

**SOUTH DAKOTA BOARD OF REGENTS**

**Budget and Finance**

**AGENDA ITEM: 6 – K**  
**DATE: December 11-12, 2019**

\*\*\*\*\*

**SUBJECT**

**2020 Board Sponsored Legislation**

**CONTROLLING STATUTE, RULE, OR POLICY**

[SDCL 13-51-1](#) – Legislative approval for facilities

[BOR Policy 6:10](#) – Legislative Authorization of Private or Grant Funded Facilities

[BOR Policy 1:12](#) – State Relations

**BACKGROUND/DISCUSSION**

The following bills have been developed for the Board’s review:

Black Hills State University

*Update 2012 Ten-Year Plan for E.Y. Berry Library Renovation*

An Act to authorize the Board of Regents to contract for the design, renovation of, and addition to, the E.Y. Berry Library on the campus of Black Hills State University and to make an appropriation therefor. This bill modifies the 2012 Ten-Year Plan to increase the project cost of the library renovations from \$4.5M to \$9.4M and add 5,000 GSF to the building. The majority of the investment is funded through HEFF funds from FY20 – FY22 and M&R bond funds will complete the funding package.

South Dakota School of Mines & Technology

*Addition to Devereaux Library*

An Act to authorize the Board of Regents to contract for the design, renovation of, and addition to, the Devereaux Library on the campus of the South Dakota School of Mines and Technology (SD Mines) and to make an appropriation therefor. This bill allows SD Mines to renovate the Devereaux Library, increasing the area of the facility by nearly 2,500 sq. ft.

(Continued)

\*\*\*\*\*

**DRAFT MOTION 20191211\_6-K:**

I move to authorize the Executive Director to (1) submit the proposed bills and make such modifications or amendments to the bills as are necessary and appropriate, provided such modifications or amendments do not change the fundamental purpose of the legislation, and (2) submit such additional legislation as may be necessary and appropriate, upon concurrence of a majority of the executive committee.

*Purchase Ascent Innovation Building*

An Act to authorize the Board of Regents to acquire real property in Pennington County for the use and benefit of the South Dakota School of Mines and Technology and to make an appropriation therefor. This bill allows for SD Mines to acquire the existing Ascent Innovation building located on the university campus for an amount not to exceed the appraised value, either through an outright purchase or a lease-purchase agreement. In the event of a lease-purchase scenario, the term will not exceed 5 years and any lease payments would be credited towards the purchase price. The fund source is from grants overhead revenue.

University of South Dakota

*Update 2012 Ten-Year Plan for Allied Health Facility*

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 at the University of South Dakota and to make an appropriation therefor. This bill modifies the 2012 Ten-Year Plan to redirect the \$7.5M of HEFF bond funds from Dakota Hall to the new Allied Health Facility. The new 45,000 square foot facility would cost \$22M - funded by \$5M of state appropriations, \$5M of HEFF M&R bond funds, \$7.5M of HEFF bond funds, and \$4.5M from local and private funds. USD is also seeking authorization to demolish Julian Hall and Julian Hall Addition as part of the project.

*Demolish Three Grounds Facilities Buildings*

An Act to authorize the Board of Regents to demolish three storage structures and contract for the construction of a Grounds Facility at the University of South Dakota, and to make an appropriation therefor. This bill authorizes USD to demolish three storage facilities and erect a new 12,000 square foot grounds facility. The estimated cost is \$480,000. The fund source is from other local funds.

*Build New Facilities Buildings*

An Act to authorize the Board of Regents to contract for the construction of a Facilities Building at the University of South Dakota and to make an appropriation therefor. This bill authorizes USD to erect a new 30,000 square foot grounds facility complete with loading dock to accommodate the shipping/receiving, loading/unloading and proper storage of the supplies, materials and equipment utilized in the care and maintenance of the Vermillion campus. The estimated cost is \$1.5M. The fund source is from other local funds.

