers of Current Funds to Plant and Loan Funds	-4,348,106	-3,405,219	-3,439,271	-3,473,664
Plant Funds	2,520,935	1,928,432	1,947,717	1,967,194
Loan Funds	1,184,226	1,145,027	1,156,477	1,168,042
Total	149,239,374	153,254,839	159,483,937	161,920,128

Federal financial aid includes all forms of financial aid, except student loans.

USD SCHOOL OF MEDICINE

The mission of the USD School of Medicine is to provide those educational requirements (undergraduate medical education, graduate medical education, graduate basic science education, and continuing medical education) necessary for full accreditation status of the USD School of Medicine; to meet the state mandate of a family-practice orientation; to provide more physicians, predominately family physicians, for South Dakota; to provide those research activities that contribute to full accreditation status of the USD School of Medicine, but also to provide, through research, service to the citizens of South Dakota specifically in the area of health care delivery; to provide service components that contribute to full accreditation status, as well as service to USD (student health services, undergraduate nonmedical education), and to the citizens of South Dakota in improved access to and quality of health care delivery and community services; and to provide administrative support for the other three offices of teaching, research, and service so that each may achieve its objectives.

	Actual FY13	Actual FY14	Budgeted FY15	Agency Request FY16	Gov Rec FY16	Gov Rec Inc/Dec for FY16	% Change From FY2015
Personal Services							
Employee Salaries	22,386,016	22,374,768	25,936,163	25,936,163	25,936,163	0	0.0%
Employee Benefits	5,274,076	5,601,636	6,255,668	6,255,668	6,255,668	0	0.0%
FTE	305.0	296.4	321.5	321.5	321.5	0.0	0.0%
Funding Types							
General	16,429,704	17,211,513	18,414,186	18,414,186	18,414,186	0	0.0%
Federal	4,590,014	3,661,975	4,772,108	4,772,108	4,772,108	0	0.0%
Other	6,640,374	7,102,916	9,005,537	9,005,537	9,005,537	0	0.0%
Total PS	27,660,092	27,976,404	32,191,831	32,191,831	32,191,831	0	0.0%
Operating Expenses							
Travel	623,574	568,292	1,316,530	1,316,530	1,316,530	0	0.0%
Contractual Services	8,386,938	7,637,456	11,919,906	11,919,906	11,919,906	0	0.0%
Supplies & Materials	1,790,462	1,803,974	4,069,130	4,069,130	4,069,130	0	0.0%
Grants and Subsidies	4,985,431	3,080,770	4,774,638	4,774,638	4,774,638	0	0.0%
Capital Outlay	2,558,297	2,562,856	3,558,700	3,558,700	3,558,700	0	0.0%
Other	0	0	0	0	0	0	0.0%
Funding Types							
General	2,462,760	2,955,208	3,318,757	3,318,757	3,318,757	0	0.0%
Federal	8,195,258	5,225,558	12,502,418	12,502,418	12,502,418	0	0.0%
Other	7,686,683	7,472,582	9,817,729	9,817,729	9,817,729	0	0.0%
Total OE	18,344,702	15,653,348	25,638,904	25,638,904	25,638,904	0	0.0%
Totals							
Funding Types							
General	18,892,464	20,166,721	21,732,943	21,732,943	21,732,943	0	0.0%
Federal	12,785,272	8,887,534	17,274,526	17,274,526	17,274,526	0	0.0%
Other	14,327,057	14,575,497	18,823,266	18,823,266	18,823,266	0	0.0%
Total	46,004,793	43,629,752	57,830,735	57,830,735	57,830,735	0	0.0%

Budget Notes

USD School of Medicine Revenue Sources

Extracted from the Governor's Budget Book

	ACTUAL FY 2013	ACTUAL FY 2014	ESTIMATED FY 2015	ESTIMATED FY 2016
REVENUES				
State Appropriations	18,892,464	20,166,721	21,732,943	21,732,943
State Grants and Contracts	231,253	317,209	326,725	336,527
Federal Grants and Contracts	11,997,952	10,227,803	10,534,637	10,850,676
Federal Financial Aid				
Federal Appropriations	1,841,568	33,461		
State Support Tuition Allocation	8,546,474	9,540,618	9,379,684	9,661,075
Self-Support Tuition	185,961	26,391	27,183	27,998
Student Fees	3,367,375	4,392,381	4,524,152	4,659,877
Other Grants and Contracts	1,080,467	890,938	917,666	945,196
Indirect Cost Recovery	1,606,423	1,298,449	1,324,418	1,350,907
Other Sales and Services	2,991,228	2,649,183	2,675,675	2,702,432
Loan Funds	448,734	503,441	503,441	503,441
Total	51,189,899	50,046,595	51,946,524	52,771,072

SOUTH DAKOTA STATE UNIVERSITY - PRESIDENT, DR. DAVID L. CHICOINE

The mission of SDSU is to serve through teaching, research, and extension activities as the state's land-grant institution; to provide undergraduate and graduate education from the freshmen to doctoral level through selected high quality academic, professional, extracurricular and recreational programs; to conduct nationally competitive strategic research, scholarly and creative activities; and, to transfer the knowledge, especially to the citizens of South Dakota, through the Cooperative Extension Service and other entities.

	Actual FY13	Actual FY14	Budgeted FY15	Agency Request FY16	Gov Rec FY16	Gov Rec Inc/Dec for FY16	% Change From FY2015
Personal Services							
Employee Salaries	95,324,139	99,477,861	101,861,096	101,861,096	101,861,096	0	0.0%
Employee Benefits	22,632,669	25,809,524	25,459,022	25,459,022	25,459,022	0	0.0%
FTE	1,512.1	1,542.4	1,617.7	1,617.7	1,617.7	0.0	0.0%
Funding Types							
General	36,241,505	38,688,603	39,618,763	39,618,763	39,618,763	0	0.0%
Federal	9,431,080	8,211,539	8,352,617	8,352,617	8,352,617	0	0.0%
Other	72,284,223	78,387,243	79,348,738	79,348,738	79,348,738	0	0.0%
Total PS	117,956,808	125,287,386	127,320,118	127,320,118	127,320,118	0	0.0%
Operating Expenses							
Travel	5,445,748	5,631,115	7,330,619	7,330,619	7,330,619	0	0.0%
Contractual Services	30,629,388	31,510,946	45,498,424	46,291,784	46,225,066	726,642	1.6%
Supplies & Materials	16,665,233	16,915,452	32,212,037	32,212,037	32,212,037	0	0.0%
Grants and Subsidies	11,892,558	11,888,866	33,892,503	23,892,503	23,892,503	(10,000,000)	(29.5%)
Capital Outlay	11,399,167	14,624,178	17,860,364	17,860,364	17,860,364	0	0.0%
Other	884,146	966,376	0	0	0	0	0.0%
Funding Types							
General	4,110,826	4,382,417	5,168,335	5,961,695	5,894,977	726,642	14.1%
Federal	12,865,141	12,181,372	51,109,691	41,109,691	41,109,691	(10,000,000)	(19.6%)
Other	59,940,272	64,973,144	80,515,921	80,515,921	80,515,921	0	0.0%
Total OE	76,916,239	81,536,933	136,793,947	127,587,307	127,520,589	(9,273,358)	(6.8%)
Totals							
Funding Types							
General	40,352,331	43,071,020	44,787,098	45,580,458	45,513,740	726,642	1.6%
Federal	22,296,221	20,392,911	59,462,308	49,462,308	49,462,308	(10,000,000)	(16.8%)
Other	132,224,495	143,360,387	159,864,659	159,864,659	159,864,659	0	0.0%
Total	194,873,047	206,824,318	264,114,065	254,907,425	254,840,707	(9,273,358)	(3.5%)

