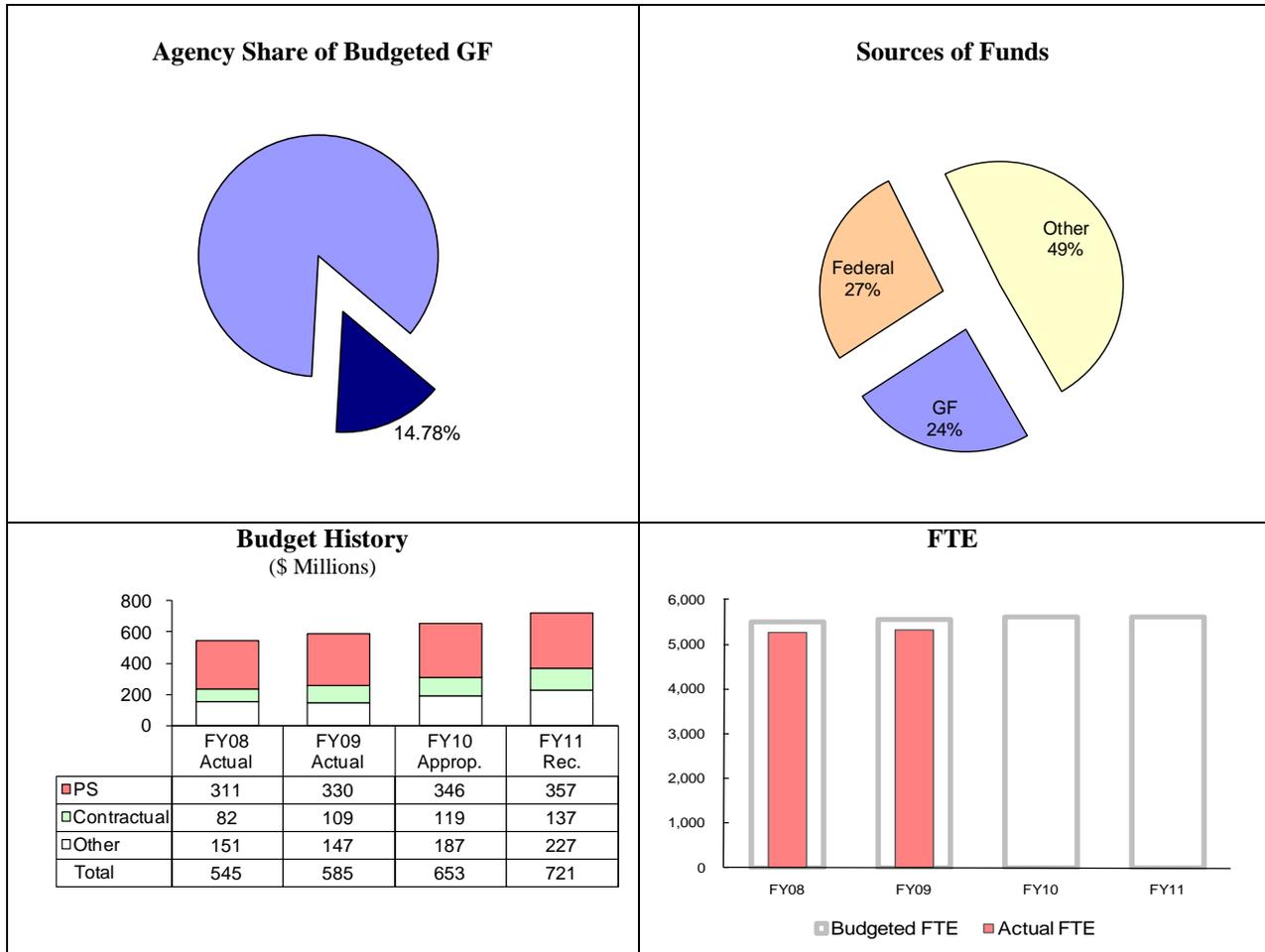


FY2011 Budget Briefing

Board of Regents



Key Responsibilities

- To provide the opportunity for access to appropriate, high quality collegiate and university degree programs, and collegiate level para-professional education programs;
- To ensure that the provision of appropriate program offerings within the public system reflects primarily South Dakota's manpower and citizen needs and, secondarily, the needs of the region and nation;
- To provide appropriate technical and special services to the state's industries, businesses, and agencies consistent with the fields of academic specialization available in the public higher education system; and
- To ensure the provision of in-service educational opportunities for South Dakota citizens.

Key Personnel

- Terry Baloun, President, Board of Regents
- Dr. Jack Warner, Executive Director
- Monte Kramer, System Vice President for Administration
- Sam Gingerich, System Vice President for Academic Affairs

Department Total

The Board of Regent's budget is funded with general, federal, and other funds. For FY11, the Governor recommends an increase of \$3,370,855 from general funds, an increase of \$34,755,015 in federal fund expenditure authority, an increase of \$29,964,298 in other fund expenditure authority, and a decrease of 25.2 FTEs.

Item	Actual FY09	Budgeted FY10	Agency		Inc/Dec FY11	% Change From FY10
			Requested FY11	Recommended FY11		
Personal Services	329,637,266	346,314,710	356,737,569	356,636,929	10,322,219	3.0%
Travel	12,884,884	13,363,020	16,008,192	15,950,792	2,587,772	19.4%
Contractual Services	108,585,995	119,452,054	137,918,019	137,118,077	17,666,023	14.8%
Supplies & Materials	41,045,662	53,562,708	67,133,551	66,533,398	12,970,690	24.2%
Grants And Subsidies	61,129,210	90,554,184	110,210,032	109,694,157	19,139,973	21.1%
Capital Outlay	29,921,616	29,516,450	36,705,747	34,919,941	5,403,491	18.3%
Other	2,126,008	0	0	0	-	0.0%
Total	585,330,641	652,763,126	724,713,110	720,853,294	68,090,168	10.4%
Funding Types						
General	176,006,953	170,902,101	179,561,725	174,272,956	3,370,855	2.0%
Federal	101,676,507	158,760,997	193,397,037	193,516,012	34,755,015	21.9%
Other	307,647,184	323,100,028	351,754,348	353,064,326	29,964,298	9.3%
Total	585,330,644	652,763,126	724,713,110	720,853,294	68,090,168	10.4%
FTE	5,326.2	5,626.0	5,690.3	5,600.8	(25.2)	(0.4%)

Salary Policy

The Governor recommends no increase in the salary policy.

	General Funds	Federal Funds	Other Funds	Total
0% PACE Movement	0	0	0	0
0% Across-the-Board	0	0	0	0
Health Insurance	705,297	228,402	695,278	1,628,977
	705,297	228,402	695,278	1,628,977

Excess Personal Services History

	General Funds	Federal Funds	Other Funds	All Funds	FTE
FY 2009	2,286,943	7,197,843	546,439	10,031,226	239.3
FY 2008	3,032,784	8,899,948	512,181	12,444,913	233.6
FY 2007	7,303,080	8,794,952	4,814,563	20,912,595	84.7
FY 2006	3,789,458	10,873,266	3,692,807	18,355,531	66.7
FY 2005	3,114,246	4,314,846	2,465,715	9,894,808	(66.1)
5 yr avg	3,905,302	8,016,171	2,406,341	14,327,814	111.6

Prior Years' Highest Priorities

- Base Funding Value;
- Research Capacity;
- M&R Match;
- Access to Higher Education (West River Facility, etc.);
- 21st Century Technology (Mobile Computing, REED, etc.).

Major Expansion and Reduction

Budget Item	Governor's Recommendation		
	State General Fund	All Funds	FTE
A. Physics Ph.D. Program	970,000	1,584,700	17.0
B. Utility Budget Adjustment	(12,912)	(12,912)	
C. REED Network Budget Support	106,241	106,241	
D. Health Insurance Increase	705,297	1,628,977	
E. Lease Payments	(2,708)	(2,708)	
F. HEFF M&R Increase	-	272,449	
G. Performance Funding Pool Elimination	(500,000)	(500,000)	
H. Opportunity Scholarship Base Increase	1,995,510	1,995,510	
I. ARRA Funds Replacement	109,427	-	
J. Federal and Other Contracts and Grants Adjustments	-	63,017,911	(42.2)
Total	3,370,855	68,090,168	(25.2)

- A.** The Governor recommends the establishment of a **PhD program in Physics**. The total cost in FY2011 will be \$970,000 in general funds, \$614,700 in other funds, and 17.0 FTEs. The program will be a collaborative effort among the universities and will take two budget cycles to develop and fully fund. The request for FY12 will be \$811,919.
- B.** The Governor recommends a reduction of \$12,912 in general funds for **utilities** in the non-revenue generating facilities located on the campuses. This budget funds heating fuels, sewer, water and electricity for the two special schools and the academic facilities at the universities. Revenue facilities, such as student unions and residential facilities, must generate sufficient revenues to pay for the utilities. The Bureau of Administration has created a formula that uses projected cost increases and weather normalization to project budget needs. They have estimated a decrease for this budget.
- C.** The Governor recommends \$106,241 in general funds to fully fund the **REED** (Research, Education, and Economic Development) **Network**.
- D. Health Insurance Increase:** \$705,297 general funds; \$228,402 federal funds; \$695,278 other funds
- E.** The Regents request a decrease of \$158 for the **Animal Disease Research & Diagnostic Laboratory (ADRDL) lease payment**, a decrease of \$4,302 for the **Critical Deferred**

Maintenance Lease Payment, and an increase of \$1,752 for the **Science Facilities Bond Lease Payment**. (See page 6 for more details.)

- F. An increase of \$272,449 for the **maintenance and repair** allocation to the institutions for FY11 is recommended by the Governor. The total funding for M&R from the Higher Education Facilities Fund (HEFF) would be \$8,694,934, with the addition of this request. The funding is used for campus infrastructure, including capital improvements, renovations, and beautification. (*HEFF receives 20% of each tuition dollar. A HEFF cash flow analysis is included on page 39.*)
- G. The Performance Fund Match program was developed to encourage and reward university action in specific areas such as enrollment levels, ACT/CAAP score improvements, faculty collaboration, etc. The Governor has recommended the elimination of this incentive fund. (\$500,000 general funds)
- H. The Governor recommends \$1,955,510 from the general fund for the FY2011 South Dakota **Opportunity Scholarship program**. The number represents an increase (\$200,000) for additional eligible students and a fund source swap due to decreased Cement Plant Trust Fund earnings, which is the usual funding source for this scholarship program.
- I. The Governor recommends an increase in **federal fund** spending authority of \$34,636,040 and \$28,381,871 in **other fund** spending authority. This authority is needed to spend additional funds from the federal government, as well as corporations, student fees, tuition increases, and other funding sources that are not from the State General Fund. The Governor also recommends a **realignment of FTEs** across the system to better reflect need. The recommendation includes a decrease of 42.2 FTEs system wide.

A biennial "report card" from the National Center for Public Policy and Higher Education provides ratings on the states and their higher education systems. The report, [Measuring Up 2008](#), is the fifth in a series that provide the general public and policymakers with information they can use to assess postsecondary education in each state. The complete South Dakota Report Card can be found on pages 40 and 41.

- Preparation : How adequately does the state prepare students for education and training beyond high school? 2008 Grade: B
- Participation: Do state residents have sufficient opportunities to enroll in education and training beyond high school? 2008 Grade: B
- Affordability: How affordable is higher education for students and their families? 2008 Grade: F
- Completion: Do students make progress toward and complete their certificates or degrees in a timely manner? 2008 Grade: B
- Benefits: What benefits does the state receive from having a highly educated population? 2008 Grade: D+
- Learning: What is known about student learning as a result of education and training beyond high school? 2008 Grade: I

Board of Regents Central Office

The Governor recommends a total appropriation of \$66,809,744 and 74.0 FTEs for the Central Office for FY11. The recommended changes include a \$399,288 decrease in general funds, no change in federal fund expenditure authority, and an increase of \$277,986 in other fund expenditure authority. This budget decreased by .2% from last year's approved budget.

Item	Actual	Budgeted	Agency		Inc/Dec	% Change
	FY09	FY10	Requested FY11	Recommended FY11	FY11	From FY10
Personal Services	4,757,155	5,600,324	5,600,324	5,615,952	15,628	0.3%
Travel	258,436	311,975	311,975	311,975	-	0.0%
Contractual Services	33,809,196	30,025,298	31,132,140	30,388,368	363,070	1.2%
Supplies & Materials	150,825	171,200	671,200	171,200	-	0.0%
Grants And Subsidies	2,610,744	29,467,748	29,467,748	28,967,748	(500,000)	(1.7%)
Capital Outlay	2,316,127	1,354,501	3,125,407	1,354,501	-	0.0%
Other	239	0	0	0	-	0.0%
Total	43,902,722	66,931,046	70,308,794	66,809,744	(121,302)	(0.2%)
Funding Types						
General	13,713,670	12,747,181	15,852,480	12,347,893	(399,288)	(3.1%)
Federal	397,364	24,084,007	24,084,007	24,084,007	-	0.0%
Other	29,791,687	30,099,858	30,372,307	30,377,844	277,986	0.9%
Total	43,902,721	66,931,046	70,308,794	66,809,744	(121,302)	(0.2%)
FTE	61.8	87.4	77.4	74.0	(13.4)	(15.3%)

Excess Personal Services History

Amount appropriated for personal services that exceeded personal services needs.

	General Funds	Federal Funds	Other Funds	All Funds	FTE
FY 2009	123,901	0	620,432	744,334	25.6
FY 2008	1,490	74,045	433,091	508,626	25.5
FY 2007	333,750	1,060	102,847	437,657	21.7
3 yr avg	153,047	25,035	385,457	563,539	24.3

Budget Notes

- A. The Governor recommends a **realignment of FTEs** across the system to better reflect need. The recommendation includes a decrease of 13.4 FTEs from the Central Office.
- B. The Governor recommends an increase of \$106,241 in general funds to fully fund the **REED** (Research, Education, and Economic Development) **Network**.
- C. An increase of \$272,449 for the **maintenance and repair** allocation to the institutions for FY11 is recommended by the Governor. The total funding for M&R from the Higher Education Facilities Fund (HEFF) would be \$8,694,934, with the addition of this request. The funding is used for campus infrastructure, including capital improvements, renovations,

and beautification. (*HEFF receives 20% of each tuition dollar. A HEFF cash flow analysis is included on page 39.*)

- D.** The Regents request a decrease of \$158 for the **Animal Disease Research & Diagnostic Laboratory (ADRDL) lease payment**. The 1993 Legislature approved HB1353, which authorized the SD Building Authority to provide \$5,400,000 in revenue bonds for the construction of the ADRDL on the SDSU campus in Brookings. The total payment in FY11 will be \$461,263.
- E.** The Regents request a reduction of \$4,302 for the **Critical Deferred Maintenance Lease Payment**. The 2007 Legislature approved HB1101, which authorized the South Dakota Building Authority to provide \$8,600,000 in revenue bonds for critical maintenance and repair of certain academic buildings. The bond payments are made from general funds, but are repaid by the M&R fee revenue dollars. This payment arrangement allows for a very favorable bond rating. The total payment in FY11 will be \$694,969.
- F.** The Regents request an increase of \$1,752 for the **Science Facilities Bond Lease Payment**. The 2008 Legislature approved HB1085, which authorized the Board of Regents to spend \$74.5M to modernize science facilities at the public university campuses. The source of funding for this project is:
 - a. \$32,500,000 in state general funds to be paid in annual installments on the debt service;
 - b. \$10,000,000 from the Higher Education Facilities Fund to be paid in annual installments on the debt service; and
 - c. \$32,000,000 from the M&R component of the University Support Fee (USF), which is paid by the students, to be paid in annual installments on the debt service.

