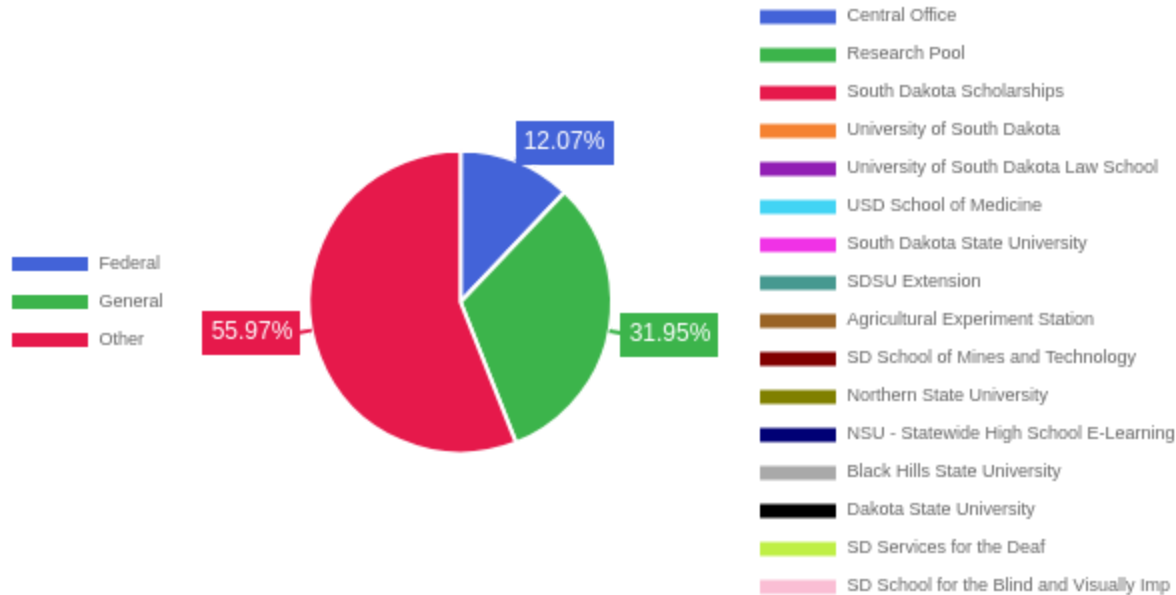


Board of Regents

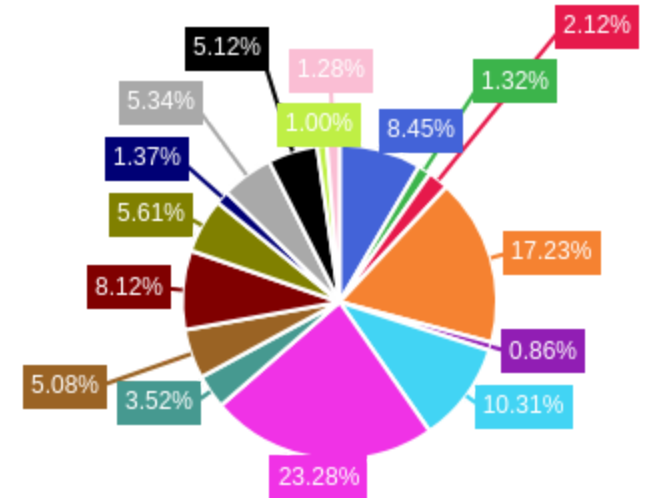
Fiscal Year 2026 Budget Brief Summary

Information contained in this document is based on the Governor's FY2026 Budget and may not correspond with the final budget adopted by the Legislature.

Source of Funds



Distribution of General Funds



Key Personnel

Central Office

Nathan Lukkes, Executive Director & CEO

Heather Forney, System VP of Finance & Administration

Dr. Janice Minder, System VP for Academic Affairs

Anne Langdell, Budget Manager

Board of Regents

Tim Rave, President

Douglas Morrison, Secretary

Judy Dittman

James Lochner

Pam Roberts

Jeff Partridge, Vice President

Brock Brown

Randy Frederick

Randy Rasmussen

Mission of the Board of Regents

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

Board of Regents Budget Units

- Central Office (150)
- Research Pool (1516)
- South Dakota Scholarships (1517)
- University of South Dakota (1520)
- University of South Dakota Law School (1522)
- USD School of Medicine (1525)
- South Dakota State University (1530)
- SDSU Extension (1533)
- Agricultural Experiment Station (1536)
- SD School of Mines and Technology (1540)
- Northern State University (1550)
- NSU - Statewide High School E-Learning (1551)
- Black Hills State University (1560)
- Dakota State University (1570)
- SD Services for the Deaf (1580)
- SD School for the Blind and Visually Imp (1590)

