

MINUTES

Appropriations



Representative Mike Derby, Lead Co-Chair
Senator Jean Hunhoff, Co-Chair

First Meeting, 2024 Interim
Tuesday, May 21, 2024

Room 362 – State Capitol
Pierre, South Dakota

The first meeting of the 2024 Special Committee on Appropriations (the "Committee") was called to order by Lead Co-Chair Representative Mike Derby at 8:05 AM in Room 362 of the State Capitol.

A quorum was determined with the following members answering the roll call: Senators Jim Bolin, Bryan Breitling, Red Dawn Foster (remote), Jack Kolbeck, Larry Zikmund, and Jean Hunhoff; Representatives Linda Duba, Chris Karr (remote), Chris Kassin, Lance Koth, Dennis Krull, John Mills, Ernie Otten, Tony Venhuizen (remote), and Mike Derby. Excused: Senators Ryan Maher, John Wiik, and Dean Wink.

Staff members present included Jeff Mehlhaff, Chief Fiscal Analyst; Bill Douglas, Fiscal Analyst; Joslyn Jessop, Senior Fiscal Analyst; Mitch Honan, Fiscal Analyst; and Joey Knofczynski, Senior Fiscal Analyst.

NOTE: for the 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 webcast live. The archived webcast is available at the LRC website at <https://sdlegislature.gov>.

Department of Corrections Update

Secretary Kellie Wasko, Department of Corrections (DOC), and Brittnei Skipper, Director of Finance and Admin, DOC, presented an update on three topics: construction of a new men's prison in the Sioux Falls area; construction of a new women's prison in Rapid City; and Pheasantland Industries operations, particularly at the State Penitentiary ([Document #1](#)).

The DOC has contracted with construction managers at risk for both construction projects: Architectural Incorporated for the new women's prison and JE Dunn/Henry Carlson for the new men's prison. They will oversee the projects from start to finish and provide a guaranteed maximum price for construction.

The DOC has recently finished the schematic design phase for the new men's prison and is currently selecting the materials and design elements for the facility. In mid-July, the DOC will develop the construction documents. And around mid-November, JE Dunn/Henry Carlson will set the guaranteed maximum price. Further, the DOC has made progress on contracting for utilities, particularly water and electricity. So far, the Legislature has dedicated \$567 million for this project.

Secretary Wasko noted while there has been talk the Jameson Annex in Sioux Falls could have been added to instead of building a new prison from scratch, the facility cannot be built up further. Much more space is needed than what is available at Jameson Annex. In addition, the [DLR Group report](#) providing recommended facility changes never suggested building onto Jameson Annex; rather, the report suggested several improvements were needed to the

facility as is. Secretary Wasko said Jameson Annex is best suited to housing specialty populations with ongoing medical needs instead.

Representative Derby asked about North Dakota's correctional system, specifically why it has around half the inmates South Dakota's system does. Secretary Wasko noted the differences between North Dakota and South Dakota's approach to corrections are "stunning." North Dakota has a robust probation and pre-sentencing system South Dakota cannot match at present; North Dakota diverts more defendants on the front end. Also, there are differences in how those defendants are sentenced. For example, South Dakota remains the only state in the nation where ingestion is a felony with a minimum prison sentence attached. Currently in the state, 241 people are serving prison sentences for ingestion, and only a select few are serving the minimum sentence. Representative Derby said it is not too late for the Legislature to pivot in its philosophy with respect to corrections and criminal justice.

Representative Venhuizen asked about the potential ongoing cost of staffing a new men's prison. Secretary Wasko responded the DOC will do a staffing analysis once the design work is finished. It would not be prudent to guess the cost until the analysis is complete. She added the State Penitentiary and Jameson Annex have historically been understaffed.

With the new women's prison, bids are open for early engineering work. The total project budget is \$87.1 million. At the same time, the DOC also plans to expand the clinical area at the SD Women's Prison in Pierre. Such an expansion will add more space for administering medication, lab work, dental and vision exams, and a new negative pressure room and emergency room.

