

Item 3

From: Coble, Donald [mailto:Donald.Coble@sdbor.edu]
Sent: Thursday, June 03, 2010 5:43 PM
To: Schoenfeld, Fred
Cc: Mehlhaff, Annie
Subject: Transfer Request Explanation

Please see the information below as a description to the BOR FY11 base general fund transfer request.

The Board is moving to a model where the institutions will retain the dollars they generate from tuition and fees. This would replace many of the current allocation mechanisms for enrollment adjustment, inflation adjustment, graduate assistant tuition reimbursement, Ph.D. tuition adjustments, revenue shortfalls, and salary competitiveness fee realignments. Tuition dollars would still be remitted to a system pool but the revenue amounts generated by each campus, minus HEFF, would be returned to each campus. This model will incentivize the institutions relative to enrollment management, graduate assistantship offerings, student account collections, and a host of other issues. Base budget realignments are needed to put this in place for the next budget cycle. General funds are being realigned based on current tuition and fee revenues such that each campus will get the same amount of funding in FY11 as they would have under the current model. This will establish base budgets that will allow the institutions to retain the exact amount they generate in tuition and fees starting in FY11. The following table identifies the fund sources that will be realigned with general funds:

<u>Tuition and Fees</u>	BHSU	DSU	NSU	SDSMT	SDSU	USD & MED
FY11 Tuition Revenue Estimate	\$5,786,516	\$2,708,831	\$4,075,814	\$5,129,886	\$24,941,231	\$19,035,166
FY11 Tuition Allocation	<u>\$5,682,623</u>	<u>\$3,472,752</u>	<u>\$4,135,339</u>	<u>\$5,311,861</u>	<u>\$24,240,948</u>	<u>\$18,833,920</u>
Revenue Above/(Below) Allocation	\$103,893	(\$763,921)	(\$59,525)	(\$181,975)	\$700,283	\$201,246
<u>Salary Competitiveness Fee</u>						
FY11 Salary Competitiveness Fee Revenue	\$2,067,264	\$990,421	\$1,503,251	\$1,771,712	\$8,589,122	\$5,393,898
FY11 Salary Competitiveness Fee Allocation	<u>\$2,441,234</u>	<u>\$1,065,030</u>	<u>\$1,908,450</u>	<u>\$1,834,535</u>	<u>\$7,510,832</u>	<u>\$5,555,587</u>
Revenue Above/(Below) Allocation	(\$373,971)	(\$74,610)	(\$405,199)	(\$62,823)	\$1,078,290	(\$161,689)
<u>Realignment</u>						
Tuition Revenue Above/(Below) Allocation	\$103,893	(\$763,921)	(\$59,525)	(\$181,975)	\$700,283	\$201,246
SCF Revenue Above/(Below) Allocation	(\$373,971)	(\$74,610)	(\$405,199)	(\$62,823)	\$1,078,290	(\$161,689)
Total Revenue Above/(Below) Allocation	(\$270,078)	(\$838,531)	(\$464,724)	(\$244,798)	\$1,778,573	\$39,557
<u>Proposed Realignment</u>						
General Funds	<u>\$270,078</u>	<u>\$838,531</u>	<u>\$464,724</u>	<u>\$244,798</u>	<u>(\$1,778,573)</u>	<u>(\$39,557)</u>
Total Funding Difference	\$0	\$0	\$0	\$0	\$0	\$0