

**SOUTH DAKOTA BOARD OF REGENTS**

**Budget and Finance**

**AGENDA ITEM: 7 – M**

**DATE: May 10, 2022**

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**SUBJECT**

**BOR Policy 6:10 Revisions – Legislative Authorization of Private or Grant Funded Facilities (First Reading)**

**CONTROLLING STATUTE, RULE, OR POLICY**

BOR Policy 6:10 – Legislative Authorization of Private or Grant Funded Facilities

**BACKGROUND / DISCUSSION**

A workgroup has been reviewing the existing Board policies related to the building process and what changes/modifications could be implemented to expedite that process while still maintaining its integrity. The group consists of Jerilyn Roberts, SDSMT; Les Olive, formerly of SDSU; Holly Farris, BOR staff; Stacy Watters, State Engineer; and other interested parties.

Policy 6:10 – Legislative Authorization of Private or Grant Funded Facilities has been modified to clarify that this policy applies to any funding outside of state general funds and to include reference to both SDCL § 5-14-1 and § 5-14-3.

**IMPACT AND RECOMMENDATIONS**

This is a first reading of the policy. The recommended revisions were approved by the Business Affairs Council and are supported by the Board office staff. The Board staff recommends approval of the first reading of the proposed revisions as outlined in Attachment I.

**ATTACHMENTS**

Attachment I – Proposed Revisions to BOR Policy 6:10 – Legislative Authorization of Private or Grant Funded Facilities

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**DRAFT MOTION 20220510\_7-M:**

I move to approve the first reading of the proposed revisions to BOR Policy 6:10 – Legislative Authorization of Private or Grant Funded Facilities as outlined in Attachment I.

**SOUTH DAKOTA BOARD OF REGENTS****Policy Manual****SUBJECT:** Legislative Authorization of Private or Grant Funded Facilities**NUMBER:** 6:10

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**A. PURPOSE**

To require that funding outside of state funding is in place before requesting legislation for capital projects.

**B. DEFINITIONS**

1. **Capital Projects:** Any new construction, addition, renovation, remodeling, or maintenance and repair that has a total project cost of \$5.0M or more shall be classified as a capital improvement (SDCL 5-14-3). All new construction or any addition beyond mechanical space, regardless of building size or total project cost, will be considered a capital improvement. (SDCL 5-14-1 and 5-14-3). Any repair, rebuilding, renovation, alteration or construction project that has a cost of \$1.5M or more. (SDCL 5-14-3)

**C. POLICY****1. Guaranteed Funding**

Before a capital project may proceed to legislative authorization, private or grant dollars committed to the facility must be in-hand, pledged or guaranteed in writing by the university, university foundation, donor or funding entity.

**FORMS / APPENDICES**

None

**SOURCE:**

BOR May 2009; December 2018.