

# Travel Cuts

Issue Brief No. 2 January 19, 2007

**Synopsis:** In the 2006 session, Gov. Rounds recommended an increase to the Board of Regents' travel budget of \$69,683 in general funds and \$339,662 of federal and other authority, for a total recommended increase of \$409,342. In an amendment last year to Senate Bill 209, the Joint Appropriations Committee cut the travel budget request, indicating it was not convinced of the need for a budget expansion. However, the committee erroneously cut all of the \$410,000 request from general funds, instead of the requested split of \$69,683 in general funds and \$339,662 in expenditure authority. This cut marked a 41 percent reduction to the board's \$992,643 general fund travel budget. The Board of Regents is requesting reinstatement of general fund travel dollars in the amount of \$410,000, as the original request was primarily for federal and other funds.

## **FY07 Travel Request**

The Board requested \$26,450 in general funds for travel as part the Ph.D. request which was supported by the Governor and the Legislature. An additional \$43,233 was requested as part of the OE Stabilization request. The total expansion requested in general funds was \$69,683.

The balance of the request was for authority to expend \$175,000 of federal and \$264,662 of other funds.

Requests for spending authority to cover travel costs typically relate to the following:

- Grant activity;
- Student travel funded with student fees;
- Faculty and administration travel covered with local and federal funds.

It is also important to note why we must cover travel costs and the various types of travel those budget dollars support:

- Distance education;
- Student activities;
- Student training;
- Grants and contracts;
- Professional development for faculty and staff.

## **2007 Legislative Action**

Per testimony from the Joint Appropriations Committee, the travel cut was intended to remove the expansion in the Board of Regents' travel budget. While the majority of the requested increase was in federal and other funds, the cut was actually made to state general funds.

While general funds compose only 8 percent of the Board of Regents' travel budget, the majority of travel dollars are federal (30 percent) and "other" funds (62 percent). Tables on the opposite page show the FY06 travel budget by fund source and the FY07 travel budget request by fund source.

### FY06 Travel Budget by Fund Source

	<u>General</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>
General	\$992,643			\$992,643
Federal		\$3,059,551		\$3,059,551
Federal Appropriated		\$467,527		\$467,527
Other Funds			\$6,572,846	\$6,572,846
Tuition & Fees			\$578,149	\$578,149
School & Public Lands			\$85,000	\$85,000
<b>Total</b>	<b>\$992,643</b>	<b>\$3,527,078</b>	<b>\$7,235,995</b>	<b>\$11,755,716</b>

### FY07 Travel Budget Request by Fund Source

	<u>General</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>
Board Office	\$981			\$981
USD	\$10,492		\$10,000	\$20,492
Med	\$5,617			\$5,617
SDSU	\$19,539	\$150,000	\$44,100	\$213,639
CES	\$4,731			\$4,731
AES	\$1,214			\$1,214
SDSMT	\$5,450	\$25,000	\$7,845	\$38,295
NSU	\$5,913		\$32,717	\$38,630
BHSU	\$1,291		\$70,000	\$71,291
DSU	\$12,948			\$12,948
SDSD	\$1,285			\$1,285
SDSVBI	\$222			\$222
<b>Total</b>	<b>\$69,683</b>	<b>\$175,000</b>	<b>\$164,662</b>	<b>\$409,345</b>

The FY07 travel reduction was distributed by calculating each institution's percentage of the general fund base and dividing proportionally. A restoration would be redistributed in the same manner. The following table indicates the travel reduction amounts by institution:

	<u>FY06 Tuition and General Fund Base</u>	<u>%</u>	<u>Travel Reduction</u>
Board Office	\$6,860,068	3%	(\$13,957)
BHSU	\$12,631,807	6%	(\$25,701)
DSU	\$9,881,293	5%	(\$20,105)
NSU	\$14,371,235	7%	(\$29,240)
SDSM&T	\$16,846,715	8%	(\$34,276)
SDSU	\$57,632,471	29%	(\$117,259)
AES	\$9,628,509	5%	(\$19,590)
CES	\$7,614,686	4%	(\$15,493)
USD	\$40,166,447	20%	(\$81,723)
Medical School	\$20,152,246	10%	(\$41,002)
SDSBVI	\$2,384,144	1%	(\$4,851)
SDSD	\$3,343,590	2%	(\$6,803)
<b>Total</b>	<b>\$201,513,211</b>		<b>(\$410,000)</b>