

SOUTH DAKOTA BOARD OF REGENTS

Policy Manual

SUBJECT: Higher Education Facilities Fund

NUMBER: 6:3

A. PURPOSE

To provide guidance for the use of the Higher Education Facilities Fund.

B. DEFINITIONS

None

C. POLICY

1. Funding

- 1.1. SDCL § 13-53-15 provides that of the tuition and fees collected, eighty-eight and one-half percent (88.5%) shall be deposited in the BOR system tuition and fee fund and eleven and one-half percent (11.5%) shall be deposited into the Higher Education Facilities Fund (HEFF).
- 1.2. SDCL § 13-53-15.3 requires that the first one hundred seventy-five thousand dollars (\$175,000) of medical school higher education facilities fund shall be deposited in the BOR system tuition and fee fund. The remaining state medical school tuition collected in each fiscal year shall be allocated in accordance with § 13-53-15.

2. Restrictions

- 2.1. As provided in § 13-51-2 expenditures from HEFF are restricted to the following categories as authorized by the Legislature:
 - Lease-purchase payments to the South Dakota Building Authority;
 - Maintenance and repair for existing facilities;
 - Maintenance and repair for the Sanford School of Medicine in Sioux Falls;
 - Appropriated rent payments to other private or public parties for educational facilities; and
 - Build and equip new facilities.
- 2.2. No funding may be provided in any year to pay rent payments or to build and equip new facilities until the level of annual appropriations reaches fifteen million dollars (\$15,000,000) for maintaining and repairing existing facilities per § 13-51-2.

3. Oversight

In conjunction with the budget request cycle, the Board shall review the cash flow and the unobligated cash balance of the HEFF to determine the appropriate level of funding for each category.

3.1. The Board has established a \$1,000,000 minimum balance in unobligated cash for emergencies.

FORMS / APPENDICES:

None

SOURCE:

BOR January 1981; April 1992; October 1996; December 2003, December 2011; March-April 2016; March 2018.