

MINUTES

Interim Joint Committee on Appropriations



Representative David Anderson, Lead Co-Chair
Senator Larry Tidemann, Co-Chair

**First Meeting, 2018 Interim
Monday, March 26, 2018**

**Appropriations 362 – State Capitol
Pierre, South Dakota**

The first meeting of the Interim Joint Committee on Appropriations for 2018 was called to order by **Lead Co-Chair Representative David Anderson**, at 1:00 p.m. in Appropriations 362 of the State Capitol, Pierre, South Dakota.

A quorum was determined with the following members answering the roll call: Representative David Anderson, Lead Co-Chair; Senator Larry Tidemann, Co-Chair; Senators Justin Cronin, Reynold Nesiba (via telephone), Jeffrey Partridge, Jim White, and John Wiik; Representatives Dan Ahlers, Hugh Bartels, Lance Carson, Taffy Howard, Jean Hunhoff, Chris Karr, John Lake, and Sue Peterson. Excused: Senators Terri Haverly, Deb Peters, and Billie Sutton.

Staff members present included Annie Mehlhaff, Chief Fiscal Analyst; Jason Simmons, Principal Fiscal Analyst; Ariel Hammerquist, Fiscal Analyst; Lucas Martin, Fiscal Analyst; Jeff Mehlhaff, Fiscal Analyst; and Barb Bjorneberg, Appropriations 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 <http://sdlegislature.gov>.*

Letters of Intent (LOI)

A Letter of Intent (LOI) sets forth a particular view held by the Joint Committee on Appropriations (JCA) in approving agency appropriations set during the 2018 legislative session. As such, the LOI seeks to supplement legislation with specific policy guidance. While the guideline does not have the direct force of statutory law, it rests solidly on a long-standing tradition in South Dakota and will be used by the JCA as one basis for the fiscal oversight of the agencies and their continued funding. Copies of the 2018 Letters of Intent are attached to these minutes.

1. Senator Partridge presented the draft Letter of Intent (LOI) addressed to the Department of Corrections requesting the agency conduct a Lean review. The Lean Review Subcommittee met and discussed various agencies that would benefit from a Lean review. The subcommittee selected the Department of Corrections and the agency is in favor of the review. **Attachment A**

A MOTION WAS MADE BY SENATOR WIIK, SECONDED BY REPRESENTATIVE AHLERS, TO APPROVE THE LOI REGARDING THE DEPARTMENT OF CORRECTIONS CONDUCTING A LEAN REVIEW. The motion prevailed on a roll call vote with 15 voting AYE, 3 EXCUSED. Those voting AYE: Cronin, Nesiba, Partridge, White, Wiik, Ahlers, Bartels, Carson, Howard, Hunhoff, Karr, Lake, Peterson, Tidemann, and Anderson. Those EXCUSED: Haverly, Peters, and Sutton.

2. Senator Partridge presented the draft LOI requesting the Bureau of Administration conduct a Lean review. The Lean Review Subcommittee selected the Bureau of Administration to conduct a Lean review. The review will help identify new performance measures, improve allocation of resources, and enhance communications with legislators, state employees, and the general public. **Attachment B**

A MOTION WAS MADE BY SENATOR TIDEMANN, SECONDED BY SENATOR WIIK, TO APPROVE THE LOI REGARDING THE BUREAU OF ADMINISTRATION CONDUCTING A LEAN REVIEW. The motion prevailed on a roll call vote with 15 voting AYE, 3 EXCUSED. Those voting AYE: Cronin, Nesiba, Partridge, White, Wiik, Ahlers, Bartels, Carson, Howard, Hunhoff, Karr, Lake, Peterson, Tidemann, and Anderson. Those EXCUSED: Haverly, Peters, and Sutton.

3. The Department of Health Subcommittee presented the draft LOI regarding Rural Family Medicine Residency Reporting. **Attachment C**

A MOTION WAS MADE BY SENATOR WIIK, SECONDED BY SENATOR CRONIN, TO APPROVE THE LOI REGARDING THE RURAL FAMILY MEDICINE RESIDENCY REPORTING. The motion prevailed on a roll call vote with 15 voting AYE, 3 EXCUSED. Those voting AYE: Cronin, Nesiba, Partridge, White, Wiik, Ahlers, Bartels, Carson, Howard, Hunhoff, Karr, Lake, Peterson, Tidemann, and Anderson. Those EXCUSED: Haverly, Peters, Sutton.

4. Representative Bartels presented the draft LOI regarding the implementation of a lockbox system for state government. **Attachment D**

A MOTION WAS MADE BY SENATOR WIIK, SECONDED BY SENATOR CRONIN, TO APPROVE THE LOI REGARDING THE IMPLEMENTATION OF A LOCKBOX SYSTEM FOR STATE GOVERNMENT. The motion prevailed on a roll call vote with 11 voting AYE, 1 voting NAY, 6 EXCUSED. Those voting AYE: Cronin, Nesiba, White, Wiik, Ahlers, Carson, Howard, Hunhoff, Karr, Lake, and Anderson. Voting NAY: Tidemann. Those EXCUSED: Haverly, Partridge, Peters, Sutton, Bartels, and Peterson.

5. Representative Bartels presented the draft LOI requesting the agencies utilize the State's main account for all credit card processing. **Attachment E**

A MOTION WAS MADE BY SENATOR CRONIN, SECONDED BY SENATOR WHITE, TO APPROVE THE LOI REGARDING CREDIT CARD PROCESSING FOR STATE AGENCIES WITH SUGGESTED CHANGES. The motion prevailed on a roll call vote with 13 voting AYE, 5 EXCUSED. Those voting AYE: Cronin, Nesiba, White, Wiik, Ahlers, Carson, Howard, Hunhoff, Karr, Lake, Peterson, Tidemann, and Anderson. Those EXCUSED: Haverly, Partridge, Peters, Sutton, and Bartels.

6. Representative Karr presented the draft LOI regarding the Board of Regents' financial indicators report. Representative Anderson requested the appropriate committee members to work on a more concise request and action on the LOI be deferred until the June JCA meeting.

