

Report of the Senate Bill 55 Task Force

Submitted by

The South Dakota Board of Regents
in compliance with Senate Bill 55
of the 2020 South Dakota State Legislature

October 2021

Prepared by the Board of Regents Central Office
on Behalf of the SB 55 Task Force





BOARD OF REGENTS

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OFFICE OF THE EXECUTIVE DIRECTOR

October 27, 2021

Governor Kristi Noem
 Joint Committee on Appropriations

RE: Findings of the Senate Bill 55 (2020) Task Force

Dear Governor Noem and Members of the Joint Committee on Appropriations,

Please accept the following report in compliance with Senate Bill 55 (SB 55) as signed into law in 2020. SB 55 required the Board of Regents to “assemble a task force to examine possible program and administrative efficiencies and cost effectiveness through the shared administration” of the six public universities. The Board of Regents in turn appointed a 20-person task force representing different geographic areas of the state and broad professional perspectives. The task force began work in October 2020 and concluded its work in June 2021.

I trust you will find this report as clear evidence of compliance with, and a commitment to, the requirements and principles of SB 55. The Senate Bill 55 Task Force recognizes that South Dakotans invest significant resources in its public universities. The findings of the task force will help us maximize return on that investment.

Task force members found that the South Dakota public university system already operates in a highly cost-effective way. South Dakota’s general fund spent an average \$283.43 per person on higher education operational expenses in Fiscal Year 2020. To compare, higher education per capita costs were \$405.71 in Nebraska, \$498.14 in North Dakota, and \$673.53 in Wyoming. Our universities operate at this level while still maintaining tuition costs comparable to these states.

Moreover, the work of the Senate Bill 55 Task Force coincides with the university system’s launch of a new strategic planning effort. The recommendations in this report will inform and shape those conversations, as we continue to provide the best higher education possible for current and future students.

Respectfully,

A handwritten signature in black ink that reads "Brian L. Maher".

Brian L. Maher
 Executive Director
 South Dakota Board of Regents

A handwritten signature in black ink that reads "John W. Bastian".

John W. Bastian
 President
 South Dakota Board of Regents

Board of Regents

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Acknowledgments

The Board of Regents thanks the following for their assistance in preparing this report.

Members of the SB 55 Task Force: Rep. Hugh Bartels, Hal Clemensen, Paulette Davidson, Barry Dunn, Sheila Gestring, Rep. Chris Karr, Jim Lochner, Nadifa Mahamed, Sen. Ryan Maher, Elsie Meeks, Doug Morrison, Jim Neiman, Sen. Reynold Nesiba, Laurie Nichols, Barb Stork, Jim Thares, Tyler Tordsen, Joan Wink, and Jon Veenis.

Former members of the Board of Regents who served during the work of the SB 55 Task Force: Jim Morgan, Kevin Schieffer, and Randy Schaefer.

Guest speakers and discussion participants who addressed the SB 55 Task Force: former Regents Pat Lebrun, Kathryn Johnson, and Harvey Jewett, former Black Hills State University President Kay Schallenkamp and former University of South Dakota President Jim Abbott, former Board of Regents Executive Director Tad Perry, and current Indiana Commissioner for Higher Education Teresa Lubbers.

Current and former staff from the Board of Regents central office who assisted the SB 55 Task Force: Kayla Bastian, Wendy Caveny, Heather Forney, Dave Hansen, Lindsey Heiss, Joelle Lien, Nathan Lukkes, Janice Minder, Jay Perry, Janelle Toman, and Molly Weisgram.

University presidents not assigned to the SB 55 Task Force: Dakota State University President José-Marie Griffiths, South Dakota School of Mines & Technology President James Rankin, and former Northern State University President Timothy Downs.

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EXECUTIVE SUMMARY

South Dakota's Ninety-fifth Legislature passed Senate Bill 55 (SB 55), "An Act to require the Board of Regents to assemble a task force to study the operations and functions of the institutions of higher education under the board's authority." Governor Noem signed the bill into law on March 20, 2020. To comply with the legislature's direction, the Board of Regents appointed sixteen members and the legislature's Joint Committee on Appropriations appointed four members to the SB 55 Task Force. The SB 55 Task Force met collectively six times and its subcommittees gathered for another twenty meetings to examine the areas of review set out in Senate Bill 55 and to analyze the quality and effectiveness of Regental operations. The summary of Task Force findings and recommendations are below, and descriptions of each recommendation are laid out within the following report.

The Task Force recommends that the Board of Regents:

1. Issue a request for proposals (RFP) for a system-wide food contract.
2. Transition to a single nursing program in Rapid City and utilize the West River Health Science Center for nursing program space needs.
3. Work with the legislature to ease statutory requirements for high performance green building standards.
4. Create incentives to encourage additional energy and utility savings at each institution.
5. Revise the current process for analyzing facility space needs and approving new buildings and renovations.
6. Collaborate with the legislature to ensure the university system receives appropriate financial benefit when the state refinances bonds on facilities used for academic purposes.
7. Purchase and implement contract management software.
8. Improve data to analyze institutional staffing and expenditure levels.
9. Review institutional funding models to determine if those models are equitable and sustainable.
10. Continue to closely monitor central office staffing and functions; several other recommendations in this report may affect central office functions and staffing in the future.

11. Implement a new business model for the Community College for Sioux Falls site that provides long-term financial viability.
12. Direct BHSU and SD Mines to work toward greater collaboration and/or consolidation of common functions, contracts, and services that exist at both institutions.
13. Investigate potential savings through a single contract with DocuSign rather than individual contracts with each of the six institutions.
14. Prepare and publish an updated economic impact study that analyzes the quantifiable impact of the six public universities on the state economy.
15. Establish a system-wide approach for high performance computing.
16. Review human resources functions for potential areas of consolidation.
17. Implement technologies that streamline human resources functions for NFE and CSA employees.
18. Conduct ongoing Lean reviews of practices and procedures.
19. Develop and implement policies that address technology interoperability and data governance standards that apply to all institutions and the central office.
20. Collaborate with legislators and the State Auditor's Office on transferring the approval process for employee moving allowances within the university system.
21. Work with each institution to review and revise their current list of peer institutions.
22. Establish a system-wide approach for Title IX/Equal Employment Opportunity compliance through shared or consolidated services.
23. Implement a single, system-wide service and project management software for all institutions and the central office.
24. Establish a system-wide telephone standard for all institutions to use Voice over Internet Protocol (VoIP) technology.
25. Establish a common system standard for Identity and Access Management (IAM) that applies to all universities and the central office.
26. Establish a common system standard for Endpoint Detection and Recovery/Response that applies to all universities and the central office.
27. Continue refining policies related to distance/online education.
28. Continue investigating options for expanding system-wide contracts for library resources.

29. Investigate options for expanding student mental health options to include telehealth options.
30. Institute a new institutional mission framework that more clearly defines the individual contributions and expertise of each institution.
31. Improve upon and expand its advocacy of public higher education.
32. Explore additional opportunities for collaboration between institutions in the delivery of online coursework.
33. Revise policies related to minimum course section size (i.e., minimum enrollments required to offer an individual course section) to improve the efficiency of coursework delivery.
34. Use the data provided in a program demand gap analysis to inform decisions on academic program duplication within the system (i.e., academic programs offered at more than one institution).
35. Revise policies related to “program productivity,” the common name given to policies addressing academic programs with a low number of graduates.

SENATE BILL 55 OVERVIEW

South Dakota's Ninety-fifth Legislature passed Senate Bill 55 (SB 55), "An Act to require the Board of Regents to assemble a task force to study the operations and functions of the institutions of higher education under the board's authority." Governor Noem signed the bill into law on March 20, 2020. The law required the Board of Regents to assemble a task force to include four members of the Legislature's Joint Committee on Appropriations and to examine the following by November 15, 2021:

- (1) The possible combining of administration at all levels of operation within an institution;
- (2) The possible combining of operations and functions across multiple institutions;
- (3) The possible combining of the administration of programs across multiple institutions;
- (4) A review of the duplication of program offerings;
- (5) A review of the academic majors with low enrollments and low numbers of graduates;
- (6) A review of functions outside the core missions of teaching, learning, and research;
- (7) A review of the operations and functions provided as an efficiency through the central office of the Board of Regents;
- (8) A review of the viability of the university centers; and
- (9) Any other possible cost-effective measures the task force determines are worthy of examination.

The full text of SB 55 is available in Appendix I.

ORGANIZATION OF THE SB 55 TASK FORCE

To comply with the legislature's direction and accomplish the tasks set forth, the Board of Regents appointed Brian Maher, the Executive Director and CEO of the Board of Regents, to chair the task force (hereafter the "SB 55 Task Force" or "Task Force"). The Board of Regents sought a broad collection of viewpoints from leaders representing the entire state in assembling the Task Force. The Board of Regents named fifteen members in addition to Executive Director Maher and the legislature's Joint Committee on Appropriations appointed four members. The SB 55 Task Force members included:

Ryan Maher, State Senator (Isabel)
Reynold Nesiba, State Senator (Sioux Falls)
Hugh Bartels, State Representative (Watertown)
Chris Karr, State Representative (Sioux Falls)
Jim Thares, Board of Regents (Aberdeen)
Joan Wink, Board of Regents (Howes)
Barb Stork, Board of Regents (Dakota Dunes)
Sheila Gestring, USD President (Vermillion)
Laurie Nichols, BHSU President (Spearfish)
Barry Dunn, SDSU President (Brookings)
Jim Neiman, CEO, Neiman Enterprises (Hulett, WY)
Tyler Tordsen, Regional Director for US Senator Mike Rounds (Sioux Falls)
Paulette Davidson, CEO, Monument Health (Rapid City)
Elsie Meeks, Board Chair, Lakota Funds (Pine Ridge)
Nadifa Mahamed, Student, SDSU (Sioux Falls)
Hal Clemensen, Board of Directors, Agtegra Cooperative (Aberdeen)
Jon Veenis, Retired CEO, ELM Resources (Sioux Falls)
Jim Lochner, Retired COO, Tyson Foods (Dakota Dunes)
Doug Morrison, Administrator, Sioux Falls School District (Sioux Falls)

The SB 55 Task Force met collectively six times – five times in face-to-face meetings and once virtually. The dates of these meetings are as follows: 10/8/2020 (Rapid City), 11/12/2020 (Vermillion), 1/7/2021 (virtual), 4/15/2021 (Spearfish), 5/13/2021 (Sioux Falls), 6/3/2021 (Brookings). In addition to the face-to-face meetings of the full Task Force, nearly twenty subcommittee meetings occurred virtually.

The SB 55 Task Force divided into three subcommittees with each receiving a specific charge related to the legislation's requirements. The subcommittees consisted of:

Administration Subcommittee

Thares (co-chair), Gestring (co-chair), Neiman, Bartels, Karr, Tordsen

Assigned Aspects of SB 55: The possible combining of administration at all levels of operation within an institution; The possible combining of operations and functions across multiple institutions; The possible combining of the administration of programs across multiple institutions; Any other possible cost-effective measures the task force determines are worthy of examination (all subcommittees).

Note: The Administration Subcommittee adopted a working definition of efficiency as the quality of effective operations to include energy, time, and money. Therefore, the Administration Subcommittee evaluated effectiveness and efficiency together in making recommendations.

