

SOUTH DAKOTA BOARD OF REGENTS

Budget and Finance

AGENDA ITEM: 10 – F

DATE: 27-29, 2017

SUBJECT: DSU Public Service Activity – CAHIT

The Public Service Activity (PSA) report was provided to the Board at the May 2017 meeting. This report is a required annual report and provides the financial health of all PSA’s. Board policy requires PSA to be self-supporting as noted below in policy 1:22:

1. The universities and special schools shall obtain approval to establish a public service activity that is intended to support its operations through revenue generated by sales of products or services. ...

Additional follow-up work was necessary for DSU’s Center for Advancement of Health Information Technology (CAHIT) due to large cash transfers noted. CAHIT received grant funding which was integrated with this PSA. The grant closed out in May 2016 leaving a deficit cash balance of \$569,965.74. At the conclusion of FY16, DSU has discontinued TSS (technology support services now called CAHIT) as a PSA and only performs grant funded activities.

Per DSU, the following paragraph details the funds used to cover the cash deficit:

Funds used to cover the PSA TSS (technology support services – 830146) negative balance of \$569,965.74 at the end of FY16 included residual revenue from programs initiated out of the Regional Extension Center grant in the amount of \$316,254.31. These were non program income dollars remaining to be utilized after the end of the grant period which closed out in May, 2016). TSS indirect recovery funds in the amount of \$33,984.14 and self-support tuition revenue in the amount of \$219,727.29 covered the remaining negative balance to close out the PSA TSS. Over time, TSS steadily decreased the services it had been providing and eventually evolved into CAHIT (Center for the Advancement of Health IT). CAHIT no longer provides the services it had been and is currently funded by outside grants and contracts for specific projects and research.

The PSA report for DSU’s CAHIT provided at the May 2017 meeting and the detail of the various CAHIT accounts are attached.

INFORMATIONAL ITEM

Dakota State University

Center for Advancement of Health Information Technology (CAHIT):

CAHIT provides public service activities assisting a variety of clients in the health care industry. Assistance is focused on Health IT and services related to implementation of electronic health records. Several of these activities are related to the Regional Health Center (REC), HealthPoint, which is a component of CAHIT and a grant funded activity. One of the outcomes of this grant is to create a self-sustaining service to continue Health IT support. The CAHIT PSA stems from this grant directive.

	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>DIFFERENCE</u>	<u>% CHANGE</u>
Revenue		57,024.60	477,037.69	270,169.41	190,891.25	(79,278.16)	-29.3%
Expenditures		<u>405,004.12</u>	<u>492,501.69</u>	<u>728,016.72</u>	<u>258,690.71</u>	<u>(469,326.01)</u>	<u>-64.5%</u>
Change in Assets before Transfers		(347,979.52)	(15,464.00)	(457,847.31)	(67,799.46)	390,047.85	-85.2%
Transfers In/(Out)		126,459.79			219,727.29	219,727.29	
		574,033.26					
Ending Cash Balances	(20,565.81)	331,947.72	316,483.72	(141,363.59)	10,564.24	151,927.83	-107.5%
FY16 ACTIVITY						TOTALS	
Beginning Cash							
		TSS	HIM-Workforce	SD REC - Prog	Grant OH		
		830146	Dev Prog	Inc	TSS		
		(451,866.66)	830331	830332	830614		
			465.50	299,253.70	10,783.87		(141,363.59)
Revenue		23,200.19	-	140,481.19	27,209.87		190,891.25
Expenses		<u>141,396.11</u>	<u>(1,107.06)</u>	<u>117,097.73</u>	<u>1,303.93</u>		<u>258,690.71</u>
Change in Net Assets		(118,195.92)	1,107.06	23,383.46	25,905.94	(67,799.46)	
Transfers In (Out)		<u>569,965.74</u>	<u>(1,572.56)</u>	<u>(314,681.75)</u>	<u>(33,984.14)</u>	<u>219,727.29</u>	
Ending Balance	(96.84)		-	7,955.41	2,705.67	10,564.24	