

SOUTH DAKOTA BOARD OF REGENTS

Planning, Governance and Resource Development

AGENDA ITEM: 6 – D
DATE: June 26-27, 2019

SUBJECT

Legislative Letters of Intent

CONTROLLING STATUTE, RULE, OR POLICY

None

BACKGROUND / DISCUSSION

During their meeting on May 22, 2019, the Interim Appropriations Committee approved four Letters of Intent dealing with the Board of Regents. The letters are attached.

The letter related to the university centers was added after the morning hearing where President Sheila Gestring, Dr. Carmen Simone, President Barry Dunn, and President Jose Marie Griffiths appeared before the Interim Joint Appropriations Committee to discuss the BOR plan to transition the University Center in Sioux Falls to a new college under the University of South Dakota. Following the discussion about the Community College in Sioux Falls, the Appropriations Committee held a closed door session and drafted the letter of intent.

The letter allowing the utility realignment did not have a sponsor as it was drafted by the Board office. Dr. Kramer presented the letter to the committee and it was unanimously approved.

IMPACT AND RECOMMENDATIONS

Leadership from USD, BHSU and the Board office have already met with LRC staff to discuss the university center report and proposed budget unit. We are now trying to meet with legislative leadership to explain the difficulties with establishing separate budget units for the Centers.

ATTACHMENTS

Attachment I – Four Letters of Intent

INFORMATIONAL ITEM

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ATTACHEMNT I 2

MAY 28 2019

SD Board of Regents

REPRESENTATIVE STEVEN G. HAUGAARD, CHAIR | SENATOR BROCK L. GREENFIELD, VICE CHAIR
JASON HANCOCK, DIRECTOR | SUE CICHOS, DEPUTY DIRECTOR | DOUG DECKER, CODE COUNSEL

500 EAST CAPITOL AVENUE, PIERRE, SD 57501 | 605-773-3251 | SDLEGISLATURE.GOV



Joint Committee on Appropriations
SENATOR JOHN WIJK, CO-CHAIR
REPRESENTATIVE CHRIS KARR, CO-CHAIR

May 22, 2019

Dr. Paul B. Beran, Executive Director
Board of Regents
306 E. Capitol Ave., Suite 200
Pierre, SD 57501

Letter of Intent Regarding Board of Regents Lean Implementation

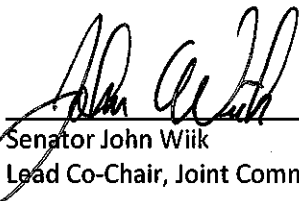
Dear Dr. Beran:

This Letter of Intent sets forth a particular view held by the Joint Committee on Appropriations (JCA) in approving your appropriation in the 2019 Legislative session. As such, this Letter of Intent seeks to supplement that legislation with specific policy guidance as approved on May 22, 2019.

While the guidance does not have the direct force of statutory law, it rests solidly on a long-standing tradition of Legislative-Executive relationships in South Dakota and it will be used by the Joint Committee as one basis for the fiscal oversight of your agency and its continued funding.

It is the intent of the Committee to provide funding from the Legislative Priority Pilot Program Contingency Fund for the purpose of conducting a Lean audit of the Board of Regents Central Office. The objective of this audit is to create efficiencies between the universities and the central office by focusing on the key elements of purpose, people, and processes. In order for the JCA to proceed with this project, as per SDCL 4-8A-12, the Executive Board of the Legislature must approve by a majority vote the transfer and expenditure of these monies.

Thank you for your cooperation.



Senator John Wijk
Lead Co-Chair, Joint Committee on Appropriations



Representative Chris Karr
Co-Chair, Joint Committee on Appropriations

cc: Marty Guindon, Auditor General
Liza Clark, Commissioner, Bureau of Finance and Management

MAY 28 2019

SD Board of Regents



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Joint Committee on Appropriations
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May 22, 2019

Dr. Paul B. Beran, Executive Director
Board of Regents
306 E. Capitol Ave., Suite 200
Pierre, SD 57501

Sheila Gestring, President
University of South Dakota
414 E. Clark Street
Vermillion, SD 57069

Interim President
Black Hills State University
1200 University Blvd
Spearfish, SD 57799

Letter of Intent Regarding University Center Operations

Dear Dr. Beran, President Gestring, and BHSU Interim President.:

This Letter of Intent sets forth a particular view held by the Joint Committee on Appropriations (JCA) in approving your appropriation in the 2019 Legislative session. As such, this Letter of Intent seeks to supplement that legislation with specific policy guidance as approved on May 22, 2019.

