

South Dakota Building Authority

330 South Poplar, Suite 102

P.O. Box 846

Pierre, SD 57501

Tel: 605-224-9200

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Date: February 9, 2016

To: Members of the South Dakota Building Authority

From: Don A. Templeton, Executive Secretary

Re: Notice of Special Meeting

You are hereby notified that the Chairman has set Wednesday, February 17, 2016, as the date for the Special Meeting of the South Dakota Building Authority to be held via telephone conference at 10:00 a.m. (CST) 9:00 a.m. (MST).

You may participate in the meeting by dialing 1-877-336-1828 and enter your Participant Access Code, which is 4677196 followed by the # key.

The following members have indicated they will be available for the meeting:

Tom Graham

Jim Breckenridge

Doug Hajek

D.J. Mertens

Dennis Neugebauer (uncertain)

James Roby

Steve Zellmer

An agenda and information on the agenda items included with this email. We will send via Federal Express if a hardcopy is requested. Please let us know if your mailing address has changed.

Cc: Todd Meierhenry, Meierhenry Sargent LLP
Bert Olson, The First National Bank in Sioux Falls
Kristie Wiederrich, The First National Bank in Sioux Falls

SOUTH DAKOTA BUILDING AUTHORITY
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FOR THE FEBRUARY 17, 2016 SPECIAL MEETING

1. Board Member Roll Call and attendance confirmation for all non-board attendees
2. Minutes of the September 23 and 24, 2015 annual meeting
3. Contract with Meierhenry Sargent LLP
4. Proposals for Arbitrage Rebate Calculations
 - A. Eide Bailly
 - B. Avant
 - C. Perkins Coie
5. Update on Bond Rating Meetings & Billings
6. Current Legislative Bills

	<u>Committee</u>	<u>House</u>	<u>Senate</u>
	Y – N	Y – N	Y – N
A. Senate Bill 11	15 – 0	64 – 5	34 – 0
B. House Bill 1016	14 – 1	58 – 7	33 – 2
C. House Bill 1203	Appropriations		
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7. Other Business – Dates for Annual meeting of the South Dakota Building Authority
8. Adjournment

SOUTH DAKOTA BUILDING AUTHORITY

MINUTES OF THE ANNUAL MEETING

SEPTEMBER 23 & 24, 2015

Pursuant to due notice, the South Dakota Building Authority met on Wednesday, September 23, 2015 at 4:20 P.M., MDT at the Sylvan Lake Lodge in Custer State Park and via telephone. Tom Graham, Chairman, instructed the Executive Secretary to call the roll.

Present: Mr. Tom Graham
Mr. Jim Breckenridge
Mr. Doug Hajek
Mr. D. J. Mertens (via telephone)
Mr. Dennis Neugebauer (via telephone)
Mr. Steve Zellmer

Absent: Mr. James Roby

Other staff and representatives of the Authority present were:

Mr. Donald Templeton, Executive Secretary
Mr. Todd Meierhenry, Meierhenry Sargent, LLP (via telephone)
Mr. Dustin Christopherson, South Dakota Health and Educational
Facilities Authority
Mr. Michael Jost, South Dakota Health and Educational Facilities Authority
Mr. Jack Arnold, Dougherty & Company
Mr. Neil Pritz, BMO Capital Markets
Ms. Ann Koch, BMO Capital Markets
Ms. Kristie Wiederrich, The First National Bank in Sioux Falls
Mr. Bruce Bonjour, Perkins Coie (via telephone)

A quorum was declared by the Chairman and the meeting was called to order.

Mr. Don Templeton advised the Authority members that the notice of the meeting had been posted at the entrance of the office of the South Dakota Building Authority on September 14, 2015. A copy of that notice is on file at the Authority office.

The Chairman asked for consideration of the minutes for the June 11, 2015 meeting. Mr. Hajek moved to approve the minutes of the meeting as presented, seconded by Mr. Breckenridge. All members present voted aye. Motion carried.

Election of Officers

The Chairman stated the next order of business would be the annual election of officers for the Authority. The officer's positions being considered would be Vice Chairman and Secretary. It was noted that the Chairman is appointed by the Governor.

Mr. Breckenridge moved to keep the officers the same; Vice-Chairman Doug Hajek and Secretary D.J. Mertens, seconded by Mr. Zellmer; all members present voted aye, motion carried.

Project Reports

Mr. Templeton reviewed the eight project reports of outstanding cash balances for all bond issues with Project Fund cash balances. Mr. Templeton reviewed the August 31, 2015 financial report for the Building Authority.

Post Compliance

Mr. Templeton and Mr. Meierhenry explained that staff reviewed all bonded projects and performed many on site construction visits and he believes all projects are compliant with bond covenants.

The SDBA board members conducted a post issuance compliance review and tour of the new visitor center that is currently under construction, the new wedding pavilion and the State Game Lodge site work in Custer State Park, on September 24, 2015.

Other Business

Jack Arnold of Dougherty and Company gave an update on the Fitch Rating Agency's rating of South Dakota bonds and explained an upcoming meeting with Fitch and State of South Dakota staff.

Neil Pritz and Ann Koch of BMO Capital Markets gave an update on the potential refunding of series 2008 bonds.

Adjournment

The Chairman stated that there being no further business at this meeting, the meeting would be adjourned at 4:47 p.m. MDT.

Tour

A tour of Custer State Park was held on September 24, 2015 to inspect bonded projects.

**AGREEMENT FOR LEGAL SERVICES
BETWEEN THE SOUTH DAKOTA BUILDING AUTHORITY
AND
MEIERHENRY SARGENT LLP**

The South Dakota Building Authority and Meierhenry Sargent LLP, hereby agree that South Dakota Building Authority will receive legal advice and representation as provided in this Agreement.

Section I. Scope of Work:

Meierhenry Sargent LLP agrees to provide legal services and represent South Dakota Building Authority as needed. Meierhenry Sargent LLP will be representing South Dakota Building Authority against a third party claim.

Section II. Payment Provisions:

It is hereby agreed that, in consideration of fulfillment of the terms of this Agreement, South Dakota Building Authority shall pay Meierhenry Sargent LLP, within thirty (30) days of receipt of acceptable invoices, subject to ordinary State of South Dakota voucher clearance requirements, an amount equal to the number of hours billed times an hourly rate not to exceed (written amount) (\$170.00). The total amount expended under this contract shall not exceed (\$15,000.00) in CY-2016.

Expenses for travel, meals and lodging incurred by Meierhenry Sargent LLP on behalf of South Dakota Building Authority shall be reimbursed, upon submission of a complete listing of all expenses actually incurred in the performance of this Agreement.

Section III. Independent Contractor:

While performing the services hereunder, Meierhenry Sargent LLP is acting as an independent contractor and not as an officer, agent or employee of South Dakota Building Authority or of the State of South Dakota.

Section IV. Hold Harmless and Indemnification:

Meierhenry Sargent LLP agrees to indemnify and hold the South Dakota Building Authority and the State of South Dakota, its officers, agents and employees, harmless from and against any and all actions, suits, damages, liability or other proceedings which may arise as the result of performing services hereunder. This section does not require Meierhenry Sargent LLP to be responsible for or defend against claims or damages arising from the errors or omissions of the State, its officers, agents or employees or from the errors or omissions of third parties that are not officers, employees or agents of Meierhenry Sargent LLP, unless such errors or omissions resulted from the acts or omissions Meierhenry Sargent LLP. Nothing in this agreement is intended to impair the insurance coverage of Meierhenry Sargent LLP or any subrogation rights of Meierhenry Sargent LLP insurers.

Section V. Insurance:

Meierhenry Sargent LLP hereby agrees to maintain during the term of this Agreement appropriate and adequate insurance coverage including general liability, automobile liability and professional liability insurance and shall provide South Dakota Building Authority with evidence thereof upon request.

Section VI. Limitations Upon Legal Representation:

It is agreed and acknowledged by Meierhenry Sargent LLP that in order for Meierhenry Sargent LLP to represent the State of South Dakota or the interests of South Dakota Building Authority in any court of law, he or any substitute counsel must receive an appointment as an Assistant Attorney General from the Attorney General of the State.

Section VII. Term of the Agreement:

The term of this Agreement shall commence on January 1, 2016, and shall remain in effect through December 31, 2016.

Section VIII. Termination:

This Agreement may be terminated by either party hereto upon thirty (30) days written notice.

Section IX. Default Provision:

This Agreement depends upon the continued availability of appropriated funds and expenditure authority from the Legislature for this purpose. This Agreement will be terminated by the State if the Legislature fails to appropriate funds or grant expenditure authority. Termination for this reason is not a default by the South Dakota Building Authority nor does it give rise to a claim against the State.

Section X. Amendment:

The provisions in this Agreement may only be altered, modified or changed by written amendment hereto subject to the same approval requirements as in this Agreement.

Section XI. Agreement Not Assignable:

This Agreement is not assignable by Meierhenry Sargent LLP either in whole or in part, without the written consent of South Dakota Building Authority.

Section XII Payments Include All Taxes:

Payments made to Meierhenry Sargent LLP as specified herein shall be deemed to include all taxes of any description, federal, state or municipal assessed against Meierhenry Sargent LLP by reason of this Agreement.

Section XIII South Dakota Law Controlling:

It is expressly understood and agreed by the parties hereto that this Agreement shall be governed by the laws of the State of South Dakota both as to interpretation and performance.

Section XIV Conflict of Interest:

Meierhenry Sargent LLP agrees not to participate as Counsel, in person or his law firm, in opposition to the interests of the State of

South Dakota or any of its departments, bureaus, boards or commissions consistent with the policy attached hereto and labeled Exhibit A.

**SOUTH DAKOTA BUILDING
AUTHORITY:**

Don A. Templeton
Executive Secretary

Dated: _____

MEIERHENRY SARGENT LLP:



(Name)

Dated: 12/11/2015

The foregoing Agreement is hereby approved as to form.

Marty J. Jackley
Attorney General

Dated: _____

Exhibit A

POLICY CONCERNING CONFLICTS OF INTEREST

This policy is adopted to address the issue of potential conflicts of interest with regard to the State of South Dakota and attorneys contracting with the State of South Dakota ("State") to perform legal services. This policy will be attached as an addendum to any contract for legal services entered into between the State and any attorney contracting to perform those legal services and shall become a part of that contract.

A. Except as provided in paragraph B of this policy, if an attorney contracting to perform legal services with the State has a pending claim against the State or its employees on behalf of a client; or in the event an attorney with an existing contract for legal services with the State is approached by a client seeking to file a lawsuit against the State or its employees, the contracting attorney shall notify the Attorney General and the manager of the state PEPL Fund in writing of that conflict of interest prior to the time a contract is signed or prior to undertaking representation of the adverse client. The Attorney General shall personally decide within ten working days whether or not the State will waive any conflict of interest created by that claim. The Attorney General will consider the magnitude of the claim against the State, the appearance of impropriety which could adversely affect the interests of the State, the degree, if any, to which the contracting attorney has or will gain access to information which would give him an undue advantage in representing a client whose interests are adverse to the State, whether the department or agency against which the claim is made is also a department or agency that will be represented by the contracting attorney, and any other factor which the Attorney General may deem pertinent in his discretion.

Notification of the Attorney General under this paragraph, prior to the commencement of an action is not required if the contracting attorney is approached by a client to commence an action against the State and the contracting attorney has a good faith belief that absent immediately filing, the action would be barred by a statute of limitations or comparable provision. Under these circumstances, the contracting attorney shall, as soon as practical, contact the Attorney General regarding the conflict and agrees that if the conflict of interest is not waived, to withdraw from representing the client in the pending action.