Budget Notes

SDSU Nurse Practitioner Preceptors – This **\$80,800 general fund request** will provide the necessary funding for current and ongoing Doctor of Nursing (DNP) preceptor payments. In FY15, SDSU received an appropriation of \$260,000 for DNP preceptor payments based on the number of precepted clinical hours of the leading cohort. Because the Rapid City site only admits every other year, preceptor payments for that site were delayed to FY16. There were also no hours requested for post-Master's to DNP students who completed additional clinical hours to reach 1,020 hours. The additional preceptor payment dollars for FY16 are to meet current enrollment, and ongoing enrollment caps: 27 admits per year (Brookings/Sioux Falls), 10 admits every other year (Rapid City) and approximately 3 post-MS to DNP students per year. Because of the every other year admission cycle in Rapid City, the total preceptor hours of 1,020 is divided by 2 in the request (510 preceptor hours). These preceptors are essential to DNP education and requests for voluntary services as a DNP preceptor compete directly with currently reimbursed services available to other healthcare education programs. **\$80,800 is being requested to reimburse these DNP preceptors.**

	students	hours	total hours	rate \$10/hr	Total funding
Brookings/Sioux Falls: Current and Ongoing Admissions Cap	27	1020	27540	\$ 10	\$ 275,400
Rapid City: Currently and ongoing admissions - 10 every other year - FY16 and ongoing request reflects 50% of the total preceptor hours (1020/2 = 510) due to every other year admission	10	510	5100	\$ 10	\$ 51,000
Post-MS to DNP clinical bridge course to equal 1000 clinical	3	480	1440	\$ 10	\$ 14,400
Total Appropriation for Ongoing Enrollment at Current Levels (FY15 plus FY16 request)					\$ 340,800
Subtract FY15 appropriation (\$260,000) for the students at that time (25 students x 1020 hours = \$255,000 plus 2 more in first course - [2 x 240 x \$10] = \$4800 rounded to \$5000).					\$260,000
Difference between FY 16 request and FY15 funding base					\$ 80,800

SDSU Excess Federal Authority – SDSU has seen a decrease in grant awards in the last few years. Therefore, they have excess federal authority that they are requesting be decreased from their budget. This is a reduction of **\$10,000,000** in federal authority.

Utilities – \$1,230,803 total has been recommended in general funds for increased costs in utilities. The requested increase is based on BFM's utility spreadsheet and includes increases/decreases for electricity, heat-contracted, water and sewer. **SDSU's total request is \$712,560.**

Insurance – There is a total decrease of (\$159,120) in general funds due to adjustments related to insurance costs. **SDSU's decrease totals (\$66,718).**

SDSU Revenue Sources

Extracted from the Governor's Budget Book

	ACTUAL FY 2013	ACTUAL FY 2014	ESTIMATED FY 2015	ESTIMATED FY 2016
REVENUES				
State Appropriations	40,352,331	43,071,020	44,787,098	45,513,740
One-Time State Appropriations	1,260,665			
State Grants and Contracts	2,806,165	3,425,168	3,425,168	3,425,168
State Financial Aid	2,097,054	2,044,287	2,070,671	2,070,671
Federal Grants and Contracts	25,447,873	22,860,099	22,860,099	22,860,099
Federal Financial Aid	13,376,569	12,955,530	12,955,530	12,955,530
State Support Tuition Allocation	31,345,748	33,008,203	33,242,949	34,905,096
Self-Support Tuition	15,168,808	14,889,242	15,441,975	16,214,074
Student Fees	41,751,699	41,858,249	42,803,102	43,659,164
Room and Board	21,998,124	26,100,253	27,405,265	28,775,529
School and Public Lands	548,451	548,451	548,451	548,451
Other Grants and Contracts	3,737,523	4,787,879	4,787,879	4,787,879
Indirect Cost Recovery	6,122,249	5,347,109	5,347,109	5,347,109
Other Financial Aid	3,389,442	3,648,867	3,648,867	3,648,867
Sales and Services of Auxiliary Enterprises	10,033,282	9,704,536	9,995,672	10,295,542
Other Sales and Services	17,375,548	20,409,660	21,021,950	21,652,608
Endo/Ecto Parasiticide Tax	250,000	250,000	250,000	250,000
BAB Subsidy	618,010	558,811	542,442	529,085
Transfers of Current Funds to Plant and Loan Funds	-16,993,824	-14,660,619	-15,827,221	-15,827,221
Plant Funds	26,553,309	36,999,097	31,776,203	31,776,203
Loan Funds	2,083,057	2,247,245	2,165,151	2,165,151
Total	249,322,083	270,053,087	269,248,360	275,552,745

Federal financial aid includes all forms of financial aid, except student loans.

SDSU EXTENSION (COOPERATIVE EXTENSION SERVICE)

The mission of the SDSU Extension is to disseminate and encourage the application of research-generated knowledge and leadership techniques to individuals, families, and communities in order to improve agriculture and strengthen the South Dakota family and community.

	Actual FY13	Actual FY14	Budgeted FY15	Agency Request FY16	Gov Rec FY16	Gov Rec Inc/Dec for FY16	% Change From FY2015
Personal Services							
Employee Salaries	9,415,790	9,298,696	9,895,378	9,895,378	9,895,378	0	0.0%
Employee Benefits	2,625,497	2,754,540	2,835,630	2,835,630	2,835,630	0	0.0%
FTE	206.2	200.4	200.4	200.4	200.4	0.0	0.0%
Funding Types							
General	7,442,843	7,926,590	7,989,207	7,989,207	7,989,207	0	0.0%
Federal	3,851,428	3,229,608	3,697,349	3,697,349	3,697,349	0	0.0%
Other	747,017	897,038	1,044,452	1,044,452	1,044,452	0	0.0%
Total PS	12,041,288	12,053,236	12,731,008	12,731,008	12,731,008	0	0.0%
Operating Expenses							
Travel	682,717	625,333	859,275	859,275	859,275	0	0.0%
Contractual Services	2,127,184	2,121,104	2,531,999	2,531,999	2,531,999	0	0.0%
Supplies & Materials	632,516	438,224	2,315,010	2,315,010	2,315,010	0	0.0%
Grants and Subsidies	195,922	104,248	306,000	306,000	306,000	0	0.0%
Capital Outlay	184,444	83,830	380,431	380,431	380,431	0	0.0%
Other	21,179	11,342	0	0	0	0	0.0%
Funding Types							
General	329,154	329,154	329,154	329,154	329,154	0	0.0%
Federal	2,947,604	2,380,014	4,927,508	4,927,508	4,927,508	0	0.0%
Other	567,204	674,913	1,136,053	1,136,053	1,136,053	0	0.0%
Total OE	3,843,962	3,384,081	6,392,715	6,392,715	6,392,715	0	0.0%
Totals							
Funding Types							
General	7,771,997	8,255,744	8,318,361	8,318,361	8,318,361	0	0.0%
Federal	6,799,031	5,609,622	8,624,857	8,624,857	8,624,857	0	0.0%
Other	1,314,221	1,571,952	2,180,505	2,180,505	2,180,505	0	0.0%
Total	15,885,250	15,437,317	19,123,723	19,123,723	19,123,723	0	0.0%

Budget Notes

The Governor is not requesting any changes to the SDSU Extension.