As to Pheasantland Industries, two businesses were closed because they could not break even. All other shops are up and operational. One new business was approved last fall: commissary operations, which plans to hire 25 inmates. The DOC is looking at using the additional space now available for vocational classes. Despite lockdowns at the facility, there were few days when Pheasantland Industries was not operational. The DOC has moved forward in allowing full workdays for inmates to better avoid future stoppages.

Representative Karr requested more information about why Metalcraft Industries was no longer partnering with the DOC. Secretary Wasko explained several recent issues surrounding Metalcraft's presence at the State Penitentiary, including bringing in "truckloads" of contraband, not following proper tool control protocol, and taking advantage of lifers to run the business using inexpensive labor.

Medicaid Expansion Update

Secretary Matt Althoff, Department of Social Services (DSS), and Jason Simmons, Chief Financial Officer, DSS, presented an update on the status of Medicaid Expansion in South Dakota ([Document #2](#)). Medicaid in South Dakota has undergone several changes, including the public health emergency, the unwinding of the public health emergency, and the Medicaid Expansion. The DSS is transitioning to a single application for Medicaid, TANF, and other programs that use income eligibility.

Secretary Althoff presented a statistical overview about the Medicaid population, including ages, genders, and interactions with other economic assistance programs. As of March 2024, around 22,000 people were enrolled in Medicaid Expansion. There is some "churn" due to certain people no longer being eligible for Medicaid Expansion. This may include people who moved out of state, died, or increased their income due to employment.

Senator Hunhoff asked for clarification about the Medicaid Expansion population (see slide 3 of the presentation). Secretary Althoff clarified that 22,624 people were currently enrolled in the Medicaid Expansion program, while 26,326 people were enrolled at some point in the past twelve months. The 22,624 people actively enrolled are a part of the 26,326 people who were enrolled at some point. Secretary Althoff further explained that 64% of people

newly enrolled in Medicaid Expansion were not previously enrolled in Medicaid. The decision to enroll people in Medicaid Expansion if not eligible for base Medicaid is automatic.

Secretary Althoff presented statistics concerning the monthly enrollment in Medicaid Expansion. This included the number of total enrollees in Medicaid Expansion, the rate of growth of enrollees, the number of applications per month, and the average processing time of applications.

Senator Hunhoff asked about how this data was being presented (see slide 4). Secretary Althoff explained that the first line of the table concerns just Medicaid Expansion, and the Medicaid application data is for all Medicaid-related populations. He added the determination of whether a person would go into Medicaid or Medicaid Expansion is made after the application is submitted. Senator Breitling clarified the Medicaid application is generic, and the determination as to where the applicant goes is done after the application is completed.

Representative Duba asked how this determination is made. Secretary Althoff explained the system is complex, and people apply not just to Medicaid but also to SNAP, TANF, and other economic programs. The DSS does not pre-determine applications. Representative Duba asked to see a percentage of people who were approved and declined for Medicaid. Representative Kassin asked if people who are seeking medical services are signing up to Medicaid at the same time. Secretary Althoff affirmed that is the case. People tend to seek medical care when they need it and are then suggested to apply for Medicaid at that time.

Secretary Althoff continued the presentation by showing a breakdown of service claims made by patients enrolled in Medicaid Expansion and the cost per member for each category (see slide 6). Representative Duba asked if the DSS could include a percentage of enrollees using a service. Senator Hunhoff commented the three lowest percentages in total paid were areas they were trying to grow (home health, for example).

Secretary Althoff presented a slide on projected growth vs. actual growth (see slide 7). He indicated South Dakota is below projections but is not sure why. The DSS will be continuing to look at the data. Representative Venhuizen talked about trying to figure out when the curve of the enrollees might flatten. Secretary Althoff mentioned historic Medicaid populations aren't the best data, as they contain mostly women and children. The DSS is working to understand the expansion population data and how it will differ. Senator Bolin asked about the full impact of Medicaid expansion and its cost to the state. Mr. Simmons talked about the 5% enhanced FMAP; \$30 to \$35 million dollars would be needed to fill the gap left behind when the enhancement ends. If projections continue as expected, more general funds would be needed.

