



Legislative Research Council

MINUTES

Legislative Planning Committee

Representative Scott Munsterman, Chair
Senator Mike Vehle, Vice Chair

Third Meeting
2015 Interim
October 22, 2015

Room 413
State Capitol
Pierre, South Dakota

The third meeting of the Legislative Planning Committee was called to order by Representative Scott Munsterman, Chair, at 10:00 a.m. (CDT), on Thursday, October 22, 2015, in Room 413 of the State Capitol in Pierre, South Dakota.

There was a quorum with the following members answering the roll call: Representative Scott Munsterman, Chair; Senator Mike Vehle, Vice Chair; Senators Terri Haverly and Scott Parsley; Representatives Kristin Conzet (by telephone), Jacqueline Sly, and Dean Wink. Members excused: Senators Corey Brown and Ried Holien, and Representative Shawn Bordeaux.

Staff members present included Clare Charlson, Principal Research Analyst; David Ortbahn, Chief Analyst of Research and Legal Services; Jason Simmons, Fiscal Analyst; and Rena Ortbahn, Legislative Secretary.

All material distributed at the meeting is attached to the original minutes on file in the Legislative Research Council (LRC). This meeting was recorded by South Dakota Public Broadcasting. The committee documents and archived recording are available at the LRC website at <http://legis.sd.gov> under "Interim – Agendas, Minutes and Committee Documents." For the purpose of continuity, these minutes are not necessarily in chronological order.

Approval of Minutes

SENATOR PARSLEY MOVED, SECONDED BY REPRESENTATIVE SLY, THAT THE MINUTES OF THE AUGUST 31, 2015, MEETING BE APPROVED. The motion prevailed unanimously on a voice vote.

Education Programs Available to Adult Inmates in State Correctional Facilities

Ms. Jennifer Stanwick-Klimek, Deputy Warden, Mike Durfee State Prison, provided an overview of adult education programs in South Dakota correctional facilities including: GED, Cognitive Behavioral Programming, Vocational Programming, and Postsecondary Correspondence courses (**Document 1**). Upon entering the correctional system, inmates are assessed as to their functioning level and offered educational programs. They can refuse, but it affects their eligibility for parole. Ms. Stanwick-Klimek explained that, depending on the participant's function level and sentence length, the participant may not complete educational programming by the time of release. The Department of Corrections does have collaborative relationships with community service providers so that participants can continue their education. The cost depends on the provider; the Department of Corrections does not charge for educational services.

Ms. Stanwick-Klimek said the number of inmates graduating from the GED program has decreased in the last year due mainly to the introduction of electronic testing. Since offenders do not have access to the Internet, the majority of their GED learning is paper-based. She said her department reports GED program results to the Department of Labor.

Ms. Stanwick-Klimek said there are presently five vocational education instructors at the Mike Durfee State Prison. The job readiness program, formerly available at the women's facility, is inactive. Ms. Stanwick-Klimek said factors hindering development of postsecondary education programs within the corrections system include the ineligibility of inmates for financial aid, the lack of funding available through the Department of Corrections, short sentences, transfers within the prison system, and the jobs that minimum security inmates hold. She noted that some inmates use their skills to provide tutoring services in reading and math to other inmates.

Ms. Stanwick-Klimek said research shows vocational education leads to the largest reduction in recidivism, even more than attaining a GED, and that the department is always looking for new vocational programs.

Representative Munsterman requested data on program efficiencies and Senator Vehle is interested in overall outcomes and what the state can do to lesson recidivism. Ms. Stanwick-Klimek responded that she will provide the committee with further information in this regard.

Wrap-up on Benchmarks and Performance Measures for Postsecondary Education

Ms. Tiffany Sanderson, Director, Division of Career and Technical Education, Department of Education (DOE) and **Mr. Mark Wilson**, President, Mitchell Technical Institute, jointly testified before the committee.

Ms. Sanderson presented SDTECH benchmark data as contained in three documents (**Documents 2, 3, and 4**). The first document summarizes the technical institutes' mission and objectives of product, people, and plant. The second document expands upon the work plan and includes proposed benchmarks and performance measures. Benchmarks highlighted in blue correspond with the benchmarks of the SD Board of Regents. The last document provides salary highlights for nine high-demand training programs.