7. Senator Tidemann presented the draft LOI addressed to the Board of Regents regarding General Fund allocation by FTE student. Dr. Michael Rush, Executive Director, Board of Regents, said this letter as written could cause irreparable damage to several institutions. Representative Anderson deferred action on this LOI and requested the Board of Regents report on this issue at the July JCA meeting.

Staff revised the LOI regarding the General Fund allocation by FTE student, and the revised letter was then presented to the JCA for discussion. The revised LOI requests the Board of Regents present their rationale regarding the variations between the different universities on allocations by FTE student. **Attachment F**

A MOTION WAS MADE BY REPRESENTATIVE BARTELS, SECONDED BY REPRESENTATIVE AHLERS, TO APPROVE THE REVISED LOI REGARDING THE GENERAL FUND ALLOCATION BY FTE STUDENT. The motion prevailed on a roll call vote with 15 voting AYE, 3 EXCUSED. Those voting AYE: Cronin, Nesiba, Partridge, White, Wiik, Ahlers, Bartels, Carson, Howard, Hunhoff, Karr, Lake, Peterson, Tidemann, and Anderson. Those EXCUSED: Haverly, Peters, and Sutton.

8. Representative Anderson presented the draft LOI to the USD Law School requesting performance metrics and a business plan. The committee members expressed concerns regarding this LOI. Representative Anderson deferred action on this LOI until the June JCA meeting.

9. Representative Anderson presented the draft LOI regarding the South Dakota Veterans' Cemetery. **Attachment G**

A MOTION WAS MADE BY SENATOR CRONIN, SECONDED BY REPRESENTATIVE HOWARD, TO APPROVE THE LOI REGARDING THE SOUTH DAKOTA VETERANS' CEMETERY. The motion prevailed on a roll call vote with 13 voting AYE, 5 EXCUSED. Those voting AYE: Cronin, Nesiba, White, Wiik, Ahlers, Carson, Howard, Hunhoff, Karr, Lake, Peterson, Tidemann, and Anderson. Those EXCUSED: Haverly, Partridge, Peters, Sutton, and Bartels.

10. Senator Tidemann presented the draft LOI addressed to the Attorney General regarding the use of Consumer Settlement Funds to pay for the opioid lawsuit. Representative Howard asked how these funds are typically used, and Ms. Hammerquist said they are used for a variety of projects. Representative Hunhoff suggested the Government Operations and Audit Committee review the consumer settlement funds when not used for a specific program. **Attachment H**

A MOTION WAS MADE BY REPRESENTATIVE CARSON, SECONDED BY REPRESENTATIVE AHLERS, TO APPROVE THE LOI REGARDING THE USE OF CONSUMER SETTLEMENT FUNDS FOR THE OPIOID LAWSUIT. The motion prevailed on a roll call vote with 10 voting AYE, 3 voting NAY, and 5 EXCUSED. Those voting AYE: Nesiba, White, Ahlers, Carson, Howard, Hunhoff, Lake, Peterson, Tidemann, and Anderson. Those voting NAY: Cronin, Wiik, and Karr. Those EXCUSED: Haverly, Partridge, Peters, Sutton, and Bartels.

11. Representative Howard presented the draft LOI requesting Public Safety to investigate a more cost-effective process to send driver license renewal/organ donation reminders. **Attachment I**

A MOTION WAS MADE BY SENATOR CRONIN, SECONDED BY REPRESENTATIVE KARR, TO APPROVE THE LOI REQUESTING THE DEPARTMENT OF PUBLIC SAFETY TO INVESTIGATE A MORE COST-EFFECTIVE PROCESS FOR SENDING DRIVER LICENSE RENEWAL/ORGAN DONATION REMINDERS. The motion prevailed on a roll call vote with 11 voting AYE, 2 voting NAY, and 5 EXCUSED. Those voting AYE: Cronin, Nesiba, Wiik, Ahlers, Carson, Howard, Hunhoff, Karr, Lake, Peterson, and Tidemann. Those voting NAY: White and Anderson. Those EXCUSED: Haverly, Partridge, Peters, Sutton, and Bartels.

12. Representative Howard presented the draft LOI regarding a zero based FY2020 Budget for the Postsecondary Technical Education Budget Unit. Representative Howard explained zero based budgeting and added she believes this is the perfect time to use the process as the Postsecondary Technical Education Budget Unit is new. Representative Howard said zero based budgeting looks at efficiencies.

Ms. Liza Clark, Commissioner, Bureau of Finance and Management, said the board would not know which direction to take this first year and would need more direction. Senator Cronin agreed with Commissioner Clark. Senator Cronin and Representative Carson shared their concerns that this could be considered micro-management.

A MOTION WAS MADE BY REPRESENTATIVE AHLERS, SECONDED BY REPRESENTATIVE KARR, TO APPROVE THE LOI REQUESTING A ZERO BASED FY2020 BUDGET FOR THE POSTSECONDARY TECHNICAL EDUCATION BUDGET UNIT. The motion failed on a roll call vote with 7 voting AYE, 6 voting NAY, and 5 EXCUSED. Those voting AYE: Nesiba, Ahlers, Howard, Karr, Lake, Peterson, and Anderson. Those voting NAY: Cronin, White, Wiik, Carson, Hunhoff, and Tidemann. Those EXCUSED: Haverly, Partridge, Peters, Sutton, and Bartels.

Representative Ahlers asked that this issue be revisited at the June JCA meeting.

13. Representative Anderson presented the draft LOI regarding a one-time education funding distribution [\(Document #1\)](#). **Attachment J**

A MOTION WAS MADE BY SENATOR CRONIN, SECONDED BY REPRESENTATIVE HOWARD, TO APPROVE THE LOI REGARDING A ONE-TIME EDUCATION FUNDING DISTRIBUTION. The motion prevailed on a roll call vote with 12 voting AYE, 6 EXCUSED. Those voting AYE: Cronin, Nesiba, White, Wiik, Ahlers, Carson, Howard, Hunhoff, Karr, Lake, Tidemann, and Anderson. Those EXCUSED: Haverly, Partridge, Peters, Sutton, Bartels, and Peterson.