Major Items Summary - Board of Regents

	Agency Request					Governor's Recommendation				
	General	Federal	Other	Total	FTE	General	Federal	Other	Total	FTE
FY 2026 Base Budget	\$318,890,170	\$115,577,001	\$522,527,079	\$956,994,250	5,079.4	\$318,890,170	\$115,577,001	\$522,527,079	\$956,994,250	5,079.4
1. Academic Building Insurance (Captive Insurance)	\$3,196,736	\$0	\$0	\$3,196,736	0.0	\$0	\$0	\$0	\$0	0.0
2. AES Increased Other Fund Grant Activity	\$0	\$0	\$1,000,000	\$1,000,000	0.0	\$0	\$0	\$1,000,000	\$1,000,000	0.0
3. Bond/Lease Payment Adjustments	(\$4,366)	\$0	\$0	(\$4,366)	0.0	(\$4,366)	\$0	(\$900,000)	(\$904,366)	0.0
4. Cybersecurity Technology Funding	\$2,750,000	\$0	\$0	\$2,750,000	0.0	\$0	\$0	\$2,750,000	\$2,750,000	0.0
5. Elimination of Digital Dakota Network (DDN)	\$0	\$0	\$0	\$0	0.0	(\$400,000)	\$0	\$0	(\$400,000)	0.0
6. EPSCoR Matching Grant General Fund Reduction	\$0	\$0	\$0	\$0	0.0	(\$600,000)	\$0	\$0	(\$600,000)	0.0
7. EXT Increased Federal Grants Activity	\$0	\$1,000,000	\$0	\$1,000,000	5.0	\$0	\$1,000,000	\$0	\$1,000,000	5.0
8. First Day Access for Books	\$0	\$0	\$1,250,000	\$1,250,000	0.0	\$0	\$0	\$1,250,000	\$1,250,000	0.0
9. Grants General Fund Reduction	\$0	\$0	\$0	\$0	0.0	(\$300,000)	\$0	\$0	(\$300,000)	0.0
10. Maintenance and Repair	\$7,429,929	\$0	\$0	\$7,429,929	0.0	(\$9,088,656)	\$0	\$0	(\$9,088,656)	0.0

11. New E-Learning Technology Support Position and Software	\$0	\$0	\$0	\$0	0.0	\$104,000	\$0	\$0	\$104,000	1.0
12. NSU Athletic Operations Increase	\$0	\$0	\$100,000	\$100,000	0.0	\$0	\$0	\$100,000	\$100,000	0.0
13. NSU Dean of the School of Business Funding	\$0	\$0	\$109,000	\$109,000	0.0	\$0	\$0	\$109,000	\$109,000	0.0
14. NSU Graduate Assistant Funding Source Change	\$0	\$0	\$216,000	\$216,000	0.0	\$0	\$0	\$216,000	\$216,000	0.0
15. NSU Marketing Increase	\$0	\$0	\$200,000	\$200,000	0.0	\$0	\$0	\$200,000	\$200,000	0.0
16. Personal Service General Fund Reduction	\$0	\$0	\$0	\$0	0.0	(\$1,100,000)	\$0	\$0	(\$1,100,000)	0.0
17. Room and Board Increases	\$0	\$0	\$8,750,000	\$8,750,000	6.0	\$0	\$0	\$8,750,000	\$8,750,000	6.0
18. SDSU Increased Tuition Revenue	\$0	\$0	\$2,000,000	\$2,000,000	3.0	\$0	\$0	\$2,000,000	\$2,000,000	3.0
19. Student Fee Increase	\$0	\$0	\$1,430,000	\$1,430,000	10.0	\$0	\$0	\$1,430,000	\$1,430,000	10.0
20. Summer Camps & Activities Increase	\$0	\$0	\$400,000	\$400,000	0.0	\$0	\$0	\$400,000	\$400,000	0.0
21. Tuition Inflationary Buy-Down (3% Salary Policy)	\$3,500,000	\$0	\$0	\$3,500,000	0.0	\$0	\$0	\$0	\$0	0.0
22. USD Wellness Center/Aquatics Facility	\$0	\$0	\$536,000	\$536,000	0.0	\$0	\$0	\$536,000	\$536,000	0.0
23. USD/SSOM Emergency Medicine Clinical Department	\$300,000	\$0	\$0	\$300,000	1.1	\$300,000	\$0	\$0	\$300,000	1.1
24. Utility Cost Adjustment	\$1,014,761	\$0	\$0	\$1,014,761	0.0	\$706,848	\$0	\$0	\$706,848	0.0
FY 2026 Total Budget	\$337,077,230	\$116,577,001	\$538,518,079	\$992,172,310	5,104.5	\$308,507,996	\$116,577,001	\$540,368,079	\$965,453,076	5,105.5
Change from Base Budget	\$18,187,060	\$1,000,000	\$15,991,000	\$35,178,060	25.1	(\$10,382,174)	\$1,000,000	\$17,841,000	\$8,458,826	26.1
% Change from Base Budget	5.7%	0.9%	3.1%	3.7%	0.5%	(3.3%)	0.9%	3.4%	0.9%	0.5%

1. Academic Building Insurance (Captive Insurance)

	General	Federal	Other	Total	FTE
Agency Request	\$3,196,736	\$0	\$0	\$3,196,736	0.00
Governor's Recommendation	\$0	\$0	\$0	\$0	0.00

The agency requests an increase of **\$3,196,736** in **general funds** for academic building insurance premium increases (captive insurance). Since FY19, insurance premiums for academic buildings on BOR campuses have increased by nearly 450%. The campuses have been using tuition and fee funds to cover these increased costs.

