

Committee: Joint Committee on Appropriations

Wednesday, February 24, 2021 8:00 AM

Roll Call

Present: Rep. Duba, Rep. Fitzgerald, Rep. Mulally, Rep. Mills, Rep. May, Rep. Gross, Rep. Haugaard, Sen. Nesiba, Sen. Wiik, Sen. Maher, Sen. Brock Greenfield, Sen. Kolbeck, Sen. Sutton, Sen. David Johnson, Rep. Howard, Sen. Breitling, Rep. Karr, and Sen. Hunhoff

OTHERS PRESENT: See Original Minutes

The meeting was called to order by Senator Hunhoff

MOTION: TO APPROVE THE MINUTES OF TUESDAY, FEBRUARY 23RD

Moved by: Haugaard
Second by: Nesiba
Action: Prevailed by voice vote

Bureau of Human Resources

Darren Seeley, Commissioner

Discussion:

During COVID staff worked with other agencies to set policies for hazard pay, hazard pay is still in place in some facilities depending on contact with patients; average 120 Workers' Compensation claims per month

Ellen Zeller, Director Division of Human Resources

Discussion:

Employee Organization and Development (EOD): organizational consulting service, engagement survey, training, performance review process, Governor's Leadership Development Program; maintain all salary structure

Mallori Barnett, Legal Counsel

Discussion:

Legal Counsel provides Human Resources (HR) General Counsel, Civil Service Commission, and Legislative

Judy Stulken, Director of Benefits

Discussion:

Serves state employees and their families with their benefits: Health, Flex, Worker's Compensation, and Wellbeing; benefits' fairs were held virtually; Supplemental life and short-term disability insurance is through Met Life

State Employee Worker's Compensation and Health Insurance

Darren Seeley, Commissioner

Discussion:

Total Rewards include compensation, benefits, training, development and recognition; 3 goals: simple, market-based, sustainable; moving to a single Blue Cross Blue Shield plan; added vision and dental; more employee choice for individual needs; Use reduction in health insurance adding to employee salaries: 1,713 employees move to new minimum, 10,584 employees will receive flat decompression pay, employees new in their job will only receive the 2.4% increase, job performance will not contribute to increase of pay

Mary Keeler, Senior Accountant

Discussion:

Increase in revenue, expenses decreased, decrease in claims

Judy Stulken, Director of Benefits

Discussion:

State health plan and enrollment numbers; 26,680 covered members, 72% in Higher Deductible plan (includes health saving account (HSA) plan) 28% in Low Deductible Plan; increase in medical claims

Ellen Zeller, Director Division of Human Resources

Discussion:

Market Based Compensation; 50% below and 50% over the market; projecting 2.4% salary raise; pay is an important factor in employment; career bands were not funded since 2016

Sara Delaney, Vice-President Analytic Services

Discussion:

Understanding the Benefits' Market; Benchmarking considerations: Actuarial Value, Benefit Parameters, Employee Premium Cost, Employer Subsidization were considered when building budget; Out-of-Pocket maximum; premiums are increasing nationwide; FY20 reductions 8.3M due to delayed and canceled services; FY21 increase of 1.5 due to rescheduling of services; moved pharmacy to under Blue Cross Blue Shield instead of state owned pharmacy services will equate into savings; offering 1 plan without and 3 plans with an employee premium

RECESS: 10:30 AM

RECONVENE: 11:09 AM

SB 99 : authorize the Department of Agriculture to contract for the construction of a livestock and equestrian complex at the State Fair, to make an appropriation therefor, and to declare an emergency.