14. Representative Hunhoff presented the draft LOI regarding the FY18 one-time and the FY19 ongoing provider funding distribution. Representative Hunhoff explained community based agencies are concerned about employees in addition to direct care providers, and this letter includes those positions and excludes administrative positions. **Attachment K**

A MOTION WAS MADE BY SENATOR TIDEMANN, SECONDED BY REPRESENTATIVE HUNHOFF, TO APPROVE THE LOI REGARDING AN FY18 ONE-TIME AND AN FY19 ONGOING PROVIDER FUNDING DISTRIBUTION. The motion prevailed on a roll call vote with 13 voting AYE, 5 EXCUSED. Those voting AYE: Cronin, Nesiba, White, Wiik, Ahlers, Carson, Howard, Hunhoff, Karr, Lake, Peterson, Tidemann, and Anderson. Those EXCUSED: Haverly, Partridge, Peters, Sutton, and Bartels.

15. Ms. Annie Mehlhaff, Chief Fiscal Analyst, presented the draft LOI addressed to Human Resources/Finance and Management on the distribution of the approved state employee salary policy. **Attachment L**

A MOTION WAS MADE BY SENATOR TIDEMANN, SECONDED BY REPRESENTATIVE HUNHOFF, TO APPROVE THE LOI REGARDING THE DISTRIBUTION OF THE APPROVED STATE EMPLOYEE SALARY POLICY. The motion prevailed on a roll call vote with 13 voting AYE, 5 EXCUSED. Those voting AYE: Cronin, Nesiba, White, Wiik, Ahlers, Carson, Howard, Hunhoff, Karr, Lake, Peterson, Tidemann, and Anderson. Those EXCUSED: Haverly, Partridge, Peters, Sutton, and Bartels.

16. Representative Hunhoff presented the draft LOI regarding the notification of proposed Administrative Rule changes. Notices will go to LRC for distribution. **Attachment M**

A MOTION WAS MADE BY SENATOR TIDEMANN, SECONDED BY REPRESENTATIVE HUNHOFF, TO APPROVE THE LOI REGARDING THE DISTRIBUTION OF THE NOTIFICATION OF PROPOSED ADMINISTRATIVE RULE CHANGES. The motion prevailed on a roll call vote with 15 voting AYE, 3 EXCUSED. Those voting AYE: Cronin, Nesiba, Partridge, White, Wiik, Ahlers, Bartels, Carson, Howard, Hunhoff, Karr, Lake, Peterson, Tidemann, and Anderson. Those EXCUSED: Haverly, Peters, and Sutton.

17. A LOI was presented regarding appropriated funding to purchase equipment for the Lake Area Technical Institute Healthcare Center of Learning. **Attachment N**

A MOTION WAS MADE BY SENATOR TIDEMANN, SECONDED BY REPRESENTATIVE BARTELS, TO APPROVE THE LOI REGARDING THE FUNDING TO PURCHASE EQUIPMENT FOR THE LAKE AREA TECHNICAL INSTITUTE HEALTHCARE CENTER OF LEARNING. The motion prevailed on a roll call vote with 15 voting AYE, 3 EXCUSED. Those voting AYE: Cronin, Nesiba, Partridge, White, Wiik, Ahlers, Bartels, Carson, Howard, Hunhoff, Karr, Lake, Peterson, Tidemann, and Anderson. Those EXCUSED: Haverly, Peters, and Sutton.

Future Meeting Dates

The Joint Committee on Appropriations will meet June 12 and July 25, 2018, in Pierre. Any necessary year-end transfers will be addressed at the June meeting and revenue projections will be presented at the July meeting.

Other Business

Senator Partridge, Senator Sutton, and Representative Bartels are members of both JCA and the Executive Board. Senator Partridge and Representative Bartels briefed the JCA members on the day's Executive Board meeting. The Executive Board would like the JCA to recommend programs to be reviewed through the new program evaluation function that will begin this interim. If possible, the Executive Board would like to receive those recommendations prior to their April 23 meeting.

Adjourn

A MOTION WAS MADE BY REPRESENTATIVE CARSON, SECONDED BY SENATOR WIIK, TO ADJOURN. The motion prevailed on a voice vote.

The Committee adjourned at 3:30 p.m.

Attachment A

SENATOR BROCK L. GREENFIELD, CHAIR | REPRESENTATIVE G. MARK MICKELSON, VICE CHAIR
JASON HANCOCK, DIRECTOR | SUE CICHOS, DEPUTY DIRECTOR | DOUG DECKER, CODE COUNSEL

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Joint Committee on Appropriations
REPRESENTATIVE DAVID ANDERSON, CO-CHAIR
SENATOR LARRY TIDEMANN, CO-CHAIR

March 26, 2018

Mr. Denny Kaemingk, Secretary
Department of Corrections
3200 East Highway 34
Pierre, SD 57501

Letter of Intent Regarding Department of Corrections Lean Management Audit

Dear Secretary Kaemingk:

This Letter of Intent sets forth a particular view held by the Joint Committee on Appropriations in approving your appropriation in the 2018 legislative session. As such, this Letter of Intent seeks to supplement that legislation with specific policy guidance as approved on March 26, 2018.

While the guideline 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.

It is the intent of the Committee to provide funding from the Legislative Priority Pilot Program Contingency Fund for the purpose of conducting a LEAN audit of one or more of the divisions of the Department of Corrections. The objective of this audit may include: identifying new performance measures for greater efficiency, improving the allocation of resources, and enhancing communication with legislators, state employees, and the public. The LEAN audit and the use of the Legislative Priority Pilot Program Contingency Fund was utilized previously for similar audits of the Bureau of Information and Telecommunications and the Department of Labor and Regulation. In order for the JCA to proceed with this project, as per SDCL 4-8A-12, the Executive Board of the Legislature must approve by a majority vote the transfer and expenditure of these monies.

Thank you for your cooperation.

A handwritten signature in black ink, appearing to read "David Anderson".

Representative David Anderson
Lead Co-Chair, Joint Committee on Appropriations

A handwritten signature in black ink, appearing to read "Larry Tidemann".