INSTITUTION	FY	ACAD BLDG INS PAID	\$ CHANGE FROM PRIOR FY	% CHANGE FROM PRIOR FY	% CHANGE FROM FY19
System	FY19	\$ 712,081			
	FY20	\$ 800,630	\$ 88,549	12%	12%
	FY21	\$ 1,249,526	\$ 448,896	56%	75%
	FY22	\$ 1,988,168	\$ 738,642	59%	179%
	FY23	\$ 2,720,161	\$ 731,993	37%	282%
	FY24	\$ 3,908,817	\$ 1,188,656	44%	449%

	FY19	FY20	FY21	FY22	FY23	FY24	5-Year Change	% Change
BHSU	\$ 53,350	\$ 57,206	\$ 89,131	\$ 127,122	\$ 186,603	\$ 270,162	\$ 216,812	406%
DSU	\$ 34,574	\$ 50,210	\$ 77,235	\$ 114,818	\$ 158,049	\$ 222,308	\$ 187,734	543%
NSU	\$ 46,309	\$ 54,694	\$ 90,639	\$ 127,780	\$ 241,910	\$ 344,545	\$ 298,236	644%
SDSMT	\$ 74,566	\$ 82,612	\$ 132,266	\$ 189,091	\$ 272,487	\$ 390,639	\$ 316,073	424%
SDSU	\$ 336,429	\$ 369,936	\$ 550,685	\$ 844,481	\$ 1,091,973	\$ 1,561,157	\$ 1,224,728	364%
USD	\$ 166,853	\$ 185,972	\$ 309,570	\$ 584,876	\$ 769,139	\$ 1,120,006	\$ 953,153	571%
Total	\$ 712,081	\$ 800,630	\$ 1,249,526	\$ 1,988,168	\$ 2,720,161	\$ 3,908,817	\$ 3,196,736	449%

The governor does not recommend this request.

2. AES Increased Other Fund Grant Activity

	General	Federal	Other	Total	FTE
Agency Request	\$0	\$0	\$1,000,000	\$1,000,000	0.00
Governor's Recommendation	\$0	\$0	\$1,000,000	\$1,000,000	0.00

The agency requests an increase of **\$1,000,000** in **other fund** expenditure authority for SDSU-AES has experienced growth in other fund grant awards from state, private, and other entities. These funds are continuously appropriated (SDCL [13-49-37](#)).

Examples of grant funding include awards from: the SD Wheat Council, the National Buffalo Foundation, SD Soybean Research & Promotion Council, and the National Pork Board. Grant expenditures may vary grant to grant but can include contracting usage of equipment or for testing, maintenance contracts for equipment, or external consulting.

The governor recommends this request.

3. Bond/Lease Payment Adjustments

	General	Federal	Other	Total	FTE
Agency Request	(\$4,366)	\$0	\$0	(\$4,366)	0.00
Governor's Recommendation	(\$4,366)	\$0	(\$900,000)	(\$904,366)	0.00

The agency requests a decrease of **(\$4,366)** in **general funds** for bond payment adjustments. The 2007 Legislature (HB1101) authorized the South Dakota Building Authority (SDBA) to provide \$8.6M in revenue bonds for critical maintenance and repair of certain academic buildings. The legislature appropriated general funds to the Board of Regents to pay the annual lease payment, which is repaid by the M&R fee revenue dollars. According to the current lease payment schedule, the FY26 critical deferred maintenance lease payment is \$620,609, a decrease of \$4,366.

*The governor recommends a decrease of **(\$4,366)** in **general funds** and a decrease of **(\$900,000)** in **other fund** expenditure authority to pay off the Precision Agriculture Building bond early. Each year, the General Appropriations Act transfers general fund moneys into the precision agriculture fund, from which payments are made.*

4. Cybersecurity Technology Funding

	General	Federal	Other	Total	FTE
Agency Request	\$2,750,000	\$0	\$0	\$2,750,000	0.00
Governor's Recommendation	\$0	\$0	\$2,750,000	\$2,750,000	0.00

The agency requests an increase of **\$2,750,000** in **general funds** for cybersecurity technology funding. In FY23, the Legislature authorized \$5,106,000 in one-time general funds (HB1049 Supplemental Bill) to assist the Regental system in upgrading cybersecurity. The funding is intended to fund firewall maintenance, privileged account management, security information and event management, backups, security assessments, multi-factor authentication, managed detection response, and employee cybersecurity training.

FY26 BASE FUNDING REQUEST

DESCRIPTION	AMOUNT
Firewall Maintenance	\$625,000
Privileged Account Management	\$75,000
Security Information & Event Management	\$350,000
Backup	\$150,000
Security Assessment	\$235,000
Multi-Factor Authentication	\$275,000
Managed Detection Response	\$700,000
Employee Cybersecurity Training	\$340,000
Annual Total	\$2,750,000

*The governor recommends an increase of **\$2,750,000** in **other fund** expenditure authority. The expenses would be charged back to the campuses to cover the additional costs within their existing budgets. The source of the funds has not been identified yet.*

5. Elimination of Digital Dakota Network (DDN)

	General	Federal	Other	Total	FTE
Agency Request	\$0	\$0	\$0	\$0	0.00
Governor's Recommendation	(\$400,000)	\$0	\$0	(\$400,000)	0.00

The governor recommends a decrease of **(\$400,000)** in **general funds** for the elimination of the Digital Dakota Network (DDN). DDN is a teleconferencing system primarily used for delivering courses and occasionally used for hosting meetings for both internal and external users. BHSU, DSU, and NSU proper no longer use the DDN. SDSU, USD, and SDSMT all use DDN to deliver their joint PhD programs and SDSU also uses it to deliver some language courses.

The biggest BOR-user of the DDN is the NSU Center for Statewide E-Learning (CSEL). It exclusively uses DDN to deliver its courses on daily basis across the state. For the fall 2024 semester, they have 64 connections (course meetings) on Mondays and Wednesdays, 72 connections on Tuesdays and Thursdays, and 13 connections on Fridays.