Presented by: Lieutenant Governor Larry Rhoden

Proponents: Hunter Roberts, Department of Agriculture
Jim White, self, South Dakota State Fair Foundation
Jayce Forbes, self, Willow Lake
Emily Peterson, self, Highmore
Representative Roger Chase
Michael Held, South Dakota Farm Bureau Federation, Huron
Brenda Forman, South Dakota Cattlemen's Association, Pierre
Brenda Forman, South Dakota Association of Cooperatives, Pierre
Brenda Forman, South Dakota Ag Unity, Pierre

MOTION: AMEND SB 99

99A

On page 1, line 10, of the Introduced bill, delete "\$19,000,000" and insert "\$20,000,000"

On page 1, line 12, of the Introduced bill, delete "\$7,000,000" and insert "\$8,000,000"

Moved by: Brock Greenfield

Second by: Wiik

Action: Prevailed by voice vote

MOTION: DO PASS SB 99 AS AMENDED

Moved by: Brock Greenfield

Second by: Wiik

Action: Prevailed by Majority Members Elect (12-6-0-0)

Voting Yes: Duba, Fitzgerald, Gross, Nesiba, Wiik, Maher, Brock Greenfield, Kolbeck, Sutton, David Johnson, Breitling, and Hunhoff

Voting No: Mulally, Mills, May, Haugaard, Howard, and Karr

RECESS 12:10 PM

RECONVENED: 5:15 PM

SB 192 : provide an appropriation for the renovation and upgrading of the South Dakota State University Cottonwood Field Station and to declare an emergency.

Presented by: Senator Gary L. Cammack

Proponents: Kristi Cammack, South Dakota State University, Rapid City
Angela Ehlers, South Dakota Association of Conservation Districts, Pierre
Jeremiah M. Murphy, South Dakota Stockgrowers Association, Rapid City
Brenda Forman, South Dakota Cattlemen's Association, Pierre
Pat Guptill, self, Quinn

Others: Brian Maher, Board of Regents

Heather Forney, Board of Regents

MOTION: AMEND SB 192

192A

On page 1, line 5, of the Introduced bill, delete "\$6,000,000" and insert " \$3,500,000"

On page 1, line 11, of the Introduced bill, after "actions" insert the comma

On page 1, line 12, of the Introduced bill, delete " \$6,000,000" and insert " \$3,500,000"

On page 1, line 13, of the Introduced bill, after "Act." delete "The project is intended to create a modern beef cattle and range station, with world-class research capabilities and includes:

(1) The acquisition and installation of precision technology to enhance the station's research capabilities and outreach capacities; and

(2) The construction of a modern indoor facility with adjustable holding pens, an adjacent classroom and viewing area, new handling equipment, and a monoslope cattle feeding facility"

Moved by: Karr

Second by: Kolbeck

Action: Prevailed by voice vote

MOTION: DO PASS SB 192 AS AMENDED

Moved by: Wiik

Second by: Brock Greenfield

Action: Prevailed by Majority Members Elect (12-6-0-0)

Voting Yes: Duba, Fitzgerald, May, Nesiba, Wiik, Maher, Brock Greenfield, Kolbeck, Sutton, David Johnson, Breitling, and Hunhoff

Voting No: Mulally, Mills, Gross, Haugaard, Howard, and Karr

SB 191 : authorize the Board of Regents to contract for the redesign and renovation of an addition to the South Dakota State University Meat Lab on the campus of South Dakota State University, to make an appropriation therefor, and to declare an emergency.

Presented by: Senator Gary L. Cammack

Proponents: Amanda Blair, South Dakota State University
Jeremiah M. Murphy, South Dakota Stockgrowers Association, Rapid City
Michael Held, South Dakota Farm Bureau Federation, Huron
Lorin D. Pankratz, South Dakota Soybean Association, Sioux Falls
Brenda Forman, South Dakota Cattlemen's Association, Pierre
Adam Jorgenson, Self, Waubay
Lydia Hite, self, Brookings South Dakota
Others: Brian Maher, Board of Regents

MOTION: AMEND SB 191

191A

On page 1, line 1, of the Introduced bill, after "to " delete "authorize the Board of Regents to contract for the redesign and renovation of an addition to the South Dakota State University Meat Lab"

On page 1, line 2, of the Introduced bill, after "Lab " insert "provide an appropriation for a study regarding the future renovation and expansion of the Meat Laboratory "

On page 1, line 3, of the Introduced bill, after "University" delete ", to make"

On page 1, line 3, of the Introduced bill, after "make " delete "an appropriation therefor,"

On page 1, line 6, of the Introduced bill, after "Dakota:" delete "Section 1. The Board of Regents may contract for the redesign and renovation of, and the design and construction of, a twenty-two-thousand-square-foot addition to the South Dakota State University Meat Lab within the Animal Science Complex on the campus of South Dakota State University in Brookings, together with furnishings and equipment, including heating, air conditioning, plumbing, water, sewer, electric facilities, sidewalks, parking, landscaping, architectural and engineering services, and other services or actions as may be required to accomplish the project, for an estimated cost not to exceed \$25,000,000, subject to permitted adjustments pursuant to section 3 of this Act."