Senator Larry Tidemann
Co-Chair, Joint Committee on Appropriations

cc: Marty Guindon, Auditor General
Liza Clark, Commissioner, Bureau of Finance and Management

Attachment B

SENATOR BROCK L. GREENFIELD, CHAIR | REPRESENTATIVE G. MARK MICKELSON, VICE CHAIR
JASON HANCOCK, DIRECTOR | SUE CICHOS, DEPUTY DIRECTOR | DOUG DECKER, CODE COUNSEL

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Joint Committee on Appropriations
REPRESENTATIVE DAVID ANDERSON, CO-CHAIR
SENATOR LARRY TIDEMANN, CO-CHAIR

March 26, 2018

Mr. Scott Bollinger, Commissioner
Bureau of Administration
500 East Capitol
Pierre, SD 57501

Letter of Intent Regarding Bureau of Administration Lean Management Audit

Dear Commissioner Bollinger:

This Letter of Intent sets forth a particular view held by the Joint Committee on Appropriations in approving your appropriation in the 2018 legislative session. As such, this Letter of Intent seeks to supplement that legislation with specific policy guidance as approved on March 26, 2018.

While the guideline 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.

It is the intent of the Committee to provide funding from the Legislative Priority Pilot Program Contingency Fund for the purpose of conducting a LEAN audit of one or more of the divisions of the Bureau of Administration. The objectives for this audit may include: identifying new performance measures for greater efficiency, improving the allocation of resources, and enhancing communication with legislators, state employees, and the public. The LEAN audit and the use of the Legislative Priority Pilot Program Contingency Fund was utilized previously for similar audits of the Bureau of Information and Telecommunications and the Department of Labor and Regulation. In order for the JCA to proceed with this project, as per SDCL 4-8A-12, the Executive Board of the Legislature must approve by a majority vote the expenditure of these monies.

Thank you for your cooperation.

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Representative David Anderson
Lead Co-Chair, Joint Committee on Appropriations

A handwritten signature in black ink, appearing to read "Larry Tidemann", written over a horizontal line.

Senator Larry Tidemann
Co-Chair, Joint Committee on Appropriations

cc: Marty Guindon, Auditor General
Liza Clark, Commissioner, Bureau of Finance and Management

Attachment C

SENATOR BROCK L. GREENFIELD, CHAIR | REPRESENTATIVE G. MARK MICKELSON, VICE CHAIR
JASON HANCOCK, DIRECTOR | SUE CICHOS, DEPUTY DIRECTOR | DOUG DECKER, CODE COUNSEL

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Joint Committee on Appropriations
REPRESENTATIVE DAVID ANDERSON, CO-CHAIR
SENATOR LARRY TIDEMANN, CO-CHAIR

March 26, 2018

Ms. Kim Malsam-Rysdon, Secretary
Department of Health
Robert Hayes Building
Pierre, SD 57501

Letter of Intent Regarding the Rural Family Medicine Residency Program

Dear Secretary Malsam-Rysdon:

This Letter of Intent sets forth a particular view held by the Joint Committee on Appropriations in approving your appropriation in the 2018 legislative session. As such, this Letter of Intent seeks to supplement that legislation with specific policy guidance as approved on March 26, 2018.

While the guideline 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.

The 2018 South Dakota Legislature approved ongoing funding for a rural family medicine residency program in Pierre through the FY2019 General Appropriations Act (HB 1320). It is the intent of the Interim Joint Committee on Appropriations that the Department of Health provide an annual report by December 1 of each year that includes the medical specialties, multi-disciplinary teams, and communities each resident has exposure to, the location of physicians that complete the residency one year and five years after completion, the areas of the state with the greatest need for family medicine physicians, any financial or in-kind contributions to the program from any source other than this appropriation, and any other metrics or outcomes the Department uses in evaluating the program.

Thank you for your cooperation.

A handwritten signature in black ink, appearing to read "David Anderson".

Representative David Anderson
Lead Co-Chair, Joint Committee on Appropriations

A handwritten signature in black ink, appearing to read "Larry Tidemann".

Senator Larry Tidemann
Co-Chair, Joint Committee on Appropriations

cc: Marty Guindon, Auditor General
Liza Clark, Commissioner, Bureau of Finance and Management

Attachment D

SENATOR BROCK L. GREENFIELD, CHAIR | REPRESENTATIVE G. MARK MICKELSON, VICE CHAIR
JASON HANCOCK, DIRECTOR | SUE CICHOS, DEPUTY DIRECTOR | DOUG DECKER, CODE COUNSEL
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Joint Committee on Appropriations
REPRESENTATIVE DAVID ANDERSON, CO-CHAIR
SENATOR LARRY TIDEMANN, CO-CHAIR

March 26, 2018

Andy Gerlach, Secretary
445 E Capitol Avenue
Pierre, SD 57501

Letter of Intent Regarding Automated Lockbox Services

Dear Secretary Gerlach:

This Letter of Intent sets forth a particular view held by the Joint Committee on Appropriations (JCA) in approving your appropriation in the 2018 Legislative Session. As such, this Letter of Intent seeks to supplement the appropriation with specific policy guidance as approved on March 26, 2018.


While the guidance outlined in this letter 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 a basis for the fiscal oversight of your agency and its continued funding.

The JCA requests the Department of Revenue (DOR) proceed with an analysis of implementing an automated lockbox service within the department for the processing of accounts receivable. The JCA requests a report at the July 2018 interim JCA meeting outlining a project description, goals and objectives, and a cost/benefit analysis of implementing an automated lockbox service.

The JCA proposes an automated lockbox service would produce more efficiencies, streamline processes, and save money for the tax payers of South Dakota. The JCA believes the objectives and outcomes of implementing an automated lockbox service align with the objectives and values of the department. Therefore, the JCA looks forward to the department's cooperation in the analysis.



