



South Dakota Board of Regents

FISCAL YEAR 2022 BUDGET HEARING

JOINT APPROPRIATIONS COMMITTEE

JANUARY 25, 2021

Board of Regents

- Has constitutional authority to govern the system of public higher education in the State of South Dakota.
- Provides leadership and sets policies for the programs and services delivered through its six universities and two special schools.





John W. Bastian
President

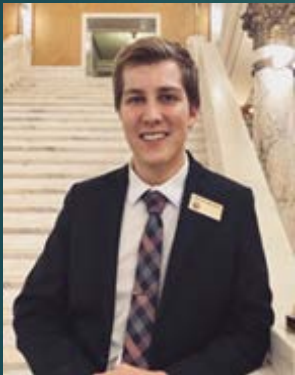


Jim Morgan
Vice President



Pam Roberts
Secretary

*STEWARDSHIP OF PUBLIC HIGHER EDUCATION
IN SOUTH DAKOTA*



Brock Brown



Randy Schaefer



Kevin Schieffer



Barb Stork



Jim Thares



Joan Wink

Mission Statement

- The South Dakota Board of Regents' mission is to provide an excellent, efficient, accessible, equitable, and affordable public university and special schools system
- that improves South Dakota's overall educational attainment and research productivity,
- while enriching the intellectual, economic, civic, social, and cultural life of the state, its residents, and its communities.

Board of Regents (SDBOR)

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graph TD; A[Board of Regents (SDBOR)] --> B[Executive Director]; A --> C[Central Office Staff]; B --> D[University & Special School Presidents/Superintendents – Faculty & Staff of:]; C --> D; D --> E[Black Hills State University]; D --> F[Dakota State University]; D --> G[Northern State University]; D --> H[South Dakota School of Mines & Technology]; D --> I[South Dakota State University]; D --> J[University of South Dakota]; D --> K[South Dakota School for the Blind & Visually Impaired]; D --> L[South Dakota School for the Deaf];
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Executive Director

Central Office Staff

University & Special School Presidents/Superintendents – Faculty & Staff of:

Black Hills State University

Dakota State University

Northern State University

South Dakota School of Mines & Technology

South Dakota State University

University of South Dakota

South Dakota School for the Blind & Visually Impaired

South Dakota School for the Deaf

Office of the Executive Director

The main objectives of the Central Office include:

- Serve the State of South Dakota by helping the universities and special schools maximize student success and graduation rates.
- Coordinate the leveraging of the shared resources of the Regental System.
- Provide collective analysis of the System for holistic decision making.
- Advise the Board of Regents on public issues and coordinate System responses.
- Establish policies, as directed by the Board of Regents, that support well-run and efficient institutions within the System.

Office of the Executive Director

Executive Director:

- Advocate, educate and market the story of higher education in South Dakota.
- Develop and execute an aggressive action plan on educational attainment.
- Establish and maintain coordinated connections with educational partners.
- Review operations and find meaningful efficiencies within the System.
- Guide the System's strategic plan under the direction of the Board.
- Advise the Board and advocate for good governance practices.
- Serve as system advisor to presidents and superintendents to reinforce the Board's direction and operation.

Office of the Executive Director

Academic Affairs:

- Promote transparency through reports and interactive dashboards providing policymakers with data on student success, academic programming, workforce development, and operational efficiency.
- Maintain a common course catalog and common transcript allowing seamless transfer between institutions.
- Limit duplication, when appropriate.
- Encourage and coordinate joint/collaborative programs.
- Provide opportunities for students to utilize the educational opportunities across the System (Example - majors and minors at different institutions).
- Maintain common policies among all institutions to maximize student benefits.

Office of the Executive Director

Institutional Research:

- Collect and analyze data concerning students, faculty, staff, and other educational facilities
- Promote institutional effectiveness by providing information for planning, policy formation, and decision making within the System.

Internal Audit:

- Provide independent, objective reviews of campus operations for compliance with applicable laws, policies, and procedures.
- Test internal controls and make recommendations to improve business processes.
- Bring systematic, disciplined approach to evaluate and improve effectiveness of risk management, control, and governance processes.