On page 1, line 14, of the Introduced bill, delete "2" and insert 1

On page 1, line 14, of the Introduced bill, delete " \$25,000,000" and insert " \$600,000"

On page 1, line 15, of the Introduced bill, delete " purposes authorized in section 1 of this Act" and insert " purpose of conducting a comprehensive planning study regarding the future renovation and expansion of the meat laboratory, within the Animal Science Complex, on the campus of South Dakota State University. The study must include project details, space confirmation, equipment needs, options for construction of new space, and options for repurposing the existing space"

On page 1, line 16, of the Introduced bill, after "Act." delete "Section 3. The cost estimates contained in this Act have been stated in terms of 2020 values. The Board of Regents may adjust such cost estimates to reflect inflation as measured by the Building Cost Index, reported by the Engineering News Record, and additional expenditures required to comply with regulations adopted after the effective date of this Act. However, any adjustments to construction cost estimates for the project may not exceed one hundred twenty-five percent of the estimated project construction cost stated in section 1 of this Act."

On page 1, line 22, of the Introduced bill, after "Act." delete "Section 4. The Board of Regents may accept, transfer, and expend any funds obtained for the project authorized in this Act from federal sources, donations, or any other external sources, all of which comprise a special fund for the benefitted project."

On page 2, line 1, of the Introduced bill, after "project." delete "Section 5. The administration of the design and construction of the project authorized in this Act shall be under the general charge and supervision of the Bureau of Administration as provided in chapter 5-14."

On page 2, line 4, of the Introduced bill, delete "6" and insert 2

On page 2, line 6, of the Introduced bill, delete "7" and insert 3

On page 2, line 8, of the Introduced bill, delete "8" and insert 4

Moved by: Nesiba

Second by: Wiik

Action: Prevailed by voice vote

MOTION: DO PASS SB 191 AS AMENDED

Moved by: Wiik

Second by: Sutton

Action: Prevailed by Majority Members Elect (10-8-0-0)

Voting Yes: Duba, Nesiba, Wiik, Maher, Brock Greenfield, Kolbeck, Sutton, David Johnson, Breitling, and Hunhoff

Voting No: Fitzgerald, Mulally, Mills, May, Gross, Haugaard, Howard, and Karr

SB 186 : make an appropriation for behavioral and mental health service support in crisis stabilization and to declare an emergency.

Presented by: Senator Blake Curd

Proponents: Deb Fischer-Clemens, Avera Health, Sioux Falls

Tim Dougherty, Avera Health, Sioux Falls
Mitchell Rave, Sanford Health, Sioux Falls, South Dakota
Terrance Lee Dosch, South Dakota Council of Community Behavioral Health,
Pierre
Steve Lindquist, Project Manager, The Link
Dean Karsky, Minnehaha County Commissioner
Paul TenHaken, Mayor, Sioux Falls

MOTION: DO PASS SB 186

Moved by: Duba
Second by: Kolbeck
Action: Prevailed by Majority Members Elect (14-4-0-0)

Voting Yes: Duba, Fitzgerald, Gross, Haugaard, Nesiba, Wiik, Maher, Brock Greenfield,
Kolbeck, Sutton, David Johnson, Breitling, Karr, and Hunhoff

Voting No: Mulally, Mills, May, and Howard

**SB 188 : make an appropriation to the Department of Veterans Affairs for the
South Dakota State Veterans Cemetery and to declare an emergency.**

Presented by: Senator Larry Zikmund

MOTION: TO TABLE SB 188

Moved by: Wiik
Second by: Gross
Action: Prevailed by Majority Members Elect (16-1-1-0)