Each year, for the next 25 years, the Board will make the bond payment to the South Dakota Building Authority based on the lease schedule. The estimated annual payment is \$5,213,245 with \$2,306,131 coming from general funds.

- G.** The Governor recommends a reduction of \$12,912 in general funds for **utilities** in the non-revenue generating facilities located on the campuses. This budget funds heating fuels, sewer, water and electricity for the two special schools and the academic facilities at the universities. Revenue facilities, such as student unions and residential facilities, must generate sufficient revenues to pay for the utilities. The Bureau of Administration has created a formula that uses projected cost increases and weather normalization to project budget needs. They have estimated a decrease for this budget.
- H.** The Performance Fund Match program was developed to encourage and reward university action in areas of particular interest to the State and its citizens. Incentive fund resources are earned by the universities based on performance toward targets approved by the Board. The Governor recommends eliminating this program resulting in a \$500,000 general fund savings.

South Dakota Board of Regents Capital Improvement Projects

Below are projects not specific to any one University or Special School.

Facility Name	Ten-Year Plan Science Bond or Critical M&R	Authorization	Fund Type	Approved Amount	Project Status	Projected Completion Date
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SOUTH DAKOTA PUBLIC UNIVERSITIES AND RESEARCH CENTER

Academic Facilities

Classroom Building	2005	HB1025-2005	HEFF	\$7,700,000	Completed	Winter 2008
	2006	HB1244-2006	General	\$8,000,000		
				\$15,700,000		
Graduate Education and Research Center	2005	HB1025-2005	HEFF Federal	\$2,000,000 \$4,276,173	Completed	Winter 2008
			\$6,276,173			

UNIVERSITY CENTER - BLACK HILLS

Academic Facilities

Classroom/Office Building			HB1183-2009	Bonds Other	\$13,425,000	Construction	Spring 2011
				\$2,575,000			
				\$16,000,000			

South Dakota Opportunity Scholarships

The first scholarship recipients from the South Dakota Opportunity Scholarship program received funding in the fall of 2004. The total amount of the scholarship is \$5,000 for each eligible student to be given over a four-year period of time. The Governor recommends an additional \$1,955,510 from the general fund to fund an increase in eligible students (\$200,000) and a fund source swap due to decreased Cement Plant Trust Fund earnings.

Item	Agency					
	Actual FY09	Budgeted FY10	Requested FY11	Recommended FY11	Inc/Dec FY11	% Change From FY10
Grants And Subsidies	3,935,557	1,943,848	3,955,233	3,939,358	1,995,510	102.7%
Total	3,935,557	1,943,848	3,955,233	3,939,358	1,995,510	102.7%

Funding Types

General	3,935,557	1,943,848	3,955,233	3,939,358	1,995,510	102.7%
Federal	-	-	-	-	-	0.0%
Other	-	-	-	-	-	0.0%
Total	3,935,557	1,943,848	3,955,233	3,939,358	1,995,510	102.7%

Eligible Students	Actual FY2005	Actual FY2006	Actual FY 2007	Actual FY 2008	Actual FY 2009	Estimated FY 2010	Estimated FY 2011
2004 Graduates	808	614	531	496			
2005 Graduates		858	595	544	498		
2006 Graduates			983		639	570	
2007 Graduates				1,135	840	728	674
2008 Graduates					1,183	799	739
2009 Graduates						1,086	784
2010 Graduates							1,097
Total Eligible Students	808	1,472	2,109	2,876	3,160	3,183	3,294

Scholarship Cost

Appropriated Amount	1,950,000	1,889,500	2,648,000	3,539,591	3,862,710	3,781,667	3,967,275
Actual Expenditures	807,500	1,424,000	2,092,500	3,273,834	3,547,833		

Funding Sources

2004 Session - Amend FY04 General Bill	650,000						
From EETF							
2004 Session - FY05 General Bill	1,300,000						
From EETF							
2005 Session - Amend FY05 General Bill	633,125						
From Dakota Cement Trust Fund							
2005 Session - FY06 General Bill		113,875					
From Dakota Cement Trust (General Fund)							
2006 Session - Amend FY06 General Bill		1,208,296					
From EETF							
2006 Session - FY07 General Bill			974,204				
General Funds (SB209)							
2007 Session - Amend FY07 General Bill			571,476				
From Dakota Cement Trust Fund							
2007 Session - FY08 General Bill				2,412,615			
General Funds (HB1281)							
2008 Session - Amend FY08 General Bill				1,184,338			
From Dakota Cement Trust Fund							
2008 Session - FY09 General Bill					2,412,615		
General Funds (SB203)							
2009 Session - Amend FY09 General Bill					1,522,942		
From Dakota Cement Trust Fund							
2009 Session - FY10 General Bill						1,943,848	
From General Funds (HB1300)							
2010 Session - FY11 General Bill							3,939,358
From General Funds							
Previous Year Ending Balance		1,775,625	1,673,796	1,126,976	1,450,095	1,837,819	27,917
Total Funding Available	2,583,125	3,097,796	3,219,476	4,723,929	5,385,652	3,781,667	3,967,275
Ending Balance	1,775,625	1,673,796	1,126,976	1,450,095	1,837,819	0	0

University of South Dakota

Dr. James W. Abbott, President

The mission of the University of South Dakota is to provide undergraduate and graduate programs, as the comprehensive university within the South Dakota system of higher education, in the liberal arts, sciences, business, education, fine arts, law, and medicine; to promote excellence in teaching and learning; to support research, scholarly and creative activities; and to provide service to the state of South Dakota and the region.

The Governor recommends a total appropriation of \$121,733,122 and 1,188.4 FTEs for FY11. The recommended changes include a \$442,162 increase in general funds, a \$2,502,998 increase in federal fund expenditure authority, and \$1,960,804 increase in other fund expenditure authority. The FTE level is recommended to increase by 5.5, which is .5%.

Item	Agency					
	Actual FY09	Budgeted FY10	Requested FY11	Recommended FY11	Inc/Dec FY11	% Change From FY10
Personal Services	68,542,580	68,573,547	70,814,424	70,800,542	2,226,995	3.2%
Travel	2,128,313	1,971,886	2,103,608	2,103,608	131,722	6.7%
Contractual Services	14,822,624	19,603,250	20,451,598	20,451,403	848,153	4.3%
Supplies & Materials	4,541,468	6,747,268	7,016,901	6,991,408	244,140	3.6%
Grants And Subsidies	15,565,189	17,358,309	18,411,772	18,411,772	1,053,463	6.1%
Capital Outlay	4,447,273	2,572,898	2,976,139	2,974,389	401,491	15.6%
Other	49,657	0	0	0	-	0.0%
Total	110,097,104	116,827,158	121,774,442	121,733,122	4,905,964	4.2%
Funding Types						
General	31,766,987	31,327,670	32,133,083	31,769,832	442,162	1.4%
Federal	16,366,916	18,914,890	21,414,890	21,417,888	2,502,998	13.2%
Other	61,963,201	66,584,598	68,226,469	68,545,402	1,960,804	2.9%
Total	110,097,104	116,827,158	121,774,442	121,733,122	4,905,964	4.2%
FTE	1,116.4	1,182.9	1,191.9	1,188.4	5.5	0.5%

Excess Personal Services History

Amount appropriated for personal services that exceeded personal services needs.

	General Funds	Federal Funds	Other Funds	All Funds	FTE
FY 2009	291,539	20,217	1,613,393	1,925,149	64.5
FY 2008	1,009,775	(380,508)	49,007	678,275	28.4
FY 2007	651,577	1,530,529	623,980	2,806,086	29.4
3 yr avg	650,964	390,080	762,127	1,803,170	40.8

Revenues

	Actual FY 2008	Actual FY 2009	Estimated FY 2010	Estimated FY 2011
State Appropriations	33,085,263	31,766,987	31,395,737	33,982,123
State Grants and Contracts	1,281,481	1,196,925	1,196,925	1,196,925
State Financial Aid	716,000	745,000	774,800	798,044
Federal Grants and Contracts	7,852,337	9,208,949	11,055,637	11,223,329
Federal Financial Aid	6,816,466	7,144,776	7,859,253	8,095,031
State Support Tuition Allocation	12,169,267	12,572,933	12,517,043	13,017,725
Self-Support Tuition	7,156,274	9,276,770	9,602,707	9,986,815
Student Fees	16,006,666	18,124,736	18,060,813	18,783,245
Room and Board	8,227,075	8,625,932	8,625,932	8,625,932
HEFF - Physical Plant O&M	87,983	87,893	87,893	87,893
School and Public Lands	236,041	236,041	236,041	236,041
Other Grants and Contracts	1,844,544	1,928,464	1,928,464	1,928,464
Indirect Cost Recovery	2,008,210	2,015,403	2,075,865	2,138,141
Other Financial Aid	6,021,723	7,963,593	7,983,376	7,983,376
Sales and Services of Auxiliary Enterprises	369,734	427,449	440,272	453,481
Other Sales and Services	4,539,193	4,217,306	4,217,306	4,217,306
Transfers of Current Funds to Plant and Loan Funds	(2,126,175)	(597,527)	(615,453)	(615,453)
Plant Funds	12,689,463	11,424,874	11,424,874	11,424,874
Loan Funds	1,643,084	1,252,692	1,290,273	1,328,981
Total	120,624,629	127,619,196	130,157,758	134,892,273

Federal financial aid includes all forms of financial aid, except student loans.

Budget Notes

- A.** The Governor recommends the establishment of a **PhD program in Physics**. The total cost will be \$970,000 in general funds, \$614,700 in other funds, and 17.0 FTEs. The program will be a collaborative effort among the universities and will take two budget cycles to develop and fully fund. The request for FY12 will be \$811,919.
- USD – GF - \$315,471; OF - \$ 208,998; FTEs – 5.5
 - SDSU – GF - \$214,889; OF - \$ 184,410; FTEs – 4.5
 - SDSMT – GF - \$439,640; OF - \$221,292; FTEs – 7.0
- B.** The University requests **federal fund spending authority** in the amount of \$ 2,500,000. The increased federal funding comes from numerous grants that the University has received notice of award to spend in FY11.
- C.** The University requests **other fund spending authority** in the amount of \$ 1,641,871. The increased funding comes from a newly implemented technology fee on the mobile computing initiative, student fees, additional revenue from increased housing fees, rate increase and additional enrollments, growth in off-campus self-support courses and programs in distance education; and increased funding from the University Center in Sioux Falls.
- D.** The Governor recommends an increase in general funds and a corresponding decrease in federal funds to offset the end of the **ARRA** funding in the amount of \$24,664.
- E. Health Insurance Increase:** \$102,027 general funds; \$27,662 federal funds; \$109,935 other funds

Letter of Intent – Masters Degree in Social Work

The JAC issued a Letter of Intent for FY2010 which requested the Board of Regents to provide quarterly reports summarizing the status of the new Masters Degree in Social Work at The University of South Dakota (see page 42).

University of South Dakota and Medical School Capital Improvement Projects

Facility Name	Ten-Year Plan Science Bond or Critical M&R	Authorization	Fund Type	Approved Amount	Project Status	Projected Completion Date
UNIVERSITY OF SOUTHDAKOTA						
Academic Facilities						
Lee Memorial Medicine and Science Center	2001	HB1068-2001 HB1024-2005	HEFF	\$12,500,000	Final Inspection	Winter 2008
			General	\$1,800,000		
			Other	\$19,500,000		
				\$33,800,000		
Business School - Replacement	2005	HB1084-2088	HEFF	\$5,400,000	Final Inspection	Summer 2009
			Other	\$15,100,000		
				\$20,500,000		
Slagle Hall - Renovation	2005	HB1084-2008	HEFF	\$4,600,000	Construction	Summer 2010
			Other	\$3,900,000		
				\$8,500,000		
Akeley Lawrence Science Center Renovation	Science	HB1085-2008	Bonds	\$5,256,751	Construction	Winter 2010
Churchill-Haines Science Renovation	Science	HB1085-2008	Bonds	\$6,751,145	Construction	Winter 2010
National Music Museum Facility Improvements			Other		Facility Statement	
Pardee Lab Life Safety	Critical	HB1101-2007	Student Fee Bonds	\$1,750,000	Final Inspection	Summer 2009
Pardee Lab Renovation	Science	HB1085-2008	Bonds	\$3,792,104	Construction	Winter 2010
Revenue Facilities						
Coyote Village			Bonds	\$26,200,000	Construction	Fall 2010
Student Union - New			Bonds/Local	\$22,835,598	Final Inspection	Spring 2009
Wellness Center			Student Fee	\$15,000,000	Design/Build	Spring 2011

Note: Many of the Critical Deferred Maintenance Projects bonded for in 2007 are classified as maintenance and repair projects and do not appear on this list.

USD School of Medicine

Dr. Rodney R. Parry, MD, Dean

The mission of the USD School of Medicine is to provide those educational requirements (undergraduate medical education, graduate medical education, graduate basic science education, and continuing medical education) necessary for full accreditation status of the University of South Dakota School of Medicine; to meet the state mandate of a family-practice orientation; to provide more physicians, predominately family physicians, for South Dakota; to provide those research activities that contribute to full accreditation status of the University of South Dakota School of Medicine, but also to provide, through research, service to the citizens of South Dakota specifically in the area of health care delivery; to provide service components that contribute to full accreditation status of the South Dakota School of Medicine as well as service to University of South Dakota (student health services, undergraduate nonmedical education), and to the citizens of South Dakota in improved access to and quality of health care delivery and community services; and to provide administrative support for the other three offices of teaching, research, and service so that each may achieve its objectives, such support to include monitoring and supervising those activities necessary to maintain appropriate accreditation, licensure, and certification of all medical school programs.

The Governor recommends a total appropriation of \$54,310,314 and 372.9 FTEs for FY11. The recommended changes include an increase of \$57,913 in general funds, \$1,599,802 in federal fund expenditure authority, and \$30,568 in other fund expenditure authority.

Item	Agency					
	Actual FY09	Budgeted FY10	Requested FY11	Recommended FY11	Inc/Dec FY11	% Change From FY10
Personal Services	25,595,128	32,239,342	32,863,031	32,728,025	488,683	1.5%
Travel	672,954	1,318,013	1,335,563	1,335,563	17,550	1.3%
Contractual Services	11,650,689	10,629,940	11,682,940	11,682,940	1,053,000	9.9%
Supplies & Materials	2,161,358	2,934,161	2,975,711	2,975,711	41,550	1.4%
Grants And Subsidies	776,840	3,664,087	3,665,087	3,665,087	1,000	0.0%
Capital Outlay	3,798,113	1,836,488	1,922,988	1,922,988	86,500	4.7%
Other	1,159	0	0	0	-	0.0%
Total	44,656,241	52,622,031	54,445,320	54,310,314	1,688,283	3.2%
Funding Types						
General	17,012,371	17,141,721	17,378,970	17,199,634	57,913	0.3%
Federal	15,027,456	18,689,939	20,275,979	20,289,741	1,599,802	8.6%
Other	12,616,414	16,790,371	16,790,371	16,820,939	30,568	0.2%
Total	44,656,241	52,622,031	54,445,320	54,310,314	1,688,283	3.2%
FTE	347.3	400.2	393.5	372.9	(27.3)	(6.8%)

Excess Personal Services History

Amount appropriated for personal services that exceeded personal services needs.