Board Office

*HEFF M&R Bonding*

An Act to authorize the South Dakota Building Authority to issue revenue bonds to provide for maintenance and repair on facilities controlled by the Board of Regents and to make an appropriation therefor. This bill authorizes the Regental System to debt finance \$24.5M in M&R projects, assuming support by the Governor.

### **IMPACT AND RECOMMENDATIONS**

With approval, Board office staff will introduce the Board-sponsored legislation in substantively similar form to those contained in the attachments and work with members of the Legislature and the Governor's office to have the legislation become law.

### **ATTACHMENTS**

Attachment I – BHSU Update 2012 Ten-Year Plan for E.Y. Berry Library Renovation

Attachment II – SD Mines Addition to Devereaux Library

Attachment III – SD Mines Purchase of Ascent Innovation Building

Attachment IV – USD Update 2012 Ten-Year Plan for Allied Health Facility

Attachment V – USD Demolition of Three Grounds Facilities Buildings

Attachment VI – USD to Build New Facilities Buildings

Attachment VII – Board Office HEFF M&R Bonding

**STATE OF SOUTH DAKOTA  
NINETY-FIFTH SESSION  
LEGISLATIVE ASSMEBLY, 2020**

BILL NO.

Introduced by:

FOR AN ACT ENTITLED, An Act to authorize the Board of Regents to contract for the design, renovation of, and addition to, the E.Y. Berry Library on the campus of Black Hills State University and to make an appropriation therefor.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

Section 1. Section 1. The Board of Regents may contract for the design, renovation of, and construction of an addition to, E.Y. Berry Library, on the campus of Black Hills State University, with furnishings and equipment including heating, air conditioning, plumbing, water, sewer, electric facilities, sidewalks, parking, landscaping, architectural and engineering services, asbestos abatement, and other services or actions as may be required to accomplish the project for an estimated cost not to exceed nine million three hundred and seventy-two thousand two hundred and forty-five dollars (\$9,372,245), subject to permitted adjustments pursuant to section 3 of this Act.

Section 2. There is hereby appropriated from the higher education facilities fund allocable to Black Hills State University for the purposes of maintenance and repair to address the portion of the project that would otherwise involve maintenance and repair projects, the sum of six million three hundred and seventeen thousand two hundred and forty-five dollars (\$6,317,245), or so much thereof as may be necessary; the sum of three million dollars (\$3,000,000), or so much thereof as may be necessary, from revenue bonds authorized by

subdivision (1) of section 2 of chapter 107 in the 2012 Session Laws; and the sum of fifty-five thousand dollars (\$55,000), or so much thereof as may be necessary, from other fund expenditure authority to the Board of Regents for the purposes authorized in section 1 of this Act and permitted adjustments pursuant to section 3 of this Act.

Section 3. The cost estimates contained in this Act have been stated in terms of 2019 values. The Board of Regents may adjust such cost estimates to reflect the inflation as measured by the Building Cost Index, reported by the Engineering News Record and additional expenditures required to comply with regulations adopted after the effective date of this Act. However, any adjustments to construction cost estimates for the project may not exceed one hundred twenty-five percent (125%) of the estimated project construction cost stated in section 1 of this Act.

Section 4. The South Dakota Building Authority may finance the E.Y. Berry Library project, including the issuance of revenue bonds not to exceed a total of five million four hundred thousand dollars (\$5,400,000), in accordance with this Act and chapter 5-12.

Section 5. The executive director of the Board of Regents shall approve vouchers, and the state auditor shall draw warrants to pay expenditures authorized by this Act.

Section 6. Any amounts appropriated in this Act not lawfully expended or obligated shall revert in accordance with the procedures prescribed in chapter 4-8.

**STATE OF SOUTH DAKOTA  
NINETY-FIFTH SESSION  
LEGISLATIVE ASSMEBLY, 2020**

BILL NO.