Representative Duba asked if work status is verified or self-reported. Secretary Althoff answered both. He clarified that income is verified but not employment. There is a third-party team to check on eligibility. Representative Duba asked if the DSS is proactively providing information to people who may qualify for Medicaid Expansion eligibility. Secretary Althoff answered the DSS provides information through their website and via the DSS communications team. Most applicants go through providers. Senator Hunhoff mentioned how Medicaid Expansion can help stabilize medical costs and ensure an appropriate level of care.

Childcare Grant Funding and Studies

Brenda Tidball-Zeltinger, Deputy Secretary, DSS, presented an update on childcare grant funding and studies (see Document #2). She started with an explanation how DSS acts as the regulatory body of child care services and how it acts as a safety net program for working parents. She explained how COVID-19 stimulus, particularly ARPA

funding, created an opportunity to expand child care in South Dakota. The federal grants from ARPA for extending access have to be expended by the end of September 2024.

Representative Duba asked if the state has spent all of the \$32 million block grant available in fiscal year 2024 for child care assistance. Mr. Simmons answered the DSS grant has been maximized. Representative Duba mentioned only 5% of the total eligible population are receiving money from this block grant, and general funds were not being used. Mr. Simmons affirmed general fund dollars were not being used at this time outside of a small match by the state. Senator Breitling asked if there was an opportunity to regrant unspent money. Deputy Tidball-Zeltinger answered there would be an opportunity, although most of the grant users were using all the grant money allotted to them. Senator Kolbeck asked what would happen to the ARPA money awarded to now-closed day care centers. Deputy Secretary Tidball-Zeltinger answered one of the requirements in the grant is to include a sustainability plan and stay open during the length of the grant. There could be repayment of grant funds in case of a closure, but this has not happened to date.

Deputy Secretary Tidball-Zeltinger continued with an explanation of the license requirements to receive start-up/expansion grants, as well as eligible uses of the grant funds. A majority of the funds were granted last summer. Senator Hunhoff asked if the newly impacted childcare centers are brand new or expansions of existing centers. Deputy Secretary Tidball-Zeltinger answered it was a mix of both. Senator Hunhoff asked how the childcare centers are being held accountable. Deputy Secretary Tidball-Zeltinger replied the centers are required to report metrics as part of the grant in both the planning stages and the implementing stages. Representative Duba asked if there is enough staffing to meet expected capacity. Deputy Secretary Tidball-Zeltinger answered the published number for each center is licensed capacity, but the DSS is working toward providing more information on which centers have openings.

Deputy Secretary Tidball-Zeltinger presented a handout for the grants awarded ([Document #3](#)) and a map of the current childcare centers receiving a grant. Representative Duba asked how many grants recipients are for preschool children versus afterschool children. Deputy Secretary Tidball-Zeltinger answered that a breakdown by type of care could be made available. Senator Hunhoff asked if the agency's upcoming report will include staff capacity as opposed to licensed capacity. Deputy Secretary Tidball-Zeltinger segued into talking about the childcare studies performed to date to understand the needs of the state as well as the costs of childcare. There was a lot of examination even pre-ARPA and feedback from stakeholders to determine childcare priorities, along with ongoing examinations of the cost of childcare, for example.

Secretary Althoff clarified the charge of the DSS is to ensure childcare in the state is safe and provide a safety net for people who need childcare. He added it is not the charge of DSS to expand the childcare industry. Expansion talk played out during session with respect to SB 125. The DSS studies are primarily for routine maintenance of effort. The first study mentioned involves the childcare market rate. The objective is to understand what providers can charge and what the general population pays for childcare to align Child Care Assistance (CCA) rates. Concurrently, the DSS is studying the cost of care, what the providers incur in implementation state regulatory standards. Representative Duba asked if the survey included home-based providers. **Alex Mayer, Chief of the Division of Children and Family Services, DSS** answered the home-based providers were invited to participate in workforce studies. The market rate study is for determining the childcare subsidy. Secretary Althoff explained the workforce study is designed to pinpoint strategies to support recruitment and retention efforts by surveying over 4,000 childcare directors and employees and conducting interviews, among other activities.