	General Funds	Federal Funds	Other Funds	All Funds	FTE
FY 2009	(327,789)	2,569,971	1,660,029	3,902,211	52.9
FY 2008	492,500	1,790,566	(82,504)	2,200,563	13.2
FY 2007	2,842,124	1,254,909	1,350,581	5,447,614	(10.5)
3 yr avg	1,002,278	1,871,816	976,035	3,850,129	18.5

Budget Notes

- A.** The Medical School requests **federal fund spending authority** in the amount of \$1,586,040. The increased federal funding comes from a U.S. Department of Health and Human Services grant for Area Health Education Centers (AHECs). The grant is designed to:
- Improve the recruitment**, distribution, supply, quality, and diversity of personnel who provide health services in underserved rural and urban areas or to populations with demonstrated serious unmet health care needs;
 - Increase the number of primary care physicians** and other primary care providers who provide services in such areas and to such populations; and
 - Increase health career** awareness among individuals from underserved areas and underrepresented populations.
- B.** The Governor recommends an increase in general funds and a corresponding decrease in federal funds to offset the end of the **ARRA** funding in the amount of \$15,676.
- C.** The Governor recommends a **realignment of FTEs** across the system to better reflect need. The recommendation includes a decrease of 27.3 FTEs from the Med School.
- D. Health Insurance Increase:** \$42,237 general funds; \$29,438 federal funds; \$30,568 other funds

Revenues

	Actual FY 2008	Actual FY 2009	Estimated FY 2010	Estimated FY 2011
State Appropriations	17,853,153	17,012,371	17,141,720	18,785,595
State Grants and Contracts	1,842,951	1,384,670	1,453,904	1,497,521
Federal Grants and Contracts	16,537,119	16,618,329	18,689,939	18,632,104
State Support Tuition Allocation	4,415,679	4,482,709	4,514,370	4,649,801
Self-Support Tuition	120,117	155,622	176,909	182,216
Student Fees	1,770,460	1,898,655	1,840,058	2,347,795
Other Grants and Contracts	1,119,130	797,697	837,582	862,709
Indirect Cost Recovery	541,918	459,480	482,454	496,928
Other Sales and Services	3,270,277	3,553,609	4,301,289	4,430,328
Transfers of Current Funds to Plant and Loan Funds	(200,000)			
Loan Funds	615,206	333,931	343,949	354,267
Total	47,886,010	46,697,073	49,782,174	52,239,264

South Dakota State University

Dr. David Chicoine, President

The mission of the South Dakota State University is to serve through teaching, research, and extension activities as the state's land-grant institution; to provide undergraduate and graduate education from the freshmen to doctoral level through selected high quality academic, professional, extracurricular and recreational programs; to conduct nationally competitive strategic research, scholarly, and creative activities; and to transfer the knowledge, especially to the citizens of South Dakota, through the Cooperative Extension Service and other entities.

The Governor recommends a total appropriation of \$234,016,875 and 1,807.3 FTEs for FY11. The recommended changes include a \$512,839 increase in general funds, \$24,027,668 increase in federal fund expenditure authority, and \$19,961,930 increase in other fund expenditure authority. The FTE level is recommended to increase by 67.0, which is 3.8%.

Item	Agency					
	Actual FY09	Budgeted FY10	Requested FY11	Recommended FY11	Inc/Dec FY11	% Change From FY10
Personal Services	104,757,304	106,197,764	109,587,927	109,947,201	3,749,437	3.5%
Travel	4,636,124	3,935,883	5,721,383	5,721,383	1,785,500	45.4%
Contractual Services	21,692,592	24,732,484	34,722,679	34,722,484	9,990,000	40.4%
Supplies & Materials	19,352,999	22,898,314	32,735,657	32,710,314	9,812,000	42.9%
Grants And Subsidies	24,276,670	19,916,822	35,316,822	35,316,822	15,400,000	77.3%
Capital Outlay	7,334,334	11,833,171	15,600,571	15,598,671	3,765,500	31.8%
Other	493,639	0	0	0	-	0.0%
Total	182,543,662	189,514,438	233,685,039	234,016,875	44,502,437	23.5%
Funding Types						
General	42,903,658	42,351,556	43,032,157	42,864,395	512,839	1.2%
Federal	29,379,333	37,149,859	61,149,859	61,177,527	24,027,668	64.7%
Other	110,260,671	110,013,023	129,503,023	129,974,953	19,961,930	18.1%
Total	182,543,662	189,514,438	233,685,039	234,016,875	44,502,437	23.5%
FTE	1,734.3	1,740.3	1,810.8	1,807.3	67.0	3.8%

Excess Personal Services History

Amount appropriated for personal services that exceeded personal services needs.

	General Funds	Federal Funds	Other Funds	All Funds	FTE
FY 2009	126,277	176,796	(2,192,745)	(1,889,672)	(32.5)
FY 2008	(21,555)	758,395	(624,999)	111,841	(4.0)
FY 2007	1,382,244	566,753	1,397,688	3,346,685	(30.4)
3 yr avg	495,655	500,648	(473,352)	522,952	(22.3)

Budget Notes

- A.** The Governor recommends the establishment of a **PhD program in Physics**. The total cost will be \$970,000 in general funds, \$614,700 in other funds, and 17.0 FTEs. The program will be a collaborative effort among the universities and will take two budget cycles to develop and fully fund. The request for FY12 will be \$811,919.
- USD – GF - \$315,471; OF - \$ 208,998; FTEs – 5.5
 - SDSU – GF - \$214,889; OF - \$ 184,410; FTEs – 4.5
 - SDSMT – GF - \$439,640; OF - \$221,292; FTEs – 7.0
- B.** The University requests **federal fund spending authority** in the amount of \$ 24,000,000. The increased federal funding comes from numerous grants that the University has applied for and would spend in FY11. Examples of the grants are the National Children's Study, Department of Defense Missile Defense Grant, Department of Defense JP8 Fuel Sun Grant, Department of Defense Advanced NDE&T and Fatigue Odometer Grant, Department of Energy Feedstock Partnership Sun Grant, Department of Energy Feedstock Logistics Sun Grant, Department of Transportation Sun Grant, National Aeronautics and Space Grants, Development of Uniform Biosecurity Best Practices for Veterinary Diagnostics, National Institute of Health Grants. Federal spending authority is also needed for the increased Federal Student Financial Aid activity.
- C.** The University requests **other fund spending authority** in the amount of \$19,490,000. The increased funding comes from enrollment increases; various student fees; new fees for architecture, technology, and the mobile computing initiative; additional revenue from increased housing fees; growth in off-campus self-support courses, growth in distance education; and increased funding from the University Center in Sioux Falls. The University has applied for numerous grants that require other fund authority (Center for Biological Control and Analysis by Applied Photonics, Translational Cancer Research Center, New Photosensitizers for Image-guide, 2010 Center South Dakota Tourism Grant, Congo Basin Forest Fund Project, Influence of Crop Production practices, University of Maryland Earth Science Data Records, etc.)
- D.** The Governor recommends a **realignment of FTEs** across the system to better reflect need. The recommendation includes an increase of 67.0 FTEs.
- E.** The Governor recommends an increase in general funds and a corresponding decrease in federal funds to offset the end of the **ARRA** funding in the amount of \$35,339.
- F. Health Insurance** Increase: \$262,611 general funds; \$63,007 federal funds; \$287,520 other funds

SDSU Legislation Introduced

HB 1027 At the request of the Board of Regents – An Act to authorize the Board of Regents to construct a visitor center on the grounds of McCrory Gardens, and to make an appropriation of \$4,000,000 using donated funds.

HB 1025 At the request of the Board of Regents – An Act to authorize the Board of Regents to construct a motor pool building at South Dakota State University, and to make an appropriation of \$234,300 using other funds.

HB 1026 At the request of the Board of Regents – An Act to authorize the Board of Regents to construct phase II of the Electrical Engineering and Computer Science Building, to acquire land, and to make an appropriation of \$5,125,000 using other funds.

South Dakota State University Capital Improvement Projects

Facility Name	Ten-Year Plan Science Bond or Critical M&R	Authorization	Fund Type	Approved Amount	Project Status	Projected Completion Date
SOUTH DAKOTA STATE UNIVERSITY						
Academic Facilities						
Health Sciences Complex/Shepard Hall Reno	2001/2005	HB1084-2008	HEFF Donations	\$24,000,000 \$27,000,000 \$51,000,000	Construction	Spring 2011
Administration Bldg Life and Safety Upgrades	Critical	HB1101-2007 Deferred Maintenance	Student Fee Bonds Savings HEFF	\$1,800,000 \$554,611 \$159,881 \$2,514,492	Construction	Spring 2010
Ag Hall	Science	HB1085-2008	Bonds	\$8,006,075	Construction	Winter 2010
Briggs Library Remodel			Local	\$900,000	Facility Statement	Spring 2010
Dykhouse Athlete Development Center		HB1080-2008	Donations	\$6,000,000	Construction	Winter 2009
Dairy Microbiology Building Renovation	Science	HB1085-2008	Bonds	\$8,259,250	Construction	Winter 2010
Electrical Engineering & Computer Science Clean Room			Other		Facility Statement	
New Dairy Processing Unit		HB1082-2008	Donations	\$5,852,000	Design	Fall 2012
Fire Alarm Systems Replacement	Critical	HB1101-2007	Student Fee Bonds	\$1,700,000	Construction	Spring 2010
Harding Hall South - 4th Floor			Other	\$1,035,449	Construction	Spring 2010
Northern Plains Biostress - Bsmt Reno.			Local	\$1,800,000	Final Inspection	Summer 2009
Seed Technology Building		SB56-2007	Donations	\$6,500,000	Construction	Fall 2010
South Dakota Art Museum			HEFF M&R	\$1,800,000	Program Plan	Winter 2010
South Loop Extension/ Steam Condensate Return Utilities			HEFF M&R	\$3,800,000	Program Plan	Fall 2010
Student Wellness Center/ Locker Room Renovation		HB1011-2006	Local City Donations GAF Title IX M&R Fee	\$569,838 \$500,000 \$1,775,000 \$8,711,270 \$168,892 \$375,000 \$12,100,000	Final Inspection	Summer 2008
Revenue Facilities						
Binnewies Hall-Bathroom Renovations			Local	\$1,800,000	Final Inspection	Fall 2009
Larson Commons Renovation			Local	\$536,530	Final Inspection	Summer 2009
Mathews Hall Renovation			Local	\$973,947	Construction	Fall 2010
McCory Gardens Visitor's Center			Donations		Facility Statement	
New Residence Hall			Bonds/Local	\$20,347,185	Construction	Fall 2010
State Motor Pool/Brookings Fleet Building			Other		Facility Statement	
Student Union			Local	\$6,596,026	Construction	Summer 2010

Note: Many of the Critical Deferred Maintenance Projects bonded for in 2007 are classified as maintenance and repair projects and do not appear on this list.

Revenues

	Actual FY 2008	Actual FY 2009	Estimated FY 2010	Estimated FY 2011
State Appropriations	44,753,502	42,903,658	42,522,476	46,228,199
State Grants	687,328	1,263,220	1,527,796	2,181,229
State Financial Aid	1,326,000	1,446,000	1,483,598	1,483,598
Federal Grants and Contracts	14,594,225	22,052,884	34,000,000	44,000,000
Federal Financial Aid	9,573,417	10,308,140	11,839,024	13,369,909
State Support Tuition Allocation	20,622,378	25,333,012	19,418,612	22,218,163
Self-Support Tuition	6,339,474	8,055,719	12,671,010	12,987,785
Student Fees	30,409,461	32,643,073	35,083,928	36,136,446
Room and Board	15,001,480	15,857,198	16,808,629	18,808,629
HEFF--Physical Plant O&M	131,975	131,975	131,975	131,975
School and Public Lands	545,355	549,458	548,451	548,451
Other Grants and Contracts	1,476,320	2,073,088	5,140,516	8,433,463
Indirect Cost Recovery	3,315,064	4,408,577	6,913,613	9,284,498
Other Financial Aid	3,094,360	2,859,484	2,859,484	2,859,484
Sales and Services of Auxiliary Enterprises	9,336,984	10,488,559	11,747,186	12,040,866
Other Sales and Services	12,895,172	14,118,761	14,471,730	14,833,523
Endo/Ecto Parasiticide Tax	250,000	250,000	250,000	250,000
Transfers of Current Funds to Plant and Loan Funds	(4,354,515)	(3,697,536)	(4,036,397)	(5,844,264)
Plant Funds	12,403,125	12,990,801	13,531,940	13,627,116
Loan Funds	2,184,116	1,841,058	1,841,058	1,841,058
Total	184,585,221	205,877,129	228,754,629	255,420,128

Federal financial aid includes all forms of financial aid, except student loans.

Cooperative Extension Service

Dr. Latif Lighari, Associate Dean and CES Director

The mission of the Cooperative Extension Service is to disseminate and encourage the application of research-generated knowledge and leadership techniques to individuals, families, and communities in order to improve agriculture and strengthen the South Dakota family and community.

The total recommended change for this budget includes only the increase for health insurance and a decrease in FTEs of 19.3.

Item	Actual FY09	Budgeted FY10	Agency		Inc/Dec FY11	% Change From FY10
			Requested FY11	Recommended FY11		
Personal Services	11,787,435	13,437,396	13,437,396	13,493,330	55,934	0.4%
Travel	487,613	589,275	589,275	589,275	-	0.0%
Contractual Services	656,778	535,999	535,999	535,999	-	0.0%
Supplies & Materials	546,851	870,410	870,410	870,410	-	0.0%
Grants And Subsidies	222,277	366,000	366,000	366,000	-	0.0%
Capital Outlay	250,933	661,682	661,682	661,682	-	0.0%
Other	313,395	0	0	0	-	0.0%
Total	14,265,282	16,460,762	16,460,762	16,516,696	55,934	0.3%
Funding Types						
General	8,550,701	8,350,701	8,350,701	8,376,580	25,879	0.3%
Federal	4,262,362	6,453,479	6,453,479	6,479,781	26,302	0.4%
Other	1,452,220	1,656,582	1,656,582	1,660,335	3,753	0.2%
Total	14,265,283	16,460,762	16,460,762	16,516,696	55,934	0.3%
FTE	192.0	224.3	224.3	205	(19.3)	(8.6%)

Budget Notes

- A.** The Governor recommends a **realignment of FTEs** across the system to better reflect need. The recommendation includes a decrease of 19.3 FTEs.
- B. Health Insurance** Increase: \$25,879 general funds; \$26,302 federal funds; \$3,753 other funds

Excess Personal Services History

Amount appropriated for personal services that exceeded personal services needs.

	General Funds	Federal Funds	Other Funds	All Funds	FTE
FY 2009	(34,715)	1,614,116	87,413	1,666,814	32.3
FY 2008	0	2,176,792	(85,000)	2,091,792	36.5
FY 2007	183,432	1,368,562	(101,967)	1,450,027	26.0
3 yr avg	49,572	1,719,823	(33,185)	1,736,211	31.6

Revenues

	Actual FY 2008	Actual FY 2009	Estimated FY 2010	Estimated FY 2011
State Appropriations	8,224,222	8,550,701	8,350,701	8,350,701
State Grants and Contracts		43166	45324	47591
Federal Grants and Contracts	772,814	448,705	461,419	505,423
Federal Appropriations	4,755,586	4,099,689	5,359,472	5,359,472
Other Grants and Contracts	539,072	463,690	470,000	480,000
Indirect Cost Recovery	225			
Other Sales and Services	552,408	545,453	550,000	550,000
Pesticide Application Tax	116,362	198,417	120,000	200,000
Total	14,960,689	14,349,821	15,356,916	15,493,187

Letter of Intent

The JAC issued a Letter of Intent for FY2010 which requested the Board of Regents to conduct an administrative review of the South Dakota Cooperative Extension Service. Dr. Warner provided the report at the Interim Appropriations Meeting on December 8 (see pages 46 through 53).

