

MINUTES

Interim Joint Committee on Appropriations



Senator John Wiik, Lead Co-Chair
Representative Chris Karr, Co-Chair

**First Meeting, 2019 Interim
Wednesday, May 22, 2019**

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

The first meeting of the Interim Joint Committee on Appropriations for 2019 was called to order by Lead Co-Chair Senator John Wiik, at 10:10 a.m. in Appropriations 362 of the State Capitol, Pierre, South Dakota.

A quorum was determined with the following members answering the roll call: Senators Justin Cronin, Brock Greenfield, Jack Kolbeck, Ryan Maher, Reynold Nesiba, Jeffrey Partridge, Margaret Sutton, Jim White, and John Wiik; Representatives Hugh Bartels, Randy Gross, Taffy Howard, Lance Koth, Jean Hunhoff, Chris Karr, Sue Peterson, Doug Post, and Michael Saba (via phone).

Staff members present included Tamara Darnall, Chief Fiscal & Program Analyst; Amanda Doherty-Karber, Senior Fiscal & Program Analyst; Shane Mattheis, Senior Fiscal & Program Analyst; Jeff Mehlhaff, Senior Fiscal & Program Analyst; and Judy Page, 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>.*

Board of Regents Plan to Replace the University Center in Sioux Falls

Dr. Sheila Gestring, President, University of South Dakota, gave a PowerPoint presentation regarding plans to rebrand the University Center in Sioux Falls as a community college operated by the University of South Dakota (USD) ([Document #1](#)). The facility will not be a degree-granting institution; the degrees would be awarded by the partner universities including USD, South Dakota State University (SDSU), and Dakota State University (DSU). **Dr. Jose-Marie Griffiths, President, DSU**, and **Dr. Barry Dunn, President, SDSU**, were also available to answer questions.

Dr. Carmen Simone, Executive Director, University Center, presented information on the organizational charts and the savings in salaries found on pages 10-11 of document #1.

Dr. Gestring presented the proposal for overhead costs for the new community college for Sioux Falls ([Document #2](#)). The members of the Joint Committee on Appropriations were concerned the plan to rebrand the University Center in Sioux Falls with a community college had not been previously discussed with the JCA or the Legislature as a whole.

Dr. Griffiths said the Universities have been focused on the specific institutions' roles in the process. Dr. Dunn said they were tasked by the Board of Regents to find a solution to the problem, and questions regarding information shared with the Legislature should be directed to the Board of Regents.

Senator Cronin shared his concern about the absence of any representation from the office of the Board of Regents at this JCA meeting.

Senator Greenfield suggested asking the Auditor General for his opinion on the financial record keeping and budgeting plan proposed in these documents before the JCA takes any action on this proposed change to the University Center.

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 2019 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 2019 Letters of Intent are attached to these minutes.

1. Ms. Tamara Darnall, Chief Fiscal and Program Analyst, presented the draft LOI regarding provider inflation addressed to the Departments of Social Services, Corrections, Human Services, Health, and Public Safety, and the Unified Judicial System. **Attachment A**

A motion was made by Representative Gross, seconded by Senator White, to approve the LOI regarding provider inflation. The motion prevailed on a roll call vote with 17 voting AYE, 1 EXCUSED. Voting AYE: Cronin, Greenfield, Kolbeck, Maher, Nesiba, Partridge, Sutton, White, Bartels, Gross, Howard, Hunhoff, Koth, Peterson, Post, Karr and Wiik. EXCUSED: Saba.

2. Senator Partridge presented the draft LOI regarding provider innovation grants addressed to the Departments of Social Services and Human Services. The committee changed the draft LOI's information requirements to include both grant applicant and recipient names and locations. **Attachment B**

A motion was made by Senator Partridge, seconded by Representative Bartels, to approve the LOI regarding innovation grants with the changes. The motion prevailed on a roll call vote with 17 voting AYE, 1 EXCUSED. Voting AYE: Cronin, Greenfield, Kolbeck, Maher, Nesiba, Partridge, Sutton, White, Bartels, Gross, Howard, Hunhoff, Koth, Peterson, Post, Karr and Wiik. EXCUSED: Saba.

3. Representative Hunhoff presented the draft LOI regarding the reporting of federal opioid funding addressed to the Departments of Social Services and Health. **Attachment C**

A motion was made by Senator Cronin, seconded by Senator Partridge to approve the LOI regarding the reporting of federal opioid funding. The motion prevailed on a roll call vote with 17 voting AYE, 1 EXCUSED. Voting AYE: Cronin, Greenfield, Kolbeck, Maher, Nesiba, Partridge, Sutton, White, Bartels, Gross, Howard, Hunhoff, Koth, Peterson, Post, Karr and Wiik. EXCUSED: Saba.

4. Senator Nesiba presented a draft LOI requesting the Governor's Office of Economic Development provide an annual report regarding the activities of the Future Fund.

