

SOUTH DAKOTA BOARD OF REGENTS

Budget and Finance

AGENDA ITEM: 7 – C
DATE: March 27-29, 2018

SUBJECT

FY18 General Bill Amendments

CONTROLLING STATUTE, RULE, OR POLICY

[SDCL 4-7-13](#) – Legislative adoption of financial plan for each year.
[BOR Policy 5:19](#) – System Funding

BACKGROUND / DISCUSSION

Amendments to the FY18 general bill are contained in HB1044 which has been approved by the legislature and signed by the Governor. The portion of the bill relating to the Board of Regents is provided in the below tables. Any changes in the bill are considered one-time adjustments and are not base-budget adjustments.

IMPACT AND RECOMMENDATIONS

HB1044 increases utility funding by a total of \$264,764 in general funds as a result of increased utility cost projections. Also included is a general fund cut to the board office for a reduction in the billing for REED technology costs totaling (\$370,656). Because the billings from the Bureau of Information and Technology will also be reduced by this same amount, this is a net zero change.

Campus	General Fund Utility Adj	General Fund Budget Cut
BHSU	\$73,137	\$0
DSU	\$5,258	\$0
NSU	\$21,832	\$0
SDSM&T	\$33,409	\$0
SDSU	\$71,020	\$0
USD	\$39,840	\$0
SDSD	\$18,227	\$0
SDSBVI	\$2,041	\$0
BOR Central Office	\$0	(\$370,656)
Total	\$264,764	(\$370,656)

The Legislature also appropriated \$5.7M to shore-up the health insurance pool. Those funds will be allocated to agencies and then the billing will be increased resulting in an increase of \$5.7M in cash to the pool. This is done so they can capture the federal and other

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INFORMATIONAL ITEM

funds from the agencies through the higher billing rates. \$1.0M of the amount appropriated will cover the tuition portion of the billing. This was done given that our tuition is already set for the year. Fees and other local funds will be hit by an estimated increase in billing of \$1.1M in the next three months. Federal funds will also cover the higher health insurance rate.

It was projected that the health insurance risk pool would be \$12.6M short by the end of FY19. The \$5.7M will not fill the entire gap so employees should anticipate plan changes in FY19 to make up for the shortfall.

ATTACHMENTS

None