Below are the suggested changes as outlined in the Letter of Intent and the BORs response to each:

- ***Accept the management and tuition dollars of the Adult Farm Records Program from Mitchell Technical Institute*** – after review by the SDSU Cooperative Extension Service (CES) and Mitchell Technical Institute, it was unanimously decided this change was not in the best interests of the program.
- ***Centralize the District Extension Directors (DEDs) on campus*** – Move the North and South DEDs to the SDSU Campus in Brookings and reduce the number of CES districts from 4 to 3 (eliminate the Central District)
- ***Explore the possibility of reinstating the "Program Leader" concept*** – Re-establish the CES Program Leader concept.
- ***Review the number of teaching employees and their subject areas*** – Reassign the Field Education Unit (FEU) Leaders to their programming roles and add their administrative responsibilities to the District Extension Directors.

Agricultural Experiment Station

Dr. John D. Kirby, Associate Dean and AES Director

The mission of the Agricultural Experiment Station is to conduct research to enhance the quality of life in South Dakota through the beneficial use and development of human, economic, and natural resources.

The total recommended budget for this program includes an increase of \$35,082 in general funds, \$3,223,885 in federal fund expenditure authority, and \$2,020,349 in other fund expenditure authority. The FTE level is recommended to increase by 10.0, which is 2.7%.

Item	Actual FY09	Budgeted FY10	Agency		Inc/Dec FY11	% Change From FY10
			Requested FY11	Recommended FY11		
Personal Services	18,951,224	21,067,372	21,667,372	21,746,688	679,316	3.2%
Travel	1,273,360	1,252,982	1,752,982	1,752,982	500,000	39.9%
Contractual Services	2,444,312	3,216,461	4,116,461	4,116,461	900,000	28.0%
Supplies & Materials	4,503,719	4,365,476	6,065,476	6,065,476	1,700,000	38.9%
Grants And Subsidies	1,357,784	1,503,913	2,503,913	2,503,913	1,000,000	66.5%
Capital Outlay	3,586,815	2,432,650	2,932,650	2,932,650	500,000	20.6%
Other	38,975	0	0	0	-	0.0%
Total	32,156,189	33,838,854	39,038,854	39,118,170	5,279,316	15.6%
Funding Types						
General	10,806,104	10,384,222	10,384,222	10,419,304	35,082	0.3%
Federal	11,003,454	12,936,288	16,136,288	16,160,173	3,223,885	24.9%
Other	10,346,631	10,518,344	12,518,344	12,538,693	2,020,349	19.2%
Total	32,156,189	33,838,854	39,038,854	39,118,170	5,279,316	15.6%
FTE	359.1	374.4	384.4	384.4	10.0	2.7%

Budget Notes

- A. The Agricultural Experiment Station requests additional spending authority in the amount of \$2,600,000 in federal fund authority, and \$2,000,000 in other fund authority. The increased **federal funding** comes from the Cooperative State Research Edu Impacts on rangeland, National Science Foundation Seed Dormancy Gene, U.S. Department of Health and Human Services and other federal agencies. The increase in **other funding** comes from Ceres Inc. Switchgrass, Rutgers University U.S. Native Grass Breeding Consortium, and others.
- B. The Governor recommends a **realignment of FTEs** across the system to better reflect need. The recommendation includes an increase of 10.0 FTEs.
- C. **Health Insurance** Increase: \$35,082 general funds; \$23,885 federal funds; \$20,349 other funds

Excess Personal Services History

Amount appropriated for personal services that exceeded personal services needs.

	General Funds	Federal Funds	Other Funds	All Funds	FTE
FY 2009	2,129,603	(432,520)	(1,183,985)	513,098	5.3
FY 2008	1,000,000	580,014	(707,818)	872,196	21.0
FY 2007	556,984	(13,630)	501,731	1,045,085	11.6
3 yr avg	1,228,862	44,621	(463,357)	810,126	12.6

Revenues

	Actual FY 2008	Actual FY 2009	Estimated FY 2010	Estimated FY 2011
State Appropriations	10,402,380	10,806,105	10,384,222	10,384,222
State Grants and Contracts	1,419,765	1,801,991	2,277,819	2,733,383
Federal Grants and Contracts	8,485,919	7,612,324	8,935,464	10,636,288
Federal Appropriations	4,193,744	3,324,903	5,500,000	5,500,000
School and Public Lands	70,011	77,823	77,745	77,745
Other Grants and Contracts	2,292,509	3,535,775	5,299,918	6,246,175
Indirect Cost Recovery		4830		
Other Sales and Services	6,869,527	5,286,378	6,077,953	6,077,953
Pesticide Application Tax	175,491	194,991	175,000	195,000
Total	33,909,346	32,645,120	38,728,121	41,850,766

South Dakota School of Mines and Technology

Dr. Robert A. Wharton, President

The mission of the South Dakota School of Mines and Technology is to provide technological education specializing in undergraduate and graduate education, with emphasis on science and engineering; and to authorize degrees at the baccalaureate, masters, and doctoral levels.

The Governor recommends a total appropriation of \$57,602,602 and 416.1 FTEs for FY11. The recommended changes include an increase of \$526,394 in general funds, an increase of \$3,008,825 in federal fund expenditure authority, an increase of \$1,782,476 in other fund expenditure authority, and a reduction of 13.5 FTE.

Item			Agency		Inc/Dec FY11	% Change From FY10
	Actual FY09	Budgeted FY10	Requested FY11	Recommended FY11		
Personal Services	27,630,435	27,485,832	29,146,756	28,763,527	1,277,695	4.6%
Travel	1,111,436	989,393	1,034,393	989,393	-	0.0%
Contractual Services	8,948,706	12,371,069	16,301,264	16,271,069	3,900,000	31.5%
Supplies & Materials	2,922,678	3,296,852	3,471,698	3,436,852	140,000	4.2%
Grants And Subsidies	4,780,959	3,620,790	3,620,790	3,620,790	-	0.0%
Capital Outlay	3,591,850	4,520,971	4,526,471	4,520,971	-	0.0%
Other	218,474	0	0	0	-	0.0%
Total	49,204,538	52,284,907	58,101,372	57,602,602	5,317,695	10.2%
Funding Types						
General	13,981,895	13,807,469	15,123,934	14,333,863	526,394	3.8%
Federal	13,083,343	16,266,797	19,266,797	19,275,622	3,008,825	18.5%
Other	22,139,301	22,210,641	23,710,641	23,993,117	1,782,476	8.0%
Total	49,204,539	52,284,907	58,101,372	57,602,602	5,317,695	10.2%
FTE	390.8	429.6	431.6	416.1	(13.5)	(3.1%)

Excess Personal Services History

Amount appropriated for personal services that exceeded personal services needs.

	General Funds	Federal Funds	Other Funds	All Funds	FTE
FY 2009	(155,982)	(109,084)	141,980	(123,086)	39.8
FY 2008	168,324	671,626	112,898	952,848	34.9
FY 2007	208,101	1,125,461	359,547	1,693,109	0.7
3 yr avg	73,481	562,667	204,808	840,957	25.1

Budget Notes

- A.** The Governor recommends the establishment of a **PhD program in Physics**. The total cost will be \$970,000 in general funds, \$614,700 in other funds, and 17.0 FTEs. The program will be a collaborative effort among the universities and will take two budget cycles to develop and fully fund. The request for FY12 will be \$811,919.
- USD – GF - \$315,471; OF - \$ 208,998; FTEs – 5.5
 - SDSU – GF - \$214,889; OF - \$ 184,410; FTEs – 4.5
 - SDSMT – GF - \$439,640; OF - \$221,292; FTEs – 7.0**
- B.** The University requests **other fund spending authority** in the amount of \$ 1,500,000. The increased funding comes from a newly implemented technology fee of \$6/cr. hr. SDSM&T will also be making bond payments and operational expenses of approximately \$700,000 related to its Surbeck Center Student Union renovation projects. Bond payments related to the residence hall renovation projects will be approximately \$500,000 in FY11.
- C.** The University requests **federal fund spending authority** in the amount of \$3,000,000. Federal research activities and expansion in DUSEL related activities are estimated to grow by this amount.
- D.** The Governor recommends a **realignment of FTEs** across the system to better reflect need. The recommendation includes a decrease of 13.5 FTEs.
- E.** The Governor recommends an increase in general funds and a corresponding decrease in federal funds to offset the end of the **ARRA** funding in the amount of \$11,539.
- F. Health Insurance Increase:** \$75,215 general funds; \$20,364 federal funds; \$61,184 other funds

Revenues

	Actual FY 2008	Actual FY 2009	Estimated FY 2010	Estimated FY 2011
State Appropriations	14,565,156	13,981,918	13,840,180	14,255,385
State Grants and Contracts	1,167,908	1,297,640	1,362,521	1,389,772
State Financial Aid	234,000	260,500	265,000	270,000
Federal Grants and Contracts	16,867,972	11,716,192	12,429,900	16,600,000
Federal Financial Aid	1,427,549	2,772,020	2,827,460	2,884,009
State Support Tuition Allocation	4,511,260	4,528,520	4,595,424	4,640,000
Self-Support Tuition	242,240	267,860	250,000	250,000
Student Fees	6,304,811	7,613,008	7,841,398	8,350,000
Room and Board	2,594,464	2,661,529	2,600,000	3,600,000
HEFF--Physical Plant O&M	34,093	34,093	34,093	34,093
School and Public Lands	132,479	133,022	133,022	133,022
Other Grants and Contracts	372,569	196,332	206,148	216,456
Indirect Cost Recovery	2,335,351	2,324,565	2,440,793	2,562,833
Other Financial Aid	1,695,630	1,769,709	1,760,000	1,770,000
Sales and Services of Auxiliary Enterprises	1,743,916	1,815,937	1,800,000	1,825,000
Other Sales and Services	857,880	1,180,978	950,000	960,000
Transfers of Current Funds to Plant and Loan Funds	(434,674)	(1,603,549)	(883,522)	(1,165,211)
Plant Funds	702,309	2,383,116	1,661,522	1,943,211
Loan Funds	23,164	29,429	35,000	40,000
Total	55,378,077	53,362,819	54,148,939	60,558,570

Federal financial aid includes all forms of financial aid, except student loans.

South Dakota School of Mines and Technology Capital Improvement Projects

Facility Name	Ten-Year Plan Science Bond or Critical M&R	Authorization	Fund Type	Approved Amount	Project Status	Projected Completion Date
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SOUTH DAKOTA SCHOOL OF MINES AND TECHNOLOGY

Academic Facilities

Chemistry/Chemical Engineering Building Renovation			Donations	\$1.5 - \$6.0 M	Program Plan	Summer 2011
Paleontology Building	Science	HB1085-2008	Bonds	\$7,063,963	Construction	Summer 2010
New Chemical and Biological Engineering/Chemistry Building	Science	HB1085-2008	HEFF	\$10,000,000	Construction	Summer 2010
			Bonds	\$7,170,000		
			Donations	\$825,000		
				\$17,995,000		

Revenue Facilities

Connolly/Palmerton Hall Renovation			Bonds/Local	\$8,118,580	Construction	Spring 2010
Surbeck Center Renovation/Addn-Phase II			Bonds/Local	\$6,000,000	Final Inspection	Summer 2009

Note: Many of the Critical Deferred Maintenance Projects bonded for in 2007 are classified as maintenance and repair projects and do not appear on this list.

Northern State University

Dr. James M. Smith, President (hired December 2008)

The mission of Northern State University is to serve as a multi-purpose, regional institution of higher education; to continue to diversify offerings to address the emerging needs of the students, community, and region; to continue to include teacher preparation as an important feature of the institutional mission, as well as programs in the arts and sciences, business, and fine arts; to provide quality teaching and learning through undergraduate and graduate programs; to provide distance delivery technology in all degree programs, especially all levels of teacher preparation; to offer students a breadth and depth in the liberal arts and in professional studies to ensure development of effective and productive professionals and citizens; to create and nurture a community of students, faculty, and staff; to support communication, student and faculty research, and professional growth; to design programs to meet academic, social, cultural, and economic needs of the community and area in order to provide lifelong learning opportunities; to provide a center for the arts and recreation; and to support regional development.

The Governor recommends a total appropriation of \$35,843,913 and 356.5 FTEs for FY11. The recommended changes include an increase of \$49,901 in general funds, a decrease of \$5,172 in federal fund expenditure authority, and an increase of \$749,128 in other fund expenditure authority. The FTE level is recommended to increase by 9.0 FTEs, which is 2.6%.

Item	Actual FY09	Budgeted FY10	Agency		Inc/Dec FY11	% Change From FY10
			Requested FY11	Recommended FY11		
Personal Services	20,957,208	21,273,079	21,450,658	21,477,136	204,057	1.0%
Travel	837,920	920,440	958,440	958,440	38,000	4.1%
Contractual Services	3,828,821	4,351,382	4,503,377	4,503,182	151,800	3.5%
Supplies & Materials	2,177,521	3,471,494	3,855,049	3,854,494	383,000	11.0%
Grants And Subsidies	4,502,059	3,997,000	3,997,000	3,997,000	-	0.0%
Capital Outlay	1,246,715	1,036,661	1,055,411	1,053,661	17,000	1.6%
Other	30,002	0	0	0	-	0.0%
Total	33,580,246	35,050,056	35,819,935	35,843,913	793,857	2.3%
Funding Types						
General	11,302,992	11,176,685	11,236,564	11,226,586	49,901	0.4%
Federal	4,720,863	5,384,835	5,384,835	5,379,663	(5,172)	(0.1%)
Other	17,556,391	18,488,536	19,198,536	19,237,664	749,128	4.1%
Total	33,580,246	35,050,056	35,819,935	35,843,913	793,857	2.3%
FTE	349.6	347.5	357.5	356.5	9.0	2.6%

Excess Personal Services History

Amount appropriated for personal services that exceeded personal services needs.

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>All Funds</u>	<u>FTE</u>
FY 2009	24,184	125,774	(178,848)	(28,890)	(6.1)
FY 2008	(65,934)	257,599	771,580	963,245	2.6
FY 2007	163,902	242,933	(3,335)	403,500	4.4
3 yr avg	40,717	208,769	196,466	445,952	0.3

Budget Notes

- A. The University requests **other fund spending authority** in the amount of \$710,000. The increased funding comes from a newly implemented technology fee of \$6/cr. hr.; the school of business special discipline fee; and room and board inflationary rate increases.
- B. The Governor recommends a **realignment of FTEs** across the system to better reflect need. The recommendation includes an increase of 9.0 FTEs. Three of the FTEs will be funded through the federal **Upward Bound Program** which serves high school students from low-income families and high school students from families in which neither parent holds a bachelor's degree. The goal of Upward Bound is to increase the rate at which participants complete secondary education and enroll in and graduate from institutions of postsecondary education. The other six FTEs will be funded from other funds collected through the mobile computing fee and through sports camps.
- C. The Governor recommends an increase in general funds and a corresponding decrease in federal funds to offset the end of the **ARRA** funding in the amount of \$9,331.
- D. **Health Insurance** Increase: \$40,570 general funds; \$4,159 federal funds; \$39,128 other funds

NSU Legislation Introduced

SB26 – At the request of the Board of Regents – An Act to make an additional appropriation of \$2,643,000 (new total would be \$3.2M) to the Board of Regents to construct an addition to the Northern State University Joseph H. Barnett Center.

