

MINUTES

Bonding Committee



Representative Steven Haugaard, Chair
Senator Brock L. Greenfield, Vice Chair
Senator Troy Heinert, Ranking Minority Member

**First and Final Meeting, 2019 Interim
Tuesday, November 19, 2019**

**Room 413 – State Capitol
Pierre, South Dakota**

The first and final meeting of the Bonding Committee was called to order by Representative Steven Haugaard, Chair, at 12:35 p.m. on November 19, 2019, in Room 413 of the State Capitol, Pierre, South Dakota. A quorum was determined with the following members answering roll call: Representatives Spencer Gosch, Randy Gross, Chris Johnson, John Mills, Sue Peterson, Lee Qualm and Jamie Smith; Senators Jim Bolin, Bob Ewing, Kris Langer, and Jim Stalzer; Senator Brock L. Greenfield, Vice Chair; and Representative Steven Haugaard, Chair. Excused: Senators Jim White and Troy Heinert.

Staff members present included Sakura Rohleder, Fiscal and Program Analyst; and Cindy Tryon, Senior Legislative Secretary.

NOTE: For purpose of continuity, the following minutes are not necessarily in chronological order. Also, all referenced documents distributed at the meeting are attached to the original minutes on file in the Legislative Research Council office. This meeting was web cast live. The archived web cast is available at the LRC web site at sdlegislature.gov.

Reception of Annual Reports

South Dakota Health and Educational Facilities Authority

Dustin Christopherson, Associate Director, South Dakota Health and Educational Facilities Authority, presented the [SD Health and Educational Facilities Authority report](#). There were no new projects for 2019. This Authority does not issue the bonds but rather facilitates the bonds. The program has assisted with \$596,376,654 in bonds for school districts with a savings to the schools of \$11,710,909.

Since the Authority was established, there have been a total of 246 bonds issued for both health and educational facilities for a total of \$4,739,953,017. The report lists all the bonds and the facilities for which they were issued.

South Dakota Building Authority

Dustin Christopherson, Associate Director, South Dakota Building Authority, presented the [SD Building Authority report](#), giving an update on the projects started in past years. There were two new projects financed since the last report given in November 2018. Series 2018A was issued on December 27, 2018, for the construction of the new Raven Precision Agriculture Center at SDSU and the renovation of the DakotaDome at USD for a total of \$30,755,000 in tax-exempt bonds. Series 2019A was issued on June 26, 2019, to refund the Series 2009 and 2011 Board of Regents Project Bonds for a total of \$16,560,000 in tax-exempt bonds.

Since 1969, there have been 92 bonds issued for a total of \$1.324 billion. The total outstanding on those bonds is approximately \$299.4 million.

South Dakota Value Added Finance Authority

Ms. Cassidy Kulesa, GOED, presented the [South Dakota Value Added Finance Authority \(VAFA\) annual report](#). VAFA was created in 1995 to administer the Beginning Farmer Bond and Agribusiness Bonding Programs and make recommendations to the Legislature and the Governor on programs to develop and promote agricultural processing activity in South Dakota. Governor Kristi Noem transferred the Division of Ag Development within the Department of Agriculture and the Value Added Finance Authority to the Governor's Office of Economic Development effective the end of SFY2019.

The Value Added Finance Authority issued four new Beginning Farmer Bonds for a total of \$1,173,453 and two Livestock Nutrient Management Bonds for a total of \$2,755,478 in SFY 2019. The Authority closed two Value Added Agribusiness Relending Program loans totaling \$280,000.

South Dakota Economic Development Finance Authority

Ms. Cassidy Kulesa, GOED, presented the [Economic Development Finance Authority \(EDFA\) Annual Financial Report](#). During FY2019, the Authority received \$816,540 in regularly scheduled pooled loan payments and paid \$840,395 in principal and interest payments on the Series 2013A bonds. The pooled loan program is the largest program the Authority oversees. The Authority also received \$46,074 in APEX loan repayments and currently has no debt owed for the APEX loan program. No additional APEX or pooled loans were issued during the year.

South Dakota Conservancy District

Mr. Jonathan Peschong, Water and Waste Water Funding Program, Department of Environment and Natural Resources, presented the [South Dakota Conservancy District Report](#).

This program oversees the Clean Water State Revolving Fund and the Drinking Water State Revolving Fund, and, as of June 30, 2019, has entered into 784 binding State Revolving Fund commitments totaling \$1.44 billion.

South Dakota Housing Development Authority (SDHDA)

Mr. Mark Lauseng, Executive Director, South Dakota Housing Development Authority, presented the [SD Housing Development Authority Annual Report](#) for FY19.

Since last year's report, SDHDA has issued 2,695 loans totaling \$409 million for the first-time buyer, grants for grads, repeat homebuyer programs and mortgage credit certificates.

During FY19, 102 Governor's Houses were sold, bringing the total number of homes to 2,770 since the program's inception in 1996. This included the new configuration house which is a three-bedroom narrow lot house that better fits the needs in communities where smaller lots are available. Nineteen of these newly configured homes have been sold.

A DakotaPlex pilot program was introduced selecting Tyndall as the pilot community. The DakotaPlex program is a multihousing unit that can be configured as a duplex, triplex or quadriplex, and communities of 5,000 or less can purchase these units. SDHDA is looking to make this a permanent program.

A motion was made by Representative Smith, seconded by Senator Bolin, that the Bonding Committee receive and accept the South Dakota bonding authority reports as presented. The motion prevailed on a roll call vote with 12 voting AYE, 3 EXCUSED. Those voting AYE: Gosch, Gross, Johnson, Mills, Qualm, Smith, Bolin, Ewing, Langer, Stalzer, Greenfield, and Haugaard. Those EXCUSED: Peterson, White, and Heinert.

Adjournment

A motion was made by Senator Greenfield, seconded by Representative Qualm, that the Bonding Committee be adjourned. The motion prevailed on a voice vote.

The Board adjourned at 1:40 p.m.