Academic Subcommittee

Wink (co-chair), Nichols (co-chair), Clemensen, Davidson, Mahamed, Meeks, Nesiba

Assigned Aspects of SB 55: A review of the duplication of program offerings; A review of the academic majors with low enrollments and low numbers of graduates; Any other possible cost-effective measures the task force determines are worthy of examination (all subcommittees).

Infrastructure/Ancillary Subcommittee

Stork (co-chair), Dunn (co-chair), Veenis, Lochner, R. Maher, Morrison

Assigned Aspects of SB 55: A review of functions outside the core missions of teaching, learning, and research; A review of the operations and functions provided as an efficiency through the central office of the Board of Regents; A review of the viability of the university centers; Any other possible cost-effective measures the task force determines are worthy of examination (all subcommittees).

THE BOARD OF REGENTS AND THE UNIVERSITY SYSTEM

Article 14, Section 3 of the South Dakota Constitution places the state's universities "under the control" of the Board of Regents. The Board of Regents consists of nine volunteer members appointed by the Governor and confirmed by the South Dakota State Senate. The universities under the authority of the Board of Regents are Black Hills State University (BHSU) in Spearfish, Dakota

State University (DSU) in Madison, Northern State University (NSU) in Aberdeen, South Dakota School of Mines & Technology (SD Mines) in Rapid City, South Dakota State University (SDSU) in Brookings, and the University of South Dakota (USD) in Vermillion. The Board of Regents executes its authority to manage the resources of the university system (personnel, facilities, and financial) through the adoption of policies, approval of programs, selection and evaluation of system and institutional executives, and the setting of annual budgets, tuition and fees, and legislative budget requests.

The Board of Regents recognizes its responsibility for appropriate stewardship of financial resources from the state, from students, and from sources external to the institutions. The Board recognizes the desirability of unique, differentiated institutions that function as a part of a higher education system focusing on the collective use of resources for maximum common good. The recommendations set forth by the SB 55 Task Force will have relevance to current and future students, alumni, communities, faculty and staff, and the citizens of South Dakota. The Board of Regents also recognizes its commitment to each of these stakeholders. Paramount to this commitment is prioritizing opportunities for students to learn, develop, and succeed through the delivery of quality higher education.

TASK FORCE FINDINGS AND RECOMMENDATIONS

The findings and recommendations set forth in this report are not wholly inclusive of all topics investigated by the Task Force; the Task Force investigated some topics and found insufficient evidence to recommend substantive changes. In some cases, the Task Force has recommended areas that require the Board of Regents, the university system's central office, and/or institutional representatives to engage in further analysis or study. In other cases, implementation of recommendations that follow are already in progress. In all cases, the Board of Regents is committed to full consideration of each recommendation.

The release of this report also coincides with the start of a new cycle of strategic planning in the university system. The Board of Regents will use the work of the Task Force to inform the next strategic plan, including adopting further efficiency practices, defining specific action steps, and maintaining institutional quality for South Dakota. The SB 55 Task Force presents the following findings and recommendations to the Board of Regents, the Governor, and the legislature's Joint Committee on Appropriations.

1. Issue an RFP for a Single, System-wide Food Service Contract

SB 55 Point(s) Addressed: (1) The possible combining of administration at all levels of operation within an institution; (2) The possible combining of operations and functions across multiple institutions; (3) The possible combining of the administration of programs across multiple institutions; (6) A review of functions outside the core missions of teaching, learning, and research; (9) Any other possible cost-effective measures the task force determines are worthy of examination.

The Task Force recommends that the Board of Regents issue a request for proposals (RFP) for a system-wide food contract. Each institution currently has their own food service contract with a vendor of their own selection. The vendors typically provide food service to students in addition to providing campus catering functions. The food service vendors work with institutions to include customizable supplemental food options on campus as supported by student requests or votes, such as chain restaurants (e.g., Chick-fil-A) or coffee shops (e.g., Einstein Brothers). Consolidation of food service contracts through a single provider would drive a lower total cost to institutions and also to students. The Task Force further recommends that the process for selecting a system-wide food service provider include:

1. Maintaining options for customizable student-supported specialty shops on individual campuses.
2. Assuming any financial obligations of existing food service contracts at individual institutions by the selected vendor.
3. Appointing a committee comprised of representatives from each institution and the central office to review proposals received from the RFP.
4. Selecting the appropriate vendor from the RFP process should be based on the vendor's financial commitment, efficiency, organizational philosophy, and accountability.

2. Transition to a Single Nursing Program in Rapid City and Utilize the West River Health Science Center for the Nursing Program’s Classroom and Administrative Space

SB 55 Point(s) Addressed: (2) The possible combining of operations and functions across multiple institutions; (4) A review of the duplication of program offerings; (8) A review of the viability of the university centers.

The Task Force recommends that the Board of Regents transition to a single nursing program in Rapid City and utilize the West River Health Science Center for nursing program space needs. The university system currently has two authorized undergraduate nursing programs operating West River; both SDSU and USD offer the Bachelor of Science in Nursing degree in Rapid City. The two programs have separate faculty, coordination, recruitment practices, and other administrative practices with little to no collaboration. The two programs do, however, share facilities provided by Monument Health to offer the programs. The Task Force overwhelmingly expressed concern over the perceived inefficiency of two institutions offering competing nursing bachelor’s degree programs within the same city.

Relatedly, BHSU also contributes to nursing education in the West River region by offering an associate degree in applied health sciences; this program allows students to complete pre-nursing coursework before enrollment in the SDSU or USD nursing programs. The West River Health Science Center (WRHSC) within BHSU-Rapid City, created in 2020, houses the BHSU applied health sciences program. The WRHSC provides services to students pursuing nursing or health-related degrees.

All three subcommittees of the Task Force had assigned aspects of SB 55 that intersected with the delivery of West River nursing. The Administration Subcommittee’s charge included “possible combining of operations and functions across multiple institutions,” the Infrastructure and Auxiliary Subcommittee’s charge included reviewing the “viability of the university centers [e.g., BHSU-Rapid City],” and the “review of the duplication of program offerings” fell under the Academic Subcommittee. The following specific recommendations represent the collective work of all three subcommittees. Specifically, the Task Force recommends:

1. Terminating USD’s authority to offer the Bachelor of Science in Nursing in Rapid City. The Board of Regents has authority to approve and/or terminate off-campus site locations for academic programs. Terminating USD’s nursing program in Rapid City ends the

duplicative nursing programs in the West River region; SDSU should retain their existing nursing programs in Rapid City. This decision does not affect the USD nursing program offered in Vermillion.

2. Terminating USD's nursing program in Rapid City should include a phased "teach out" plan that allows current students to complete their degree through USD. Current Board of Regents policies address this process as do regulations of the Higher Learning Commission (the regional accreditor approved by the US Department of Education for South Dakota universities).
3. Expanding the enrollment capacity of SDSU's West River nursing program. The expansion should, at minimum, equal the maximum combined enrollments currently available in Rapid City through the SDSU and USD nursing programs. While the university system expects to gain efficiency of operations through consolidation to one Rapid City nursing institution, it is imperative that the transition does not inhibit, limit, or diminish the university system's contribution to filling the demand for nurses in the West River region.
4. Retaining faculty and staff that formerly worked for the USD Rapid City nursing program when practical. Such employees should receive priority in hiring when positions open within the SDSU nursing Rapid City site. This process should follow all applicable state law and existing Board of Regents policies.
5. Utilizing the current site of BHSU-Rapid City as the West River Health Science Center, serving students in the region with academic programming related to nursing, respiratory care, and other health science related fields. SDSU's nursing and respiratory care program should relocate from the current site provided by Monument Health to the WRHSC.
6. Collaborating with the legislature to secure funding to renovate the BHSU-Rapid City site to function as the WRHSC. Several current classrooms require conversion to simulation laboratory space in order to provide nursing and related programming.

7. Maintaining BHSU's authority to direct the day-to-day operations of the WRHSC while maintaining close coordination and communication with other system universities that offer health-related programming at the site. The expectations for such collaboration should be set in Memorandums of Understanding (MOUs) between the institutions and approved by the Board of Regents. Any new health-related programs from system universities approved for delivery in Rapid City should align with the WRHSC, including usage of office and classroom space where practical.
8. Collaborating with the legislature to amend SDCL 13-51-1.2 and any other relevant statutes to allow nursing students to pay state support/on-campus tuition rates in Rapid City. Current statutory language prevents students taking face-to-face courses at sites other than the home campus of an institution to receive the lower state support tuition rate and requires charging the higher self-support tuition rate. However, SDCL 13-51-1.2 recognizes the state's need for nurses by authorizing state-support tuition rate for "nursing courses offered at the Pierre site." As the market has shifted, the Pierre site no longer offers nursing programs, but demand remains in the West River region. The Task Force notes that allowing state-support tuition for pre-nursing students at the WRHSC is crucial to meeting the region's workforce needs.

Note: The Board of Regents took preliminary action on many of these items at its June 2021 meeting.

3. Ease Statutory Requirements for High Performance Green Building Standards

SB 55 Point(s) Addressed: (6) A review of functions outside the core missions of teaching, learning, and research; (9) Any other possible cost-effective measures the task force determines are worthy of examination.

The Task Force recommends that the Board of Regents work with the legislature to ease statutory requirements for high performance green building standards. In 2008, South Dakota implemented standards requiring new or renovated public buildings to comply with high-performance green building standards (i.e., a silver standard rating under the US Green Building Council's Leadership in Energy and Environmental Design [LEED]). SDCL 5-14-32 through 5-14-38 includes these requirements. While the 2008 legislation came with good intentions, compliance also came with a cost prohibitive regulatory burden. By central office estimates, compliance with the silver LEED certification requirements cost the university system upwards of five million dollars over the previous five years. In addition, compliance efforts delay project completion. Easing the green building standards would increase efficiency by reducing unnecessary construction costs for university system buildings. The Task Force recommends collaborating with legislators to revise these standards to find a less burdensome solution.

Note: The 2021 South Dakota Legislature passed SB 134 with Senator Ryan Maher as prime sponsor and Representative Hugh Bartels as co-sponsor (both Senator Maher and Representative Bartels served on the SB 55 Taskforce). The bill eliminated requirements of meeting the silver LEED certification for new buildings and renovations, easing the regulatory burden on the university system.

4. Create Incentives for Institutions to Increase Energy/Utility Savings

SB 55 Point(s) Addressed: (2) The possible combining of operations and functions across multiple institutions; (6) A review of functions outside the core missions of teaching, learning, and research; (9) Any other possible cost-effective measures the task force determines are worthy of examination.

The Task Force recommends that the Board of Regents create incentives to encourage additional energy and utility savings at each institution. A variety of energy savings projects are occurring on campuses within the university system, all with potential to achieve greater efficiency. As one example, BHSU has installed solar panels on multiple academic buildings. Task Force discussions with a consultant indicated that revised practices could result in savings of up to one million dollars throughout the university system. Such savings provide opportunities to reinvest money in maintenance and repair projects. However, current state practices lack incentives to create greater energy and utility efficiencies; institutions may keep savings up to the cost of a contract for energy savings but must revert any additional savings to the state. Specifically, the Task Force recommends:

1. Engaging a consultant to work with universities on energy and utility saving strategies, including establishing savings goals for each institution.
2. Collaborating with legislators on statutory changes that ensure institutions can retain and reinvest energy and/or utility savings in maintenance and repair projects.

