



MINUTES

GOVERNMENT OPERATIONS AND AUDIT COMMITTEE

**First Meeting
2012 Interim
March 20, 2012**

**Room 412
State Capitol
Pierre, South Dakota**

The first meeting of the 2012 Interim Government Operations and Audit Committee was called to order by Chair Haverly at 9:00 a.m., March 20, 2012, in LRC Room 412, State Capitol Building, Pierre, South Dakota.

A quorum was determined with the following members answering the roll call: Senators Jeff Haverly, Deb Peters, Larry Tidemann, and Jim Hundstad; Representatives Lance Carson, Charles Turbiville, Paul Dennert, Dan Dryden, and Kim Vanneman. Senator Jean Hunhoff was present via telephone.

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

Approval of Minutes

Representative Turbiville moved, seconded by Senator Peters, the minutes of the January 9, 2012 meeting be approved. Motion prevailed unanimously on a voice vote. (Doc.1)

Department of Human Services – Juvenile Corrections Monitor Semi-Annual Report (Doc's. 2,6, & 7)

Ms. Laurie Gill, Secretary for the Department of Human Services addressed the Committee and went over the Juvenile Corrections Monitor Semi-Annual Report for the period July 1, 2011 through December 31, 2011 Public Section (Doc. 7). Ms. Gill summarized one instance of substantiated abuse where the Department of Corrections investigated and took action. Ms. Gill also testified to four recommendations made by the Juvenile Corrections Monitor as a result of these investigations. Ms. Gill testified that the Department of Human Services is satisfied with the outcome of the investigations. Ms. Gill explained the process the Department of Human Services is using to cover the vacant position of Juvenile Corrections Monitor until a full time person is hired and trained. The Department of Human Services is in the application process and hopes to be interviewing in April to fill the Juvenile Corrections Monitor position. Some Committee questions followed.

Department of Corrections – Report on Abuse and Neglect in Private Placement Facilities (Doc. 3)

Mr. Doug Herrmann, Director of Juvenile Services, Department of Corrections addressed the Committee regarding the confidential Report on Abuse and Neglect in Private Placement Facilities. Mr. Herrmann testified that the trend in enrollment numbers in these facilities continues to decline. Mr. Herrmann attributed the decline in part to the staff doing a good job.

Mr. Herrmann then addressed the Committee on six reports of alleged abuse and/or neglect in the contracted facilities. Some Committee discussion followed regarding the suspension procedures of staff who are responsible for substantiated abuse and how the Department of Corrections follows up on these reports. Mr. Herrmann answered Committee questions and testified that the Department of Corrections was pleased with the results of the report. Mr. Hermann also testified that there is a need for the various out of state contract facilities and that the facilities specialize in certain areas of care. There was no further discussion.

Department of Health – State Health Laboratory Billing Procedures (Doc's. 4 & 8)

Ms. Doneen Hollingsworth, Secretary for the Department of Health and Ms. Joan Adam, Director for the Division of Administration, Department of Health were on hand to address the Committee. Ms. Hollingsworth first addressed the Committee with a handout (Doc. 8) and provided a broad overview of the background and function of the South Dakota Public Health Laboratory. Ms. Adam then explained the security measures for clearance to the different areas of the lab. Ms. Adam also explained fees used for testing, and that the fees are based in administrative rule. The fees are posted on the Department of Health website and are self-sustaining. Ms. Adam testified that federal grants are available for some testing, and if a private individual qualifies, the fees can be charged to Medicaid or Medicare. Ms. Adam also testified that federal grants have played an instrumental role in the updating and maintaining of equipment used in testing at the lab. Ms. Hollingsworth testified to the vital role the South Dakota Public Health Laboratory plays in the state and extended an invitation to members of the Committee to come and tour the lab. The Committee will plan a visit to the lab and address any follow-up questions after that time.

Department of Education – Brainstorming on Financial Accountability Measures Relating to Education/School Districts (Doc's. 5 & 9)

Dr. Melody Schopp, Secretary for the Department of Education and Ms. Tamara Darnall, Director for the Office of Finance and Management, Department of Education were present to address the Committee. Ms. Darnall handed out Document 9 and used her computer to demonstrate the different resources on the Department of Education website. Committee discussion followed with brainstorming about what the Committee would like to see as far as enhancements to the website. This topic will be re-visited.

Discussion of alternative procedures to replace the Sunset Review process

Chair Haverly explained that the Sunset Review process was repealed during the 2012 session. Senator Tidemann gave some background information to the Committee on the former Sunset Review process. Mr. Martin Guindon, Auditor General for the Department of Legislative Audit gave background information on performance audits and what other states are doing in this area. Mr. Guindon suggested that a more focused approach that studied possible problem areas may be more effective. The Committee discussed possible programs or specific areas of state government that could be reviewed and decided to review the need for the performance indicators listed in the Governor's Budget Book. In addition, the Committee wanted to study some of the concerns raised by members regarding the shortage of large animal veterinarians in the state. This topic will be re-visited.

Future Items for Discussion

- Department of Agriculture – Pine Beetle Update
- Department of Agriculture – Veterinarian Services in the State
- Department of Agriculture – Performance Indicators
- U.S. Army Corps of Engineers – Flooding Update
- Department of Health – Tour of State Health Lab

Future Meeting Date

May 1, 2012 was chosen as a tentative meeting date.

Representative Turbiville moved, seconded by Representative Dryden to adjourn the meeting. Motion prevailed unanimously on a voice vote.

The Committee adjourned the meeting at 12:50 p.m.



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