B. Any conflict of interest which may be created by the following situations will automatically be deemed to be waived by the Attorney General and will not be subject to the notification requirements of this policy statement:

1. Any action where the contracting attorney represents a codefendant with the State in a claim or lawsuit, regardless of any cross-claim or third-party claim which the State and the attorney's non-State client may have against each other; unless the cross-claim or third-party claim was readily apparent at the time of contracting with the non-State client and seeks significant monetary consequences; the cross-claim is against a South Dakota Building Authority which the contracting attorney represents; or by virtue of representation of the State under contract the attorney had access to information which would give the non-State client an unfair advantage.
2. Any condemnation action in which the contracting attorney represents a condemnee.
3. Any administrative licensing proceeding in which the contracting attorney appears representing a client, regardless of the fact that the client may make a claim which would be adverse to a position taken by a department or agency of state government; unless the claims, if successful, will have significant monetary consequences to the State; or by virtue of representation of the State under contract the contracting attorney had access to information which would give the non-State client an unfair advantage.
4. Any administrative proceeding before the Department of Revenue in which the contracting attorney's client may have a claim which would create a potential liability for the State of South Dakota; unless the claim, if successful, will have significant monetary consequences to the State; or by virtue of representation of the State under contract the contracting attorney had access to information which would give the non-State client an unfair advantage.
5. Any bankruptcy proceeding in which the contracting attorney represents a client other than the State of South Dakota and in which the State of South Dakota has a secured or unsecured claim.
6. Any activity relating to the negotiation of a contract with the State of South Dakota and another client represented by the contracting attorney; unless the contracting attorney is actively representing the department or agency of state government with which the contract is being negotiated; or by virtue of representation of the State under contract the contracting attorney had access to information which would give the non-State client an unfair advantage.
7. The defense of any criminal action; unless the attorney has an existing contract as a special prosecutor in criminal actions for the State of South Dakota; or if, in representation of the State under contract, the contracting attorney had access to

- information which would give the non-State client an unfair advantage in the criminal action.
8. Any small claims action in which the contracting attorney represents any plaintiff or defendant with interests adverse to those of the State.
9. Any action brought through representation under a long-term contract or appointment of any other governmental entity, whether or not that governmental entity has interests that are adverse to those of the State; unless the claim, if successful, will have significant monetary consequences against the State of South Dakota.
10. Any action in which the State is a named party but has only a nominal interest, as in mortgage foreclosures and quiet title actions.
11. Any lobbying activity by the contracting attorney
12. Any worker's compensation case in which the contracting attorney represents a claimant; unless the contracting attorney represents the South Dakota Department of Labor in matters relating to worker's compensation claims or benefits.

C. The Attorney General reserves the right to raise a conflict of interest, notwithstanding the automatic waiver provisions of paragraph B of this policy, where a conflict of interest covered by the South Dakota Rules of Professional Conduct exists and in the discretion of the Attorney General, is it determined to be in the State's best interest to raise the conflict. The Attorney General shall notify the contracting attorney of the existence of the conflict and the delineation of waiver within seven days of the Attorney General's actual notice of the contracting attorney's action against the State.

D. For purposes of this policy: 1) the term "contracting attorney" means the attorney actually signing the agreement and his entire law firm; 2) the term "State" means the State of South Dakota and any branch, constitutional office, department, agency, institution, board, commission, authority, or other entity by state government; and 3) the term "significant monetary consequences" means that the suit, claim, action or other proceeding against the State, if successful, could reasonably result in the State making payments to the contracting attorney, the client or the class the client represents in excess of \$50,000 or in the case of the proceeding against the Department of Revenue, or other state taxing entity payments or lost revenue in excess of \$50,000.

E. This guideline shall not be construed as altering or reducing an attorney's obligations to his client under the South Dakota Rules of Professional Conduct specifically stated herein.

REBATE COMPUTATION PROPOSALS

South Dakota Building Authority

<u>Series</u>	<u>Amount Issued</u>	<u>Completed Computation Date</u>	<u>Rebate Liability</u>	<u>Next Computation Date</u>	<u>Eide Bailly Fargo, North Dakota Proposal - pages 1-11</u>	<u>Avant Strategic Partners Overland Park, Kansas Proposal - pages 12-19</u>	<u>Perkins Coie Chicago, Illinois Proposal - page 20</u>
2010A&B	\$26,000,000			June 30, 2016	Annual Fee @ \$1,200 or 2020 - 10th Year Fee @ \$2,600	Annual Fee @ \$1,300	Annual Fee @ \$2,500
		June 30, 2015	(20,215.97)				
		June 30, 2014	(17,368.11)				
		June 30, 2013	(13,086.12)				
2011	\$12,880,000			June 30, 2016	Annual Fee @ \$1,200 or 2021 - 10th Year Fee @ \$2,600	Annual Fee @ \$1,300	Annual Fee @ \$2,500
		June 30, 2015	(251,499.87)				
		June 30, 2014	(236,097.08)				
		June 30, 2013	(226,362.59)				
2013B	\$67,340,000			June 30, 2016	Annual Fee @ \$1,200 or 2018 - 5th Year Fee @ \$2,100	Annual Fee @ \$1,300 or 2018 - 5th Year Fee @ \$1,900	Annual Fee @ \$2,500
		June 30, 2015	(2,863,309.41)				
		June 30, 2014	(1,415,585.17)				
2014A	\$35,820,000			June 30, 2016	Annual Fee @ \$1,200 or 2019 - 5th Year Fee @ \$2,400	Annual Fee @ \$1,300 or 2019 - 5th Year Fee @ \$2,500	Annual Fee @ \$2,500
		June 30, 2015	(642,615.63)				
2014B	\$5,250,000			June 30, 2016	Annual Fee @ \$1,200 or 2019 - 5th Year Fee @ \$2,400	Annual Fee @ \$1,300 or 2019 - 5th Year Fee @ \$2,500	Annual Fee @ \$2,500
		June 30, 2015	(296,805.42)				
2014D&E	\$42,960,000			June 30, 2016	Annual Fee @ \$1,200 or 2019 - 5th Year Fee @ \$2,400	Annual Fee @ \$1,300 or 2019 - 5th Year Fee @ \$2,500	Annual Fee @ \$2,500
		June 30, 2015	(497,378.77)				
2015B	\$10,880,000	N/A	N/A	June 30, 2016	Annual Fee @ \$1,200 or 2017 - 2nd Year Fee @ \$1,800 2020 - 5th Year Fee @ \$2,600	Annual Fee @ \$1,300 or 2020 - 5th Year Fee @ \$2,500	Annual Fee @ \$2,500

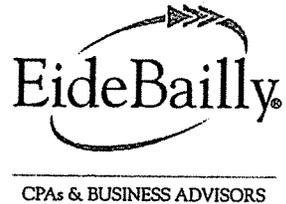
Chapman & Cutler of Chicago, Illinois has prepared the past computations for \$2,500 per computation.

**South Dakota Building Authority
And
South Dakota Health and
Educational Facilities Authority**

**PROPOSAL TO PROVIDE
ARBITRAGE REBATE SERVICES**

**Prepared by:
EIDE BAILLY LLP**

November 24, 2015



November 24, 2015

Don Templeton
South Dakota Health and Educational Facilities Authority
330 South Poplar Avenue, Suite 102
Pierre, South Dakota 57501

We appreciate the opportunity to present our proposal to serve the South Dakota Building Authority and the South Dakota Health and Educational Facilities Authority (the "Authorities") as Arbitrage Rebate Consultant. We would appreciate having the opportunity to prepare the necessary arbitrage rebate calculations regarding the Authorities' bond issues as listed on Exhibit 1.

The decision of selecting a consulting firm is not an easy one. However, the more positive reasons for selecting a consultant, the easier the decision becomes. We have identified what we believe are six excellent reasons why the Authorities should select Eide Bailly LLP ("EB"). These reasons support our belief that by selecting EB, the Authorities will receive special bond issuance tax law and regulation analysis, current and aggregate rebate calculations and required compliance reporting of the highest quality and responsiveness; yielding meaningful benefits to the Authorities. The reasons are:

- 1. Specific experience with the Authorities in preparing bond refunding verification calculations.**
- 2. Arbitrage rebate and bond financing industry experience, including consultation both prior to and after the issuance of bonds.**
- 3. Dedication and involvement in supporting a client's business dealings.**
- 4. Practical suggestions for improvement of processes and procedures used by a client.**
- 5. Proper planning, organization and administration in the conduct of engagements.**
- 6. Price competitive services.**

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The scope of services you have requested is understood to be:

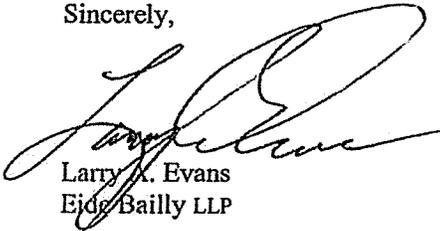
- * Preparation of arbitrage rebate calculations for the bond issues listed on Exhibit 1 for various time lines.

Details related to our service deliverables and discussion of the fee structure of our service is outlined on Exhibit 1.

After this proposal is approved, we will provide you with a list of information needed to complete the calculation.

We look forward to continuing and expanding our relationship with you and the Authorities. We would welcome the opportunity to discuss this proposal with you at your convenience. Please contact Larry A. Evans at (405) 478-3334 if you have any questions or wish to arrange a meeting to discuss our proposal.

Sincerely,



Larry A. Evans
Eide Bailly LLP

Description of Firm and Professionals

Firm name: Eide Bailly LLP
Address: 1601 N.W. Expressway, Suite 1900
Oklahoma City, Oklahoma 73118
Telephone: (405) 478-3334
Fax: (405) 478-5673

Professionals Assigned to Project

Lead Contact and Service Provider

Name: Larry A. Evans
Position: Consultant
Address: 1601 N.W. Expressway, Suite 1900
Oklahoma City, Oklahoma 73118
Telephone (Direct): (405) 858-5508
Fax: (405) 478-5673
E-mail: levans@eidebailly.com

Arbitrage Calculation Specialist

Name: Meg Stolpestad
Position: Sr Associate
Address: 4310 17th Ave S
Fargo, ND 58108-2545
Telephone (Direct): (701) 476-8345
Fax: (701) 239-8600
E-Mail: mstolpestad@eidebailly.com

Professional Qualifications

Larry A. Evans – Mr. Evans is a certified public accountant with over 40 years of public accounting experience and 5 years of banking, including experience as Senior Trust Officer responsible for bonds administered through the area of corporate trust. Mr. Evans has worked in the bond arbitrage rebate and arbitrage restriction service areas since 1988 and has personally made hundreds of arbitrage rebate calculations during that time frame, has consulted with government organizations on arbitrage rebate rules and regulations and is frequently called upon by Bond attorneys concerning arbitrage rebate matters.

Because Mr. Evans has a background in Trustee responsibilities and operations, he is able to understand and comment on the handling of bond financial information at the Trustee level, which has led to benefits for his rebate clients. Mr. Evans has worked with, and been hired by, many different trustees from most all of the local corporate trust providers in Oklahoma, as well as out of state corporate trust service providers.

Not all arbitrage rebate services require calculations. Mr. Evans has assisted many clients with arbitrage rebate consultation including both pre and post bond issue planning. Mr. Evans is also one of few dealing with arbitrage rebate that have had clients apply for and receive refunds of prior paid arbitrage rebate amounts and has represented clients before the Internal Revenue Service in the waiver of penalties and interest on delinquent rebate tax payment issues.