Office of the Executive Director

Regents Library Consortium (RLC):

- Provide system-wide management of a hosted electronic library.
- Provide public universities, private universities, and technical institutes access to electronic materials and the ability to borrow materials from other libraries.

Enrollment Services Center (ESC):

- Processes student applications for System.
- Provide financial aid verification for campuses.

Office of the Executive Director

Finance & Administration:

- Provide leadership and coordination with bond counsel, financial advisors, underwriters, paying agents, and rating agencies for the issuance of bonds on behalf of the System.
- Develop and implement financial and administrative policies and procedures for the System to improve overall operation and effectiveness of the universities.
- Recommend student tuition and fee structure.
- Provide leadership and guidance regarding the development and implementation of capital planning and maintenance and repair projects.
- Coordinate and prepare combined System financial statements for the State of South Dakota's Comprehensive Annual Financial Report (CAFR).

Office of the Executive Director

Regents Information System (RIS):

- Deliver effective and efficient support of technology-based solutions that support employee, student, and financial services throughout the System.
- Provide recommendations to promote the delivery and support of technology-based services consistent with the Board's goals and directions.
- Promote and maintain policies and procedures to effectively manage the Board's information services.

Office of the Executive Director

General Counsel:

- Advise the Board, its institutions, and System personnel on legal, policy, and administrative matters.
- Oversee, coordinate, and manage System legal operations and litigation.
- Draft, review, and negotiate contracts for the System.
- Formulate and advise on policies pertaining to Title IX, Cleary Act, FERPA, employment, student conduct, etc.
- Assess the implications of, and facilitate the formulation of System positions, on state and federal legislative and regulatory matters.

Office of the Executive Director

Human Resources:

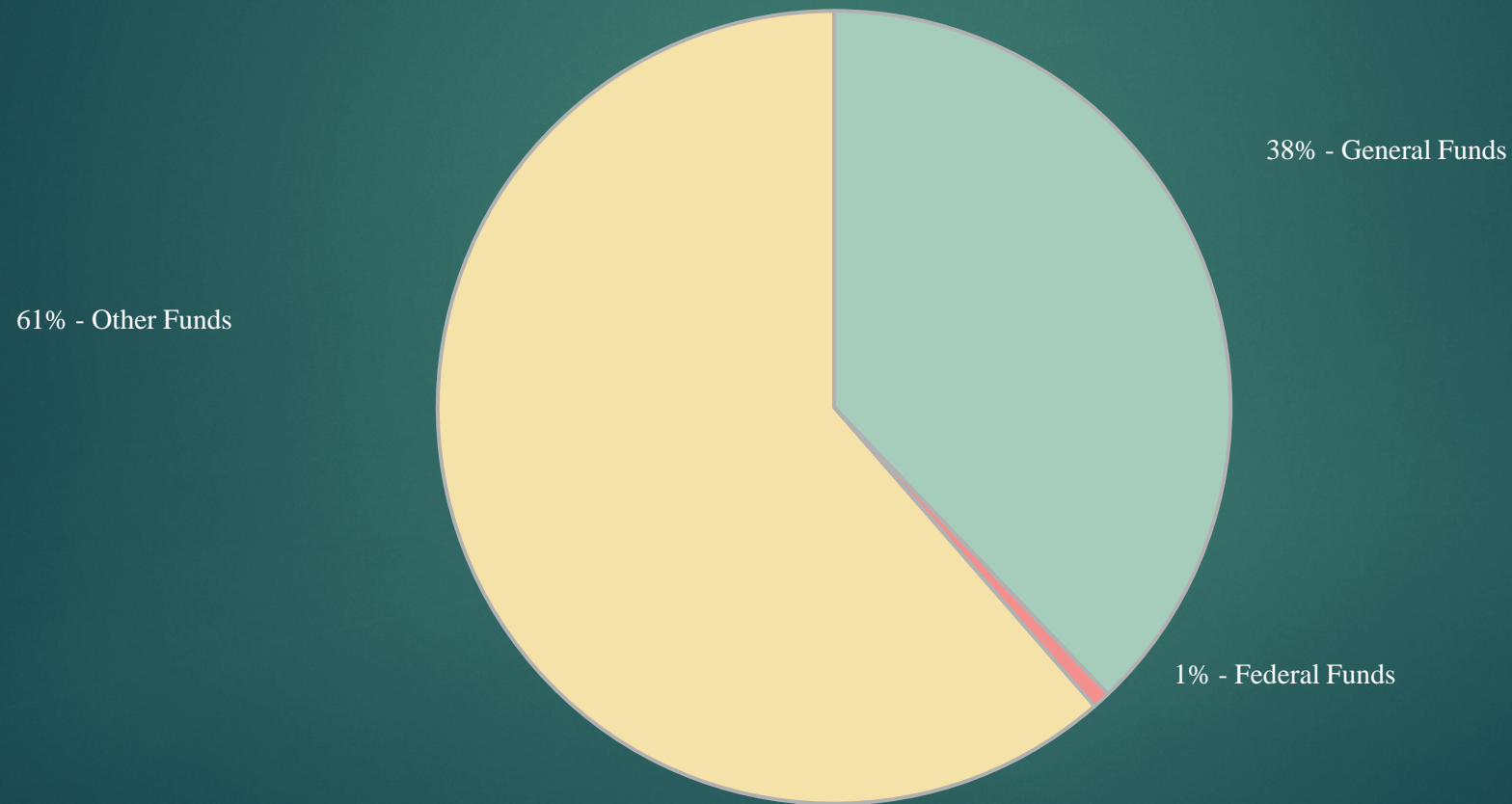
- Select, oversee and manage system-wide technologies, vendor contract negotiations, and system management for human resources software solutions.
- Provide centralized System guidance and direction for campuses on HR policy, processes and compliance.
- Review and provide recommendation on employee grievances for the Board.
- Act as System Title IX Coordinator and provide oversight of university compliance with federal and state employment laws and regulations.
- Oversight of classification and compensation for the System.
- Develop system-wide training initiatives.