SDSU Extension Revenue Sources

Extracted from the Governor's Budget Book

	ACTUAL FY 2013	ACTUAL FY 2014	ESTIMATED FY 2015	ESTIMATED FY 2016
REVENUES				
State Appropriations	7,771,997	8,255,744	8,318,361	8,318,361
State Grants and Contracts	117,783	105,788	111,786	111,786
Federal Grants and Contracts	1,988,712	1,489,888	1,489,888	1,489,888
Federal Appropriations	4,554,939	3,825,649	3,825,649	3,825,649
Other Grants and Contracts	14,397	90,619	90,619	90,619
Other Sales and Services	1,109,604	1,410,687	1,481,221	1,555,282
Pesticide Application Tax	242,379	280,273	261,326	261,326
Total	15,799,811	15,458,648	15,578,850	15,652,911

AGRICULTURAL EXPERIMENT STATION

The mission of the AES is to conduct research to enhance the quality of life in South Dakota through the beneficial use and development of human, economic, and natural resources.

	Actual FY13	Actual FY14	Budgeted FY15	Agency Request FY16	Gov Rec FY16	Gov Rec Inc/Dec for FY16	% Change From FY2015
Personal Services							
Employee Salaries	16,993,142	17,001,557	17,506,199	17,506,199	17,506,199	0	0.0%
Employee Benefits	3,149,647	3,334,857	3,680,974	3,680,974	3,680,974	0	0.0%
FTE	177.4	168.4	284.5	284.5	284.5	0.0	0.0%
Funding Types							
General	9,484,699	11,034,133	11,101,329	11,101,329	11,101,329	0	0.0%
Federal	6,203,871	5,028,815	5,616,021	5,616,021	5,616,021	0	0.0%
Other	4,454,219	4,273,466	4,469,823	4,469,823	4,469,823	0	0.0%
Total PS	20,142,789	20,336,414	21,187,173	21,187,173	21,187,173	0	0.0%
Operating Expenses							
Travel	1,300,496	1,311,768	1,831,170	1,831,170	1,831,170	0	0.0%
Contractual Services	3,319,733	3,532,804	6,160,981	6,160,981	6,160,981	0	0.0%
Supplies & Materials	3,635,478	3,144,391	6,349,469	6,349,469	6,349,469	0	0.0%
Grants and Subsidies	1,759,899	1,970,386	5,534,560	5,534,560	5,534,560	0	0.0%
Capital Outlay	3,072,354	2,280,075	3,462,650	3,462,650	3,462,650	0	0.0%
Other	57,451	194,064	0	0	0	0	0.0%
Funding Types							
General	539,155	577,155	627,155	627,155	627,155	0	0.0%
Federal	5,236,752	4,759,243	11,960,134	11,960,134	11,960,134	0	0.0%
Other	7,369,504	7,097,091	10,751,541	10,751,541	10,751,541	0	0.0%
Total OE	13,145,411	12,433,489	23,338,830	23,338,830	23,338,830	0	0.0%
Totals							
Funding Types							
General	10,023,854	11,611,288	11,728,484	11,728,484	11,728,484	0	0.0%
Federal	11,440,624	9,788,058	17,576,155	17,576,155	17,576,155	0	0.0%
Other	11,823,723	11,370,557	15,221,364	15,221,364	15,221,364	0	0.0%
Total	33,288,200	32,769,903	44,526,003	44,526,003	44,526,003	0	0.0%

Budget Notes

The Governor is not requesting any changes to the Agricultural Experiment Stations.

AES Revenue Sources

Extracted from the Governor's Budget Book

	ACTUAL FY 2013	ACTUAL FY 2014	ESTIMATED FY 2015	ESTIMATED FY 2016
REVENUES				
State Appropriations	10,023,854	11,611,288	11,728,484	11,728,484
State Grants and Contracts	690,762	358,954	358,954	358,954
Federal Grants and Contracts	9,772,612	9,157,067	9,157,067	9,157,067
Federal Appropriations	2,194,152	3,065,527	3,065,527	3,065,527
School and Public Lands	69,051	68,458	77,745	77,745
Other Grants and Contracts	5,880,451	5,347,435	4,347,435	4,347,435
Other Sales and Services	5,783,425	6,229,614	6,006,519	6,006,519
Pesticide Application Tax	177,868	186,530	190,000	190,000
Total	34,592,175	36,024,873	34,931,731	34,931,731

SD SCHOOL OF MINES AND TECHNOLOGY - PRESIDENT, DR. HEATHER WILSON

The mission of the SDSM&T is to provide technological education specializing in undergraduate and graduate education, with emphasis on science and engineering; and to authorize degrees at the baccalaureate, masters, and doctoral levels.

	Actual FY13	Actual FY14	Budgeted FY15	Agency Request FY16	Gov Rec FY16	Gov Rec Inc/Dec for FY16	% Change From FY2015
Personal Services							
Employee Salaries	27,820,781	29,899,185	31,272,198	31,272,198	31,272,198	0	0.0%
Employee Benefits	5,890,768	7,046,894	7,331,701	7,331,701	7,331,701	0	0.0%
FTE	344.8	381.8	433.4	433.4	433.4	0.0	0.0%
Funding Types							
General	13,305,135	14,452,147	15,200,412	15,200,412	15,200,412	0	0.0%
Federal	4,015,769	3,572,701	3,604,100	3,604,100	3,604,100	0	0.0%
Other	16,390,646	18,921,231	19,799,387	19,799,387	19,799,387	0	0.0%
Total PS	33,711,550	36,946,079	38,603,899	38,603,899	38,603,899	0	0.0%
Operating Expenses							
Travel	1,365,480	1,473,184	4,554,123	4,554,123	4,554,123	0	0.0%
Contractual Services	10,563,545	10,054,936	23,391,387	23,487,076	23,481,380	89,993	0.4%
Supplies & Materials	3,295,035	3,617,650	10,847,446	10,847,446	10,847,446	0	0.0%
Grants and Subsidies	2,051,251	2,054,035	4,275,297	4,275,297	4,275,297	0	0.0%
Capital Outlay	5,489,965	3,451,667	12,064,443	12,064,443	12,064,443	0	0.0%
Other	44,397	93,803	0	0	0	0	0.0%
Funding Types							
General	977,244	1,590,463	1,185,224	1,280,913	1,275,217	89,993	7.6%
Federal	3,095,466	3,597,258	32,458,296	32,458,296	32,458,296	0	0.0%
Other	18,736,963	15,557,554	21,489,176	21,489,176	21,489,176	0	0.0%
Total OE	22,809,672	20,745,275	55,132,696	55,228,385	55,222,689	89,993	0.2%
Totals							
Funding Types							
General	14,282,379	16,042,610	16,385,636	16,481,325	16,475,629	89,993	0.5%
Federal	7,111,235	7,169,959	36,062,396	36,062,396	36,062,396	0	0.0%
Other	35,127,609	34,478,784	41,288,563	41,288,563	41,288,563	0	0.0%
Total	56,521,222	57,691,354	93,736,595	93,832,284	93,826,588	89,993	0.1%

Budget Notes

Utilities – \$1,230,803 total has been recommended in general funds for increased costs in utilities. The requested increase is based on BFM's utility spreadsheet and includes increases/decreases for electricity, heat-contracted, water and sewer. **SDSM&T's total request is \$101,911.**

Insurance – There is a decrease of (\$159,120) in general funds due to adjustments related to insurance costs. **USD's decrease totals (\$11,918).**