Meg Stolpestad – Ms. Stolpestad has worked in the bond arbitrage rebate area since 1990 and has been responsible for the preparation of all types of arbitrage rebate calculation services including standard arbitrage rebate calculations, spend down exception calculations, calculations related to yields, transferred proceeds, spending exceptions and applications for refunds of overpaid rebate amounts.

ARBITRAGE REBATE LETTER

DATE

[REDACTED]

RE: Aggregate Rebate Calculation

[REDACTED]

Dear [REDACTED]:

Pursuant to the request by the [REDACTED], we have calculated the aggregate amount of rebate ("Aggregate Rebate Amount") required on the [REDACTED] (the "Authority") [REDACTED] Revenue Bonds ([REDACTED] Project) (the "Bonds") for the initial period beginning February 17, 2000 through February 1, 2005.

The Aggregate Rebate Amount on the Bonds has been computed in accordance with the requirements of Section 148(f) of the Internal Revenue Code of 1986, as amended (the "Code"), and Treasury Regulations (the "Regulations") issued pursuant thereto.

In general, the Code and Regulations provide that the excess of the amount earned on all nonpurpose investments over the amount earned if such nonpurpose investments were invested at a rate equal to the yield on the bond issue, plus the income attributable to the amount of such excess, must be paid to the United States. A nonpurpose investment is any investment property acquired with the gross proceeds of the issue that is not acquired in order to carry out the governmental purpose of the issue. The payment must be made at least once every five years, and the amount paid must equal at least 90 percent of the rebate required.

Final payment of all amounts required to be rebated must be made no later than 60 days after the day on which the last payment on the Bonds is made. Failure to comply with these provisions could result in penalties and/or the loss of the tax-exempt status of the issue retroactive to the date of issue.

The Aggregate Rebate Amount is also based upon the information contained in the cash receipts and disbursement statements provided to us by you, representing the [REDACTED], on behalf of the Authority. We have not verified or otherwise audited the accuracy of the information provided us by you, and accordingly, we express no opinion concerning the accuracy of the information used in calculating the Aggregate Rebate Amount, nor do we express an opinion on whether the obligation shall be treated as an arbitrage bond as defined in Code Section 148.

It is understood that the arbitrage rebate requirements are based on Section 1.148 of the Income Tax Regulations promulgated under Section 148(f) of the Code.

Based upon the information provided to us by the [REDACTED], and the provisions of the Treasury Regulations referred to above, our calculations indicate the Aggregate Rebate Amount to be a negative amount of (\$ [REDACTED]) for the rebate period beginning February 17, 2000 through February 1, 2005, after the Computation Date Credit, provided in the Treasury Regulations is considered. Therefore, no amount is required to be rebated to the United States for the period beginning February 17, 2000 and ended February 1, 2005.

It is our understanding that this rebate calculation is solely for the information of, and assistance to, the addressee for the purpose of complying with Section 148(f) of the Code and Regulations related thereto and is not to be used, circulated, quoted, or otherwise referred to within or without the above parties for any other purpose, without our permission. We hereby give permission for a copy of this report to be furnished to the [REDACTED] and [REDACTED] (Trustee for the Bonds).

Very truly yours,

Rebate Computations

South Dakota Building Authority

Series	Amount Issued		Last Computation Date	Next Computation Date	Liability	Rebate Service Ref @
Series 2010A&B	\$ 26,000,000	BHSU, DSU, NSU; University Center (SF), HSC	June 30, 2015	June 30, 2016	\$ (20,041.32)	
Series 2011	\$ 12,880,000	Various Maintenance and Repair Projects	June 30, 2015	June 30, 2016	\$ (251,499.87)	1
Series 2013B	\$ 67,340,000	BHSU, DSU, NSU, SDSM&T, SDSU, USD	June 30, 2015	June 30, 2016	\$ (2,863,309.41)	2
Series 2014B	\$ 35,820,000	Board of Regents & SDGF&P	June 30, 2015	June 30, 2016	\$ (642,615.63)	3
Series 2014D&E	\$ 5,250,000	Refund Series 2005C New Money Portion	June 30, 2015	June 30, 2016	\$ (296,805.42)	4
Series 2015B	\$ 42,960,000	Refund Series 2006A, Refund Series 2007	June 30, 2015	June 30, 2016	\$ (497,378.77)	5
	\$ 10,880,000	SDSM&T, DSU	Will be computed 2016	June 30, 2016	N/A	6
						7

South Dakota Health and Educational Facilities Authority

Series	Amount Issued		Last Computation Date	Next Computation Date	Liability	Rebate Service Ref
Series 1994	\$ 11,315,000	Huron Regional Medical Center	April 18, 2014	April 1, 2016	\$ (1,526,742)	8
Series 2007	\$ 8,705,000	Children's Care	March 29, 2015	March 26, 2016	\$ (128,475)	9
Series 2014	\$ 58,750,000	Avera Health	June 26, 2015	June 26, 2016	\$ (1,550,050)	10
Series 2014B	\$ 186,105,000	Sanford Health	October 28, 2015	October 28, 2016	N/A	11
Series 2015	\$ 67,210,000	Regional Health	N/A	January 27, 2016	N/A	12
Series 2015	\$ 208,000,000	Sanford Health	N/a	October 21, 2016	N/A	13

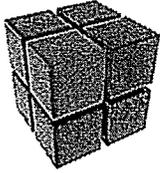
@ Rebate Service Reference – See attached page for service and fee details.

Rebate Service and Fee Details
Made Part of Exhibit 1

<u>Ref</u>	<u>Description</u>
1.	Depending on the date of issue, the last calculation made on June 30, 2015 should serve as the required fifth year calculation. Because of the negative arbitrage amount calculated as of June 30, 2015, it is recommended that, unless more frequent calculations are required by bond documents, no calculation of arbitrage rebate should be done until June 30, 2020. The fee for the five year calculation would be \$2,600. However, if an annual arbitrage rebate calculation as of June 30, 2016 is desired, the fee would be \$1,200.
2.	Based on an issue date in 2011, a first fifth year calculation will need to be made in 2016 unless a decision to treat the June 30, 2015 calculation as the first can be made. If the earlier calculation can be used as the first fifth year calculation and because of the negative arbitrage calculation as of that date, it would be recommended that, unless required by bond documents on a more frequent calculation, no calculation of arbitrage rebate be made until 2020. The fee for the five year calculation would be \$2,600. If a short period arbitrage rebate calculation is required to conform to a first fifth year calculation, the fee would be \$1,200.
3.	It is recommended that any bond issue classified as a construction issue have an arbitrage rebate calculation made two years after issue to determine if the spend down provision related to arbitrage rebate has been met. With the last calculation made as of June 30, 2015, information related to the spend down exception, should have been considered. Therefore, also noting the large negative rebate amount as of June 30, 2015, it is recommended that the next rebate calculation not be made until the first fifth year anniversary issue date of the bonds in 2018, unless bond documents would require an earlier calculation frequency. Based on current fee structures, the calculation in 2018 would be estimated at \$2,100. If an annual report is required, the first such calculation fee would be \$1,200.
4.	It is usually recommended that any bond issue classified as a construction issue have an arbitrage calculation at the end of two years from the date of issue. The last calculation for this bond issue was made in the first year and produced a large negative arbitrage. Because of the large negative arbitrage, it is recommended that, unless bond documents require a more frequent calculation period, the next calculation not be made until the first fifth year anniversary date of the bonds in 2019. Based on current fee structures, the calculation in 2019 would be estimated at \$2,400. If an annual report is required the first such calculation fee would be \$1,200.
5.	It is usually recommended that any bond issue classified as a construction issue have an arbitrage calculation at the end of two years from the date of issue. The last calculation for this bond issue was made in the first year and produced a large negative arbitrage. Because of the large negative arbitrage, it is recommended that, unless bond documents require a more frequent calculation period, the next calculation not be made until the first fifth year anniversary date of the bonds in 2019. Based on current fee structures, the calculation in 2019 would be estimated at \$2,400. If an annual report is required the first such calculation fee would be \$1,200.

<u>Ref</u>	<u>Description</u>
6.	It is usually recommended that any bond issue classified as a construction issue have an arbitrage calculation at the end of two years from the date of issue. The last calculation for this bond issue was made in the first year and produced a large negative arbitrage. Because of the large negative arbitrage, it is recommended that, unless bond documents require a more frequent calculation period, the next calculation not be made until the first fifth year anniversary date of the bonds in 2019. Based on current fee structures, the calculation in 2019 would be estimated at \$2,400. If an annual report is required the first such calculation fee would be \$1,200.
7.	It is recommended that any bond issue classified as a construction issue have an arbitrage rebate calculation made two years after issue to determine if the spend down provision related to arbitrage rebate have been met. With this issue originating in the current year, it is recommended that the first rebate calculation not be made until the second year anniversary of the issue in 2017, with the next arbitrage calculation then made at the first fifth year anniversary issue date of the bonds in 2020, unless bond documents would require an earlier calculation frequency. Based on current fee structures, the calculation in 2020 would be estimated at \$2,600. The first calculation at the second anniversary date in 2017 fee would be \$1,800, which would include spend down calculation testing.
8.	Because of the age of this issue and the large negative arbitrage rebate amount calculated as of the last report on April 18, 2014, it is recommended that the next arbitrage rebate calculation not be made until sometime in 2019 at the end of the required fifth year calculation period, unless bond documents would require an earlier calculation frequency. Based on current fee structures, the calculation in 2019 would be estimated at \$2,400.
9.	The first fifth year required rebate calculation for this bond issue would have occurred not later than 2012. The last calculation, showing a negative arbitrage rebate amount, was made as of March 29, 2015. It is recommended that the next calculation not be made until 2017 and then only every fifth year unless bond documents require a more frequent calculation period. Based on current fee structure, the fee for the calculation in 2017 would be \$1,500.
10.	It is usually recommended that any bond issue classified as a construction issue have an arbitrage calculation at the end of two years from the date of issue. The last calculation for this bond issue was made in the first year and produced a large negative arbitrage. Because of the large negative arbitrage, it is recommended that, unless bond documents require a more frequent calculation period, the next calculation not be made until the first fifth year anniversary date of the bonds in 2019. Based on current fee structures, the calculation in 2019 would be estimated at \$2,400. If an annual report is required the first such calculation fee would be \$1,200.
11.	It is usually recommended that any bond issue classified as a construction issue have an arbitrage calculation at the end of two years from the date of issue. The last calculation for this bond issue was made in the first year and produced a large negative arbitrage. Because of the large negative arbitrage, it is recommended that, unless bond documents require a more frequent calculation period, the next calculation not be made until the first fifth year anniversary date of the bonds in 2019. Based on current fee structures, the calculation in 2019 would be estimated at \$2,400. If an annual report is required the first such calculation fee would be \$1,200.

<u>Ref</u>	<u>Description</u>
12.	It is usually recommended that any bond issue classified as a construction issue have an arbitrage calculation at the end of two years from the date of issue. No rebate calculation for this bond issue has been made. It is recommended that, unless bond documents require a more frequent calculation period, the first calculation not be made until the second year anniversary date of the bonds in 2017, which would allow testing of the spend down exceptions to arbitrage rebate. Based on current fee structures, the calculation in 2017 would be estimated at \$2,000. However, if an annual report is required the first such fee would be \$1,800.
13.	It is usually recommended that any bond issue classified as a construction issue have an arbitrage calculation at the end of two years from the date of issue. No rebate calculation for this bond issue has been made. It is recommended that, unless bond documents require a more frequent calculation period, the first calculation not be made until the second year anniversary date of the bonds in 2017, which would allow testing of the spend down exceptions to arbitrage rebate. Based on current fee structures, the calculation in 2017 would be estimated at \$2,000. However, if an annual report is required the first such fee would be \$1,800.