Revenues

	Actual FY 2008	Actual FY 2009	Estimated FY 2010	Estimated FY 2011
State Appropriations	11,794,447	11,302,992	11,220,879	12,199,320
State Grants and Contracts	63,073	216,973	93,000	93,000
State Financial Aid	146,000	172,500	190,000	200,000
Federal Grants and Contracts	1,069,381	2,112,433	1,803,441	1,803,441
Federal Financial Aid	2,446,938	2,922,781	3,292,200	3,292,200
State Support Tuition Allocation	3,699,459	3,708,015	3,902,688	4,019,770
Self-Support Tuition	920,064	1,244,884	1,294,680	1,294,680
Student Fees	4,980,475	5,596,120	5,963,331	6,148,080
Room and Board	2,262,424	2,774,722	2,894,035	3,018,480
HEFF--Physical Plant O&M	36,293	36,293	36,293	36,293
School and Public Lands	183,393	183,393	183,393	183,393
Other Grants and Contracts	254,869	232,674	233,000	233,000
Indirect Cost Recovery	47,040	64,509	48,000	48,000
Other Financial Aid	1,689,309	2,021,127	2,101,975	2,186,050
Sales and Services of Auxiliary Enterprises	1,334,584	1,445,664	1,503,490	1,563,630
Other Sales and Services	1,704,341	2,003,510	2,162,150	2,227,020
Transfers of Current Funds to Plant and Loan Funds	(568,153)	(918,989)	(920,000)	(920,000)
Plant Funds	1,261,347	4,590,363	4,634,891	6,936,922
Loan Funds	681,323	715,568	716,000	716,000
Total	34,006,607	40,425,532	41,353,446	45,279,279

Federal financial aid includes all forms of financial aid, except student loans.

Northern State University Capital Improvement Projects

Facility Name	Ten-Year Plan		Fund Type	Approved Amount	Project Status	Projected Completion Date
	Science Bond or Critical M&R	Authorization				
NORTHERN STATE UNIVERSITY						
Academic Facilities						
Barnett Center Addition		SB66-2009	Donations	\$557,000	Program Plan	
Lincoln & Graham Hall - Renovation	2005	HB1025-2005	HEFF	\$3,000,000	Facility Statement	Fall 2014
MeWaldt-Jensen / Krikac Admin Bldg Science Upgrades	Science	HB1085-2008	Bonds	\$2,701,900	Construction	
Student Center Renovation/Addition					Facility Statement	
Revenue Facilities						
Kramer Hall Renovation			Bonds	\$2,900,000	Completed	Fall 2009

Note: Many of the Critical Deferred Maintenance Projects bonded for in 2007 are classified as maintenance and repair projects and do not appear on this list.

Black Hills State University

Dr. Kay Schallenkamp, President

The mission of Black Hills State University is to provide programs in: the liberal arts and sciences, education, with special emphasis on the preparation of elementary, middle level, and secondary teachers, human services, wellness, business, travel industries management, and tourism; to complement these programs with a series of preprofession, one-year and two-year terminal, and junior college programs; and to authorize degrees at the associate, baccalaureate, and masters level.

The Governor recommends a total appropriation of \$53,775,004 and 430.7 FTEs for FY11. The recommended changes include an increase of \$55,461 in general funds, an increase of \$21,324 in federal fund expenditure authority, and an increase of \$2,692,917 in other fund expenditure authority. The FTE level is recommended to decrease by 19.2, which is a 4.3% change.

Item	Agency					
	Actual FY09	Budgeted FY10	Requested FY11	Recommended FY11	Inc/Dec FY11	% Change From FY10
Personal Services	24,497,890	27,635,933	28,673,876	28,557,635	921,702	3.3%
Travel	928,275	1,437,053	1,564,453	1,552,053	115,000	8.0%
Contractual Services	4,963,510	7,043,261	7,508,456	7,483,261	440,000	6.2%
Supplies & Materials	2,672,214	6,294,117	6,907,728	6,894,117	600,000	9.5%
Grants And Subsidies	350,992	6,264,310	6,324,310	6,324,310	60,000	1.0%
Capital Outlay	1,304,115	2,330,628	2,965,628	2,963,628	633,000	27.2%
Other	652,800	0	0	0	-	0.0%
Total	35,369,796	51,005,302	53,944,451	53,775,004	2,769,702	5.4%
Funding Types						
General	7,813,216	7,680,449	8,029,598	7,735,910	55,461	0.7%
Federal	3,894,822	14,642,698	14,642,698	14,664,022	21,324	0.1%
Other	23,661,759	28,682,155	31,272,155	31,375,072	2,692,917	9.4%
Total	35,369,797	51,005,302	53,944,451	53,775,004	2,769,702	5.4%
FTE	415.7	449.9	447.9	430.7	(19.2)	(4.3%)

Excess Personal Services History

Amount appropriated for personal services that exceeded personal services needs.

	General Funds	Federal Funds	Other Funds	All Funds	FTE
FY 2009	(5,575)	3,032,807	(12,558)	3,014,674	25.2
FY 2008	(4,385)	2,837,398	706,530	3,539,543	33.1
FY 2007	42,632	2,520,579	(172,155)	2,391,056	1.7
3 yr avg	10,891	2,796,928	173,939	2,981,758	20.0

Budget Notes

- A. The university is requesting an increase in **other funding** of \$2,590,000, which will come from student fees: a new special discipline fee in Business Discipline courses, technology initiative fee, and other student fees. Additional revenue will come from inflationary increase in room and board charges, grant proposals relating to Sanford Underground Mine, new bookstore operation at University Center – Black Hills, increase in enrollments at the University Center, etc.
- B. The Governor recommends a **realignment of FTEs** across the system to better reflect need. The recommendation includes a decrease of 19.2 FTEs.
- C. The Governor recommends an increase in general funds and a corresponding decrease in federal funds to offset the end of the **ARRA** funding in the amount of \$6,417.
- D. The **Science on the Move** program ended in June 2009. The following is from the final report: *"Science on the Move* provided K-12 students across South Dakota with high quality hands-on science instruction and access to state-of-the-art equipment over a period of six years (2003- 2009). Coordinated by Black Hills State University's Center for the Advancement of Math and Science Education (BHSU/CAMSE) on behalf of the South Dakota Board of Regents, the project's two tractor-trailers served hundreds of school districts, including many of the state's most rural and remote. *Science on the Move* was originally conceived by a task force of business, university, civic, and education leaders. After initial setup of the vehicles by other state entities, the Board of Regents entered into an agreement with the Governor's Office and the Department of Tourism and State Development whereby BHSU/CAMSE would assume a coordination role and begin full-scale operations as of July 2003. The majority of funding over the project's six years was provided from the Governor's Future Fund.
- In June of 2009, Mitchell Technical Institute (MTI) came forward with a plan to use the vehicles to enhance career and technical education in the state. Usage of the vehicles was transferred from BHSU to MTI on July 20, 2009. Much of the science equipment from the vehicles was transferred to Sanford Underground Laboratory at Homestake with the stipulation that BHSU/CAMSE continue to care for it and that it continue to be used to support K-12 science education efforts across the state for years to come.
- E. **Health Insurance** Increase: \$49,044 general funds; \$27,741 federal funds; \$102,917 other funds

Revenues

	Actual FY 2008	Actual FY 2009	Estimated FY 2010	Estimated FY 2011
State Appropriations	8,151,938	7,813,216	7,680,449	7,680,449
State Grants and Contracts	522,887	363,448	450,000	700,000
State Financial Aid	151,000	173,000	180,000	190,000
Federal Grants and Contracts	5,216,469	4,497,345	4,750,000	5,000,000
Federal Financial Aid	3,920,541	4,614,433	5,000,000	5,300,000
State Support Tuition Allocation	7,176,578	7,759,490	7,850,000	8,000,000
Self-Support Tuition	5,013,994	6,038,476	6,350,000	6,500,000
Student Fees	5,026,769	4,955,957	5,700,000	600,000
Room and Board	2,787,440	2,847,769	3,100,000	3,250,000
HEFF--Physical Plant O&M	31,161	31,161	31,161	31,161
School and Public Lands	173,360	173,360	173,360	173,360
Other Grants and Contracts	54,849	154,289	225,000	250,000
Indirect Cost Recovery	428,922	400,771	450,000	500,000
Other Financial Aid	1,415,851	1,948,138	1,500,000	1,750,000
Sales and Services of Auxiliary Enterprises	3,631,277	3,446,318	3,600,000	4,000,000
Other Sales and Services	1,567,622	818,950	850,000	875,000
Transfers of Current Funds to Plant and Loan Funds	(1,744,072)	(2,595,242)	(1,750,000)	(1,750,000)
Plant Funds	360,991	338,597	350,000	150,000
Loan Funds	72,819	109,690	100,000	100,000
Total	43,960,396	43,889,166	46,589,970	43,299,970

Federal financial aid includes all forms of financial aid, except student loans.

Black Hills State University Capital Improvement Projects

Facility Name	Ten-Year Plan		Fund Type	Approved Amount	Project Status	Projected Completion Date
	Science Bond or Critical M&R	Authorization				
BLACK HILLS STATE UNIVERSITY						
Academic Facilities						
Woodburn Hall - Renovation	2005	HB1025-2005	HEFF	\$5,400,000	Facility Statement	Fall 2011
Science Building	Science	HB1085-2008	Bonds	\$8,078,400	Construction	Spring 2011
Revenue Facilities						
Student Union Addition/Renovation			Bonds/Local	\$11,370,000	Completed	Winter 2009

Note: Many of the Critical Deferred Maintenance Projects bonded for in 2007 are classified as maintenance and repair projects and do not appear on this list.

Dakota State University

Dr. Douglas D. Knowlton, President

The mission of Dakota State University is to specialize in programs of computer management, computer information systems, and other related undergraduate and graduate programs outlined in SDCL 13-59-2.2; to place special emphasis on the preparation of elementary and secondary teachers with expertise in the use of computer technology and information processing in the teaching and learning process; and to offer two-year and one-year programs as well as short courses for application and operator training in areas authorized.

The Governor recommends a total appropriation of \$29,606,032 and 276.0 FTEs for FY11. The recommended changes include an increase of \$39,910 in general funds, and increase of \$348,603 in federal fund expenditure authority, and an increase of \$484,387 in other fund expenditure authority. The FTE level is recommended to decrease by 2.0.

Item	Agency					
	Actual FY09	Budgeted FY10	Requested FY11	Recommended FY11	Inc/Dec FY11	% Change From FY10
Personal Services	17,056,050	17,300,005	17,991,689	17,972,905	672,900	3.9%
Travel	451,177	554,263	554,263	554,263	-	0.0%
Contractual Services	4,617,179	5,438,475	5,458,670	5,458,475	20,000	0.4%
Supplies & Materials	1,650,175	2,185,617	2,235,922	2,235,617	50,000	2.3%
Grants And Subsidies	2,750,139	2,451,357	2,581,357	2,581,357	130,000	5.3%
Capital Outlay	1,643,602	803,415	805,415	803,415	-	0.0%
Other	327,404	0	0	0	-	0.0%
Total	28,495,726	28,733,132	29,627,316	29,606,032	872,900	3.0%
Funding Types						
General	7,815,673	7,552,597	7,646,781	7,592,507	39,910	0.5%
Federal	3,216,768	3,787,078	4,137,078	4,135,681	348,603	9.2%
Other	17,463,284	17,393,457	17,843,457	17,877,844	484,387	2.8%
Total	28,495,725	28,733,132	29,627,316	29,606,032	872,900	3.0%
FTE	266.7	278.0	281.5	276.0	(2.0)	(0.7%)

Excess Personal Services History

Amount appropriated for personal services that exceeded personal services needs.

	General Funds	Federal Funds	Other Funds	All Funds	FTE
FY 2009	(199,118)	123,179	(40,384)	(116,322)	13.3
FY 2008	(7,638)	83,292	(89,994)	(14,341)	20.2
FY 2007	397,374	158,394	706,511	1,262,279	17.0
3 yr avg	63,539	121,622	192,044	377,205	16.8

Budget Notes

- A.** The University requests **federal fund spending authority** in the amount of \$350,000. The increased federal funding comes from an increased number of research awards initiated from the 2010 Center. The university will also see an increase in federal financial aid activity.
- B.** The University requests **other fund spending authority** in the amount of \$450,000. The increased funding comes from an increased number of research awards initiated from the 2010 Center. The university anticipates growth in off-campus self-support courses and programs in distance education.
- C.** The Governor recommends a **realignment of FTEs** across the system to better reflect need. The recommendation includes a decrease of 2.0 FTEs.
- D.** The Governor recommends an increase in general funds and a corresponding decrease in federal funds to offset the end of the **ARRA** funding in the amount of \$6,641.
- E. Health Insurance Increase:** \$33,449 general funds; \$5,064 federal funds; \$34,387 other funds

Revenues

	Actual FY 2008	Actual FY 2009	Estimated FY 2010	Estimated FY 2011
State Appropriations	8,003,463	7,815,673	7,573,746	8,003,463
State Grants and Contracts	1,062,425	628,184	1,217,000	
State Financial Aid	121,625	126,500	126,500	950,000
Federal Grants and Contracts	629,645	1,298,442	1,067,711	850,000
Federal Financial Aid	1,827,504	1,930,074	2,020,897	2,020,897
State Support Tuition	4,361,594	4,333,995	3,210,588	3,210,588
Self-Support Tuition	3,033,848	3,673,891	3,442,076	3,510,917
Student Fees	3,545,476	3,636,872	4,635,214	4,774,270
Room and Board	2,293,958	2,525,488	2,497,830	2,497,830
HEFF--Physical Plant O&M	22,362	22,362	22,362	22,362
School and Public Lands	173,360	173,360	173,360	173,360
Other Grants and Contracts	638,582	607,076	365,000	665,000
Indirect Cost Recovery	232,354	266,345	266,401	266,401
Other Financial Aid	855,459	854,426	854,426	854,426
Sales and Services of Auxiliary Enterprises	1,162,235	1,207,196	1,016,399	1,016,399
Other Sales and Services	645,269	579,218	504,099	350,000
Transfers of Current Funds to Plant and Loan Funds	(555,183)	(623,500)	(589,341)	(589,341)
Plant Funds	347,893	417,067	382,480	382,480
Loan Funds	278,399	322,975	300,687	300,687
Total	28,680,268	29,795,644	29,087,435	29,259,739

Federal financial aid includes all forms of financial aid, except student loans.

Dakota State University Capital Improvement Projects

Facility Name	Ten-Year Plan Science Bond or Critical M&R	Authorization	Fund Type	Approved Amount	Project Status	Projected Completion Date
DAKOTA STATE UNIVERSITY						
Academic Facilities						
Utility Infrastructure - Renovation	2005	HB1025-2005	HEFF	\$3,000,000		
Athletic Indoor Practice Facility			Donations		Facility Statement	Fall 2011
Habeger Science Center Renovation	Science	HB1085-2008	Bonds	\$6,038,670	Construction	Fall 2012
Information Systems Building			Donations		Facility Statement	
Revenue Facilities						
Residence Hall Renovations			Bonds/Local	\$5,350,000	Completed	Fall 2009

Note: Many of the Critical Deferred Maintenance Projects bonded for in 2007 are classified as maintenance and repair projects and do not appear on this list.

South Dakota School for the Deaf

Mr. Terry Gregersen, Superintendent

The mission of the School for the Deaf is to provide statewide services to the sensory impaired children and youth of the state of South Dakota; to serve in a dual leadership and resource model in the statewide efforts to meet the educational needs of sensory impaired children from birth through age twenty-one; and to carry out this mission through cooperative efforts with all appropriate state agencies, educational cooperatives, local education agencies, colleges, and universities.

The total recommended budget for this program includes an increase of \$16,325 in general funds and a decrease in FTEs of 22.0.