A motion was made by Senator Nesiba, seconded by Representative Howard, to approve the LOI regarding GOAC filing an annual report regarding the activities of the Future Fund. The motion failed on a roll call vote with 6 voting AYE, 12 voting NAY. Voting AYE: Nesiba, Gross, Howard, Post, Saba, and Karr. Voting NAY: Cronin, Greenfield, Kolbeck, Maher, Partridge, Sutton, White, Bartels, Hunhoff, Koth, Peterson, and Wiik.

5. Senator Maher presented the draft LOI requesting the Department of Agriculture (DOA) complete an analysis and bring forth a proposal to implement the process of billing boards, commissions, and councils housed under the DOA for accounting, legal and any other services rendered by DOA. **Attachment D**

A motion was made by Senator Maher, seconded by Representative Bartels, to approve the LOI regarding the Department of Agriculture filing a report on the billing of boards, commissions, and councils for services rendered by the Department of Agriculture, and this report be submitted no later than November 1, 2019. The motion prevailed on a roll call vote with 14 voting AYE, 4 voting NAY. Voting AYE: Cronin, Greenfield, Maher, Nesiba, Partridge, Sutton, Bartels, Howard, Hunhoff, Koth, Peterson, Saba, Karr and Wiik. Voting NAY: Kolbeck, White, Gross, and Post.

6. Representative Saba presented the draft LOI requesting the Department of Health provide a report by November 1, 2019, regarding the use of telemedicine within the correctional health system. **Attachment E**

A motion was made by Senator Partridge, seconded by Representative Karr, that the LOI also be sent to the Secretary of Corrections. The motion prevailed on a voice vote.

A motion was made by Senator Wiik, seconded by Representative Kolbeck, to remove the request for patient's insurance information from the LOI. The motion prevailed on a voice vote.

A motion was made by Representative Saba, seconded by Senator Nesiba, to approve the LOI regarding telemedicine use for correctional health as amended. The motion prevailed on a roll call vote with 18 voting AYE. Voting AYE: Cronin, Greenfield, Kolbeck, Maher, Nesiba, Partridge, Sutton, White, Bartels, Gross, Howard, Hunhoff, Koth, Peterson, Post, Saba, Karr and Wiik.

7. Representative Gross presented the draft LOI requesting the Department of Labor (DOL) spend no more than \$15,000 for administering the family-first initiative program. The letter also requests the DOL to file a detailed report with the JCA by November 1 of each year regarding the program. **Attachment F**

A motion was made by Representative Gross, seconded by Representative Howard, to approve the LOI regarding the Department of Labor's family-first initiative program. The motion prevailed on a roll call vote with 18 voting AYE. Voting AYE: Cronin, Greenfield, Kolbeck, Maher, Nesiba, Partridge, Sutton, White, Bartels, Gross, Howard, Hunhoff, Koth, Peterson, Post, Saba, Karr and Wiik.

8. Senator Partridge presented the draft LOI regarding the Department of Social Services conducting a Lean audit of the Medicaid claims process and other areas as the department sees fit. The LOI says the funding for the Lean audit will come from the Legislative Priority Pilot Program Contingency Fund. **Attachment G**

A motion was made by Senator Partridge, seconded by Representative Peterson, to approve the LOI regarding the Lean audit of the Medicaid claims process and other areas the Department of Social Services chooses. The motion prevailed on a roll call vote with 18 voting AYE. Voting AYE: Cronin, Greenfield, Kolbeck, Maher, Nesiba, Partridge, Sutton, White, Bartels, Gross, Howard, Hunhoff, Koth, Peterson, Post, Saba, Karr and Wiik.

9. Senator Partridge presented the draft LOI regarding the Board of Regents conducting a Lean audit of their central office to create efficiencies between the universities and the central office. The LOI says the funding for the Lean audit will come from the Legislative Priority Pilot Program Contingency Fund. **Attachment H**

A motion was made by Senator Partridge, seconded by Representative Bartels, to approve the LOI regarding the Lean audit of the Board of Regents' central office. The motion prevailed on a roll call vote

with 18 voting AYE. Voting AYE: Cronin, Greenfield, Kolbeck, Maher, Nesiba, Partridge, Sutton, White, Bartels, Gross, Howard, Hunhoff, Koth, Peterson, Post, Saba, Karr and Wiik.

10. Senator Cronin presented the draft LOI regarding the appropriation for the ongoing operations of three Board of Regents' research parks: the SDSU Research Park in Brookings, the USD Discovery District in Sioux Falls, and the Ascent Innovation research park in Rapid City. The LOI requests a report be made each year to the JCA no later than November 1, beginning with November 1 of 2019. **Attachment I**

A motion was made by Senator Cronin, seconded by Senator Partridge, to approve the LOI regarding the ongoing operations of three regental research parks. The motion prevailed on a roll call vote with 17 voting AYE, 1 EXCUSED. Voting AYE: Cronin, Greenfield, Kolbeck, Maher, Nesiba, Partridge, Sutton, White, Bartels, Gross, Howard, Hunhoff, Koth, Peterson, Post, Karr and Wiik. EXCUSED: Saba.

