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OFFICE OF THE EXECUTIVE DIRECTOR

October 14, 2022

Representative Chris Karr, Lead Co-Chair, Joint Committee on Appropriations
Senator Jean Hunhoff, Co-Chair, Joint Committee on Appropriations

Response to Letter of Intent Regarding Annual Financial Report on University Center Operations

Dear Representative Karr and Senator Hunhoff:

Attached you will find the detailed annual financial reports for the Centers; Black Hills State University – Rapid City, and the University of South Dakota - Sioux Falls as requested in the Letter of Intent dated August 20, 2019. The reports include revenues, expenditures, enrollment, credit hours, and overhead allocations for the past three fiscal years and projections for the current year.

As previously stated, the financial reports represent the accumulation of revenues and expenses for each of the universities offering courses at the Centers. Should you have further questions, please let us know.

Sincerely,

Dr. Brian L. Maher

Attachments:
A – Operating Statement of Black Hills State University – Rapid City
B – Operating Statement of the University of South Dakota – Sioux Falls

Cc: President Gestring
President Dunn
President Nichols

Black Hills State University - Rapid City
Operating Statement for Fiscal Year Ended June 30

	FY19	FY20	FY21	FY22	Projected FY23*
Total Credits Generated	13,008	11,517	8,391	8,292	12,500
Students Served	1,270	1,134	879	834	1,130
REVENUES					
Campus Tuition and Fees (net of HEFF)					
BHSU	$3,969,491	$3,427,322	$2,469,842	$2,235,813	$1,530,000
SDSU	$229,957	$232,382	$194,249	$244,731	$2,200,968
USD	$160,399	$116,580	$68,289	$118,126	$0
Total Tuition Generated by the Campuses	$4,359,847	$3,776,284	$2,732,380	$2,598,670	$3,730,968
Other Revenue					
Rentals	$14,371	$17,366	$1,748	$16,571	$20,000
Testing Services	$24,154	$23,469	$5,896	$1,032	$2,000
Auxiliary Operations	$67,450	$56,110	$59,574	$56,672	$60,000
Total Other Revenue	$105,975	$96,945	$67,218	$74,275	$82,000
Total Revenues	**$4,465,822**	**$3,873,229**	**$2,799,598**	**$2,672,945**	**$3,812,968**
EXPENSES					
Campus Instructional Costs					
BHSU	$1,319,816	$1,273,523	$1,003,331	$932,674	$750,000
SDSU	$253,812	$253,989	$243,580	$188,454	$2,100,756
USD	$75,716	$67,112	$45,105	$50,047	$0
Total Campus Instructional Costs	$1,649,344	$1,594,624	$1,292,016	$1,171,175	$2,850,756
BHSU-RC Operating Costs					
BHSU	$1,434,260	$1,354,289	$800,115	$784,206	$700,000
SDSU	$57,737	$62,337	$60,500	$60,949	$61,000
USD	$0	$0	$0	$0	$0
Total BHSU-RC Operating Costs	$1,491,997	$1,416,626	$860,615	$845,155	$761,000
Overhead					
BHSU	$384,095	$332,033	$239,230	$217,744	$151,823
SDSU	$21,906	$22,219	$18,332	$23,175	$26,706
USD	$15,126	$10,993	$6,440	$11,139	$0
Total Overhead	$421,127	$365,246	$264,002	$252,059	$178,529
Total Expenses with Overhead	**$3,562,468**	**$3,376,496**	**$2,416,633**	**$2,268,388**	**$3,790,285**
Net Revenue after Overhead					
BHSU	$934,951	$561,184	$494,229	$374,433	$8,177
SDSU	($101,155)	($102,925)	($128,008)	($26,815)	$14,506
USD	$69,557	$38,474	$16,744	$56,940	$0
Total Net Revenue after Overhead	**$903,353**	**$496,734**	**$382,965**	**$404,557**	**$22,683**

*FY23 projections reflect change from self-support to state-support tuition and fees (where applicable) on F2F.
FY23 is the first year that includes some portion of Nursing via SDSU - didactic classes have been moved to BHRC location.
*No overhead charged on SDSU Nursing

University of South Dakota - Sioux Falls
Operating Statement for Fiscal Years Ended June 30

