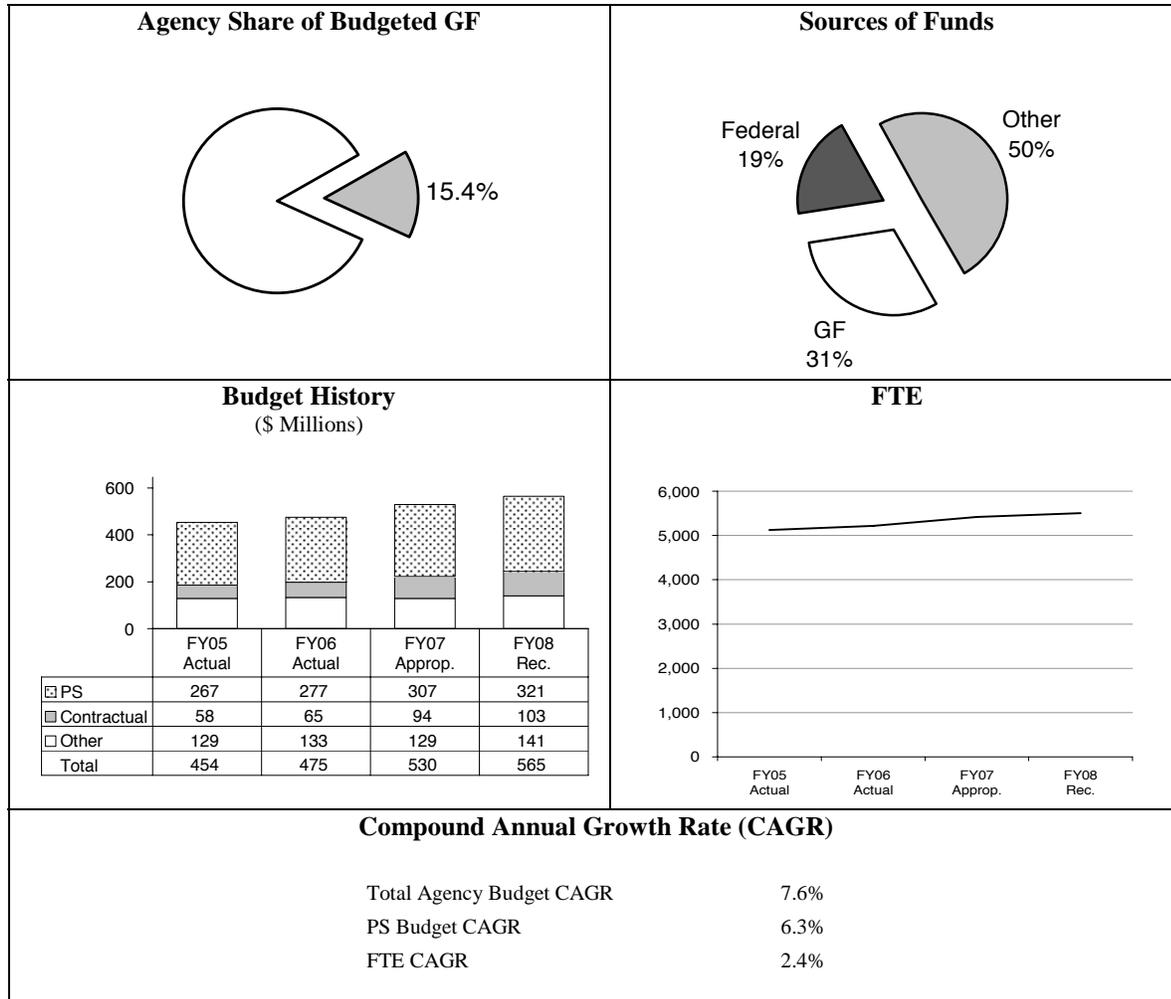


FY2008 Budget Briefing

Board of Regents



Key Responsibilities

- To provide the opportunity for access to appropriate, high quality collegiate and university degree programs, and collegiate level para-professional education programs;
- To ensure that the provision of appropriate program offerings within the higher education system reflects primarily South Dakota's manpower and citizen needs and, secondarily, the needs of the region and nation;
- To provide appropriate technical and special services to the state's industries, businesses, and agencies consistent with the fields of academic specialization available in the public higher education system; and
- To ensure the provision of in-service educational opportunities for South Dakota citizens.

Key Personnel

- Dr. Tad Perry, Executive Director
- Monte Kramer, System VP for Administrative Services
- Janelle Toman, Director of Information and Institutional Research

Department Total

The Board of Regent's budget is funded with general, federal, and other funds. For FY08, the Governor recommends an increase of \$11,281,576 from general funds, an increase of \$4,148,074 in federal fund expenditure authority, an increase of \$19,597,810 in other fund expenditure authority, and an increase of 88.3 FTEs.

	Actual	Budgeted	Agency Req.	Gov Rec.	Inc/Dec	% Change
	FY06	FY07	FY08	FY08	FY08	From FY07
Personal Services	279,845,902	306,749,445	310,623,453	320,838,085	14,088,640	4.6%
Travel	11,707,030	12,123,412	12,726,573	12,706,498	583,086	4.8%
Contractual Services	64,771,302	93,953,315	101,895,239	102,951,533	8,998,218	9.6%
Supplies & Materials	41,982,465	43,104,098	45,375,961	45,026,463	1,922,365	4.5%
Grants And Subsidies	43,332,876	50,895,605	65,768,401	59,394,016	8,498,411	16.7%
Capital Outlay	32,891,885	22,856,187	27,613,867	23,792,927	936,740	4.1%
Other	23,756	0	0	0	-	0.0%
Total	474,555,216	529,682,062	564,003,494	564,709,522	35,027,460	6.6%
Funding Types						
General	154,832,205	162,881,972	179,813,306	174,163,548	11,281,576	6.9%
Federal	79,765,999	105,531,941	108,431,941	109,680,015	4,148,074	3.9%
Other	239,957,011	261,268,149	275,758,247	280,865,959	19,597,810	7.5%
Total	474,555,215	529,682,062	564,003,494	564,709,522	35,027,460	6.6%
FTE	5,215.7	5,419.2	5,609.5	5,507.5	88.3	1.6%

The Governor's recommendation throughout this analysis also includes funding for Performance and Compensation Equity (PACE) movement of 2.5% for those Career Service Act employees who are paid under the job-worth of their pay range, a 3% across-the-board increase for all permanent Career Service Act employees, and an increase in the employer paid portion of the state health insurance plan. The recommended amounts for each segment of the compensation package are as follows:

	General Funds	Federal Funds	Other Funds	Total
2.5% PACE Movement	306,061	31,696	173,182	510,939
3% Across-the-Board	4,291,191	1,109,167	3,774,705	9,175,063
Health Insurance	464,481	107,211	394,892	966,584
Total	5,061,733	1,248,074	4,342,779	10,652,586

Major Expansion and Reduction

Budget Item	Agency Request			Governor's Recommendation		
	State General Fund	All Funds	FTE	State General Fund	All Funds	FTE
A. Campus Utility Increases	843,339	843,339	-	2,042,163	2,042,163	-
B. Operating Expense Stabilization	299,991	299,991	-	-	-	-
C. Animal Disease Research and Diagnostic Laboratory Bond Payment	(1,348)	(1,348)	-	(1,348)	(1,348)	-
D. FY07 Travel Cut Reinstatement	410,000	410,000	-	410,000	410,000	-
E. FY07 Audit Cut Reinstatement	40,560	40,560	-	40,560	40,560	-
F. Critical Deferred Maintenance	673,050	673,050	-	-	-	-
G. Ph.D. Programs	1,790,057	1,790,057	19.0	1,790,057	1,790,057	19.0
H. Research Pool	5,000,000	5,000,000	90.0	500,000	500,000	-
I. Computer Upgrades	2,499,600	2,499,600	-	-	-	-
J. Instructional Delivery Systems	712,000	712,000	-	-	-	-
K. Computer Security Upgrade	837,371	837,371	-	-	-	-
L. HEFF Maintenance and Repair	-	242,206	-	-	242,206	-
M. SD Opportunity Scholarships	3,312,796	3,312,796	-	1,438,411	1,438,411	-
N. Salary Policy	-	-	-	5,061,733	10,652,586	-
O. Institutional Priorities	513,918	513,918	12.0	-	-	-
P. Vet School Slots	-	-	-	-	764,933	-
Q. Contract and Grant Expansions	-	17,147,892	69.3	-	17,147,892	69.3
Total	16,931,334	34,321,432	190.3	11,281,576	35,027,460	88.3