Representative David Anderson
Lead Co-Chair, Joint Committee on Appropriations



Senator Larry Tidemann
Co-Chair, Joint Committee on Appropriation

cc: Marty Guindon, Auditor General
Liza Clark, Commissioner, Bureau of Finance and Management

Attachment E

SENATOR BROCK L. GREENFIELD, CHAIR | REPRESENTATIVE G. MARK MICKELSON, VICE CHAIR
JASON HANCOCK, DIRECTOR | SUE CICHOS, DEPUTY DIRECTOR | DOUG DECKER, CODE COUNSEL

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Joint Committee on Appropriations
REPRESENTATIVE DAVID ANDERSON, CO-CHAIR
SENATOR LARRY TIDEMANN, CO-CHAIR

March 26, 2018

Andy Gerlach, Secretary Dept. of Revenue 445 E Capitol Avenue Pierre, SD 57501	Kelly Hepler, Secretary Game, Fish, & Parks 523 E Capitol Avenue Pierre, SD 57501	Don Kirkegaard, Secretary Dept. of Education 800 Governors Drive Pierre, SD 57501	Lynne Valenti, Secretary Dept. of Social Services 700 Governors Drive Pierre, SD 57501
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Letter of Intent Regarding Credit Card Processing Payments

Dear Secretary Gerlach, Hepler, Kirkegaard, and Valenti:

This Letter of Intent sets forth a particular view held by the Joint Committee on Appropriations (JCA) in approving your appropriation in the 2018 legislative session. As such, this Letter of Intent seeks to supplement the appropriation with specific policy guidance as approved on March 26, 2018.

While the guidance outlined in this letter 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 a basis for the fiscal oversight of your agency and its continued funding.

The JCA requests your agency process all credit card payments to the State's main account within the Office of the State Treasurer regardless of the merchant processor. Please provide to the JCA by December 1st any concerns your agency has with processing all credit card payments through the State's main account. The following merchant accounts are currently not processing credit card payments through the State's main account:

- Historical Society
- Game, Fish, & Parks Reservation System
- Revenue Pro-Rate Fees for Truckers Online Pay System
- Social Services Child Support

The JCA believes having all the credit card processing payments for the State under one contract by the same vendor will lead to more competition for the contract, increased efficiencies, and cost savings for the State.



Representative David Anderson
Lead Co-Chair, Joint Committee on Appropriations



Senator Larry Tidemann
Co-Chair, Joint Committee on Appropriation

cc: Marty Guindon, Auditor General
Liza Clark, Commissioner, Bureau of Finance and Management
Rich Sattgast, State Treasurer

Attachment F

SENATOR BROCK L. GREENFIELD, CHAIR | REPRESENTATIVE G. MARK MICKELSON, VICE CHAIR
JASON HANCOCK, DIRECTOR | SUE CICHOS, DEPUTY DIRECTOR | DOUG DECKER, CODE COUNSEL
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Joint Committee on Appropriations
REPRESENTATIVE DAVID ANDERSON, CO-CHAIR
SENATOR LARRY TIDEMANN, CO-CHAIR

March 26, 2018

Dr. Michael Rush, Exc. Director
SD Board of Regents
306 E. Capitol Ave., Suite 200
Pierre, SD 57501

Letter of Intent Regarding the Distribution of General Funds for Each State University Approved in the 2018 Session

Dear Board of Regents Executive Director Dr. Rush:

This Letter of Intent sets forth a particular view held by the Joint Committee on Appropriations (JCA) in approving your appropriation in the 2018 legislative session. As such, this Letter of Intent seeks to supplement the appropriation with specific policy guidance as approved on March 26, 2018.

While the guideline 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 a basis for the fiscal oversight of your agency and its continued funding.

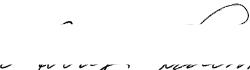
The 2018 Legislature approved a total of \$128,478,621 in general funds for the operations of all the state universities for fiscal year 2019. The appropriated general funds vary widely when looking at the amount of general funds per student full-time equivalent (FTE) when excluding high-school students. The table below provides the general funds per student FTE appropriated for FY2018 using the most recent fall 2017 enrollment numbers.

	FY2018 General Fund Appropriation per Student FTE						
	BHSU	DSU	NSU	SDSM&T	SDSU	USD	Total
General Funds	\$ 9,552,983	\$9,746,276	\$11,834,384	\$16,703,197	\$44,572,079	\$35,263,103	\$127,672,022
Student FTEs	2,646.0	1,945.1	1,651.5	2,309.7	9,959.0	5,785.4	24,296.7
General Funds / Student FTE	\$ 3,610	\$ 5,011	\$ 7,166	\$ 7,232	\$ 4,476	\$ 6,095	\$ 5,255

The JCA requests the Board of Regents present at the July 2018 JCA meeting regarding the rationale for how general funds are distributed among the state universities.



Representative David Anderson
Lead Co-Chair, Joint Committee on Appropriations



Senator Larry Tidemann
Co-Chair, Joint Committee on Appropriation

cc: Marty Guindon, Auditor General
Liza Clark, Commissioner, Bureau of Finance and Management

Attachment G

SENATOR BROCK L. GREENFIELD, CHAIR | REPRESENTATIVE G. MARK MICKELSON, VICE CHAIR
JASON HANCOCK, DIRECTOR | SUE CICHOS, DEPUTY DIRECTOR | DOUG DECKER, CODE COUNSEL

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Joint Committee on Appropriations
REPRESENTATIVE DAVID ANDERSON, CO-CHAIR
SENATOR LARRY TIDEMANN, CO-CHAIR

Mr. Larry Zimmerman, Secretary
Department of Veterans' Affairs
425 E. Capitol Ave.
Pierre, SD 57501

Letter of Intent Regarding the South Dakota Veterans' Cemetery

Dear Larry Zimmerman:

This Letter of Intent sets forth a particular view held by the Joint Committee on Appropriations in approving your appropriation in the 2018 legislative session. As such, this Letter of Intent seeks to supplement that appropriation with specific policy guidance as approved on March 26, 2018.

While the guideline 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.

The 2018 Legislature approved \$150,000 in new general funds within the South Dakota Department of Veterans' Affairs through the General Appropriations Act (HB 1320). It is the intent of the JCA that these monies be spent on design and planning work necessary for the state veterans' cemetery, within Fiscal Year 2019. However, if the South Dakota Department of Veterans' Affairs does not receive approval for construction of a state veterans' cemetery from the National Cemetery Administration within Fiscal Year 2019, the monies shall not be spent on any other expenses and shall be reverted to the general fund.

Thank you for your cooperation.

A handwritten signature in black ink, appearing to read "David Anderson".