AVANT

STRATEGIC PARTNERS, L.P.

November 24, 2015

VIA EMAIL

South Dakota Building Authority
South Dakota Health and Educational Facilities Authority
Attention: Mr. Don Templeton
330 South Poplar, Suite 102
Pierre, South Dakota 57501

Re: Proposal for Arbitrage Consulting Services

Dear Mr. Templeton:

Thank you for the opportunity for Avant Strategic Partners, L.P. ("Avant") to present our proposal to provide arbitrage consulting services to the South Dakota Building Authority and the South Dakota Health and Educational Facilities Authority (the "Authorities"). Our focus is to create maximum value by minimizing arbitrage liabilities, reducing your administrative time and providing arbitrage planning ideas consistent with your strategic goals.

We are excited about the opportunity to partner with the Authorities and will be glad to provide references and samples of our report upon request. Please do not hesitate to contact me at (913) 681-7783 if you have any questions regarding our proposal. I can also be reached via email at clunet@avantsp.com.

Very truly yours,

AVANT STRATEGIC PARTNERS, L.P.

By 
Teresa E. Clune, Partner
Enclosures

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II. Scope of Services	3
III. Our Consultative Approach	4
IV. Engagement Team	6
V. Fees Schedule	7

I. BACKGROUND

Avant's professional team has been performing arbitrage rebate calculations since 1992, and traces its roots to the Arthur Andersen Municipal Bond Services Group. Our core service offerings are arbitrage calculations and post-issuance compliance consulting. The Avant consulting team proposed for this engagement has more than 35 years of combined arbitrage experience, and has managed the completion of thousands of arbitrage calculations.

Our diverse national client base has exposed us to a full range of complex tax-advantaged financing structures in a variety of industries, such as: state and local governments, public utilities, transportation, multi- and single-family housing, education, and healthcare. These include, but are not limited to: fixed rate bonds with callable premium adjustments, variable rate issues with qualified guarantees and/or qualified hedges, refundings involving transferred proceeds computations, tax credit bonds (e.g., BABs, QSCBs & QECBs), and short term financing structures such as lines of credit. As a result, Avant has the requisite knowledge and experience to serve the Authorities' needs at the highest level.

As we highlight throughout our proposal, Avant's true value proposition is delivered through our consultative approach to client service. We are able to advise our clients throughout the engagement process about ways to reduce exposure to a multitude of risks, as well as develop strategies for minimizing arbitrage liabilities and maximizing allowable earnings. Our public accounting heritage uniquely qualifies us to recommend ways to improve or enhance internal controls relevant to post issuance compliance matters that are beyond the scope of arbitrage calculations.

II. SCOPE OF SERVICES

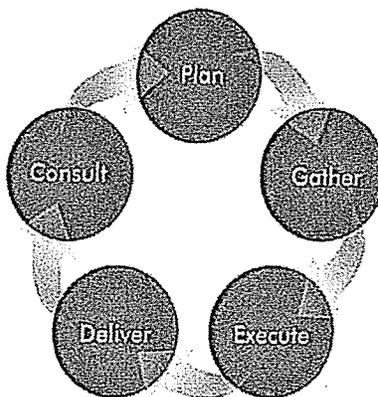
For each of the Authorities' relevant bond issues, our work to perform the arbitrage calculations will include:

- A reading of applicable sections of selected bond documents to determine relevant data necessary for the computations (e.g., Tax Certificate, Official Statement & 8038);
- Monitoring and communication of all relevant dates and filing deadlines;
- An accounting of gross proceeds allocable to each issue, including a reconciliation of sale proceeds (i.e. Sources & Uses);
- Evaluation of applicable spending exceptions;
- Computation of the variable rate bond yield or verification of the fixed rate yield;
- A calculation of the amount of arbitrage liability including any yield reduction amount (if applicable);
- The issuance of a detailed Arbitrage Report to disclose and explain our calculations;
- Preparation of any required filings, with instructions (e.g., Form 8038-T); and
- Assistance in the preparation of a formal final allocation of proceeds for each issue.

Our standard approach to every arbitrage rebate calculation includes a thorough analysis of the particular circumstances of each bond issue, and the development of a value-added approach tailored to those unique factors. For example, as a cost savings measure, we recommend skipping annual calculations for bonds with significant negative liabilities unless material changes in bond status or other circumstances have occurred during the year. This approach provides the most value while keeping the overall cost of consulting to a minimum.

III. OUR CONSULTATIVE APPROACH

We are extremely confident in our ability to deliver comprehensive arbitrage consulting services that meet the Authorities' needs in the most effective and cost efficient manner. Avant's value-added consultative approach to each engagement is comprised of five distinct phases:



Plan: Our project management process begins and ends with an assessment of the Authorities' needs on a bond-by-bond basis. Toward that end, we will kick off this new engagement with a planning meeting with relevant Authority personnel. Objectives for the meeting will include, among other things:

- Gaining an understanding of the Authorities' current financial systems and processes;
- Gathering of documents and schedules for each bond issue which will enable us to review any special elections, propose the appropriate bond year and relevant IRS filing dates;
- Defining a detailed transition plan from the prior provider;
- Establishing expectations, priorities and timelines, including a communication plan tailored to the Authorities' needs;
- Developing planning strategies for any bonds with exposure to liability.

We will schedule the planning meeting with our designated contact at a mutually convenient time, and suggest that the initial planning meeting occur at least one month prior to the first calculation date. Throughout the engagement cycle, we will communicate with Authority personnel proactively in anticipation of upcoming deliverables.

Before each annual calculation cycle, we will plan all projects due within the upcoming fiscal year. We will provide and discuss with relevant Authority with a timeline of material events (i.e., data collection dates, statutory filings, etc.), and a forecast of fees to be billed during the year for planned deliverables. In addition, we will confer with Authority staff regarding anticipated new issues.

Gather: We have developed proprietary methods of efficiently downloading and extracting electronic transaction data from a number of trustees. For most bonds, this capability will greatly reduce the amount of time and effort required to gather relevant data. With the approval of the Authorities, we would like to coordinate with the trustee to obtain on-line access to transaction and balance data.

Execute: Our staff consists of highly trained professionals who take great pride in their work product. All work performed will be in accordance with applicable IRS code and regulations, and we will advise Authority personnel immediately if any issues arise. In order to ensure accurate Rebate and Yield Reduction liabilities, we engage in an extensive process to reconcile cash flow activity to trust statements and/or financial statements. As a form of analytical control, we also compare investment yields derived from cash flow activity to industry norms and other client provided information. Additionally, every calculation report will be reviewed at least twice before being approved for release.

We designed our calculation software to integrate quality control measures throughout the calculation process. For example, the software will validate data to ensure that all entries fall within the specified calculation period and computes yields for analysis over the current and cumulative from inception time frames. All data from the software is saved in a database as a safeguard for the information and for reporting purposes. The software has been tested for accuracy against numerous calculation examples that are presented in the IRS Regulations.

Because of the nuances of yield restriction requirements, many issuers are not aware that it is possible to owe yield reduction payments even when there is no rebate liability. Therefore, in addition to rebate calculations, our scope always includes analysis of yield restriction requirements for each issue and the application of relevant temporary periods. We will calculate yield restriction liabilities, when applicable, at no additional cost to the Authorities. This approach ensures full compliance with both rebate and yield restriction rules while optimizing results.

Deliver: For each bond issue, we will prepare a report that includes a comprehensive summary of the arbitrage yield, rebate and yield restriction liabilities (if applicable). A complete discussion and explanation of our approach, our assumptions and our findings is also included. We provide detailed cash flow schedules showing relevant bond and investment activity, and, as needed, develop additional schedules and sub-schedules to reflect information particular to each bond issue (e.g., spending exceptions). In every case, we prepare a report that is concise, relevant, and tailored to the particular needs and circumstances of the Authorities, while at the same time working to reduce the cost and burden of compliance.

As part of each calculation cycle, we will provide an updated Liability Summary tailored to meet the Authorities' informational needs. For five-year filing calculations where a payment is due to the IRS, our deliverables will include a completed Form 8038-T and filing instructions.

Consult: As an Avant client, the Authorities get more than just a relevant, high quality arbitrage report. Our focus is excellent customer service. At the end of each calculation cycle, we will consult with the Authorities to address identified opportunities and/or risks, so that resulting strategies are incorporated into future calculation cycles and bond transactions. All of this is provided as part of our standard fee structure, at no additional cost to the Authorities. The time invested in this process will vary based on the facts and circumstances we encounter while transitioning from the prior provider and in future reporting periods. In any event, consultation is integral to our standard approach and we view it as investing in a long term relationship with our clients.

Like any practice of our size and scope, we have had clients randomly selected for audit. We have worked with the IRS to provide documentation and calculation support for positions taken in our calculations. We have also worked on IRS audits and Voluntary Closing Agreement Program (VCAP) submissions for issuers that had not previously used us for arbitrage services. Our services included calculation support with custom modeling to determine the best strategies for special tax counsel to use in discussions with the IRS. Avant has also prepared numerous refund claims on behalf of clients. To date, none of the IRS audits or refund claims has resulted in adverse findings.

IV. ENGAGEMENT TEAM

Teresa Clune, Engagement Partner
(913) 681-7783

Teresa has specialized in arbitrage services for over 20 years. She worked for Arthur Andersen from 1992 through 2002, continued her career with Bond Resource Partners (Avant predecessor firm) through 2008, and currently holds a Partner position with Avant. She works out of the firm's Overland Park, Kansas office. Prior to her career in arbitrage services, Teresa was a bank examiner for the Federal Deposit Insurance Corporation.

Teresa's role includes managing a significant, complex client base with the utmost attention to quality and service. She has established long-term relationships with her clients by focusing on value creation and anticipating how regulatory changes might impact her clients' business. She has extensive experience providing training to clients regarding arbitrage and other post issuance compliance related matters.

Teresa holds a Bachelor of Science in Business Administration in Finance with a minor in Spanish from the University of Kansas. She is an associate member of the National Association of Bond Lawyers (NABL).

Teresa would serve as the daily contact for the Authorities. She would manage the engagement team and workflow of the project, perform a complete review of all calculation reports and other deliverables, and consult with the Authority regarding liability optimization. She has extensive experience with IRS audit support and VCAP settlements, if the need for these services arises.

Kellee Spears, Senior Consultant

Kellee has more than 10 years of accounting, arbitrage and finance experience including Big 4 Public Accounting (EY). During her seven years at Avant, Kellee has been involved in preparing and reviewing hundreds of arbitrage calculations. Additionally, Kellee is a key contributor to the Firm's other post-issuance compliance activities, including compliance program development and Form 990, Schedule K preparation.

Kellee holds a BBA in Accounting from the University of Incarnate Word in San Antonio.

With regards to this engagement, Kellee would focus on preparation of calculations and report deliverables.

Chris Nyce, Senior Consultant

Chris has over 25 years of experience in varied areas of accounting & finance, I.T. and client services. During his eight years with Avant, Chris has been integral to the design and continuous improvement of Avant's quality control, data coordination and engagement management solutions. Chris studied Accounting at West Chester University of Pennsylvania.