- A.** Increased costs for utilities at all campuses have caused them to use other funds to cover the costs. The Regents are requesting \$843,339 in general funds to cover some of these costs. The Governor recommends a \$2,042,163 increase from the general fund.
- B.** The Regents request \$299,991 from the general fund to maintain the purchasing power at campuses for operating expenses. The funding is requested to keep pace with inflationary cost increases in travel, contractual services, supplies and materials, and capital assets. The Governor does not recommend this item.
- C.** The Regents request and the Governor recommends a decrease of \$1,348 in general funds for the Animal Disease Research and Diagnostic Laboratory bond payment.
- D.** The Regents request \$410,000 in general funds to reinstate the FY07 budget cut in travel. The Governor concurs.
- E.** The Regents request \$40,560 in general funds to reinstate the FY07 budget cut made in the South Dakota School of Mines and Technology's budget due to an audit finding. The Governor concurs.
- F.** The Regents request an increase of \$673,050 for critical deferred maintenance at the campuses. The Governor does not concur.
- G.** As part of the Governor's 2010 Initiative, the Regents request and the Governor is recommending the addition of three new Ph.D. programs.

The Ph.D. programs utilizing \$1,790,057 general funds and 19.0 FTE are:

- Ph.D. in Materials Chemistry, USD
- Ph.D. in Pharmaceutical Sciences, SDSU
- Ph.D. in Chemical and Biological Engineering, SDSM&T

- H.** The Regents requested \$5M in general funds to provide for a research pool that would help stimulate and build research capacity within the state. The Governor recommends \$500,000 from the general fund.
- I.** The Regents requested \$2,499,600 in general funds to begin a systematic upgrading of all campus computers (faculty, administration, and student systems). The Governor did not recommend this increase.
- J.** The request for Instructional Delivery Systems in the amount of \$712,000 is for student and faculty labs, two-way video networks, smart classrooms, upgrading the security systems, and other technology upgrades. The Governor did not recommend this item.
- K.** The Regents request \$837,371 from the general fund to upgrade computer security on the campus networks. The Governor did not recommend this funding.
- L.** The Regents request and the Governor recommends an increase of \$242,206 for maintenance and repair at the institutions. The source of other funds is the Higher Education Facilities Fund (HEFF).
- M.** The Regents request \$3,312,796 from general funds for the fourth year of the South Dakota Opportunity Scholarship program. The Governor recommends \$1,438,411 from the general fund, \$974,204 from the base, \$571,385 from the Cement Trust Fund, and \$479,000 from carryover funds. A total of \$3,463,000 would be available in 2007-2008.
- N.** The Governor's recommended salary policy includes \$5,061,733 in general funds, \$1,248,074 in federal funds, and \$4,342,779 in other funds.
- O.** The Regents requested \$513,918 in general funds and 12.0 FTEs for the following Institutional Priorities:
- USD – Sioux Falls Science and Math Academy
 - DSU/USD – Professional Development School
 - SDSM&T – Institute for Professional Education and Underground Sciences and Engineering
 - SDSBVI – Certified Low Vision Specialist
- P.** The Governor recommends \$764,933 in other fund expenditure authority for Vet School Slots. The Regents did not request this increase. No other information was available at publication time.
- Q.** Growth in grant and contract activity as well as student fee increases, self-support education growth, student scholarships, and services revenues require additional expenditures in all of the expense categories. Travel increases are for various state, regional, and national meetings and seminars. Contractual services increases include duplicating services, office equipment service and maintenance, and computer maintenance and support. The supplies category increases are for general supplies, postage, and central duplicating services. Capital asset purchases include classroom computers, educational equipment, office equipment, and improvements to campus buildings and grounds.

Board of Regents Central Office

The Governor recommends a total appropriation of \$34,708,170 and 87.4 FTEs for the Central Office for FY08. The recommended changes include \$2,666,463 increase from the general fund, \$2,386 increase in federal fund expenditure authority, and an increase of \$855,962 in other fund expenditure authority. These amounts are 32.6%, 0.2%, and 3.9% more than the FY07 amounts, respectively.

Item	Actual FY06	Budgeted FY07	Agency Req. FY08	Gov Rec. FY08	Inc/Dec FY08	% Change From FY07
Personal Services	4,377,825	4,751,470	4,886,120	5,052,303	300,833	6.3%
Travel	417,603	359,488	373,445	373,445	13,957	3.9%
Contractual Services	13,067,742	20,275,985	22,738,263	22,986,006	2,710,021	13.4%
Supplies & Materials	209,704	289,406	309,832	289,406	-	0.0%
Grants And Subsidies	1,195,246	4,907,010	9,907,010	5,407,010	500,000	10.2%
Capital Outlay	8,462,443	600,000	4,370,940	600,000	-	0.0%
Other	4,083	0	0	0	-	0.0%
Total	27,734,646	31,183,359	42,585,610	34,708,170	3,524,811	11.3%
Funding Types						
General	6,860,065	8,170,745	18,769,140	10,837,208	2,666,463	32.6%
Federal	1,205,164	1,031,643	1,031,643	1,034,029	2,386	0.2%
Other	19,669,416	21,980,971	22,784,827	22,836,933	855,962	3.9%
Total	27,734,645	31,183,359	42,585,610	34,708,170	3,524,811	11.3%
FTE	64.8	86.4	177.4	87.4	1.0	1.2%

Budget Notes

- A. The Regents request an increase of \$410,000 in general funds for the reinstatement of the FY07 cut in travel. The reduction was spread over the entire Regents budget. The portion that was cut from this budget was \$13,957. The Governor recommends this increase.
- B. The Regents request \$299,991 from general funds for an item entitled "Operating Expense Stabilization." The funds would allow the Regents to maintain the purchasing power at campuses for operating expenses. The funding is requested to keep pace with inflationary cost increases in travel, contractual services, supplies and materials, and capital assets. \$20,426 of the total amount is for this budget. The Governor does not recommend this item.
- C. The Regents request \$400,000 in other fund expenditure authority for an increase in the maintenance agreements for the Regents Information System (RIS). The authority increase is supported by student technology fees and institutional fees. The Governor recommends this request.
- D. The Regents request 1.0 FTE and \$161,650 in other fund expenditure authority for the South Dakota Library Network (SDLN) to pay for increased costs associated with software and hardware maintenance agreements and staff support. The SDLN contracts with state agencies and private vendors to provide duplicating services, office equipment service and maintenance, janitorial services and computer maintenance and support. The authority increase is supported by user fees.

- E.** The Regents request and the Governor recommends an increase of \$242,206 for maintenance and repair at the institutions. The source of other funds is the Higher Education Facilities Fund (HEFF) which is created in SDCL 13-51-2.
- F.** The Regents request an increase of \$673,050 for “Critical Deferred Maintenance”. The definition of “Critical Deferred Maintenance is *the physical conditions of a building or facility that places its occupants at risk of harm or the facility at risk of not fulfilling its functions.* The system identified \$52M in critical deferred maintenance need. The Board then requested the Office of the State Engineer (OSE) to independently review the projects named by the university and identify the most critical projects. The OSE identified \$8,590,269 in projects that demonstrated the greatest need. \$673,050 would annually service a debt based on a 20 year bond at 4.5%. The Governor does not recommend this item.
- G.** The Regents request a minor decrease for the Animal Disease Research and Diagnostic Laboratory annual bond payment. (\$1,348 from general funds)
- H.** The Regents request an \$843,339 increase in the utility budget. The budget has experienced problems each fiscal year since FY1988 due to increased utility rates, increased demands, and the addition of new buildings. The annual shortfall continues to grow larger each year and eats away at the base operating budgets. The Governor recommends \$2,042,163 in general funds for this item.
- I.** The Regents request \$278,031 (ongoing) and \$559,340 (one-time) in general funds to upgrade aging network security systems to insure secure data for students, staff, and the state. The Governor does not recommend this change.
- J.** The Regents request \$2,499,600 in general funds to update personal computers across the enterprise on a four-year cycle providing faculty and staff with the necessary tools to be successful and give students an up-to-date learning experience that will prepare them for jobs in today’s technology driven economy.
- K.** The Regents request \$712,000 in general funds for instructional delivery systems, such as smart classrooms, two-way video networks, student-PC labs, and faculty PCs. The Governor does not recommend this item.
- L.** The Regents request \$5,000,000 in general funds for expansion in grants and subsidies to stimulate and build research capacity within the State of South Dakota using a performance based research pool. The Governor recommends \$500,000 from the general fund.
- M.** The Regents request \$3,312,796 from general funds for the fourth year of the South Dakota Opportunity Scholarship program. The Governor recommends \$1,438,411 from the general fund, \$974,204 from the base, \$571,385 from the Cement Trust Fund, and \$479,000 from carryover funds. A total of \$3,463,000 would be available in 2007-2008.
- N.** The Regents total salary package (3%, 2.5%, and health ins.) proposed by the Governor includes \$5,061,733 in general funds, \$1,248,074 in federal fund expenditure authority, and \$4,342,779 in other fund expenditure authority.