11. **Mr. Monte Kramer, Vice President of Finance and Administration, Board of Regents (BOR)**, requested the JCA send a letter of intent regarding the realignment of general funds for utilities among universities under the control of the Board of Regents. **Attachment J**

A motion was made by Senator Partridge, seconded by Senator White, to approve the LOI regarding the realignment of general funds for utilities among universities under the control of the Board of Regents. The motion prevailed on a roll call vote with 18 voting AYE. Voting AYE: Cronin, Greenfield, Kolbeck, Maher, Nesiba, Partridge, Sutton, White, Bartels, Gross, Howard, Hunhoff, Koth, Peterson, Post, Saba, Karr and Wiik.

12. Representative Howard presented a draft LOI requesting the Legislative Research Council (LRC) use a zero-based budget process, to be jointly developed by the LRC and Bureau of Finance and Management.

A motion was made by Representative Howard, seconded by Representative Gross, to approve the LOI regarding the state using a zero-based budget process. The motion failed on a roll call vote with 8 voting AYE, 10 voting NAY. Voting AYE: Kolbeck, Sutton, Gross, Howard, Peterson, Post, Saba, and Karr. Voting NAY: Cronin, Greenfield, Maher, Nesiba, Partridge, White, Bartels, Hunhoff, Koth, and Wiik.

13. Senator Maher explained the draft LOI regarding the capping of all open gas wells in Harding County is not needed at this time because of an ongoing lawsuit regarding the wells.

A motion was made by Senator Cronin, seconded by Senator Partridge, to table the LOI regarding the capping of open gas wells in Harding County. The motion prevailed on a roll call vote with 14 voting AYE, 4 voting NAY. Voting AYE: Cronin, Maher, Nesiba, Partridge, White, Bartels, Gross, Howard, Hunhoff, Koth, Post, Saba, Karr, and Wiik. Voting NAY: Greenfield, Kolbeck, Sutton, and Peterson.

14. Representative Post presented a draft LOI requesting an annual report regarding the Department of Social Services' statewide resource information center be submitted to the JCA by November 1 each year. **Attachment K**

A motion was made by Representative Post, seconded by Senator Partridge, to approve the LOI regarding the Department of Social Services filing an annual report about the statewide resource center. The motion prevailed on a roll call vote with 18 voting AYE. Voting AYE: Cronin, Greenfield, Kolbeck, Maher, Nesiba, Partridge, Sutton, White, Bartels, Gross, Howard, Hunhoff, Koth, Peterson, Post, Saba, Karr and Wiik.

15. Representative Karr presented a draft LOI requesting the Governor's Office of Economic Development (GOED) report to the JCA at the November meeting regarding the application process for the rural broadband funds and provide an annual update of recipients of those funds.

A motion was made by Representative Karr, seconded by Representative Koth, to approve the LOI regarding the GOED rural broadband fund reports to the JCA. The motion failed on a roll call vote with 6 voting AYE, 10 voting NAY, and 2 EXCUSED. Voting AYE: Bartels, Gross, Koth, Peterson, Post, and Karr. Voting NAY: Cronin, Greenfield, Kolbeck, Maher, Nesiba, Sutton, White, Howard, Hunhoff, and Wiik. EXCUSED: Partridge and Saba.

16. Senator Wiik presented a draft LOI requesting the University of South Dakota provide a written report by July 1, 2019, detailing several items regarding operations of the University Center in Sioux Falls.
Attachment L

A motion was made by Representative Karr, seconded by Senator Cronin, that the University of South Dakota and the Black Hills State University each provide a written report by July 1, 2019, regarding the operations of the University Center administered by the University detailing six items listed in the LOI. The motion prevailed on a roll call vote with 16 voting AYE, 2 EXCUSED. Voting AYE: Cronin, Greenfield, Kolbeck, Maher, Nesiba, Sutton, White, Bartels, Gross, Howard, Hunhoff, Koth, Peterson, Post, Karr and Wiik. EXCUSED: Partridge and Saba.

Interim State Facility Tours

The committee discussed possible facilities to be visited during the West River and East River JCA facility tours. The staff will prepare an agenda for the tours. The committee asked that the tours not be held until after Labor Day.

Future Meeting Dates

The next meeting date for JCA is July 22 in Pierre.

Adjourn

A motion was made by Senator Partridge, seconded by Representative Bartels, that the Joint Committee on Appropriations be adjourned. Motion prevailed on a voice vote.

The Committee adjourned at 3:45 p.m.