SDSM&T Revenue Sources

Extracted from the Governor's Budget Book

	ACTUAL FY 2013	ACTUAL FY 2014	ESTIMATED FY 2015	ESTIMATED FY 2016
REVENUES				
State Appropriations	14,282,379	16,042,610	16,385,636	16,475,629
ARRA - Stimulus Funding				
One-Time State Appropriations	229,641	1,128,055		
State Grants and Contracts	1,672,378	1,664,060	1,553,030	1,600,000
State Financial Aid	335,000	410,423	422,736	845,471
Federal Grants and Contracts	8,692,311	7,714,241	10,154,416	11,000,000
Federal Financial Aid	2,458,414	2,679,548	2,759,935	2,842,733
State Support Tuition Allocation	7,468,137	9,056,542	9,382,825	9,664,310
Self-Support Tuition	591,446	651,621	738,000	750,000
Student Fees	11,963,993	13,926,942	14,191,311	14,617,050
Room and Board	4,044,900	5,026,080	6,076,862	6,259,168
HEFF--Physical Plant O&M	34,093	34,093	34,093	34,093
School and Public Lands	128,086	121,523	121,000	121,000
Other Grants and Contracts	368,756	370,243	380,000	391,400
Indirect Cost Recovery	2,119,001	1,875,032	1,820,000	1,911,000
Other Financial Aid	2,894,677	2,987,229	3,333,202	3,330,000
Sales and Services of Auxiliary Enterprises	2,275,893	2,321,727	3,030,831	3,050,000
Other Sales and Services	1,493,210	1,816,197	1,455,200	1,500,000
Transfers of Current Funds to Plant and Loan Funds	-2,073,305	-2,502,612	-3,406,279	-3,508,467
Plant Funds	1,494,171	296,951	500,000	600,000
Loan Funds	37,120	43,670	45,000	47,000
Total	60,510,301	65,664,175	68,977,798	71,530,387

Federal financial aid includes all forms of financial aid, except student loans.

NORTHERN STATE UNIVERSITY - PRESIDENT, DR. JAMES SMITH

The mission of NSU is to serve as a multi-purpose, regional institution of higher education; to continue to diversify offerings to address the emerging needs of the students, community, and region; to continue to include teacher preparation as an important feature of the institutional mission, as well as programs in the arts and sciences, business, and fine arts; to provide quality teaching and learning through undergraduate and graduate programs; to provide distance delivery technology in all degree programs, especially all levels of teacher preparation; to offer students a breadth and depth in the liberal arts and in professional studies to ensure development of effective and productive professionals and citizens; to create and nurture a community of students, faculty, and staff; to support communication, student and faculty research, and professional growth; to design programs to meet academic, social, cultural, and economic needs of the community and area in order to provide lifelong learning opportunities; to provide a center for the arts and recreation; and to support regional development.

	Actual FY13	Actual FY14	Budgeted FY15	Agency Request FY16	Gov Rec FY16	Gov Rec Inc/Dec for FY16	% Change From FY2015
Personal Services							
Employee Salaries	18,831,266	19,434,705	19,802,859	19,932,679	19,802,859	0	0.0%
Employee Benefits	5,051,001	5,558,724	5,647,712	5,693,092	5,647,712	0	0.0%
FTE	347.5	344.2	351.0	352.0	351.0	0.0	0.0%
Funding Types							
General	10,803,366	11,707,208	11,900,301	12,075,501	11,900,301	0	0.0%
Federal	1,014,134	946,648	1,190,796	1,190,796	1,190,796	0	0.0%
Other	12,064,767	12,339,573	12,359,474	12,359,474	12,359,474	0	0.0%
Total PS	23,882,267	24,993,429	25,450,571	25,625,771	25,450,571	0	0.0%
Operating Expenses							
Travel	1,155,509	916,427	1,282,877	1,322,877	1,282,877	0	0.0%
Contractual Services	5,248,649	5,713,229	7,142,627	7,301,553	7,224,364	81,737	1.1%
Supplies & Materials	2,141,492	2,009,465	3,666,094	3,770,094	3,666,094	0	0.0%
Grants and Subsidies	1,143	0	1,414	1,414	1,414	0	0.0%
Capital Outlay	1,322,039	764,396	2,152,448	2,176,448	2,152,448	0	0.0%
Other	22,448	22,498	0	0	0	0	0.0%
Funding Types							
General	940,665	977,365	1,217,089	1,544,015	1,298,826	81,737	6.7%
Federal	257,361	164,354	1,589,651	1,589,651	1,589,651	0	0.0%
Other	8,693,255	8,284,296	11,438,720	11,438,720	11,438,720	0	0.0%
Total OE	9,891,281	9,426,015	14,245,460	14,572,386	14,327,197	81,737	0.6%
Totals							
Funding Types							
General	11,744,031	12,684,573	13,117,390	13,619,516	13,199,127	81,737	0.6%
Federal	1,271,494	1,111,002	2,780,447	2,780,447	2,780,447	0	0.0%
Other	20,758,022	20,623,869	23,798,194	23,798,194	23,798,194	0	0.0%
Total	33,773,547	34,419,444	39,696,031	40,198,157	39,777,768	81,737	0.2%

Budget Notes

Utilities – \$1,230,803 total has been recommended in general funds for increased costs in utilities. The requested increase is based on BFM's utility spreadsheet and includes

increases/decreases for electricity, heat-contracted, water and sewer. **NSU's total request is \$93,926.**

Insurance – There is a total decrease of (\$159,120) in general funds due to adjustments related to insurance costs. **NSU's decrease totals (\$12,188).**

NSU Revenue Sources

Extracted from the Governor's Budget Book

	ACTUAL FY 2013	ACTUAL FY 2014	ESTIMATED FY 2015	ESTIMATED FY 2016
REVENUES				
State Appropriations	11,744,031	12,684,573	13,117,390	13,199,127
ARRA - Stimulus Funding				
One-Time Appropriations	241,950			
State Grants and Contracts	400,959	294,067	300,000	300,000
State Financial Aid	222,609	412,171	412,000	412,000
Federal Grants and Contracts	744,351	806,587	1,000,000	1,000,000
Federal Stimulus ARRA				
Federal Financial Aid	3,615,940	3,482,863	3,485,000	3,485,000
State Support Tuition Allocation	4,657,718	4,854,766	4,857,000	4,857,000
Self-Support Tuition	4,070,736	4,542,349	4,308,220	4,310,000
Student Fees	5,410,246	5,398,456	5,399,000	5,399,000
Room and Board	3,884,929	4,208,590	4,334,000	4,464,000
HEFF--Physical Plant O&M	36,293	36,293	36,293	36,293
School and Public Lands	183,393	183,393	183,393	183,393
Other Grants and Contracts	141,913	412,835	243,000	243,000
Indirect Cost Recovery	41,512	36,429	36,000	36,000
Other Financial Aid	2,438,376	2,367,445	2,370,000	2,370,000
Sales and Services of Auxiliary Enterprises	1,861,211	1,775,452	1,775,000	1,775,000
Other Sales and Services	1,675,649	1,918,908	1,918,000	1,918,000
Transfers of Current Funds to Plant and Loan Funds	-1,084,331	-1,695,448	-1,122,978	-1,122,953
Plant Funds	3,000,775	2,537,571	9,096,734	6,820,105
Loan Funds	702,538	708,898	709,000	709,000
Total	43,990,798	44,966,198	52,457,052	50,393,965

Federal financial aid includes all forms of financial aid, except student loans.

BLACK HILLS STATE UNIVERSITY - PRESIDENT, DR. TOM JACKSON, JR.

The mission of BHSU is to provide programs in: the liberal arts and sciences; education, with special emphasis on the preparation of elementary, middle level, and secondary teachers; human services; wellness; business; travel industries management, and tourism; to complement these programs with a series of preprofession, one- and two-year terminal, and junior college programs; and to authorize degrees at the associate, baccalaureate, and masters level.

