

SOUTH DAKOTA BOARD OF REGENTS

Budget and Finance

AGENDA ITEM: 7 – V

DATE: April 2-4, 2019

SUBJECT

Presentation on Efficiencies in the BOR System and Discussion

CONTROLLING STATUTE, RULE, OR POLICY

N/A

BACKGROUND/DISCUSSION

The Board of Regents Universities and the other entities under the domain of the BOR such as the Board office need to do a better job explaining cost structures and what the cost drivers are in higher education. Salaries need to be appropriately driven by the market and administrative structures must be defensible. Management of facilities and delivering programs need to be evaluated for their efficiency and effectiveness, particularly in regard to the state’s small population and geography. Academic support and administrative areas as well as potential shared service opportunities could be other areas that could be evaluated for potential cost efficiency. While a preponderance of our costs and structures are justifiable and defensible, others need to be looked at with a fresh perspective. The goal at the end of the day is to manage costs and keep education affordable for the citizens of the State and our students.

IMPACT AND RECOMMENDATIONS

The goal is to start the dialogue with the Board, Board staff, presidents, faculty and policymakers about where we can accomplish efficiencies with a clear understanding of the pros and cons and real cost of doing so. The comprehensive system-wide review will inform the Board as it embarks on its next strategic plan and give assurance to tax paying citizens that they have a quality higher education system that is spending all dollars in the most effective way possible. This work will be arduous and hard questions will be asked, which will likely create levels of discomfort across the system, but South Dakota higher education can set a high standard for leadership and innovation in pursuit of excellence.

ATTACHMENTS

None

INFORMATION ONLY