Chris' responsibilities with this engagement would relate primarily to data gathering and preparation of calculations.

IV. FEES SCHEDULE

We believe that long-term relationships are built by providing high-quality service at a fair price. Our proposed fees and recommended calculation schedule through the year 2020 are summarized on the attached Cost Schedule. Pricing for new bond issues will be comparable to the proposed cost schedule.

Our fees contemplate that we will be able to obtain transaction data in an electronic format (i.e. MS Excel file) and that we will incorporate by reference calculation activity and results performed by the prior service provider. Fees for services such as IRS audit support or additional post issuance compliance management services will be quoted separately.

**Avant Strategic Partners, LP Proposal for Arbitrage Calculations
Fees Schedule**

South Dakota Building Authority Calculation Fees:

<u>Bond Issue</u>	<u>Fees for Recommended Calculation Years ^(B)</u>				
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Series 2010A & B ^(A)	1,300	1,300	1,300	1,300	1,300
Series 2011	1,300		1,600		
Series 2013B			1,900		
Series 2014A				2,500	
Series 2014B				2,500	
Series 2014D & E				2,500	
Series 2015B ^(C)	1,300				2,500
Total Calculation Fees:	\$ 3,900	\$ 1,300	\$ 4,800	\$ 8,800	\$ 3,800

South Dakota Health and Educational Facilities Finance Authority Calculation Fees:

<u>Bond Issue</u>	<u>Fees for Recommended Calculation Years ^(B)</u>				
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Series 1994				2,500	
Series 2007		1,600		1,600	
Series 2014				2,500	
Series 2014B ^(D)				2,500	
Series 2015 (Regional) ^(C)	1,300				2,500
Series 2015 (Sanford) ^(C)	1,300				2,500
Total Calculation Fees:	\$ 2,600	\$ 1,600	\$ -	\$ 9,100	\$ 5,000

^(A) Bonds are assumed to be one series for tax purposes. If determined to be separate series, individual calculation fees will apply. In addition, 2016 results should be evaluated to determine the necessity for annual calculations.

^(B) Annual calculation fees are \$1,300, plus \$300 for any skipped years. Five year calculation fees are \$2,500 if a calculation has not been performed since the first bond year. Pricing is assumed to be for fixed rate bond issues. Add \$500 to calculation fees for variable rate issues.

^(C) If results from initial calculation are largely negative, subsequent calculation should be in 2020 and fees will be \$2,500.

^(D) No liability indicated on summary provided. Fees indicated are if a calculation is required.

Don,

We would propose to bill \$2,500 for each of the annual rebate reports for the Building Authority and for the SDHEFA health care issues.

For that fee, we would engage Willdan Financial Services to perform the numerical calculations (with their charges to be paid out of our \$2,500 fee), and we would review those calculations, address any tax issues, and provide a covering review letter – essentially in the same format that is currently used in the rebate reports for the Authority’s VocEd bond issues.

In addition, we would charge a one-time, aggregate fee of \$5,000 to cover our time devoted to familiarizing ourselves with the health care issues and their prior rebate reports and handling the transition from Chapman. As you know, we acted as bond counsel only in the case of a few of those issues and, thus, in several cases would need to educate ourselves about the transactions and their history. There would be no such additional up-front fee with respect to the Building Authority issues.

Finally, we understand that Willdan may charge an additional fee (not expected to exceed \$500), which we would ask the Authority to pay, in the case of (i) an issue for which no prior rebate calculations have been performed, (ii) a variable rate issue (including any issue with respect to which it is necessary to “integrate” swap payments in order to determine the issue’s yield), or (iii) the existence of a common reserve or other fund that must be allocated among several bond issues for arbitrage rebate purposes.

We hope this proposal is acceptable and would be happy to discuss the terms in more detail.

Regards,

Marc

Marc Oberdorff | Perkins Coie LLP

131 South Dearborn Street, Suite 1700

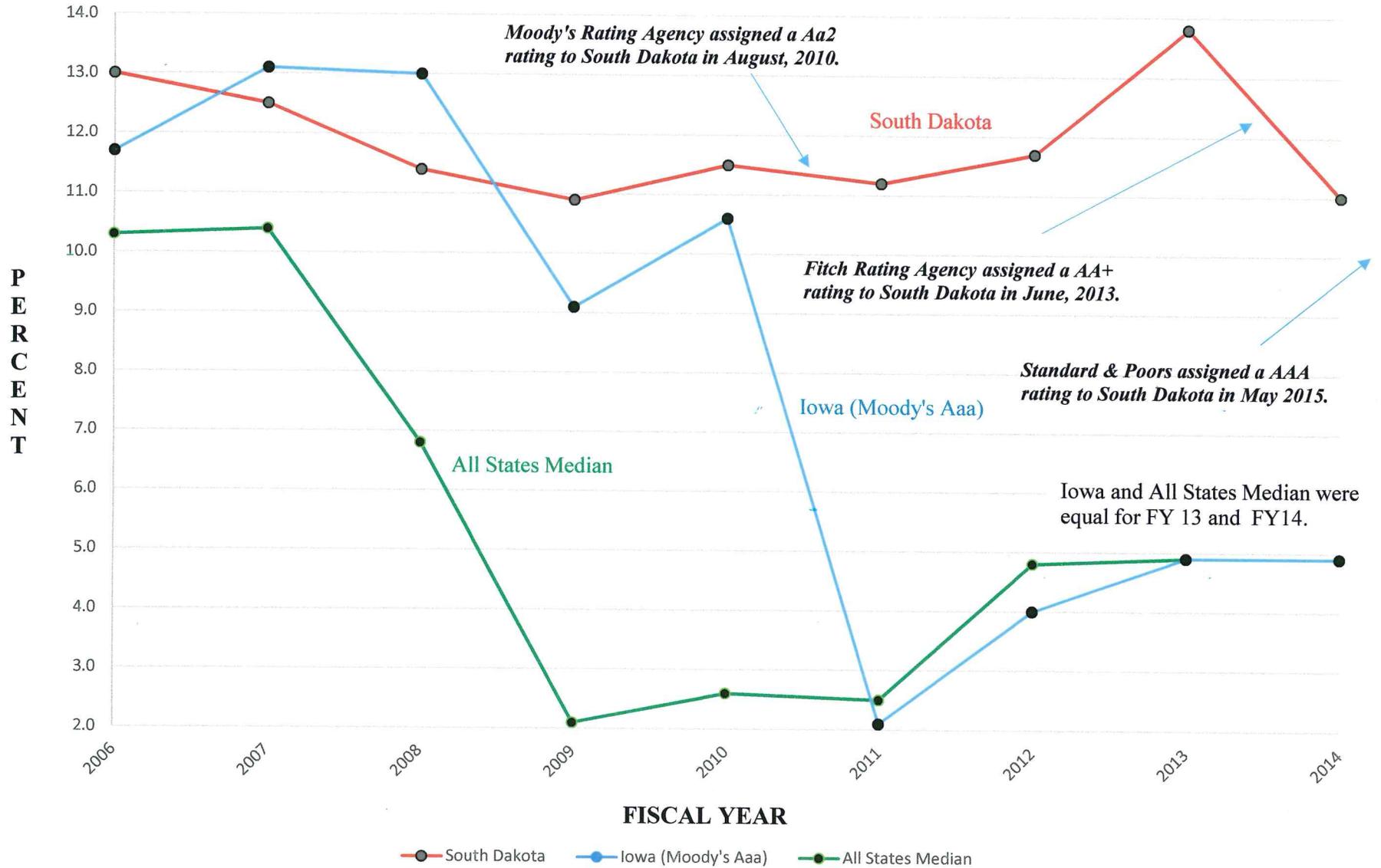
Chicago, IL 60603-5559

PHONE: 312.324.8682

FAX: 312.324.9682

E-MAIL: MOberdorff@perkinscoie.com

**State Unreserved, Undesignated Fund Balance + Available Reserves
As a % of Operating Revenues
As Calculated by Moody's Investor Service**



State of South Dakota VOUCHER

- Direct
- (Z) Travel
- (N) Non-Cash
- (C) Cash Receipt

- (T) Cash Transfer
- (I) Investment
- (B) Appropriation Budget Transfer

- (E) Expenditure Correction
- (R) Revenue Correction
- (P) Period Ending Adjustment
- (A) Other Adjustment

AGENCY USE ONLY			APPROVAL OFFICE USE ONLY	
Application Area 56	Date 01/04/2016	Document ID AB6A010001	Voucher Number	Date
TO: Finance & Management BFM Act. Rec. Numb 55510074			FROM: DEPARTMENT OF TRANSPORTATION AVIATION SERVICES	

FUNDING INFORMATION							Dr.	Cr.	CODE USER
S E Q	Company	Account	Center	Project	Debit/Credit	Invoices Other			
		Required	Required		Amount	1 Dr.	6 Cr.	Code	
1	6012	4533030	1110000809		\$16,124.50				
Total: (x 2)					\$32,249.00				

Description of Service, Product or Transfer			
TRANSPORTATION: (SEE ATTACHED TRIP REPORTS)			
Aircraft: King Air 200	N611SD	\$5.95	Account Number: 701
01/04/2016	PIERRE-SIOUX FALLS-TETERBORO, NJ-MADISON, WI-SIOUX FALLS-PIERRE		\$16,124.50

I declare and affirm under the penalties of perjury that this claim has been examined by me, and to the best of my knowledge and belief, in in all things true and correct.

Stacy Carmely
Claimant

01/25/2016
Print Date

Authorization

Date

Authorization

Date

Flight date: Jan 04, 2016
 Aircraft 'N': N611SD
 King Air 200
 Printed: 01/25/2016

South Dakota Department of Transportation
Air, Rail and Transit Office
Trip Report and Billing Information

Trip ID: 12380
 Final Flight #: KA2016046
 Pilots: Ron Hauck
 Roland Ritter

Leg #	From To	Miles	Cost Per Mile	Leg Cost	Num Pax	Cost Per Pax	Agency Portions			Details of Agency Passenger Allocations						
							Agency	# Pax (*1)	Agency \$	Passenger	Agency	Pct (*4)	Agency Amt.			
1	PIR FSD	184.00	\$5.95	\$1,094.80	3	\$364.93	BFM	Finance & Management	3	\$1,094.80	DILGES JASON	BFM	100	\$1,094.80		
											MORRIS TOBY	BFM	100			
											TEMPELTON DON	BFM	100			
Totals (*2) for this leg from: Pierre, Pierre Regional											\$1,094.80					
to: Sioux Falls, Joe Foss Field																\$1,094.80
2	FSD TEB #####	\$5.95	\$6,967.45	4	\$1,741.86	\$6,967.45	BFM	Finance & Management	4	\$6,967.45	DILGES JASON	BFM	100	\$6,967.45		
											MICHELS MATT LT GOV	BFM	100			
											MORRIS TOBY	BFM	100			
											TEMPELTON DON	BFM	100			
Totals (*2) for this leg from: Sioux Falls, Joe Foss Field											\$6,967.45					
to: Teterboro, Teterboro																\$6,967.45
3	TEB MSN	798.00	\$5.95	\$4,748.10	5	\$949.62	BFM	Finance & Management	5	\$4,748.10	CLARK MATT	BFM	100	\$4,748.10		
											DILGES JASON	BFM	100			
											MICHELS MATT LT GOV	BFM	100			
											MORRIS TOBY	BFM	100			
											TEMPELTON DON	BFM	100			
Totals (*2) for this leg from: Teterboro, Teterboro											\$4,748.10					
to: Madison, Dane County Regional-truax																\$4,748.10
4	MSN FSD	373.00	\$5.95	\$2,219.35	5	\$443.87	BFM	Finance & Management	5	\$2,219.35	CLARK MATT	BFM	100	\$2,219.35		
											DILGES JASON	BFM	100			
											MICHELS MATT LT GOV	BFM	100			
											MORRIS TOBY	BFM	100			
											TEMPELTON DON	BFM	100			
Totals (*2) for this leg from: Madison, Dane County Regional-truax											\$2,219.35					
to: Sioux Falls, Joe Foss Field																\$2,219.35
5	FSD PIR	184.00	\$5.95	\$1,094.80	3	\$364.93	BFM	Finance & Management	3	\$1,094.80	DILGES JASON	BFM	100	\$1,094.80		
											MORRIS TOBY	BFM	100			
											TEMPELTON DON	BFM	100			
Totals (*2) for this leg from: Sioux Falls, Joe Foss Field											\$1,094.80					
to: Pierre, Pierre Regional																\$1,094.80

*1 Usually, since most passenger's flight expenses are only charge to a single agency, this number will total the actual number of passengers on the leg. However, when passengers split their costs between agencies, there will be an entry or each agency's portion, resulting in more entries than passengers.