5. Revise Process for Reviewing Facility Utilization and Approving New or Renovated Facilities

SB 55 Point(s) Addressed: (2) The possible combining of operations and functions across multiple institutions; (3) The possible combining of the administration of programs across multiple institutions; (6) A review of functions outside the core missions of teaching, learning, and research; (7) A review of the operations and functions provided as an efficiency through the central office of the Board of Regents; (9) Any other possible cost-effective measures the task force determines are worthy of examination.

The Task Force recommends that the Board of Regents revise the current process for analyzing facility space needs and approving new buildings and renovations. Campus facilities are expensive to construct and maintain, making the efficient use of facilities a concern for institutions, legislators, students, and citizens. Facilities that are unused or underutilized draw resources away from institutional objectives in teaching and research as well as adding additional operational costs. Replacement costs for buildings vary depending on usage; those that are in high use for laboratory space or require significant technology investments have higher replacement values. In addition to construction costs, facilities have ongoing expenses in maintenance and repair (M&R). System universities currently have a goal of investing 2 percent of the building's value annually for M&R purposes, a number derived from estimates that a building's useful lifespan lasts fifty years and a 2 percent annual investment will equal 100 percent of the value over that time. Given this background, the Task Force expressed concern with the university system's current approval processes for the construction and renovation of facilities. The Task Force specifically recommends:

1. Implementing a new building utilization report with improved metrics. The central office has prepared an annual facilities inventory and utilization report since 1992. This report provides high level statistical profiles of existing facilities and their use; however, the Task Force recommends a revised version that is more functional for making facility decisions. The revised report should analyze academic building usage to include classroom/laboratory capacity and utilization at various times of day. The revised facilities and inventory report should occur annually.

2. Consulting the annual facilities inventory and utilization report prior to approval of all new buildings and building renovation. The report data should aid in making more informed decisions on actual need for new buildings or renovations.
3. Continuing the requirement that institutions develop M&R priority lists and submit the lists to the Board of Regents. The M&R priority list should include renovation projects categorized by level of importance to the institution as well how critical each item is to the institution's operations. The Board of Regents should consult this list prior to approval of renovation projects.
4. Investigating potential policies that request that buildings paid for by donor contributions (as opposed to state funds) include a percentage of donations specifically assigned for M&R investment.
5. Investigating the creation of a staff position in the central office or use of a consultant with expertise in the building process. The position should review facility construction and renovation proposals, monitor construction and renovation projects, prepare the annual facilities and inventory report, and make recommendations to the Board of Regents.
6. Creating a system work group to review and revise the approval process for capital projects. The workgroup should consist of representatives from the central office, at least two institutions, and the State Engineer's office.

6. Revise Statutes to Allow Financial Benefits to University System on Refinanced Bonds of Academic Spaces

SB 55 Point(s) Addressed: (6) A review of functions outside the core missions of teaching, learning, and research; (9) Any other possible cost-effective measures the task force determines are worthy of examination.

The Task Force recommends that the Board of Regents work with the legislature to ensure the university system receives appropriate financial benefit when the state refinances bonds on academic facilities. Under current practice, the South Dakota Building Authority (SDBA) issues bonds on behalf of the Board of Regents for academic buildings. The proceeds from these bonds aid in building new academic facilities and fund maintenance and repair activities. The bonds are not in the name of the Board of Regents – the SDBA and Board of Regents enter into a lease agreement for the term of the bond. The university system’s lease payment matches SDBA’s bond debt service with a service fee added to the lease payment for SDBA’s management of the bond and building insurance.

SDBA has the authority to refinance these bonds when fiscally advantageous to the State of South Dakota. However, the SDBA does not amend the lease agreement with the university system to reflect the refinanced bond terms. All savings that accrue from the refinanced bonds revert to the State of South Dakota and the university system does not receive any benefit from the refinancing. In addition, 11.5 percent of tuition and fees paid by students goes into the Higher Education Facilities Fund (HEFF) per SDCL 13-53-15. The university system uses HEFF dollars to make bond payments which occur at the higher financing rate and not the renegotiated lower rate; student tuition and fees dollar are then in turn subsidizing the state’s general fund under this arrangement.

7. Implement Contract Management Software

SB 55 Point(s) Addressed: (1) The possible combining of administration at all levels of operation within an institution; (2) The possible combining of operations and functions across multiple institutions; (6) A review of functions outside the core missions of teaching, learning, and research; (9) Any other possible cost-effective measures the task force determines are worthy of examination.

The Task Force recommends that the Board of Regents purchase and implement contract management software. There are numerous contractual agreements within the university system, including those that exist for individual institutions and those function for the entire university system and central office. As a few examples, contractual agreements exist for food vendors, professional services, consultants, software, and healthcare providers. Given the sheer volume of active contracts, proper contract management is of vital importance. Proper management of contracts and contractual relationships increases efficiency by ensuring timely payments and vendor compliance with contract obligations. The Task Force recommends that the university system purchase contract management software to ensure proper management of existing and future contracts. Such software will reduce risk management liability and reduce opportunities for mismanagement. Specifically, the Task Force recommends that the software have capabilities for:

1. Digitizing contracts so they are accessible electronically and integrate with existing software programs used by institutions and the central office (e.g., Banner, DocuSign, etc.).
2. Notifying university system staff of pending contract payments, renewal dates, expiration dates, and outstanding payment balances.
3. Providing advance notification of contract termination dates so that university system staff has appropriate time to consider contract extensions or RFPs for a new service provider.
4. Providing assistance with drafting new contracts through customizable templates for contract clause language.

Note: The university system has purchased contract management software and is in the process of implementation at institutions and the central office.

8. Use Improved Data Analysis for Review of Institutional Staffing and Expenditures

SB 55 Point(s) Addressed: (1) The possible combining of administration at all levels of operation within an institution; (2) The possible combining of operations and functions across multiple institutions; (3) The possible combining of the administration of programs across multiple institutions; (6) A review of functions outside the core missions of teaching, learning, and research; (7) A review of the operations and functions provided as an efficiency through the central office of the Board of Regents; (9) Any other possible cost-effective measures the task force determines are worthy of examination.

The Task Force recommends that the Board of Regents use improved data to analyze institutional staffing and expenditure levels. The Task Force finds that a rigorous examination of staffing and expenditures at each institution and within departments/administrative units is crucial to finding greater efficiencies. However, without improved data showing comparisons to other universities nationally, the Board of Regents cannot adequately set realistic benchmarks. Each function, division, department, school, college, etc. within a university has a cost and personnel investment needed to operate – knowing if South Dakota’s universities are within the national standards is critical information prior to any recommended changes. Therefore, a clear need exists for data from a broader collection of universities. To achieve this, the Task Force recommends that the university system join the HelioCampus Benchmarking Consortium. The HelioCampus Benchmarking Consortium (formerly ABC Insights) is a vendor-provided service that brings a large number of colleges and universities together for the purposes of providing comparable data. HelioCampus provides standardized measurements that consider student enrollment, staffing levels, and expenditures by department and service areas. The resulting data shows comparative administrative efficiency, allowing institutions to make more strategic decisions on the allocation of resources. The Task Force further recommends an initial commitment of three years with the consortium and an annual review of comparison data.

Note: The university system has joined the HelioCampus consortium and is currently awaiting reports with comparison data.

9. Review Current Institutional Funding Models and Recommend Modifications to Ensure Funding is Equitable and Sustainable

SB 55 Point(s) Addressed: (1) The possible combining of administration at all levels of operation within an institution; (2) The possible combining of operations and functions across multiple institutions; (3) The possible combining of the administration of programs across multiple institutions; (6) A review of functions outside the core missions of teaching, learning, and research; (7) A review of the operations and functions provided as an efficiency through the central office of the Board of Regents; (9) Any other possible cost-effective measures the task force determines are worthy of examination.

The Task Force recommends that the Board of Regents review the current institutional funding models to determine if funding is equitable and sustainable. In recent years, legislators, university presidents, and private citizens have raised questions disparities in state resources (i.e., money from the state's general fund) provided to individual universities. The most common inquiry is whether there should be equal funding per full time equivalent (FTE) student. As an example, in 2018, the legislature's Joint Committee on Appropriations (JCA) issued a letter of intent asking the Board of Regents for information on the distribution of general funds among the state universities. As part of that letter, the Legislative Research Council provided information to the JCA showing wide disparities in state funding per FTE. The Board of Regents responded to the letter of intent with information illustrating the legislative decisions over time that created these disparities, including but not limited to specific appropriations by the legislature to individual institutions and leftover vestiges of multiple funding formulas that are no longer part state statute.

The Task Force also reviewed this issue and the accompanying historical information. The Task Force found that reallocating general funds among the universities solely on an FTE basis is an oversimplification of a complex issue. However, the Task Force is also clear that funding inequities within the university system do exist and that a new process for allocation of general funds is overdue. The Task Force recommends that the Board of Regents appoint a workgroup with representation from all six institutions and the central office to review the system's funding structure. The workgroup should conclude their work and provide recommendations to the Board of Regents in time for the tuition and fee setting process for FY2023. Specifically, the Task Force recommends:

1. Analyzing total institutional funding, including funding received through enrollment (i.e., tuition and fees) and general fund allocations to individual institutions. The

recommendations from the workgroup should seek to minimize state funding disparities between institutions and determine an equitable and sustainable model. Any new models offered for consideration should include options for modifying the allocations to individual institutions based on annual enrollment.

2. Reviewing all tuition and fee components, including but not limited:
 - a. Tuition differentials between resident and non-resident students.
 - b. Special tuition programs approved by the Board of Regents, such as Children of Alumni, South Dakota Advantage, and Minnesota Reciprocity.
 - c. Special discipline fees (e.g., additional fees charged to specific courses that require additional expenses to offer them, such as specialized technology, specialized equipment, or maintaining a specialized accreditation).
 - d. Options for equalizing tuition for online and face-to-face courses.
 - e. Tuition and fee rates at other regional institutions to ensure competitiveness with the market.
 - f. Potential consequences of any tuition and fee changes, such as unintended incentives encouraging or discouraging more online courses or face-to-face enrollment.
3. Ensuring any resulting change in the tuition structure should endeavor to remain revenue neutral, meaning that total tuition and fee revenue generated under the new structure would not result in a significant increase in total revenue to the institutions or cost to students.
4. Collaborating with legislators to revise SDCL 13-51-1.2 to eliminate requirements that online courses and face-to-face courses must have different tuition rates. This statutory change would provide the Board of Regents with greater flexibility to align tuition structures and recognize the changing market for how students participate in higher education.
5. Collaborating with legislators on any statutory changes needed to align workgroup recommendations with general fund reallocations.

6. Performing the same analysis as described above at a minimum of every four years.

Note: The Board of Regents has appointed the workgroup as recommended with the intention of having further recommendations in time for the 2022 legislative session and the tuition and fee setting process for FY2023. In addition, the legislature passed SB 27 in the 2021 session to include language that “All courses offered at off-campus locations, which does not include online or other remote technology course offerings, will be at self-support tuition rates established by the Board of Regents.”