	Actual FY13	Actual FY14	Budgeted FY15	Agency Request FY16	Gov Rec FY16	Gov Rec Inc/Dec for FY16	% Change From FY2015
Personal Services							
Employee Salaries	22,189,397	23,134,168	23,669,948	23,669,948	23,669,948	0	0.0%
Employee Benefits	5,854,787	6,521,454	6,229,648	6,229,648	6,229,648	0	0.0%
FTE	408.9	414.7	418.5	418.5	418.5	0.0	0.0%
Funding Types							
General	7,537,865	8,182,643	8,236,562	8,236,562	8,236,562	0	0.0%
Federal	1,852,423	1,679,989	1,804,118	1,804,118	1,804,118	0	0.0%
Other	18,653,895	19,792,989	19,858,916	19,858,916	19,858,916	0	0.0%
Total PS	28,044,183	29,655,621	29,899,596	29,899,596	29,899,596	0	0.0%
Operating Expenses							
Travel	854,458	863,857	1,318,230	1,318,230	1,318,230	0	0.0%
Contractual Services	6,555,879	5,329,982	6,626,318	6,656,343	6,642,571	16,253	0.2%
Supplies & Materials	3,629,485	4,354,842	5,602,114	5,602,114	5,602,114	0	0.0%
Grants and Subsidies	450,105	463,722	3,774,310	3,774,310	3,774,310	0	0.0%
Capital Outlay	1,790,359	1,607,792	2,531,658	2,531,658	2,531,658	0	0.0%
Other	882,747	177,500	0	0	0	0	0.0%
Funding Types							
General	610,254	659,263	733,601	763,626	749,854	16,253	2.2%
Federal	2,068,545	937,044	6,073,936	6,073,936	6,073,936	0	0.0%
Other	11,484,235	11,201,389	13,045,093	13,045,093	13,045,093	0	0.0%
Total OE	14,163,034	12,797,695	19,852,630	19,882,655	19,868,883	16,253	0.1%
Totals							
Funding Types							
General	8,148,119	8,841,906	8,970,163	9,000,188	8,986,416	16,253	0.2%
Federal	3,920,968	2,617,033	7,878,054	7,878,054	7,878,054	0	0.0%
Other	30,138,130	30,994,378	32,904,009	32,904,009	32,904,009	0	0.0%
Total	42,207,217	42,453,317	49,752,226	49,782,251	49,768,479	16,253	0.0%

Budget Notes

Utilities – \$1,230,803 total has been recommended in general funds for increased costs in utilities. The requested increase is based on BFM's utility spreadsheet and includes increases/decreases for electricity, heat-contracted, water and sewer. **BHSU's total request is \$30,025.**

Insurance – There is a decrease of (\$159,120) in general funds due to adjustments related to insurance costs. **BHSU's decrease totals (\$13,772).**

BHSU Revenue Sources

Extracted from the Governor's Budget Book

	ACTUAL FY 2013	ACTUAL FY 2014	ESTIMATED FY 2015	ESTIMATED FY 2016
REVENUES				
State Appropriations	8,148,119	8,841,906	8,970,163	8,986,416
ARRA - Stimulus Funds				
One-Time State Appropriations	181,038	109,275		
State Grants and Contracts	372,700	285,937	300,000	325,000
State Financial Aid	324,458	315,849	320,000	325,000
Federal Grants and Contracts	4,151,772	2,694,655	2,800,000	3,000,000
Federal Financial Aid	6,826,188	6,303,527	6,400,000	6,500,000
State Support Tuition Allocation	8,105,838	8,156,565	8,045,100	8,150,000
Self-Support Tuition	9,948,528	10,714,382	11,000,000	11,200,000
Student Fees	4,973,309	4,720,935	4,700,000	4,800,000
Room and Board	4,105,014	4,629,379	5,000,000	5,200,000
HEFF--Physical Plant O&M	31,161	31,161	31,161	31,161
School and Public Lands	173,360	173,360	173,360	173,360
Other Grants and Contracts	37,352	85,484	100,000	120,000
Indirect Cost Recovery	487,670	404,368	420,000	440,000
Other Financial Aid	2,039,365	2,004,365	2,100,000	2,200,000
Sales and Services of Auxiliary Enterprises	2,820,301	2,442,278	2,500,000	2,500,000
Other Sales and Services	1,495,554	1,395,242	1,425,000	1,450,000
Transfers of Current Funds to Plant and Loan	-3,733,623	-1,895,940	-2,000,000	-2,000,000
Plant Funds	68,349	670,844	70,000	70,000
Loan Funds	38,911	30,576	30,000	30,000
Total	50,595,364	52,114,148	52,384,784	53,500,937

Federal financial aid includes all forms of financial aid, except student loans.

DAKOTA STATE UNIVERSITY - INTERIM PRESIDENT, DR. MARYSZ RAMES

The mission of DSU is to specialize in programs of computer management, computer information systems, and other related undergraduate and graduate programs outlined in SDCL 13-59-2.2; to place special emphasis on the preparation of elementary and secondary teachers with expertise in the use of computer technology and information processing in the teaching and learning process; and to offer two-year and one-year programs as well as short courses for application and operator training in areas authorized.

	Actual FY13	Actual FY14	Budgeted FY15	Agency Request FY16	Gov Rec FY16	Gov Rec Inc/Dec for FY16	% Change From FY2015
Personal Services							
Employee Salaries	16,636,333	17,646,640	17,414,118	17,414,118	17,414,118	0	0.0%
Employee Benefits	4,233,849	4,807,652	4,407,568	4,407,568	4,407,568	0	0.0%
FTE	278.3	286.7	288.8	288.8	288.8	0.0	0.0%
Funding Types							
General	7,900,900	8,346,787	8,518,119	8,518,119	8,518,119	0	0.0%
Federal	1,181,472	1,079,220	453,497	453,497	453,497	0	0.0%
Other	11,787,811	13,028,285	12,850,070	12,850,070	12,850,070	0	0.0%
Total PS	20,870,182	22,454,292	21,821,686	21,821,686	21,821,686	0	0.0%
Operating Expenses							
Travel	726,287	692,149	520,124	520,124	520,124	0	0.0%
Contractual Services	6,371,431	6,613,003	8,276,639	8,333,987	8,326,635	49,996	0.6%
Supplies & Materials	1,302,555	1,571,347	2,559,579	2,559,579	2,559,579	0	0.0%
Grants and Subsidies	435,459	483,164	3,559,990	3,559,990	3,559,990	0	0.0%
Capital Outlay	2,074,492	2,447,188	876,174	876,174	876,174	0	0.0%
Other	131,097	138,314	0	0	0	0	0.0%
Funding Types							
General	607,570	673,702	631,303	688,651	681,299	49,996	7.9%
Federal	1,557,118	1,433,886	5,067,407	5,067,407	5,067,407	0	0.0%
Other	8,876,633	9,837,577	10,093,796	10,093,796	10,093,796	0	0.0%
Total OE	11,041,321	11,945,165	15,792,506	15,849,854	15,842,502	49,996	0.3%
Totals							
Funding Types							
General	8,508,470	9,020,489	9,149,422	9,206,770	9,199,418	49,996	0.5%
Federal	2,738,590	2,513,105	5,520,904	5,520,904	5,520,904	0	0.0%
Other	20,664,443	22,865,862	22,943,866	22,943,866	22,943,866	0	0.0%
Total	31,911,504	34,399,456	37,614,192	37,671,540	37,664,188	49,996	0.1%

Budget Notes

Utilities – \$1,230,803 total has been recommended in general funds for increased costs in utilities. The requested increase is based on BFM's utility spreadsheet and includes increases/decreases for electricity, heat-contracted, water and sewer. **DSU's total request is \$57,348.**

Insurance – There is a total decrease of (\$159,120) in general funds due to adjustments related to insurance costs. **USD's decrease totals (\$7,352).**