Office of the Executive Director

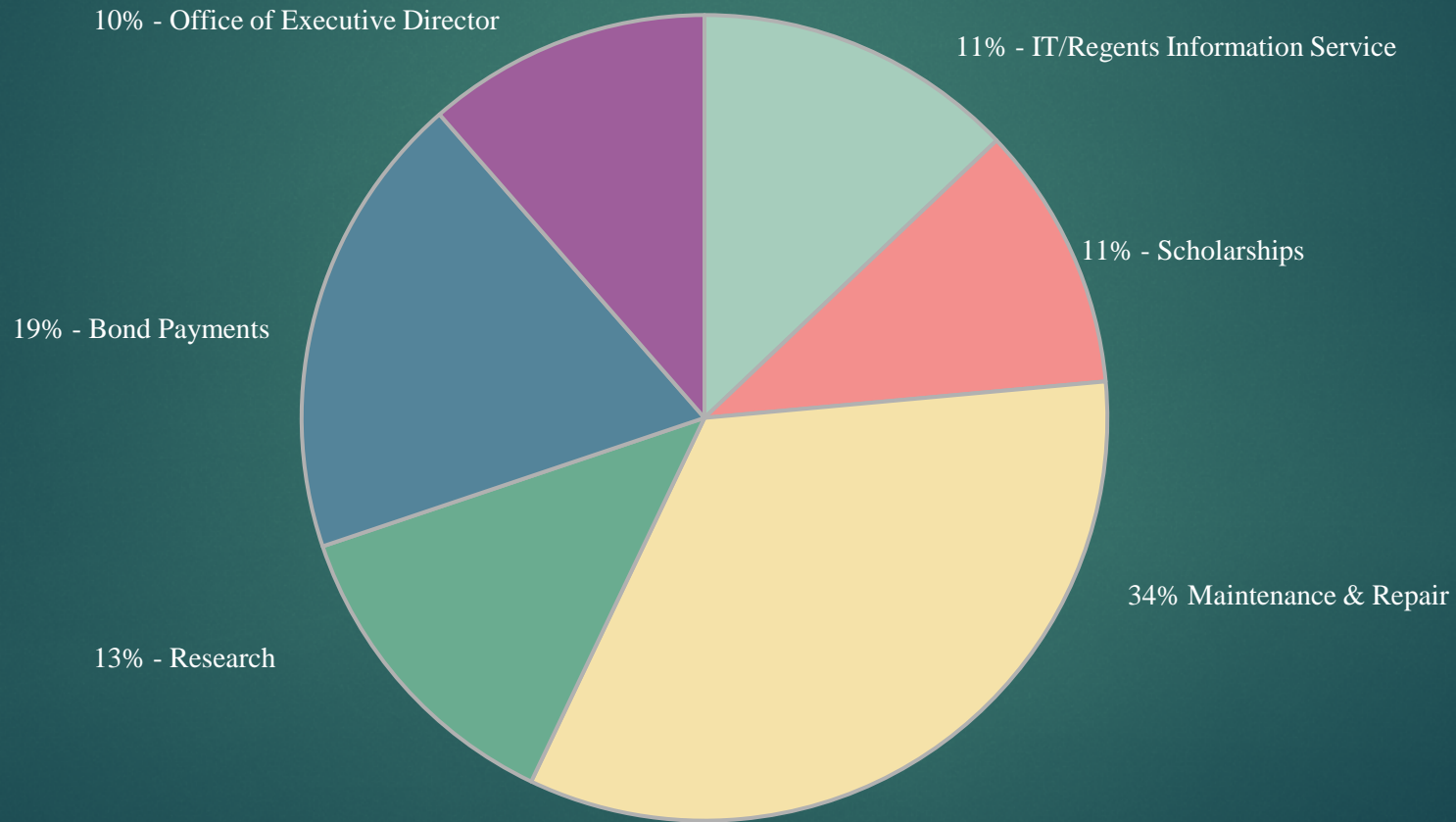
Information and Government Relations:

- Provide timely and detailed information, publications, and data to citizens, policymakers, and media.
- Develop, update, and maintain online sources of information that can be accessed through our website and social media platforms.
- Prepare information to be disseminated through the news media via press releases, editorial columns, news conferences, and other methods to inform the public and policymakers about the work of the public universities, special schools, and the Board of Regents.
- Serve as a central and single point of contact to coordinate efforts with state and federal policymakers and other governmental agencies.

Where Does the BOR Central Office Funding Come From?



Where Does the BOR Central Office Funding Go?