10. Continue Monitoring Staffing and Functions of the Central Office

SB 55 Point(s) Addressed: (7) A review of the operations and functions provided as an efficiency through the central office of the Board of Regents

The Task Force recommends that the Board of Regents continue to closely monitor central office staffing and functions; several other recommendations in this report may affect central office functions and staffing in the future. The Task Force analyzed central office staffing relative to assigned office responsibilities, staffing, job descriptions, compensation, and comparisons to other states. This included comparative data from the Midwestern Higher Education Compact (MHEC), State Higher Education Executive Officers (SHEEO), and Educause (a nonprofit association focused on information technology in higher education). The Task Force specifically reviewed comparisons to twenty-four other states with governing boards that function with similar authority to the South Dakota Board of Regents, considering total enrollment and the number of institutions in the respective university systems.

Broadly speaking, the Task Force finds that the staffing and expenditures of the central office are in line with national norms and in some areas function with less staff by comparison. The central office functions as staff to the Executive Director, who in turn carries out the directives of the Board of Regents. The Executive Director's charge includes directing a unified university system where six universities function collectively to the maximum benefit of the state. Achieving this requires governance and administrative practices that encourage and prioritize institutional collaboration and compliance with system directives – functions driven by the Executive Director and the central office staff. The central office staff provide independent analysis to the Executive Director and the Board of Regents, free of biases that may come from a specific institution's perspective. A strong central office is crucial to executing the overall efficiencies and system-wide governance recommendations found throughout this report.

11. Investigate Alternative Models to Provide Financial Viability for Community College for Sioux Falls Site

SB 55 Point(s) Addressed: (8) A review of the viability of the university centers.

The Task Force recommends that the Board of Regents implement a new business model for the Community College for Sioux Falls site that provides long-term financial viability. Sioux Falls is the largest city in the state and the center of the state's population growth, yet it does not have a public, four-year university. The university system has long offered face-to-face coursework in Sioux Falls in order to provide opportunities for place-bound students in this population center. In the early 1990s, the Center for Public Higher Education included coursework from USD, SDSU, and DSU in the Bergeland Building in downtown Sioux Falls. This collaboration later transitioned to space leased at Southeast Technical College and operated under the name USDSU (a combination of the acronyms for University of South Dakota [USD], South Dakota State University [SDSU], and Dakota State University [DSU]). In 2009, the collaboration moved to its present site in northwest Sioux Falls under the name the University Center-Sioux Falls. In 2015, USD assumed primary administrative responsibility for operating the site, renaming it the Community College for Sioux Falls (CCSF) in 2019. However, enrollment in Sioux Falls has declined dramatically in recent years. This decline is due to multiple factors, including corresponding increases in students taking online coursework and statutory regulations (i.e., SDCL 13-51-1.2 and 13-51-1.3) making the cost of face-to-face coursework in Sioux Falls more expensive than courses occurring on individual campuses. As a result, CCSF has generated far less revenue than necessary to cover operating expenses or to pay down bonds on the facilities.

The CCSF site currently has three buildings: Classroom Building-Community College Main, Science & Technology Classroom Building, and the GEAR Center. The Classroom Building-Community College Main and Science & Technology Classroom Building are underutilized as a result of the enrollment declines while the GEAR Center building operates at capacity. The Task Force specifically recommends that the Board of Regents investigate and consider the following options for the facilities at the CCSF site:

1. Renovating and repurposing the CCSF Classroom Building-Community College Main as part an expansion of the GEAR Center. The USD Graduate Education and Applied Research Center (GEAR Center) building provides specialized suites and equipment

supporting public and private research activities. The GEAR Center provides space and services for the commercialization of technologies and the development of pharmaceutical, biologics, and medical devices for clinical trials. The GEAR Center currently operates near maximum capacity and is considering expansion options. The GEAR Center connects to the Classroom Building-Community College Main Building by an above ground walkway.

2. Renovating and repurposing the Science & Technology Classroom Building for use as the site for SDSU's health sciences programs in Sioux Falls, such as nursing, pharmacy, and respiratory care. SDSU has operated pharmacy and nursing programs (both undergraduate and graduate level) in Sioux Falls for decades. The Sioux Falls location of these programs provides enhanced access to clinical sites for students and close relationships with several of the state's leading medical service providers. However, these programs have grown in demand and current administrative, classroom, and laboratory facilities are inadequate. In addition, the programs are in separate facilities, leading to inefficiencies of operations and a lack of cohesion. The nursing program operates out of space on the campus of Southeast Technical College while upper-level pharmacy courses take place at CCSF. SDSU is currently considering various options for a consolidated health sciences location in Sioux Falls. Renovation of the Science & Technology Classroom Building for use by SDSU health sciences programs may provide an opportunity to address SDSU's space needs and better utilize the existing space at CCSF.
3. Investigating the sale of the Classroom Building-Community College Main and Science & Technology Classroom Building. If other options for use of the buildings at the CCSF site prove unobtainable, then the Board of Regents should consider selling the buildings to eliminate existing bond payments.
4. Collaborating with the legislature on any statutory revisions or funding requests associated with the items listed above. Funding for renovations to the Classroom Building-Community College Main and Science & Technology Classroom Building, as well as sale of either facility, require legislative approval. In addition, sale of the buildings may require statutory revisions to SDCL 13-51-1.3.

12. Combine Duplicative Functions at BHSU and SD Mines Where Appropriate

SB 55 Point(s) Addressed: (1) The possible combining of administration at all levels of operation within an institution; (2) The possible combining of operations and functions across multiple institutions; (3) The possible combining of the administration of programs across multiple institutions.

The Task Force recommends that BHSU and SD Mines work toward greater collaboration and/or consolidation of common functions, contracts, and services that exist at both institutions. BHSU and SD Mines share the same geographic space within the state; the home communities of Spearfish and Rapid City are only forty-five miles apart and BHSU operates the BHSU-Rapid City site near the campus of SD Mines. Combining institutional leadership and academic oversight is particularly difficult with these two institutions given the vastly different institutional missions, funding priorities, academic programming, and student populations. Yet there are many other areas in which the close proximity of the two institutions provides natural opportunities for collaboration.

The current BHSU and SD Mines administrations have worked with the Task Force to find appropriate functions where shared resources create greater efficiencies. The ongoing discussions between BHSU and SD Mines also provide an initial step toward expanding these considerations to other university system institutions, providing a blueprint for expanding consortium approaches for all public universities in the state. Specifically, the Task Force recommends:

1. Consolidating travel reimbursement and audit functions between the two institutions. BHSU and SD Mines currently assign part of one staff person's time to these tasks. While this consolidation does not result in a reduction of staff, this will create a more efficient and effective process by having a single point of contact and personnel dedicated to serving both institutions. Implementation of this recommendation is currently underway to include creation of electronic filing systems that eliminates paper copies and processing delays.
2. Consolidating Student Identification Card functions between the two institutions. This includes loading and processing data, training users, and managing software and network infrastructure. Both campuses currently perform the functional operations of loading student identification card data, loading pictures, and maintaining student demographic information. However, BHSU currently manages the network infrastructure for student

identification card technology for both institutions. Therefore, BHSU should absorb the functional operations related to student identification card data for both institutions, including processing information for new students and data changes for returning students.

3. Consolidating cost-saving energy and water conservation efforts. BHSU has had recent success in lowering campus energy and water costs, including but not limited to a 15 percent reduction in the water used by grounds crews irrigating the campus as well as securing grants and rebates for energy conservation efforts. Implementing similar practices at SD Mines through shared coordination of efforts may result in additional savings at both institutions with minimal additional investment. The Task Force recommends that consolidation efforts in this area include:
 - a. Sharing responsibility for a staff position responsible for coordinating the cost-saving energy, water, and related efforts between both institutions.
 - b. Sharing efforts in securing grants and rebates for energy conservation efforts.
 - c. Sharing efforts in water conservation by grounds crews.
 - d. Sharing efforts in the installation of electrical smart meters that produce data for the state's utility tracking software. This data aids in making decisions that reduce energy demand.
 - e. Investigating cost savings that may occur through a joint hazardous waste disposal contract for both institutions.
 - f. Investigating the feasibility of using BHSU as a shared service center for cost-saving sustainability and conservation efforts for all universities in the state system.
4. Consolidating the purchasing functions between the two institutions. BHSU and SD Mines should investigate additional consolidation of purchasing functions between the two universities. In 2006, system universities consolidated many purchasing functions into a shared services approach, known as the University Procurement Professionals (UPP). Under this system, purchasing buyers from each school establish commodity areas in which they specialize, making purchases for the entire system. As an example of the UPP process at work, all institutions collaborated during the Covid-19 pandemic to find and purchase bulk supplies that were difficult to locate (e.g., sanitizer, wipes, tests, etc.). However, some

purchasing functions still occur solely at the campus under established dollar limits and under institutional policies and procedures. BHSU and SD Mines should review their institutional purchasing policies and procedures for alignment. Aligning the policies and procedures will allow analysis of additional consolidation options for purchasing functions on behalf of both institutions.

Note: SD Mines, BHSU, and the central office are currently working through the implementation of the collaborations recommended here.

13. Investigate Potential Cost Savings Through Combining DocuSign Contracts

SB 55 Point(s) Addressed: (2) The possible combining of operations and functions across multiple institutions; (3) The possible combining of the administration of programs across multiple institutions.

The Task Force recommends that the Board of Regents investigate potential savings through a single contract with DocuSign rather than individual contracts with each of the six institutions. DocuSign is a private vendor providing document sharing software for electronic signatures. Currently, all six system universities and the Board office have individual contracts with DocuSign with varying start/end dates. The expiration of these contracts ranges from November of 2021 to October of 2022. As the individual contracts expire, University representatives should work with the USD purchasing office and DocuSign to establish short-term renewals aligning the end dates on a common coterminous date. That will create the opportunity to establish a system-wide agreement at a lower cost than currently available individually.

Note: BHSU and SD Mines discussed a joint DocuSign contract during their broader discussions of potential areas for consolidation and collaboration discussed in Recommendation 12. At that time, two institutions were unable to secure a joint DocuSign contract. Continuing discussions have occurred at the system level pursuing a system-wide contract. The system will continue these discussions with intent of opening negotiations with DocuSign in FY22. If the system cannot secure a cost competitive contract covering all institutions at that time, the Board of Regents will consider other vendors and options to implement this recommendation.

14. Conduct a New Economic Impact Study and Release the Findings

SB 55 Point(s) Addressed: (9) Any other possible cost-effective measures the task force determines are worthy of examination.

The Task Force recommends that the Board of Regents prepare and publish an updated economic impact study that analyzes the quantifiable impact of the six public universities on the state economy. The six universities provide a tremendous economic benefit to South Dakota. The last economic impact study (2016) concluded that SD Mines, BHSU, NSU, DSU, SDSU, and USD combine to generate \$2.66 billion annually from a state investment of \$197 million in public funds. This impact derives from student, employee, and university purchases of goods and services in the state. With over 25,000 students and 5,000 employees, the university system is a major contributor to the state's economy. A data-driven analysis of the economic impact of the university system will demonstrate the return on the state's investment in public higher education. Likewise, the study will aid the university system in articulating their value to students, stakeholders, and legislators. The study should include the economic impact of the university system collectively in addition to the individual contributions of each university.