*2 If the two totals in this row do not equal the leg cost, it indicates that the number of PAX on the leg needs to be corrected to match the actual number of passengers on the flight.

*3 If the total Leg Costs (a) do not match the total Agency Charges (b) then please update the number of PAX showing on each leg with the actual number who were on the flight.

*4 This is the % of the passenger's charges assigned to this specific agency, NOT the % of the leg expenses.

Flight Miles: 2,710.00 Leg \$16,124.50
 Totals: (*3) Costs (3a):

Agency Charges (3b) \$16,124.50

Financial Management			
Passenger	Leg #	PAX	Cost
CLARK MATT	3	100	949.62
CLARK MATT	4	100	443.87
DILGES JASON	1	100	364.93
DILGES JASON	2	100	1,741.86
DILGES JASON	3	100	949.62
DILGES JASON	4	100	443.87
DILGES JASON	5	100	364.93
MICHELSON MATT LT GOV	2	100	1,741.86
MICHELSON MATT LT GOV	3	100	949.62
MICHELSON MATT LT GOV	4	100	443.87
MORRIS TOBY	1	100	364.93
MORRIS TOBY	2	100	1,741.86
MORRIS TOBY	3	100	949.62
MORRIS TOBY	4	100	443.87
MORRIS TOBY	5	100	364.93
TEMPELTON DON	1	100	364.93
TEMPELTON DON	2	100	1,741.86
TEMPELTON DON	3	100	949.62
TEMPELTON DON	4	100	443.87
TEMPELTON DON	5	100	364.93
BFM			16,124.50

Usually, since most passenger's flight expenses are only charge to a single agency, this number will total the actual number of passengers on the leg. However, when passengers split their costs between agencies, there will be an entry on each agency's portion, resulting in more entries than passengers.

If the two totals in this row do not equal the leg cost, it indicates that the number of PAX on the leg needs to be corrected to match the actual number of passengers on the flight.

If the total Leg Costs (a) do not match the total Agency Charges (b) then please update the number of PAX showing on each leg with the actual number who were on the flight.

This is the % of the passenger's charges assigned to this specific agency, NOT the % of the leg expenses.

State of South Dakota

NINETY-FIRST SESSION
LEGISLATIVE ASSEMBLY, 2016

400X0285

SENATE BILL NO. 11

Introduced by: The Committee on Appropriations at the request of the Board of Regents

1 FOR AN ACT ENTITLED, An Act to authorize the Board of Regents to purchase land from
2 the Dakota State University Foundation for the use and benefit of Dakota State University
3 in Madison, to make an appropriation therefor, and to declare an emergency.

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

5 Section 1. The Board of Regents may purchase from the Dakota State University Foundation
6 for the use and benefit of Dakota State University the following described land:

7 Lot 6 and Lot 7 and the North Half (N ½) of the vacated portion of 7th Street lying parallel
8 and adjacent to the South side of Lot 7, all in Block 1, Willard's Addition to Madison, Lake
9 County, South Dakota and known to all as the East Campus Parking Lot.

10 Section 2. There is hereby appropriated the sum of forty thousand dollars (\$40,000) in other
11 fund expenditure authority, or so much thereof as may be necessary, to the Board of Regents to
12 purchase the real property authorized in section 1 of this Act, payable from other funds derived
13 from administrative overhead.

14 Section 3. The executive director of the Board of Regents shall approve vouchers and the
15 state auditor shall draw warrants to pay expenditures authorized by this Act.



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

3 Section 5. Whereas, this Act is necessary for the support of the state government and its
4 existing public institutions, an emergency is hereby declared to exist, and this Act shall be in
5 full force and effect from and after its passage and approval.

State of South Dakota

NINETY-FIRST SESSION
LEGISLATIVE ASSEMBLY, 2016

400X0288

HOUSE BILL NO. 1016

Introduced by: The Committee on Appropriations at the request of the Board of Regents

1 FOR AN ACT ENTITLED, An Act to revise the authority granted to the Building Authority and
2 to the Board of Regents to construct certain improvements at South Dakota State University
3 in Brookings and the University of South Dakota in Vermillion.

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

5 Section 1. That subdivision (9) of section 3 of chapter 107 of the 2012 Session Laws be
6 amended to read:

7 (9) South Dakota State University Performing Arts Center expansion, not to exceed one
8 hundred fifteen thousand gross square feet, for an estimated construction cost of
9 ~~thirty-three million one hundred three thousand seven hundred thirteen~~ forty-eight
10 million three hundred ninety-one thousand eight hundred seven dollars, of which no
11 more than thirteen million dollars may be financed through the issuance of revenue
12 bonds, with the remaining funds being drawn from donations, federal funds, or other
13 funds as provided in section 8 of this Act;

14 Section 2. That subdivision (11) of section 3 of chapter 107 of the 2012 Session Laws be
15 amended to read:



1 (11) University of South Dakota science, health and research laboratory building, not to
2 exceed eighty thousand gross square feet, for an estimated construction cost of ~~thirty~~
3 fifteen million dollars, of which no more than ~~eight~~ nine million six hundred
4 ninety-five dollars may be financed through the issuance of revenue bonds, with the
5 remaining funds being drawn from donations, federal funds, or other funds as
6 provided in section 8 of this Act;

7 Section 3. That subdivision (12) of section 3 of chapter 107 of the 2012 Session Laws be
8 amended to read:

9 (12) University of South Dakota Patterson Hall renovation, for an estimated construction
10 cost of ~~six~~ five million five hundred thousand dollars to be financed through the
11 issuance of revenue bonds; and

State of South Dakota

NINETY-FIRST SESSION
LEGISLATIVE ASSEMBLY, 2016

400X0318

HOUSE BILL NO. 1203

Introduced by: The Committee on Appropriations at the request of the Office of the
Governor

1 FOR AN ACT ENTITLED, An Act to pay off bonds and make certain other changes necessary
2 to effectuate a tuition freeze by the Board of Regents and the technical institutes, to make
3 an appropriation therefor, and to declare an emergency.

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

5 Section 1. There is hereby appropriated from the general fund the sum of thirty-five million
6 five hundred five thousand four hundred fourteen dollars (\$35,505,414), or so much thereof as
7 may be necessary, to the Bureau of Finance and Management to be transferred to the South
8 Dakota Building Authority public building fund for the purposes of paying or prepaying lease
9 rental obligations.

10 Section 2. The funds appropriated in section 1 of this Act shall be used to pay or prepay
11 lease rental and associated fees in the amount of thirty-five million five hundred five thousand
12 four hundred fourteen dollars to the South Dakota Building Authority relating to the leases
13 between the South Dakota Building Authority and the Board of Regents relating to the costs of
14 the science facilities and laboratories at various public universities supported by rental paid from
15 the higher education facilities fund and financed by forty-one million ten thousand dollars



1 original principal amount of the South Dakota Building Authority's series 2008 bonds.

2 Section 3. There is hereby appropriated from the general fund the sum of six million eight
 3 hundred six thousand six hundred seventy dollars (\$6,806,670), or so much thereof as may be
 4 necessary, to the Bureau of Finance and Management to be used to make lease payments
 5 through the tuition subaccount within the South Dakota Health and Educational Facilities
 6 Authority for the purposes of paying or prepaying lease rental obligations.

7 Section 4. The funds appropriated in section 3 of this Act shall be used to pay or prepay
 8 lease rental and associated fees in the amounts specified below to the South Dakota Health and
 9 Educational Facilities Authority relating to the leases between the South Dakota Health and
 10 Educational Facilities Authority, the State Board of Education and the technical institutes and
 11 the related real or personal property financed by the South Dakota Health and Educational
 12 Facilities Authority all as described as follows:

13 (1) Lease rentals and fees in an estimated amount of five million two hundred sixty-two
 14 thousand nine hundred seventy-two dollars in connection with the leases between the
 15 South Dakota Health and Educational Facilities Authority, the State Board of
 16 Education and the technical institutes relating to facilities at Western Dakota
 17 Technical Institute and Southeast Technical Institute financed by proceeds of the
 18 South Dakota Health and Educational Facilities Authority's series 2007 bonds; and

19 (2) Lease rentals and fees in an estimated amount of one million five hundred forty-three
 20 thousand six hundred ninety-eight dollars in connection with the lease between the
 21 South Dakota Health and Educational Facilities Authority, the State Board of
 22 Education and the technical institutes relating to facilities at Lake Area Technical
 23 Institute, Mitchell Technical Institute, Western Dakota Technical Institute, and
 24 Southeast Technical Institute financed by proceeds of the South Dakota Health and

1 Educational Facilities Authority's series 2014A bonds.

2 Section 5. The South Dakota Building Authority and the South Dakota Health and
3 Educational Facilities Authority may enter into an irrevocable escrow agreement to provide for
4 the defeasance and payment of the series 2007 bonds, the series 2008 bonds, and the series
5 2014A bonds issued to finance the costs of the buildings and other real or personal property
6 described in sections 2 and 4 of this Act and to enter into such other arrangements to pay or
7 prepay any governmental expenses permissible under chapters 5-12 and 1-16A. The South
8 Dakota Building Authority and the South Dakota Health and Educational Facilities Authority
9 may each contract with a third party for the purposes of this section. Upon determination by the
10 South Dakota Building Authority or the South Dakota Health and Educational Facilities
11 Authority of the amounts necessary for payment or prepayment of the leases or bonds and other
12 governmental expenses described in this Act and any associated fees and expenses, any
13 remaining funds shall be transferred to the general fund at the end of the fiscal year in which the
14 determination is made by the South Dakota Building Authority or the South Dakota Health and
15 Educational Facilities Authority, respectively.

16 Section 6. The commissioner of the Bureau of Finance and Management shall approve
17 vouchers and the state auditor shall draw warrants to pay expenditures authorized by this Act.

18 Section 7. The sum of twenty-seven million four hundred twenty-six thousand six hundred
19 forty-three dollars shall be transferred from the budget reserve fund to the general fund.