University of South Dakota

Dr. James W. Abbott, President

The mission of the University of South Dakota 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.

The Governor recommends a total appropriation of \$104,652,846 and 1,166.9 FTEs for FY08. The recommended changes include \$1,612,600 increase from the general fund, \$150,563 increase in federal fund expenditure authority and \$4,805,352 increase in other fund expenditure authority. These amounts are 5.2%, 0.9%, and 9.4% more than the FY07 amounts, respectively. The FTE level is recommended to increase by 1.3%.

Item	Actual FY06	Budgeted FY07	Agency Req. FY08	Gov Rec. FY08	Inc/Dec FY08	% Change From FY07
Personal Services	58,604,765	63,297,908	64,050,842	66,180,236	2,882,328	4.6%
Travel	1,980,074	2,191,926	2,292,899	2,286,399	94,473	4.3%
Contractual Services	8,676,979	13,788,460	16,667,005	16,648,020	2,859,560	20.7%
Supplies & Materials	6,189,441	4,911,664	5,702,455	5,643,818	732,154	14.9%
Grants And Subsidies	10,793,557	11,389,247	11,389,247	11,389,247	-	0.0%
Capital Outlay	3,912,698	2,505,126	2,555,126	2,505,126	-	0.0%
Other	307	0	0	0	-	0.0%
Total	90,157,821	98,084,331	102,657,574	104,652,846	6,568,515	6.7%
Funding Types						
General	29,451,468	30,801,277	31,571,205	32,413,877	1,612,600	5.2%
Federal	11,384,825	16,034,772	16,034,772	16,185,335	150,563	0.9%
Other	49,321,529	51,248,282	55,051,597	56,053,634	4,805,352	9.4%
Total	90,157,822	98,084,331	102,657,574	104,652,846	6,568,515	6.7%
FTE	1118.2	1152.2	1166.9	1166.9	14.7	1.3%

Revenues

	FY06			FY07			FY08
	Original Estimate	Actual	Difference Over (Under) Estm.	Original Estimate	Revised Estimate	Change in Estimate	Estimate
State Appropriations	28,536,566	29,238,147	701,581	29,771,221	30,834,475	1,063,254	31,534,924
State Grants and Contracts	1,125,000	1,692,240	567,240	214,603	1,743,007	1,528,404	1,795,297
State Financial Aid		329,781	329,781	0	498,773	498,773	735,770
Federal Grants and Contracts	10,125,000	5,736,403	(4,388,597)	9,622,142	8,060,357	(1,561,785)	8,302,167
Federal Financial Aid	6,759,498	5,479,431	(1,280,067)	7,021,998	7,974,415	952,417	8,213,647
State Support Tuition Allocation	14,356,897	10,802,962	(3,553,935)	11,036,428	11,751,458	715,030	12,104,002
Self-Support Tuition	4,627,210	5,519,884	892,674	4,990,960	4,922,697	(68,263)	5,070,378
Student Fees	9,242,784	15,761,764	6,518,980	13,811,574	17,965,600	4,154,026	18,504,568
Room and Board	6,996,993	7,320,017	323,024	7,784,586	6,607,639	(1,176,947)	6,805,868
HEFF - Plant O&M	87,983	87,983	0	87,983	87,983	0	87,983
School and Public Lands	166,974	169,550	2,576	166,974	166,000	(974)	166,000
Other Grants Contracts	2,355,866	2,019,632	(336,234)	2,007,951	2,080,221	72,270	2,142,628
Indirect Cost Recovery	1,983,027	2,579,114	596,087	2,797,600	2,837,025	39,425	3,120,728
Other Financial Aid	3,603,493	4,944,060	1,340,567	3,602,101	4,887,508	1,285,407	4,811,011
Sales Services of Aux Ent	958,198	1,512,975	554,777	945,344	1,558,364	613,020	1,605,115
Other Sales and Services	5,422,507	4,522,862	(899,645)	5,525,506	4,658,548	(866,958)	4,798,304
Transfer Funds to P & L	(3,313,682)	(3,204,098)	109,584	(3,472,100)	(1,799,026)	1,673,074	(1,041,509)
Plant Funds	6,633,407	17,632,377	10,998,970	5,788,492	6,372,315	583,823	6,347,573
Loan Funds	3,519,813	4,125,269	605,456	2,686,602	4,249,027	1,562,425	4,376,498
Total	103,187,534	116,270,353	13,082,819	104,389,965	115,456,386	11,066,421	119,480,952

Budget Notes

- A.** The University requests \$508,222 from the general fund and 6.5 FTEs for a new Ph.D. program in Materials Chemistry. Materials Chemistry involves the study of condensed phases of matter (solids, liquids, and polymers) and their interactions to understand the applications or potential applications of these materials. Because many materials have significant applications, there is a strong link between Materials Chemistry and existing and emerging technologies in the energy, nanoscience, engineering, biomedical, and other technology sectors. The Governor recommends this additional program.
- B.** The University requested \$150,936 from general funds for pilot program that would spur interest in science and mathematics with students from the Sioux Falls School District. The program would establish a relationship between the regental institutions and the Sioux Falls K-12 School District to offer dual credit courses in research-based science for select high school juniors and seniors. The Governor does not recommend this request.
- C.** The Agency requests funds from other sources in the amount of \$3,803,315 and 8.2 FTEs for the Salary Competitiveness Program, increased room and board, growth in various grants, growth in off-campus self-support courses and programs at USDSU, etc. The Governor recommends these requests.
- D.** The Regents request an increase of \$81,723 in general funds for the reinstatement of the FY07 cut in travel. The Governor recommends this increase.

USD School of Medicine

Rodney R. Parry MD, Dean

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 University of South Dakota 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 University of South Dakota 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 of the South Dakota School of Medicine as well as service to University of South Dakota (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, such support to include monitoring and supervising those activities necessary to maintain appropriate accreditation, licensure, and certification of all medical school programs.

The Governor recommends a total appropriation of \$49,455,640 and 400.2 FTEs for FY08. The recommended changes include \$599,561 increase from the general fund, \$441,015 increase in federal fund expenditure authority and \$3,492,864 increase in other fund expenditure authority. These amounts are 3.5%, 2.7%, and 30.7% more than the FY07 amounts, respectively. The FTE level is recommended to increase by 4.2%.