DSU Revenue Sources

Extracted from the Governor's Budget Book

	ACTUAL FY 2013	ACTUAL FY 2014	ESTIMATED FY 2015	ESTIMATED FY 2016
REVENUES				
State Appropriations	8,508,470	9,020,489	9,149,422	9,199,418
ARRA - Stimulus Funding				
One-Time State Appropriations		205,025	370,000	324,975
State Grants and Contracts	1,195,887	1,069,493	1,150,000	1,150,000
State Financial Aid	198,136	208,963	200,000	200,000
Federal Grants and Contracts	2,837,520	2,651,714	2,549,821	2,600,000
Federal Financial Aid	3,305,839	3,397,852	3,455,000	3,450,000
State Support Tuition	4,396,228	4,570,624	4,500,000	4,500,000
Self-Support Tuition	6,304,761	6,710,200	6,750,000	6,750,000
Student Fees	4,478,929	4,571,034	4,570,000	4,570,000
Room and Board	2,926,827	3,261,393	3,135,752	3,135,000
HEFF--Physical Plant O&M	22,362	22,362	22,362	22,362
School and Public Lands	173,360	173,360	173,360	173,360
Other Grants and Contracts	279,636	249,041	250,000	250,000
Indirect Cost Recovery	462,762	577,580	450,000	450,000
Other Financial Aid	1,093,552	1,084,825	1,080,000	1,080,000
Sales and Services of Auxiliary Enterprises	986,554	891,384	900,000	900,000
Other Sales and Services	1,251,573	1,293,122	1,250,000	1,250,000
Transfers of Current Funds to Plant and Loan Funds	-848,432	-883,878	-875,000	-875,000
Plant Funds	330,671	630,970	600,000	325,000
Loan Funds	338,935	343,110	325,000	325,000
Total	38,243,570	40,048,663	40,005,717	39,780,115

Federal financial aid includes all forms of financial aid, except student loans.

SD SCHOOL FOR THE DEAF - SUPERINTENDENT, DR. MARJORIE KAISER

The mission of the South Dakota School for the Deaf (SDSD) is to provide statewide services to the sensory impaired children and youth of the state of South Dakota; to serve in a dual leadership and resource model in the statewide efforts to meet the educational needs of sensory impaired children from birth through age twenty-one; and to carry out this mission through cooperative efforts with all appropriate state agencies, educational cooperatives, local education agencies, colleges, and universities.

	Actual FY13	Actual FY14	Budgeted FY15	Agency Request FY16	Gov Rec FY16	Gov Rec Inc/Dec for FY16	% Change From FY2015
Personal Services							
Employee Salaries	1,161,078	1,152,067	1,222,902	1,272,902	1,222,902	0	0.0%
Employee Benefits	339,639	359,844	361,871	376,871	361,871	0	0.0%
FTE	23.4	22.1	22.5	23.5	22.5	0.0	0.0%
Funding Types							
General	1,500,717	1,511,911	1,584,773	1,649,773	1,584,773	0	0.0%
Federal	0	0	0	0	0	0	0.0%
Other	0	0	0	0	0	0	0.0%
Total PS	1,500,717	1,511,911	1,584,773	1,649,773	1,584,773	0	0.0%
Operating Expenses							
Travel	37,265	40,872	100,000	108,500	100,000	0	0.0%
Contractual Services	944,892	944,297	1,364,668	1,401,515	1,392,631	27,963	2.0%
Supplies & Materials	72,894	79,188	120,000	121,500	120,000	0	0.0%
Grants and Subsidies	0	3,102	0	0	0	0	0.0%
Capital Outlay	387,870	240,652	231,902	233,902	231,902	0	0.0%
Other	5	85	0	0	0	0	0.0%
Funding Types							
General	1,111,661	1,185,676	1,149,329	1,198,176	1,177,292	27,963	2.4%
Federal	0	0	0	0	0	0	0.0%
Other	331,264	122,520	667,241	667,241	667,241	0	0.0%
Total OE	1,442,925	1,308,196	1,816,570	1,865,417	1,844,533	27,963	1.5%
Totals							
Funding Types							
General	2,612,378	2,697,587	2,734,102	2,847,949	2,762,065	27,963	1.0%
Federal	0	0	0	0	0	0	0.0%
Other	331,264	122,520	667,241	667,241	667,241	0	0.0%
Total	2,943,642	2,820,107	3,401,343	3,515,190	3,429,306	27,963	0.8%

Budget Notes

Utilities – \$1,230,803 total has been recommended in general funds for increased costs in utilities. The requested increase is based on BFM’s utility spreadsheet and includes increases/decreases for electricity, heat-contracted, water and sewer. **SDSD’s total request is \$28,847.**

Insurance – There is a total decrease of (\$159,120) in general funds due to adjustments related to insurance costs. **SDSD’s decrease totals (\$884).**

SDSD Revenue Sources

Extracted from the Governor's Budget Book

	ACTUAL FY 2013	ACTUAL FY 2014	ESTIMATED FY 2015	ESTIMATED FY 2016
REVENUES				
State Appropriations	2,612,378	2,697,587	2,734,102	2,762,065
Federal Grants and Contracts				
School and Public Lands	99,777	97,959	197,959	197,959
Other Sales and Services	272,062	365,105	469,282	469,282
Total	2,984,217	3,160,651	3,401,343	3,429,306

SCHOOL FOR THE BLIND AND VISUALLY IMPAIRED -SUPERINTENDENT, DR. MARJORIE KAISER

The mission of the SD School for the Blind and Visually Impaired (SDBVI) is to provide statewide services to the visually impaired children and youth of the state of South Dakota and to serve in a dual leadership and resource model in the statewide efforts to meet the educational needs of sensory impaired children from birth through age twenty-one; and to carry out this mission through cooperative efforts with all appropriate state agencies, educational cooperatives, local education agencies, colleges, and universities.

	Actual FY13	Actual FY14	Budgeted FY15	Agency Request FY16	Gov Rec FY16	Gov Rec Inc/Dec for FY16	% Change From FY2015
Personal Services							
Employee Salaries	1,992,465	2,038,922	2,158,408	2,426,688	2,158,408	0	0.0%
Employee Benefits	643,553	707,642	713,974	787,694	713,974	0	0.0%
FTE	44.9	45.3	52.6	54.6	52.6	0.0	0.0%
Funding Types							
General	2,417,092	2,516,472	2,575,757	2,917,757	2,575,757	0	0.0%
Federal	218,925	230,092	296,625	296,625	104,625	(192,000)	(64.7%)
Other	0	0	0	0	192,000	192,000	0.0%
Total PS	2,636,017	2,746,564	2,872,382	3,214,382	2,872,382	0	0.0%
Operating Expenses							
Travel	38,015	37,705	50,244	70,244	50,244	0	0.0%
Contractual Services	248,225	256,983	245,905	287,902	259,109	13,204	5.4%
Supplies & Materials	152,989	211,228	226,718	231,718	226,718	0	0.0%
Capital Outlay	122,141	86,972	116,000	121,000	116,000	0	0.0%
Funding Types							
General	220,097	239,254	256,019	328,016	269,223	13,204	5.2%
Federal	29,775	26,946	45,683	45,683	37,683	(8,000)	(17.5%)
Other	311,498	326,688	337,165	337,165	345,165	8,000	2.4%
Total OE	561,370	592,888	638,867	710,864	652,071	13,204	2.1%
Totals							
Funding Types							
General	2,637,189	2,755,726	2,831,776	3,245,773	2,844,980	13,204	0.5%
Federal	248,700	257,038	342,308	342,308	142,308	(200,000)	(58.4%)
Other	311,498	326,688	337,165	337,165	537,165	200,000	59.3%
Total	3,197,388	3,339,452	3,511,249	3,925,246	3,524,453	13,204	0.4%

Budget Notes

SDSBVI funding change – This funding change is needed for the summer program within the School for the Blind and Visually Impaired. This is a reduction of **(\$200,000)** in federal authority and an increase of \$200,000 in other authority. The summer program helps their current students continue their progress and not regress during time off. The summer program includes orientation and mobility, braille, assistive technology, and social and interactive skills. The program was funded by a federal grant through the SD DOE. This funding will be gone in one year due to reductions in federal funding and the need to

reprioritize by the SD DOE. Due to the loss of federal funding, the authority was transferred to other fund authority. The other funds will come from the Dept. of Education.

