



MINUTES

Executive Board

First Meeting
2013 Interim
Tuesday, April 23, 2013

Room 413
State Capitol
Pierre, South Dakota

The first 2013 interim meeting of the Legislative Research Council Executive Board was called to order by Chair Ryan Maher at 9:10 a.m. (CT), April 23, 2013, in Room 413 of the State Capitol, Pierre, South Dakota.

A quorum was determined with the following members answering the roll call: Senators Corey Brown, Phyllis Heineman (via telephone), Larry Lucas, Ryan Maher (Chair), Deb Peters, Deb Soholt, and Craig Tieszen; and Representatives Lance Carson (Vice Chair), Brian Gosch, Spencer Hawley (via telephone), Charles Hoffman, Isaac Latterell, Betty Olson, Kathy Tyler, and Steven Westra.

Staff members present included Jim Fry, LRC Director, and Teri Retrum, Administrative Assistant.

(Note): For the purpose of continuity, these minutes are not necessarily in chronological order. Also, all material distributed at the meeting is 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.state.sd.us> under "Interim Information – Minutes and Agendas."

(Note): On Monday, April 22, 2013, the Operations Subcommittee met at 2:00 p.m.; the Budget Subcommittee met at 3:00 p.m. On Tuesday, April 23, 2013, the Computer Technology Subcommittee met at 8:15 a.m.

Approval of Minutes

SENATOR PETERS MOVED, SECONDED BY REPRESENTATIVE CARSON, THAT THE MINUTES OF THE MARCH 25, 2013, MEETING BE APPROVED. The motion prevailed on a voice vote.

Approval of Agenda

Upon requests by **Senator Craig Tieszen, Representative Lance Carson, and Representative Kathy Tyler, Chair Ryan Maher** moved the report from the Operations Subcommittee, discussion on the travel policy, and discussion on the Streamlined Sales Tax to the requested places on the agenda.

That action being agreed upon by Board members, the agenda was approved.

LRC Director's Report

Mr. Jim Fry, LRC Director, began his report by commenting on the Financial Statement (**Document #1**). Mr. Fry reported that, in the 2013 Legislative Session, the Legislature added spending authority in the amount of \$221,534 for refurbishing areas on the third floor of the Capitol.

Answering questions from the Board, Mr. Fry said that a bid is expected soon from individuals who have experience in these types of refurbishing endeavors. Also, there is a contract in place used by the state for furniture remodeling. A list of projects and the costs involved will be provided to the Board at the next meeting.

Senator Deb Peters requested that fixing the speaker system in Room 423 be added to list of projects.

Representative Steven Westra said that there are chairs in the House Chamber, including his chair, that are broken and need to be fixed.

Mr. Fry said that there are repair materials in stock for this purpose. The Capitol Beautification Committee will have to be involved if there are any changes to the chairs due to the historical nature of such a project.

Senator Peters suggested that the Board direct staff to assess this situation.

Operations Subcommittee Report

Stating that the Operations Subcommittee was not completely clear on the issues involved regarding its assignments, Senator Tieszen, Chair of the Operations Subcommittee, introduced **Mr. Tim Storey**, Director of NCSL Leaders Management Program, and **Ms. Angela Andrews**, Senior Policy Specialist, NCSL Legislative Management Program. The Senator said that the subcommittee spoke to CSG and NCSL, and CSG did not submit a proposal because staff assessment is not in its area of expertise. A draft proposal from NCSL titled "South Dakota Legislature: Management and Performance Audit: Legislative Research Council Staff" was distributed (**Document #2**).

Mr. Storey said that the project objectives are to review relevant managerial and operational aspects of the LRC staff and to make recommendations. He also reviewed the study methodology of the project. A draft report regarding the findings and any recommendations will be submitted to the Executive Board for consideration and comment, and a formal, written final report will be provided at the conclusion of NCSL and the Board's deliberations on the matter.

Mr. Storey said that NCSL requests that the Legislature pay a portion of the salary costs and a portion of the direct costs incurred in completing the project, such as NCSL staff travel and the costs for any special data or materials that may be necessary. A substantial portion of the salaries and travel expenses for NCSL staff will be paid by NCSL. Mr. Storey said that NCSL will pay for miscellaneous direct costs such as supplies and shipping. He said that the total cost of the study is \$35,599. The proposed cost to the South Dakota Legislature for the study is \$18,816. Mr. Storey also said that NCSL will contribute \$16,783 in in-kind support for the

project and will pay all costs for the study team's initial visit to Pierre to appear before the Board at today's meeting.

Ms. Andrews stated that the draft proposal provides for a relatively standardized process regarding methodology for staff assessment. She said that Legislatures vary from state to state; however, best practices can be combined and tweaked to fit South Dakota's demands and needs.

Chair Maher asked that an assessment be added to the project overview on the practicality of adding partisan staff for legislators during Legislative Session and the interim.