Note: The Board of Regents has issued a request for proposals and selected a vendor to conduct an economic impact study. The tentative completion date of the project is December 2021.

15. Establish USD and SDSU as Shared Services Centers for High Performance Computing

SB 55 Point(s) Addressed: (2) The possible combining of operations and functions across multiple institutions.

The Task Force recommends that the Board of Regents establish a system-wide approach for high performance computing. *High performance computing* is the use of computing resources for handling data intensive tasks that standard computer workstations are unable to address. All institutions in the system have high performance computing needs; however, institutions with a mission that includes significant high-level research activity have greater needs than others. As the two primary research institutions in the university system, SDSU and USD already have high performance computing expertise and capabilities. SDSU and USD should function as shared service centers providing high performance computing expertise and capabilities to the other system universities. The other institutions (BHSU, SD Mines, NSU, and DSU) should leverage the high performance computing resource investments at either SDSU or USD.

16. Consolidate Human Resources Functions Under the Central Office or Through Shared Service Models

SB 55 Point(s) Addressed: (2) The possible combining of operations and functions across multiple institutions; (3) The possible combining of the administration of programs across multiple institutions; (6) A review of functions outside the core missions of teaching, learning, and research; (7) A review of the operations and functions provided as an efficiency through the central office of the Board of Regents.

The Task Force recommends that the Board of Regents review human resources functions for potential areas of consolidation. This review should identify human resources efficiencies achievable through implementation of technology and/or consolidation of functions through shared services centers or through centralization under the central office. The intent of this review is to identify functions and processes requiring uniform, consistent approaches to reduce risk management liability, address duplication, increase effectiveness, and create centers of expertise. The review process should occur with the assistance of an external consultant or through a Lean review so that perspectives of individual institutions and the board office both receive consideration. In addition, the information provided through HelioCampus (see Recommendation 8) should provide data on best practices for human resources staffing. The Task Force identified several preliminary areas for consolidation that need further consideration by the Board of Regents including employee classification, compensation, payroll and training.

17. Implementation of Human Resources Technologies to Facilitate Efficiency

SB 55 Point(s) Addressed: (6) A review of functions outside the core missions of teaching, learning, and research; (7) A review of the operations and functions provided as an efficiency through the central office of the Board of Regents.

The Task Force recommends that the Board of Regents implement technologies that streamline human resources functions for NFE and CSA employees. By state law, the university system has multiple employee classifications, each with different rules, regulations, and statutory requirements. The three primary classifications are faculty (e.g., university instructors and faculty), NFE, and CSA. Non-Faculty Exempt employees (NFE) are employees who are not faculty but are exempt from the State Civil Service System under SDCL 3-6D-4. Non-Faculty Exempt employees who are those who are in policy-making positions, primarily in leadership and management roles. Civil Service Act employees (CSA) includes all employees who fall under the State Civil Service Act. These are employees who perform administrative and professional/technical support functions.

Currently, many of the basic personnel action processes for NFE and CSA employees occur manually and with paper documentation, including processes such as new hire information, position changes, terminations, and performance evaluation. The current manual processes use a disproportionate amount of staff time to complete. The Task Force identified key areas in which to implement technologies to alleviate inefficient processes, specifically:

1. Expanding the use of electronic personnel action forms to streamline processes, including new hire, terminations, position changes and other related personnel actions.
2. Implementing standardized online performance management processes to streamline performance evaluations for NFE and CSA employees. This will allow a consistent, reportable, and more effective performance management solution across the system that will save time for all supervisors, human resource offices, and administration.
3. Reviewing additional human resources functions and actions for options where technology can streamline processes.

18. Implement Ongoing Lean Reviews of Practices and Procedures

SB 55 Point(s) Addressed: (1) The possible combining of administration at all levels of operation within an institution; (2) The possible combining of operations and functions across multiple institutions; (3) The possible combining of the administration of programs across multiple institutions; (6) A review of functions outside the core missions of teaching, learning, and research; (9) Any other possible cost-effective measures the task force determines are worthy of examination.

The Task Force recommends that the Board of Regents use the existing council system to conduct ongoing Lean reviews of practices and procedures. The university system utilizes a council system to recommend and review policies prior to adoption by the Board of Regents. The councils currently include the Academic Affairs Council, Business Affairs Council, Student Affairs Council, Technology Affairs Council, and the Council of Presidents and Superintendents. Each council includes representation from each institution and the central office staff. Lean (e.g., Six Sigma) is a management tool emphasizing continuous improvement, maximizing value, utilizing fewer resources, and reducing waste. Organizations that adopt Lean principles often see improvements in providing services while simultaneously reducing costs. While Lean's origins are in the private sector, government agencies have also experienced success in adapting Lean principles. In 2016, the South Dakota Legislature began implementing Lean reviews of selected state agencies. The Legislature selected the Board of Regents for Lean implementation beginning in 2020. Conducting Lean reviews hold tremendous potential for long-term reductions in system expenditures. While each council should select processes for review each year, the Task Force specifically recommends:

1. Continuing the current project of the Technology Affairs Council utilizing Lean to identify and implement common, system-wide technology standards. This includes reviewing hardware/software solutions, establishing shared service opportunities when practical, contract consolidation, risk avoidance, and ensuring financial sustainability. The Task Force understands that individual institutions have existing contracts and agreements with service providers; any system standards adopted as part of this recommendation should include a phased in approach that recognizes the terms of the existing contracts.

2. Conducting a Lean review through the Academic Affairs Council to document faculty workload and create related governance policies. The Lean review should identify a common form for capturing workload data, and establishing common definitions, data standards, and naming conventions in the university system. This process should include working with stakeholders from the central office and institutional representatives from academic records, academic affairs, faculty, and technology areas.
3. Conducting a Lean review through the appropriate council(s) on the onboarding and offboarding of employees (“onboarding” is the process of orienting new employees and “offboarding” is the process of formal separation through resignation, termination, or retirement). The university system should develop shared onboarding and offboarding procedures.

Note: The university system is currently working through several Lean review processes as recommended here, including those related to establishing common technology standards and faculty workload.

19. Identify and Implement Standards for Technology Interoperability and Data Governance

SB 55 Point(s) Addressed: (2) The possible combining of operations and functions across multiple institutions; (6) A review of functions outside the core missions of teaching, learning, and research; (9) Any other possible cost-effective measures the task force determines are worthy of examination.

The Task Force recommends that the Board of Regents develop and implement policies that address technology interoperability and data governance standards that apply to all institutions and the central office. In simplest terms, *interoperability* is the ability for information technologies (e.g., computers, networks, software, etc.) to exchange data across the university system while *data governance* provides a framework for addressing risk management, access, integrity, and quality of data. Currently, the university system does not have consistent standards for interoperability, leading to technology purchases at individual institutions that are not compatible with each other. In addition, current data governance policies are ambiguous and lack standardization, leading to both confusion and the potential for security breaches. Updated policies on technology interoperability, standard tool sets, and data governance will improve efficiency and provide greater risk management for sensitive information. Specifically, the Task Force recommends:

1. Identifying system-wide standards for technology tools (e.g., software) that support efficient, secure methods of data interoperability, including software hosted on-campus and off-campus.
2. Reviewing current processes, procedures, and policies to identify system-wide standards for data governance and technology interoperability applicable to all institutions and the central office. This includes identifying common data definitions and classifications.
3. Reviewing policies and audit procedures and recommending modifications to support on-going data management, governance, and security.

Note: The university system has initiated the process to gather information on requirements to support the selection of the appropriate interoperability tool(s).

20. Transfer the Processing of New University Employee Moving Expenses to the University System

SB 55 Point(s) Addressed: (9) Any other possible cost-effective measures the task force determines are worthy of examination.

The Task Force recommends that the Board of Regents collaborate with legislators and the State Auditor's Office on transferring the approval process for employee moving allowances within the university system. SDCL 3-9-9 through SDCL 3-9-12 establish state policy on travel and moving expenses in the recruitment of staff. Various sections of the state's Administrative Rules supplement these statutory provisions. Currently, the South Dakota Board of Finance processes these payments on behalf of the university system. However, the Board of Finance meeting schedule often delays timely reimbursement. Bringing this process within the university system or processing through the State Auditor would reduce unnecessary delays in reimbursement.

21. Review the Current List of Peer Institutions

SB 55 Point(s) Addressed: (9) Any other possible cost-effective measures the task force determines are worthy of examination.

The Task Force recommends that the Board of Regents work with each institution to review and revise their current list of peer institutions. Institutions use a variety of measures to determine their effectiveness, including comparison to other peer universities. Understanding how a university compares against peers provides useful insights on institutional quality, identify areas of strength, and determine opportunities for improvement. Institutional peers typically come from institutions that have similar missions, enrollment, student body demographics, academic programs, research investments, and other related variables. Once peers are determined, an institution can use publicly reported information to make comparisons on student graduation rates, enrollment trends, tuition and fees, staffing, financial health, and other efficiency measures. Institutions, however, change over time. This means that an institution may need an updated set of identified peers as it changes or as institutions on a peer list undergo change themselves.

The central office should work with the university presidents to establish a methodology that ensures selection of appropriate peers. This selection process should account for the selection of different groups of peers used for different purposes. For example, the central office should manage comparative peers used to report on institutional success or efficiency. Similarly, institutions may select other peer groups that identify competitor institutions as well as aspirational peers that are useful for internal planning and measuring institutional growth. Revised and updated institutional peers will improve analysis and reporting on key performance factors.

Note: The university system has created a committee to review peer institutions. The committee's work includes identifying common definitions and methodologies prior to presenting peer lists to the Board of Regents for approval.

22. Consolidate Title IX and EEO Compliance Functions Through a Shared Services Model

SB 55 Point(s) Addressed: (2) The possible combining of operations and functions across multiple institutions; (3) The possible combining of the administration of programs across multiple institutions.

The Task Force recommends that the Board of Regents establish a system-wide approach for Title IX/Equal Employment Opportunity compliance through shared or consolidated services. All universities must follow federal regulations established in Title IX of the Education Amendments of 1972 (Title IX) and the Equal Employment Opportunity Act of 1972 (EEO). In short, these require that universities function in a nondiscriminatory manner; failure to comply may result in the loss of eligibility for federal financial aid among other penalties. Each institution has personnel devoted to Title IX and EEO compliance. However, the resources available for compliance varies greatly by institution. Addressing specific Title IX and EEO compliance functions through a system-wide approach increases risk avoidance, decreases liability, provides more efficient use of staff, and reduces redundant job functions. Specifically, the Task Force recommends:

1. Consolidating Title IX and EEO investigative functions for the university system through a shared service center, with personnel located at USD and SDSU. The shared service center would conduct Title IX and EEO investigations for all six institutions, with oversight through the system's legal counsel. The shared service center should also pursue opportunities for centralized Title IX and EEO training programs/materials, templates/forms, etc. for all institutions.
2. Facilitating Title IX and EEO hearing processes through the system's central office (rather than individually by each institution), with the system's legal counsel providing the necessary staffing/support for the hearings.
3. Consolidating the compliance functions/processes for Title IX and EEO to include common system policies, forms and reporting structures, investigative practices, hearing procedures, and training programs for all institutions, as well as the elimination, reorganization, or redeployment of existing compliance staff.

