

SOUTH DAKOTA BOARD OF REGENTS

Budget and Finance
Consent

AGENDA ITEM: 6 – N
DATE: December 7-8, 2022

SUBJECT

FY24 HEFF M&R Projects

CONTROLLING STATUTE, RULE, OR POLICY

[SDCL § 13-51-2](#) – Educational Facilities Fund – Purposes

[SDCL § 13-53-15](#) – Receipt by State Treasurer of Institutional Moneys - Distribution

[SDCL § 13-53-15.3](#) – Medical School Funds

[BOR Policy 6:6](#) – Maintenance and Repair

BACKGROUND / DISCUSSION

The Higher Education Facilities Fund (HEFF) represents eleven and one-half percent of all tuition (on-campus and off-campus) collected minus one hundred seventy-five thousand dollars related to the medical school. The funds are used for maintenance and repair (M&R) needs of the universities, long-term indebtedness for capital improvements, and new construction. The FY24 available M&R funding is \$12,500,000.

The HEFF allocation formula is now based on replacement values, gross square footage for academic buildings and HEFF revenues, all weighted equally ([March 2018 Board Minutes, Item 7-Z](#)). Attachment I provides the formula distribution for the FY24 HEFF allocation. The campuses can allocate funds towards planning and design to assist the universities in determining appropriate work scope and cost of each proposed project. The funding for planning and design is identified as part of the allocation.

Attachment II provides the FY24 maintenance and repair projects submitted by the institutions for approval. Each project is placed into one of the following categories: Public Health, Safety and Compliance; Building Integrity; Programmatic Suitability; Energy and Utility Savings; or Other according to Board Policy 6:6. The policy provides for funding realignments and transfers between approved projects. Changes to the approved project list for projects estimated to cost \$50,000 to \$250,000 must be submitted for the Executive Director's approval and projects more than \$250,000 must be submitted for Board approval. Projects under \$50,000 (all costs and contracts inclusive) may be approved by the presidents or their designee.

(Continued)

DRAFT MOTION 20221207_6-N:

I move to approve the FY24 HEFF M&R projects as presented in Attachment II.

IMPACT AND RECOMMENDATIONS

The FY24 available funding is \$12,500,000.

Approval of the FY24 HEFF Maintenance and Repair projects will allow the universities to begin project planning and completion in a timely manner.

ATTACHMENTS

Attachment I – Formula Distribution for the FY24 HEFF Allocation

Attachment II – FY24 HEFF Maintenance and Repair Projects Requested by the Institutions

FY24 HEFF Maintenance & Repair Projects

| Project # | Building Name | Project Name | M&R Category ⁽¹⁾ | M&R Class ⁽²⁾ | Cost Estimate |
|---|----------------------|---------------------|--|-------------------------------------|----------------------|
| 2H2462 | | Planning & Design | | | \$10,687 |
| 2H246X | USD-SF | Mechanical Upgrades | B. Building Integrity | A. Maintenance | \$103,057 |
| 2H246X | USD-SF | Electrical Upgrades | B. Building Integrity | A. Maintenance | \$25,000 |
| 2H246X | USD-SF | Exterior Upgrades | B. Building Integrity | A. Maintenance | \$75,000 |
| FY24 HEFF M&R Projects Total | | | | | \$213,744 |
| Grand Total FY24 HEFF M&R Projects | | | | | \$12,500,000 |

Refer to BOR Policy 6:6 Maintenance & Repair

⁽¹⁾ M&R Category

- A. Public Health, Safety, and Compliance
- B. Building Integrity
- C. Programmatic Suitability
- D. Energy and Utility Savings
- E. Campus Infrastructure

⁽²⁾ M&R Class

- A. Maintenance
- B. Repair
- C. Renovation
- D. Alteration