Mr. Storey said that topic can be part of the scope. He stated that sometimes partisan staff can work well; however, depending on the parameters of partisan staff assignments, such a setup can be detrimental.

Senator Larry Lucas asked what partisan staff would do concerning campaign work and LRC during election time.

Mr. Storey responded that the right structure would have to be in place to prevent abuses. He said that if that is a path the Board wants to pursue, it would be a value judgment regarding its structure

Senator Corey Brown said that one of the Project outcomes in which he would be interested is accountability of staff to legislators during session and interim. Senator Brown said that it behooves the Board to support the draft proposal because the Legislature asks these types of performance reports of other state agencies.

SENATOR TIESZEN MOVED, SECONDED BY SENATOR PETERS, THAT THE EXECUTIVE BOARD ACCEPT THE DRAFT PROPOSAL FROM NCSL TO CONDUCT A MANAGEMENT PERFORMANCE AUDIT OF LEGISLATIVE RESEARCH COUNCIL STAFF AND TO PAY UP TO \$20,000 FOR THOSE SERVICES. The motion prevailed on a roll call vote with 14 voting AYE and 1 voting NAY. Those voting AYE: Brown, Heineman, Peters, Sohlt, Tieszen, Gosch, Hawley, Hoffman, Latterell, Olson, Tyler, Westra, Carson, Maher. Those voting NAY: Lucas.

Selection of 2013 Interim Study Topics

Chair Maher told the Board that study of the education funding formula is highly rated by Legislators whom responded to the 2013 Legislative Topic Survey. **(The survey results are compiled and labeled Document #3.)**

Senator Brown asked, in terms of the budget, how many studies the Board can move forward.

Mr. Fry responded that generally three to five interim study committees have been funded. He said that committees commonly are composed of 11 to 15 members. Mr. Fry informed the Board that, if a legislator wants to serve on a committee, the Board must appoint that legislator to an interim study committee, although not necessarily to their first study choice. He said that the Legislature is budgeted for four committees; however, five could be financed

and staffed as long as all five do not have 15 members. As an aside, Mr. Fry said that 9 members perhaps would be appropriate if the study topic is highly technical and focused.

Senator Peters said that since a study of the education funding formula is highly rated, such a committee membership should be in the 15-member range and probably would require more than 5 meetings.

Chair Maher requested **Ms. Deb Bowman**, Governor's Office, to address the Board regarding the study scope of the Medicaid Expansion Task Force.

Ms. Bowman told the Board that the task force's responsibility is to outline the issues involved regarding expanding Medicaid in South Dakota and to report by September 15, 2013, to the Governor and the Legislature. She clarified that the task force will not make a formal recommendation on whether South Dakota should go forward with Medicaid expansion but will provide a report outlining:

1. A consensus on the pros and cons of expanding Medicaid in South Dakota; and
2. A consensus on how to develop policy if the state should move forward with Medicaid expansion.

Ms. Bowman said that the study is a 29-member task force, eight of whom are legislators. She said that some interested legislators were not chosen for the task force because they were affiliated with medical entities in some way. This was done to protect legislators from a possible appearance of conflict of interest.

Senator Phyllis Heineman questioned if Study Topic A—Study the cost efficiency, the quality of care, and the utilization of Medicaid in South Dakota and study potential ways to promote better health outcomes, more cost efficiencies throughout the system, and address any overlap of services from ineffective systems and procedures in the state—will fit into the task force's course of study. She asked if part of the task force study would be to consider where the state currently is regarding Medicaid.

Ms. Bowman indicated that the task force also will focus on best practices in place for Medicaid services. She said that implementation will take time if there are changers to the focus of Medicaid.

Senator Deb Sohlt asked Ms. Bowman whether the state envisions factoring in cost savings over time when efficiencies are generated.

Ms. Bowman replied that she has concerns doing that and cited the North Carolina Model, which was alleging large cost savings; however, that Model has totally failed. She said, hopefully, a model can be developed in South Dakota that can at least provide a cost estimate.

Senator Sohlt commented that Study Topic S—Study the education funding formula—is so tied to tax policy that those issues would have to be included in such a study.

Senator Lucas said that the reasons for study committees are to study and to advance ideas legislatively. For Study Topic S to be viable, the committee would have to be comprised of educators and individuals who are interested in tax.

Chair Maher asked if it would be appropriate for the Executive Board to send a directive to the Ag Land Task Force to examine the issues in Study Topic D—Study taxes on real property to include classifications, rates, ratios, and totals including all values of different types of properties.

Mr. Fry said that the Ag Land Task Force is limited to studying a new productivity method of valuing ag land and classification of property.

Senator Peters said that in her opinion it is appropriate for the Board to request that the task force address some of those concerns.

Representative Isaac Latterell expressed agreement with Senator Peters.

