

SOUTH DAKOTA BOARD OF REGENTS

Budget and Finance

AGENDA ITEM: 7 – G

DATE: April 2-3, 2025

SUBJECT

FY26 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 2025 legislative session concluded with the passage of the FY26 General Bill SB220. The Board of Regents incurred a base general fund decrease of \$10,345,254 (or -3.24%). This \$10.3M decrease does not include the 1.25% salary policy or health insurance increase funding (\$537 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:

- A \$9,088,656 reduction (or -40%) of base general fund M&R funding, which reduces the ongoing general fund M&R to \$13,634,092 (or 1.25% replacement value).
- A reduction of \$2,000,000 for base budget cuts across the system.
- Dissolution of the Digital Dakota Network (DDN) resulting in a reduction of \$400,000.
- The addition of \$123,502 and 1.0 FTE for remote learning IT personnel and software licensing support to replace the existing DDN system with an alternative for the high school e-learning program at NSU.
- An addition of \$300,000 and 1.1 FTE for the USD SSOM to create the emergency medicine residency program.
- An increase in generally funded utilities of \$706,848 based on projected utility rates and usage for FY26.
- A decrease of \$4,366 for lease payment adjustments.
- A \$17,418 increase to the Post-Secondary Scholarship based on endowment proceeds.

(Continued)

INFORMATIONAL ITEM

The FY26 budget also included an additional \$17,841,000 and 19.0 FTE in other funds expenditure authority for SDSU, SDSU-AES, USD, NSU, BHSU, DSU, and the BOR central office for increased sales and service activities, growth in enrollment, inflationary increases on operational costs, and cybersecurity technology funding authority. An additional \$1,000,000 and 5.0 FTE in federal funds expenditure authority was also added for increased grant activity at SDSU Extension. These changes resulted in an increase of 3.41% in other funds spending authority, a 0.87% increase in federal funds spending authority, and a system increase of 25.0 FTE across all fund sources.

Attachment I shows the changes from FY25 to the FY26 General Fund Base by Campus.

Attachment II shows the BOR's original request and the final legislative action.

ATTACHMENTS

Attachment I – General Fund Base Changes from FY25 to FY26 By Campus

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

Attachment III – 2025 Legislative Summary

FY26 SDBOR GENERAL FUND BASE CHANGES

INSTITUTION	FY25 GENERAL FUND BASE	BUDGET CUTS	LEASE PAYMENTS	DDN REDUCTION	M&R FUNDING	POST- SECONDARY SCHOLARSHIP	REMOTE LEARNING IT PERSONNEL & SOFTWARE	USD-MED EMERGENCY MEDICINE RESIDENCY	UTILITIES ADJUSTMENTS	FY26 GENERAL FUND BASE
BOR	\$47,121,593	(\$956,000)	(\$4,366)	(\$400,000)	(\$9,088,656)	\$17,418	\$39,308			\$36,729,297
BHSU	\$16,565,613	(\$95,000)							(\$10,753)	\$16,459,860
DSU	\$15,704,139	(\$105,823)							\$185,305	\$15,783,621
NSU	\$17,495,557	(\$111,107)							(\$86,905)	\$17,297,545
NSU E-LEARNING	\$4,142,392						\$84,194			\$4,226,586
SDSMT	\$25,439,497	(\$137,068)							(\$255,945)	\$25,046,484
SDSU	\$71,752,369	(\$336,115)							\$406,922	\$71,823,176
EXT	\$10,860,060									\$10,860,060
AES	\$15,661,647									\$15,661,647
USD	\$52,946,607	(\$258,887)							\$461,313	\$53,149,033
LAW	\$2,658,352									\$2,658,352
MED	\$31,520,482							\$300,000		\$31,820,482
SDSD	\$3,084,719								\$3,286	\$3,088,005
SDSBVI	\$3,937,143								\$3,625	\$3,940,768
Total	\$318,890,170	(\$2,000,000)	(\$4,366)	(\$400,000)	(\$9,088,656)	\$17,418	\$123,502	\$300,000	\$706,848	\$308,544,916
									\$ INC/(DEC)	(\$10,345,254)
									% INC/(DEC)	-3.24%