6. EPSCoR Matching Grant General Fund Reduction

	General	Federal	Other	Total	FTE
Agency Request	\$0	\$0	\$0	\$0	0.00
Governor's Recommendation	(\$600,000)	\$0	\$0	(\$600,000)	0.00

The governor recommends a decrease of **(\$600,000)** in **general funds** for the Established Program to Stimulate Competitive Research (EPSCoR) Matching Grant General Fund Reduction. The agency does not currently have an EPSCoR grant, but if BOR receives a grant in the future, a reinstatement of funds would be requested. The EPSCoR focuses on STEM, broad reach, diverse participation, and community engagement. In 2020, the BOR applied for and was awarded a five-year \$20M NSF EPSCoR RII Track-1 grant to enhance research competitiveness in South Dakota through a multidisciplinary project focused on biofilm research, development of diverse STEM workforce, K-12 STEM education, and technology-based economic development.

The six regental institutions in collaboration with three tribal colleges, Augustana University, Dakota Wesleyan University and the Governor’s Office of Economic Development have focused on building biofilm research infrastructure, strengthening STEM education in rural and Native American communities and supporting entrepreneurship and innovation in collaboration with South Dakota businesses. The BOR is currently awaiting word on an application of another EPSCoR-like grant award. If it does not come to fruition, federal authority will be reduced at that time.

More information about the program can be found [here](#).

7. EXT Increased Federal Grants Activity

	General	Federal	Other	Total	FTE
Agency Request	\$0	\$1,000,000	\$0	\$1,000,000	5.00
Governor's Recommendation	\$0	\$1,000,000	\$0	\$1,000,000	5.00

The agency requests an increase of **\$1,000,000** in **federal fund expenditure authority** and an increase of **5.0** FTE for additional grants at SDSU - Extension. The positions requested would be Extension Field Specialists and Extension Associates and could be located throughout the state. These funds are continuously appropriated (SDCL [13-49-36](#)).

Examples of grants can range from grassland education planning projects (USDA - NRCS) to enhancing sheep health and productivity trainings (USDA - NCR-SARE). Grant expenditures may vary grant to grant but can include rents for locations throughout the state and software licenses, educational and office supplies, printing costs, etc. While most federal grants come from the USDA (Agriculture), they can also come from the EPA (Environmental Protection Agency), HHS (Health & Human Services), or DOC (Dept. of Commerce), etc.

The governor recommends this request.

8. First Day Access for Books

	General	Federal	Other	Total	FTE
Agency Request	\$0	\$0	\$1,250,000	\$1,250,000	0.00
Governor's Recommendation	\$0	\$0	\$1,250,000	\$1,250,000	0.00

The agency requests an increase of **\$1,250,000** in **other fund** expenditure authority for First Day Access for Books at SDSU and USD. First Day Access (FDA) is a course material delivery model where faculty adopt an eBook or Courseware, and the digital content is sent automatically to students on or before the first day of class. The university bookstores coordinate the First Day Access programs which requires them (the bookstore) to purchase the digital textbook access on behalf of the students. The student can opt out of the FDA material and may be able to purchase a hard copy version in the bookstore or elsewhere. The majority of the digital textbooks are a 180-day license at the base price. Many publishers offer extensions or lifetime access for a higher rate. For courses such as calculus 1, 2 & 3, which are continuation courses, the license covers the future semesters as well.

While there has been cost increases with the provider, VitalSource (previously Akademos), most of the increase is driven by demand with more students opting to get their resources through FDA. If the student opts in, the university collects payments from the students, then in turn pays the vendor. Each campus has their own contract.

The governor recommends this request.

9. Grants General Fund Reduction

	General	Federal	Other	Total	FTE
Agency Request	\$0	\$0	\$0	\$0	0.00
Governor's Recommendation	(\$300,000)	\$0	\$0	(\$300,000)	0.00

The governor recommends a decrease of **(\$300,000)** in **general funds** for grants. It is yet to be determined what grant allocations this would affect.

10. Maintenance and Repair

	General	Federal	Other	Total	FTE
Agency Request	\$7,429,929	\$0	\$0	\$7,429,929	0.00
Governor's Recommendation	(\$9,088,656)	\$0	\$0	(\$9,088,656)	0.00

The agency requests an increase of **\$7,429,929** in **general funds** for funding maintenance and repair at 2% of replacement values.

The governor recommends a decrease of **(\$9,088,656)** in **general funds** for funding maintenance and repair at 1.25% of replacement values.

See full M&R graphic in the detailed brief.

11. New E-Learning Technology Support Position and Software

	General	Federal	Other	Total	FTE
Agency Request	\$0	\$0	\$0	\$0	0.00
Governor's Recommendation	\$104,000	\$0	\$0	\$104,000	1.00

The governor recommends an increase of **\$104,000** in **general funds** and an increase of **1.0** FTE. With the elimination of the Digital Dakota Network (DDN), the governor is recommending adding a technology support position for \$80,000 (at NSU-CSEL) and \$24,000 (at BOR-RIS) for 60 additional zoom licenses to host Center for Statewide E-Learning CSEL courses. The position, located in Aberdeen, would address all scheduling connectivity, and IT-related functions necessary for delivering courses.

