

Board of Regents
Proposed FY13 General Fund Base Realignment

Applicable Statute:

4-8A-8. Transfers of general appropriations between programs, departments, and bureaus-- Record of transfers. Moneys appropriated on a program basis by the General Appropriation Act may be transferred between program accounts within or between programs within departments and bureaus or between departments and bureaus to reflect a reorganization pursuant to Article IV, section 8 of the South Dakota Constitution only at the written request of a governing body, department secretary, or bureau commissioner, or designee, in accordance with procedures established by the Bureau of Finance and Management and only upon written approval of the Bureau of Finance and Management. Transfer of moneys appropriated by the General Appropriations Act between departments, institutions, and bureaus that is not necessary for a reorganization pursuant to Article IV, section 8 of the South Dakota Constitution may only occur at the written request of a governing body, department secretary, or bureau commissioner, or designee, only in accordance with procedures established by the Bureau of Finance and Management and only upon approval by the special committee created in this chapter. The Bureau of Finance and Management shall keep a record of all such authorizations of transfers and make them available for public inspection. The bureau shall also submit an informational report detailing all transfers approved to the special legislative committee established in § 4-8A-2.

Source: SL 1974, ch 44, § 11; SL 1977, ch 40, § 3; SL 1978, ch 38; SL 1986, ch 47, § 1; SL 1997, ch 36, § 1.

Request:

When the Board decided to move to a new funding model known as University Managed Resources, (institutions keep the tuition and fees they generate) it was agreed that a continued review of base budgets was needed. The Board discussed base budgets at length at the August 2011 Retreat. At that time, the Board identified four tools available to address any inequities in the system: 1) increasing tuition, 2) approving program fees, 3) realignment of the base, and 4) new state support dollars. The preferred option to address any funding shortfalls in the system or inequities would be to add new state support dollars, which may be pursued in the future as part of the Board's future budget requests.

The following table shows the general funds appropriated to each institution and the resulting state funds per student based on the fall 2011 headcount and FTE figures. The general funds appropriated to BHSU are the lowest in the system. The system average is \$5,171 per student FTE and BHSU is \$3,440, or \$1,731 behind.

FY12 General Funds Per Student FTE

	<u>General</u>	<u>Fall 2011 Student FTE</u>	<u>Funding Per Student FTE</u>	<u>Difference From System Average</u>
BHSU	\$7,051,654	2,050	\$3,440	-\$1,731
DSU	\$8,485,658	1,079	\$7,864	\$2,693
NSU	\$10,228,556	1,677	\$6,099	\$928
SDSM&T	\$13,606,677	1,962	\$6,935	\$1,764
SDSU	\$36,245,692	9,077	\$3,993	-\$1,178
USD	<u>\$34,544,787</u>	<u>5,458</u>	<u>\$6,329</u>	\$1,158
	\$110,163,024	21,303	\$5,171	

Note: SDSU amount was reduced by \$1,528,278 for ADR&DL
 NSU amount was reduced by \$854,060 for NSU k-12 E-Learning
 ARRA funds were included
 MD Program funding is excluded as well as 242 students

The tuition and fee items approved by the Board in March included differential tuition and a couple of new program fees. Approval of these items starts to align cost of programs with the dollars charged to students. Neither of these options is an appropriate solution to address identified funding inequities for BHSU given their program mix. The Board did approve a realignment of base budgets in March, moving \$100,000 from each school to BHSU, subject to the approval of the Interim Appropriations Committee.

Proposal:

The proposed realignment takes a small step in remedying the funding levels per student at BHSU. The following table shows the change in base general funds for each campus.

FY13 General Fund Base Realignment			
Campus	FY13 Base General Funds	Movement to BHSU	Adj. FY13 Base General Funds
BOR	\$ 16,207,959	\$ -	\$ 16,207,959
BHSU	\$ 7,279,790	\$ 500,000	\$ 7,779,790
DSU	\$ 8,313,458	\$ (100,000)	\$ 8,213,458
NSU	\$ 11,491,960	\$ (100,000)	\$ 11,391,960
SDSMT	\$ 14,012,873	\$ (100,000)	\$ 13,912,873
SDSU	\$ 38,940,291	\$ (100,000)	\$ 38,840,291
CES	\$ 7,595,384	\$ -	\$ 7,595,384
AES	\$ 9,827,470	\$ -	\$ 9,827,470
USD	\$ 30,352,687	\$ (100,000)	\$ 30,252,687
SSOM	\$ 18,652,968	\$ -	\$ 18,652,968
SDSD	\$ 2,593,304	\$ -	\$ 2,593,304
SDSBVI	\$ 2,583,023	\$ -	\$ 2,583,023
Total	\$ 167,851,167	\$ -	\$ 167,851,167