Item	Actual FY09	Budgeted FY10	Agency		Inc/Dec FY11	% Change From FY10
			Requested FY11	Recommended FY11		
Personal Services	2,400,131	2,776,002	2,776,002	2,792,327	16,325	0.6%
Travel	66,735	50,998	50,998	50,998	-	0.0%
Contractual Services	849,043	1,264,578	1,264,578	1,264,578	-	0.0%
Supplies & Materials	202,575	131,743	131,743	131,743	-	0.0%
Grants And Subsidies	0	0	0	0	-	0.0%
Capital Outlay	401,089	87,000	87,000	87,000	-	0.0%
Other	162	0	0	0	-	0.0%
Total	3,919,735	4,310,321	4,310,321	4,326,646	16,325	0.4%
Funding Types						
General	3,687,282	3,746,436	3,746,436	3,762,761	16,325	0.4%
Federal	50,558	138,546	138,546	138,546	-	0.0%
Other	181,896	425,339	425,339	425,339	-	0.0%
Total	3,919,736	4,310,321	4,310,321	4,326,646	16,325	0.4%
FTE	41.6	58.9	36.9	36.9	(22.0)	(37.4%)

Excess Personal Services History

Amount appropriated for personal services that exceeded personal services needs.

	General Funds	Federal Funds	Other Funds	All Funds	FTE
FY 2009	349,511	32,080	31,712	413,303	17.3
FY 2008	448,707	31,001	29,389	509,097	17.9
FY 2007	482,628	26,089	49,136	557,853	10.4
3 yr avg	426,949	29,723	36,746	493,418	15.2

Budget Notes

- A. The Governor recommends a **restructuring** at the South Dakota School for the Deaf which will decrease the number of FTEs from 58.9 to 36.9 – a reduction of 22.0 FTEs.
- B. **Health Insurance** Increase: \$16,325 general funds
- C. The JAC issued a **Letter of Intent for FY2010**, which requested the Board of Regents to conduct a review of the South Dakota School for the Deaf to ensure children who are deaf, or have hearing impairments are receiving a quality public education. Dr. Warner, Executive Director of the Board of Regents, provided the report at the Interim Appropriations Meeting on December 8 (see page 54). Due to inclement weather and an abbreviated meeting, however, he did not have adequate time to present the findings. The report will be addressed during the budget hearing.
- D. In **summary**, the report details the following information:
- a. Four recommendations to enhance service and **reduce costs by \$670,000**
 - i. Continue joint Auditory-Oral program at Brandon Valley;
 - ii. Establish similar Bilingual-Bicultural program at a school district with capacity for American Sign Language instructional program;
 - iii. Continue expanded outreach program; and
 - iv. Lease Sioux Falls facilities.
 - b. Current SDSD programs serve:
 - i. Five (5) students at SDSD receiving instruction through American Sign Language, and English as a second language
 - ii. Eleven (11) students with hearing aids or cochlear implants in a program based in Brandon Valley. Teachers use English-based instruction.
 - iii. Three hundred and ninety (390) students in local school districts across the state using services provided by SDSD outreach consultants. Growth in this area is largely due to the federally mandated child-find efforts. The findings of this effort demonstrate that the SDSD Outreach Program was understaffed and under-resourced. The BOR doubled the size of the SDSD Outreach staff during this year.

Revenues

	Actual FY 2008	Actual FY 2009	Estimated FY 2010	Estimated FY 2011
State Appropriations	3,480,074	3,687,281	3,746,437	3,746,437
Federal Grants and Contracts	72,000	37,128	133,546	133,546
School and Public Lands	75,000	97,959	97,959	97,959
Sales and Services of Auxiliary Enterprises	1,700			
Other Sales and Services	40,000			
Total	3,668,774	3,822,368	3,977,942	3,977,942

SD School for the Deaf Capital Improvement Projects

Facility Name	Ten-Year Plan Science Bond or Critical M&R	Authorization	Fund Type	Approved Amount	Project Status	Projected Completion Date
SOUTH DAKOTA SCHOOL FOR THE DEAF						
Academic Facilities						
Myklebust Recreation Center - Renovation	2005	HB1084-2008	Other Statewide M&R	\$788,192 \$50,000 <hr/> \$838,192	Construction	Spring 2010

South Dakota School for the Blind and Visually Impaired

Dr. Marjorie Kaiser, Superintendent

The mission of the School for the Blind and Visually Impaired is to provide statewide services to the visually impaired children and youth of the state of South Dakota and to serve in a dual leadership and resource model in the statewide efforts to meet the educational needs of sensory impaired children from birth through age twenty-one; and to carry out this mission through cooperative efforts with all appropriate state agencies, educational cooperatives, local education agencies, colleges, and universities.

The total recommended budget for this program includes an increase of \$12,767 in general funds and an increase of \$780 in federal fund expenditure authority.

Item	Actual FY09	Budgeted FY10	Agency		Inc/Dec FY11	% Change From FY10
			Requested FY11	Recommended FY11		
Personal Services	2,704,726	2,728,114	2,728,114	2,741,661	13,547	0.5%
Travel	32,541	30,859	30,859	30,859	-	0.0%
Contractual Services	302,545	239,857	239,857	239,857	-	0.0%
Supplies & Materials	163,279	196,056	196,056	196,056	-	0.0%
Grants And Subsidies					-	0.0%
Capital Outlay	650	46,385	46,385	46,385	-	0.0%
Other	102	0	0	0	-	0.0%
Total	3,203,843	3,241,271	3,241,271	3,254,818	13,547	0.4%
Funding Types						
General	2,716,847	2,691,566	2,691,566	2,704,333	12,767	0.5%
Federal	273,268	312,581	312,581	313,361	780	0.2%
Other	213,729	237,124	237,124	237,124	-	0.0%
Total	3,203,844	3,241,271	3,241,271	3,254,818	13,547	0.4%
FTE	50.9	52.6	52.6	52.6	-	0.0%

Excess Personal Services History

Amount appropriated for personal services that exceeded personal services needs.

	General Funds	Federal Funds	Other Funds	All Funds	FTE
FY 2009	(34,893)	44,505	0	9,612	1.7
FY 2008	11,500	19,728	0	31,228	4.3
FY 2007	58,332	13,312	0	71,644	2.7
3 yr avg	11,646	25,848	0	37,495	2.9

Budget Notes

A. Health Insurance Increase: \$13,547 general funds

Revenues

	Actual FY 2008	Actual FY 2009	Estimated FY 2010	Estimated FY 2011
State Appropriations	2,588,958	2,716,847	2,691,566	2,691,566
Federal Grants and Contracts	269,549	291,859	312,581	312,581
School and Public Lands	94,712	107,908	94,712	94,712
Other Sales and Services	70,470	50,731	142,412	142,412
Total	3,023,689	3,167,345	3,241,271	3,241,271

Other Departmental Issues

A. General Fund Reversions

FY05 \$17
FY06 \$536,605
FY07 \$29,919
FY08 \$2,104
FY09 \$40,989

B. FY2010 Letters of Intent

The Joint Appropriations Committee requested the following:

- Provide quarterly reports summarizing the status of the new Masters Degree in Social Work at The University of South Dakota (Page 42)
- Administrative review of the SDSU Cooperative Extension Service (Page 46)
- Review of the South Dakota School for the Deaf (Page 54)

C. Higher Education Facilities Fund (HEFF)

The primary source of dollars for university academic facilities is the tuition dollars placed in the HEFF. Twenty percent of all state-support tuition revenue, with the exception of the first \$875,000 of medical school tuition revenue, is placed into HEFF. HEFF is also assessed on courses offered at the three Centers and on all distance courses (new in summer of 2009). HEFF supports new construction as well as the M&R needs of the universities and the long-term indebtedness for capital improvements.

Higher Education Facilities Fund Cash Flow Statement

	Actual FY2007	Actual FY2008	Actual FY2009	Est. FY2010	Est. FY2011
Starting Balance	8,271,288	12,007,593	11,545,871	13,165,454	9,523,781
Plus:					
Net 20% Tuition	13,011,444	13,791,375	14,663,239	14,620,464	15,059,078
M&R Fee Revenue			2,200,291	2,205,330	2,203,320
Interest Revenue	261,337	596,820	2,543,788	1,582,672	460,951
Total Revenue	13,272,781	14,388,195	19,407,318	18,408,466	17,723,349
Less:					
Current FY M&R Expenditures	4,502,454	6,619,135	6,526,594	10,186,809	8,694,934
Lease Payment	5,277,240	8,230,782	11,261,141	11,863,330	13,268,610
Total Expenditures	9,779,694	14,849,917	17,787,735	22,050,139	21,963,544
Ending Cash Balance	11,764,375	11,545,871	13,165,454	9,523,781	5,283,586
Obligated Unexpended	4,926,884	4,111,984	3,768,562		
Ending Balance as % of Total Expenditures	120.29%	77.75%	74.01%	43.19%	24.06%
Ending Unobligated as % of Total	69.92%	50.06%	52.83%	43.19%	24.06%

ABOVE STATEMENT IS BASED ON THE FOLLOWING:

- Assumes a 4% interest earnings calculation based on the ending cash balance plus \$2,000,000 for unexpended M&R funds.
- Assumes stable enrollments and an annual tuition increase of 3%.
- Expenditures include 4% annual inflationary growth to M&R funding, \$1.0M for the Dairy Plant in 2012, and \$1.0M for energy projects in 2012 and 2013.
- Lease payments include the leases for the University Center South facility through 2012 and the Capital University Center facility.
- Includes the bonding for \$11.4M in 2011 to fund projects on the 2005 ten-year plan and \$8,970,000 for the University Center South space replacement.

MEASURING UP 2008

THE STATE REPORT CARD
ON HIGHER EDUCATION



What is Measuring Up?

The purpose of a state report card is to provide the general public and policymakers with information they can use to assess and improve post secondary education in each state. Measuring Up 2008 is the fifth in a series of biennial report cards.

The report card grades states in six overall performance categories: **Preparation:** How adequately does the state prepare students for education and training beyond high school? **Participation:** Do state residents have sufficient opportunities to enroll in education and training beyond high school? **Affordability:** How affordable is higher education for students and their families? **Completion:** Do students make progress toward and complete their certificates or degrees in a timely manner? **Benefits:** What benefits does the state receive from having a highly educated population? **Learning:** What is known about student learning as a result of education and training beyond high school?

Grades compare the current performance of each state with the best-performing states, but do not compare with past performance. Key indicators (back page) allow states to compare current performance with past performance.

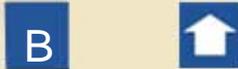


Annie Mehlhaff
Legislative Research Council

South Dakota



PREPARATION



2008 Grade Change Over Time
South Dakota performs fairly well in preparing its young people for college, but there are large gaps by ethnicity.

- n Eighth graders perform very well in math, science, and reading; the state's students are among the top performers on the science test.
- n However, there is a 24% gap between whites and all minorities in the percentage of young adults with a high school credential—the largest gap in the nation.

PARTICIPATION



2008 Grade Change Over Time
South Dakota does well in providing college opportunities for its residents.

- n The likelihood of enrolling in college by age 19 is high—and has increased by 35% since the early 1990s.
- n There is an 18% gap between whites and all minorities in the percentage of young adults enrolled in college, which is one of the largest gaps in the United States.

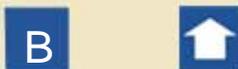
AFFORDABILITY



2008 Grade Change Over Time
Higher education has become less affordable for students and their families.

- n Poor and working-class families must devote 30% of their income, even after aid, to pay for costs at public four-year colleges.
- n The state makes no investment in need-based financial aid.

COMPLETION



2008 Grade Change Over Time
South Dakota performs well in awarding certificates and degrees relative to the number of students enrolled, but relatively few students complete a bachelor's degree in a timely manner.

- n Forty-five percent of college students complete a bachelor's degree within six years.
- n Only 33% of Native Americans graduate within six years, compared with 48% of whites.

REPORT CARD

Preparation	B
Participation	B
Affordability	F
Completion	B
Benefits	D+
Learning	I

WHAT DO THE ARROWS MEAN?



State has increased or remained stable on the key indicator in the category.



State has declined on the key indicator in the category.

See back page for key indicator by category.

BENEFITS



2008 Grade Change Over Time
Only a fair proportion of residents have a bachelor's degree, and this substantially weakens the state economy.

- n Nine percent of Native Americans have a bachelor's degree, compared with 30% of whites.
- n If all racial/ethnic groups had the same educational attainment and earnings as whites, total annual personal income in the state would be about \$1 billion higher.

LEARNING



2008 Grade
Like all states, South Dakota receives an "Incomplete" in Learning because there is not sufficient data to allow meaningful state-by-state comparisons.

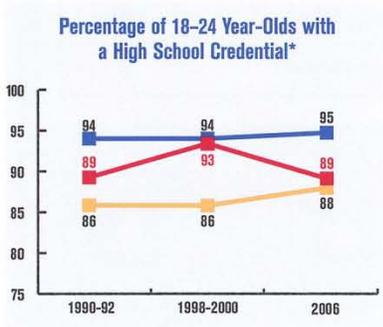
Board of Regents
Tab 18 - Page 40

January 12, 2010
Board of Regents FY2011.docx

This page reflects South Dakota's performance and progress since the early 1990s on several key indicators.

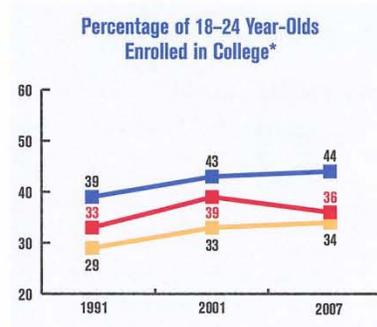
PREPARATION

The percentage of young adults in South Dakota who earn a high school diploma has remained stable since the early 1990s. High school completion is slightly above the U.S. average but below the top-performing states.

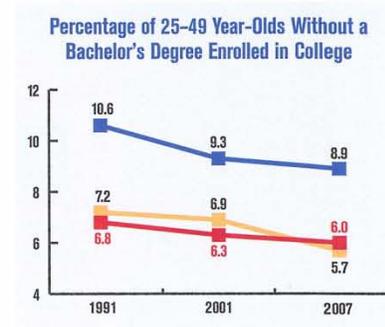


PARTICIPATION

College enrollment of young adults in South Dakota has improved since the early 1990s. The state is above the national average but below the top states in the percentage of young adults enrolled.

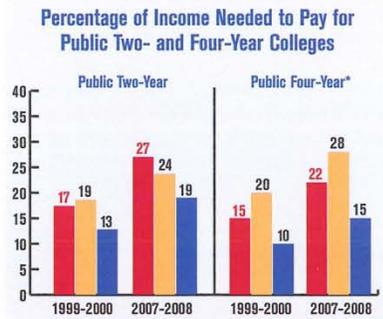


The enrollment of working-age adults, relative to the number of residents without a bachelor's degree, has declined in South Dakota—but not as substantially as it has across the nation and in the best-performing states. The percentage attending college in South Dakota is slightly above the U.S. average but below the top states.



AFFORDABILITY

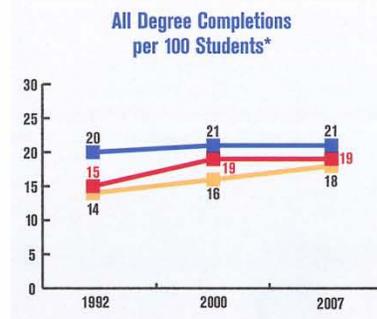
The share of family income, even after financial aid, needed to pay for college has risen substantially. To attend public two-year colleges in South Dakota, students and families pay more than the U.S. average. To attend public four-year colleges, they pay less than the national average but more than those in the best-performing states.



