



Joint Committee on Appropriations
REPRESENTATIVE MIKE DERBY, CO-CHAIR
SENATOR ERNIE OTTEN, CO-CHAIR

April 30, 2026
Nathan Lukkes, Executive Director
Board of Regents
306 E. Capitol Avenue, Suite 200
Pierre, SD 57501

Letter of Intent Regarding Utility Budget Transfers

Dear Executive Director Lukkes,

This Letter of Intent sets forth a particular view held by the Joint Committee on Appropriations (JCA) in approving your appropriation in the 2026 Legislative session. As such, this Letter of Intent seeks to supplement that legislation with specific policy guidance as approved on April 30, 2026.

While the guidance does not have the direct force of statutory law, it rests solidly on a long-standing tradition of Legislative-Executive relationships in South Dakota and it will be used by the Joint Committee as one basis for the fiscal oversight of your agency and its continued funding.

SB 78 impacts utility appropriations for institutions under control of the Board of Regents. The amounts included in the legislation are estimates based on systems overseen by the Bureau of Finance and Management. It is the intent of the Joint Committee on Appropriations that the institutions may transfer the appropriated general fund utility dollars between the institutions as necessary to fully fund the utility costs for each institution, to the extent utility dollars are available. The institutions will prepare budget transfer documents and submit them to the Bureau of Finance and Management according to established procedures. The Joint Committee on Appropriations will continue to receive a digital record of these budget transfers as they occur.

Thank you for your cooperation.

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

Senator Ernie Otten
Co-Chair, Joint Committee on Appropriations

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