Ms. Sanderson spoke in detail about the welding program graduates and answered questions from the committee. She said the data does not distinguish between full or part-time jobs, or whether graduates are holding one or two jobs, but the report does indicate that since 2008, wages are going up, and education is paying off over time.

Responding to Senator Vehle's question, information on graduates working out of state will be collected under a benchmark measurement. Representative Wink added that the Build Dakota program requires that graduates work in the state for three years, and the Future Fund also has work commitments. Mr. Wilson said that Mitchell Technical Institute also has a program that requires students to stay in South Dakota for three to five years. Ms. Sanderson spoke of the Build Dakota program which she said has provided a model that other states now use.

Senator Parsley is troubled by the problem of increasing student debt. Mr. Wilson said the technical institutes take pride in their high placement rates. He said if a technical institute program results in no job placement or a job without a livable wage, it is discontinued. He noted duplicate programs are permissible, if the supply and demand is there.

Representative Sly asked what the challenges are for those who may take longer than normal to graduate. Ms. Sanderson explained that many technical students need financial aid, have part-time jobs, and are working mothers or single parents. Southeast Technical Institute and Western Dakota Technical Institute have fewer students graduating on time compared to Lake Area Technical Institute and Mitchell Technical Institute. Mr. Wilson said Southeast Technical Institute has a higher number of part-time students who work and go to school at same time, while Western Dakota Technical Institute has many students who face socioeconomic challenges.

Ms. Sanderson said the technical institutes would need to identify program areas that would be expanded if more funding were directed into the prison system. She said any programs giving them the credentials to go back into the community and be successful would typically be a year long, and due to program restrictions, inmates would not be eligible for licensure in some areas. Mr. Wilson added that they could look at areas that are not measured in credit hours such as truck driving or jump start individuals into programs such as welding that require certification instead of licensure. He suggested a mentoring program for support and continual coaching.

Dr. Paul Turman, System Vice President for Academic Affairs, SD Board of Regents, explained that the Board of Regents has condensed their performance indicators into six core indicators + 1. He provided a bar chart for each core indicator showing performance from FY 2011 through FY 2015. **(Document 5)** ([Presentation is available at the LRC website](#))

The 6 plus 1 core indicators are: Undergraduate Degrees awarded; Graduate Degrees Awarded; Retention Rate, In-System; Percent of Graduates Passing Licensure Exams; Grants and Contracts Expenditures; Percent of Operating Budget Funded by State; State Appropriation per FTE student; and Education and Related Spending per Degree. Dr. Turman said the 6 plus 1 key indicators focus on a broad area while metrics not included in his presentation contain more detailed information.

Over the last decade there has been an increase of about 300 graduates per year. They are seeing more shared programs between the institutions to leverage the cost of high cost programs. The first year to second year retention rate has gone from 71.2% to 77.5%, and the state has an early alert system to increase the likelihood of retaining students.

The benchmark for percent of graduates passing licensure exams is for degree programs that have licensure requirements, primarily at USD and SDSU. It reflects the first-time attempts at licensure. Although the USD nursing program performance has recently brought down the average, Dr. Turman said all the other programs are above the national average.

Federal funds are declining, and institutions are aggressively seeking more funding from industries and government. Dr. Turman said they are looking for ways to decrease costs for students; the tuition freeze helped, and the goal is that 50% of the operating budget comes from the state by 2020.

There is a lot of information on graduates remaining in South Dakota. He pointed to the Dakota Corp Scholarship program as an example of a debt forgiveness program that encourages students to work in state after graduation. Eighty percent of these students stay in South Dakota after graduation compared to 72% of those graduates who earned an Opportunity Scholarship. The five-year trend shows more students are staying in South Dakota.

Dr. Turman then discussed the state general fund expenditures per student FTE and per student graduate for the SD Regental system **(Document 6)**. He broke the information down per institution from FY 2011 through FY 2015. He emphasized that graduate numbers are not declining, but state resources have. Although the per student allocation per graduate is still lower than FY 2011, it has been increasing, and he expects it will rebound in time.

If the Consumer Price Index were factored in, the cost of education and related spending of around \$57,950 per degree has remained fairly level through the past decade. Over time, however, students have been picking up more of this cost. He thinks the South Dakota Board of Regents is doing the best it can with the dollars the state provides.

