

Committee: A Continuous Improvement Appropriations Subcommittee      Tuesday, February 18, 2020 4:00 PM

Roll Call

Present:        Rep. Bartels, Sen. Kolbeck, Rep. Koth, Sen. Partridge, Rep. Post, Sen. Wiik, Rep. Karr, and Sen. Sutton

OTHERS PRESENT: See Original Minutes

**The meeting was called to order by Senator Sutton**

Senator Sutton led the presentation for Lean and shared her experiences improving work practices through system improvements. Sutton said that when employees are involved and excited about what they're doing, the work gets done. The government of South Dakota is here to serve, and when the state serves its citizens better, it can save money. Sutton advised that Lean may not be the solution for everything but it's a useful tool to help discover hidden waste.

[Document 1 - Lean Presentation](#)

Ms. Sakura Rohleder, Fiscal and Program Analyst, Legislative Research Council, provided updates for Lean Continuous Improvement efforts within the agencies in 2019.

[Document 2 - Optimize SD](#)

[Document 3 - Agency Lean Efforts Detail](#)

Senator Kolbeck asked if more Lean activities have dollar value savings. Lean information from each participating department is available online. While LRC can work to compile additional data, Senator Partridge cautioned that some of the savings with Lean aren't necessarily in dollar value but in better systems and that the long-term improvement in process may outweigh a short-term cost savings.

Senator Wiik said that improved systems can and have improved the customer experience for state services. For instance, improved systems in the Department of Revenue have shortened the time it takes to process a vehicle title. Doing more business more productively makes the state a better partner to work with, and that's why Wiik likes the Lean process.

Senator Partridge shared that revenue and resources for the state may be flat or continuing to go down, but service needs are going up. The Lean process helps to fill the gap. Lean helps to find how to do more with less. Partridge said that SD doesn't tax its citizens a lot and what Lean presents is part of the answer for doing more with less.

Representative Koth agreed that we need to do more with less, and it's important for us to identify where we can do more with less.

Senator Partridge said the committee has considered several agencies for Lean in the past, and that the committee has agreed that for the progress of Lean, stability in leadership is essential. He suggested Lean for the Division of Motor Vehicles under the Department of Public Safety, Game, Fish and Parks, the Office of the State Engineer, Legislative Research Council, the Attorney General's Office, and the Department of Education.

Senator Partridge said that that balance for the Legislative Priority Fund is over \$1,000,000. The process for implementing Lean to departments has improved, and it's \$100,000 to have the consultant, so there's room to do more.

Senator Wiik asked for the Secretary of State's office to be on the radar for Lean.

Senator Sutton would like to see the Office of the State Auditor on the list. Senator Partridge emphasized that having stability in leadership is key to the success of Lean, and the Auditor won't have that this stability this year.

Representative Bartels advised that the committee look back at agencies that have already gone through Lean to ensure these agencies are pushing Lean through other areas in their departments. Bartels said that BIT was successful with Lean and it would be interesting to know more and to possibly develop the capacity within staff to continue Lean training, so the training isn't outsourced. Senator Partridge said that moving the training responsibility to the Board of Regents could make sense, but that it may not be possible yet.

Senator Kolbeck said it would be helpful to have a plan and findings from each department that uses Lean and asked if there's capacity within LRC to work with departments and get these reports. Senator Partridge said that having a FTE for Lean isn't in the plan, but LRC Fiscal Staff could be program evaluators and Lean could be apart of the evaluation.

Representative Saba said that we need to do more with less, and in that process the committee needs to be looking at itself and set by example. Saba asked how appropriations is Lean. Senator Partridge said that adding LRC Fiscal Office to the Lean program could be useful.

Senator Sutton asked for the committees recommendation for Lean in 2021.

Partridge recommended that the Department of Education, Secretary of State, and LRC Fiscal Office be the focus for Lean this year.

Representative Bartels said that the Secretary of State has really improved their process over the years, and the Office of the Attorney General may be the better for Lean. Senator Partridge agreed. Senator Kolbeck also agreed with Representative Bartels' observation of the Secretary of States efficiencies and agreed with the suggestion for the Office of the Attorney General.

**MOTION: For the Joint Committee on Appropriations to provide for letters of intent to the following three departments to perform a Lean audit and to report back to appropriations committee November 1, 2020: Department of Education, Office of the Attorney General, and Legislative Research Council Fiscal Office**

Moved by: Partridge

Second by: Wiik

Action: Prevailed by roll call vote (8-0-0-0)

Voting Yes: Bartels, Kolbeck, Koth, Partridge, Post, Wiik, Karr, and Sutton

**MOTION: ADJOURN**

Moved by: Wiik

Second by: Kolbeck

Action: Prevailed by voice vote

Crystal Ortbahn, Committee Secretary

\_\_\_\_\_  
/s/ MARGARET A. SUTTON  
Margaret A. Sutton, Chair