Secretary Althoff then talked about a QRIS system being used as a pilot program to measure change in the safety and quality of childcare. Representative Duba asked if South Dakota State University is working with other states to establish quality standards for childcare. Secretary Althoff does not have line of sight for the academic component but would follow up on that point. Senator Bolin asked what the economic level is to receive a subsidy for childcare. Mr. Mayer said someone must be at or below 209% of the federal poverty line. Senator Hunhoff asked if a provider

would have to participate in the QRIS system to receive reimbursement. Mr. Mayer answered no; rather, it is a component of providing care. He said the QRIS system is meant to provide information to parents about the quality of the child-care provider as well as a warehouse for data and information. Representative Duba asked if providers would be required to utilize the system to get a quality rating. Secretary Althoff said there is no requirement, but the data will be provided to the public, and market pressure would likely incentivize providers to participate. Representative Duba asked what state-wide implementation means here. Secretary Althoff answered this would be open to all providers throughout the state and pressure from parents would encourage providers to participate. Senator Hunhoff asked if providers would be charged to participate in the program. Secretary Althoff answered he does not know yet.

Emily Richards, Director of Communications, DSS, talked about the DSS's marketing campaign for the childcare profession. The goal is to elevate the profession in a similar way to teaching. Most of the budget, \$415,000, is used on advertising and media placement, which was the suggestion from those from within the childcare industry. Representative Duba asked if the DSS was working with technical colleges and other higher education institutions. Ms. Richards answered they are working with higher education, and both parties are aware of what the other is doing. Senator Bolin asked if they would be marketing to retired people. Ms. Richards answered this is one of their target areas. Representative Derby asked if they are working with people on the front end and the business side of childcare. Ms. Richards was unsure if the marketing campaign would address this, but she would look into it. Representative Duba also mentioned Start-Up Sioux Falls is an organization teaching people about the business aspect of child-care.

Mr. Mayer talked about the updated federal regulation changes for child-care. He said the rule changes would not affect South Dakota much, as South Dakota is already in compliance with many of the new rules. Some changes would still be necessary. In the future, childcare payments will be prospective rather than reimbursement-based, and those payments will not be capped based on the provider's declared public rate. Representative Duba asked whether we might run out of money if the subsidy were to go up. Mr. Mayer said the state does not have a waiting list for care, so everyone eligible is able to access the childcare subsidy.

Karla Trautman, Director of the South Dakota State University (SDSU) Extension, introduced **Audrey Rider, Early Childhood Field Specialist, SDSU Extension**, who presented on childcare shortages in rural areas ([Document #4](#)). The focus of SDSU was on places where needs could be missed. SDSU has set up a multi-disciplinary group, allowing for multiple perspectives as to the childcare industry. This project includes a needs assessment survey to collect data, analyze it, and use it to help communities form stakeholder groups to build action plans. The three projected communities SDSU has been marketing to are Deadwood, Webster, and Beresford. Ms. Rider explained how the survey fit in with the SDSU mission. The results of the survey will be shared with the DSS and other stakeholders. Representative Duba asked why there was no current focus on the northwest portion of South Dakota. Ms. Rider said they did not have contacts in the area.

Joe Fiala, Partner Relations Director, Governor's Office of Economic Development (GOED), talked about the business training for childcare businesses. He said there are three groups the GOED works with to help develop businesses in childcare. Senator Bolin asked about the role of the state in expanding the businesses of childcare grants. Mr. Fiala said, at this time, they are working through the implementation grants, but Sen. Bolin's idea could be evaluated, in partnership with the DSS, later in the year.

New Federal Nursing Home Staffing Mandate

Tammy Hatting, Chief Operating Officer, South Dakota Association of Healthcare Organizations (SDAHO), presented on a new nursing home staffing mandate rule from the federal government ([Document #5](#)). The SDAHO did everything to push back against this, and the group did not think the federal government would follow through,

but despite significant negative feedback, the rule was issued on April 22 in a more challenging format. Ms. Hatting referred to the presentation as disaster preparedness, as the clock is now ticking on meeting the rule requirements.