NOTE: The FY26 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 FY26 Board of Regents Request and Legislatively Appropriated				
	Base General Fund	FTE	Base General Fund	FTE
FY25 Base General Fund Budget	\$318,890,170	5,079.4	\$318,890,170	5,079.4
Priorities	Requested		Appropriated	
System - Academic Building Insurance	\$3,196,736	0.0	\$0	0.0
System - Cybersecurity Technology Funding	\$2,750,000	0.0	\$0	0.0
USD/SSOM - Emergency Medicine Residency	\$300,000	1.1	\$300,000	1.1
System - Tuition Inflationary Buy-Down	\$3,500,000	0.0	\$0	0.0
System - Additional General Fund Maintenance and Repair	\$7,429,929	0.0	(\$9,088,656)	0.0
System - General Fund Budget Reduction		0.0	(\$2,000,000)	0.0
RIS - Digital Dakota Network Reduction			(\$400,000)	0.0
RIS/NSU-HSEL - Remote Learning IT Personnel and Software Licensing Support			\$123,502	1.0
Base Budget Maintenance				
Utilities Adjustment	\$541,635	0.0	\$706,848	0.0
Utilities Adjustment - Addition of USD-SF and BHSU-RC	\$473,126	0.0	\$0	0.0
Lease Adjustment	(\$4,366)	0.0	(\$4,366)	0.0
Post-Secondary Scholarship Adjustment	\$0	0.0	\$17,418	0.0
FY26 Requested and Recommended	\$18,187,060	1.1	(\$10,345,254)	2.1
FY26 Total Base Funding Recommended	\$337,077,230	5,104.5	\$308,544,916	5,105.5
Increase without Salary Policy	5.7%	0.5%	-3.2%	0.5%
One-Time General Fund Requests				
System - Academic Building Insurance	\$3,196,736	0.0	\$0	0.0
System - Classroom Innovation	\$5,300,000	0.0	\$0	0.0
System - Student Security Upgrades	\$14,725,500	0.0	\$0	0.0
System - Lab Equipment & Upgrades	\$8,319,000	0.0	\$0	0.0
System - Utilities Adjustments	(\$19,601)	0.0	\$142,146**	0.0
System - Utilities Adjustments - Addition of USD-SF and BHSU-RC	\$451,317	0.0	\$0	0.0
System - South Dakota Opportunity Scholarship	\$0	0.0	(\$203,734)**	0.0
System - One-Time Maintenance & Repair	\$0	0.0	\$9,088,656**	0.0
NSU-HSEL - New Remote Learning One-Time Conference System Setup Costs	\$0	0.0	\$48,856**	0.0
SDSU - Precision Agriculture Building Bond Payoff	\$0	0.0	\$15,496,237	0.0
FY26 Tuition Fund Authority Requests				
Authority Changes	\$2,000,000	3.0	\$2,000,000	3.0
FY26 Federal and Other Fund Authority Requests				
Authority Changes	\$12,991,000	16.0	\$14,841,000	16.0
FY26 Informational Federal and Other Fund Authority Requests				
Authority Changes	\$2,000,000	5.0	\$2,000,000	5.0

* The Legislature approved a FY25 Emergency Special Appropriations for this one-time funding request.

** The Legislature included these items in the FY25 General Bill Amendment (HB1046).

2025 LEGISLATIVE SUMMARY

88 BILLS TRACKED
(47 priority and 41 other bills of interest)

SESSION UPDATES

❖ Budget cuts for public higher education – With reduced revenues, our public universities ongoing budgets were cut 3.2%, including over \$9 million in maintenance and repair budgets and \$2 million in base budget cuts. However, \$9 million in one-time funding was appropriated for maintenance and repair. State employee salary policy was budgeted at a 1.25% increase, effective July 1, 2025. The regents' base system increases and reductions in funding and authority are in these broad categories:

- General funds: **(\$10.3 million)**
- Federal funds authority: \$1.0 million
- Other funds authority: \$17.84 million.

BILLS PASSED – GENERAL BUDGET BILLS

- SB220 – General Appropriations Act for Fiscal Year 2026
- HB1046 – Revise General Appropriations Act for Fiscal Year 2025 (includes funds for maintenance and repair)

BILLS PASSED – OTHER TOPICS

- HB1002 – requires that all certified educators take a course in South Dakota Indian Studies
- HB1040 – reduces the state's contribution and increases the student's contribution to the dual credit tuition rate

- HB1041 – revises and repeals certain provisions pertaining to the state library and State Library Board
 - HB1051 – updates provisions on the interim legislative oversight of administrative rulemaking
 - HB1059 – clarifies the meaning of teleconference for purposes of open meeting requirements
 - HB1259 – prohibits unauthorized access to certain multi-occupancy rooms
 - SB14 – revises and repeals provisions related to agricultural production facilities
 - SB56 – appropriates funding to pay off certain state bonds, including those for the Animal Disease Research and Diagnostic Laboratory and the Precision Agriculture Building
 - SB60 – expands the access and investigatory authority of the state auditor
 - SB61 – modifies the authority of the Board of Internal Controls
 - SB62 – establishes mandatory reporting requirements related to improper governmental conduct and crime, and provides a penalty therefor
 - SB63 – establishes protections for state employees who report improper governmental conduct and crime
 - SB66 – revises certain provisions related to capital improvements of state buildings
 - SB74 – requires the publication and review of an explanation of the open meeting laws of the state
 - SB100 – limits the imposition of restrictions on the carrying of a concealed pistol and other items of self-defense while on the campus of a public institution of higher education
 - SB146 – revises provisions on interim transfers and appropriations
 - SB176 – clarifies the discovery procedures and powers of the Government Operations and Audit Committee
 - SB219 – requires the school district or accredited nonpublic school to accept cash payment for admission to a school-affiliated event
-