Attachment A

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

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Joint Committee on Appropriations
SENATOR JOHN WIIK, CO-CHAIR
REPRESENTATIVE CHRIS KARR, CO-CHAIR

May 22, 2019

Ms. Amy Iversen-Pollreis, Interim Secretary
Department of Social Services
Kneip Building
Pierre, SD 57501

Mr. Mike Leidholt, Secretary
Department of Corrections
Solem Building
Pierre, SD 57501

Ms. Shawnie Rechtenbaugh, 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. Craig Price, Secretary
Department of Public Safety
Sutherland Building
Pierre, SD 57501

Letter of Intent Regarding Provider Inflation Approved in the 2019 Legislative Session

Dear Agency Head:

This Letter of Intent sets forth a particular view held by the Joint Committee on Appropriations (JCA) in approving your appropriation in the 2019 Legislative session. As such, this Letter of Intent seeks to supplement that legislation with specific policy guidance as approved on May 22, 2019.

While the guidance 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 2019 South Dakota Legislature, through the FY2020 General Appropriations Act (Senate Bill 191), approved a base funding increase for all provider groups as outlined in Attachment One. It is the intent of the Interim Joint Committee on Appropriations that in FY2020 these providers receive a base rate increase in conformity with Attachment One of this document.

The 2019 Legislature also approved one-time provider funding enhancements for FY2019 through Senate Bill 180, including increases for all provider groups for the final three months of FY2019 as outlined in Attachment Two. It is the intent of the Interim Joint Committee on Appropriations that providers receive these appropriations in conformity with Attachment Two of this document.

2019 Legislative Session Letter of Intent

March 29, 2019

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Thank you for your cooperation.

/s/ Senator Wiik

Senator John Wiik
Lead Co-Chair, Joint Committee on Appropriations

/s/ Representative Karr

Representative Chris Karr
Co-Chair, Joint Committee on Appropriations

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

FY2020 Discretionary Provider Inflation Increases

Provider Group	Inflationary Increase	General Funds	Federal Funds	Other Funds	Total Funds
DSS Hospitals	1.50%	1,406,130	2,178,070	-	3,584,200
DSS Physicians	1.50%	459,971	619,519	-	1,079,490
DSS Dentists	1.50%	144,701	194,894	-	339,596
DSS Optometrists/Ophthalmologist	1.50%	12,262	16,516	-	28,778
DSS Chiropractors	1.50%	4,413	5,944	-	10,357
DSS Other Health Care (DME/EPSTDT)	1.50%	143,379	193,115	-	336,494
DSS Psychiatric Residential Treatment	Varies	1,452,358	1,956,515	-	3,408,874
DSS Group Care	4.00%	148,972	-	-	148,972
DSS In-Home Services (RN, Homemaker, LPN)	4.00%	103,149	138,928	-	242,077
DSS Emergency Transportation (Targeted Services)	4.00%	79,600	107,205	-	186,805
DSS Community Behavioral Health	4.00%	1,921,105	608,146	-	2,529,251
DSS Outpatient Psychiatric	4.00%	81,216	109,395	-	190,611
DSS Other Provider Groups	3.00%	861,417	165,137	13,080	1,039,635
DHS Nursing Homes	10.00%	7,701,672	10,374,061	-	18,075,733
DHS Community Support Providers	6.50%	3,634,309	4,996,883	42,475	8,673,667
DHS Private Intermediate Care Facility (ICF)*	6.50%	-	362,781	203,768	566,549
DHS In-Home Services (RN, Homemaker, LPN)	4.00%	619,269	382,418	-	1,001,687
DHS Assisted Living	4.00%	229,871	228,902	-	458,773
DHS Senior Meals	4.00%	205,102	5,206	-	210,307
DHS Other Provider Groups	3.00%	134,906	83,231	-	218,137
DOC Group Care	4.00%	121,841	-	-	121,841
DOC Psychiatric Residential Treatment	8.00%	148,947	200,614	-	349,561
DOC Community Services	3.00%	78,028	-	-	78,028
UJS Community Services	3.00%	58,499	-	-	58,499
DOH Inmate Services	1.50%	-	-	15,971	15,971
DPS Victim's Services	3.00%	15,623	-	-	15,623
Total Discretionary Provider Inflation		\$ 19,766,740	\$ 22,927,479	\$ 275,294	\$ 42,969,513

*The agency did not receive additional funding for the increase from 3% to 6.5% for Private ICFs