Item	Actual FY06	Budgeted FY07	Agency Req. FY08	Gov Rec. FY08	Inc/Dec FY08	% Change From FY07
Personal Services	24,634,609	27,659,312	27,809,312	28,753,181	1,093,869	4.0%
Travel	823,903	1,141,047	1,182,049	1,182,049	41,002	3.6%
Contractual Services	9,558,646	11,171,490	11,526,490	11,625,059	453,569	4.1%
Supplies & Materials	3,312,153	2,577,622	2,704,306	2,672,622	95,000	3.7%
Grants And Subsidies	1,305,710	713,262	3,563,262	3,563,262	2,850,000	399.6%
Capital Outlay	2,115,739	1,659,467	1,659,467	1,659,467	-	0.0%
Other	88	0	0	0	-	0.0%
Total	41,750,848	44,922,200	48,444,886	49,455,640	4,533,440	10.1%
Funding Types						
General	16,090,907	17,125,164	17,197,850	17,724,725	599,561	3.5%
Federal	14,103,720	16,414,004	16,664,004	16,855,019	441,015	2.7%
Other	11,556,221	11,383,032	14,583,032	14,875,896	3,492,864	30.7%
Total	41,750,848	44,922,200	48,444,886	49,455,640	4,533,440	10.1%
FTE	384.8	384.1	400.2	400.2	16.1	4.2%

Revenues

	FY06			FY07			FY08
	Original Estimate	Actual	Difference Over (Under) Estm.	Original Estimate	Revised Estimate	Change in Estimate	Estimate
State Appropriations	15,059,382	16,504,065	1,444,683	16,543,006	17,125,164	582,158	17,197,850
State Grants and Contracts	1,941,878	1,607,055	(334,823)	248,079	1,655,267	1,407,188	2,704,925
Federal Grants and Contracts	22,359,082	23,855,241	1,496,159	16,644,481	16,414,004	(230,477)	16,664,004
Federal Financial Aid	525,000		(525,000)	350,200		(350,200)	
State Support Tuition Allocation	3,725,010	3,648,181	(76,829)	3,757,626	3,897,382	139,756	4,014,303
Self-Support Tuition	227,953	119,066	(108,887)	95,000	125,000	30,000	128,750
Student Fees	1,474,490	925,376	(549,114)	1,627,501	1,473,212	(154,289)	1,823,212
Other Grants and Contracts	950,000	855,182	(94,818)	2,084,015	880,837	(1,203,178)	1,260,553
Indirect Cost Recovery	1,359,468	1,043,237	(316,231)	1,262,560	1,147,560	(115,000)	1,262,316
Other Sales and Services	1,951,853	2,289,598	337,745	2,580,468	2,358,286	(222,182)	2,429,034
Total	49,574,116	50,847,001	1,272,885	45,192,936	45,076,712	(116,224)	47,484,947

Budget Notes

- A. The Medical School requests \$250,000 in federal fund expenditure authority and 3.0 FTE in anticipation of a five-year National Institute of Health grant in the Basic Biomedical Sciences. This grant will bring approximately \$1,250,000 to the School of Medicine over the next five years.
- B. The Medical School requests 13.1 FTE and \$2,850,000 in other fund expenditure authority for increased grants, contracts and overhead revenues.
- C. The Medical School requests \$350,000 in other fund expenditure authority for increased fees in the special disciplines in the Health Sciences programs (Physician Assistant/Dental Hygiene/Physical Therapy/Occupational Therapy/Nursing) and the M.D. program.
- D. The Regents request an increase of \$41,002 in general funds for the reinstatement of the FY07 cut in travel. The Governor recommends this increase.
- E. An update on the USD Medical School construction was requested, but was not provided by publication time.

South Dakota State University

Dr. David Chicoine, President

The mission of the South Dakota State University 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.

The Governor recommends a total appropriation of \$161,724,850 and 1,655.8 FTEs for FY08. The recommended changes include \$2,007,766 increase from the general fund, \$2,447,597 increase in federal fund expenditure authority and \$4,902,166 increase in other fund expenditure authority. These amounts are 4.8%, 13.1%, and 5.4% more than the FY07 amounts, respectively. The FTE level is recommended to increase by 2.6%.

Item	Actual FY06	Budgeted FY07	Agency Req. FY08	Gov Rec. FY08	Inc/Dec FY08	% Change From FY07
Personal Services	82,055,402	89,574,122	90,319,468	93,401,386	3,827,264	4.3%
Travel	3,922,968	3,022,431	3,162,856	3,162,856	140,425	4.6%
Contractual Services	13,758,152	20,884,110	20,908,566	21,673,499	789,389	3.8%
Supplies & Materials	16,751,390	15,473,202	16,438,488	16,368,615	895,413	5.8%
Grants And Subsidies	12,852,314	14,760,323	18,010,323	18,010,323	3,250,000	22.0%
Capital Outlay	7,221,884	8,653,133	9,108,171	9,108,171	455,038	5.3%
Other	0	0	0	0	-	0.0%
Total	136,562,110	152,367,321	157,947,872	161,724,850	9,357,529	6.1%
Funding Types						
General	40,203,411	42,236,822	42,951,289	44,244,588	2,007,766	4.8%
Federal	15,251,846	18,646,755	20,896,755	21,094,352	2,447,597	13.1%
Other	81,106,852	91,483,744	94,099,828	96,385,910	4,902,166	5.4%
Total	136,562,109	152,367,321	157,947,872	161,724,850	9,357,529	6.1%
FTE	1554.9	1613.3	1655.8	1655.8	42.5	2.6%

Budget Notes

- A.** The University requests \$527,335 in general funds and 4.5 FTEs for the new Ph.D. program in Pharmaceutical Sciences. The program will train students in the area of drug discovery and delivery, and pharmacogenomics research. Pharmacogenomics is the science of genetically-based individualized diagnosis and treatment of disease. Ph.D. students will conduct research that will facilitate faculty members and thereby enhance their ability to attract federal and private funding in the state. The Governor concurs.
- B.** The University requests 28.0 FTEs, \$2,250,000 in federal fund expenditure authority and \$2,271,417 in other fund expenditure authority for increased grants, contracts and overhead revenues.
- C.** The Governor recommends an increase in contractual services of \$764,993 in other fund expenditure authority for the Veterinarian School slots. The University did not request this item and no information was available at publication time.

- D. The Regents request an increase of \$117,259 in general funds for the reinstatement of the FY07 cut in travel. The Governor recommends this increase.

Revenues

	FY06			FY07			FY08
	Original Estimate	Actual	Difference Over (Under) Estm.	Original Estimate	Revised Estimate	Change in Estimate	Estimate
State Appropriations	39,579,749	40,229,301	649,552	40,550,152	42,249,848	1,699,696	42,926,504
State Grants	400,000	1,066,189	666,189	300,000	1,070,000	770,000	1,070,000
State Financial Aid	0	631,785	631,785		1,060,456	1,060,456	1,763,167
Federal Grants and Contracts	10,550,000	8,664,864	(1,885,136)	11,900,000	11,366,195	(533,805)	13,366,195
Federal Financial Aid	7,750,000	7,200,354	(549,646)	7,970,000	7,317,000	(653,000)	7,567,000
State Support Tuition Allocation	20,762,007	17,306,472	(3,455,535)	17,306,472	18,757,922	1,451,450	19,320,660
Self-Support Tuition	5,161,000	4,778,301	(382,699)	5,219,000	4,849,976	(369,024)	5,015,476
Student Fees	19,115,000	18,692,149	(422,851)	21,200,000	22,927,316	1,727,316	25,009,200
Room and Board	12,949,000	13,214,642	265,642	14,492,000	13,412,862	(1,079,138)	13,766,562
HEFF--Physical Plant O&M	131,975	131,975	0	131,975	131,975	0	131,975
School and Public Lands	548,451	518,305	(30,146)	548,451	548,451	0	548,451
Other Grants and Contracts	2,100,000	1,083,313	(1,016,687)	3,011,000	1,099,563	(1,911,437)	2,099,563
Indirect Cost Recovery	1,500,000	1,422,566	(77,434)	2,070,000	1,479,469	(590,531)	1,553,442
Other Financial Aid	1,500,000	2,531,790	1,031,790	3,724,000	2,140,784	(1,583,216)	1,533,367
Sales and Services of Auxiliary Enterprises	8,500,000	7,795,408	(704,592)	8,485,000	7,873,362	(611,638)	8,173,362
Other Sales and Services	12,430,000	16,764,580	4,334,580	13,083,000	17,004,394	3,921,394	17,267,517
Endo/Ecto Parasiticide Tax	250,000	222,890	(27,110)	250,000	222,000	(28,000)	222,000
Transfer Funds to P & L	(4,500,000)	(6,200,554)	(1,700,554)	(5,000,000)	(6,634,593)	(1,634,593)	(7,298,052)
Plant Funds	6,660,402	8,464,235	1,803,833	7,500,000	9,056,731	1,556,731	9,962,405
Loan Funds	3,238,000	3,325,671	87,671	3,400,000	3,458,698	58,698	3,597,046
Total	148,625,584	147,844,236	(781,348)	156,141,050	159,392,409	3,251,359	167,595,840

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

Cooperative Extension Service

Dr. Gerald Warmann, Director

The mission of the Cooperative Extension Service 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.