Utilities – \$1,230,803 total has been recommended in general funds for increased costs in utilities. The requested increase is based on BFM’s utility spreadsheet and includes increases/decreases for electricity, heat-contracted, water and sewer. **SDBVI’s total request is \$13,997.**

Insurance – There is a total decrease of (\$159,120) in general funds due to adjustments related to insurance costs. **SDBVI’s decrease totals (\$793).**

SDSBVI Revenue Sources

Extracted from the Governor's Budget Book

	ACTUAL FY 2013	ACTUAL FY 2014	ESTIMATED FY 2015	ESTIMATED FY 2016
REVENUES				
State Appropriations	2,637,189	2,755,726	2,831,776	2,844,980
Federal Grants and Contracts	237,866	287,192	342,308	342,308
School and Public Lands	94,712	95,118	94,712	94,712
Other Sales and Services	288,130	308,912	242,453	242,453
Total	3,257,897	3,446,948	3,511,249	3,524,453

Board of Regents’ Other Fund Balances

The Board of Regents use their own accounting system, called the Banner System. The information on the state's accounting system was only set up for budgetary purposes and for purposes of the state's bank reconciliation since they are a part of the cash flow portfolio. As such, the information maintained on the state's accounting system does not provide useful information to display company account balances for the Blue Book. The details of the expenses are not on the state's accounting system but instead are on the Banner accounting system. However, the Board of Regents has provided a breakdown of their Cash Balances for FY10-FY14 which has been posted to One Note for you to review.

University Foundations

Each university has a foundation which is a non-profit organization dedicated to maximizing private resources for the universities. The foundation works with the university to raise annual and endowed scholarship revenues. Donors include individuals, corporations, foundations, and other organizations. The foundations provide scholarships, buy property, build buildings, and many other things to enhance education and student life on the campuses.

Major Budget Changes in 2014 Session

FY15 Tuition Freeze

The Governor recommended and the Legislature approved \$3,955,862 to freeze in-state, resident tuition and fees for one year. This amount included 3% salary policy, 18.61% health insurance increase, and 1.67% inflation increase for operating expenses. All tuition and all fees were frozen for FY15. Room and board costs were adjusted to meet maintenance and inflationary needs. Non-residents on average experienced a 5.7% increase in mandatory tuition and fees.

Benefits of the tuition freeze:

- Affordability and access are important goals and this supports those individuals that can least afford an education.
- State funding support represents 52% of educational costs for FY15 – an improvement of 3%
- This funding saved each South Dakota undergraduate resident student \$438.

Major Budget Changes in 2013 Session

Critical Teaching Scholarship and Needs-Based Scholarships - During the 2013 Legislative Session two new state scholarship programs were established, both with \$1.5 million in general funds invested in the state's Education Enhancement Trust Fund.

- **Senate Bill 233** created a '**Critical Needs' K-12 teaching scholarship**, encouraging South Dakota high school graduates to stay in state for their teacher training, remain in the state after graduation, and work in a critical-need teaching area. Scholarship support services are provided by BOR.

All accredited South Dakota public and nonpublic postsecondary institutions which offer a baccalaureate degree in elementary or secondary education are eligible to participate in the scholarship program. Each institution may choose whether to participate in the program and may limit the number of scholarship recipients the institution will accept in each academic year.

The amount of the scholarship shall be determined by calculating the student's remaining financial need, and may not exceed the tuition and generally applicable fees for thirty credit hours at a SD public postsecondary institution as of July 1, 2014. The scholarship amount paid to a recipient attending a participating nonpublic postsecondary institution shall equal the amount paid to a recipient attending a public postsecondary institution. Teacher-Ed candidates in their junior or senior year are eligible to apply for the 2-4 year scholarship that will be available.

In order to remain eligible for the scholarship, the student shall maintain a 2.8 cumulative grade point average and maintain full-time status.

The current critical teaching needs occupations are: 1) Teaching K-12 Special Education; 2) High School Math or Science, and 3) High School Career and Technical Education.

At the end of the 2014 Legislative Session, the legislature approved a one-time allocation of \$100,000 to be made available for applicants this current academic year.

That in combination with the \$54,973 in interest earned from the Education Enhancement Trust Fund, a total of 19 students were able to be awarded scholarships in FY15. For future years, if students were to receive full tuition and fees as specified in the bill (approximately \$8,200) then roughly seven scholarships would be awarded annually.

Critical Teaching Needs Scholarship Awards FY15

Institution	HS Math	HS Science	HS CTE	K-12 Special Education	Total
DSU	1	0	0	3	4
Mount Marty	3	0	0	0	3
SDSU	2	0	5	0	7
USD	1	2	0	2	5
Total	7	2	5	5	19

- **Senate Bill 237** created a **needs-based grant program** for postsecondary students based on Pell Grant eligibility; participating postsecondary institutions must match the state funds on a 3-to-1 basis. Grant program will be administered by BOR.

To jump start this program, \$200,000 from the Education Enhancement Trust Fund distribution was transferred to the needs-based program in FY14. The program will provide \$200,000 in the first year to qualifying students enrolled at participating institutions located in South Dakota. (In the future, interest earned from a one-time investment of \$1.5 million in state monies will be used to fund the grant program.) The program should allow participating institutions to offer awards of \$500 to \$2,000. Participating institutions must allocate \$3 of need-based support for every \$1 of state investment. In FY15, there was \$175,000 available and \$54,779 in interest for a total of \$229,779. In FY16, it is anticipated that there will be around \$55,000 in interest available in the fund.

Ph.D. in Physics - South Dakota was one of only two states without a doctoral program in physics. The Governor and the Board of Regents believe that a Ph.D. in Physics at USD and SDSM&T would increase the State's national and international reputation in physics and would make physics faculty more competitive in the pursuit of external funding. There is also the belief that a Ph.D. program would make SDSM&T and USD more attractive when recruiting physics faculty members, as leading researchers typically seek positions in departments with a Ph.D. program. The Board believes having the program will allow South Dakota scientists, researchers and students to be full participants and contributors to the research and activities occurring in the Sanford Underground Research Laboratory.

The BOR projected program enrollments are sufficient to produce approximately 10 graduates per year by FY18.

Governor Dugaard recommended and the Legislature adopted 20.00 FTE and \$1,878,466 in general funds and \$58,958 in other funds for a total recommendation of \$1,937,424. Both universities would receive 4.00 FTE physics faculty and 6.00 FTE graduate assistants (12 students at 0.5 FTE).

Remedial Statistics

For the past 20 years, the Board of Regents has identified the increased need for remedial education services as a growing issue. Remedial education at the post-secondary level is expensive for both the system and the student. The university system must provide the remedial services which take resources away from its real mission; and the student must pay a higher rate for these courses which do not count toward their degree.