FY2019 Discretionary Provider Inflation Increases

Provider Group	Inflationary Increase	General Funds	Federal Funds	Other Funds	Total Funds
DSS Hospitals	1.50%	351,623	544,517	-	896,140
DSS Physicians	1.50%	114,993	154,880	-	269,873
DSS Dentists	1.50%	36,176	48,723	-	84,899
DSS Optometrists/Ophthalmologist	1.50%	3,066	4,129	-	7,195
DSS Chiropractors	1.50%	1,103	1,486	-	2,589
DSS Other Health Care (DME/EPSTDT)	1.50%	35,845	48,278	-	84,123
DSS Psychiatric Residential Treatment	Varies	363,089	524,464	-	887,553
DSS Group Care	4.00%	34,444	-	-	34,444
DSS In-Home Services (RN, Homemaker, LPN)	4.00%	23,854	32,697	-	56,551
DSS Emergency Transportation (Targeted Services)	4.00%	18,408	25,231	-	43,639
DSS Community Behavioral Health	4.00%	430,898	142,383	-	573,281
DSS Outpatient Psychiatric	4.00%	18,781	25,747	-	44,528
DSS Other Provider Groups	3.00%	158,990	41,287	3,269	203,546
DHS Nursing Homes	10.00%	1,867,653	2,840,053	-	4,707,706
DHS Community Support Providers	6.50%	858,258	1,252,646	34,131	2,145,035
DHS Private Intermediate Care Facility (ICF)*	6.50%	-	90,695	50,942	141,637
DHS In-Home Services (RN, Homemaker, LPN)	4.00%	145,800	90,819	-	236,619
DHS Assisted Living	4.00%	53,162	53,868	-	107,030
DHS Senior Meals	4.00%	47,332	1,302	-	48,634
DHS Other Provider Groups	3.00%	33,770	20,808	-	54,578
DOC Group Care	4.00%	28,468	-	-	28,468
DOC Psychiatric Residential Treatment	8.00%	37,237	52,700	-	89,937
DOC Community Services	3.00%	19,507	-	-	19,507
UJS Community Services	3.00%	14,625	-	-	14,625
DOH Inmate Services	1.50%	-	-	3,993	3,993
DPS Victim's Services	3.00%	3,906	-	-	3,906
Total Discretionary Provider Inflation		\$ 4,700,988	\$ 5,996,713	\$ 92,335	\$ 10,790,036

*The agency did not receive additional funding for the increase from 3% to 6.5% for Private ICFs

Attachment B

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

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Joint Committee on Appropriations
SENATOR JOHN WIJK, CO-CHAIR
REPRESENTATIVE CHRIS KARR, CO-CHAIR

May 22, 2019

Ms. Amy Iversen-Pollreisz, Interim Secretary
Department of Social Services
Kneip Building
Pierre, SD 57501

Ms. Shawnie Rechtenbaugh, Secretary
Department of Human Services
Hillsview Plaza
Pierre, SD 57501

Letter of Intent Regarding Provider Innovation Grants

Dear Secretary Iversen-Pollreisz and Secretary Rechtenbaugh:

This Letter of Intent sets forth a particular view held by the Joint Committee on Appropriations (JCA) in approving your appropriation in the 2019 Legislative session. As such, this Letter of Intent seeks to supplement that legislation with specific policy guidance as approved on May 22, 2019.

While the guidance 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 2019 Legislature approved Senate Bill 173, which provides five million dollars (\$5,000,000) in general funds to the Department of Human Services (DHS) to be used for nursing home innovation grants and to expedite the scheduled review of the nursing home rate methodology and one million dollars (\$1,000,000) in general funds to the Department of Social Services (DSS) to be used for primary and prenatal care innovation grants.

It is the intent of the JCA that DHS and DSS report to the JCA in January 2020 and the Interim JCA in the summer of 2020, as included in Section 6 of the Act. The report shall include, but is not limited to, the following items for both the DHS and DSS grant programs:

- Grant program outline;
- Intended grant outcomes;
- Grant application process;
- Successful grant award criteria;
- Both grant applicant and recipient name, project name, geographic location (region) and/or other considerations;
- Grant recipients including project summary, budget summary, and project outcomes; and
- Status of the nursing home rate methodology review.

2019 Legislative Session Letter of Intent

May 22, 2019

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Thank you for your cooperation.

/s/ Senator Wiik

Senator John Wiik
Lead Co-Chair, Joint Committee on Appropriations

/s/ Representative Karr

Representative Chris Karr
Co-Chair, Joint Committee on
Appropriations

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

Attachment C

REPRESENTATIVE STEVEN G. HAUGAARD, CHAIR | SENATOR BROCK L. GREENFIELD, VICE CHAIR
JASON HANCOCK, DIRECTOR | SUE CICHOS, DEPUTY DIRECTOR | DOUG DECKER, CODE COUNSEL
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Joint Committee on Appropriations
SENATOR JOHN WIİK, CO-CHAIR
REPRESENTATIVE CHRIS KARR, CO-CHAIR

May 22, 2019

Ms. Amy Iversen-Pollreizs, Interim Secretary
Department of Social Services
Kneip Building
Pierre, SD 57501

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

Letter of Intent Regarding Department of Social Services and Department of Health Opioid Federal Funding

Dear Secretary Iversen-Pollreizs and Secretary Malsam-Rysdon:

This Letter of Intent sets forth a particular view held by the Joint Committee on Appropriations (JCA) in approving your appropriation in the 2019 Legislative session. As such, this Letter of Intent seeks to supplement that legislation with specific policy guidance as approved on May 22, 2019.

While the guidance 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 JCA that a combined annual report on federal opioid funding be provided to the JCA no later than November 1 of each year in which the State received funding for opioids detailing the following items:

- Dollars expended, grants utilized, and a description for each program or activity receiving opioid funding for the prior, current, and next fiscal year;
- Planned program outcomes, goals, and identified metrics for each program or activity receiving opioid funding; and
- An update on outcomes, goals, and metric attainment in the prior fiscal year.