Representative David Anderson
Lead Co-Chair, Joint Committee on Appropriations

A handwritten signature in black ink, appearing to read "Larry Tidemann".

Senator Larry Tidemann
Co-Chair, Joint Committee on Appropriations

cc: Marty Guindon, Auditor General
Liza Clark, Commissioner, Bureau of Finance and Management

Attachment H

SENATOR BROCK L. GREENFIELD, CHAIR | REPRESENTATIVE G. MARK MICKELSON, VICE CHAIR
JASON HANCOCK, DIRECTOR | SUE CICHOS, DEPUTY DIRECTOR | DOUG DECKER, CODE COUNSEL

500 EAST CAPITOL AVENUE, PIERRE, SD 57501 | 605-773-3251 | SDLEGISLATURE.GOV



Joint Committee on Appropriations
REPRESENTATIVE DAVID ANDERSON, CO-CHAIR
SENATOR LARRY TIDEMANN, CO-CHAIR

March 26, 2018

Mr. Marty Jackley, Attorney General
Office of the Attorney General
1302 East Highway 14, Suite 1
Pierre, SD 57501

Letter of Intent Regarding Opioid Investigation and Litigation

Dear Attorney General Jackley:

This Letter of Intent sets forth a particular view held by the Joint Committee on Appropriations in approving your appropriation in the 2018 legislative session. As such, this Letter of Intent seeks to supplement that legislation with specific policy guidance as approved on March 26, 2018.

While the guideline 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.

The Joint Committee on Appropriations authorizes the Office of the Attorney General to use consumer settlement funds from Company 3000 "Attorney General Other Fund" to provide for the investigation and litigation of opioid distributors and manufacturers. It is the intent of the Committee that a review take place annually to determine if this authority should continue. It is further the intent of the Committee that the Attorney General provide to the Committee a status report regarding the investigation and litigation by December 1, 2018. In addition, the status report should include an explanation of the benefits that have been derived by this work.

Thank you for your cooperation.

A handwritten signature in black ink, appearing to read "David Anderson".

Representative David Anderson
Lead Co-Chair, Joint Committee on Appropriations

A handwritten signature in black ink, appearing to read "Larry Tidemann".

Senator Larry Tidemann
Co-Chair, Joint Committee on Appropriations

cc: Marty Guindon, Auditor General
Liza Clark, Commissioner, Bureau of Finance and Management

Attachment I

SENATOR BROCK L. GREENFIELD, CHAIR | REPRESENTATIVE G. MARK MICKELSON, VICE CHAIR
JASON HANCOCK, DIRECTOR | SUE CICHOS, DEPUTY DIRECTOR | DOUG DECKER, CODE COUNSEL

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Joint Committee on Appropriations
REPRESENTATIVE DAVID ANDERSON, CO-CHAIR
SENATOR LARRY TIDEMANN, CO-CHAIR

March 26, 2018

Mr. Trevor Jones, Secretary
Department of Public Safety
118 West Capitol Ave
Pierre, SD 57501

Letter of Intent Regarding Investigating Alternative Delivery Methods of Certain Materials

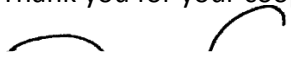
Dear Secretary Jones:

This Letter of Intent sets forth a particular view held by the Joint Committee on Appropriations in approving your appropriation in the 2018 legislative session. As such, this Letter of Intent seeks to supplement that legislation with specific policy guidance as approved on March 26, 2018.


While the guideline 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.

The Joint Appropriations Committee directs the Department of Public Safety to investigate more cost-effective ways to deliver driver license renewal reminders and organ donation information. It is the intent of the Committee that the Department of Public Safety provide information regarding this investigation at the December interim meeting. The information should include any alternative delivery methods for the current programs, the ongoing costs of these alternatives, and any one-time expenses.

Thank you for your cooperation.



Representative David Anderson
Lead Co-Chair, Joint Committee on Appropriations



Senator Larry Tidemann
Co-Chair, Joint Committee on Appropriations

cc: Marty Guindon, Auditor General
Liza Clark, Commissioner, Bureau of Finance and Management

Attachment J

SENATOR BROCK L. GREENFIELD, CHAIR | REPRESENTATIVE G. MARK MICKELSON, VICE CHAIR
JASON HANCOCK, DIRECTOR | SUE CICHOS, DEPUTY DIRECTOR | DOUG DECKER, CODE COUNSEL

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Joint Committee on Appropriations
REPRESENTATIVE DAVID ANDERSON, CO-CHAIR
SENATOR LARRY TIDEMANN, CO-CHAIR

March 26, 2018

Mr. Don Kirkegaard, Secretary
Department of Education
800 Governors Drive
Pierre, SD 57501

Letter of Intent Regarding Distribution of .7% one-time State Aid to General Education

Dear Secretary Kirkegaard:

This Letter of Intent sets forth a particular view held by the Joint Committee on Appropriations (JCA) in approving your appropriation in the 2018 Legislative session. As such, this Letter of Intent seeks to supplement that legislation with specific policy guidance as approved on March 26, 2018.

While the guidance outlined in this letter 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 a basis for the fiscal oversight of your agency and its continued funding.

The 2018 Legislature approved a total of \$5,418,546 in one-time general funds for State Aid to General Education through House Bill 1044. The monies shall be distributed to school districts in a process outside of the State Aid Formula. The monies shall be distributed after June 30th, 2018 and shall not count towards the FY 2019 School Finance Accountabilities. The funding shall be distributed on an equal per student basis to all school districts. The funding may be used for any non-recurring expense.

Thank you for your cooperation.



