

**SOUTH DAKOTA BOARD OF REGENTS**

**Budget and Finance**  
**Consent**

**AGENDA ITEM: 5 – R**  
**DATE: May 13-15, 2024**

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**SUBJECT**

**FY25 Deferred 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**

During the 2024 Legislative Session, the FY24 General Bill Amendment (SB52) appropriated \$16,834,604 in one-time general funds to the Board of Regents to support Higher Education Facilities Fund (HEFF) bonded-debt retirement and maintenance and repair (M&R). The Letter of Intent from the Joint Committee on Appropriations (Attachment I) details the expected use of the freed-up HEFF funds to go toward deferred M&R projects with \$8 million specifically for renovation of the Churchill-Haines Lab at the University of South Dakota.

Attachment II provides the FY25 deferred HEFF 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 BOR 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 \$100,000 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 \$100,000 (all costs and contracts inclusive) may be approved by the presidents or their designee.

**IMPACT AND RECOMMENDATIONS**

The FY25 additional funding available is \$16,834,604.

(Continued)

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**DRAFT MOTION 20240513\_5-R:**

I move to approve the FY25 Deferred HEFF M&R projects as presented in Attachment II.

FY25 Deferred HEFF M&R Projects

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Approval of the FY25 Deferred HEFF Maintenance and Repair projects will allow the universities to begin project planning and completion in a timely manner.

**ATTACHMENTS**

Attachment I – 2024 Letter of Intent Regarding HEFF Bond Payment/Paydown for M&R Utilization (Churchill-Haines Lab M&R)

Attachment II – FY25 Deferred HEFF Maintenance and Repair projects requested by the institutions

PRESIDENT PRO TEMPORE LEE SCHOENBECK, CHAIR | SPEAKER HUGH M. BARTELS, VICE CHAIR  
 JOHN McCULLOUGH, INTERIM DIRECTOR | JUSTIN GOETZ, CODE COUNSEL

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Joint Committee on Appropriations  
 REPRESENTATIVE MIKE DERBY, CO-CHAIR  
 SENATOR JEAN HUNHOFF, CO-CHAIR

March 26, 2024  
 Nathan Lukkes, Executive Director  
 Board of Regents  
 306 E. Capitol Avenue, Suite 200  
 Pierre, SD 57501

**Letter of Intent Regarding HEFF Bond Payment/Paydown for M&R Utilization  
 (Churchill-Haines Lab M&R)**

Dear Executive Director Nathan Lukkes,

This Letter of Intent sets forth a particular view held by the Joint Committee on Appropriations (JCA) in approving your appropriation in the 2024 Legislative session. As such, this Letter of Intent seeks to supplement that legislation with specific policy guidance as approved on March 26, 2024.

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.

During the 2024 legislative session, the JCA approved \$16,834,604 in general funds (SB 52) for Higher Education Facility Fund bond payments and Maintenance and Repair (M&R) paydown use. It is the intent of the committee \$8,000,000 will be set aside for M&R of the Churchill-Haines Lab at the University of South Dakota. A report detailing the use of the funding shall be presented during the 2025 budget hearing.

Thank you for your cooperation.

A handwritten signature in black ink that reads "Mike Derby".

Representative Mike Derby  
 Lead Co-Chair, Joint Committee on Appropriations

A handwritten signature in black ink that reads "Jean M. Hunhoff".

Senator Jean Hunhoff  
 Co-Chair, Joint Committee on Appropriations

cc: Russell Olson, Auditor General  
 Jim Terwilliger, Commissioner, Bureau of Finance and Management