Thank you for your cooperation.

/s/ Senator Wiik
Senator John Wiik
Lead Co-Chair, Joint Committee on Appropriations

/s/ Representative Karr
Representative Chris Karr
Co-Chair, Joint Committee on Appropriations

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

Attachment D

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

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Joint Committee on Appropriations
SENATOR JOHN WIIK, CO-CHAIR
REPRESENTATIVE CHRIS KARR, CO-CHAIR

May 22, 2019

Ms. Kim Vanneman, Secretary
Department of Agriculture
523 E. Capitol Ave, Foss Building
Pierre, SD 57501

Letter of Intent Regarding Billing Boards & Commissions for Services

Dear Secretary Vanneman:

This Letter of Intent sets forth a particular view held by the Joint Committee on Appropriations (JCA) in approving your appropriation in the 2019 Legislative session. As such, this Letter of Intent seeks to supplement that legislation with specific policy guidance as approved on May 22, 2019.

While the guidance 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 2019 Legislature approved 1.0 FTE and \$77,439 in general funds for a Department of Agriculture (DOA) Accounting Manager position through SB191. It is the intent of the JCA that the DOA complete an analysis and bring forth a proposal to implement the process of billing the boards, commissions and councils housed under the DOA for accounting, legal and any other services rendered by DOA. The proposal should include any proposed changes to statute, administrative rule, and internal processes and procedures. The JCA requests a report be submitted no later than November 1, 2019 detailing the DOA's proposal.

Thank you for your cooperation.

_____/s/ Senator Wiik
Senator John Wiik
Lead Co-Chair, Joint Committee on Appropriations

_____/s/ Representative Karr
Representative Chris Karr
Co-Chair, Joint Committee on
Appropriations

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

Attachment E

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

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Joint Committee on Appropriations
SENATOR JOHN WIIK, CO-CHAIR
REPRESENTATIVE CHRIS KARR, CO-CHAIR

May 22, 2019

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

Mr. Michael Leidholt, Secretary
Department of Corrections
3200 E Highway 34
Pierre, SD 57501

Letter of Intent Regarding use of Telemedicine within Correctional Health

Dear Secretary Malsam-Rysdon and Michael Leidholt:

This Letter of Intent sets forth a particular view held by the Joint Committee on Appropriations (JCA) in approving your appropriation in the 2019 Legislative session. As such, this Letter of Intent seeks to supplement that legislation with specific policy guidance as approved on May 22, 2019.

While the guidance 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 JCA that the Department of Health provide a report by November 1, 2019 detailing the following items regarding telemedicine within correctional health:

- Where is telemedicine being used and how often;
- Describe the services of eCare being used by the State, the annual cost of eCare services, a breakout of outsourced services, and an explanation for eCare services not utilized;
- Areas where telemedicine could be implemented to reduce costs per patient and an analysis of potential cost savings per patient for these areas;
- Report on the cost and frequency of hospital trips and how telemedicine could be used to further reduce the frequency and cost of hospital trips; and

Thank you for your cooperation.

/s/ Senator Wiik
Senator John Wiik
Lead Co-Chair, Joint Committee on Appropriations

/s/ Representative Karr
Representative Chris Karr
Co-Chair, Joint Committee on Appropriations

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

Attachment F

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

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Joint Committee on Appropriations
SENATOR JOHN WIIK, CO-CHAIR
REPRESENTATIVE CHRIS KARR, CO-CHAIR

May 22, 2019

Marcia Hultman, Department Secretary
Department of Labor and Regulation
123 W. Missouri Ave.
Pierre, SD 57501

Letter of Intent Regarding Appropriations for Family-First Initiative Program

Dear Secretary Hultman,

This Letter of Intent sets forth a particular view held by the Joint Committee on Appropriations (JCA) in approving your appropriation in the 2019 Legislative session. As such, this Letter of Intent seeks to supplement that legislation with specific policy guidance as approved on May 22, 2019.

While the guidance 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.

SB191 provided \$215,000 in general fund appropriations to implement a new family-first initiative program within the Department of Labor and Regulation (DLR). It is the intent of the committee that no more than \$15,000 of the funding be used for administering the program. As part of this ongoing funding the JCA requests a report delivered no later than November 1 of each year, beginning November 1, 2019 outlining at a minimum the following items:

- For the recently completed fiscal year, the list of the awardees, dollar amount, purpose, and intended outcome;
- Provide a list by location of expanded existing classes/programs and increased offerings of classes/programs by providers; and
- Develop and report on measurable outcomes for the program consistent with those specified during the 2019 legislative session, which includes tracking those registered to produce an outcome measure.

For the first bullet point regarding fiscal year 2020 please provide the current numbers. Thank you for your cooperation.