Each year the South Dakota Board of Regents publishes the state high school to college transition report. Individual high school reports are distributed showing academic performance and remedial placement of freshmen who graduated from their district in the prior year. The number of South Dakota graduates requiring remedial coursework in Math and English is approximately 26.4% of all graduates.

The Board of Regents has mandated that students who do not meet the college readiness benchmark of 18 on the English sub-score or 20 on the math sub-score must take remedial courses before the student can enroll in the general education classes in these two subjects.

South Dakota High School Graduates Entering Regental Institutions Between 2003-2013											
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<i>Entering Regental</i>	3,000	2,961	2,929	2,925	2,950	2,934	2,736	2,940	2,834	2,708	2,763
<i>% Enter Regental</i>	30.0%	31.0%	31.0%	32.0%	32.0%	33.0%	31.5%	32.9%	31.7%	30.2%	31.1%
<i>ACT Composite</i>	22.2	22.5	22.5	22.7	23.2	23.1	23.0	22.9	23.0	23.0	23.0
<i>Remedial English</i>	17%	13%	14%	13%	9%	14%	13.6%	13.2%	13.7%	12.4%	13.8%
<i>Remedial Math</i>	30%	27%	25%	25%	21%	22%	24.2%	25%	23.1%	21.7%	21.9%
<i>Both Remedial</i>	34%	32%	31%	30%	26%	27.9%	29.1%	29.6%	28.4%	26.6%	26.4%
<i>Average GPA</i>	2.73	2.79	2.82	2.82	2.85	2.80	2.84	2.77	2.83	2.88	2.89

Federal Funds Project

The 2015 Joint Committee on Appropriations Budget Call Letter to agencies requested information on the amount of federal funds the agency expects in FY2016 and a contingency plan if the expected funds were to decrease. In FY13 (the most recent audited material), the Board of Regents received 671 federal grants and expended \$326,441,543 in federal funds.

STATE OF SOUTH DAKOTA
 Schedule of Expenditures of Federal Awards by Federal Department
 Fiscal Year Ended June 30, 2013

State Agency	CFDA Number	Federal Agency	Program	FY13	Mandatory (M)/ Discretionary (D)	Match Rate State Share%/Fed Share	Funding Available	Future concerns/ Cuts or Reductions In Last 5 years	Difference
				Disbursements/ Issuances			in FY16? If "No/Unknown", provide your contingency provide dollar amount		
BHSU	64.UNKNOW	Veterans Health Administration	Veterans Administration Reporting	2,832	D		Yes - no expected change	Minimal Funding used for training	-
NSU	93.824	North East South Dakota Area Health Education Center - flow	Area Health Education Centers Infrastructure Development Awards	10,421	D		No	Federal funds not received in FY14 or FY15.	(10,421)
SDSU	10.500	Agriculture	Cooperative Extension Service	5,490,968	M	Smith Lever 1:1 EFNEP & RREA no match	Yes - \$4,211,361	In federal FY13 (10/1/12 to 9/30/13) there was a 7.77% cut in Smith Lever funding and a 2.66% cut in EFNEP funding compared to federal FY12.	(1,279,607)
SDSU	10.203	National Institute of Food and Agriculture	Payments to Agricultural Experiment Stations Under the Hatch Act	2,692,388	M	1:1 match	Yes - \$3,182,647	In federal FY13 (10/1/12 to 9/30/13) there was a 7.9% cut in Hatch and Hatch multi state funding compared to federal FY12.	490,259
SDSU	10.202	National Institute of Food and Agriculture	Cooperative Forestry Research	190,327	M	1:1 match	Yes - \$230,389	In federal FY13 (10/1/12 to 9/30/13) there was a 6.9% cut in McIntire-Stennis funding compared to federal FY12.	40,062
SDSU	10.207	National Institute of Food and Agriculture	Animal Health and Disease Research	32,849	M	no match	Yes - \$53,795		20,946
USD/Education	93.600	Administration for Children and Families	Head Start	2,166,671	D			This has been a long-term federal grant	-
BHSU/SDSUNS U/SDSMT/ SDSU/USD	84.268	Office of Student Financial Assistance Programs	Federal Direct Student Loans (Note 3H)	171,345,901	D		Yes - no expected change	Financial Aid Flow-Through	-
BHSU/SDSUNS U/SDSMT/ SDSU/USD	84.063	Office Of Student Financial Assistance Programs	Federal Pell Grant Program	33,997,949	D		Yes - no expected change	Financial Aid Flow-Through	-
BHSU/SDSUNS U/SDSMT/ SDSU/USD	84.038	Office Of Student Financial Assistance Programs	Federal Perkins Loans - Federal Capital Contributions (Notes 3E & 3G)	26,548,466	D		Yes - no expected change	Financial Aid Flow-Through	-
BHSU/SDSUNS U/SDSMT/ SDSU/USD	84.033	Office Of Student Financial Assistance Programs	Federal Work-Study Program	2,337,297	D	25%	Yes - no expected change	Financial Aid	-
BHSU/SDSUNS U/SDSMT/ SDSU/USD	84.007	Office Of Student Financial Assistance Programs	Federal Supplemental Educational Opportunity Grants (SEOG)	1,400,597	D		Yes - no expected change	Financial Aid Flow-Through	-
BHSU/SDSUNS U/SDSMT/ SDSU/USD	84.038	Office Of Student Financial Assistance Programs	Federal Perkins Loans - Federal Capital Contributions (Notes 3E & 3G)	170,576	D		Yes - no expected change	Financial Aid Flow-Through	-
BHSU/SDSUNS U/SDSU/SD	84.379	Department of Education	Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	490,767	D		Yes - no expected change	Financial Aid Flow-Through	-
BHSU/NSU/SD SU/USD	84.042	Office of Postsecondary Education	TRIO - Student Support Services	830,303	D		Yes - no expected change	Federal grants	-
USD/BHSUNS U/SDSU	84.047	Office of Postsecondary Education	TRIO - Upward Bound	1,044,991	D		Yes - no expected change	Federal grants	-
NSU/SDSMT/ SDSU/ Education	84.378	Office of Postsecondary Education	College Access Challenge Grant Program	1,398,329	D		Yes - no expected change	Grant/research	-
SDSU/USD	93.342	Health Resources and Services Administration	Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students (Note 3G)	7,479,543	D		Yes - no expected change	Financial Aid	-
SDSU/USD	93.364	Health Resources and Services Administration	Nursing Student Loans (Note 3G)	2,185,054	D		Yes - no expected change	Financial Aid	-
				259,816,229			259,077,468		(738,761)

NOTE: The FY13 total displayed above will differ from the actual federal funds expended as displayed in the budget materials because some of the grants are expended from multiple agencies.

Board of Regents	Number of Programs	FY16 Estm
FY16 Mandatory Federal Programs	4	\$7,678,192
FY16 Discretionary Programs	15	251,399,276
		\$259,077,468

Listed above are only 19 of the 671 federal grants that the Board of Regents received. The majority of the grants that the Board receives are not ongoing so there is no expectation to continue to receive federal awards from those grants so I did not include those within the briefing document. The entire FY13 Federal Funds listing is posted on OneNote. However, the Board of Regents will receive federal grants for FY2016 in addition to the 19 listed above.

Data regarding the 19 grants listed above:

Grants Ending or Decreasing	Discretionary	Mandatory
FY13 Grant Amounts	(\$10,421)	(\$728,340)

Below are definitions provided by the Federal Funds Information for States (FFIS):

Mandatory Grant: *program's funding level is determined by its authorizing legislation, which provides a specific funding level or adjusts the level based on factors such as caseloads and costs. For some mandatory programs, the funding level is set by authorizing legislation, but the program is funded through the appropriations process.*

Discretionary Grant: *program's funding level is determined by the annual appropriations process*