**FY25 Deferred HEFF Maintenance & Repair Projects**

<b>Project #</b>	<b>Building Name</b>	<b>Project Name</b>	<b>M&amp;R Category <sup>(1)</sup></b>	<b>M&amp;R Class <sup>(2)</sup></b>	<b>Cost Estimate</b>
<b><u>Black Hills State University</u></b>					
6D25XX	Woodburn	Lighting and Electrical Upgrades	Energy and Utility Saving	Renovation	\$879,578
<b>FY25 Deferred HEFF M&amp;R Projects Total</b>					<b>\$879,578</b>
<b><u>Black Hill State University - RC</u></b>					
6D255X	BHSU-Rapid City	WRHSC Addition Renovations	Programmatic Suitability	Alteration	\$106,006
<b>FY25 Deferred HEFF M&amp;R Projects Total</b>					<b>\$106,006</b>
<b><u>Dakota State University</u></b>					
8D25XX	Karl Mundt Library	Renovations	Building Integrity	Renovation	\$450,000
8D25XX	Kennedy Center	Renovations	Building Integrity	Renovation	\$250,975
<b>FY25 Deferred HEFF M&amp;R Projects Total</b>					<b>\$700,975</b>
<b><u>Northern State University</u></b>					
5D25XX	Washington Parking lot	Overlay Parking Lot	Campus Infrastructure	Maintenance	\$500,000
5D25XX	Barnett Center	Remodel Restrooms	Building Integrity	Renovation	\$433,751
<b>FY25 Deferred HEFF M&amp;R Projects Total</b>					<b>\$933,751</b>
<b><u>South Dakota School of Mines &amp; Technology</u></b>					
4D25XX	Campus	Infrastructure	Campus Infrastructure	Repair	\$923,992
4D25XX	Campus	Road Repair	Campus Infrastructure	Repair	\$50,000
<b>FY25 Deferred HEFF M&amp;R Projects Total</b>					<b>\$973,992</b>
<b><u>South Dakota State University</u></b>					
3D25XX	McFadden Hall	Exhaust Air Improvements	Energy and Utility Savings	Renovation	\$3,000,000
3D25XX	Coughlin Campanile	Masonry & Stone Pointing, Joint Sealant, & Masonry Repairs	Building Integrity	Repair	\$300,000
3D25XX	Animal Science Complex	Replace Refrigeration System	Building Integrity	Repair	\$350,000
3D25XX	Pugsley Center	Masonry Pointing, Joint Sealant, & Masonry Repairs	Building Integrity	Repair	\$197,144
<b>FY25 Deferred HEFF M&amp;R Projects Total</b>					<b>\$3,847,144</b>
<b><u>University of South Dakota</u></b>					
2D25XX	Churchill-Haines	Renovation	Building Integrity	Renovation	\$9,019,304
<b>FY25 Deferred HEFF M&amp;R Projects Total</b>					<b>\$9,019,304</b>
<b><u>Sanford School of Medicine</u></b>					
2D255X	USD-SSOM	Mechanical Modifications or Repairs	Building Integrity	Maintenance	\$50,000
2D255X	USD-SSOM	Electrical Upgrades	Energy and Utility Savings	Renovation	\$79,314
2D255X	USD-SSOM	Interior upgrades	Building Integrity	Renovation	\$40,000
2D255X	USD-SSOM	Exterior Upgrades	Building Integrity	Renovation	\$20,226
<b>FY25 Deferred HEFF M&amp;R Projects Total</b>					<b>\$189,540</b>
<b><u>University of South Dakota - SF</u></b>					
2D256X	USD-SF	Mechanical Modifications or Repairs	Building Integrity	Maintenance	\$34,314
2D256X	USD-SF	Electrical Upgrades	Energy and Utility Savings	Renovation	\$42,500
2D256X	USD-SF	Interior upgrades	Building Integrity	Renovation	\$95,000
2D256X	USD-SF	Exterior Upgrades	Building Integrity	Renovation	\$12,500
<b>FY25 Deferred HEFF M&amp;R Projects Total</b>					<b>\$184,314</b>
<b>Grand Total FY25 Deferred HEFF M&amp;R Projects</b>					<b>\$16,834,604</b>

**FY25 Deferred HEFF Maintenance & Repair Projects**

<b>Project #</b>	<b>Building Name</b>	<b>Project Name</b>	<b>M&amp;R Category <sup>(1)</sup></b>	<b>M&amp;R Class <sup>(2)</sup></b>	<b>Cost Estimate</b>
Refer to BOR Policy 6.6 Maintenance & Repair					
<sup>(1)</sup> M&R Category					
	A.	Public Health, Safety, and Compliance			
	B.	Building Integrity			
	C.	Programmatic Suitability			
	D.	Energy and Utility Savings			
	E.	Campus Infrastructure			
<sup>(2)</sup> M&R Class					
	A.	Maintenance			
	B.	Repair			
	C.	Renovation			
	D.	Alteration			