_____/s/ Senator Wiik_____
Senator John Wiik
Lead Co-Chair, Joint Committee on Appropriations

_____/s/ Representative Karr_____
Representative Chris Karr
Co-Chair, Joint Committee on Appropriations

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

Attachment G

REPRESENTATIVE STEVEN G. HAUGAARD, CHAIR | SENATOR BROCK L. GREENFIELD, VICE CHAIR
JASON HANCOCK, DIRECTOR | SUE CICHOS, DEPUTY DIRECTOR | DOUG DECKER, CODE COUNSEL
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Joint Committee on Appropriations
SENATOR JOHN WIJK, CO-CHAIR
REPRESENTATIVE CHRIS KARR, CO-CHAIR

May 22, 2019

Ms. Amy Iversen-Pollreisz, Interim Secretary
Department of Social Services
Kneip Building
Pierre, SD 57501

Letter of Intent Regarding Department of Social Services Lean Management Audit

Dear Secretary Iversen-Pollreisz:

This Letter of Intent sets forth a particular view held by the Joint Committee on Appropriations (JCA) in approving your appropriation in the 2019 Legislative session. As such, this Letter of Intent seeks to supplement that legislation with specific policy guidance as approved on May 22, 2019.

While the guidance 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 the Department of Social Services' Medicaid claims process and other areas as the Department sees fit. 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, the Department of Labor and Regulation, the Bureau of Administration, and the Department of Corrections. 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.

 /s/ Senator Wiik
Senator John Wiik
Lead Co-Chair, Joint Committee on Appropriations

 /s/ Representative Karr
Representative Chris Karr
Co-Chair, Joint Committee on
Appropriations

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

Attachment H

REPRESENTATIVE STEVEN G. HAUGAARD, CHAIR | SENATOR BROCK L. GREENFIELD, VICE CHAIR
JASON HANCOCK, DIRECTOR | SUE CICHOS, DEPUTY DIRECTOR | DOUG DECKER, CODE COUNSEL
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Joint Committee on Appropriations
SENATOR JOHN WIIK, CO-CHAIR
REPRESENTATIVE CHRIS KARR, CO-CHAIR

May 22, 2019

Dr. Paul B. Beran, Executive Director
Board of Regents
306 E. Capitol Ave., Suite 200
Pierre, SD 57501

Letter of Intent Regarding Board of Regents Lean Implementation

Dear Dr. Beran:

This Letter of Intent sets forth a particular view held by the Joint Committee on Appropriations (JCA) in approving your appropriation in the 2019 Legislative session. As such, this Letter of Intent seeks to supplement that legislation with specific policy guidance as approved on May 22, 2019.

While the guidance 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 the Board of Regents Central Office. The objective of this audit is to create efficiencies between the universities and the central office by focusing on the key elements of purpose, people, and processes. 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.

_____/s/ Senator Wiik_____
Senator John Wiik
Lead Co-Chair, Joint Committee on Appropriations

_____/s/ Representative Karr_____
Representative Chris Karr
Co-Chair, Joint Committee on Appropriations

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

Attachment I

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

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Joint Committee on Appropriations
SENATOR JOHN WIIK, CO-CHAIR
REPRESENTATIVE CHRIS KARR, CO-CHAIR

May 22, 2019

Dr. Paul B. Beran, Executive Director
Board of Regents
306 E. Capitol Ave., Suite 200
Pierre, SD 57501

Letter of Intent Regarding Appropriations for Research Parks

Dear Dr. Beran:

This Letter of Intent sets forth a particular view held by the Joint Committee on Appropriations (JCA) in approving your appropriation in the 2019 Legislative session. As such, this Letter of Intent seeks to supplement that legislation with specific policy guidance as approved on May 22, 2019.

While the guidance 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.

SB191 provided \$300,000 in general fund appropriations for the ongoing operations of South Dakota's three research parks. It is the intent of the Joint Committee on Appropriations for fiscal year 2020 and each fiscal year thereafter that the South Dakota State University (SDSU) Research Park in Brookings, the University of South Dakota (USD) Discovery District in Sioux Falls, and the Ascent Innovation research park in Rapid City each receive \$100,000 to support research park operations. A 1-to-1 cash basis match must be provided for this funding. As part of this ongoing funding, the JCA requests a report be delivered no later than November 1 of each year, beginning November 1, 2019 outlining at a minimum the most recent activities of the research parks, capital investments and partners, list of tenants by occupied space and length of time at the research park, upcoming capital projects within the research park and at least one success story in the current year.

This letter of intent supersedes any previous letter of intent regarding research parks. Thank you for your cooperation.