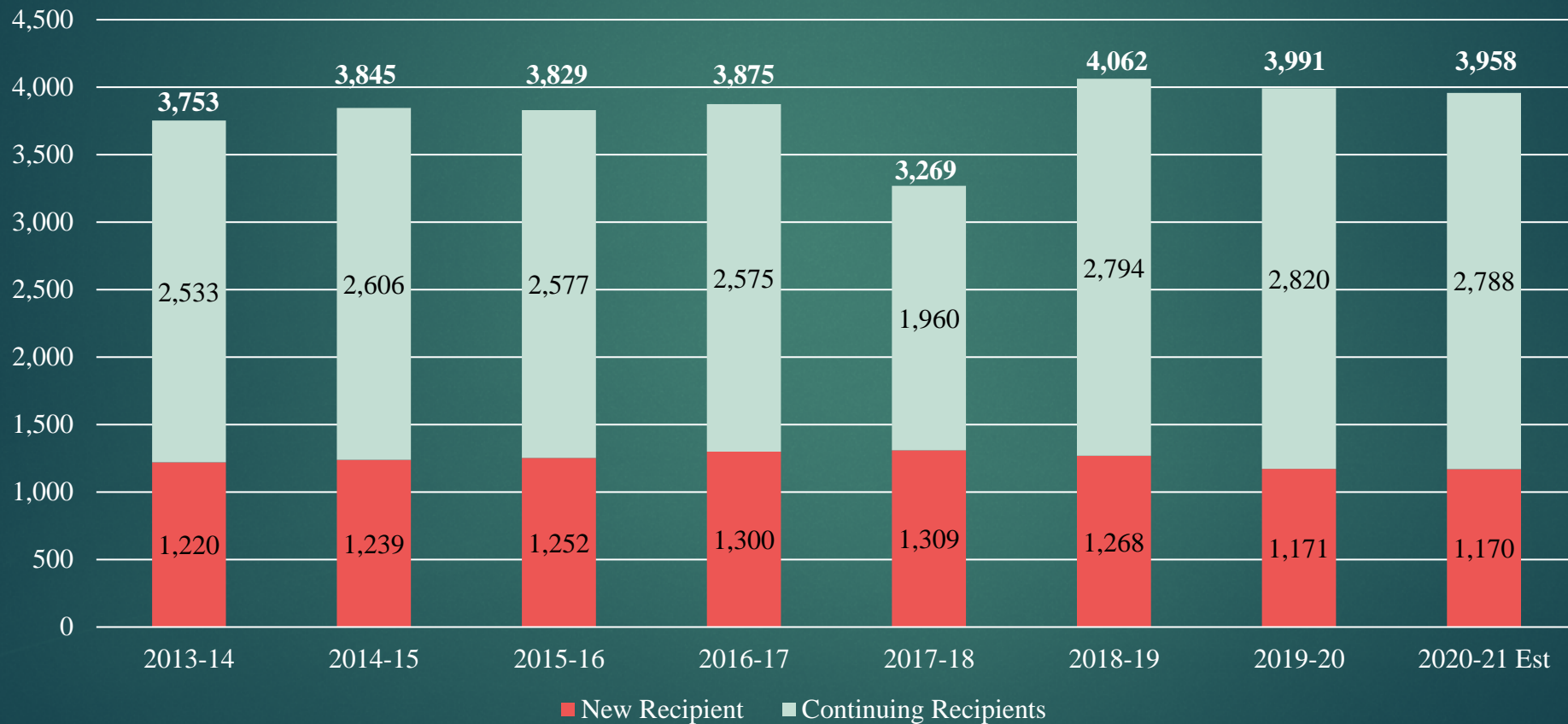
FY21 One-time Supplemental Budget Requests

- BHSU:
 - \$90,000 West River Health Sciences Center – Governor Recommended
 - \$276,000 Paraprofessional Education Program
- SDSMT:
 - \$19,000,000 Mineral Industries Building
- SDSU:
 - \$2,000,000 Berg Agricultural Hall Remodel
 - \$453,200 Precision Ranching at AES – Governor Recommended
 - \$100,000 Rural Prosperity and Workforce Development at Extension
- USD:
 - \$355,000 Upgrade Equipment in Animal Resource Center – Governor Recommended

FY22 System Budget Adjustments Requested

- South Dakota Opportunity Scholarship – General Funds (page 16 of Budget Brief)
 - Increase of \$100,000
- Educational facility lease payment – General Funds (page 7 of Budget Brief)
 - Decrease of \$6,243
- University Specific Requests – Federal and Other Funds (addressed by campuses)
 - Authority reductions - \$860,000 and 14.0 FTE
 - Authority increases - \$3,453,666 and 12.0 FTE

