Bill Brief for SB40 – An Act to authorize the Board of Regents to contract for the construction of an Allied Health Facility and the demolition of Julian Hall and the Julian Hall Addition to the University of South Dakota, to make an appropriation therefor, and to declare an emergency.

What does this bill do?

The bill saves state and student funds, creates efficiencies, meets a strategic South Dakota workforce need, and is part of a broader plan for better resource utilization. It calls for the construction of a new Allied Health Facility at the University of South Dakota, along with the demolition of Julian Hall and the Julian Hall Addition.

Why is it necessary?

- **Saves money**
  - Renovations to the existing facilities would cost $18.5 million in state and student (HEFF) maintenance and repair funds to continue to use them.
  - A new building would cost $17.5 million in state and student (HEFF) funds to construct, along with $4.5 million in private and local funding. This saves $1 million in state and student funding.

- **Creates efficiency**
  - A new building creates a higher level of operational efficiency.
  - This is part of a larger plan to reduce campus square footage by 57,631 square feet.
  - USD Health Sciences programs today are dispersed to multiple locations across campus, with the majority housed in Julian Hall, an ineffective space for classroom and laboratory instruction.
  - Julian Hall was constructed as a residence hall in 1950. It was never designed for classroom instruction.
    - A new building would allow for program efficiencies while also providing for program expansion.
  - The following Health Sciences majors will be served by the new building:
    - Addiction, Counseling & Prevention
    - Social Work
    - Dental Hygiene
    - Medical Laboratory
    - Physician Assistant
    - Health Sciences
    - Nursing
• **Meets a workforce development need**
  o A new 45,000 square-foot contemporary building will support workforce development in healthcare.
    ▪ More than 42,000 South Dakota citizens are employed in health-related occupations.
    ▪ Average annual earnings of $71,380.
    ▪ Healthcare occupations are projected to make up 14% of the state’s workforce by 2024.
  o Supports South Dakota’s projected healthcare employment growth in these fields:
    ▪ Social work - 12%
    ▪ Substance abuse and behavioral disorders counselors - 12.5%
    ▪ Registered nurses - 13.9%
    ▪ Occupational therapists - 18.9%
    ▪ Physical therapists - 19.7%
    ▪ Physician assistants - 25.9%
  o Program expansion is also made possible with a new facility (many of these have wait lists):
    ▪ 29% increase in addition counseling and prevention
    ▪ 20% increase in physician assistant
    ▪ 29% increase in social work
    ▪ 56% increase in dental hygiene
    ▪ 30% increase in nursing
    ▪ More than 100% increase in medical laboratory science

**What is the status of the project?**

A Preliminary Facility Statement for the project was submitted to the Board of Regents in October and a building committee has been appointed. The proposed building would be connected to the west side of the existing Lee Medical Building, which allows for more efficient and effective interdisciplinary instruction.

**What is the source of funds for this project?**

The budget for development of the facility is $22 million, which will include:

1. $12.5 million from the Higher Education Facilities Fund (HEFF)
2. $5 million in one-time state appropriations, requested by Gov. Noem in her December 2019 budget address
3. $4.5 million in private/local funds