Currently, students and school districts sign up for courses on the DOE SD Center for Virtual Education website and the course enrollments list is sent to the CSEL principal who determines the course allocations and scheduling for the academic year. That schedule is then sent to NSU's IT for review and submission to BIT for scheduling on the DDN system. When a course is set to occur, the course connection will automatically begin and terminate at the scheduled start and end time. No assistance or additional action is required by the teacher or student(s). Students can simply attend the course like they would a normal, in-person course. If there are any connectivity issues, then BIT currently provides the tech support to address them.

12. NSU Athletic Operations Increase

	General	Federal	Other	Total	FTE
Agency Request	\$0	\$0	\$100,000	\$100,000	0.00
Governor's Recommendation	\$0	\$0	\$100,000	\$100,000	0.00

The agency requests an increase of **\$100,000** in **other fund** expenditure authority for athletic operations at Northern State University such as travel, uniforms, equipment, and supplies. Funds are also used to cover the cost of hosting athletic camps. The revenue comes from a variety of sources (sales/services funds) including camp registrations, gate receipts, game guarantees, conference reimbursements, team fund raising, and private donations.

The governor recommends this request.

13. NSU Dean of the School of Business Funding

	General	Federal	Other	Total	FTE
Agency Request	\$0	\$0	\$109,000	\$109,000	0.00
Governor's Recommendation	\$0	\$0	\$109,000	\$109,000	0.00

The agency requests an increase of **\$109,000** in **other fund** expenditure authority for additional outside funding received and used to support the Dean of the School of Business. The salary was supported with state general funds in the past; however, those funds are now supporting other university salaries, benefits, and operating costs.

The governor recommends this request.

14. NSU Graduate Assistant Funding Source Change

	General	Federal	Other	Total	FTE
Agency Request	\$0	\$0	\$216,000	\$216,000	0.00
Governor's Recommendation	\$0	\$0	\$216,000	\$216,000	0.00

The agency requests an increase of **\$216,000** in **other fund** expenditure authority for a change in the NSU graduate assistants funding source supported by university overhead which comes from tuition, services provided to other entities or departments (SDSBVI, E-Learning), grant indirect, transcript fees, and application fees. Graduate Assistants were paid from state general funds in the past; however, those funds are now supporting other university salaries, benefits, and operating costs. The number of graduate assistants did not increase.

The governor recommends this request.

15. NSU Marketing Increase

	General	Federal	Other	Total	FTE
Agency Request	\$0	\$0	\$200,000	\$200,000	0.00
Governor's Recommendation	\$0	\$0	\$200,000	\$200,000	0.00

The agency requests an increase of **\$200,000** in **other fund** expenditure authority for a marketing increase at Northern State University (NSU). Funding, which comes from private or donated funds, will be used across multiple campaigns.

The governor recommends this request.

16. Personal Service General Fund Reduction

	General	Federal	Other	Total	FTE
Agency Request	\$0	\$0	\$0	\$0	0.00
Governor's Recommendation	(\$1,100,000)	\$0	\$0	(\$1,100,000)	0.00

*The governor recommends a decrease of **(\$1,100,000)** in **general funds** for reductions in personal services. The reductions would have to be identified by the institutions and could include vacant, retiring, or currently filled positions. The approach to any reductions will vary depending on the needs and circumstances at each campus.*

17. Room and Board Increases

	General	Federal	Other	Total	FTE
Agency Request	\$0	\$0	\$8,750,000	\$8,750,000	6.00
Governor's Recommendation	\$0	\$0	\$8,750,000	\$8,750,000	6.00

The agency requests an increase of **\$8,750,000** in **other fund** expenditure authority and an increase of **6.0** FTE for room and board cost increases at various campuses. The authority requested by BHSU, SDSU, and USD is to address increased enrollment, retention, and/or utilization meaning additional meal plans be paid to Sodexo (the BOR food service provider) as well as addressing increased residence hall operating expenses. The system has one food service contract through Sodexo, as a result of the SB55 taskforce in 2022. In FY25, the contract increase was 5.15%. Some campuses have enough excess authority to assume this increase in food service contracts.

SB55 (2020) progress (https://sdbor.edu/wp-content/uploads/2023/11/4_A_BOR0823.pdf).

The governor recommends this request.

18. SDSU Increased Tuition Revenue

	General	Federal	Other	Total	FTE
Agency Request	\$0	\$0	\$2,000,000	\$2,000,000	3.00
Governor's Recommendation	\$0	\$0	\$2,000,000	\$2,000,000	3.00

The agency requests an increase of **\$2,000,000** in **other fund** expenditure authority and an increase of **3.0** FTE for increased tuition revenue. Enrollment and retention at South Dakota State University (SDSU) has increased the past three years. Generally, the more students, the more staff hired to teach and advise, especially in the general education courses which are required for most students. The tuition and fees fund is continuously appropriated.

The governor recommends this request.

19. Student Fee Increase

	General	Federal	Other	Total	FTE
Agency Request	\$0	\$0	\$1,430,000	\$1,430,000	10.00
Governor's Recommendation	\$0	\$0	\$1,430,000	\$1,430,000	10.00

The agency requests an increase of **\$1,430,000** in **other fund** expenditure authority and an increase of **10.0** FTE for student fee services increased cost at SDSU, BHSU, and DSU. Enrollment has gone up over the entire system, so the campuses are planning for increased expenses such as additional personnel for additional courses and section offerings, advising, supplies and materials, lab equipment, and software contracts.

The governor recommends this request.

