



First and Final Meeting
2010 Interim
November 15, 2010

Room 413
State Capitol
Pierre, South Dakota

Monday, November 15, 2010

The first and final meeting of the 2010 interim of the Bonding Committee was called to order by Chair Senator Jean M. Hunhoff at 1:15 p.m., November 15, 2010, in Room 413 of the State Capitol, Pierre, South Dakota.

A quorum was determined with the following members answering the roll call: Senators Bob Gray, Jean M. Hunhoff (Chair), Kathy Miles, and Craig Tieszen; and Representatives Justin Cronin, Shantel Krebs (Vice Chair), Larry Lucas, J.E. "Jim" Putnam, Tim Rave, Larry Tidemann, and Charles M. Turbiville. Senators Gene G. Abdallah, Dan Ahlers, Gary Hanson, and Representative Quinten Burg were excused.

Staff members present included Fred Baatz, Principal Research Analyst, and Teri Retrum, Administrative Assistant.

(Note): For the purpose of continuity, these minutes are not necessarily in chronological order. Also, all material distributed at the meeting is attached to the original minutes on file in the Legislative Research Council (LRC). This meeting was web cast live. The archived web cast is available at the LRC web site at <http://legis.state.sd.us> under "Interim Information – Minutes and Agendas."

Reception of Annual Reports

South Dakota Housing Development Authority (SDHDA)

Mr. Mark Lauseng, representing the South Dakota Housing Development Authority, discussed with the committee the Authority's annual report (**Document #1**). Mr. Lauseng said that the Authority continues to operate without using any South Dakota taxpayer dollars. He said that the SDHDA has issued \$443,100,000 in bonds to support the First-time Homebuyer Program. During FY 2010, the Authority loaned more than \$251.5 million to 2,328 first-time homebuyer families in South Dakota.

Responding to a question from **Chair Jean Hunhoff**, Mr. Lauseng said that the delinquency rate on the loans is about three percent, and the foreclosure rate is about one percent.

South Dakota Building Authority

Mr. Don Templeton, representing the South Dakota Building Authority, discussed the Authority's annual report (**Document #2**). Mr. Templeton said that the Authority also operates without using any South Dakota taxpayer dollars. He reported that four new projects were financed for the period from November 16, 2009, through November 15, 2010. Included in the report is a map showing the locations of projects funded.

South Dakota Health and Educational Facilities Authority

Mr. Templeton, representing the South Dakota Health and Educational Facilities Authority, discussed the Authority's annual report (**Document #3**). Mr. Templeton discussed new projects financed, assisted projects, and projects currently in progress. He noted maps showing healthcare and educational projects funded.

South Dakota Conservancy District

Mr. Dave Templeton, representing the South Dakota Conservancy District, discussed the Conservancy District's annual report (**Document #4**). Mr. Templeton reported that South Dakota received \$19,500,000 and \$19,239,100 through the American Recovery and Reinvestment Act for the Drinking Water and Clean Water SRF programs, respectively. No state match was required for these awards.

South Dakota Value Added Finance Authority

Mr. Cody Richter, representing the South Dakota Value Added Finance Authority, the Authority's annual report (**Document #5**). Mr. Richter reviewed the Beginning Farmer Bond Program, Agribusiness Bond Program, Livestock Nutrient Management Bond Program, and Value Added Agribusiness Relending Program.

Responding to a question from **Representative Larry Lucas**, Mr. Richter said that the interest rate is set by the lender and approved by the Board of the Value Added Finance Authority.

South Dakota Economic Development Finance Authority (EDFA)

Mr. Michael Youngberg, representing the South Dakota Economic Development Finance Authority, discussed the Authority's annual report (**Document #6**). Mr. Youngberg reviewed the loan portfolio of the EDFA and the audit report completed by the South Dakota Department of Legislative Audit.

REPRESENTATIVE KREBS MOVED, SECONDED BY REPRESENTATIVE RAVE THAT THE BONDING COMMITTEE RECEIVE AND ACCEPT THE REPORTS FROM THE BONDING AUTHORITIES INTO THE RECORD. The motion prevailed unanimously on a voice vote.

Adjournment

REPRESENTATIVE KREBS MOVED, SECONDED BY REPRESENTATIVE RAVE, THAT THE BONDING COMMITTEE BE ADJOURNED.

The Bonding Committee adjourned at 2:10 p.m.