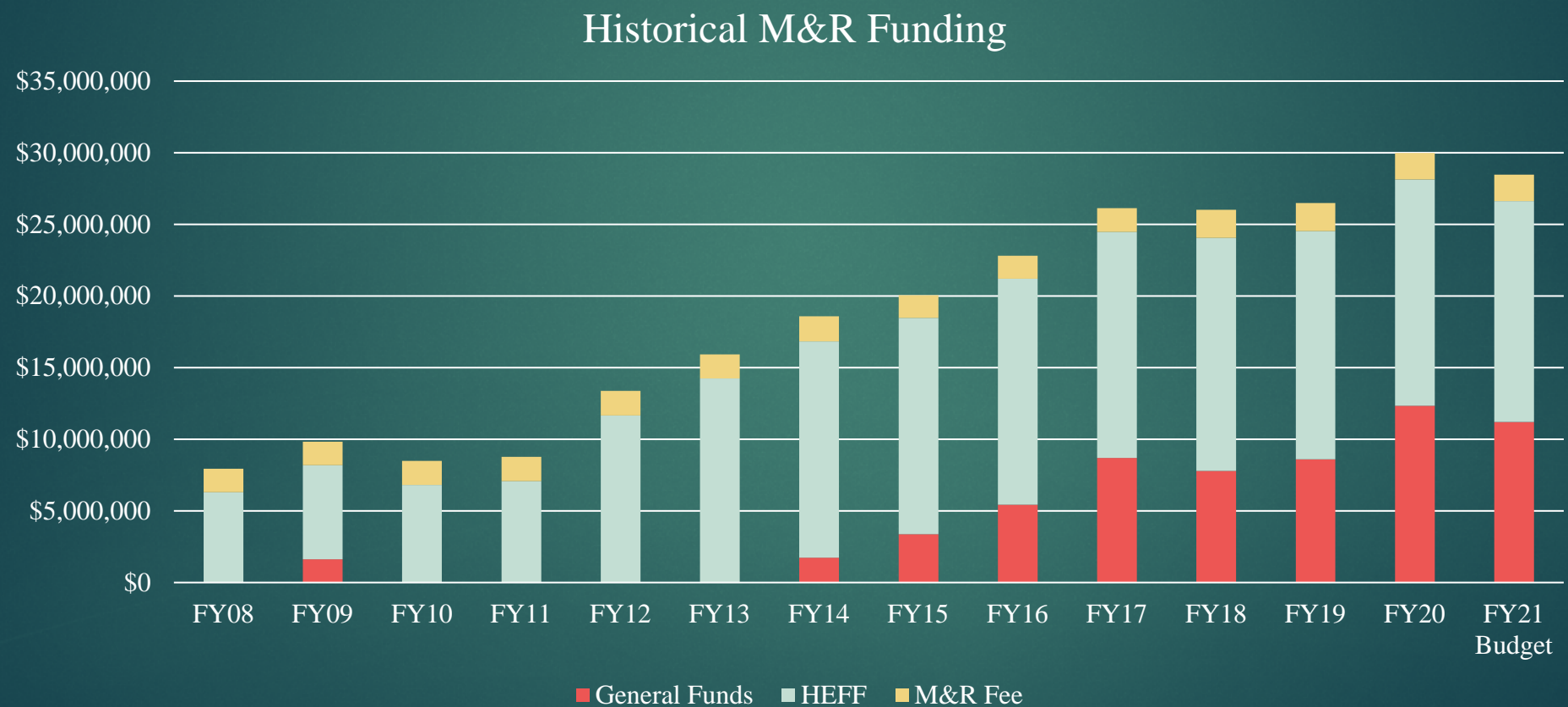
South Dakota Opportunity Scholarship



Maintenance & Repair: Academic Facilities - \$3.65M

- M&R investment goal is 2% of replacement values annually = \$37.2 million per year.
- Higher Education Facilities Fund (HEFF) represents 11.5% of all tuition dollars collected.
 - Approximately \$15.7 million allocated to M&R for FY22
- M&R fee of \$3.34 per on-campus credit hour generates \$1.9 million.
- General Funds M&R = \$11,206,885 (a \$1.1M reduction from FY20)
- Currently at 1.55% of replacement value.
- Increase of \$8,432,887 would bring funding to 2% of replacement values for academic buildings.
- Governor is recommending an increase of \$3.65 million, which would increase investment to 1.74%, the level we were at for FY20.

Funding University Maintenance & Repair



Needs-Based Scholarship

- PREMIER made a generous \$50 million gift, creating an endowment to fund need-based scholarships in perpetuity.
 - Intended to eventually grow to \$200 million.
 - Available to all six Regental institutions plus Augustana University and the University of Sioux Falls.
- The Board's highest priority is support for any additional funding to assist PREMIER in reaching their goal.