_____/s/ Senator Wiik_____
Senator John Wiik
Lead Co-Chair, Joint Committee on Appropriations

_____/s/ Representative Karr_____
Representative Chris Karr
Co-Chair, Joint Committee on Appropriations

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

Attachment J

REPRESENTATIVE STEVEN G. HAUGAARD, CHAIR | SENATOR BROCK L. GREENFIELD, VICE CHAIR
JASON HANCOCK, DIRECTOR | SUE CICHOS, DEPUTY DIRECTOR | DOUG DECKER, CODE COUNSEL
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Joint Committee on Appropriations
SENATOR JOHN WIJK, CO-CHAIR
REPRESENTATIVE CHRIS KARR, CO-CHAIR

May 22, 2019

Dr. Paul B. Beran, Executive Director
Board of Regents
306 E. Capitol Ave., Suite 200
Pierre, SD 57501

Letter of Intent Regarding the Realignment of General Funds for Utilities Among Universities Under Control of the Board of Regents

Dear Dr. Beran:

This Letter of Intent sets forth a particular view held by the Joint Committee on Appropriations (JCA) in approving your appropriation in the 2019 Legislative session. As such, this Letter of Intent seeks to supplement that legislation with specific policy guidance as approved on May 22, 2019.

While the guidance 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.

SB180 impacts utility appropriations for institutions under control of the Board of Regents. The amounts included in the legislation are estimates, based on systems overseen by the Bureau of Finance and Management. It is the intent of the Joint Committee on Appropriations that the institutions may realign the appropriated general fund utility dollars between the institutions as necessary to fully fund the utility costs for each institution, to the extent dollars are available. The institutions will prepare transfer documents and submit them to the Bureau of Finance and Management according to established procedures. The Joint Committee on Appropriations will continue to receive an electronic record of these transfers as they occur.

Thank you for your cooperation.

/s/ Senator Wiik
Senator John Wiik
Lead Co-Chair, Joint Committee on Appropriations

/s/ Representative Karr
Representative Chris Karr
Co-Chair, Joint Committee on Appropriations

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

Attachment K

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

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Joint Committee on Appropriations
SENATOR JOHN WIIK, CO-CHAIR
REPRESENTATIVE CHRIS KARR, CO-CHAIR

May 22, 2019

Ms. Amy Iversen-Pollreisz, Interim Secretary
Department of Social Services
Kneip Building
Pierre, SD 57501

Letter of Intent Regarding Statewide Resource Information System

Dear Secretary Iversen-Pollreisz,

This Letter of Intent sets forth a particular view held by the Joint Committee on Appropriations (JCA) in approving your appropriation in the 2019 Legislative session. As such, this Letter of Intent seeks to supplement that legislation with specific policy guidance as approved on May 22, 2019.

While the guidance 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 2019 South Dakota Legislature, through the FY2020 General Appropriations Act (Senate Bill 191), approved a base funding increase of \$375,000 in general funds for a statewide resource information system. It is the intent of the JCA that an annual report be provided no later than November 1 of each year detailing the following items supported through this funding:

- Outcomes, goals, and/or identified metrics;
- Number of calls/emails/texts received;
- Purpose of or type of calls/emails/texts received; and
- Counties/localities supported.

Thank you for your cooperation.

/s/ Senator Wiik
Senator John Wiik
Lead Co-Chair, Joint Committee on Appropriations

/s/ Representative Karr
Representative Chris Karr
Co-Chair, Joint Committee on Appropriations

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

Attachment L

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

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Joint Committee on Appropriations
SENATOR JOHN WIIK, CO-CHAIR
REPRESENTATIVE CHRIS KARR, CO-CHAIR

May 22, 2019

Dr. Paul B. Beran, Executive Director
Board of Regents
306 E. Capitol Ave., Suite 200
Pierre, SD 57501

Sheila Gestring, President
University of South Dakota
414 E. Clark Street
Vermillion, SD 57069

Interim President
Black Hills State University
1200 University Blvd
Spearfish, SD 57799

Letter of Intent Regarding University Center Operations

Dear Dr. Beran, President Gestring, and BHSU Interim President.:

This Letter of Intent sets forth a particular view held by the Joint Committee on Appropriations (JCA) in approving your appropriation in the 2019 Legislative session. As such, this Letter of Intent seeks to supplement that legislation with specific policy guidance as approved on May 22, 2019.

While the guidance 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 JCA that the University of South Dakota and Blacks Hills State University each provide a written report by July 1, 2019 regarding the operations of the University Center administered by the University detailing the following items:

- Produce a new budget unit including actual and projected expenditures and FTEs;
- Provide the overhead rate for the different colleges within the University regarding the Responsibility Centered Management (RCM) model and explain how and why the overhead rate was derived;
- Provide an updated GOAC financial statement for the University Center incorporating an RCM model overhead rate for FY13-FY18;
- Provide detailed comparison of differences or duplication of degrees, classes, and programs of study between the state's four technical institutes and the University Center;
- Provide for two legislators to be on the advisory board as appointed by the co-chairs of the JCA; and
- Define success and failure by providing goals, metrics, and a timeline outlining the next three years of operations and an exit plan for what happens if failure to obtain the goals and metrics occurs.

/s/ Senator Wiik
Senator John Wiik
Lead Co-Chair, Joint Committee on Appropriations

/s/ Representative Karr
Representative Chris Karr
Co-Chair, Joint Committee on Appropriations

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