Representative Spencer Hawley and Representative Tyler agreed that the Ag Land Task Force has enough issues to study and should not be given more directives at this time. Study Topic D should be a separate committee, if it is selected for an interim committee.

Senator Peters said that ag land cannot be addressed without discussing other taxes, including property taxes. If a separate study is selected, that committee would have to examine how to maximize the money available to get the final results desired. Senator Peters said that it might be difficult obtaining the expertise needed due to the limited staff available.

Senator Soholt suggested combining Study Topics S and D to encompass a major interim study.

Chair Maher said that combining those two topics might be too broad for one interim study.

Representative Latterell said that the issues in Study Topic D would form an interim study committee and work in concert with the Ag Land Task Force.

Chair Maher asked the Board to determine how many studies should be selected for the 2013 interim.

Senator Peters said that Study Topic T—Study common core curriculum—was also highly rated as a choice for interim study.

The Executive Board recessed at 10:30 a.m. and reconvened at 10:55 a.m.

To address two study topics regarding oil and mining, Chair Maher reported that he requested an official from the Governor's Office of Economic Development (GOED) to review the status of how South Dakota businesses and governments can successfully assist the North Dakota oil field boom.

Mr. Hunter Roberts, GOED, told the Board that South Dakota has some companies that do quite well in the oil boom currently in progress in North Dakota; however, the industry is becoming more complicated and bureaucratic as it matures.

Mr. Roberts said that the department is in the process of reviewing the top ten players in North Dakota in an attempt to determine how South Dakota can navigate the system to assist and support those companies in the oil fields. He said that repair, maintenance, etc., will be part of the core work needed and cited advanced master welding as a skill in demand.

Senator Tieszen asked if the department has identified any incentives or hindrances statutory or otherwise that South Dakota needs to enhance or remedy to provide assistance.

Mr. Roberts responded that he is not aware of why South Dakota's business climate would not be more conducive to North Dakota's needs. He said that one of the pluses that South Dakota can offer is a quality of life issue. The department has not come up with any issues that would hinder the support of businesses in North Dakota.

Chair Maher called for a consensus on how many topics to select for interim study.

REPRESENTATIVE HOFFMAN MOVED, SECONDED BY SENATOR TIESZEN, THAT THE EXECUTIVE BOARD SELECT THREE TOPICS FOR STUDY DURING THE 2013 INTERIM.

SENATOR PETERS MADE A SUBSTITUTE MOTION, SECONDED BY REPRESENTATIVE HOFFMAN, THAT THE EXECUTIVE BOARD SELECT UP TO A MAXIMUM OF THREE TOPICS TO STUDY DURING THE 2013 INTERIM. The motion prevailed on a voice vote.

Representative Tyler stated her opinion that it would benefit the Legislature to study whether the school funding formula is working properly to satisfy South Dakota's education system.

Mr. Fry said that the Board has a lot of leeway to set the parameters of the study committees.

Senator Brown said that he is not inclined to combine a study of the school funding formula with a study of taxes.

Senator Peters said that multiple factors are involved in formulating school funding and that she does not support including a study of property taxes in a study of school funding.

REPRESENTATIVE TYLER MOVED, SECONDED BY SENATOR LUCAS, THAT THE EXECUTIVE BOARD COMBINE STUDY TOPICS S AND D WITH THE PROPERTY TAX ISSUES FOR A COMPREHENSIVE STUDY DURING THE 2013 INTERIM. The motion failed on a roll call vote with 3 voting AYE and 12 voting NAY. Those voting AYE: Lucas, Hawley, Tyler. Those voting NAY: Brown, Heineman, Peters, Soholt, Tieszen, Gosch, Hoffman, Latterell, Olson, Westra, Carson, Maher.

Public Testimony

Ms. Sabrina King, South Dakota Action, Rapid City, South Dakota, expressed support for a comprehensive study regarding mining in South Dakota. Ms. King stated that South Dakota

is not ready for fractured mining. She said that a comprehensive study needs to include research into what other states have done concerning all areas regarding mining, including regulation.

Ms. Joyce Glynn, White River, South Dakota, testified that the 2013 interim should include a study centered on underage alcohol consumption. Ms. Glynn said that combining Study Topic C—Study underage drinking in South Dakota—and Study Topic M—Study the prevention of drug and alcohol abuse by minors in South Dakota—would serve the issue well. She said that a focus on prevention before treatment needs to be addressed.

Mr. Rick Vallery, Pierre, South Dakota, said that it is important that any study of property taxes be very focused in its parameters. As an example, Mr. Vallery said that the Ag Land Task Force became much more valuable when it became more focused.

Responding to Representative Hoffman, Mr. Vallery said that when there is a change in assessment practices, a tax shift is created.

Senator Lucas said that some areas in South Dakota have a lot more ability to raise revenue than others, which creates an uneven playing field.