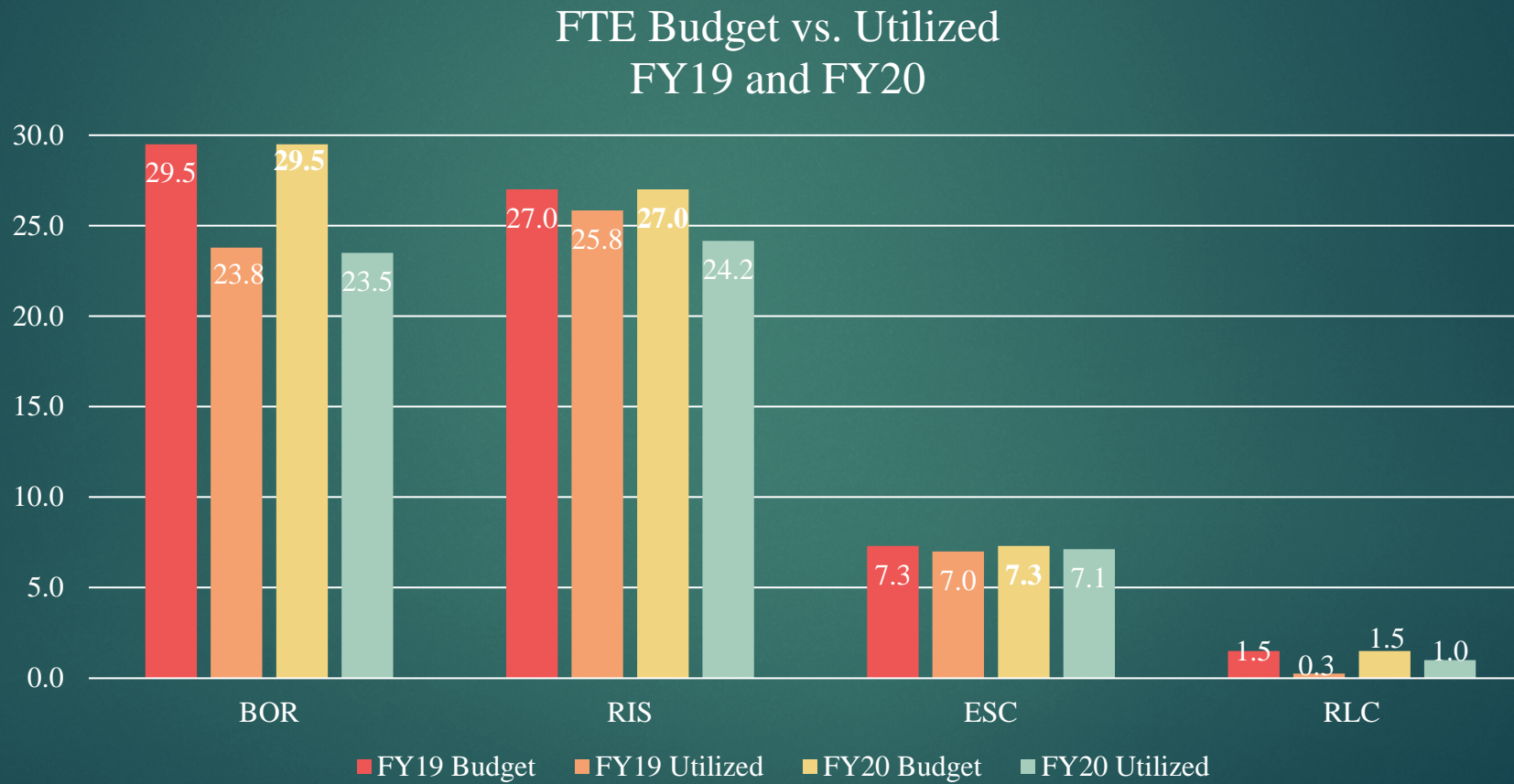
In the Region: Need-Based Funding per Pell Recipient