Voting Yes: Duba, Fitzgerald, Mulally, Mills, May, Gross, Nesiba, Wiik, Maher, Brock
Greenfield, Kolbeck, Sutton, Howard, Breitling, Karr, and Hunhoff

Voting No: Haugaard

Excused: David Johnson

**SB 185 : make an appropriation to provide for an economic development in
South Dakota and to declare an emergency.**

Presented by: Senator Jack Kolbeck

Proponents: Bob Griggs, Southeast Technical College
Deb Fischer-Clemens, Avera Health, Sioux Falls
Tim Rave, South Dakota Association of Healthcare Organizations, Sioux Falls
Mitchell Rave, Sanford Health, Sioux Falls
David Owen, South Dakota Chamber of Commerce and Industry
Nick Wendell, Board of Technical Education
Senator Larry Zikmund

MOTION: AMEND SB 185

185D

- On page 1, line 1, of the Senate Commerce and Energy bill, after "to" delete " provide for an economic development in South Dakota"
- On page 1, line 2, of the Senate Commerce and Energy bill, after "Dakota " insert "the Board of Technical Education to purchase and renovate certain real property and appurtenances, "
- On page 1, line 4, of the Senate Commerce and Energy bill, after "of " delete "\$15,000,000"
- On page 1, line 5, of the Senate Commerce and Energy bill, after "of " insert "\$7,500,000 "
- On page 1, line 5, of the Senate Commerce and Energy bill, delete "Governor's Office of Economic Development" and insert "Board of Technical Education"
- On page 1, line 5, of the Senate Commerce and Energy bill, after "for " insert "the "
- On page 1, line 5, of the Senate Commerce and Energy bill, after "purpose" delete "s"
- On page 1, line 5, of the Senate Commerce and Energy bill, delete " making grants to any industrial development corporation that is going to make infrastructure improvements in industrial parks in South Dakota" and insert " purchasing and making necessary renovations to certain "
- On page 1, line 7, of the Senate Commerce and Energy bill, after "Dakota" insert "the following "
- On page 1, line 7, of the Senate Commerce and Energy bill, after "Dakota" insert "real property and appurtenances, described and known as:"
- On page 1, line 7, of the Senate Commerce and Energy bill, delete the period and insert
- On page 1, line 7, of the Senate Commerce and Energy bill, delete the apostrophe and insert "(1)
Known as the New Tech High building: N 1/2 Lot 1 of Vocational Technical 2nd Add"
- On page 1, line 7, of the Senate Commerce and Energy bill, after "Dakota." insert ""
- On page 1, line 7, of the Senate Commerce and Energy bill, after "Dakota." insert "n to City of Sioux Falls, Minnehaha County, South Dakota."
- On page 1, line 8, of the Senate Commerce and Energy bill, delete "commissioner of the Governor's Office of Economic Development " and insert "executive director of the Board of Technical Education "
- On page 1, line 10, of the Senate Commerce and Energy bill, after "Act." insert " No bonds will be issued for the purpose authorized by this Act."
- On page 1, line 12, of the Senate Commerce and Energy bill, delete "2022" and insert "2025"
- Moved by: Kolbeck
- Second by: Wiik
- Action: Prevailed by voice vote

THE CHAIR DEFERRED SB 185

SB 156 : authorize the Board of Regents to contract for the construction of a Mineral Industry Building and the demolition of the old Mineral Industry Building on the campus of South Dakota School of Mines and Technology, to make an appropriation therefor, and to declare an emergency.

Presented by: Senator David Johnson

Proponents: Representative Larry Tidemann
Brian Maher, Board of Regents
Jim Rankin, President, South Dakota School of Mines and Technology
Laurie Anderson, Board of Regents
Michael West, South Dakota School of Mines and Technology
Dr. Rob Hall, South Dakota School of Mines and Technology
Representative Mike Derby

Others: Heather Forney, Board of Regents

THE CHAIR DEFERRED SB 156

MOTION: DO PASS SB 156

Moved by: Wiik

Second by: David Johnson
Action: Prevailed by Majority Members Elect (16-2-0-0)

Voting Yes: Duba, Fitzgerald, Mulally, Mills, May, Gross, Nesiba, Wiik, Maher, Brock
Greenfield, Kolbeck, Sutton, David Johnson, Howard, Breitling, and Hunhoff

Voting No: Haugaard and Karr

SB 158 : appropriate funds for the purchase of the former Ascent Innovation Center and to declare an emergency.