Introduced by:

FOR AN ACT ENTITLED, An Act to authorize the Board of Regents to contract for the design, renovation of, and addition to, the Devereaux Library on the campus of the South Dakota School of Mines and Technology and to make an appropriation therefor.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

Section 1. Section 1. The Board of Regents may contract for the design, renovation of, and construction of an addition to, Devereaux Library, on the campus of South Dakota School of Mines and Technology, with furnishings and equipment including heating, air conditioning, plumbing, water, sewer, electric facilities, sidewalks, parking, landscaping, architectural and engineering services, asbestos abatement, and other services or actions as may be required to accomplish the project for an estimated cost not to exceed five million dollars (\$5,000,000), subject to permitted adjustments pursuant to section 3 of this Act.

Section 2. There is hereby appropriated from the higher education facilities fund allocable to South Dakota School of Mines and Technology for the purposes of maintenance and repair to address the portion of the project that would otherwise involve maintenance and repair projects, the sum of four million dollars (\$4,000,000), or so much thereof as may be necessary; and one million dollars (\$1,000,000), or so much thereof as may be necessary, in other fund expenditure authority to the Board of Regents for the purposes authorized in section 1 of this Act and permitted adjustments pursuant to section 3 of this Act.

Section 3. The cost estimates contained in this Act have been stated in terms of 2019 values. The Board of Regents may adjust such cost estimates to reflect the inflation as measured by the Building Cost Index, reported by the Engineering News Record and additional expenditures required to comply with regulations adopted after the effective date of this Act. However, any adjustments to construction cost estimates for the project may not exceed one hundred twenty-five percent (125%) of the estimated project construction cost stated in section 1 of this Act.

Section 4. The South Dakota Building Authority may finance the Devereaux Library project, including the issuance of revenue bonds not to exceed four million dollars (\$4,000,000), in accordance with this Act and chapter 5-12.

Section 5. The executive director of the Board of Regents shall approve vouchers, and the state auditor shall draw warrants to pay expenditures authorized by this Act.

Section 6. Any amounts appropriated in this Act not lawfully expended or obligated shall revert in accordance with the procedures prescribed in chapter 4-8.





**STATE OF SOUTH DAKOTA  
NINETY-FIFTH SESSION  
LEGISLATIVE ASSEMBLY, 2020**

BILL NO.

Introduced by:

FOR AN ACT ENTITLED, 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 at the University of South Dakota and to make an appropriation therefor.

*BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:*

Section 1. The Board of Regents is hereby authorized to contract for the planning, site preparation, construction, furnishing, and equipping of a forty-five thousand (45,000) square foot Allied Health Facility at the University of South Dakota, including any heating, air conditioning, plumbing, water, sewer, electric facilities, sidewalks, parking, landscaping, architectural and engineering services, asbestos abatement, and such other services or actions as may be required to accomplish the project, for an estimated cost of twenty-two million dollars (\$22,000,000), subject to the permitted adjustments pursuant to section 3 of this Act.

Section 2. There is hereby appropriated to the Board of Regents for the purposes authorized in this Act, from the higher education facilities fund allocable to the University of South Dakota, the sum of five million dollars (\$5,000,000), or so much thereof as may be necessary; the sum of seven million five hundred thousand dollars (\$7,500,000), or so much thereof as may be necessary, from revenue bonds authorized by subdivision (7) of section 2 chapter 107 of the 2012 Session Laws; the sum of five million dollars (\$5,000,000), or so much thereof as may be necessary, from the general fund; and the sum of four million five hundred thousand dollars (\$4,500,000), or so much thereof as may be necessary, from other fund expenditure authority, together with any additional sums received pursuant to section 5 of this Act to cover the permitted adjustments pursuant to section 3 of this Act.

Section 3. The cost estimates contained in this Act have been stated in terms of 2019 values. The Board of Regents may adjust such cost estimates to reflect the inflation as measured by the Building Cost Index, reported by the Engineering News Record and additional expenditures required to comply with regulations adopted after the effective date of this Act, or additional sums received pursuant to section 5 of this Act. However, any adjustments to construction cost estimates for the project may not exceed one hundred twenty-five percent (125%) of the estimated project construction cost stated in section 1 of this Act.