Representative David Anderson
Lead Co-Chair, Joint Committee on Appropriations



Senator Larry Tidemann
Co-Chair, Joint Committee on Appropriations

cc: Marty Guindon, Auditor General
Liza Clark, Commissioner, Bureau of Finance and Management

Attachment K

SENATOR BROCK L. GREENFIELD, CHAIR | REPRESENTATIVE G. MARK MICKELSON, VICE CHAIR
JASON HANCOCK, DIRECTOR | SUE CICHOS, DEPUTY DIRECTOR | DOUG DECKER, CODE COUNSEL

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Joint Committee on Appropriations
REPRESENTATIVE DAVID ANDERSON, CO-CHAIR
SENATOR LARRY TIDEMANN, CO-CHAIR

March 26, 2018

Ms. Lynne Valenti, Secretary
Department of Social Services
Kneip Building
Pierre, SD 57501

Mr. Denny Kaemingk, Secretary
Department of Corrections
Solem Building
Pierre, SD 57501

Ms. Gloria Pearson, Secretary
Department of Human Services
Hillsview Plaza
Pierre, SD 57501

Mr. Greg Sattizahn, State Court Administrator
Unified Judicial System
State Capitol Building
Pierre, SD 57501

Ms. Kim Malsam-Rysdon, Secretary
Department of Health
Robert Hayes Building
Pierre, SD 57501

Mr. Trevor Jones, Secretary
Department of Public Safety
Sutherland Building
Pierre, SD 57501

Letter of Intent Regarding Provider Inflation Approved in the 2018 Session

Dear Agency Head:

This Letter of Intent sets forth a particular view held by the Joint Committee on Appropriations in approving your appropriation in the 2018 legislative session. As such, this Letter of Intent seeks to supplement that legislation with specific policy guidance as approved on March 26, 2018.

While the guideline 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.

The 2018 South Dakota Legislature, through the FY2019 General Appropriations Act (House Bill 1320), approved a base funding increase to 90% of methodology cost reimbursement for community based providers, an additional 2.0% base rate increase to community based providers, and a 0.5% base rate increase to all other providers. It is the intent of the Interim Joint Committee on Appropriations that in FY2019 these providers receive a base rate increase in conformity with Attachment 1 of this document.

The 2018 Legislature also approved one-time provider funding enhancements for FY2018 through House Bill 1044, including a 2.0% rate increase to community based providers and a 0.5% rate increase to all other providers for the final three months of FY2018, movement to 90% of methodology cost reimbursement for the final three months of FY2018, and direct care and support staff workforce funding (excluding any administrative positions) for community based providers currently reimbursed at or above 90% of methodology costs. It is the intent of the Interim Joint Committee on Appropriations that providers receive these appropriations in conformity with Attachment 2 of this document.

Thank you for your cooperation.



Representative David Anderson
Lead Co-Chair, Joint Committee on Appropriations



Senator Larry Tidemann
Co-Chair, Joint Committee on Appropriations

cc: Marty Guindon, Auditor General
Liza Clark, Commissioner, Bureau of Finance and Management

Attachment

FY2019 Provider Increases

	Movement to 90%			2.0% Discretionary Inflation				
	General Funds	Federal Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds	
1 DHS Assisted Living	873,236	1,128,222	2,001,458	96,003	124,036	-	220,039	
2 DSS In Home Services (Homemaker/Nursing)	503,495	650,519	1,154,014	42,739	55,219	-	97,957	
3 DSS Emergency Transportation	245,584	317,295	562,879	50,176	64,826	-	115,001	
4 DHS In Home Services (Homemaker/Nursing)	631,723	816,186	1,447,909	135,951	175,650	-	311,601	
5 DSS Group Care	235,553	-	235,553	60,704	8,356	-	69,060	
6 DOC Group Care	102,182	-	102,182	51,203	-	-	51,203	
7 DSS Outpatient Psychiatric	127,602	164,862	292,464	39,030	50,426	-	89,456	
8 DSS Behavioral Health				886,189	278,293	-	1,164,481	
9 DSS Primary Care				145,060	187,417	-	332,477	
10 DOC Medicaid Eligible Psychiatric Residential Treatment				65,900	85,143	-	151,043	
11 DSS Psychiatric Residential Treatment				195,889	241,753	-	437,641	
12 DHS Nursing Homes				1,270,203	1,641,103	-	2,911,306	
13 DHS Community Support Providers				1,068,144	1,446,177	51,187	2,565,509	
14 DHS Senior Meals				103,120	-	-	103,120	
TOTALS	2,719,375	3,077,084	5,796,459	4,210,310	4,358,397	51,187	8,619,894	
				Inflation for All Other Providers:	2,002,818	1,439,110	76,789	3,518,717
				Total Discretionary Inflation Increase:	6,213,128	5,797,507	127,976	12,138,611

FY2018 Provider Increases

	Direct Care Workforce Funding			Movement to 90% for 3 Months			2.0% Discretionary Inflation for 3 Months			
	General Funds	Federal Funds	Total Funds	General Funds	Federal Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds
1 DHS Assisted Living				223,963	276,401	500,365	29,101	35,916	-	65,017
2 DSS In Home Services (Homemaker/Nursing)				129,134	159,369	288,504	13,544	16,716	-	30,260
3 DSS Emergency Transportation				62,986	77,734	140,720	10,451	12,899	-	23,350
4 DHS In Home Services (Homemaker/Nursing)				162,021	199,956	361,977	38,109	47,031	-	85,140
5 DSS Group Care				58,888	-	58,888	18,443	-	-	18,443
6 DOC Group Care				25,546	-	25,546	13,311	-	-	13,311
7 DSS Outpatient Psychiatric				32,727	40,389	73,116	10,664	13,161	-	23,826
8 DSS Behavioral Health	327,405	92,884	420,289				142,350	40,384	-	182,734
9 DSS Primary Care	85,569	105,604	191,173				37,204	45,914	-	83,119
10 DOC Medicaid Eligible Psychiatric Residential Treatment	38,873	47,975	86,848				16,901	20,859	-	37,760
11 DSS Psychiatric Residential Treatment	112,636	139,009	251,645				48,973	60,439	-	109,411
12 DHS Nursing Homes	747,658	926,345	1,674,003				325,069	402,759	-	727,827
13 DHS Community Support Providers	631,411	814,882	1,446,293				274,527	354,297	12,554	641,379
14 DHS Senior Meals	59,294	-	59,294				25,780	-	-	25,780
TOTALS	2,002,846	2,126,699	4,129,545	695,265	753,850	1,449,115	1,004,429	1,050,374	12,554	2,067,357
3 Months Inflation for All Other Providers:							650,705	392,912	18,182	1,061,799
Total Discretionary Inflation Increase:							1,655,134	1,443,286	30,736	3,129,156