Ms. Hatting summarized the requirements as follows: every nursing home must do a comprehensive facility assessment, which will dig into the staffing, condition of residents, etc., leading to a report to see where the facility is at. The timing of meeting staffing requirements are based on location, either rural or urban. Towns considered urban include Aberdeen, Brookings, Huron, Mitchell, Pierre, Spearfish, Vermillion, Watertown, and Yankton, along with Sioux Falls and Rapid City. By 2026, urban facilities will need a 24/7 registered nurse in person at the facility. Licensed practical nurses (LPNs) are not being taken into account to meet hours per resident per day requirements, despite the fact LPNs are critical to nursing home operations. Higher acuity residents will require a higher staffing ratio.

Some nursing homes will not be able to do this, and there is a waiver available for them. However, it includes a checklist that may simply be unattainable. The total cost to meet this mandate across the state is over \$43 billion to be shared by Medicaid, Medicare, and other sources. Representative Derby asked more about the hardship waiver and why it may be so difficult to qualify. Ms. Hatting said there are four exemption criteria to meet. There are also several exclusions potentially kicking facilities out of the waiver process entirely. In short, it gets "pretty intense." Senator Bolin asked about whether this final rule could be changed. Ms. Hatting agreed; SDAHO is trying to have this rule repealed. The idea came about during a President Biden State of the Union Address, and while there was bipartisan support to kill it, the rule's passage has now created partisan divisions.

Some nursing homes can meet these requirements, but less than 10%. There were 1,232 registered nurse openings across the state, let alone just for nursing homes. SDAHO expects the annual cost to meet the new staffing regulations to be \$18.7 million a year, roughly \$190,489 per nursing home. If the nursing homes do not comply, there would be financial penalties. If the nursing homes were to add staff, it would likely be traveling staff. Representative Koth asked if other states are facing the same issues. Ms. Hatting said South Dakota is actually better off than other states in terms of meeting requirements. SDAHO is exploring ways to overturn these regulations. With the rule published, there are ways to make it better. For example, the definition of rural and urban could be modified to exclude most South Dakota cities. It would also help to allow telemedicine to meet staffing requirements. Another roadblock, according to Ms. Hatting, is a lack of streamlined certified nursing assistant training. The pressure has increased on nursing homes even more.

Senator Kolbeck asked about whether there are people on waiting lists wanting to go to a specific spot. **Jacob Parsons, Director of Advocacy and Reimbursement, SDAHO**, said that is not the typical situation. A lot of time the issue is the acuity of the patient. Representative Kassin asked whether these rules just apply to nursing homes. Ms. Hatting clarified that is the case. Representative Duba asked what advocacy groups were pushing for these changes. Ms. Hatting said this started during COVID-19, as facilities had several deaths, leading advocacy groups to push back.

Mark Deak, Executive Director, South Dakota Health Care Association also spoke to the new nursing home regulations. Long-term care is the only area in the healthcare arena in which there are fewer staff members now than there were in 2020, adding more stress. The industry has lost over 1,200 staff since 2020. And now the Biden administration has put forward this rule requiring more staff. 96% of nursing homes would not be able to comply. It would take 299 new staff to comply in this state. Even if that were possible, it would be costly. There will be

closures which could displace over 600 residents. The state's congressional delegation is aware of this issue, and the association will be going out to D.C. to meet with them.

Family Support 360 Update, Crisis Services, and Continuum of Care

Secretary Shawnie Rechtenbaugh, Department of Human Services (DHS), presented on updates regarding the Family Support 360 program and the care continuum ([Document #6](#)). There were several key things that have taken place since session. During session, Senator Hunhoff led a workgroup on crisis intervention. Around this time, providers gave notice to the DHS they would discontinue Family Support, Agency with Choice services. This has been the agency's number one priority since, as it had the potential to impact 800 individuals and 1,200 caregivers.

In February, Laura Ringling with the Governor's Office engaged with Dan Cross of Community Support Providers (CSPs) of South Dakota to form a workgroup on crisis services in the developmental disability population. They met in February, March, and April to identify the core services needed and put forward potential solutions. In March, the DHS contracted with Alvarez & Marsal to help the agency address key issues. The agency also contracted with them to assist with the Family Support 360 waiver last year.

Crisis services and the continuum of care have not been the top priority, but the agency has still been working on this. The DHS is working through the core issues related to crisis. The DHS has been hearing three major themes: a need to support CSPs to respond to times of crisis more effectively, establish stable service options for people with complex needs, and develop a comprehensive and coordinated approach. There is not an "easy button" available here. The agency has used the South Dakota Developmental Center for informal crisis response, but there are better ways to address crises. Moving people to an institution is not best practice anymore. A restrictive setting is not always allowable based on federal mandates.