20. Summer Camps & Activities Increase

	General	Federal	Other	Total	FTE
Agency Request	\$0	\$0	\$400,000	\$400,000	0.00
Governor's Recommendation	\$0	\$0	\$400,000	\$400,000	0.00

The agency requests an increase of **\$400,000** in **other fund** expenditure authority for summer camp and activity cost increases at Black Hills State University (BHSU) and Dakota State University (DSU). In a typical summer, the campuses can host between 40-50 summer camps, ranging from athletics to academics. Examples include a point guard college basketball camp, CybHER camp, or the Lakota AI Coding camp, along with many others. Camps are generally targeted at kids in the prime age for college recruitment. However, both campuses may have summer gatherings with adult learners. The fund source is general sales and services, so typically the camp would have an associated cost/fee to the attendee.

The governor recommends this request.

21. Tuition Inflationary Buy-Down (3% Salary Policy)

	General	Federal	Other	Total	FTE
Agency Request	\$3,500,000	\$0	\$0	\$3,500,000	0.00
Governor's Recommendation	\$0	\$0	\$0	\$0	0.00

The agency requests an increase of **\$3,500,000** in **general funds** for tuition buy down for the 2025-2026 academic year (FY26) while still covering an estimated 3% salary policy for those employees paid by tuition funds. The BOR did not increase tuition or fees for FY21 due to pandemic uncertainties. For FY22, there was a 1.1% adjustment across the system. For FY23, FY24, and FY25, the BOR froze tuition and fees after general funds were allocated by the legislature.

The governor does not recommend this request.

22. USD Wellness Center/Aquatics Facility

	General	Federal	Other	Total	FTE
Agency Request	\$0	\$0	\$536,000	\$536,000	0.00
Governor's Recommendation	\$0	\$0	\$536,000	\$536,000	0.00

The agency requests an increase of **\$536,000** in **other fund** expenditure authority for USD Wellness Center aquatic facility operations. The increased authority is for auxiliary funds for additional staffing, utilities supplies, and insurance. The original wellness center was built in 2011 and the expansion was approved during the 2022 session in SB42. The wellness center did not have a pool prior to the new addition of the aquatics center. In the past and at present, the swim/dive team have utilized a significantly aged pool located in the DakotaDome. Once the new Wellness Center Aquatic facility is open, they will transition to using the new pool. The DakotaDome pool will be filled in and the space repurposed for other indoor training needs. The public can utilize the facilities for a membership fee. The Wellness Center uses about 20.4 FTE, 8 faculty staff FTE and 12.4 student FTE.

The governor recommends this request.

23. USD/SSOM Emergency Medicine Clinical Department

	General	Federal	Other	Total	FTE
Agency Request	\$300,000	\$0	\$0	\$300,000	1.10
Governor's Recommendation	\$300,000	\$0	\$0	\$300,000	1.10

The agency requests an increase of **\$300,000** in **general funds** and an increase of **1.1** FTE for the creation of the USD/SSOM Emergency Medicine Clinical Department. General funds would support a department chair and support staff. The residency program will be supported by the healthcare systems in the state in an effort to retain medical students in South Dakota. The university anticipates a four year ramp up period, with 18 resident spots in the program when fully functional.

The governor recommends this request.

24. Utility Cost Adjustment

	General	Federal	Other	Total	FTE
Agency Request	\$1,014,761	\$0	\$0	\$1,014,761	0.00
Governor's Recommendation	\$706,848	\$0	\$0	\$706,848	0.00

The agency requests an increase of **\$1,014,761** in **general funds** for utility cost adjustments.

The governor recommends an increase of **\$706,848** in **general funds**.

The state uses a software called EnergyCAP (also referred to as ENCAP) to track and analyze agencies' energy usage throughout the fiscal year. To calculate the budget adjustments needed for utilities, agencies multiply their utilization by energy source from the previous year ended (FY24 for the current adjustments) by the Statewide Energy Manager's projected future price rates for each energy source, which are based on data from utility suppliers and industry resources. Additionally, the Statewide Energy Manager provides projections on weather sensitivity for each energy source and adjustments for heating and cooling days.

Combining the most recent fiscal year of data on their actual energy utilization with the Energy Manager's projections, agencies request any adjustments to their utilities budgets that they are forecasted to need for the next fiscal year. Utility cost adjustments for the current fiscal year (which appear in the supplemental to the current year's G-Bill) are calculated in the same way as adjustments for the next fiscal year, except that the percentage change in the cost rates is typically different.

This process is used for natural gas, propane, electricity, and fuel oil. Other utility adjustments are requested outside of this process and evaluated separately.

Board of Regents Budget Request

By Fund Category	FY 2023 Actual	FY 2024 Actual	FY 2024 Budget Revised	FY 2025 Budget	FY 2026 Agency Request	FY 2026 Governors Recommended	Change From FY2025
General	\$281,895,029	\$319,051,292	\$320,644,340	\$318,890,170	\$337,077,230	\$308,507,996	(\$10,382,174)
Federal	\$89,875,289	\$100,677,877	\$119,460,727	\$115,577,001	\$116,577,001	\$116,577,001	\$1,000,000
Other	\$452,871,823	\$459,758,841	\$531,827,067	\$522,527,079	\$538,518,079	\$540,368,079	\$17,841,000
Total	\$824,642,141	\$879,488,010	\$971,932,134	\$956,994,250	\$992,172,310	\$965,453,076	\$8,458,826