Attachment L

SENATOR BROCK L. GREENFIELD, CHAIR | REPRESENTATIVE G. MARK MICKELSON, VICE CHAIR
JASON HANCOCK, DIRECTOR | SUE CICHOS, DEPUTY DIRECTOR | DOUG DECKER, CODE COUNSEL

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Joint Committee on Appropriations
REPRESENTATIVE DAVID ANDERSON, CO-CHAIR
SENATOR LARRY TIDEMANN, CO-CHAIR

March 26, 2018

Ms. Laurie Gill, Commissioner
Bureau of Human Resources
500 E. Capitol Ave.
Pierre, SD 57501

Ms. Liza Clark, Commissioner
Finance and Management
500 E. Capitol Ave.
Pierre, SD 57501

Dr. Michael Rush, Exc. Director
SD Board of Regents
306 E. Capitol Ave., Suite 200
Pierre, SD 57501

Letter of Intent Regarding FY2019 State Employee Salary Policy

Dear Commissioner Gill, Commissioner Clark, and Executive Director Rush:

This Letter of Intent sets forth a particular view held by the Joint Committee on Appropriations (JCA) in approving your appropriation in the 2018 Legislative session. As such, this Letter of Intent seeks to supplement that legislation with specific policy guidance as approved on March 26, 2018.

While the guidance outlined in this letter 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 a basis for the fiscal oversight of your agency and its continued funding.

It is the intent of the JCA that funds appropriated for the state employee salary policy, except for the Board of Regents, are to provide for the following:

Market Adjustment – All eligible full-time and permanent part-time state employees are to receive a 1.2% increase beginning with the first pay period in FY2019; and


Adjust Artificial Minimums –The minimum pay of certain paygrades shall be adjusted as per action by the Civil Service Commission.

It is further the intent of the JCA that funds appropriated for the Board of Regent's salary policy are to provide for the following:


Market Adjustment - All eligible full-time and permanent part-time Civil Service Act personnel are to receive a 1.2% increase beginning with the first pay period in FY2019. The Board of

Regents shall distribute the remainder of the pool to non-Civil Service Act personnel based on merit, institutional priorities and competitive market conditions.

Adjust Artificial Minimums –The minimum pay of certain paygrades shall be adjusted as per action by the Civil Service Commission.



Representative David Anderson
Lead Co-Chair, Joint Committee on Appropriations



Senator Larry Tidemann
Co-Chair, Joint Committee on Appropriations

cc: Marty Guindon, Auditor General

Attachment M

SENATOR BROCK L. GREENFIELD, CHAIR | REPRESENTATIVE G. MARK MICKELSON, VICE CHAIR
JASON HANCOCK, DIRECTOR | SUE CICHOS, DEPUTY DIRECTOR | DOUG DECKER, CODE COUNSEL

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Joint Committee on Appropriations
REPRESENTATIVE DAVID ANDERSON, CO-CHAIR
SENATOR LARRY TIDEMANN, CO-CHAIR

March 26, 2018

Ms. Lynne Valenti, Secretary
Department of Social Services
Kneip Building
Pierre, SD 57501

Ms. Gloria Pearson, Secretary
Department of Human Services
Hillsview Plaza
Pierre, SD 57501

Letter of Intent Regarding Notification of Proposed Changes to Administrative Rule for New Services or for Modifications of Program Eligibility

Dear Agency Head:

This Letter of Intent sets forth a particular view held by the Joint Committee on Appropriations in approving your appropriation in the 2018 legislative session. As such, this Letter of Intent seeks to supplement that legislation with specific policy guidance as approved on March 26, 2018.


While the guideline 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.

It is the intent of the Interim Joint Committee on Appropriations (JCA) that if your Department proposes any administrative rule change to add a new service or to modify the eligibility standards for an existing program that, at the time of submission of the draft rule changes to the Legislative Research Council for review, an informational packet including a summary of the proposed changes, justification for the proposed changes, and the estimated fiscal impact be provided for the members of the Interim Joint Committee on Appropriations. Upon determination of the public hearing schedule, that information shall also be provided to the members of the Interim JCA.

Thank you for your cooperation.



Representative David Anderson
Lead Co-Chair, Joint Committee on Appropriations



Senator Larry Tidemann
Co-Chair, Joint Committee on Appropriations

cc: Marty Guindon, Auditor General
Liza Clark, Commissioner, Bureau of Finance and Management

Attachment N

SENATOR BROCK L. GREENFIELD, CHAIR | REPRESENTATIVE G. MARK MICKELSON, VICE CHAIR
JASON HANCOCK, DIRECTOR | SUE CICHOS, DEPUTY DIRECTOR | DOUG DECKER, CODE COUNSEL

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Joint Committee on Appropriations
REPRESENTATIVE DAVID ANDERSON, CO-CHAIR
SENATOR LARRY TIDEMANN, CO-CHAIR

March 26, 2018

Don Kirkegaard, Secretary
Department of Education
900 Governors Drive
Pierre, SD 57501

Nick Wendell, Executive Director
Board of Technical Education
Department of Education
900 Governor's Drive
Pierre, SD 57501

Letter of Intent Regarding Lake Area Technical Institute


Dear Secretary Kirkegaard and Executive Director Wendell:

This Letter of Intent sets forth a particular view held by the Joint Committee on Appropriations (JCA) in approving your appropriation in the 2018 Legislative session. As such, this Letter of Intent seeks to supplement that legislation with specific policy guidance as approved on March 26, 2018.


While the guidance outlined in this letter 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 a basis for the fiscal oversight of your agency and its continued funding.

The 2018 Legislature approved \$250,000 in new general funds for fiscal year 2019 in the Postsecondary Technical Institute budget. It is the intent of the Interim Joint Committee on Appropriations that the funding be used to purchase equipment for the Lake Area Technical Institute Healthcare Center of Learning.

Thank you for your cooperation.



Representative David Anderson
Lead Co-Chair, Joint Committee on Appropriations



Senator Larry Tidemann
Co-Chair, Joint Committee on Appropriation

cc: Marty Guindon, Auditor General
Liza Clark, Commissioner, Bureau of Finance and Management