That being said, the DHS has a general vision to move forward in this environment. There is a need to build higher-level capacity and provide a robust crisis response system to help individuals stabilize in their current setting. There is not a carbon copy plan available that works in every state, so there is a need to find a South Dakota-specific solution. The DHS will solicit current and potential new providers for their input. The DHS does not see an immediate, no-cost solution at this point. The path forward will likely include a budget request for the upcoming session.

Representative Duba agreed there are no easy fixes, but noted the state cannot kick the can down the road any further. She asked what is being looked at right now. Secretary Rechtenbaugh reiterated the things she mentioned so far. It is a large topic with lots to unpack and many potential options. The DHS wants to do a thorough job of assessing all the options before coming back to the committee. There is no solution at present; otherwise, it would have been implemented already.

Representative Derby asked whether South Dakota is a unicorn with respect to crisis response. **Erin Leveton, Managing Director, Alvarez & Marsal**, said this is one of the toughest issues facing states right now. States are struggling; it is a small number of people, but they are difficult to care for, as they require individualized care. Representative Derby asked whether most states have CSPs. Ms. Leveton responded almost all states operate a network of CSPs, but a few also operate state-led home- and community-based services, and those can become crisis homes when the community does not have the resources. But those services are hard to manage, and states are looking to privatize those services.

Senator Hunhoff asked about the timeframe for someone in crisis to receive care before returning to their original facility. Ms. Leveton answered it is an individualized assessment. The people who know the individual best, the people managing their case, will decide what supports are best. Senator Hunhoff asked what Redfield is really for. Secretary Rechtenbaugh responded it is an intermediate care facility, the highest level of care on the continuum.

Not all states have a state-run institute, but this state does. It houses individuals needing one-on-one staff throughout the day. There is active treatment with the goal of having individuals eventually leave the facility. Representative Karr asked when the committee could expect to hear more about potential options. Secretary Rechtenbaugh said it would be by legislative session.

Ms. Leveton presented on the work of Alvarez & Marsal on the Agency with Choice program (Family Support 360) and the IRIS case management system (see Document #6). Alvarez & Marsal worked to hear from DHS staff, providers, coordinators, and family members regarding Agency with Choice. Alvarez & Marsal also did a national scan to understand how similar models work in other states. From there, possible options for self-direction were explored. Throughout, it was important to communicate with all parties and collect feedback. South Dakota has a rich history of family support, being one of the first states to adopt self-direction and Agency with Choice. However, the program conflicts with certain federal mandates (particularly with respect to employee retirement accounts). Most states use a common law option for self-direction programs rather than the Agency with Choice model. The plan moving forward has two steps: finding a stable solution for Agency with Choice (contracting with a new provider) and then working with families to modernize the program. There will need to be a waiver amendment to implement needed changes.

Senator Kolbeck asked about who is participating in workgroups related to this program. Ms. Leveton noted there have been over 25 community members participating. It is a mix of self-advocated and family members. Anyone who raises their hand is invited to come. Otherwise, there are monthly town halls. There has been good participation in those and opportunities to ask questions and communicate anonymously if need be. Senator Hunhoff asked for the definition of family support coordinator and a summary of what they do. Ms. Leveton said they are effectively case managers for the Family Support 360 program. They help with planning and connecting individuals to other services. Many are family members themselves, and they are compensated for fulfilling such a role.

With the IRIS case management system, the intention is to support providers and stakeholders, but providers have responded they would stop using the system in January 2024. Alvarez & Marsal started to look into IRIS in March 2024. Based on the work so far, Alvarez & Marsal has heard providers want a vision of a completed system, unlike IRIS right now. They also want better communication of what is to come and improved training. Representative Duba asked if any other states use IRIS. Ms. Leveton said the contractor, RSM, does work all over the country. However, not all systems are related to managing developmental disabilities.