20 Section 8. That § 13-51-1.1 be amended to read:

21 13-51-1.1. Notwithstanding any other provisions of law, the Board of Regents may enter into
22 a lease agreement with the ~~Sioux Falls public school district for the lease of a site to be used~~
23 ~~only for the delivery of public higher education programs and a lease agreement with the Capital~~
24 University Center Foundation and Advisory Board for the lease of a site in Pierre, South Dakota,

1 to be used for the delivery of public higher education programs. All such academic programs
2 shall be directly provided by the following institutions:

- 3 (1) University of South Dakota;
- 4 (2) South Dakota State University;
- 5 (3) South Dakota School of Mines and Technology;
- 6 (4) Northern State University;
- 7 (5) Black Hills State University; or
- 8 (6) Dakota State University.

9 No postsecondary degrees may be awarded or conferred except by the above institutions.

10 The board may use funds annually appropriated by the Legislature from the higher education
11 facilities fund, created in § 13-51-2, to make payments therefor.

12 Section 9. That § 13-51-2 be amended to read:

13 13-51-2. There is continued an educational facilities fund in the state treasury from which
14 the Board of Regents may make expenditures, relating only to institutions of higher education
15 under its jurisdiction, to:

- 16 (1) Make lease payments to the South Dakota Building Authority for projects authorized
17 to be paid out of that fund by the Legislature;
- 18 (2) Maintain and repair existing facilities in amounts as may ~~from time to time~~ be
19 authorized by the Legislature;
- 20 (3) Maintain and repair the Sanford School of Medicine building occupied under capital
21 lease located on Lot 9 except the North 14 Feet, Lots 10 through 14, the East 7.7 Feet
22 of Lots 15, 18 and 19, and the East 7.7 Feet except the North 14 Feet of Lot 20,
23 Block 2, Hayward Investment Company Subdivision of Block A of Hayward's
24 Addition, and the West one-half of the vacated portion of Euclid Avenue adjacent to

1 Lot 9 except the North 14 Feet and Lots 10, 11 and 12, Block 2, Hayward Investment
 2 Company Subdivision of Block A of Hayward's Addition to the City of Sioux Falls,
 3 Minnehaha County, South Dakota;

4 (4) Make rent payments from higher education facilities funds, appropriated through the
 5 general appropriation act for such purposes, to other private or public parties for
 6 educational facilities in accordance with § 13-51-1 as necessary to the proper and
 7 efficient delivery of instruction; and

8 (5) Build and equip new facilities as may ~~from time to time~~ be authorized by the
 9 Legislature.

10 No funding may be provided in any year for subdivision (4) or (5) of this section until the
 11 level of annual appropriations reaches ~~three~~ fifteen million dollars for subdivision (2) of this
 12 section. Authorizations for new lease payments, new construction, reconstruction, and
 13 renovation are restricted to and ~~shall~~ may not exceed the amount of higher education facilities
 14 funds in excess of the sum of existing lease payments to the South Dakota Building Authority
 15 plus ~~three~~ fifteen million dollars for maintenance and repair.

16 Section 10. That § 13-53-15 be amended to read:

17 13-53-15. The state treasurer shall receive and receipt all ~~moneys~~ money arising from any
 18 of the educational institutions under the control of the Board of Regents. ~~Moneys~~ Any tuition
 19 collected pursuant to § 13-53-6 shall be deposited ~~eighty~~ eighty-eight and one-half percent into
 20 the tuition and fees fund which is hereby created and continuously appropriated to the Board of
 21 Regents and ~~twenty~~ eleven and one-half percent into the higher education facilities fund.
 22 ~~Moneys~~ Any money collected from interest on permanent funds or from lease income from
 23 lands granted to the state for the use and benefit of each institution shall be deposited into the
 24 Board of Regents endowed institution interest and income fund created by § 5-10-1.1.

1 Section 11. That § 13-53-15.3 be amended to read:

2 13-53-15.3. Notwithstanding the provisions of § 13-53-15, medical school deposits into the
 3 higher education facilities fund shall equal ~~twenty~~ eleven and one-half percent of the medical
 4 school tuition and fee revenue minus one hundred seventy-five thousand dollars.

5 ~~— The provisions of this section are retroactive from July 1, 1994. Any transaction that was~~
 6 ~~consistent with § 13-53-15 is hereby ratified.~~

7 Section 12. That § 33-6-5 be amended to read:

8 33-6-5. Any member of the National Guard of the State of South Dakota is, upon
 9 compliance with all the requirements for admission and subject to the provisions of § 33-6-7,
 10 entitled to a benefit as prescribed by this section and § 33-6-5.1 to attend and pursue any
 11 undergraduate course or courses in any state educational institution under the control and
 12 management of the Board of Regents. Any resident is entitled to a benefit of fifty percent of the
 13 in-state resident tuition to be paid or otherwise credited by the Board of Regents. Any
 14 nonresident is entitled to a benefit of fifty percent of the in-state resident tuition to be paid ~~to~~
 15 ~~the institution by the Department of the Military~~ or otherwise credited by the Board of Regents.
 16 However, the state benefit is paid after applying the federal tuition benefit. The total federal and
 17 state benefit may not exceed one hundred percent of the tuition cost. The benefits established
 18 under §§ 33-6-5 to 33-6-8, inclusive, may not exceed one hundred twenty-eight credit hours
 19 towards a baccalaureate degree.

20 Section 13. That § 33-6-5.1 be amended to read:

21 33-6-5.1. Any member of the National Guard of the State of South Dakota is, upon
 22 compliance with all the requirements for admission and subject to the provisions of § 33-6-7,
 23 entitled to a benefit as prescribed by §§ 33-6-5.1 and 33-6-5.3. Any member of the National
 24 Guard of the State of South Dakota who is enrolled in a program leading toward a graduate

1 degree in any state educational institution under the control and management of the Board of
2 Regents, including institutions or courses not subsidized by the general fund, is entitled to a
3 benefit of fifty percent of the in-state resident graduate tuition to be paid to the institution by the
4 ~~Department of the Military~~ or otherwise credited by the Board of Regents. However, the state
5 benefit is paid after applying the federal tuition benefit. The total federal and state benefit may
6 not exceed one hundred percent of the tuition cost. The benefit provided by §§ 33-6-5.1 and 33-
7 6-5.2 may not exceed thirty-two credit hours toward a graduate degree.

8 Section 14. That § 33-6-5.2 be amended to read:

9 33-6-5.2. Notwithstanding the provisions of § 13-55-23, eligible National Guard members
10 enrolled in undergraduate courses under the control and management of the Board of Regents
11 not subsidized by the general fund are entitled to a benefit of fifty percent of the in-state resident
12 tuition to be paid to the institution by the ~~Department of the Military~~ or otherwise credited by
13 the Board of Regents. However, the state benefit is paid after applying the federal tuition
14 benefit. The total federal and state benefit may not exceed one hundred percent of the tuition
15 cost.

16 Section 15. That § 33-6-5.3 be amended to read:

17 33-6-5.3. Notwithstanding the provisions of § 13-55-23, eligible National Guard members
18 enrolled in graduate courses under the control and management of the Board of Regents not
19 subsidized by the general fund are entitled to a benefit of fifty percent of the in-state resident
20 tuition to be paid to the institution by the ~~Department of the Military~~ or otherwise credited by
21 the Board of Regents. However, the state benefit is paid after applying the federal tuition
22 benefit. The total federal and state benefit may not exceed one hundred percent of the tuition
23 cost.

24 Section 16. That § 33-6-6 be amended to read:

1 33-6-6. Any member of the National Guard of the State of South Dakota, who is a resident
2 of the State of South Dakota and who possesses the entrance requirements for admission to any
3 postsecondary vocational program, is entitled to complete one program of study approved by
4 the State Board of Education in any state postsecondary vocational education institution upon
5 payment of fifty percent of the tuition charges. The remaining tuition shall be paid or otherwise
6 credited by the Department of the Military out of funds appropriated for the purpose of paying
7 fifty percent of the tuition postsecondary vocational education institution. However, the state
8 benefit is paid after applying the federal tuition benefit. The total federal and state benefit may
9 not exceed one hundred percent of the tuition cost.

10 Section 17. That § 1-16A-96 be amended to read:

11 1-16A-96. Beginning in fiscal year ~~2015~~ 2017, lease payments made to the authority
12 pursuant to lease purchase agreements with the Western Dakota Technical Institute, the
13 Southeast Technical Institute, the Lake Area Technical Institute, the Mitchell Technical
14 Institute, or the South Dakota Board of Education under the authority of chapter 13-39 shall be
15 paid in part from an appropriation to be made by the Legislature in an amount that is equal to
16 ~~or greater than fifty percent of the technical institute facility fee administered by the Department~~
17 ~~of Education that is dedicated to~~ twenty-seven percent of the current year lease purchase
18 agreement payments.

19 No provision of this chapter is deemed to adversely affect any of the covenants or other
20 agreements of the South Dakota Board of Education or the secretary of education in the lease
21 purchase agreement with the authority dated August 1, 1988, as amended and supplemented,
22 for the benefit of the holders of any bonds issued by the authority, and such covenants and
23 agreements in the lease purchase agreement dated August 1, 1988, as amended and
24 supplemented, are hereby ratified and confirmed.

1 Section 18. Any amounts appropriated in this Act not lawfully expended or obligated shall
2 revert in accordance with the procedures prescribed in chapter 4-8.

3 Section 19. Whereas, sections 1 to 11, inclusive, of this Act are necessary for the support
4 of the state government and its existing public institutions, an emergency is hereby declared to
5 exist, and sections 1 to 11, inclusive, of this Act shall be in full force and effect from and after
6 its passage and approval.

State of South Dakota

NINETY-FIRST SESSION
LEGISLATIVE ASSEMBLY, 2016

955X0352

HOUSE BILL NO. 1214

Introduced by: Representatives Mickelson, Cronin, Dryden, Haugaard, Hawley, Hunt, Jensen (Alex), Johns, Langer, Schoenfish, Stevens, Tulson, and Westra and Senators Peters, Haverly, Omdahl, Otten (Ernie), Sutton, Tidemann, and White

1 FOR AN ACT ENTITLED, An Act to regulate conflicts of interest for authority, board, or
2 commission members.

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

4 Section 1. That the code be amended by adding a NEW SECTION to read:

5 No elected or appointed member of a state authority, board, or commission may have an
6 interest in any contract or derive a direct benefit from any contract with the state which is within
7 the jurisdiction or relates to the subject matter of the state authority, board or commission or
8 with a political subdivision of the state if the political subdivision administers or executes
9 similar subject matter programs as the state authority, board or commission, nor may the
10 member have an interest in any contract or derive a direct benefit from any contract for one year
11 after the end of the member's term on the authority, board, or commission except as provided
12 in section 3 and section 4 of this Act.

13 Section 2. That the code be amended by adding a NEW SECTION to read:

14 An elected or appointed member of an authority, board, or commission derives a direct



1 benefit from a contract if the state authority, board, or commission member, the authority, board,
2 or commission member's spouse, or any other persons the authority, board, or commission
3 member lives with and commingles assets:

- 4 (1) Has more than a five percent ownership or other interest in an entity that is a party
5 to the contract;
- 6 (2) Derives income, compensation, or commission directly from the contract or from the
7 entity that is a party to the contract;
- 8 (3) Acquires property under the contract; or
- 9 (4) Serves on the board of directors of an entity that derives income or commission
10 directly from the contract or acquires property under the contract.

11 An authority, board, or commission member does not derive a direct benefit from a contract
12 based solely on the value associated with the authority, board, or commission member's
13 investments or holdings, or the investments or holdings of other persons the authority, board,
14 or commission member lives with and commingles assets.