By Program	FY 2023 Actual	FY 2024 Actual	FY 2024 Budget Revised	FY 2025 Budget	FY 2026 Agency Request	FY 2026 Governors Recommended	Change From FY2025
Central Office	\$98,470,546	\$94,268,554	\$105,789,869	\$88,652,578	\$98,828,141	\$81,577,556	(\$7,075,022)
Research Pool	\$1,000,000	\$4,672,951	\$4,672,951	\$4,672,951	\$4,672,951	\$4,072,951	(\$600,000)
South Dakota Scholarships	\$5,917,266	\$6,080,374	\$6,134,519	\$6,555,306	\$6,555,306	\$6,555,306	\$0
University of South Dakota	\$142,414,905	\$150,538,748	\$165,983,711	\$169,448,954	\$173,280,304	\$170,887,380	\$1,438,426

By Program	FY 2023 Actual	FY 2024 Actual	FY 2024 Budget Revised	FY 2025 Budget	FY 2026 Agency Request	FY 2026 Governors Recommended	Change From FY2025
University of South Dakota Law School	\$5,206,312	\$5,524,159	\$6,340,755	\$6,610,993	\$6,671,594	\$6,610,993	\$0
USD School of Medicine	\$58,103,451	\$61,987,471	\$69,132,529	\$71,529,675	\$72,062,726	\$71,829,675	\$300,000
South Dakota State University	\$237,982,486	\$261,124,004	\$275,689,587	\$272,298,931	\$287,235,662	\$283,699,738	\$11,400,807
SDSU Extension	\$17,357,281	\$20,119,382	\$22,683,759	\$21,125,151	\$22,125,151	\$22,125,151	\$1,000,000
Agricultural Experiment Station	\$45,919,200	\$50,288,926	\$62,960,105	\$57,502,427	\$58,502,427	\$58,502,427	\$1,000,000
SD School of Mines and Technology	\$72,242,002	\$77,129,276	\$85,350,533	\$85,161,488	\$85,541,748	\$84,768,475	(\$393,013)
Northern State University	\$38,914,012	\$40,166,161	\$44,356,727	\$45,772,645	\$46,794,961	\$46,199,633	\$426,988
NSU - Statewide High School E-Learning	\$3,464,302	\$4,015,049	\$4,015,049	\$4,142,392	\$4,142,392	\$4,222,392	\$80,000
Black Hills State University	\$41,626,829	\$43,565,446	\$47,205,311	\$49,969,060	\$51,335,308	\$50,613,307	\$644,247
Dakota State University	\$50,011,999	\$53,092,306	\$63,719,107	\$65,558,889	\$66,421,719	\$65,788,371	\$229,482
SD Services for the Deaf	\$2,737,383	\$3,406,571	\$3,589,417	\$3,553,342	\$3,558,827	\$3,556,628	\$3,286
SD School for the Blind and Visually Imp	\$3,274,169	\$3,508,632	\$4,308,205	\$4,439,468	\$4,443,093	\$4,443,093	\$3,625
Total	\$824,642,141	\$879,488,010	\$971,932,134	\$956,994,250	\$992,172,310	\$965,453,076	\$8,458,826
By Object Expenditure Personnel Costs	FY 2023 Actual	FY 2024 Actual	FY 2024 Budget Revised	FY 2025 Budget	FY 2026 Agency Request	FY 2026 Governors Recommended	Change From FY2025
	\$470,013,040	\$512,209,959	\$548,845,161	\$577,178,628	\$583,288,150	\$578,812,628	\$1,634,000
Salaries	\$379,021,452	\$412,557,804	\$437,347,214	\$459,929,563	\$466,039,085	\$461,563,563	\$1,634,000
Benefits	\$90,991,588	\$99,652,155	\$111,497,947	\$117,249,065	\$117,249,065	\$117,249,065	\$0
Operating Expenditures	FY 2023 Actual	FY 2024 Actual	FY 2024 Budget Revised	FY 2025 Budget	FY 2026 Agency Request	FY 2026 Governors Recommended	Change From FY2025
	\$354,629,101	\$367,278,052	\$423,086,973	\$379,815,622	\$408,884,160	\$386,640,448	\$6,824,826
Travel	\$22,901,115	\$23,671,307	\$17,839,089	\$21,970,871	\$22,018,871	\$22,018,871	\$48,000
Contractual Services	\$168,749,600	\$176,803,005	\$258,587,339	\$232,660,202	\$260,150,740	\$238,807,028	\$6,146,826
Supplies	\$48,688,891	\$49,859,362	\$60,504,432	\$51,994,179	\$53,037,179	\$53,037,179	\$1,043,000
Grants	\$34,146,853	\$43,685,902	\$47,325,699	\$41,088,656	\$41,088,656	\$40,188,656	(\$900,000)
Capital Outlay	\$78,528,519	\$71,431,020	\$38,830,414	\$32,101,714	\$32,588,714	\$32,588,714	\$487,000
Other Expenses and Budgeted Operating Transfers Out	\$1,614,122	\$1,827,455	\$0	\$0	\$0	\$0	\$0
Total	\$824,642,141	\$879,488,010	\$971,932,134	\$956,994,250	\$992,172,310	\$965,453,076	\$8,458,826

Operating Expenditures	FY 2023 Actual	FY 2024 Actual	FY 2024 Budget Revised	FY 2025 Budget	FY 2026 Agency Request	FY 2026 Governors Recommended	Change From FY2025
Full-Time Equivalent (FTE)	4,585.35	4,665.48	5,064.4	5,079.4	5,104.5	5,105.5	26.1