*Key indicator for the category.

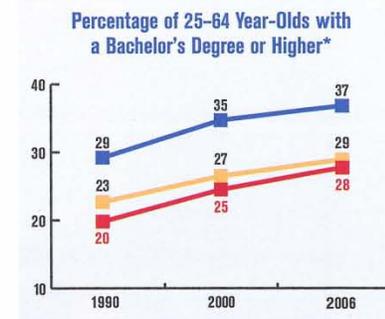
COMPLETION

The number of undergraduate credentials and degrees awarded in South Dakota, relative to the number of students enrolled, has increased since the early 1990s. South Dakota surpasses the U.S. average but is below the top states on this measure.



BENEFITS

The percentage of residents who have a bachelor's degree has increased substantially in South Dakota, but it is still slightly below the U.S. average and below the top states.



LEGEND:

- & ■ = South Dakota
- & ■ = United States
- & ■ = Median of Top Five States



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**Status Report to the Joint Committee on Appropriations
South Dakota State Legislature**

**Master of Social Work Degree Program
The University of South Dakota**

December 16, 2009

Prepared By:

**Charles L. Schwartz, PhD, MSW
Chair, Department of Social Work
School of Health Sciences
University of South Dakota**

and

**Brian Kaatz, PharmD
Dean, School of Health Sciences
University of South Dakota**

On April 6, 2009 the Joint Committee on Appropriations of the South Dakota Legislature requested quarterly reports summarizing the status of the new Masters Degree in Social Work at The University of South Dakota. Following is the second quarterly report by the University to the Board of Regents and the Joint Committee. This report will provide information and discuss each of the areas requested by the Committee.

Time frame for program implementation and estimated number of students

As previously described, academic year 2009-2010 is a planning year for curriculum development, acquisition of program leadership, and preparation for accreditation candidacy. No students will be admitted in this first year. A cohort of 10 standard program students will be admitted every two years, starting in fall 2010. A cohort of 10 advanced standing students will be admitted every year beginning in summer of 2011. We assume attrition of one student every other year. Estimated enrollments for the first years of the program are shown in the table below.

Master of Social Work	Fiscal Years of Program			
	2nd	3rd	4th	5th
	FY11	FY12	FY13	FY14
Students new to the university	10	10	20	10
Total students in the program (Each fall)	10	19	20	19
Graduates	0	19	10	19

Number of Faculty Hired Per Year

As per the requirements of the Council on Social Work Education Accreditation Standards, the Department of Social Work intends to incrementally hire four additional faculty for the MSW as the program is being developed (over the first three years), achieves accreditation candidacy, and receives initial accreditation. The time line for hiring faculty and a CSA secretary position to fully staff the MSW program follows.

2009-2010 Academic Year

- *1 MSW Program Director
- *1 Department Field Education Director
- *1 0.50 FTE CSA Secretary

*Searches have been completed; the above positions have been filled and are occupied.

2010-2011 Academic Year

- 1 MSW Program Faculty Member

2011-2012 Academic Year

- 1 MSW Program Faculty Member

Estimated Costs Per Year

The following program general fund requests are as listed in the final proposed budget for the MSW as submitted to the Board of Regents and South Dakota Legislature. They are estimated program needs less tuition and fee recovery.

<u>1st Year-FY10</u>	<u>2nd Year-FY11</u>	<u>3rd Year-FY12</u>	<u>4th Year-FY13</u>	<u>5th Year-FY 14</u>	<u>6th Year-FY15</u>
\$319,000	\$388,438	\$461,000	\$471,500	\$467,000	\$474,500

The allocation for base funding received from the South Dakota legislature for FY10 was \$237,251. The three positions hired to support the program were hired in August (faculty) and October (staff). These starting dates some months after the beginning of the fiscal year in July will allow FY10 expenditures to be covered by the allocation. The approximate expenditures through the first half of FY2010 (through December 2010) are \$105,000.

It will be critical to secure the remainder of needed base funding for FY11 to assure continuing progress.

Curriculum Development Progress

The Department of Social Work has developed a curriculum for the MSW degree. The MSW degree will be offered in two formats. For students who possess a baccalaureate degree in social work, a 36 credit hour advanced standing concentration curriculum will be offered. For students who do not possess a baccalaureate degree in social work, a 60 credit hour foundation/ concentration curriculum will be offered. The degree program has two formats in order to maximize enrollment which will include graduates of accredited undergraduate social work programs located in South Dakota and the surrounding states, as well as individuals who possess a non-Social Work Bachelors Degree that are currently employed in the social or human services fields.

The MSW degree for the both the traditional and advanced standing programs were approved by the Board of Regents in December of 2008; the individual courses for these were not. Since that time the Department of Social Work has made changes in proposed courses and added new courses. Therefore new course requests and both substantive and minor program modifications have been submitted to the Board of Regents for approval of the curriculums of the 2 year and advanced stranding programs. These are pending.

Accreditation Procedures and Progress

The Department of Social Work intends to admit the first cohort of MSW students in the fall of 2010, thus it is imperative that the MSW program have achieved accreditation candidacy by that time. The Department has filed a letter of intent and a Candidacy Eligibility Application with the Council on Social Work Education. In September 2009, approval of the letter of intent and Candidacy Eligibility Application were received from the Council on Social Work Education and we were advised to proceed to prepare the Benchmark One document, the

second step in obtaining accreditation candidacy. This document is due before the end of February 2010. When this document is approved, a member of the Commission on Accreditation of the Council on Social Work Education will be assigned to visit the MSW program. The Commissioner will file a report with the Council and if approved, the program will be given approval to begin offering courses.

Recruitment of New Faculty and Students

As noted earlier in this report, the Department has filled the positions of MSW Program Director and Department Field Education Director. The names and bios of the individuals we have hired were included in the first quarterly report. We have also filled the half time support staff position for the MSW program at the time of this report.

At the time of this report we have begun to actively recruit students for admission to the 2 year foundation/concentration MSW program. The admission criteria and process for the MSW program has now been fully developed. We are encouraged to report that there has been great interest in our MSW program by potential applicants. The Graduate School at the University and the Department of Social Work have received over one hundred phone call and email inquiries about the MSW and the Graduate School has provided program admission materials program to these individuals over the past month. We have set an application deadline of February 1, 2010 for admission to the 2 year MSW program for next fall. We fully anticipate meeting our student number goals.

Practicum Site Possibilities

We are well into the development of field education placement sites for the MSW program. Department Field Education Director Professor Aden has been actively developing these placement sites in preparation for the cohort of MSW students admitted to the program for fall 2010.

Summary

In summary, we are pleased to report that we are on schedule having hired for the critical positions of MSW Program Director and Field Education Director and a half time support staff position. These individuals as well as the Department's faculty will be engaging in ongoing program planning and accreditation candidacy processes and we move forward on-schedule to admit our first cohort of students in Fall of 2010, as proposed.



South Dakota
Cooperative Extension Service

Office of Director/Associate Dean

College of Agriculture and
Biological Sciences

SAG 154, Box 2207D
South Dakota State University
Brookings, SD 57007-0093
Phone: 605-688-4792
FAX: 605-688-6733

November 30, 2009

RECEIVED

DEC 03 2009

BOARD OF REGENTS

Dr. Jack R. Warner
Executive Director and CEO
South Dakota Board of Regents
306 E. Capitol Avenue, Suite 200
Pierre, South Dakota 57501

Subject: Cooperative Extension Reorganization Report to State Legislators

Dear Dr. Warner:

The Joint Committee on Appropriations of the South Dakota Legislature issued a Letter of Intent (LOI), dated April 6, 2009, through the South Dakota Board of Regents and the South Dakota State University administration, stating that the Board of Regents shall conduct an administrative review of the South Dakota Cooperative Extension Service. The committee requested that we provide them with a reorganization plan and a report by December 1, 2009, through the Board of Regents.

Attached is the report for legislative leadership members of the appropriations committees.

Sincerely,

Latif Lighari, Ph.D.
Director, South Dakota Cooperative Extension Service

This report is being transmitted through the President's Office and the Academic Affairs Office.

David L. Chicoine
President
Laurie Stenberg Nichols, Ph.D.
Provost and Vice President of Academic Affairs

Attachment

South Dakota State University, South Dakota Counties and U.S. Department of Agriculture Cooperating. South Dakota State University is an Affirmative Action/Equal Opportunity Employer and offers all benefits, services, education and employment opportunities without regard for race, color, creed, religion, national origin, ancestry, citizenship, age, gender, sexual orientation, disability, or Vietnam Era Veteran status.



South Dakota
Cooperative Extension Service

South Dakota Cooperative Extension Service Re-Organization Report

*As Requested by the 2009 South Dakota State Legislature
through LOI dated April 6, 2009*

November 2009

In January of 2009, Governor Rounds amended his proposed FY2010 State Budget to include a reduction of \$1 million dollars for the Cooperative Extension Service. Extension supporters around the state responded to the news by contacting their local legislators and testifying to the importance of the work conducted by Cooperative Extension. As a result, the Cooperative Extension Service's FY 2010 budget was reduced by \$200,000. This action was accompanied with a Legislative Letter of Intent that identified the following recommendations to re-organize and streamline Extension operations:

- Accept the management and tuition dollars of the Adult Farm Records Program from Mitchell Technical Institute
- Centralize the District Extension Directors on campus
- Explore the possibility of reinstating the "Program leader" concept
- Review the number of teaching employees and their subject areas
- Submit a report via BOR by December 1, 2009 with recommendations.

In May, 2009, Dr. Latif Lighari, Director of the Cooperative Extension Service indicated that he would take steps to comply with the Legislative Letter of Intent. To facilitate the requested changes, Extension would conduct two stakeholder surveys designed to obtain thoughts, ideas, reactions and recommendations. Stakeholders would be asked how Extension could be reorganized/streamlined to improve operational efficiencies. The first stakeholder survey was conducted internally, and included Extension staff at the county and state level. The second stakeholder survey was conducted externally, and included constituents and leaders from several user groups. Both surveys were conducted electronically by *Survey Monkey* to insure complete confidentiality, lower costs and improve response time. The option to complete a written survey was also given.

Dr. Lighari pursued the concept of transferring the Mitchell Vo. Tech Adult Farm records program to Cooperative Extension by having several conversations with the parties involved. On Friday, August 7, 2009, a meeting was held on the SDSU Campus in Brookings that included:

Mr. Greg Von Wald, President Mitchell Vo. Tech, Dr. Latif Lighari, CES Director, Representative Larry Tidemann and Representative Lance Carson of Mitchell. It was unanimously decided by the parties involved that Mitchell Vo Tech will not transfer its Adult Farm Records program to the Cooperative Extension Service.

The Results of Stakeholder Surveys

The Internal Stakeholders Survey:

Conducted in late May, 2009, the internal survey was completed by **109** county and state Extension staff members. The survey consisted of 13 questions that sought feedback on program prioritization, fee structures, administrative structure, in-service training and advisory board processes.

Program Prioritization:

Sixty-two percent of survey respondents felt that program prioritization should be determined by local needs assessment, while 52% of respondents felt that a team approach between educators, specialists and the Program Liaisons had the most chance of being successful.

Survey respondents had distinct thoughts about how program delivery in Cooperative Extension could be streamlined. An increasing emphasis on technology was identified, including the need to focus on website improvements, video streaming, and social media.

Respondents also identified the need to utilize on-line training for program delivery. While face to face programs were still identified as being important, respondents emphasized the importance of strategic site locations for seminars and workshops – primarily using regional meeting formats more frequently.

Fee Structures:

Seventy percent of respondents felt that Cooperative Extension should explore the implementation of a fee structure for program delivery. Respondents identified that specific programs lend themselves more favorably to a fee structure – including programs like Private Applicator Training, livestock quality assurance certification, Child Care Providers training and other major conferences or events with more significant expenses (i.e. meals or speakers). In other instances, respondents felt that fees should be charged only to cover program costs (i.e. supplies, printing or mailing costs).

In addition, respondents emphasized the importance of developing a fee schedule that would provide guidance for uniform fee implementation across program areas and/or program types. Respondents also identified the need to develop a universal bookkeeping system for fees collected.

Administrative Structure:

Seventy-six percent of survey respondents felt that the current configuration of four CES Districts was not working. Respondents preferred a three-district structure with some concern that the West District is too large and requires too much travel from staff.

Eighty-two percent of survey respondents were not satisfied with the current administrative configuration within CES. Survey responses indicated that the administrative structure seems to be too top heavy and questioned the role of the

Associate Director position. In addition, there was a strong desire for the Program Leader positions to be reinstated and for the FEU Team Leader positions to be eliminated to provide more programming time for these individuals or review and revise their roles and responsibilities. If continued, FEU leaders should be elected and not appointed by the administration. There was a strong desire expressed to keep the District Extension Directors located in the field and not to move them to the main campus of SDSU.

In-Service Training Opportunities:

Feedback indicated that staff desired in-service trainings to be meaningful and rich in content. Regional trainings (at the FEU or District level) that utilize a 3-4 day training approach are preferred for professional development. Advanced notification (6-8 months) was listed as key to success, and using technology for distance education should be explored.

Survey respondents identified New Worker Orientation as worthwhile training, providing new staff with an opportunity for team building. Respondents felt the orientation could utilize technology more efficiently in order to reduce travel expenses and should utilize the experience of seasoned staff. Initiating the need for formal mentoring program was also identified.

Advisory Board Structures:

Survey respondents felt that the three Extension Advisory Board structures in South Dakota (County, FEU and State) would benefit from improved communication and training. Their role of providing programming and marketing support should be clarified. Respondents felt term limits need to be enforced with the Advisory Board system. Responses also indicated a need to define the purpose of FEU Boards to make sure they are necessary or consider eliminating this layer to reduce the burden of travel and expenses from the Board members and the counties.

Planning for a future workforce:

The last question of the survey asked respondents to identify if and when they would be considering retirement. 17 staff members said they would be considering retirement within the next 5 years while 25 staff members were considering retirement within the next 10 years.

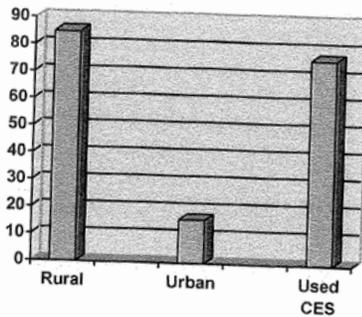
The External Stakeholders Survey:

The external Stakeholders Survey was conducted in June, 2009.

A Profile of Respondents:

The survey asked respondents to profile their interaction with Cooperative Extension. Thirty-one percent of respondents identified themselves as Extension advisory board members, 58% as 4-H volunteer leaders, 8% as Master Gardeners, 20% members of an agricultural commodity group, and 3% as SD Extension Family Consumer Science Leader board members. Additionally, 19% of the survey respondents identified that they hold an elected office.

Survey responses were received both electronically (through *SurveyMonkey*) and by mail, with 428 survey responses being received. The survey consisted of 13 questions that asked for assessment on program delivery, fee structures, administrative structure, staffing, and marketing,



Of the 428 survey respondents, 85% identified that they live in a rural area, while 16% lived in an urban area. Seventy-six percent of the survey respondents identified that they had used Cooperative Extension Services in the last 12 months. In addition, 65% of the survey respondents identified that they were female while 24% of the respondents were male.

Program Delivery

Eighty-five percent of survey respondents noted that Cooperative Extension provides educational services that meet constituent needs. Survey comments revealed that CES has capable staff, provides a needed service to the public and does a satisfactory job in meeting constituent needs.

