



Third Meeting
2013 Interim
December 3, 2013

LCR 1 & 2
State Capitol Building
Pierre, South Dakota

Tuesday, December 3, 2013

The third meeting of the Interim Committee on Appropriations for 2013 was called to order by the lead Co-Chair, Representative Fred Romkema, at 2:56 p.m. (CDT) in Legislative Conference Rooms 1 & 2 of the State Capitol, Pierre, South Dakota.

A quorum was determined with the following members answering the roll call: Representative Fred Romkema, Co-Chair; Senator Deb Peters, Co-Chair; Representatives Jim Bolin, Dan Dryden, Don Haggar, Spencer Hawley, Mark Mickelson, and Susan Wismer; and Senators Phyllis Heineman, Tom Jones, Al Novstrup, Billie Sutton, Larry Tidemann, Bill Van Gerpen, and Jim White. Excused were Representatives Lance Carson and Dick Werner; and Senator Stan Adelstein.

Staff members present included Annie Mehlhaff, Chief Fiscal Analyst; Aaron Olson, Senior Fiscal Analyst; Denice Houlette, Senior Fiscal Analyst; Jason Simmons, Senior Fiscal Analyst; and Traci Thompson, Legislative 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 (LRC). This meeting was web cast live. The archived web cast is available at the LRC web site at <http://legis.sd.gov> under "Interim – 2013 – Agenda, Minutes and Documents.")

Approval of Minutes

REPRESENTATIVE DRYDEN MOVED, SECONDED BY SENATOR WHITE, TO APPROVE THE MINUTES OF JUNE 25, 2013. The motion prevailed unanimously on a voice vote.

Opening Remarks

Representative Romkema stated that he was pleased with the budget address that was given by Governor Daugaard. **Senator Peters**, lead co-chair during the 2014 Legislative Session, mentioned that she was looking forward to the committee members coming together and getting things done.

Senator Tidemann said that at the last meeting they had discussed having the Government Operations and Audit Committee (GOAC) put the South Dakota Veterans' Home on their agenda. He stated that GOAC had discussed this and the administration had a successful

outcome with a new bid for the home coming in at \$41M rather than the original \$51M. He stated that it was going to be a very good home for South Dakota veterans.

Temporary Assistance for Needy Families (TANF)

Secretary Kim Malsam-Rysdon, SD Department of Social Services, commented that they have had structural deficits in the TANF and child care block grant programs in previous years, but have addressed this issue with a base transfer. Secretary Malsam-Rysdon said there will not be a deficit in FY2014.

Representative Wismer asked for the total amount of the base transfer and if the Department of Social Services could provide a chart showing, for the past ten years, the total dollars initially budgeted each year, the dollars that were transferred, the federal carry-over amount, the federal fund balance, and finally, the amount of general fund dollars spent on these programs. Secretary Malsam-Rysdon stated that the base transfer for FY2013 was \$4.5M and that they would provide the requested information for the previous years.

Letters of Intent Reports

Representative Romkema gave an overview of the unique situation in which the Unified Judicial System, the Department of Corrections, and the Office of the Attorney General were in with regard to a declining revenue source in the Law Enforcement Officer Training Fund (LEOTF). The Joint Committee had issued a letter of intent to these agencies requesting them to present a solution at the December meeting.

Kay McLain, Office of the Attorney General, stated that the three agencies have been meeting to discuss the issue of the declining revenue source and the \$1M structural deficit in the LEOTF they will be facing at the end of this year. They have entertained several options, but have not been able to reach a consensus. Ms. McLain presented a letter from **Attorney General, Marty Jackley**, dated December 2, 2013, **(Document #1)** requesting assistance from the Joint Committee on Appropriations to ensure that the legislative directives are carried out in a fiscally responsible manner with regard to this fund.

Bryan Gortmaker, Director of the Division of Criminal Investigation, stated that revenue has been declining since 2001 due to fewer tickets being written because of increased duties being assigned to the officers.

Denny Kaemingk, Secretary of the Department of Corrections, stated that they had been receiving funds from the LEOTF in the amount of \$143,000 for the past four years. The FY2015 Budget, however, does not contain any money from that fund.

Senator Peters suggested that the Government Operations and Audit Committee meet with the agencies involved before the Legislative Session to come up with a solution.

2014 Legislative Session Budget Hearing Procedures

Senator Peters briefed the members of the Joint Appropriations Committee on the pre-session issue forum scheduled for January 9th and January 10th, 2014, to discuss issues in-depth before the next Legislative Session.

Adjourn

REPRESENTATIVE MICKELSON MOVED, SECONDED BY SENATOR WHITE, TO ADJOURN. The motion prevailed unanimously on a voice vote.

The committee adjourned at 3:32 p.m.

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