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It is the intent of the JCA that the University of South Dakota and Blacks Hills State University each provide a written report by July 1, 2019 regarding the operations of the University Center administered by the University detailing the following items:

- Produce a new budget unit including actual and projected expenditures and FTEs;
- Provide the overhead rate for the different colleges within the University regarding the Responsibility Centered Management (RCM) model and explain how and why the overhead rate was derived;
- Provide an updated GOAC financial statement for the University Center incorporating an RCM model overhead rate for FY13-FY18;
- Provide detailed comparison of differences or duplication of degrees, classes, and programs of study between the state's four technical institutes and the University Center;
- Provide for two legislators to be on the advisory board as appointed by the co-chairs of the JCA; and
- Define success and failure by providing goals, metrics, and a timeline outlining the next three years of operations and an exit plan for what happens if failure to obtain the goals and metrics occurs.

Senator John Wiik
Lead Co-Chair, Joint Committee on Appropriations

Representative Chris Karr
Co-Chair, Joint Committee on Appropriations

cc: Marty Guindon, Auditor General
Liza Clark, Commissioner, Bureau of Finance and Management

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Joint Committee on Appropriations
SENATOR JOHN WIIK, CO-CHAIR
REPRESENTATIVE CHRIS KARR, CO-CHAIR

May 22, 2019

Dr. Paul B. Beran, Executive Director
Board of Regents
306 E. Capitol Ave., Suite 200
Pierre, SD 57501

Letter of Intent Regarding Appropriations for Research Parks

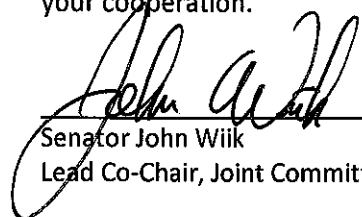
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SB191 provided \$300,000 in general fund appropriations for the ongoing operations of South Dakota's three research parks. It is the intent of the Joint Committee on Appropriations for fiscal year 2020 and each fiscal year thereafter that the South Dakota State University (SDSU) Research Park in Brookings, the University of South Dakota (USD) Discovery District in Sioux Falls, and the Ascent Innovation research park in Rapid City each receive \$100,000 to support research park operations. A 1-to-1 cash basis match must be provided for this funding. As part of this ongoing funding, the JCA requests a report be delivered no later than November 1 of each year, beginning November 1, 2019 outlining at a minimum the most recent activities of the research parks, capital investments and partners, list of tenants by occupied space and length of time at the research park, upcoming capital projects within the research park and at least one success story in the current year.

This letter of intent supersedes any previous letter of intent regarding research parks. Thank you for your cooperation.



Senator John Wiik
Lead Co-Chair, Joint Committee on Appropriations



Representative Chris Karr
Co-Chair, Joint Committee on Appropriations

cc: Marty Guindon, Auditor General
Liza Clark, Commissioner, Bureau of Finance and Management

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Joint Committee on Appropriations
SENATOR JOHN WIIK, CO-CHAIR
REPRESENTATIVE CHRIS KARR, CO-CHAIR

May 22, 2019

Dr. Paul B. Beran, Executive Director
Board of Regents
306 E. Capitol Ave., Suite 200
Pierre, SD 57501

Letter of Intent Regarding the Realignment of General Funds for Utilities Among Universities Under Control of the Board of Regents

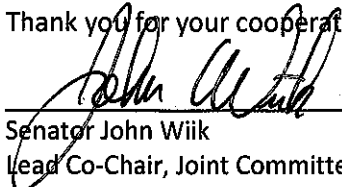
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SB180 impacts utility appropriations for institutions under control of the Board of Regents. The amounts included in the legislation are estimates, based on systems overseen by the Bureau of Finance and Management. It is the intent of the Joint Committee on Appropriations that the institutions may realign the appropriated general fund utility dollars between the institutions as necessary to fully fund the utility costs for each institution, to the extent dollars are available. The institutions will prepare transfer documents and submit them to the Bureau of Finance and Management according to established procedures. The Joint Committee on Appropriations will continue to receive an electronic record of these transfers as they occur.

Thank you for your cooperation.



Senator John Wiik
Lead Co-Chair, Joint Committee on Appropriations



Representative Chris Karr
Co-Chair, Joint Committee on Appropriations

cc: Marty Guindon, Auditor General
Liza Clark, Commissioner, Bureau of Finance and Management