	FY19	FY20	FY21	FY22	USD Sioux Falls Campus - Comprehensive Financial FY23 Projected
Total Credits Generated[1]	14,734	11,337	7,548	6,865	12,643
Students Served[1]	1,436	1,222	868	694	993
REVENUES					
Campus Tuition and Fees (net of HEFF)					
USD [1], [2]	$2,249,572	$2,381,696	$1,853,737	$1,751,051	$3,923,008
SDSU	$1,189,769	$621,124	$241,273	$85,022	$0
DSU	$491,797	$162,580	$13,121	$0	$0
Total Tuition Generated by the Campuses	$3,931,138	$3,165,400	$2,108,131	$1,836,072	$3,923,008
Other Revenue [3]					
General Funds	$0	$0	$0	$0	$1,574,826
Extramural	$0	$0	$0	$0	$1,745,417
Institutional Support	$0	$0	$0	$0	$336,280
Private	$0	$0	$0	$0	$300,000
Rentals	$215,876	$211,425	$215,673	$213,171	$521,648
Testing Services	$55,956	$43,903	$14,826	$14,078	$16,411
Auxiliary Operations	$167,062	$263,215	$136,295	$78,092	$58,644
Total Other Revenue	$438,894	$518,543	$366,794	$305,341	$4,553,227
Total Revenues	**$4,370,032**	**$3,683,943**	**$2,474,925**	**$2,141,413**	**$8,476,235**
EXPENSES					
Campus Instructional Costs [4]					
USD	$734,420	$1,387,194	$1,250,765	$1,066,970	$2,877,955
SDSU	$538,997	$349,847	$221,547	$64,522	$0
DSU	$273,021	$107,378	$8,544	$0	$0
Total Campus Instructional Costs	$1,546,439	$1,844,419	$1,480,857	$1,131,492	$2,877,955
USD SF Operating Costs [5]					
USD	$955,351	$1,138,730	$1,081,105	$1,172,234	$1,857,929
SDSU	$955,351	$140,367	$54,525	$19,214	$0
DSU	$260,551	$36,741	$2,965	$0	$0
USD-SF	$413,760	$518,543	$366,794	$305,341	$0
Total USD-SF Operating Costs	$2,585,012	$1,834,381	$1,505,389	$1,496,789	$1,857,929
Other Expenses [6]					
USD	$0	$0	$0	$0	$3,277,156
SDSU	$0	$116,274	$0	$0	$0
DSU	$0	$0	$0	$0	$0
USD-SF	$0	$0	$0	$0	$0
Total USD-SF Operating Costs	$0	$116,274	$0	$0	$3,277,156
Overhead [7]					
USD	$212,135	$224,594	$174,807	$165,124	$799,309
SDSU	$112,195	$58,572	$22,752	$8,018	$0
DSU	$46,376	$15,331	$1,237	$0	$0
Total Overhead	$370,706	$298,497	$198,797	$173,142	$799,309
Total Expenses with Overhead	**$4,502,157**	**$4,093,571**	**$3,185,043**	**$2,801,422**	**$8,812,350**
Net Revenue after Overhead					
USD	$347,666	($368,821)	($652,941)	($653,278)	($336,114)
SDSU	($416,774)	($43,936)	($57,551)	($6,731)	$0
DSU	($88,152)	$3,130	$374	$0	$0
USD-SF	$25,134	$0	$0	$0	$0
Total Net Revenue after Overhead	**($132,125)**	**($409,628)**	**($710,118)**	**($660,009)**	**($336,114)**

Footnotes:

1. *Credit Hours and Students Served and Tuition Revenues: In addition to Associate, Undergrad Gen Ed and HSDC; now includes BME, Nursing SF, MSW and CRNA credits hours, student served and tuition revenues.*
2. *Tuition and Fee Revenues: Reflect change from self support to state support tuition and fees (where applicable) on F2F campuses delivered at USD SF plus self-support tuition revenues for on-line courses delivered by program/faculty based at USD SF (MSW)*
3. *Other Revenues: General funds include those allocated in BME, Nursing SF, MSW, and CPCM. Extramural Revenues included those generated by BME/GEAR and CPCM. Institutional Support CRNA and BME. Private includes CRNA ramp-up contribution from Sanford ($1.5M over 5 years). Rentals now include BME.*
4. *Campus Instructional Costs: now include those associated with BME, Nursing SF, MSW and CRNA*
5. *USD SF Operating Costs: assumes filling of vacancies in FY23*
6. *Other expenses: now include non-faculty personal services and OE expenses for BME/GEAR, Nursing SF, MSW, CRNA and CPCM.*
7. *Overhead: previously assessed USD OH of 9.43%*