The total recommended budget for this program includes increases of \$275,130 from the general fund, \$161,910 in federal fund expenditure authority, and \$19,703 in other fund expenditure authority. The University request and the Governor's recommendation are identical with the exception of the recommended salary policy and the salary cut reinstatement.

Item	Actual FY06	Budgeted FY07	Agency Req. FY08	Gov Rec. FY08	Inc/Dec FY08	% Change From FY07
Personal Services	11,407,642	12,897,142	12,897,142	13,338,392	441,250	3.4%
Travel	530,160	548,782	564,275	564,275	15,493	2.8%
Contractual Services	646,008	510,999	510,999	510,999	-	0.0%
Supplies & Materials	581,939	845,410	860,790	845,410	-	0.0%
Grants And Subsidies	229,234	366,000	366,000	366,000	-	0.0%
Capital Outlay	109,258	236,682	236,682	236,682	-	0.0%
Other	0	0	0	0	-	0.0%
Total	13,504,241	15,405,015	15,435,888	15,861,758	456,743	3.0%

Funding Types

General	7,614,006	7,895,831	7,926,704	8,170,961	275,130	3.5%
Federal	5,010,283	6,145,034	6,145,034	6,306,944	161,910	2.6%
Other	879,952	1,364,150	1,364,150	1,383,853	19,703	1.4%
Total	13,504,241	15,405,015	15,435,888	15,861,758	456,743	3.0%

FTE	212.3	224.3	224.3	224.3	-	0.0%
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Budget Notes

- A. The Cooperative Extension Service requests an increase of \$15,493 in general funds for the reinstatement of the FY07 cut in travel. The Governor recommends this increase.

Revenues

	FY06			FY07			FY08
	Original Estimate	Actual	Difference Over (Under) Estm.	Original Estimate	Revised Estimate	Change in Estimate	Estimate
State Appropriations	7,404,638	7,614,686	210,048	7,632,653	7,895,831	263,178	7,926,704
State Grants and Contracts	50,000	52,197	2,197	13,250	52,000	38,750	52,000
Federal Grants and Contracts	1,100,000	970,043	(129,957)	1,500,000	1,202,338	(297,662)	1,238,408
Federal Appropriations	4,500,000	3,990,187	(509,813)	4,500,000	4,942,696	442,696	5,090,977
Other Grants and Contracts	1,075,000	518,607	(556,393)	975,000	776,922	(198,078)	850,000
Indirect Cost Recovery	90,000	67,477	(22,523)	72,000	71,500	(500)	72,000
Other Sales and Services	275,000	374,979	99,979	295,000	393,728	98,728	413,414
Pesticide Application Tax	110,000	123,036	13,036	125,000	122,000	(3,000)	122,000
Total	14,604,638	13,711,212	(893,426)	15,112,903	15,457,015	344,112	15,765,503

Background and Historical Perspective

Source: *The Extension Vision for the 21st Century*

1862 -- Morrill Act established the land-grant system and gave the colleges the mandate to teach.

1887 -- Hatch Act established the agricultural research mission for land-grant colleges.

1914 -- Smith-Lever Act established the extension mission for land-grant colleges.

1915 -- The South Dakota Legislature enacted legislation for the formation of the South Dakota Cooperative Extension Service (CES). The law passed in 1915 reads, in part, "It shall be the duty of the Board of Regents of education to organize and conduct agricultural extension work as provided by said act of Congress in connection with other agricultural extension work carried on by South Dakota State University." Cooperative Extension Service is a jointly funded cooperative program of the United States Department of Agriculture (CSREES), SDSU (State of South Dakota), and local governments.

1998 -- In response to changing needs and issues and at the direction of the 1998 South Dakota Legislature, SDSU undertook an intensive examination of its present CES program and began a comprehensive planning effort to determine its best future in the 21st century. Discussions were held with leaders from other states that had completed a review of their CES programs. Their findings and models were considered along with extensive data related to the needs of the people of South Dakota and with federal goals and guidelines.

Agricultural Experiment Station

Dr. John D. Kirby, Associate Dean and AES Director

The mission of the Agricultural Experiment Station 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.

The total recommended budget for this program includes increases of \$347,458 from the general fund, \$164,365 in federal fund expenditure authority, and \$110,559 in other fund expenditure authority. There is no change to the FTE level.

Item	Actual FY06	Budgeted FY07	Agency Req. FY08	Gov Rec. FY08	Inc/Dec FY08	% Change From FY07
Personal Services	16,843,289	17,717,772	17,717,772	18,320,564	602,792	3.4%
Travel	1,058,086	1,083,393	1,102,983	1,102,983	19,590	1.8%
Contractual Services	1,221,303	1,502,999	1,502,999	1,502,999	-	0.0%
Supplies & Materials	3,580,241	3,640,476	3,662,549	3,640,476	-	0.0%
Grants And Subsidies	1,407,779	1,803,913	1,803,913	1,803,913	-	0.0%
Capital Outlay	2,578,936	2,057,650	2,057,650	2,057,650	-	0.0%
Other	5	0	0	0	-	0.0%
Total	26,689,639	27,806,203	27,847,866	28,428,585	622,382	2.2%
Funding Types						
General	9,628,460	9,977,554	10,019,217	10,325,012	347,458	3.5%
Federal	8,509,921	9,299,058	9,299,058	9,463,423	164,365	1.8%
Other	8,551,258	8,529,591	8,529,591	8,640,150	110,559	1.3%
Total	26,689,639	27,806,203	27,847,866	28,428,585	622,382	2.2%
FTE	365	364.4	364.4	364.4	-	0.0%

Budget Notes

A. The Ag Experiment Station requests an increase of \$19,590 in general funds for the reinstatement of the FY07 cut in travel. The Governor recommends this increase.

Revenues

	FY06			FY07			FY08
	Original Estimate	Actual	Difference Over (Under) Estm.	Original Estimate	Revised Estimate	Change in Estimate	Estimate
State Appropriations	9,360,901	9,628,509	267,608	9,651,226	9,977,554	326,328	10,019,217
State Grants and Contracts	50,000	974,139	924,139	200,000	975,000	775,000	975,000
Federal Grants and Contracts	5,850,000	6,028,373	178,373	6,500,000	6,172,292	(327,708)	6,357,461
Federal Appropriations	2,900,000	2,822,422	(77,578)	2,900,000	3,126,766	226,766	3,220,569
School and Public Lands	77,745	61,389	(16,356)	77,745	77,745	0	77,745
Other Grants and Contracts	2,000,000	1,633,490	(366,510)	2,700,000	2,548,244	(151,756)	2,624,692
Indirect Cost Recovery	700,000	589,618	(110,382)	700,000	676,029	(23,971)	743,632
Other Sales and Services	5,000,000	4,071,429	(928,571)	4,650,000	5,048,572	398,572	5,200,029
Pesticide Application Tax	160,000	178,715	18,715	190,000	179,000	(11,000)	184,370
Transfer Funds to P & L	(100,000)	(195,026)	(95,026)	(165,000)	(201,000)	(36,000)	(207,000)
Plant Funds	10,000	195,026	185,026	165,000	201,000	36,000	207,000
Total	26,008,646	25,988,084	(20,562)	27,568,971	28,781,202	1,212,231	29,402,715

South Dakota School of Mines and Technology

Dr. Charles Ruch, President

The mission of the South Dakota School of Mines and Technology 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.

The Governor recommends a total appropriation of \$50,072,851 and 430.6 FTEs for FY08. The recommended changes include \$1,264,488 increase from the general fund, \$151,915 increase in federal fund expenditure authority and \$1,590,162 increase in other fund expenditure authority. These amounts are 9.6%, 1.1%, and 8.1% more than the FY07 amounts, respectively. The FTE level is recommended to increase by 1.9%.