Representative Munsterman noted that since FY 2011, some institutions have received more in per student allocations of general fund expenditures, while SDSU and BHSU have received less. Dr. Turman replied that in recent years, the Regental system has not had a per student allocation formula. The funding is now with the Legislature, and that as the performance student model was adopted, state resources dropped. He said the issue is starting to be addressed. SDSU has received about a \$6 million increase in expenditures since FY 2011, while NSU and DSU have remained relatively flat. He said base plus funding models tend to provide more resources for the three research institutions. The investments in the doctoral programs have increased, but that is not addressing the number of FTE's they serve. He said it is difficult to take away from one institution when its numbers have not dropped, and reallocate to an institution that has grown. Dr. Turman said SD Board of Regents continues to address this issue.

Representative Munsterman recessed the committee at 12:15 p.m. and reconvened it at 1:00 p.m.

Overview of Health in South Dakota and Indian Health

Dr. Lon Kightlinger, State Epidemiologist, provided a quick overview of the key health indicators monitored by the Department of Health (**Document 7**). He highlighted significant disparities between the American Indian and white populations in a number of areas including mortality, obesity, diabetes, and smoking prevalence.

Dr. Kightlinger told how South Dakota ranks nationally in the following areas: 34th in infant mortality rates; 7th in the motor vehicle death rate; 11th for vaccination rates for children age 19 – 35 months; and 49th for adult seat belt usage.

Dr. Kightlinger said the high vaccination rate is a reason the recent Davison County measles outbreak did not spread. He noted that last year was a tough year in that there were 63 deaths from influenza, while on average there are 20 deaths per year.

Ms. Kim Malsam-Rysdon, Secretary, Department of Health, said the Department of Health (DOH) Strategic Plan is still being drafted and should be completed this December. She said health care is constantly changing; health involves individual and community efforts, and often times, state efforts. The strategic plan has five priority goals, each having objectives, strategy areas, and key performance indicators. Ms. Malsam-Rysdon said source data for all of the key performance indicators are well validated and show historical trends. The goals are: 1) Improve the quality, accessibility, and effective use of health care; 2) Support life-long health for all South Dakotans; 3) Prepare for, respond to, and prevent public health threats; 4) Develop and strengthen strategic partnerships to improve public health; and 5) Maximize the effectiveness and strengthen the infrastructure of the DOH.

Ms. Malsam-Rysdon said the first goal pertains to how the department interacts with healthcare facilities across the state. She introduced **Mr. Tom Martinec**, Division Director, Health Systems Development and Regulation, who provided further information.

Ms. Colleen Winter, Division Director, Health and Medical Services, said goal #2 focuses on prevention and encouraging healthy behaviors. Ms. Winter said a biannual South Dakota risk survey helps identify the percent of students who never or rarely wear a seatbelt. Ms. Malsam-Rysdon said First Lady Linda Daugaard has led an effective, helpful effort in the area of infant mortality.

Mr. Martinec said the department is working on fine tuning the strategies and key indicators for preventive health goal #3.

Ms. Malsam-Rysdon said DOH works with partners throughout the state addressing objectives such as reducing suicide and mental health and substance abuse disorders, and making inroads in the complex area of health disparities. She said strategies involve using data as effectively as possible and providing solid data so communities can address problems in an informed way.

Ms. Malsam-Rysdon described the Bright Start Home Visiting program as an example of a DOH strategy working on reservations. Nurses work with high risk pregnant moms to help them get the support they need. Ms. Winter said the chronic disease program has a great partnership with schools and, through community health nurses, addresses issues such as obesity.

Ms. Joan Adam, Division Director, Administration, explained that South Dakota hospitals and many health facilities have been converting to electronic records and that by 2016, 63 hospitals and over 300 medical clinics will be connected by electronic records. The Department of Health tries to coordinate the goal of hospitals and clinics being able to share these electronic records. She said the facilities now have the ability to send secure messages and patient information from one facility to another, for example, in transferring patients from hospitals to nursing homes. In the future, a standard set of data on medical conditions will be able to be shared from facility to facility.

Ms. Adam said long term care providers want to link into the electronic system, and the South Dakota Veteran's Administration is one of the first in the nation to be involved.