Dan Cross, Executive Director, Community Support Providers of South Dakota, presented on options for crisis stabilization in South Dakota and a possible continuum of care from the CSP perspective ([Document #7](#) and [Document #8](#)). The DHS and CSPs have met on several occasions regarding these topics, including short-term placements, follow-up evaluations, emergency funding for one-on-one staffing, and rights restrictions and psychoactive medications. A general outline for a continuum of care model includes four steps: placement and service initiation, behavior plans and support, crisis services, and service jeopardization. Representative Derby asked about the implementation of this continuum of care. **Brad Saathoff, CEO, Black Hills Works** answered there is good stuff here. The system does not have enough resources for shorter-term crisis stabilization (30 to 90 days); there exists the biggest gap. There were workgroups back in 2017 in Rapid City around crisis services. Folks from the state were invited to participate. There were a lot of solutions identified consistent with what was mentioned, but the state must play a major role in the funding aspect for any of them.

Representative Koth asked how many crisis situations there are in the state annually, monthly, and daily. Mr. Cross said the answer is complicated, as crisis can vary. Some crisis situations are handled within the original facilities, so

those cases likely would not be logged. One of the things reviewed was asking providers about how many people were on the verge of crisis. The total number was 33 from all providers who answered.

Veterans Cemetery Land Offer

Aaron Pollard, Deputy Secretary, Department of Veteran Affairs, reported on the land offer for the Veteran Cemetery in Sioux Falls. Deputy Secretary Pollard gave a brief history of the Veteran's Cemetery in Sioux Falls. He explained the cemetery is not in need of new land, and there is no offer for additional land for the Veteran's Cemetery. Representative Mills asked how many acres the cemetery occupies. Deputy Secretary Pollard replied the cemetery has a total of 74 acres.

Representative Karr said the city was willing to donate land to the Veteran's Cemetery for new uses, and the offer did not seem to be rescinded, so he asked for further clarification on the state of the offer. Deputy Secretary Pollard was unable to answer the question because there is no official offer on the table. There had been discussions but no formal offer or acceptance. Representative Karr confirmed he had heard there was a formal offer but no acceptance, as if there was no interest. He added it seemed like a no brainer. Senator Zikmund commented if the offer is made, the state should accept it to ensure the land is made available for expanding the cemetery rather than being used for used for commercial purposes.

Consideration of Letters of Intent

A. Construction Project Reports - BHRA

Representative Mills requested to defer this letter of intent until the next meeting to allow for finishing touches. Representative Derby agreed to defer it.

B. Utility Alignment - BOR ([Document #9](#))

Heather Forney, System Vice President of Finance and Administration, Board of Regents (BOR), requested a letter of intent to realign utility appropriations between campuses. Such transfers cannot be done without the permission of the Committee. It appeared Black Hills State University and Dakota State University could end up short. Representative Derby asked if this is done regularly. Ms. Forney said this is done every year.

Senator Breitling moved, seconded by Senator Zikmund, this letter of intent for the BOR be approved. Motion prevailed on a voice vote.

C. Improvement & Expansion of Airport Terminals (SB 144) - DOT ([Document #10](#))

Senator Kolbeck spoke to this letter of intent covering the eligibility of moneys appropriated via Senate Bill 144 from the past session regarding airport improvements. Eligible projects must have a history of funding requests with the Department of Transportation (DOT). Those applying must show proof of funding from the Federal Aviation Administration (FAA); projects rejected by the FAA are not eligible. Projects already completed are also not eligible. Applications are due July 1, 2024. **Senator David Johnson** said Senator Kolbeck did a good job of summarizing.

Senator Foster asked whether tribal airports are eligible. **Secretary Joel Jundt, DOT**, said any public airport certified within the state would be eligible.

Senator Kolbeck moved, seconded by Representative Duba, this letter of intent for the DOT be approved. Motion prevailed on a voice vote.

D. Expected Letter of Intent Reports in 2024 ([Document #11](#))

Joslyn Jessop presented a document outlining the letters of intent expected to have reports come in by the end of the current year. The document includes links back to the original letters of intent.

Senator Breitling moved, seconded by Senator Kolbeck, the Special Committee on Appropriations be adjourned. Motion prevailed on a voice vote.

The Committee adjourned at 3:55 PM.