23. Implement a Shared Service and Project Management Software

SB 55 Point(s) Addressed: (1) The possible combining of administration at all levels of operation within an institution; (2) The possible combining of operations and functions across multiple institutions; (6) A review of functions outside the core missions of teaching, learning, and research; (9) Any other possible cost-effective measures the task force determines are worthy of examination.

The Task Force recommends that the Board of Regents implement a single, system-wide service and project management software for all institutions and the central office. The Task Force identified a need for a single platform that will assist each institution's information technology department in tracking and responding to inquiries related to computer software and hardware systems. In addition, the Task Force noted a need for a service platform to manage projects throughout the university system.

The system Technology Affairs Council and Business Affairs Council (both including representatives from all institutions) has identified TeamDynamix as the appropriate software provider. The TeamDynamix software is customizable to the individual branding of each institution but remains integrated with the central office and other universities. Implementing this platform brings multiple departments and services together through technology, allowing users to retrieve information, submit service requests, and track progress. The software also streamlines staff functions by sharing workflow with relevant parties, reducing steps needed to accomplish tasks, and ensuring quicker response times to internal service requests (e.g., IT complaints and outages). As an example, USD's use of TeamDynamix resulted in increased efficiency in call center operations including an 18 percent reduction in time to resolution for service requests and a 13 percent reduction in front-line call center staff. In addition, the platform allowed USD to increase student staffing and reduce full-time staff, resulting in lower personnel costs.

Currently three institutions (SDSU, USD, and DSU) use TeamDynamix; the other three institutions and the central office should migrate to it after securing a system-wide contract. This software standard will provide long-term cost savings and create consistent project management.

Note: The university system has acquired a system license for TeamDynamix and is in the process of migrating all institutions and the central office to the software.

24. Establish a System Standard to Transition Telephone Services to Voice over Internet Protocol (VoIP) Technology

SB 55 Point(s) Addressed: (2) The possible combining of operations and functions across multiple institutions; (3) The possible combining of the administration of programs across multiple institutions; (6) A review of functions outside the core missions of teaching, learning, and research; (9) Any other possible cost-effective measures the task force determines are worthy of examination.

The Task Force recommends that the Board of Regents establish a system-wide telephone standard for all institutions to use Voice over Internet Protocol (VoIP) technology. VoIP allows users to place voice calls over broadband internet connections rather than traditional analog telephone technology. VoIP technology provides users with greater functionality while simultaneously lowering costs for telephone services. Currently, each institution has a separate contract for telephone services with some using VoIP technology and some not. Combining all institutions into a single system contract for VoIP services will create efficiencies through a single service provider and provide long-term savings. In addition, the Task Force recommends:

1. Implementing policy recommendations through the university system's Technology Affairs Council (including representatives from each institution) that identify VoIP as a system technology standard.
2. Identifying a single VoIP service provider for a consolidated system contract. This process should phase in to accommodate the existing service provider contracts held by individual institutions.

25. Establish a System Standard for Identity and Access Management

SB 55 Point(s) Addressed: (2) The possible combining of operations and functions across multiple institutions; (3) The possible combining of the administration of programs across multiple institutions; (6) A review of functions outside the core missions of teaching, learning, and research; (9) Any other possible cost-effective measures the task force determines are worthy of examination.

The Task Force recommends that the Board of Regents establish a common system standard for Identity and Access Management (IAM) that applies to all universities and the central office. IAM is the process that defines access privileges for users of information technology (IT) resources, including but not limited to computers, networks, routers, servers, smartphones, and other devices. IAM ensures that appropriate users (e.g., staff, students, etc.) have access while simultaneously preventing unauthorized users that may cause harm to IT resources or violate contracts and licenses. Currently, the university system does not have a common standard for IAM that applies to all institutions. This can cause disruptions to students who take courses online from multiple institutions within the system as well as create IT security vulnerabilities. Identifying and implementing a single strategy will create efficiencies through a single service provider, streamline services for all universities, reduce risk, and provide long-term cost savings. Governance of the IAM system should occur through the Regents Information System of the central office. Regents Information Systems and the Technology Affairs Council should establish the common system standard through a Lean review or other formal process.

26. Establish a System Standard for Endpoint Detection and Recovery/Response

SB 55 Point(s) Addressed: (2) The possible combining of operations and functions across multiple institutions; (3) The possible combining of the administration of programs across multiple institutions; (6) A review of functions outside the core missions of teaching, learning, and research; (9) Any other possible cost-effective measures the task force determines are worthy of examination.

The Task Force recommends that the Board of Regents establish a common system standard for Endpoint Detection and Recovery/Response that applies to all universities and the central office. Endpoint detection and recovery/response protects devices that connect to the network, including but not limited to computers, networks, routers, servers, smartphones, and other devices. Like all modern organizations, the number of endpoints utilized by faculty, staff, and students continues to grow in the university system. Endpoint detection and recovery/response helps the university system prevent data breaches and identify security threats in the early stages. In addition, it provides valuable information on how the breach occurred that is useable later in improving defenses. Currently, the university system does not have a common standard for endpoint detection and recovery/response that applies to all institutions. Insurance requirements mandate increased security in this area and implementation should reduce risks of malicious cyberattacks. Combining all institutions into a single strategy will create efficiencies through a single service provider, streamline services for all universities, reduce risk, and provide long-term cost savings. Governance of the endpoint detection and recover/response protocols should occur through the Regents Information System branch of the central office. Regents Information Systems and the Technology Affairs Council should establish the common system standard for the tool, a process to manage information generated, and a response mechanism to high-risk threats through a Lean review or other formal process.

27. Ongoing Refinement of Distance/Online Education Policies

SB 55 Point(s) Addressed: (2) The possible combining of operations and functions across multiple institutions; (3) The possible combining of the administration of programs across multiple institutions; (9) Any other possible cost-effective measures the task force determines are worthy of examination.

The Task Force recommends that the Board of Regents continue refining policies related to distance/online education. Time constraints and the depth of research on other matters prevented the Task Force from providing detailed recommendations in this area. However, the Task Force did identify three areas in which policy and process refinement could lead to greater efficiency and continuous improvement within the university system. The Task Force recommends that the Board of Regents continue with the following:

1. Reviewing and updating Online Course Quality Assurance process and policies. Online Course Quality Assurance is the process by which the university system reviews online courses to ensure they meet required standards. Current processes and policies related to online quality assurance require updates.
2. Reviewing processes for professional licensure disclosures/reporting for online students. The State Authorization Reciprocity Agreement (SARA) is the multi-state effort to authorize higher education institutions to offer online programs across state lines. Executive Order 2018-05 and SDCL 13-48-42 authorize the Board of Regents as South Dakota's portal agency for compliance with SARA regulations. Both SARA and the US Department of Education have reporting requirements for programs that lead to professional licensure, including informing students if the program will meet requirements in the state in which the student resides. This process requires research by each institution on licensure requirements for multiple occupations in numerous states. The Board of Regents should further explore the use of technology for managing the reporting requirements and making reporting more efficient.
3. Reviewing policies related to online accessibility under the Americans with Disabilities Act. The ability for students with disabilities to engage with digital content is critical for academic success. In addition, institutions must comply with legal requirements related to

accessibility. The Board of Regents should continue to work with the institutions and students with disabilities to understand the access challenges within the online learning environment. Defining strategies to gain full compliance with federal law should be primary to these discussions.

28. Continue Investigating Options for Expanding System-wide Contracts for Library Resources

SB 55 Point(s) Addressed: (2) The possible combining of operations and functions across multiple institutions; (3) The possible combining of the administration of programs across multiple institutions; (9) Any other possible cost-effective measures the task force determines are worthy of examination.

The Task Force recommends that the Board of Regents continue investigating options for expanding system-wide contracts for library resources. The Task Force requested that the System Library Council (consisting of representatives from each institution) conduct a thorough review of all university system library subscriptions. The findings identified that the system contracts already implemented have created greater opportunities for access to library information at a reduced cost for all institutions. However, the review did not yield additional opportunities to consolidate contracts in ways that provided expanded access to resources or cost reductions at this time. As current library resource subscriptions or contracts expire, the university system should continue to review options for possible system-wide memberships or participation.

29. Expand Student Mental Health Options Through Telehealth Options

SB 55 Point(s) Addressed: (6) A review of functions outside the core missions of teaching, learning, and research; (9) Any other possible cost-effective measures the task force determines are worthy of examination.

The Task Force recommends that the Board of Regents investigate options for expanding student mental health options to include telehealth options. Student demand for mental health services have increased tremendously in recent years. As evidence of this demand, a February 2019 article in the *New York Times* stated that over 60 percent of students nationally reported “overwhelming anxiety.” The Covid-19 pandemic only increased this demand from students; a September 2020 *Inside Higher Education* article indicated that a quarter of students surveyed during the Covid-19 crisis had considered suicide. Moreover, faculty and staff need additional training on these emerging student mental health needs. All system institutions need additional assistance in providing mental health services. Telehealth options provide opportunities to expand student access to these vital services. The university system should seek funding for expanded mental health programming through telehealth options, to include requests for funding available through the federal America Rescue Plan Act of 2021 (ARPA) as administered in South Dakota through the state’s Bureau of Finance and Management (BFM).

Note: BFM distributed rules associated with ARPA funds in May of 2021. ARPA included eligible funding categories for behavioral healthcare needs including but not limited to mental health treatment, crisis intervention, and outreach promoting access to health and social services. Central office staff met with representatives from the Department of Social Services (DSS) to identify a plan and budget for an ARPA proposal submitted to BFM for consideration. The Board of Regents received information on this proposal and related budget requests at its June 2021 meeting.

30. Update University Mission Statements to Better Define Distinctions Between Institutions

SB 55 Point(s) Addressed: (4) A review of the duplication of program offerings; (5) A review of the academic majors with low enrollments and low numbers of graduates; (9) Any other possible cost-effective measures the task force determines are worthy of examination.

The Task Force recommends the Board of Regents institute a new institutional mission framework that more clearly defines the individual contributions and expertise of each institution. Primarily, the new mission framework should define the curriculum emphases of each institution to effectively regulate unnecessary academic program duplication and aid informed decision-making on low enrolled programs as requested within SB 55. However, a rigorous review and update of institutional missions will have additional benefits. The Board of Regents governs a unified higher education system in which its six universities each contribute in distinct ways. Revised mission statements should establish substantive differentiation in the service each university fulfills in the broader system mission to the state in academic programming, geographic areas served, and scope of research investments.

The Task Force has provided a policy framework for consideration by the Board of Regents in updating institutional missions. This draft framework identifies the primary functions of each campus, statutorily authorized academic programming, and research scope so that the six institutions serve distinct purposes. Within this framework, the Board of Regents should work with institutional communities to establish additional specialization in academic programs and other areas. The Task Force further recommends the Board of Regents study and consider other variables that can drive mission differentiation for each institution, including but not limited to differential admission standards, differential tuition and fee rates, authority to offer remedial coursework, and authority to offer high school dual credit courses.

Recommended Institutional Mission Framework

Note: The policy framework/statement found in the following pages provides important information related to institutional missions within South Dakota's system of public higher education and gives context to the work of reviewing these missions. This proposed policy would supplement, not necessarily replace, current Board of Regents policies that identify the missions for each institution. Existing institutional mission policies may require revision after consideration by the Board of Regents.