Ms. Adam said the system is designed so electronic health records reside only within the hospital or clinic's record system. Ms. Adam said the patient record, in the electronic file format, is more secure than a paper file sitting on a fax machine. She said there are logs maintained as to who accessed the information, why, and when. She said without a reason and need, electronic documents cannot be accessed.

Senator Vehle questioned whether recipients of services become overly dependent on providers rather than taking personal responsibility. Ms. Malsam-Rysdon gave the example of Bright Start where the nurse works with the expectant mother to develop a plan to address the issues, but ultimately the mother has to take the action. She added it does take a high degree of effort to produce a good outcome.

Ms. Malsam-Rysdon said, in general, work force issues included within Goal #5 are very challenging. She said the department hires from within communities it serves; these communities are changing, and the department wants its work force to change with them while still ensuring staff has the necessary job skills.

Representative Munsterman said the committee wants key performance indicators to present to the Legislature and requested that DOH have these performance measures available at the next meeting. Ms. Malsam-Rysdon said the department can identify measures, though it gets tricky in grading someone for a measure over which they have no control.

Overview of the Governor's Primary Care Task Force and Possible Medicaid Expansion

Ms. Malsam-Rysdon presented an overview of the Governor's Primary Care Task Force Oversight Committee. She said the task force would like to see more residencies in South Dakota, and in the rural parts of the state.

Ms. Malsam-Rysdon explained cost is prohibiting Medicaid expansion in South Dakota. The federal government will pay 90% of the cost, but that still leaves significant costs for the state. She said to expand Medicaid in South Dakota will require a \$30 to \$33 million expenditure of state funds annually. Before the state considers expansion, the funds have to be available. There may be an opportunity within the state budget to help support this cost, but it hinges on flexibility at the federal level.

The state has requested the federal government to pay the healthcare costs for people eligible for Indian Health Services (IHS) at 100% no matter whether the costs are incurred on or off the reservation. Presently IHS pays at the 100% level for costs incurred on the reservation. Outside the reservation, if the person is Medicaid eligible, the state pays a match. If changes are made at the federal level, enough state funds could be freed up so that Medicaid could be expanded. At the same time, the state proposes collaborating with IHS to decrease its healthcare costs. The federal government is seriously considering this proposal.

The SD Health Care Solutions Coalition Subcommittees are meeting on specific strategies to provide increased access to 100% Federal Medicaid Assistance Percentage (FMAP) care and improving health outcomes for Native Americans. Strategies such as providing telemedicine services to the IHS clinics could decrease the costs of unnecessary transfers, and allow the state's community health representatives to provide follow-up services to IHS clients needing help between doctor visits.

Representative Munsterman said at the next meeting he would like to see the indicators attached to the five DOH goals. Ms. Malsam-Rysdon said the DOH will strive to come up with the key indicators that are most important and that can effect change.

Committee Discussion – Next Meeting

Representative Sly said it is important to look at specific skills inmates can use when they are released that will provide them a job and money to afford a place to live and support their families. Senator Haverly asked what educational opportunities are available for female inmates. Representative Wink then asked why more are not available.

Representative Munsterman thinks the Build Dakota program provides skills that lead to viable positions, and that inmates could possibly receive training for some of those same jobs. He said even if the inmate is in for a short time and not finished with a training program when released, providing support when the inmate gets out to continue the training may be an investment worth making.

In summary, Representative Munsterman said he hoped the following could be undertaken before the next committee meeting:

- The technical institutes and Department of Corrections staff should discuss educational programs that could be made available to inmates, and report their progress to the committee at the next meeting;
- The technical institutes should provide their benchmarks in a one-page format similar to that presented by SDBOR;

- The Department of Health should develop key dashboard indicators for their five main goals in a format similar to that presented by SDBOR, and report on them at the committee's next meeting; and
- The workforce development dashboard indicators that the committee previously discussed should be reviewed and updated.

Representative Munsterman said the committee should have a final report covering all the areas discussed, with dashboard indicators, to present to the LRC Executive Board and the full legislature. Senator Vehle said agency reports with dashboards indicators could be updated every year.

The final meeting for this interim of the Legislative Planning Committee is set for Monday, December 7, 2015.

Adjournment

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

The chair adjourned at 3:17 p.m.