Item	Actual FY06	Budgeted FY07	Agency Req. FY08	Gov Rec. FY08	Inc/Dec FY08	% Change From FY07
Personal Services	23,065,948	25,701,471	26,400,944	27,174,614	1,473,143	5.7%
Travel	898,431	934,718	1,005,094	997,594	62,876	6.7%
Contractual Services	7,328,607	9,085,484	10,469,530	10,462,030	1,376,546	15.2%
Supplies & Materials	2,499,877	3,229,852	3,333,245	3,296,852	67,000	2.1%
Grants And Subsidies	3,232,437	3,620,790	3,620,790	3,620,790	-	0.0%
Capital Outlay	4,821,404	4,493,971	4,520,971	4,520,971	27,000	0.6%
Other	18,746	0	0	0	-	0.0%
Total	41,865,450	47,066,286	49,350,574	50,072,851	3,006,565	6.4%
Funding Types						
General	12,452,433	13,162,685	14,168,164	14,427,173	1,264,488	9.6%
Federal	10,287,473	14,180,532	14,180,532	14,332,447	151,915	1.1%
Other	19,125,543	19,723,069	21,001,878	21,313,231	1,590,162	8.1%
Total	41,865,449	47,066,286	49,350,574	50,072,851	3,006,565	6.4%
FTE	399.4	422.6	438.6	430.6	8.0	1.9%

Budget Notes

- A. The South Dakota School of Mines and Technology (SDSMT) requests 8.0 FTEs and \$754,500 in general funds for a new Ph.D. Program in Chemical and Biological Engineering. The program will focus on the education of graduate students in petrochemical and biochemical processing, bio-based energy sources, including biomass and biofuels; bio-based and bio-compatible materials; bioremediation; new energy sources; and polymer and composite materials and processing.
- B. The SDSMT requests \$150,000 from the general fund and 8.0 FTEs to establish an Institute for Professional Education in Underground Science and Engineering. The Institute would provide advanced educational and professional development in aboveground and underground sciences and engineering. The Governor does not recommend this request.
- C. The SDSMT requests an increase of \$34,276 in general funds for the reinstatement of the FY07 cut in travel and the reinstatement of the FY07 audit cut of \$40,560. The Governor recommends these increases.

D. The SDSMT requests \$1,278,809 in other fund expenditure authority for increased grants, contracts and overhead revenues. The Governor recommends these requests.

Revenues

	FY06			FY07			FY08
	Original Estimate	Actual	Difference Over (Under) Estm.	Original Estimate	Revised Estimate	Change in Estimate	Estimate
State Appropriations	11,800,388	12,445,145	644,757	12,477,628	13,181,988	704,360	14,160,867
State Grants and Contracts	870,000	953,367	83,367	936,000	1,347,112	411,112	1,215,306
State Financial Aid		125,297	125,297	186,000	187,297	1,297	247,297
Federal Grants and Contracts	11,010,255	11,499,907	489,652	11,060,136	11,800,000	739,864	12,100,000
Federal Financial Aid	1,906,706	1,435,617	(471,089)	1,764,362	2,014,400	250,038	2,000,000
State Support Tuition Allocation	5,706,946	5,663,864	(43,082)	5,378,444	6,168,806	790,362	6,353,870
Self-Support Tuition	360,500	205,564	(154,936)	220,000	215,842	(4,158)	222,317
Student Fees	3,746,532	3,796,389	49,857	3,816,424	4,894,613	1,078,189	5,041,451
Room and Board	2,076,335	2,190,244	113,909	2,086,714	2,233,478	146,764	2,300,482
HEFF--Physical Plant O&M	34,093	34,093	0	34,093	34,093	0	34,093
School and Public Lands	133,022	118,048	(14,974)	133,022	133,022	0	133,022
Other Grants and Contracts	561,000	698,510	137,510	720,000	670,000	(50,000)	750,000
Indirect Cost Recovery	1,707,058	1,532,796	(174,262)	1,457,570	1,600,000	142,430	1,725,000
Other Financial Aid	1,200,000	1,291,588	91,588	1,180,000	1,524,912	344,912	1,500,000
Sales and Services of Aux Ent	1,997,003	1,868,828	(128,175)	1,800,000	1,900,000	100,000	1,900,000
Other Sales and Services	1,050,000	1,073,723	23,723	1,500,000	1,116,132	(383,868)	1,200,000
Transfer Funds to P & L	(532,878)	(633,749)	(100,871)	(525,000)	(650,000)	(125,000)	(650,000)
Plant Funds	1,573,547	803,991	(769,556)	1,764,136	1,306,579	(457,557)	2,800,000
Loan Funds	437,000	573,913	136,913	460,000	570,000	110,000	550,000
Total	45,637,507	45,677,135	39,628	46,449,529	50,248,274	3,798,745	53,583,705

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

Northern State University

Dr. Patrick Schloss, President

The mission of Northern State University 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.

The Governor recommends a total appropriation of \$32,464,055 and 341.5 FTEs for FY08. The recommended changes include \$367,127 increase from the general fund, \$39,564 increase in federal fund expenditure authority and \$1,058,381 increase in other fund expenditure authority. These amounts are 3.3%, 0.9%, and 6.8% more than the FY07 amounts, respectively. The FTE level is recommended to increase by 0.6%.

Item	Actual FY06	Budgeted FY07	Agency Req. FY08	Gov Rec. FY08	Inc/Dec FY08	% Change From FY07
Personal Services	18,254,204	19,467,635	19,758,764	20,427,996	960,361	4.9%
Travel	753,298	853,472	945,179	945,179	91,707	10.7%
Contractual Services	3,035,136	3,613,328	3,736,261	3,736,261	122,933	3.4%
Supplies & Materials	2,291,208	2,338,797	2,414,703	2,378,868	40,071	1.7%
Grants And Subsidies	3,523,793	3,617,000	3,867,000	3,867,000	250,000	6.9%
Capital Outlay	1,033,792	1,108,751	1,108,751	1,108,751	-	0.0%
Other	0	0	0	0	-	0.0%
Total	28,891,431	30,998,983	31,830,658	32,464,055	1,465,072	4.7%
Funding Types						
General	10,848,984	11,169,176	11,234,251	11,536,303	367,127	3.3%
Federal	4,009,947	4,329,065	4,329,065	4,368,629	39,564	0.9%
Other	14,032,500	15,500,742	16,267,342	16,559,123	1,058,381	6.8%
Total	28,891,431	30,998,983	31,830,658	32,464,055	1,465,072	4.7%
FTE	333.4	339.5	341.5	341.5	2.0	0.6%

Budget Notes

- A. The University requests 2.0 FTEs and \$766,600 in other fund expenditure authority for increased grants, contracts and overhead revenues. The Governor recommends the same.
- B. The University requests an increase of \$29,240 in general funds for the reinstatement of the FY07 cut in travel. The Governor recommends this increase.

Revenues

	FY06			FY07			FY08
	Original Estimate	Actual	Difference Over (Under) Estm.	Original Estimate	Revised Estimate	Change in Estimate	Estimate
State Appropriations	10,544,957	10,845,015	300,058	10,875,766	11,170,003	294,237	11,230,282
State Grants and Contracts	200,000	219,584	19,584	245,000	220,000	(25,000)	220,000
State Financial Aid	0	56,469	56,469	0	89,977	89,977	141,014
Federal Grants and Contracts	1,520,000	1,530,975	10,975	1,550,000	1,565,668	15,668	1,127,916
Federal Financial Aid	2,781,000	2,512,227	(268,773)	2,800,000	2,515,000	(285,000)	2,515,000
State Support Tuition Allocation	3,711,435	3,522,251	(189,184)	3,765,643	3,706,340	(59,303)	3,815,378
Self-Support Tuition	570,000	926,892	356,892	800,000	973,237	173,237	1,002,434
Student Fees	4,197,300	4,384,916	187,616	4,392,390	4,516,463	124,073	4,651,960
Room and Board	2,245,500	2,148,203	(97,297)	3,132,183	2,234,130	(898,053)	2,323,496
HEFF--Physical Plant O&M	36,293	36,293	0	36,293	36,293	0	36,293
School and Public Lands	183,393	161,988	(21,405)	183,393	183,393	0	183,393
Other Grants and Contracts	425,000	107,495	(317,505)	45,000	110,000	65,000	110,000
Indirect Cost Recovery	155,000	54,231	(100,769)	60,000	55,000	(5,000)	55,000
Other Financial Aid	1,160,000	1,449,032	289,032	1,320,000	1,423,992	103,992	1,372,955
Sales and Services of Aux Ent	1,420,000	1,370,527	(49,473)	1,485,000	1,411,643	(73,357)	1,453,990
Other Sales and Services	1,170,000	1,430,792	260,792	1,415,000	1,473,715	58,715	1,517,930
Transfer Funds to P & L	(315,000)	(781,028)	(466,028)	(332,000)	(785,000)	(453,000)	(785,000)
Plant Funds	1,083,718	1,258,636	174,918	1,007,000	1,500,000	493,000	1,200,000
Loan Funds	964,000	988,551	24,551	880,000	990,000	110,000	990,000
Total	32,052,596	32,223,049	170,453	33,660,668	33,389,854	(270,814)	33,162,041