BOR INSTITUTIONAL MISSIONS POLICY STATEMENT

The South Dakota Board of Regents has constitutional authority to govern and set policy for South Dakota's system of public higher education. This includes the authority to enhance the legislatively defined mission of each of the six universities within the system through Board of Regents policy. Each university has unique traits and distinct expertise; the Board's responsibility includes integration of these traits and expertise in a collective use of resources for the common good of the state. The Board avoids unnecessary duplication of functions and programming by focusing the resources of individual institutions in a cooperative fashion. South Dakota Codified Law (SDCL) reinforces the Board's responsibility to "establish the departments and courses of study, in the institutions under its control" (SDCL 13-53-1) and to "administer the schools as to enable each one of them to do in the best manner its own specific work, with a view to the strictest economy, and so as to unify and harmonize the entire work of all the schools" (SDCL 13-53-3).

To ensure that the Board of Regents responds to the state's need for an educated workforce and citizenry while maintaining efficient use of resources, the Board has established that there are three different categories of universities within the system:

- research universities
- regional universities
- special focus universities

Each category serves a distinct purpose within the system relative to academic programs, scholarly research, and populations served. Universities further identify and define unique capabilities within their assigned category that make each institution a distinct and integral part of the overall university system. Strategic planning at universities within the system must recognize the statutory and Board approved missions.

DEFINITIONS

Primary Functions

- **Research Universities** offer a broad array of undergraduate, graduate, and professional programs and are characterized as doctoral granting with a Carnegie Classification of very high or high research activity. Institutions operating within this sector are nationally

recognized research institutions with significant commitments to receipt of external funding.

- **Regional Universities** serve the educational and programming needs of their geographic region and offer a number of undergraduate and limited master's-level programs, but no doctoral programs. The emphasis is on teaching and service with limited focus on basic or applied research activity.
- **Special Focus Universities** offer undergraduate, graduate, and professional programs with a high concentration of such programs in a single field or narrowly focused set of related fields. Special focus universities offer master's and doctoral programs within their special focus area as well as maintain a research commitment within the assigned special focus area.

Secondary Functions are those functions related to institutional missions specifically identified in state code or Board of Regents policy as assigned to the university.

Additional Statutory Functions are those functions not directly related to institutional mission identified in state code or the state constitution as assigned to a specific university. These typically include research and state service initiatives.

Curriculum Emphases are the areas of academic programming assigned to the university through state code, state constitution, or Board of Regents policy. Curriculum emphases guide the addition of new academic programs at the institutional level and guide approval by the Board of Regents.

Research Focus defines institutional commitment to scholarly research as informed by the Carnegie Classification of Institutions of Higher Education and Board of Regents policy. Research focus and the level of graduate programs are closely related, thus this section includes the highest level of graduate degree authorized for each institution and the predominant fields in which the institution engages in research.

Geographic Scope defines the physical geographic areas in which the university functions. Generally speaking, those institutions with a primary function of a research university operate on a national and global scale, regional universities operate primarily in service to the state and to their regional communities, and specialty focus universities serve the state with a broader scope within their special academic focus.

The following chart shows the current primary functions, secondary functions, additional statutory functions, curriculum emphases, research focus, and geographic scope for each institution within the South Dakota university system.

	Primary Function	Secondary Functions	Additional Statutory Functions	Curriculum Emphases	Research Focus	Geographic Scope
USD	Research University	SD's liberal arts university; comprehensive university of BOR system; School of Medicine; School of Law; Community College for Sioux Falls ¹	Center for Indian studies ²	Liberal arts and sciences, business, education, fine arts, law and medicine ³	Doctoral, high research activity, comprehensive programs; medical school ⁴	State, region, nation, and beyond
SDSU	Research University	South Dakota's land-grant university, including a comprehensive land grant mission ⁵	Agriculture extension work, agriculture experiment station, animal disease research & diagnostic laboratory, art museum, agricultural heritage museum ⁶	Liberal arts and sciences, agriculture, education, engineering, home economics, nursing and pharmacy; respiratory therapy; veterinary science collaborations ⁷	Doctoral, high research activity, STEM dominant programs ⁸	State, region, nation, and beyond
BHSU	Regional University	The only multipurpose university in western SD; BHSU-Rapid City; preparation of elementary & secondary teachers ⁹	Center for Indian studies ¹⁰	Elementary and secondary education ¹¹	Master's, education-dominant with arts & sciences ¹²	State, West River SD region, Rapid City via BHSU-RC
NSU	Regional University	Preparation of elementary and secondary teachers ¹³	Center for statewide e-learning ¹⁴	Elementary and secondary education ¹⁵	Master's, education-dominant with other professional programs ¹⁶	State, Northeastern SD region
DSU	Specialty Focus University	Technology-infused programs in computer management/information systems ¹⁷	Lake County museum ¹⁸	Computer management, information systems, electronic data processing, elementary and secondary education, and medical records ¹⁹	Doctoral in specialized focus fields ²⁰	State and region, national scope within specialty focus
SD MINES	Specialty Focus University	SD's technological university ²¹	Mining experiment station, museum of geology and paleontology ²²	Engineering, natural sciences, mining, and metallurgy ²³	Doctoral in specialized focus fields ²⁴	State and region, national scope within specialty focus

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- ¹ “Liberal arts university” in SDCL 13-57-1, “comprehensive university” in BOR Policy 1:10:1, school of medicine in SDCL 13-57-3.1, CCSF leadership in BOR Policy 1:10:1. The school of law is not authorized in a separate state statute like the school of medicine, but SDCL 13-57-1 authorizes USD for “professional education in ... law and medicine.”
- ² SDCL 13-57-3.2.
- ³ SDCL 13-57-1.
- ⁴ Carnegie Classification of Institutions of Higher Education, Basic Classification Description (https://carnegieclassifications.iu.edu/classification_descriptions/basic.php) and Graduate Instructional Program Classification (https://carnegieclassifications.iu.edu/classification_descriptions/grad_program.php).
- ⁵ SDCL 13-58-1 designates SDSU as “South Dakota’s Land-grant University” and BOR Policy 1:10:2 adds the statement that SDSU is “unique within the South Dakota System of Higher Education because of its comprehensive land grant mission.”
- ⁶ Agriculture and home economics extension in SDCL 13-54-1, agricultural experiment station in SDCL 13-58-11, ADRDL in SDCL 13-58-13, SD art museum in SDCL 13-58-19, agricultural heritage museum in SDCL 13-49-32.
- ⁷ Liberal arts and sciences, agriculture, education, engineering, home economics, nursing and pharmacy in SDCL 13-58-1. Respiratory care is in SDCL 13-59-2.4 and authorized for DSU “unless otherwise transferred by the Board of Regents” which occurred at the May 2020 BOR meeting transferring the program to SDSU. Veterinary students in SDCL 13-49-20.14.
- ⁸ Carnegie Classification of Institutions of Higher Education, Basic Classification Description, (https://carnegieclassifications.iu.edu/classification_descriptions/basic.php).
- ⁹ “The only multipurpose university in western South Dakota” and leadership of BHSU-RC in BOR Policy 1:10:4. “Preparation of elementary and secondary teachers” in SDCL 13-59-1.
- ¹⁰ SDCL 13-59-2.1.
- ¹¹ SDCL 13-59-1.
- ¹² Carnegie Classification of Institutions of Higher Education, Basic Classification Description (https://carnegieclassifications.iu.edu/classification_descriptions/basic.php) and Graduate Instructional Program Classification (https://carnegieclassifications.iu.edu/classification_descriptions/grad_program.php).
- ¹³ SDCL 13-59-1.
- ¹⁴ The state legislature authorized funding for e-learning at NSU in 2001 and BOR Policy 1:10:6 authorizes NSU for “a special emphasis on E-learning.”
- ¹⁵ SDCL 13-59-1.
- ¹⁶ Carnegie Classification of Institutions of Higher Education, Basic Classification Description (https://carnegieclassifications.iu.edu/classification_descriptions/basic.php) and Graduate Instructional Program Classification (https://carnegieclassifications.iu.edu/classification_descriptions/grad_program.php).
- ¹⁷ “Technology-infused programs in computer management/information systems” is a summary of BOR Policy 1:10 and SDCL 13-59-2.2.
- ¹⁸ SDCL 13-59-17.
- ¹⁹ SDCL 13-59-2.4. The “medical records” programs referenced in statute currently include DSU’s BS in health information management and the AS in health information technology.
- ²⁰ Carnegie’s current basic classification for DSU is “Master’s Colleges & Universities: Small Programs.” The special focus designation used here is likely to appear in the next Carnegie classification update and recognizes the proposed Board designation for DSU as a special focus university. Carnegie Classification of Institutions of Higher Education, Basic Classification Description (https://carnegieclassifications.iu.edu/classification_descriptions/basic.php) and Graduate Instructional Program Classification (https://carnegieclassifications.iu.edu/classification_descriptions/grad_program.php).
- ²¹ BOR Policy 1:10:3.
- ²² Mining experiment station in SDCL 13-60-4 and museum of geology and paleontology in SDCL 13-60-8.
- ²³ Engineering and the natural sciences in SDCL 13-60-1. The South Dakota Constitution 14-5 states that “mining and metallurgy” shall be taught in at least one institution and currently is taught at SD Mines.
- ²⁴ Carnegie Classification of Institutions of Higher Education, Basic Classification Description (https://carnegieclassifications.iu.edu/classification_descriptions/basic.php) and Graduate Instructional Program Classification (https://carnegieclassifications.iu.edu/classification_descriptions/grad_program.php).

31. Expand Advocacy and Communication with Higher Education Stakeholders

SB 55 Point(s) Addressed: (9) Any other possible cost-effective measures the task force determines are worthy of examination.

The Task Force recommends that the Board of Regents improve upon and expand its advocacy of public higher education. The Board of Regents should broaden relationships with state officials, legislators, congressional representatives, workforce/industry leaders, K-12 community, technical colleges, university home communities, and the public. The Task Force notes the importance of relationship building with these constituencies to ensure transparency, attain recognition for higher education's contributions to the state, and encourage equitable funding for each institution. To achieve these goals, the Task Force specifically recommends:

1. Increasing the frequency of conversations with key legislators outside of legislative session, including regular meetings with members of the Joint Committee on Appropriations.
2. Publishing and/or presenting an annual State of the University System describing yearly accomplishments and efficiencies achieved.
3. Continuing partnerships with K-12, private universities/college, tribal colleges, and technical colleges within the state on collaborations that best serve South Dakota students and residents.
4. Scheduling annual or regular meetings with state congressional delegation staff to advocate for federal policies benefiting South Dakota students and residents.
5. Updating the system's economic impact study to communicate the tremendous financial benefit and return on investment provided by the university system to the state. See Recommendation 14.
6. Promoting the success of academic innovations unique to South Dakota's higher education system, including but not limited to the common catalog (e.g., common general education

requirements, course names and numbering, and transcript) that create seamless student transfer between system universities and collaborative academic programs that provide students with expertise from multiple institutions.

