



Joint Committee on Appropriations

SENATOR JOHN WIIK, CO-CHAIR
REPRESENTATIVE CHRIS KARR, CO-CHAIR

May 22, 2019

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

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

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

Letter of Intent Regarding University Center Operations

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

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

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

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

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

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

Representative Chris Karr
Co-Chair, Joint Committee on Appropriations

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