Funding Sources (Governor's Recommended)						
	General	Federal	Other	General%	Federal%	Other%
STATE GENERAL FUND	\$308,507,996	\$0	\$0	100.0%	0.0%	0.0%
SDSBVI FEDERAL FUNDS	\$0	\$92,727	\$0	0.0%	0.1%	0.0%
BOR RESEARCH PROJECTS	\$0	\$107,577,604	\$0	0.0%	92.3%	0.0%
SCHOOL FOR THE DEAF-OTHER	\$0	\$0	\$191,241	0.0%	0.0%	0.0%
SDSBVI-OTHER	\$0	\$0	\$95,135	0.0%	0.0%	0.0%
EDUCATIONAL FACILITIES FUND	\$0	\$0	\$30,046,984	0.0%	0.0%	5.6%
SCHOOL FOR THE DEAF-SPL	\$0	\$0	\$277,382	0.0%	0.0%	0.1%
SDSBVI-OTHER	\$0	\$0	\$314,463	0.0%	0.0%	0.1%
HIGHER EDUCATION SCHOLARSHIPS	\$0	\$0	\$1,571,000	0.0%	0.0%	0.3%
TUITION & FEES FUND	\$0	\$0	\$204,860,962	0.0%	0.0%	37.9%
SDSU NON-CAFR FUNDS (INFO)	\$0	\$0	\$1,630,000	0.0%	0.0%	0.3%
SDSM&T SCHOOL & PUBLIC LANDS FUND	\$0	\$0	\$133,022	0.0%	0.0%	0.0%
BOARD OF REGENTS OTHER FUNDS	\$0	\$0	\$261,983,517	0.0%	0.0%	48.5%
BOR RESEARCH PROJECTS	\$0	\$0	\$37,185,584	0.0%	0.0%	6.9%
SDSU SCHOOL & PUBLIC LANDS FUND	\$0	\$0	\$848,451	0.0%	0.0%	0.2%
SDSU AG EXPERIMENT STATION-SPL FUND	\$0	\$0	\$400,000	0.0%	0.0%	0.1%
USD SCHOOL & PUBLIC LANDS FUND	\$0	\$0	\$236,041	0.0%	0.0%	0.0%
NSU SCHOOL & PUBLIC LANDS FUND	\$0	\$0	\$247,577	0.0%	0.0%	0.0%
BHSU SCHOOL & PUBLIC LANDS FUND	\$0	\$0	\$173,360	0.0%	0.0%	0.0%
DSU SCHOOL & PUBLIC LANDS FUND	\$0	\$0	\$173,360	0.0%	0.0%	0.0%
SDSU FEDERAL FUNDS	\$0	\$8,906,670	\$0	0.0%	7.6%	0.0%

Governor's Recommend FY25 Supplemental Bill Changes - Board of Regents

Board of Regents Maintenance and Repair

- Increase of **\$16,834,604 in other fund expenditure authority** in order to spend the additional HEFF dollars made available as a result of the \$16,834,604 in general funds appropriated for HEFF-bonded debt retirement in the FY24 General Bill amendment (SB52). This authority will allow the campuses to spend the additional HEFF funding on their deferred M&R projects for the next couple of years.

Board of Regents Other Fund Expenditure Authority

- Increase of **\$333,503 in other fund expenditure authority** to cover the increased operating expenses for the aquatics facility for things like utilities, supplies, and insurance at USD. The facility will be open for part of FY25, necessitating this authority. A corresponding increase for full operations of the aquatics facility is being requested for FY26.
- Increase of **\$12,230,000 in other fund expenditure authority and 19.0 in FTE** due to inflationary increases as well as increased freshmen enrollment and overall retention at SDSU, which have increased both revenues and expenditures in areas like student fees, food service, residential life, and the bookstore. A corresponding base increase is being requested for FY26.
- Increase of **\$1,000,000 in other fund expenditure authority** due to increased grant activity at SDSU-AES. A corresponding base increase is being requested for FY26.
- Increase of **\$625,000 in other fund expenditure authority** due to a change in funding source for graduate assistants and additional outside funding received and used to support the Dean of the School of Business, and increased marketing and athletic operation expenses at NSU. A corresponding base increase is being requested for FY26.
- Increase of **\$813,000 in other fund expenditure authority** due to anticipated increases in costs and revenues for room and board summer camps, and additional authority to spend down SPL cash on hand at BHSU. A corresponding base increase is being requested for the other fund authority (not SPL) for FY26.
- Increase of **\$150,000 in other fund expenditure authority** due to inflationary increases on supplies and materials purchased for student fee, camp, and outreach activities at DSU. A corresponding base increase is being requested for FY26.

Federal Fund Expenditure Authority

- Increase of **\$1,000,000 in federal fund expenditure authority and 5.0 in FTE** due to increased grants activity. A corresponding base increase is being requested for FY26.

Utilities

- Increase of **\$142,146 in general funds** for one-time utilities adjustments. The one-time GF utilities adjustments requested are based on the BFM utility calculations spreadsheet and include increases and/or decreases for electricity and heating based on past usage and adjusted ratings and usage projections. As has been requested and approved in the past, the BOR will seek a letter of intent to allow the ability to transfer and realign general fund utility dollars between campuses, if necessary, for the remainder of FY25 to fully fund the utility costs for each institution to the extent dollars are available. Any unused utility dollars will be reverted by the campuses.