Prior Year Appropriations

- \$2,250,000 received supplemental appropriation to upgrade the East-West connection within the REED network.
 - Will provide 100G speed – a priority for research and technology in South Dakota.
 - Upgrades to circuits will be completed by the end of February.
 - Adds route redundancy to SURF (something that has never before existed).
 - Additional equipment upgrades will need to be made at the campuses and Pierre locations in order to take advantage of the 100G speed.
 - Project will be completed by the end of this fiscal year.
- Bioprocessing Initiative – HB1100 passed in 2020 legislative session
 - Provided \$1 million for the purpose of designing and developing a new bioprocessing research and development facility.
 - Collaboration between SDSU, SDSM&T, and industry partners.
 - Continued movement on this project – will be discussed in more detail by SDSU and SDSM&T.

FTE Utilization



Status of LEAN Process

- On May 22, 2019, the Joint Committee on Appropriations issued a Letter of Intent for a LEAN audit of the Board of Regents Central Office.
- An RFP was issued by the State of South Dakota (LRC) on August 26, 2019.
- ReEngine Consulting, LLC was selected as the successful vendor.
- Initial conversations with the consultant and BOR staff have begun.
 - First project has been selected.
 - LEAN practitioners have been identified.
 - Training will begin in March of 2021.

SB55 Update

- Passed in 2020 legislative session.
- Intent – Require BOR to assemble a task force to study the operations and function of our institutions with an eye to efficiency.
- Twenty-member work group established – includes campus presidents (3), Board members (3), legislators (4), industry representatives (9), and the Board Executive Director.
- Three subcommittees – Academic, Administration, and Infrastructure/Ancillary.
- Two meetings of the full work group have been held.
- Multiple meetings of the subcommittees held.
- Anticipate recommendations from the subcommittees by the end of the summer, 2021.
- Full report to the Governor and legislature by November of 2021.

Long-Range Plans

- Continued support for funding a needs-based scholarship for South Dakota students.
- Begin process to develop new five-year strategic plan.
 - Informed by results of SB55.
- Promote development of the West River center for health care education.
- Support industry need for certified registered nurse anesthetists (CRNA).

Impact of COVID-19 on Regental System

- March 2020 – extended Spring break, with eventual move to online for remainder of 2019-2020 academic year.
 - Students given support for remainder of housing, meal plans, and any courses that were cancelled due to inability to provide distance learning option.
- Fall 2020 – students returned to campus with modified course offerings in order to follow CDC guidance.
 - Revised fall schedule eliminated breaks until Thanksgiving, with all final exams taken online after Thanksgiving.
 - Result was a significant shift to hybrid/hi-flex modality, and thus a change in how credit hours are recorded as on-campus vs. off-campus.
- Spring 2021 – continue with original schedule, including spring break.
 - Hybrid/hi-flex courses still highly utilized.
- Campuses have seen a record level of student retention – 81%

Governor's Coronavirus Relief Funds (CRF)

- Part of Coronavirus Aid, Relief, and Economic Security (CARES) Act from Federal Government – provided to the Governor for distribution.
- Received \$13.3 million between the six Regental institutions and two special schools.
 - Assisted with payments to students for housing support.
 - Paid for personal protective equipment (PPE).
 - Provided COVID-19 testing of students.
 - Helped with technology for telework and distance learning.
 - Upgrade to NSU E-Learning course delivery infrastructure to assist K12.
 - Funding for additional cleaning supplies and staffing to accomplish levels recommended by CDC.

Higher Education Emergency Relief Funds (HEERF)

- Part of Coronavirus Aid, Relief, and Economic Security (CARES) Act from Federal Government.
- Phase I - Provided more than \$14.39 million in emergency funding to the six Regental institutions.
 - Half must go directly to students as emergency aid for expenses related to the disruption of campus operations due to COVID-19.
 - Remainder used by campuses to cover costs associated with significant changes to the delivery of instruction due to COVID-19.
 - Includes purchase of equipment, software, online licensing, etc.
- Phase 2 - Expected to provide an additional \$25.5 million.
 - Half to students as emergency aid.
 - Remainder to cover COVID-19 expenses and backfill lost revenues.