Section 4. The South Dakota Building Authority may finance the Allied Health Facility, including the issuance of revenue bonds not to exceed a total of twelve million five hundred thousand dollars (\$12,500,000), in accordance with this Act and chapter 5-12.

Section 5. The Board of Regents may accept, transfer, and expend any funds obtained for the projects authorized in this Act from federal sources, donations, or any other external sources, all of which comprise a special fund for the benefitted project. All moneys deposited into that fund are hereby appropriated to the projects authorized by this Act, subject to limitations stated in sections 1 to 3, inclusive, of this Act.

Section 6. The Board of Regents may demolish, remove, and dispose of the structures known as Julian Hall, consisting of approximately fifty thousand one hundred and seventy-three (50,173) square feet, and the Julian Hall Addition, consisting of approximately forty-three thousand three hundred eighty-three (43,383) square feet, at the University of South Dakota. This project includes demolition, abatement of asbestos or other such hazardous materials, lawful disposal of the fixtures or rubble, and any other action reasonably necessary to prepare the lot for the construction of the Allied Health Facility authorized in section 1 of this Act.

Section 7. The administration of the design and construction of the project authorized in this Act shall be under the general charge and supervision of the Bureau of Administration as provided in chapter 5-14.

Section 8. The executive director of the Board of Regents, or a designee, shall approve vouchers and the state auditor shall draw warrants to pay expenditures authorized by this Act.

Section 9. Any amounts appropriated in this Act not lawfully expended or obligated shall revert in accordance with the procedures prescribed in chapter 4-8.

**STATE OF SOUTH DAKOTA  
NINETY-FIFTH SESSION  
LEGISLATIVE ASSMEBLY, 2020**

BILL NO.

Introduced by:

FOR AN ACT ENTITLED, An Act to authorize the Board of Regents to demolish three storage structures and contract for the construction of a Grounds Facility at the University of South Dakota, and to make an appropriation therefor.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

Section 1. The Board of Regents may demolish, remove, and dispose of three storage facilities known as Physical Plant Storage 1, consisting of two thousand one hundred and thirty-nine (2,139) square feet, Physical Plant Storage 3, consisting of two thousand four hundred (2,400) square feet, and Biology Storage, consisting of one thousand five hundred and thirty-six (1,536) square feet, located on the campus of the University of South Dakota, for an estimated cost of thirty thousand dollars (\$30,000), subject to the permitted adjustments pursuant to section 4 of this Act. This project includes demolition, abatement of asbestos or other such hazardous materials, the lawful disposal of the fixtures or rubble, and any other action reasonably necessary to restore the site to grade or to prepare the site for the construction of the Storage Building authorized in section 2 of this Act.

Section 2. The Board of Regents is hereby authorized to contract for the planning, site preparation, construction, furnishing, and equipping of a twelve thousand (12,000) square foot Grounds Facility at the University of South Dakota, including any heating, air conditioning, plumbing, water, sewer, electric facilities, sidewalks, parking, landscaping, architectural and

engineering services, asbestos abatement, and such other services or actions as may be required to accomplish the project, for an estimated cost of four hundred and fifty thousand dollars (\$450,000), subject to the permitted adjustments pursuant to section 4 of this Act.

Section 3. There is hereby appropriated the sum of four hundred and eighty thousand dollars (\$480,000), or so much thereof as may be necessary, in other fund expenditure authority to the Board of Regents for the purposes authorized in section 1 and section 2 of this Act and permitted adjustments pursuant to section 4 of this Act.

Section 4. The cost estimates contained in this Act have been stated in terms of 2019 values. The Board of Regents may adjust such cost estimates to reflect the inflation as measured by the Building Cost Index, reported by the Engineering News Record and additional expenditures required to comply with regulations adopted after the effective date of this Act. However, any adjustments to construction cost estimates for the project may not exceed one hundred twenty-five percent (125%) of the estimated project construction cost stated in section 2 of this Act.

