

SOUTH DAKOTA BOARD OF REGENTS

Budget and Finance

AGENDA ITEM: 7 – G

DATE: April 3-4, 2024

SUBJECT

FY25 General Bill Summary

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

The 2024 legislative session concluded with the passage of the FY25 General Bill HB1259. The Board of Regents received a general fund base increase of \$6,265,281 (2.1%). This \$6M increase does not include the 4% salary policy or health insurance increase funding (\$69 per benefit eligible FTE) for generally-funded employees as those amounts are appropriated to statewide pools that are allocated by the Bureau of Finance and Management (BFM) after session concludes.

IMPACT AND RECOMMENDATIONS

A summary of the general fund base changes are as follows:

- An addition of \$5,735,607 to freeze FY25 tuition and cover the 4% salary policy package and health insurance increase for tuition-funded employees.
- An increase to general fund M&R base funding of \$2,077,874 bringing the base general fund amount for M&R to \$22,722,748.
- An allocation of \$926,406 to BHSU to address the funding gap.
- A transfer of \$2,592,003 from the campuses to the Department of Military for their administration of the National Guard tuition assistance benefit.
- An addition of \$25,000 for expansion of the reduced tuition benefits for school counselors (a policy change approved under SB1).
- An increase in generally funded utilities of \$75,062, based on projected utility rates and usage for FY25.
- A decrease of \$3,452 for lease payment adjustments.
- A \$20,787 increase to the Postsecondary Scholarship based on endowment proceeds.

(Continued)

INFORMATIONAL ITEM

The FY25 budget also had an additional \$10,000,000 and 6.0 FTE in federal funds expenditure authority and \$6,330,000 and 4.0 FTE in other funds expenditure authority. These changes resulted in a 10% increase in federal funds spending authority, an increase of 1.2% in other funds authority, and a system increase of 15.0 FTE across all fund sources.

The federal fund expenditure authority increase was for SDSU's Climate Smart Commodities Initiative grant, while the other fund expenditure authority adjustments included additional authority for SDSU, AES, BHSU, and DSU due to inflation on operational costs, increased sales and service activities and costs, and growth in enrollment.

Attachment I shows the changes from the FY24 to the FY25 General Fund Base by Campus and Attachment II shows the BOR's original request and the final legislative action.

ATTACHMENTS

Attachment I – General Fund Base Changes from FY24 to FY25 By Campus

Attachment II – SDBOR's Original Request and Final Legislative Action

FY25 SDBOR GENERAL FUND BASE CHANGES

INSTITUTION	FY24 GENERAL FUND BASE	TUITION FREEZE	M&R FUNDING	BHSU BASE FUNDING GAP	TRANSFER NG TUITION ASST TO DEPT OF MILITARY	TUITION BENEFIT FOR SCHOOL COUNSELORS	UTILITIES ADJUSTMENTS	LEASE PAYMENTS	POST-SECONDARY SCHOLARSHIP	FY25 GENERAL FUND BASE
BOR	\$44,558,939		\$2,077,874			\$25,000		(\$3,452)	\$20,787	\$46,679,148
BHSU	\$15,110,977	\$461,686		\$926,406	(\$419,605)		(\$13,622)			\$16,065,842
DSU	\$14,750,169	\$564,339			(\$156,589)		\$57,029			\$15,214,948
NSU	\$16,701,644	\$335,357			(\$112,112)		\$20,789			\$16,945,678
NSU E-LEARNING	\$4,015,049									\$4,015,049
SDSMT	\$24,362,377	\$623,943			(\$345,209)		(\$12,690)			\$24,628,421
SDSU	\$68,673,298	\$1,948,452			(\$904,610)		(\$188,492)			\$69,528,648
EXT	\$10,494,885									\$10,494,885
AES	\$15,135,689									\$15,135,689
USD	\$50,091,735	\$1,345,931			(\$575,412)		\$220,532			\$51,082,786
LAW	\$2,494,927	\$93,723			(\$13,113)					\$2,575,537
MED	\$30,099,839	\$362,176			(\$65,353)					\$30,396,662
SDSD	\$3,000,195						(\$862)			\$2,999,333
SDSBVI	\$3,825,463						(\$7,622)			\$3,817,841
Total	\$303,315,186	\$5,735,607	\$2,077,874	\$926,406	(\$2,592,003)	\$25,000	\$75,062	(\$3,452)	\$20,787	\$309,580,467
									\$ INCREASE	\$6,265,281
									% INCREASE	2.1%

NOTE: The FY25 Salary policy package has not been included for generally-funded employees as it is held in a pool at Bureau of Finance and Management and is distributed after session concludes.

**South Dakota Board of Regents
FY25 Board of Regents Request and Legislatively Appropriated**

	Base General Fund	FTE	Base General Fund	FTE
FY24 Base General Fund Budget	\$303,315,186	5,064.4	\$303,315,186	5,064.4
Priorities	Requested		Recommended	
System - Tuition Freeze	\$4,239,120	0.0	\$5,735,607	0.0
System - Additional General Fund Maintenance and Repair	\$6,611,976	0.0	\$2,077,874	0.0
BHSU - Base Funding Gap	\$926,406	5.0	\$926,406	5.0
System - Center for Civic Engagement	\$880,096	3.0	\$0	0.0
System - Transfer National Guard Tuition Assistance Prgm to Dept of Military	\$0	0.0	(\$2,592,003)	0.0
System - Tuition Benefit for School Counselors	\$0	0.0	\$25,000	0.0
Base Budget Maintenance				
Utilities Adjustment	(\$143,141)	0.0	\$75,062	0.0
Lease Adjustment	(\$3,452)	0.0	(\$3,452)	0.0
Post-Secondary Scholarship Adjustment	\$0	0.0	\$20,787	0.0
FY25 Requested and Appropriated	\$12,511,005	8.0	\$6,265,281	5.0
FY25 Total Base Funding Appropriated	\$315,826,191	5,082.4	\$309,580,467	5,079.4
Increase without Salary Policy	4.0%	0.4%	2.1%	0.3%
One-Time General Fund Requests				
System - Support for HEFF-Bonded Debt Retirement	\$10,778,927	0.0	\$16,834,604**	0.0
Center for Quantum Information Science Technology	\$6,034,444	5.0	\$3,034,444*	0.0
System - Utilities Adjustments	(\$482,933)	0.0	(\$266,486)**	0.0
SDSU - Startup Costs for Bioproducts Research Center	\$0	0.0	\$1,000,000**	0.0
System - South Dakota Opportunity Scholarship		0.0	(\$400,000)**	0.0
FY25 Tuition Fund Authority Requests				
Authority Changes	\$0	0.0	\$0	0.0
FY25 Federal and Other Fund Authority Requests				
Authority Changes	\$4,700,000	2.0	\$4,700,000	2.0
FY25 Informational Federal and Other Fund Authority Requests				
Authority Changes	\$11,630,000	8.0	\$11,630,000	8.0

* The Legislature approved a FY24 Emergency Special Appropriations for this one-time funding request.
 ** The Legislature included these items in the FY24 General Bill Amendment (SB52).