



# MINUTES

## GOVERNMENT OPERATIONS AND AUDIT COMMITTEE

**Seventh Meeting  
2008 Interim  
November 10, 2008**

**LCR 1  
State Capitol  
Pierre, South Dakota**

The seventh meeting of the 2008 Interim Government Operations and Audit Committee was called to order by Chair Gant at 8:10 a.m., November 10, 2008, in LCR 1, State Capitol Building, Pierre, South Dakota.

A quorum was determined at 8:17 a.m. with the following members answering the roll call: Senators Dan Sutton, Jason Gant, Jean Hunhoff, and Scott Heidepriem; Representatives Margaret Gillespie, Deb Peters, and Larry Tidemann. Senator Jerry Apa and Representatives Garry Moore and Michael Buckingham were excused.

Staff members present were Mr. Martin L. Guindon, Auditor General, Mr. Bob Christianson, Mr. Tim Flannery, and Mr. Gary Hoscheid, State Government Audit Managers for the Department of Legislative Audit (DLA).

### **Approval of Minutes**

*Representative Peters moved, seconded by Representative Tidemann, the minutes of the September 23, 2008 meeting be approved. Motion prevailed unanimously on a voice vote.*

### **Department of Labor – Electrical Commission Issues (Doc's 2 & 2.2)**

Ms. Pamela Roberts, Secretary for the Department of Labor, Mr. Larry Simonson, President for the South Dakota Electrical Commission, and Mr. Todd Kolden, Department of Labor addressed the Committee on recent changes made at the South Dakota Electrical Commission. Mr. Simonson discussed the proposed new legislation (Doc 2). The draft legislation will be submitted to complete the omnibus bill to include the State Electrical Commission and the State Board of Technical Professions. Secretary Roberts addressed the status of the following concerns: The Executive Director position for the South Dakota Electrical Commission has been offered to an individual. The Commission should receive confirmation on acceptance of the position in the near future. Secretary Roberts reported that the reciprocity issues with North Dakota have been resolved, and fees are being charged as established in state law. The work load and breakdown of districts are being reviewed, and the inspectors are having monthly meetings. Secretary Roberts testified that the issuance and renewal of special licenses has ceased. The Commission is in the process of reviewing current special licenses. If certain qualifications are not met during this review process, there is a possibility of the special license being revoked. Secretary Roberts added that the Department of Labor may bring forth legislation in the future that will address colony special licensing. The Committee then heard public testimony from Mr. Kory Rawstern and Mr. Mark Anderson, President State Federation of Labor, both licensed electricians. Mr. Rawstern and Mr. Anderson expressed their concerns about the reciprocity issues with North Dakota. Secretary Roberts offered to contact North Dakota officials, get a list of any outstanding issues they may have, and provide the Committee with written notice from both states regarding the outstanding issues. This topic will be revisited as it progresses.

### **Cash Flow Portfolio and Blue Book (Doc's 3 & 3.1)**

Mr. Bob Christianson reviewed the various funds within the Cash Flow Portfolio. The Committee requested a breakdown from the Department of Revenue on Company 8000, Construction Projects Tax (Contractor's Excise Tax Refund) as to outstanding amounts owed and companies to be refunded. Mr. Christianson also presented the FY2008 Blue Book to Committee. Chair Gant and Mr. Christianson will discuss which agencies and funds will be reviewed at a future GOAC meeting.

### **Board of Medical and Osteopathic Examiners**

Chair Gant and Representative Peters proposed drafting a bill to clarify language on fees and define the annual and biennial license period to be 12 and 24 months, respectively. The Committee was in agreement that letters be sent to the various agency Secretaries, that have Boards and Commissions under them, for their input.

### **Department of Corrections (Doc's 6.2a 1 & 2)**

Mr. Tim Flannery reviewed the information submitted with respect to inmate labor. The Committee still had questions on these reports and requested further clarification from the Department of Corrections. Chair Gant and Mr. Flannery will request and review clarifying information from the Department of Corrections. If questions remain, Chair Gant will ask the Department of Corrections to appear before the Committee.

### **International Business Institute (Doc 6.3a)**

Mr. Flannery reviewed the information submitted. The Committee requested that Mr. Joop Bollen, South Dakota International Business Institute, NSU President Dr. Nichols and a spokesperson from GOED attend the December meeting to answer Committee questions.

### **GOAC Annual Report (Doc 6.5)**

Mr. Flannery reviewed the Annual Report with the Committee. Representative Peters moved, seconded by Representative Tidemann to allow Chair Gant to approve the final draft of the Annual Report. Chair Gant and the Department of Legislative Audit will discuss who presents the report to the Executive Board.

### **Birth to Three Program (Doc 6.4a)**

The Committee reviewed information submitted by the Department of Education regarding the monitoring process of the Birth to Three Connections programs. There was some Committee discussion. Ms. Pat Schaefer, spokesperson for Children's Care Hospital and School in Sioux Falls was present to address the Committee. Children's Care has been called upon by the Birth to Three Program to work through the implementation of changes. Ms. Schaefer testified to concerns that still need to be addressed by the Birth to Three Program in becoming more fiscally accountable.

### **Department of Social Services – Constituent Liaison (Docs 4.1 & 4.2)**

Ms. Deb Bowman, Secretary of the Department of Social Services, and Ms. Valerie Porter-Hanson, Constituent Liaison, Department of Social Services handed out the above documents and addressed the Committee regarding the progress of the Constituent Liaison program. Overall, Secretary Bowman and Ms. Porter-Hanson are pleased with the services this program provides to constituents and the positive feedback the department has received.

## **Department of Human Services – Western Interstate Commission for Higher Education (Doc 5)**

Mr. Dan Lusk, Deputy Secretary for the Department of Human Services, and Ms. Amy Iversen-Pollreisz, Director of the Division of Mental Health, Department of Human Services were on hand to explain the document submitted. Mr. Lusk referenced a previous GOAC document dated August 6, 2008 which explained the project was completed. Mr. Lusk explained the purpose of the agreement with WICHE was to provide technical assistance from a system of care pilot project in the Rapid City area to facilitate the process of providing mental health care for children and families in South Dakota. There was not an actual report upon completion of the project. There was no other discussion.

## **Future Items for December Meeting**

- Department of Tourism and State Development – Lawrence & Schiller Inc. contract & Eagle Creek Software Future Fund grant
- SD International Business Institute – Discussion on activities of the institute
- Department of Transportation – Discussion on certain highway projects
- Department of Education – Birth to Three Program
- Boards and Commissions – Information on license renewal periods
- Department of Revenue – Construction Projects Tax Refund information

## **Future Meeting Dates**

December 1, 2008 – LCR 1 & 2, back up room 464

*Senator Sutton moved, seconded by Representative Tidemann, to adjourn the meeting. Motion prevailed unanimously on a voice vote.*

The Committee adjourned the meeting at 11:42 a.m.



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