15 Section 3. That the code be amended by adding a NEW SECTION to read:

16 Any elected or appointed authority, board, or commission may authorize an authority, board,
17 or commission member to have an interest in a contract or to derive a direct benefit from a
18 contract if:

- 19 (1) The authority, board, or commission member has provided full written disclosure to
20 the authority, board, or commission;
- 21 (2) The authority, board, or commission has reviewed the essential terms of the
22 transaction or contract and the authority, board, or commission member's role in the
23 contract or transaction; and
- 24 (3) The transaction and the terms of the contract are fair, reasonable, and not contrary to

1 the public interest.

2 No member of a state authority, board, or commission may participate in or vote upon a
3 decision of the state authority, board, or commission relating to a matter in which the member
4 has an interest or derives a direct benefit.

5 The authorization shall be in writing. Any authorization given pursuant to this section is a
6 public record. Each authorization shall be filed with the auditor-general. The auditor-general
7 shall compile the authorizations and present them annually for review by the Government
8 Operations and Audit Committee.

9 Section 4. That the code be amended by adding a NEW SECTION to read:

10 Within the one-year period prohibiting any contract with an elected or appointed authority,
11 board, or commission, the authority, board, or commission may approve a former authority,
12 board, or commission member to contract with the elected or appointed authority, board, or
13 commission if the authority, board, or commission determines that the transaction and the terms
14 of the contract are fair, reasonable, and are in the best interests of the public. The authorization
15 shall be in writing.

16 Any approval given pursuant to this section is a public record. Each approval shall be filed
17 with the auditor-general. The auditor-general shall compile the approvals and present them
18 annually for review by the Government Operations and Audit Committee.

19 Section 5. That the code be amended by adding a NEW SECTION to read:

20 Any elected or appointed authority, board, or commission member who knowingly violates
21 sections 1 to 4, inclusive, of this Act, shall be removed from the authority, board, or commission
22 and is guilty of a Class 1 misdemeanor. Any benefit to the authority, board, or commission
23 member in violation of sections 1 and 2 of this Act is subject to forfeiture and any contract made
24 in violation of this Act is voidable by the authority, board, or commission.

1 Section 6. That the code be amended by adding a NEW SECTION to read:

2 No board member, fiscal agent, officer, or executive of a local service agency, school
3 district, cooperative education service unit, education service agency, nonprofit education
4 service agency, or jointly governed education service entity that receives money from or through
5 the state may have an interest in a contract nor receive a direct benefit from a contract that the
6 local service agency, school district, cooperative education service unit, education service
7 agency, nonprofit education service agency, or jointly governed education service entity is a
8 party to the contract except as provided in section 8 of this Act.

9 Section 7. That the code be amended by adding a NEW SECTION to read:

10 A person described in section 6 of this Act derives a direct benefit from a contract if the
11 person, the person's spouse, or other persons the person lives with and commingles assets:

- 12 (1) Has more than a five percent ownership or other interest in an entity that is a party
13 to the contract;
- 14 (2) Derives income, compensation, or commission directly from the contract or from the
15 entity that is a party to the contract;
- 16 (3) Acquires property under the contract; or
- 17 (4) Serves on the board of directors of an entity that derives income directly from the
18 contract or acquires property under the contract.

19 A person does not derive a direct benefit from a contract based solely on the value
20 associated with the person's investments or holdings, or the investments or holdings of other
21 persons the state officer or employee lives with and commingles assets.

22 Section 8. That the code be amended by adding a NEW SECTION to read:

23 A local service agency, school district, cooperative education service unit, education service
24 agency, nonprofit education service agency, or jointly governed education service entity may

1 authorize a board member, fiscal agent, officer, or executive to have an interest in a contract or
 2 derive a direct benefit from a contract if:

- 3 (1) The person has provided full written disclosure to the agency, district, or unit
 4 governing board;
- 5 (2) The governing board has reviewed the essential terms of the transaction or contract
 6 and the person's role in the contract or transaction; and
- 7 (3) The transaction or the terms of the contract are fair, reasonable, and not contrary to
 8 the public interest.

9 No member of a local service agency, school district, cooperative education service unit,
 10 education service agency, nonprofit education service agency, or jointly governed education
 11 service entity may participate in or vote upon a decision of a local service agency, school
 12 district, cooperative education service unit, education service agency, nonprofit education
 13 service agency, or jointly governed education service entity relating to a matter in which the
 14 member has an interest or derives a direct benefit.

15 The authorization shall be in writing. Any authorization given pursuant to this section is a
 16 public record. Each authorization shall be filed with the auditor-general. The auditor-general
 17 shall compile the authorizations and present them annually for review by the Government
 18 Operations and Audit Committee.

19 Section 9. That the code be amended by adding a NEW SECTION to read:

20 Any person who knowingly violates sections 6 to 8, inclusive, of this Act shall be removed
 21 from office or employment and is guilty of a Class 1 misdemeanor. Any benefit to a person
 22 derived from the person's knowing violation of sections 6 to 8, inclusive, of this Act is subject
 23 to forfeiture. Any contract made in violation of sections 6 to 8, inclusive, of this Act is voidable
 24 by the governing body of the local service agency, school district, cooperative education service

1 unit, education service agency, nonprofit education service agency, or jointly governed
2 education service entity.

3 Section 10. That the code be amended by adding a NEW SECTION to read:

4 The following authorities, boards, or commissions are subject to this Act:

- 5 (1) South Dakota Building Authority;
- 6 (2) Board of Economic Development;
- 7 (3) South Dakota Housing Development Authority;
- 8 (4) South Dakota Health and Education Facilities Authority;
- 9 (5) Science and Technology Authority Board of Directors;
- 10 (6) South Dakota Ellsworth Development Authority;
- 11 (7) South Dakota Commission on Gaming;
- 12 (8) South Dakota Lottery Commission;
- 13 (9) State Brand Board;
- 14 (10) Game, Fish and Parks Commission;
- 15 (11) Banking Commission;
- 16 (12) Board of Trustees of the South Dakota Retirement System;
- 17 (13) Aeronautics Commission;
- 18 (14) South Dakota State Railroad Board;
- 19 (15) Transportation Commission;
- 20 (16) South Dakota Board of Education;
- 21 (17) Board of Regents;
- 22 (18) Board of Pardons and Paroles;
- 23 (19) Board of Minerals and Environment;
- 24 (20) Board of Water and Natural Resources;

1 (21) State Investment Council.

2 Section 11. That the code be amended by adding a NEW SECTION to read:

3 Any entity established pursuant to § 13-3-76 to 13-3-81 not subject to an audit requirement
4 under § 13-5-33.2 shall be audited annually. Each audit required under state law shall be done
5 to confirm compliance with sections 3 and 8 of this Act according to guidelines established by
6 the auditor-general.

September 2016

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
				1	2	3
4	Labor Day	5	6	7	8	9
11	12	13	14	15	16	Cal Poly Game
18	19	20	21	22	23	24
25	26	27	28	29	30	


Bad for EEFC/SDBA Annual Meetings

Notes: *Annual Meetings of Educational Enhancement Funding Corporation and South Dakota Building Authority*

Friday Tours: Football Stadium, Math & Engineering Buildings, Headhouse/Greenhouse & Cow/Calf Research Facility

**SOUTH DAKOTA BUILDING AUTHORITY
ADMINISTRATIVE FUND
FINANCIAL STATEMENT FOR THE PERIOD ENDING January 31, 2016**

<u>Bond Issue</u>	<u>Project</u>	<u>FY-16 Budget</u>	<u>1/31/2016 Actual</u>
Cash balance, July 1		950,848	950,848
Annual administration fees:			
Board of Regents			
Series 2003	Refund 1993A & B, & 1995A	11,616	11,616
Series 2008 A-2	BOR HEFF & M&R Supported Proj.	66,057	66,057
Series 2008 A-3	BOR HEFF Supported Science Proj.	21,115	21,115
Series 2009	University Center - Black Hills	34,859	34,859
Series 2010A	NSU, BHSU & DSU Projects	32,224	32,224
Series 2010B	Taxable (RZEDB) - University Center - SF	16,651	16,650
Series 2011	BOR Maintenance & Repair	17,864	17,864
Series 2011A	Partially refund 2002 & 2003A	10,919	10,919
Series 2012A	Refund Series 2003A	35,150	35,151
Series 2013B	BOR Projects	98,118	98,118
Series 2013B & C	USD Sports Complex	52,809	52,809
Series 2014A	SDSU Football Stadium	8,848	-
Series 2014B	Refund Series 2005C	14,641	14,641
Series 2014C	Taxable - Refund Series 2005C	27,966	27,966
Series 2014D	Refund Series 2006A	4,852	4,852
Series 2014E & F	Refund Series 2007	97,713	97,713
Series 2015B	BOR Projects	-	21,283
Game, Fish & Parks			
Series 2008	Custer State Park	2,597	2,597
Series 2010C	Custer State Park	4,783	4,783
Series 2010D	Refund Remaining Series 1999	1,872	1,872
Series 2013D	Cedar Shores & Angostura	5,035	5,035
Series 2014A	Good Earth & CSP Visitor Centers	5,630	5,630
Series 2014D	Refund Series 2006A	11,921	11,921
Series 2014E	Refund Series 2007	7,959	7,959
Series 2015A	Custer State Park	-	15,099
Human Services Department			
Series 2010B	HSC Dietary Building	13,558	13,558
Total annual administration fees		<u>604,757</u>	<u>632,291</u>

	FY-16 Budget	1/31/2016 Actual	
Other income:			
Interest income	11,000	15,743	
Application Fee - Series 2015B bonds	5,000	5,000	
Total other income	<u>16,000</u>	<u>20,743</u>	
Total receipts	<u>620,757</u>	<u>653,034</u>	
Disbursements:			
Total Payroll	121,516	70,884	
Total Benefits	32,433	18,920	
Rent	9,084	5,299	
Utilities	1,200	700	
FY15 SDHEFA Adjustment (paid to SDHEFA)	-	4,955	
Total amount paid to the SDHEFA for administrative services	<u>164,233</u>	<u>100,758</u>	
Authority member per diem	2,500	323	
General legal counsel	15,000	4,905	
Office expense	4,500	925	
Telephone	1,500	599	
Travel	11,000	4,711	
Audit fees	20,000	21,731	
Insurance (for financed projects)	275,000	104,781	*
Directors and Officers insurance	29,000	2,807	**
Insurance - performance bond	750	-	
Central services - State of SD	3,000	1,389	
Computer services - State of SD	500	183	
Personnel Services - State of SD	500	119	
Trustee/paying agent fees	26,750	21,500	
Arbitrage rebate calculations	20,000	13,500	
Capital purchases	2,000	60	
Total disbursements	<u>576,233</u>	<u>278,291</u>	
Fiscal year receipts less disbursements	<u>44,524</u>	<u>374,743</u>	
Cash balance before transfers	995,372	1,325,591	
Transfers to State			
June 30, 2015 balance of \$950,848 over \$750,000	(200,848)	(200,848)	
Cash balance	<u>794,524</u>	<u>1,124,743</u>	

* BFM has billed SDBA property insurance premiums in the amount of \$104,781 for the 1st half of FY-16. BFM will bill the remaining FY-16 insurance premium in March 2016 for an estimated \$120,000, which would bring the total to an estimated \$225,000.

** Captive Insurance effective 9/1/2015: SDBA received a refund of \$10,593 for the old policy and made a payment of \$13,400 on 10/15/2015 totaling \$2,807 for the 1st half of FY-16. BFM is to bill SDBA \$7,500 for the 2nd half of FY-16 premium in March to bring the FY-16 total premium to an estimated \$10,307 for D&O insurance.