

**SOUTH DAKOTA BOARD OF REGENTS**

**Budget and Finance**

**AGENDA ITEM: 6 – B**  
**DATE: December 11-12, 2019**

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**SUBJECT**

**Campus Financial Planning**

**CONTROLLING STATUTE, RULE, OR POLICY**

[BOR Policy 5:19](#) – System Funding

**BACKGROUND/DISCUSSION**

Fall enrollment at South Dakota’s six public universities was down by nearly three percent in full-time equivalent students for 2019, the second year in a row with declining enrollment across the system.

<b>Institution</b>	<b>Fall 2019 Change in FTE Enrollment</b>
BHSU	-4.76%
DSU	1.26%
NSU	-5.01%
SD Mines	-1.87%
SDSU	-4.08%
USD	-2.03%

**IMPACT AND RECOMMENDATIONS**

**BHSU** – BHSU is projecting a \$2.8 million revenue shortfall in FY20. \$719,134 was removed from the budget before FY20 began. The remaining \$2,089,166 is being addressed by a formal budget plan which has been under development for several months. The preliminary plan has been shared with select groups, including the faculty senate. The formal plan will be shared with the entire campus at a town hall meeting in a few weeks. The plan includes the elimination of vacant positions, layoffs, elimination of permanent salary salvage, elimination of part-time positions with health insurance, the reduction of additional compensation, and an OE reduction. All reductions will be in place by July 1, 2020 with several phased in before then.

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**INFORMATIONAL ITEM**

**DSU** – DSU projected a modest enrollment growth for fall 2019, both on campus and online. When setting the FY20 budget, those projections were taken into account. In the spring of 2019, when setting the FY20 budget, the changes at UCSF, now CCSF, were not completely known. The DSU budget, as it relates to CCSF, is now being adjusted with additional changes to be made in the future.

**NSU** – NSU’s FY20 budget was based on flat enrollment. With the decline in fall enrollment, NSU is holding some positions open for an indefinite period of time and all vacancies that occur are being reviewed to identify opportunities to restructure. We have currently cancelled four faculty searches and eliminated four NFE and one CSE position. Departmental operating expenses are being scrutinized even more closely and travel is to be minimized as much as possible. Revenue generation is also a focus of campus discussions. A plan to be more intentional in recruiting students to graduate programs has been implemented. President Downs held a campus “Town Hall” on October 22. The purpose of this Town Hall was to share information with the entire campus community about enrollment trends, the budget impact of declining enrollments and to stress the role everyone on campus plays in recruitment and retention, revenue generation, and effectively managing resources.

**SD Mines** – SD Mines was projecting a decline in enrollment of five percent as they were building the budgets for FY20 and made the necessary adjustments for that decline prior to the start of the fiscal year. Actual FTE enrollment was down by 1.87%, which is within their margin of error and they don’t anticipate the need for any additional cuts this fiscal year.

**SDSU** – When developing the FY20 budget during the spring of 2019, the university projected an enrollment drop of 1.4%, which was incorporated into the FY20 budget. When final fall enrollment numbers were revealed, the total fall 2019 enrollment drop was four percent. As a result of the additional decreases beyond what was originally planned, SDSU is taking a two-step, multi-year approach to maintain the current financial health of the university, 1) one-time expenditure reduction targets for FY20, and 2) permanent budget reductions for FY21.

**USD** – USD is experiencing a two percent student FTE decrease from FY19 to FY20. This has an estimated impact of about \$1.6M to their tuition and fee revenue. They have instructed departments to underspend their budgets by 2%-2.5% to address this shortfall and are prepared to utilize one-time cash to handle a portion of the revenue decrease, if needed.

## **ATTACHMENTS**

None.