7. Promoting the success of shared service innovations unique to South Dakota's higher education system that create financial and personnel efficiencies, including but not limited to the common enterprise data system for student information systems, human resources, and finance operations.
8. Creating, sharing, promoting, and executing a new strategic plan for the university system that incorporates the findings and recommendations of the SB 55 Task Force.
9. Sharing the results of the Program Demand Gap Analysis study commissioned by the SB 55 Task Force with other stakeholders to aid in promoting workforce development within the state. This includes the state legislature, state agencies, Governor's Office of Economic Development, and regional workforce organizations.
10. Establishing an ongoing Board of Regents appointed advisory committee promoting the relationship between public universities and workforce development. The advisory committee/task force should include regents, presidents, state government officials, and leaders from a variety of South Dakota industry and business sectors. The committee/task force should engage in and promote public conversations about the number of graduates in high need fields, skills developed through a public university education, the value of a liberal arts education, and public/private collaborations to retain more graduates in the state.

32. Increase Internal Collaboration on Online Course Delivery

SB 55 Point(s) Addressed: (2) The possible combining of operations and functions across multiple institutions; (4) A review of the duplication of program offerings; (5) A review of the academic majors with low enrollments and low numbers of graduates.

The Task Force recommends the Board of Regents explore additional opportunities for collaboration between institutions in the delivery of online coursework. The university system's existing policy framework provides opportunities for institutional collaboration exceeding those in most other states. The university system utilizes a common course catalogue and common transcript; in simplest terms, the common catalogue and common transcript allow students to use courses from any system institution to fulfill credits at any other system institution (e.g., History 101 at BHSU is equivalent to History 101 at USD). This framework eliminates the uncertainty that exists when students attempt to transfer completed coursework within the system. Closer monitoring of online courses available from multiple institutions may provide opportunities to collapse underutilized course sections (e.g., course sections not at maximum enrollment) into fewer sections, reducing instructional delivery costs. The Task Force specifically recommends:

1. Preparing a report through the central office that monitors online course rotation schedules and courses with multiple online sections. The report should aid in decisions to cancel a section and enroll students in a section offered by another system institution.
2. Establishing policies that replace multiple low-enrolled identical online course sections with a single course section for students from all institutions when possible.
3. Establishing policies that promote increased use of collaborative programs (e.g., majors, minors, etc.) within the system where multiple institutions share authority to offer the program, share course requirements to complete the program, and rotate the offering of the courses between the institutions. Such an approach would maintain a robust catalog of online academic programs available throughout the system while controlling unnecessary duplication and unneeded expense. Current examples exist within the system providing a template for replication, including but not limited to German and Physics programs.

33. Revise Course Section Enrollment Policies

SB 55 Point(s) Addressed: (5) A review of the academic majors with low enrollments and low numbers of graduates.

The Task Force recommends the Board of Regents revise policies related to minimum course section size (i.e., minimum enrollments required to offer an individual course section) to improve the efficiency of coursework delivery. As context, individual courses may have multiple sections. For example, History 101 is a *course*; History 101 may have *sections* offered at 8:00 a.m., 9:00 a.m., and 10:00 a.m. Current system policy requires undergraduate courses to have a minimum of ten students, master's courses to have a minimum of seven students, and doctoral courses to have a minimum of four students. However, there are exceptions built into the policy depending on the designated "instructional method" assigned to each course. The "instructional method" is determined by the nature of the teaching required. For example, courses designated with the instructional method "studio" (courses designed for significant student/teacher engagement in fine arts courses), "workshop" (intense, narrowly tailored topic courses typically offered in some graduate programs), and "internships" (field-based learning) are all excluded from reporting requirements under the existing policy. The instructional method-based exceptions prevent an accurate understanding of the effectiveness of the policy. Moreover, a disparate number of course sections with low enrollment make the delivery of coursework less efficient and more expensive by requiring more faculty to teach fewer students. To achieve greater efficiency in the delivery of coursework, the Task Force specifically recommends:

1. Eliminating "instructional method" references from system policies and related exceptions to minimum course section enrollment policies. In addition, the Task Force recommends eliminating all other exceptions to the policy other than those discussed in Section 3 of this recommendation.
2. Placing the responsibility for managing compliance with minimum course section enrollment policies on the institutions and establish incentives for compliance.
3. Establishing policies that allow a maximum of 18 percent of an institution's undergraduate course sections to have enrollments below the minimum enrollment requirements. In

addition, the Board of Regents should receive an annual report of course sections that are below minimum enrollments, including documenting any low enrolled course sections offered in order to ensure students had access to coursework required for degree completion.

4. Standardizing the process for institutions creating new course sections where individual instruction is a component (e.g., currently some institutions combine all such students into one course section while others enroll each student in a separate course section). This will result in more accurate tracking of policy compliance.
5. Establishing policies governing low enrolled course sections offered during summer or non-standard academic terms that ensure financial viability for institutions offering the course.

34. Utilize a Data-driven Program Demand Gap Analysis to Inform Decisions on Necessary/Unnecessary Academic Program Duplication

SB 55 Point(s) Addressed: (4) A review of the duplication of program offerings; (5) A review of the academic majors with low enrollments and low numbers of graduates.

The Task Force recommends that the Board of Regents use the data provided in a program demand gap analysis to inform decisions on academic program duplication within the system (i.e., academic programs offered at more than one institution). Duplication of programs within the system is not currently a rampant problem; about 75 percent of undergraduate and graduate majors in the university system are available at a single institution. Where program duplication does exist, it is not always a negative – the challenge to the Board of Regents is to determine when program duplication is necessary and when it is unnecessary. One significant measure in determining whether program duplication is necessary or unnecessary is recognition of the university system’s role in supplying an educated workforce to South Dakota’s businesses and industries. The Task Force commissioned Emsi, a private labor market analytics firm, to complete an academic program demand gap analysis to determine the current alignment of major fields of study with the state’s workforce needs. The Emsi analysis provides a starting point for data-driven decisions when proposals for duplicative academic programs come forward. To further guide the use of the Emsi program demand gap analysis, the Task Force further recommends:

1. Using the information provided in the academic program demand gap analysis as a central variable in decisions on proposals for new academic programs that are potentially duplicative within the university system.
2. Identifying high demand occupations and related academic fields that may require expansion or development to meet anticipated workforce needs.

3. Reviewing academic programs where public universities produce a surplus of graduates relative to state workforce demand. However, the Task Force cautions that not all such academic programs require termination or reduction. In some cases, graduates in high demand fields compete in regional or national labor markets and may choose employment outside of South Dakota, creating state workforce shortages despite universities producing an adequate number of graduates. In such situations, it is imperative that the public universities produce more graduates in a field than labor projections indicate are necessary. It is also important for the Board of Regents to work with state and regional workforce and/or economic development organizations to identify businesses and industries that need graduates from the university system.
4. Updating the information in the Emsi analysis on a regular basis. The Emsi analysis looks at a specific point in time, therefore has a limited timeframe for reliability. Labor and workforce markets can change quickly, especially as technology makes some occupations obsolete and creates new ones. The Board of Regents should update this analysis every three to five years to ensure academic program offerings continue to align with workforce and student demand.
5. Sharing the program demand gap analysis with other stakeholders to aid in promoting workforce development within the state. This includes the state legislature, state agencies, Governor's Office of Economic Development, and regional workforce organizations. Moreover, the Board of Regents should consider partnership with the state technical colleges on future editions of the program demand gap analysis to produce an integrated and comprehensive view of public higher education's relationship to the state workforce.

35. Revise Policies for Academic Programs with Low Enrollments and Low Number of Graduates

SB 55 Point(s) Addressed: (5) A review of the academic majors with low enrollments and low numbers of graduates.

The Task Force recommends the Board of Regents revise policies related to “program productivity,” the common name given to policies addressing academic programs with a low number of graduates. The revised policies should include new metrics analyzing whether failure to meet enrollment or graduation requirements result in the program as retained, terminated, consolidated, or other outcomes. The new metrics and policies should also include information that better reflect the actual cost of offering the program, program alignment with strategic plans, state workforce needs, alignment with the new academic program approval process, consideration of academic quality, and opportunities for input from faculty and students. The Task Force further recommends that the central office work with the Board of Regents to standardize and define the quantitative data provided in support of the new program productivity review and that the strategic impact, academic quality, student success, and financial health metrics be added to all program reviews. The Task Force specifically recommends:

1. Implementing an annual review process of academic programs for compliance with new standards on graduates produced (i.e., degree completions), minimum enrollment, and net revenue generated. The primary metrics used in the annual program productivity review process should include:
 - a. The number of degree completions within the academic program.
 - b. Student headcount enrollment in the academic program.
 - c. The revenue and expenses generated by offering the academic program. The revenue and expense calculation should include faculty workload, faculty average salaries and benefits, number of course sections within the program, enrollment in course sections within the program, student credit hours generated by program, total tuition and fee revenue collected by the program, total revenue generated from grants or other sources beyond tuition and fees, total expenditures, and net revenue and expenditures).

2. Implementing a set of secondary metrics that may justify continuation of a program that fails to meet the standards of the primary metrics. Secondary metrics should include elements for strategic impact, academic quality, student success, and financial health of the program.
3. Revising policies so that if a program meets the productivity standards for enrollment and net revenue generation regardless of the number of degree completions, then the program meets policy standards.
4. Revising policies so that programs flagged as not meeting the new program productivity standards have an opportunity to submit improvement plans at the discretion of the Board of Regents. Improvement plans should be submitted within a specific time or the program should be considered as not meeting policy standards.
5. Revising policies to make clear that all terminated programs shall include a teach-out plan in compliance with the requirements of the Higher Learning Commission (the regional accreditor approved by the US Department of Education for South Dakota), providing the least disruption for students, faculty, and staff.
6. Revising the New Program Proposal guidelines to align with the program productivity policy and guidelines. A New Program Review should be implemented to review New Program growth, enrollment, and budget projections.

Senate Bill 55

An Act to require the Board of Regents to assemble a task force to study the operations and functions of the institutions of higher education under the board's authority.

Be it enacted by the Legislature of the State of South Dakota:

Section 1. The Board of Regents shall assemble a task force consisting of at least eleven members to examine the possible program and administrative efficiencies and cost effectiveness that may be achieved through the shared administration of the South Dakota School of Mines and Technology, Black Hills State University, Dakota State University, Northern State University, South Dakota State University, and the University of South Dakota. The membership of the task force shall include four members of the Joint Committee on Appropriations appointed by the Joint Committee on Appropriations. All expenses incurred in carrying out the work of the task force shall be paid out of funds appropriated or otherwise provided to the board.

The board shall present the findings of the task force to the Governor and to the Joint Committee on Appropriations no later than November 15, 2021.

Section 2. The task force examination shall include the following:

- (1) The possible combining of administration at all levels of operation within an institution;
- (2) The possible combining of operations and functions across multiple institutions;
- (3) The possible combining of the administration of programs across multiple institutions;
- (4) A review of the duplication of program offerings;
- (5) A review of the academic majors with low enrollments and low numbers of graduates;
- (6) A review of functions outside the core missions of teaching, learning, and research;
- (7) A review of the operations and functions provided as an efficiency through the central office of the Board of Regents;
- (8) A review of the viability of the university centers; and
- (9) Any other possible cost-effective measures the task force determines are worthy of examination.

Signed March 20, 2020