

SOUTH DAKOTA BOARD OF REGENTS

Budget and Finance

AGENDA ITEM: 7 – D (7)

DATE: March 30-April 1, 2016

**SUBJECT: BOR Policy 5:19 – System Funding
(Recommended Emergency Implementation)**

Section 1(B) of this policy includes language related to the transfer of funds to HEFF. The policy is being updated to reflect the change of rolling USF into tuition.

RECOMMENDED ACTION OF THE EXECUTIVE DIRECTOR

I move to approve the emergency implementation of the changes to BOR policy 5:19 keeping the policy in-line with the emergency approval provided in the legislation to roll USF into tuition.

SOUTH DAKOTA BOARD OF REGENTS

Policy Manual

SUBJECT: System Funding

NUMBER: 5:19

1. Allocation of General Fund Appropriations and University Tuition

A. State Appropriations

1. The Board of Regents receives state appropriations to support the universities, the medical school, the special schools, the Agricultural Experiment Station, the Cooperative Extension Service, the system office, to fund system pools and support operations, and targeted appropriations for purposes determined by the Legislature.
2. The institutions will receive a base general fund budget each fiscal year adjusted by any changes to base appropriations, system pools, salary policy, or other targeted appropriations or reductions. The final allocation of any dollars will be approved by the Board.
3. The Board may realign base budgets with approval from the Interim Appropriations Committee according to 4-8A-8.

B. University Tuition

1. Tuition for university courses ~~“directly supported by moneys appropriated from the general fund” (SDCL 13-55-23)~~ is divided between the system tuition and fee fund, which receives ~~88.50~~ percent and the Higher Education Facilities Fund ~~(SDCL 13-53-15 and Policy 6:3)~~ which receives ~~11.520~~ percent. The first \$875,000 of medical school tuition is not subject to HEFF.
2. Tuition revenue deposited into the system tuition and fee fund will be returned to the institutions in the same proportion that it was earned after ~~20% the is transfered~~ to the HEFF account.
3. The Board may realign tuition budgets or direct moneys to system pools in order to address system priorities or initiatives.

4. Interest earnings from the System Tuition Pool will be retained to keep the system tuition reserve pool at a minimum of 5% of annual tuition revenues or to address system initiatives or priorities.

2. University Base Budgets

A. Base Budgets

1. The university base budgets support general administrative functions and instructional activities and provide resources to support the state higher education policy goals.
2. Base budget resources may be used for any purpose consistent with Board policy, Board action, and statute.

3. Targeted Appropriations

Targeted appropriations are resources appropriated by the Legislature for specific purposes. These resources are allocated and expended as provided by the Legislature or as the Board directs.

4. Academic Capital Facilities Budget

The Academic Capital Facilities Budget is funded from the Higher Education Facilities Fund. Resources are used to support maintenance and repair, major renovation projects, and new construction for university academic facilities as approved by the Board and the Legislature as required by statute.

SOURCE: BOR, March 1999; October 2000; August 2010, March-April 2016.