Section 5. The executive director of the Board of Regents shall approve vouchers, and the state auditor shall draw warrants to pay expenditures authorized by this Act.

Section 6. Any amounts appropriated in this Act not lawfully expended or obligated shall revert in accordance with the procedures prescribed in chapter 4-8.

**STATE OF SOUTH DAKOTA  
NINETY-FIFTH SESSION  
LEGISLATIVE ASSMEBLY, 2020**

BILL NO.

Introduced by:

FOR AN ACT ENTITLED, An Act to authorize the Board of Regents to contract for the construction of a Facilities Building at the University of South Dakota and to make an appropriation therefor.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

Section 1. The Board of Regents is hereby authorized to contract for the planning, site preparation, construction, furnishing, and equipping of a thirty thousand (30,000) square foot Facilities Building at the University of South Dakota, including any heating, air conditioning, plumbing, water, sewer, electric facilities, sidewalks, parking, landscaping, architectural and engineering services, asbestos abatement, and such other services or actions as may be required to accomplish the project, for an estimated cost of one million five hundred thousand dollars (\$1,500,000), subject to the permitted adjustments pursuant to section 3 of this Act.

Section 2. There is hereby appropriated the sum of one million five hundred thousand dollars (\$1,500,000), or so much thereof as may be necessary, in other fund expenditure authority to the Board of Regents for the purposes authorized in section 1 of this Act and permitted adjustments pursuant to section 3 of this Act.

Section 3. The cost estimates contained in this Act have been stated in terms of 2019 values. The Board of Regents may adjust such cost estimates to reflect the inflation as measured by the Building Cost Index, reported by the Engineering News Record and additional

expenditures required to comply with regulations adopted after the effective date of this Act. However, any adjustments to construction cost estimates for the project may not exceed one hundred twenty-five percent (125%) of the estimated project construction cost stated in section 1 of this Act.

Section 4. The executive director of the Board of Regents shall approve vouchers, and the state auditor shall draw warrants to pay expenditures authorized by this Act.

Section 5. Any amounts appropriated in this Act not lawfully expended or obligated shall revert in accordance with the procedures prescribed in chapter 4-8.

**STATE OF SOUTH DAKOTA  
NINETY-FIFTH SESSION  
LEGISLATIVE ASSMEBLY, 2020**

BILL NO.

Introduced by:

FOR AN ACT ENTITLED, An Act to authorize the South Dakota Building Authority to issue revenue bonds to provide for maintenance and repair on facilities controlled by the Board of Regents and to provide appropriations therefor

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

Section 1. It is in the public interest that the South Dakota Building Authority contract for the construction, completion, furnishing, equipping, and maintaining of, including heating, air conditioning, plumbing, water, sewer, electric facilities, sidewalks, parking, landscaping, architectural and engineering services, and such other services or actions as may be required, to address deferred maintenance and repair of facilities under the control of the Board of Regents, at the estimated cost of twenty-four million five hundred thousand dollars (\$24,500,000). The South Dakota Building Authority may finance up to twenty-four million five hundred thousand dollars (\$24,500,000) of the construction costs through the issuance of revenue bonds, in accordance with this Act and chapter 5-12.

Section 2. The Building Authority and the Board of Regents may accept, transfer, and expend any property or funds obtained for these purposes from federal sources, gifts, contributions, or any other source, all of which shall comprise a special fund for the benefitted project and all moneys deposited into that fund are hereby appropriated to the projects authorized by this Act in addition to the amounts otherwise authorized by this Act.



Section 3. No indebtedness, bond, or obligation incurred or created under the authority of this Act may be or may become a lien, charge, or liability against the State of South Dakota, nor against the property or funds of the State of South Dakota within the meaning of the Constitution or statutes of the state.

Section 4. The Board of Regents may make and enter into a lease agreement with the Building Authority and make rental payments under the terms thereof, pursuant to chapter 5-12, from the higher education facilities fund for the purposes of this Act.