When asked how Cooperative Extension could improve its program delivery, survey respondents highlighted the use of mass media and exploring new technology. This included developing on-line education/classes, using email for sharing information, and improving/expanding the website. Respondents also emphasized the need for Extension staff to become more involved in community activities and collaborations, to update the 4-H program, and to offer more flexible times for trainings, including evening and weekend trainings.

Fee Structures

Forty-seven percent of survey respondents felt that Cooperative Extension should not implement a fee structure for program delivery while 35% were in favor, and 18% had no opinion. Respondents feel the services of Cooperative Extension are included in the taxes they pay, and that people would not use CES services if fees were charged for programs.

If fees were implemented for services, 57% of the survey respondents felt that fees should be reasonable, and only cover program expenses. Twenty-three percent of respondents felt that Extension Educators should determine program fees, while 15% of respondents felt that a statewide fee structure should be developed. Survey responses also strongly indicated that some consideration should be developed for allowing low-income citizens to use CES services for free or on a pro-rated basis.

Administrative Structure

Survey respondents were asked to assess two administrative components of the Cooperative Extension Service – the configuration of the Extension Districts and the CES Administrative structure.

Forty-six percent of survey respondents were satisfied with the current configuration of the Extension Districts, 17% were not satisfied, and 37% had no opinion. Comments identified that distance and travel is a concern with constituents across districts.

Forty-one percent of survey respondents felt that the current Extension Administrative structure was effective, 20% did not, while 39% of respondents had no opinion. Survey responses indicated some concern with the administrative structure being too top heavy. Additional feedback identified the need for one administrative person to be in charge of each program area (Area of Emphasis).

Staffing

When asked about the adequate staffing of Extension Educators and Specialists to meet program needs, 61% of survey respondents felt CES was adequately staffed. Respondents commented that Extension Educators and Specialists were talented at their jobs, but they were concerned about extensive workloads. Additional comments revealed concern with vacancies that were being held too long.

When asked about the potential of Extension Educators being assigned to work in more than one county, 36% of survey respondents approved of this concept but also indicated they would like to learn more about this approach. Twenty-three percent of respondents were not in favor of this approach. Comments indicated a concern that this approach would over-extend educators who already have full workloads.

Marketing

Sixty-four percent of survey respondents indicated that Cooperative Extension should conduct more promotional and marketing ventures using the Internet, while 48% of respondents would like to receive information regarding CES initiatives through email.

Seventy-two percent asked for improved local promotion. Working with local service organizations, commodity groups and agencies was identified as a way to strengthen local promotion of CES.

Summary of Action Steps

The Stakeholder Surveys were positively received by both internal and external constituents of Cooperative Extension. Respondents noted their appreciation for the opportunity to complete the survey, and valued the experience as a means to share ideas and suggestions for improving the operations and functions of the South Dakota Cooperative Extension Service.

Survey feedback and the contents of the Legislative Letter of Intent were shared with the CES Leadership Team, the College of Agriculture & Biological Sciences (ABS) administrative team, the SDSU director of Human Resources and the SDSU Administration in May and June of 2009.

As a result of these conversations, two survey outcomes, and to address the Legislative Letter of Intent from the Appropriations committee, CES administration proposed following steps to reorganize SD Cooperative Extension Service:

1. Move the North and South District Extension Directors to the SDSU Campus in Brookings an.
2. Reduce the number of CES Districts from Four to Three (Eliminate the Central District – this district was created in 2007).
3. Re-establish the CES Program Leaders.
4. Reassign FEU leaders to their programming roles and add their administrative responsibilities to the DEDs.

This proposal was vetted with four key constituent groups: The State Extension Advisory Board on June 19, 2009 in Pierre; Chairs of County Commissions on July 28, 2009 in Pierre, and the South Dakota 4-H Leaders Association on August 4, 2009 in Chamberlain. Finally, on September 4, 2009, it was presented to a specially-appointed Blue Ribbon Panel. The panel met in Huron, and included Extension stakeholders, ag commodity group representative, legislators, and Extensions staff. The above recommendations were supported by the four groups mentioned above.

Implementation and Timeline:

In keeping with guidance provided in the Letter of Intent, following timeline was implemented to enact these changes:

1. September 9, 2009 – Public announcement was made of specific plans to reorganize administrative functions of Extension, in keeping with the Legislative Letter Of Intent. Additional meetings were held with: the CES Leadership team, CES faculty & staff, State Extension Advisory Board members and other CES volunteers and partners.
2. Effective January 1, 2010- The Central District will be disbanded to re-establish three administrative districts. The FEUs and counties of Central District will be moved to the other three districts.
3. Effective January 1, 2010, two District Extension Directors (North District and South District) will begin the transition of moving their offices to SDSU campus in Brookings. This task will be completed by July 1, 2011. This allows for adequate time to close on present office leases in Sioux Falls and South Shore. The District Extension Director for the West District is already located at the West River Ag Center campus in Rapid City.
4. Program Leaders were appointed internally from the most qualified and well respected CES faculty/staff. Job descriptions for Program Leaders have been developed. The program leaders appointed were in the following areas with following percentage of time allocated to perform the duties of program leader:
 - a. Agriculture and Natural Resources - 50%
 - b. 4-H and Youth Development - 50%
 - c. Family and Consumer Sciences - 25%
 - d. Community Development and University Engagement – 25%
 - e. Emergency preparedness, disaster education & e-Extension – 25%
 - f. Native American Programs - 25%

5. An implementation committee of Extension staff was appointed to re-draw District lines and assist in the implementation of the reorganization plan. They submitted their recommendation on October 14, 2009 at the 2009 Annual Extension Conference.

Additional Recommendations:

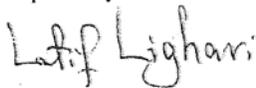
The legislative Letter of Intent also asked for additional recommendations to the appropriations committee for legislative consideration. Based on extensive discussions and input collected from several extension educators, extension specialists and stakeholders, extension administration would like to make following recommendation:

1. Consideration be given to allow the District Extension Directors (DED) for North and South District to keep their offices in their respective districts. This will help the DEDs to stay close to the county extension educators they supervise and also be close to the county extension advisory boards they work with.
2. In light of the current budget crises in South Dakota, CES administration is cognizant that additional funding is unlikely in the near future. Nevertheless the needs of South Dakota's youth are crucial and ongoing. Therefore, it is recommended that consideration be given to the following cost effective proposal.

CES has identified twenty counties with significant youth population. These counties are under served and have no 4-H educator. It is proposed that, at an appropriate time, additional funding be provided to hire 4-H Program Assistants for these counties. They will recruit and engage an additional 10,000 youth to benefit from South Dakota 4-H/YD program. Research has indicated that youth involved in 4-H are more likely to stay in school and become productive, contributing citizens. Furthermore, this proposal will create twenty jobs in economically distressed communities.

SDSU Cooperative Extension Service appreciates the support of state legislators, specifically members of the appropriations committee. Due to this opportunity CES was successfully reorganized and additional recommendations are provided for consideration.

Respectfully submitted



Latif Lighari, Ph.D.
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THE SOUTH DAKOTA SCHOOL FOR THE DEAF TRANSITION PLAN

The time has come to redirect the South Dakota's investment in educational services for children who are hard of hearing or deaf in order to provide more comprehensive, individualized and effective services to a greater numbers of children than ever before

Four Measures to Enhance Service and to Reduce Cost

The Board of Regents proposes four measures that will enhance South Dakota School for the Deaf services to children with hearing impairments while reducing overall costs by nearly \$670,000. These measures include:

- Continuing the successful public school-based joint Auditory-Oral program at Brandon Valley;
- Establishing a similar public school-based joint Bilingual-Bicultural program at a school district with capacity for a robust American Sign Language instructional program;
- Continuing the expanded outreach program; and
- Leasing space within existing Sioux Falls facilities for compatible uses.

Change is necessary to provide children with hearing impairments flexible, individualized education programs as required under current national policies

1. Educational placements and educational strategies for children with hearing loss have changed dramatically in recent years, and SDSD is no longer a single-purpose institution with a one-size-fits-all approach to education for children with hearing impairments. At present, SDSD programs serve:
 - Five (5) students in the institutional setting of SDSD in a program in which teachers deliver instruction using American Sign Language, and teach English as a second language used in reading, writing and mathematics.
 - Eleven (11) students whose hearing has been enhanced by hearing aids or cochlear implants in a program based in a public school setting in Brandon Valley, in which teachers use English-based instruction and provide special training to help students discriminate more effectively among spoken sounds and enunciate properly when speaking.
 - Three hundred and ninety students (390) in their local school districts across the state; SDSD outreach consultants work with school district teachers and administrators to help school district staff understand the learning and social challenges that confront children with hearing impairments, and the pedagogical strategy resources that have proven to be most helpful.

- Growth in outreach programs is a function of the federally mandated child-find efforts, which identified significant numbers of children with mild to moderate hearing losses. Such losses:
 - May be caused by a chronic health condition which creates a temporary hearing loss during infant and toddler language learning years, negatively impacting their later academics
 - May develop in some children between the ages of 5 – 9 as a late onset hearing loss that is normally not detected for many years
 - Significantly impact a very large number of newborn children. In fact, hearing loss is the most frequent medical problem of newborn children in hospital systems, particularly those needing assistance in NICU (Newborn Intensive Care Units)

The number of children with mild to moderate hearing loss should be expected to remain constant under current medical practices and with current populations.

- The child-find results demonstrate that the SDSD Outreach Program, which had been designed to serve only 120 students, was understaffed and under-resourced. The Board of Regents began to address this problem during the current year by doubling the size of the SDSD Outreach staff.
2. Enrollment shifts are the product of state and federal special education policies and have placed a priority on students having an individualized educational program delivered by home school districts. The new federal and state policies render obsolete the model of a centralized, facility-based educational system.
 - The institutional model limits the number of educational programs that may be offered to students, particularly within rural states that have smaller student populations.
 - The institutional model historically focused upon children who could not communicate in regular education environments. The hard of hearing children who could communicate with hearing peers were assumed to not need much assistance. Research over the last 15 years has made it clear that this perception is wrong, but the kind of assistance the hard of hearing need is very different than the kind of assistance a deaf child needs.
 - Socialization within the institutional setting tended not to facilitate a deaf student's transition from the institutional community to independent living and working within hearing society at large. Similarly, hard of hearing children were not part of the institutional setting, and their personal and social problems were not understood or addressed in the context of their academic settings.
 3. Better medical care and more effective public health measures have helped reduce the incidence of severe to profound hearing loss and have significantly reduced placements in the SDSD sign language based instructional programs.

- Advances in medical knowledge have reduced the number of children born with hearing loss, primarily through the application of vaccination for childhood illness.
- Public health initiatives have also reduced the number of children who have hearing problems at birth, primarily through the use of improved antibiotics.
- Improvements in hearing aid and cochlear implant technology have permitted more families to keep their children at home and to educate them in local schools. (Ninety-four percent (94%) of all deaf children are born to parents with normal hearing.)

The Board of Regents' Plan to Refocus SDDS Programs to Expand and Improve Educational Services for Children with Hearing Impairments

The Board of Regents plans to continue to refocus its programs to address the distinctive educational and social needs of the three populations of South Dakota students with hearing losses.

1. The program at Brandon Valley will be continued; it is effective and provides an optimum learning environment for students whose threshold need is to master skills in listening and speaking. The placement in a regular school setting provides ample reinforcement for listening and speaking skills through peer interactions, and it provides access to a richer assemblage of educational and extracurricular resources than could be provided at a school enrolling at most a dozen students.
2. Measures will be taken to outsource the sign language based educational program. SDDS will issue an RFP for a cooperative program with a school district that would be interested in developing a robust ASL-based program to be delivered in conjunction with its mainstream offerings. Such an approach should expand the opportunities for meaningful peer interaction in a setting in which students with profound hearing impairments are integrated into mainstream schools with their rich mix of educational resources and variety of extracurricular programming.
 - Simultaneously, SDDS will identify and maintain budget reserves to pay for out of state placement in a residential school for the deaf in an adjacent state for the children whose families opt for residential placement. Some culturally deaf parents may opt for the residential school opportunity in another state in order to afford their children opportunities to be raised to the norms of deaf community as it exists today, but since 94% of profoundly deaf children are born to hearing parents, the number of families pursuing this option may be quite small.
 - State schools for the deaf will meet the Deaf culture expectations for their children. They will provide an academic education with ASL as the primary language for the children, specialized classes in Deaf culture, and personal, psycho social growth opportunities for the children. They have an acceptable critical mass in classes, and strong ties with state schools that still exist with this purpose.
3. Reinvestment in outreach programming will continue in order to align budgets with new child-find numbers. Priority investments will include:

- Full staffing for the outreach program with 12 FTE outreach consultants, 2 FTE audiologists, 1 FTE longitudinal database manager, 1 FTE supervisor for mobile audiology program and 1 FTE supervisor for outreach program.
 - Deployment of the mobile audiology lab to support school district child-find efforts and to assist in documenting hearing abilities in conjunction with support for school district Individualized Education Plan (IEP) meetings.
 - Assess the feasibility of providing direct speech pathology services to children with new cochlear implants.
 - Expanded educational evaluation programs to support school district IEP processes.
 - Increased contact with school district personnel for purposes of consultation and training.
 - Promote expanded community-based socialization opportunities for children with hearing impairments by providing programs for parents to encourage community-based, organized, planned social skill, experiential learning, and self esteem building activities.
4. A realigned budget to support this program is attached. Even with the expanded outreach programming, and even setting aside \$270,000 to support out of state placements of children needing a residential placement, the proposed budget realizes savings of \$669,883.16. Of this total, \$515,997.77, and 13.9 FTE, stem from reductions in personal services lines made possible by cooperative agreements with school districts for direct instruction programs. The remaining \$153,938.39 in savings comes from associated OE expenditures.

Compatible Uses of SDSD Facilities

The historical SDSD facilities and grounds will continue to anchor the institution, serving as its state-wide administrative hub and providing offices for outreach personnel serving Southeastern South Dakota.

1. The grounds and improvements located on the historical campus cannot be sold and the proceeds re-directed to current budget priorities. The grounds were donated to the Territory of Dakota and are subject to School and Public Lands Trust obligations; any proceeds from the sale of the property would have to be deposited into the School and Public Lands Endowment and the investment earnings from such proceeds would have to be appropriated to support SDSD programs.
2. The Board of Regents proposes to lease portions of the historical facilities to local government entities for public uses consistent with the SDSD operations based at the site. Lease revenues from unused portions of SDSD facilities may help to supplant general funds currently budgeted to support SDSD programs, while preserving the options for future use of the buildings and grounds to enhance educational programming for children with hearing impairments and their families.

SDSD FY11 General Funds Operating Budget Proposal

December 2009

SDSD	Personal Services	Operating Expenses	Total	FTE	Notes
Governor's Recommended Budget	\$2,762,202	\$1,000,559	\$3,762,761	36.9	
	-	-	-	-	
SDSD Budget Estimates					
Administration	\$329,839	\$214,986	\$544,825	4.0	
Outreach	\$1,083,328	\$128,876	\$1,212,204	17.0	
Facilities	\$87,303	\$370,592	\$457,895	2.0	Leases could reduce general fund need.
Bilingual (ASL)	\$0	\$300,000	\$300,000		Outsource contract to be determined.
Auditory Oral	\$0	\$300,000	\$300,000		Brandon Valley Contract
Three Residential Slots	\$0	\$270,000	\$270,000		
Proposed FY11 SDSD Budget	\$1,500,471	\$1,584,454	\$3,084,925	23.0	
Savings	\$1,261,731	(\$583,895)	\$677,836	13.9	