

**SOUTH DAKOTA BOARD OF REGENTS**

**Budget and Finance**

**AGENDA ITEM: 7 – N (4)  
DATE: March 27-29, 2018**

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**SUBJECT**

**BOR Policy 6:3 – Higher Education Facilities Fund Revisions (First and Final Reading)**

**CONTROLLING STATUTE, RULE, OR POLICY**

[BOR Policy 6:3 – Higher Education Facilities Fund](#)

**BACKGROUND / DISCUSSION**

The first reading to BOR Policy 6:3 – Higher Education Facilities Fund was approved by the Board at the March-April 2016 meeting.

**IMPACT AND RECOMMENDATIONS**

Attached are the proposed changes to BOR Policy 6:3 – Higher Education Facilities Fund. The policy has been updated to include the purpose of the policy, definitions, and put in the new format. No substantive changes have been made.

**ATTACHMENTS**

Attachment I – BOR Policy 6:3 – Higher Education Facilities Fund Revised

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**DRAFT MOTION 20180327\_7-N(4):**

I move to approve the first and final reading of the formatting changes made to BOR Policy 6:3 – Higher Education Facilities Fund.

# SOUTH DAKOTA BOARD OF REGENTS

## Policy Manual

**SUBJECT:** Higher Education Facilities Fund

**NUMBER:** 6:3

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### A. PURPOSE

~~Add Policy Purpose here. This should be a “To provide guidance for the use of the Higher Education Facilities Fund...” statement and should be a short and succinct statement.~~

### B. DEFINITIONS

~~—NoneWord/Phrase: [Define word/phrase here]. Defined words/phrases should be in alphabetical order.~~

### 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 ~~edion~~ 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:-

- A.—Lease-purchase payments to the South Dakota Building Authority;
- B.—Maintenance and Repair for existing facilities;
- C.—Maintenance and Repair for the Sanford School of Medicine in Sioux Falls;
- D.—Appropriated rent payments to other private or public parties for educational facilities; and
- E.—Build and equip new facilities.

2.2. No funding may be provided in any year ~~for to pay rent payments or to build and equip new facilities (D) or (E)~~ 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 \$1,000,000.0 ~~million~~ 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;