Presented by: Representative Chris Johnson
Proponents: Anna Hayes, Elevate Rapid City, Rapid City
Tom Johnson, Elevate Rapid City, Rapid City
Shon Anderson, self, Rapid City
Mitch Nachtigall, Elevate Rapid City, Rapid City
Joseph Wright, Board of Regents
Others: Nathan Lukkes, Board of Regents

MOTION: TO TABLE SB 158

Moved by: Wiik
Second by: Haugaard
Action: Prevailed by Majority Members Elect (17-1-0-0)

Voting Yes: Duba, Fitzgerald, Mulally, Mills, May, Gross, Haugaard, Nesiba, Wiik, Maher,
Brock Greenfield, Kolbeck, Sutton, Howard, Breitling, Karr, and Hunhoff

Voting No: David Johnson

SB 151 : make an appropriation to provide for infrastructure to support Ellsworth Air Force Base and to declare an emergency.

Presented by: Senator Jessica Castleberry
Proponents: Doug Curry, City of Box Elder
Scott Landguth, SD Ellsworth Development Authority
Gary Drewes, Chairman, Pennington County Commission, Rapid City
Talbot J. Wiczorek, Meade County Commissioner, self
Tobin J Morris, Colliers Securitates LLC, Pierre
Opponents: Hallie Getz, Bureau of Finance and Management
Others: Andy Bruels, Department of Enviroment and Natural Resources
Bob Kaufman, City Engineer, Box Elder

MOTION: DO PASS SB 151

Moved by: Wiik
Second by: Sutton
Action: Failed by Rule of 7-12 Senate (8-1-0-0)

Voting Yes: Nesiba, Wiik, Maher, Kolbeck, Sutton, David Johnson, Breitling, and Hunhoff

Voting No: Brock Greenfield

Action: Failed by Rule of 7-12 House (2-7-0-0)

Voting Yes: Duba, and Mulally

Voting No: Fitzgerald, Mills, May, Gross, Haugaard, Howard, and Karr

MOTION: TO TABLE SB 151

Moved by: Howard

Second by: Karr

Action: Failed by Rule of 7-12 House (8-1-0-0)

Voting Yes: Fitzgerald, Mulally, Mills, May, Gross, Haugaard, Howard, and Karr

Voting No: Duba

Action: Failed by Rule of 7-12 Senate (3-6-0-0)

Voting Yes: Maher, Brock Greenfield, and Kolbeck

Voting No: Nesiba, Wiik, Sutton, David Johnson, Breitling, and Hunhoff

MOTION: DEFER SB 151 UNTIL 29th Legislative Day

Moved by: Wiik

Second by: Maher

Action: Prevailed by voice vote

SB 181 : make an appropriation for road improvements leading to the State Veterans Cemetery and to declare an emergency.

Presented by: Senator Jim Stalzer

Proponents: Justin Smith, Greater Sioux Falls Chamber of Commerce
Bob Wilcox, South Dakota Association of County Commissioners, Pierre
Senator Jack Kolbeck
Terry A. Paulsen, South Dakota Veterans Council
Ken Teunissen, South Dakota Veterans Council
Senator Larry Zikmund

Opponents: Hallie Getz, Bureau of Finance and Management

Others: Mark Quasney, Bureau of Finance and Management

THE CHAIR DEFERRED SB 181

MOTION: ADJOURN

Moved by: Nesiba

Second by: Sutton

Action: Prevailed by voice vote

Mary Stewart, Committee Secretary

/s/ JEAN HUNHOFF
Jean Hunhoff, Co-Chair

/s/ CHRIS KARR
Chris Karr, Co-Chair