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

Black Hills State University

Dr. Kay Schallenkamp, President

The mission of Black Hills State University is to provide programs in: the liberal arts and sciences, education, human services, wellness, business, travel industries management, and tourism; to complement these programs with a series of preprofession, one-year and two-year terminal, and junior college programs; and to authorize degrees at the associate, baccalaureate, and masters level.

The Governor recommends a total appropriation of \$51,005,449 and 446.9 FTEs for FY08. The recommended changes include \$272,205 increase from the general fund, \$157,497 increase in federal fund expenditure authority and \$1,753,396 increase in other fund expenditure authority. These amounts are 3.5%, 1.0%, and 7.2% more than the FY07 amounts, respectively. The FTE level is recommended to increase by 0.9%.

Item	Actual FY06	Budgeted FY07	Agency Req. FY08	Gov Rec. FY08	Inc/Dec FY08	% Change From FY07
Personal Services	21,343,224	25,600,415	26,357,117	27,243,080	1,642,665	6.4%
Travel	770,452	1,348,967	1,420,771	1,420,771	71,804	5.3%
Contractual Services	3,796,501	6,662,852	6,774,052	6,774,052	111,200	1.7%
Supplies & Materials	3,674,366	7,783,211	7,889,886	7,875,938	92,727	1.2%
Grants And Subsidies	5,070,201	6,445,663	6,455,663	6,455,663	10,000	0.2%
Capital Outlay	1,463,016	981,243	1,235,945	1,235,945	254,702	26.0%
Other	0	0	0	0	-	0.0%
Total	36,117,760	48,822,351	50,133,434	51,005,449	2,183,098	4.5%
Funding Types						
General	7,835,069	7,828,047	7,867,696	8,100,252	272,205	3.5%
Federal	7,011,603	16,554,232	16,554,232	16,711,729	157,497	1.0%
Other	21,271,089	24,440,072	25,711,506	26,193,468	1,753,396	7.2%
Total	36,117,761	48,822,351	50,133,434	51,005,449	2,183,098	4.5%
FTE	422.9	442.9	446.9	446.9	4.0	0.9%

Budget Notes

- A.** The University requests 4.0 FTEs and \$1,271,434 in other fund expenditure authority for increased grants, contracts and overhead revenues. The Governor recommends the same.
- B.** The University requests an increase of \$25,701 in general funds for the reinstatement of the FY07 cut in travel. The Governor recommends this increase.

Revenues

	FY06			FY07			FY08
	Original Estimate	Actual	Difference Over (Under) Estm.	Original Estimate	Revised Estimate	Change in Estimate	Estimate
State Appropriations	7,458,925	7,825,204	366,279	8,178,670	7,846,740	(331,930)	7,857,831
State Grants and Contracts	1,385,186	331,262	(1,053,924)	1,400,000	331,262	(1,068,738)	331,262
State Financial Aid		90,225	90,225	115,000	112,865	(2,135)	124,865
Federal Grants and Contracts	7,837,888	3,791,866	(4,046,022)	7,750,000	5,940,802	(1,809,198)	5,940,802
Federal Financial Aid	4,279,300	3,614,478	(664,822)	4,350,000	4,000,000	(350,000)	4,000,000
State Support Tuition Allocation	5,245,819	4,796,198	(449,621)	4,820,180	5,022,309	202,129	5,022,309
Self-Support Tuition	3,346,485	4,055,466	708,981	4,070,000	4,334,929	264,929	4,334,929
Student Fees	5,745,708	5,532,455	(213,253)	5,830,030	5,830,030	0	5,875,791
Room and Board	2,163,352	2,248,190	84,838	2,210,000	2,250,000	40,000	2,250,000
HEFF--Physical Plant O&M	31,161	31,161	0	31,161	31,161	0	31,161
School and Public Lands	173,360	157,006	(16,354)	173,360	173,360	0	173,360
Other Grants and Contracts	475,631	147,424	(328,207)	351,510	150,000	(201,510)	250,000
Indirect Cost Recovery	397,720	423,312	25,592	450,000	450,000	0	450,000
Other Financial Aid	1,050,000	1,186,286	136,286	1,060,000	1,090,000	30,000	1,090,000
Sales and Services of Aux Ent	3,545,942	3,294,939	(251,003)	3,250,256	3,250,256	0	3,309,623
Other Sales and Services	671,000	763,426	92,426	715,500	760,000	44,500	760,000
Transfer Funds to P & L	(1,217,000)	(2,870,147)	(1,653,147)	(1,331,199)	(1,331,199)	0	(1,300,000)
Plant Funds	2,741,375	2,759,608	18,233	2,070,000	2,069,706	(294)	2,070,000
Loan Funds	170,000	67,255	(102,745)	93,000	68,000	(25,000)	68,000
Total	45,501,852	38,245,614	(7,256,238)	45,587,468	42,380,221	(3,207,247)	42,639,933

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

Dakota State University

Dr. Douglas D. Knowlton, President

The mission of Dakota State University 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.

The Governor recommends a total appropriation of \$26,696,597 and 278.0 FTEs for FY08. The recommended changes include \$253,045 increase from the general fund, \$422,160 increase in federal fund expenditure authority and \$1,008,331 increase in other fund expenditure authority. These amounts are 3.3%, 17.1%, and 6.7% more than the FY07 amounts, respectively. The FTE level is recommended to remain the same.

Item	Actual FY06	Budgeted FY07	Agency Req. FY08	Gov Rec. FY08	Inc/Dec FY08	% Change From FY07
Personal Services	14,077,988	14,849,778	15,139,552	15,538,209	688,431	4.6%
Travel	451,087	433,714	456,894	453,819	20,105	4.6%
Contractual Services	2,972,761	5,388,735	5,992,201	5,963,735	575,000	10.7%
Supplies & Materials	2,526,132	1,610,254	1,633,327	1,610,254	-	0.0%
Grants And Subsidies	2,400,435	2,298,193	2,498,193	2,498,193	200,000	8.7%
Capital Outlay	1,119,705	432,387	632,387	632,387	200,000	46.3%
Other	0	0	0	0	-	0.0%
Total	23,548,108	25,013,061	26,352,554	26,696,597	1,683,536	6.7%
Funding Types						
General	6,797,614	7,597,800	7,787,293	7,850,845	253,045	3.3%
Federal	2,632,340	2,462,294	2,862,294	2,884,454	422,160	17.1%
Other	14,118,154	14,952,967	15,702,967	15,961,298	1,008,331	6.7%
Total	23,548,108	25,013,061	26,352,554	26,696,597	1,683,536	6.7%
FTE	256.6	278.0	281.0	278.0	0.0	0.0%

Budget Notes

- A.** The University requests \$275,000 in federal fund expenditure authority and \$700,000 in other fund expenditure authority for increased grants, contracts and overhead revenues. The Governor recommends the same.
- B.** The University requests an increase of \$20,105 in general funds for the reinstatement of the FY07 cut in travel. The Governor recommends this increase.

Revenues

	FY06			FY07			FY08
	Original Estimate	Actual	Difference Over (Under) Estm.	Original Estimate	Revised Estimate	Change in Estimate	Estimate
State Appropriations	6,595,847	6,790,711	194,864	6,830,895	7,594,035	763,140	7,780,390
State Grants and Contracts	616,802	769,936	153,134	669,391	775,407	106,016	790,915
State Financial Aid		51,903	51,903	0	87,713	87,713	143,465
Federal Grants and Contracts	158,551	904,466	745,915	566,034	623,300	57,266	635,766
Federal Financial Aid	1,965,078	1,678,335	(286,743)	1,905,436	1,891,261	(14,175)	1,891,261
State Support Tuition	3,869,566	3,083,679	(785,887)	3,176,189	3,268,258	92,069	3,268,258
Self-Support Tuition	1,744,724	2,004,693	259,969	1,829,360	1,848,335	18,975	1,885,302
Student Fees	2,779,016	4,054,807	1,275,791	3,290,055	4,111,844	821,789	4,194,081
Room and Board	1,730,215	1,876,113	145,898	1,843,502	1,741,844	(101,658)	1,776,681
HEFF--Physical Plant O&M	22,362	22,632	270	22,362	22,632	270	22,632
School and Public Lands	173,360	157,006	(16,354)	173,360	173,360	0	173,360
Other Grants and Contracts	227,836	559,825	331,989	812,239	809,260	(2,979)	809,260
Indirect Cost Recovery	27,716	65,321	37,605	20,050	60,000	39,950	60,000
Other Financial Aid	550,000	637,895	87,895	625,000	522,690	(102,310)	466,938
Sales and Services of Aux Ent	1,294,500	1,367,715	73,215	1,301,949	1,041,054	(260,895)	1,061,875
Other Sales and Services	1,190,050	788,957	(401,093)	577,357	604,310	26,953	616,396
Transfer Funds to P & L	(484,632)	(302,620)	182,012	(450,000)	(350,000)	100,000	(350,000)
Plant Funds	842,984	529,678	(313,306)	927,902	600,000	(327,902)	600,000
Loan Funds	443,927	432,444	(11,483)	393,954	450,000	56,046	450,000
Total	23,747,902	25,473,496	1,725,594	24,515,035	25,875,303	1,360,268	26,276,580

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

South Dakota School for the Deaf

Dr. Maureen Schloss, Superintendent

The mission of the School for the Deaf 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.

The total recommended budget for this program includes increases of \$95,906 from general funds, \$971 from federal funds, and \$934 from other funds. The School's request and the Governor's recommendation are identical with the exception of the recommended salary policy and the salary cut reinstatement.

Item	Actual FY06	Budgeted FY07	Agency Req. FY08	Gov Rec. FY08	Inc/Dec FY08	% Change From FY07
Personal Services	19,196,482	2,701,489	2,701,489	2,792,497	91,008	3.4%
Travel	421,096	179,475	186,278	186,278	6,803	3.8%
Contractual Services	3,574,603	867,727	867,727	867,727	-	0.0%
Supplies & Materials	1,290,923	198,965	215,893	198,965	-	0.0%
Grants And Subsidies	0	0	0	0	-	0.0%
Capital Outlay	285,473	81,392	81,392	81,392	-	0.0%
Other	3,688	0	0	0	-	0.0%
Total	24,772,265	4,029,048	4,052,779	4,126,859	97,811	2.4%
Funding Types						
General	23,405,130	3,467,222	3,490,953	3,563,128	95,906	2.8%
Federal	485,114	137,421	137,421	138,392	971	0.7%
Other	882,020	424,405	424,405	425,339	934	0.2%
Total	24,772,264	4,029,048	4,052,779	4,126,859	97,811	2.4%
FTE	52.2	58.9	58.9	58.9	-	0.0%

Budget Notes

A. The School requests an increase of \$6,803 in general funds for the reinstatement of the FY07 cut in travel. The Governor recommends this increase.

Revenues

	FY06			FY07			FY08
	Original Estimate	Actual	Difference Over (Under) Estm.	Original Estimate	Revised Estimate	Change in Estimate	Estimate
State Appropriations	3,244,500	3,343,590	99,090	3,351,479	3,480,074	128,595	3,490,953
Federal Grants and Contracts	66,000	69,302	3,302	65,000	68,755	3,755	72,000
Student Fees	72,150		(72,150)			0	
School and Public Lands	97,959	84,985	(12,974)	75,000	70,000	(5,000)	75,000
Sales and Services of Aux Ent		1,819	1,819	1,800	1,500	(300)	1,700
Other Sales and Services	55,000	87,620	32,620	110,350	32,800	(77,550)	40,000
Total	3,535,609	3,587,316	51,707	3,603,629	3,653,129	49,500	3,679,653

South Dakota School for the Blind and Visually Impaired

Dr. Marjorie Kaiser, Superintendent

The mission of the School for the Blind and Visually Impaired 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.

The total recommended budget for this program includes increases of \$81,416 from general funds and \$8,131 from federal funds. The School's request and the Governor's recommendation are identical with the exception of the recommended salary policy and the salary cut reinstatement.

Item	Actual FY06	Budgeted FY07	Agency Req. FY08	Gov Rec. FY08	Inc/Dec FY08	% Change From FY07
Personal Services	14,631,905	2,530,931	2,584,931	2,615,627	84,696	3.3%
Travel	244,865	25,999	33,850	30,850	4,851	18.7%
Contractual Services	1,192,854	201,146	201,146	201,146	-	0.0%
Supplies & Materials	1,089,570	205,239	210,487	205,239	-	0.0%
Grants And Subsidies	0	0	0	0	-	0.0%
Capital Outlay	73,374	46,385	46,385	46,385	-	0.0%
Other	0	0	0	0	-	0.0%
Total	17,232,568	3,009,700	3,076,799	3,099,247	89,547	3.0%
Funding Types						
General	14,304,156	2,475,445	2,542,544	2,556,861	81,416	3.3%
Federal	1,737,446	297,131	297,131	305,262	8,131	2.7%
Other	1,190,966	237,124	237,124	237,124	-	0.0%
Total	17,232,568	3,009,700	3,076,799	3,099,247	89,547	3.0%
FTE	51.2	52.6	53.6	52.6	-	0.0%

Budget Notes

- A.** The School requests an increase of \$4,851 in general funds for the reinstatement of the FY07 cut in travel. The Governor recommends this increase.
- B.** The School requests a full-time low-vision position that would allow SDSBVI to provide better evaluations and follow-up for students who are diagnosed as having "low vision". The Governor does not recommend this request.

Revenues

	FY06			FY07			FY08
	Original Estimate	Actual	Difference Over (Under) Estm.	Original Estimate	Revised Estimate	Change in Estimate	Estimate
State Appropriations	2,321,202	2,384,144	62,942	2,389,769	2,475,455	85,686	2,542,544
Federal Grants and Contracts	285,301	284,337	(964)	290,292	297,131	6,839	297,131
School and Public Lands	114,712	94,712	(20,000)	94,712	94,712	0	94,712
Other Sales and Services		187,872	187,872	142,412	142,412	0	142,412
Total	2,721,215	2,951,065	229,850	2,917,185	3,009,710	92,525	3,076,799

Other Departmental Issues

A. FY06 Interim Appropriation Actions

Action	General Funds	Federal Funds	Other Funds	Total	FTE
Legislative Actions					
USD School of Medicine		950,000	650,000	1,600,000	
SDSU		3,158,072	1,256,400	4,414,472	
BHSU				-	4.5
DSU		600,000	140,000	740,000	6.0
Opportunity Scholarships	1,208,296			1,208,296	
Total Legislative Actions	1,208,296	4,708,072	2,046,400	7,962,768	10.5

Board Actions	General Funds	Federal Funds	Other Funds	Total	FTE
USD			428,801	428,801	
USD School of Medicine			442,683	442,683	
SDSU			723,489	723,489	
School of Mines			(116,192)	(116,192)	
NSU			(157,488)	(157,488)	
BHSU			(213,515)	(213,515)	
DSU			(148,389)	(148,389)	
Total Board Actions			959,389	959,389	0.0

The Board of Regents reverted \$536,605 in general funds at year end.

B. Audit Findings

No audit findings were reported.