Mr. Vallery replied to a question from Representative Tyler by stating that a good scenario for property taxes is similar to what is currently in place. Taxes have to be as fair and equitable as possible. Mr. Vallery also said that he is not sure that the state has a problem regarding property taxes.

Board Discussion of 2013 Interim Study Topics (Continued)

Representative Brian Gosch said that a study of underage drinking in South Dakota was rated in the top ten study topic selections. Representative Gosch suggested that this topic be studied in the 2013 interim.

SENATOR PETERS MOVED, SECONDED BY REPRESENTATIVE LATTERELL, THAT THE EXECUTIVE BOARD SELECT STUDY TOPIC S—STUDY THE EDUCATION FUNDING FORMULA—FOR STUDY IN THE 2013 INTERIM.

Senator Lucas said that such a study should include a review of how technology is used for teaching, how the formula is affected by opt-outs, and how the formula can be used to improve graduation outcomes.

Representative Gosch expressed his opinion that this topic is too broad to be studied only in an interim and said that perhaps it should be dealt with in the Legislative Planning Committee so it can be studied over a period of years.

Senator Sohlt said that she opposed this study because it would encompass too large a scope of work and that she cannot support such a study in this manner.

To address Senator Sohlt's concern, Senator Peters said that all revenue items regarding the school funding formula should be studied and problems, if any, should be identified.

SENATOR PETERS' MOTION TO SELECT STUDY TOPIC S PREVAILED ON A ROLL CALL VOTE WITH 13 voting AYE and 2 EXCUSED. Those voting AYE: Brown, Heineman, Lucas, Peters, Sohlt, Tieszen, Gosch, Hoffman, Latterell, Olson, Tyler, Westra, Maher. Those EXCUSED: Hawley, Carson.

SENATOR PETERS MOVED, SECONDED BY REPRESENTATIVE GOSCH, THAT THE EXECUTIVE BOARD SELECT STUDY TOPIC B—STUDY THE STATE'S LAWS ON DOMESTIC ABUSE WITH SPECIAL EMPHASIS ON THEIR IMPACT ON CHILDREN, LAW ENFORCEMENT, AND THE COURTS—FOR STUDY IN THE 2013 INTERIM. The motion prevailed on a roll call vote with 13 voting AYE, 1 voting NAY, and 1 EXCUSED. Those voting AYE: Brown, Heineman, Lucas, Peters, Sohlt, Tieszen, Gosch, Hoffman, Olson, Tyler, Westra, Carson, Maher. Those voting NAY: Latterell. Those EXCUSED: Hawley.

REPRESENTATIVE TYLER MOVED, SECONDED BY REPRESENTATIVE HOFFMAN, THAT THE EXECUTIVE BOARD COMBINE STUDY TOPIC P—STUDY HOW SOUTH DAKOTA CAN ASSIST BUSINESSES THAT SUPPLY THE OIL FIELDS TO LOCATE IN SOUTH DAKOTA—STUDY TOPIC X—STUDY MINING DEVELOPMENT IN SOUTH DAKOTA—STUDY TOPIC I—STUDY THE POSITIVE AND NEGATIVE IMPACTS OF URANIUM MINING IN SOUTH DAKOTA—FOR STUDY IN THE 2013 INTERIM.

Representative Gosch said that such a combined study committee should also review surface rights in South Dakota.

Chair Maher said that the Legislature did pass cleanup legislation regarding surface rights in the 2013 Legislative Session.

Representative Betty Olson commented that different sets of circumstances are involved regarding uranium mining and coal mining.

Senator Tieszen said that perhaps this topic should be deferred to the regulatory agencies that are involved.

Stating that Study Topic T—Study common core curriculum—is ranked in the top three for study, **REPRESENTATIVE LATTERELL MADE A SUBSTITUTE MOTION, SECONDED BY REPRESENTATIVE GOSCH, THAT THE EXECUTIVE BOARD SELECT STUDY TOPIC T—STUDY COMMON CORE CURRICULUM—FOR STUDY IN THE 2013 INTERIM.**

Senator Heineman said that she opposes two education studies.

THE SUBSTITUTE MOTION FAILED WITH 4 VOTING AYE, 10 VOTING NAY, 1 EXCUSED. Those voting AYE: Latterell, Olson, Westra, Maher. Those voting NAY: Brown, Heineman, Lucas, Peters, Sohlt, Tieszen, Gosch, Hoffman, Tyler, Carson. Those EXCUSED: Hawley.

REPRESENTATIVE TYLER'S ORIGINAL MOTION TO COMBINE STUDY TOPICS P, X, AND I FAILED ON A ROLL CALL VOTE WITH 3 VOTING AYE, 11 VOTING NAY, 1 EXCUSED. Those voting AYE: Lucas, Hoffman, Tyler. Those voting NAY: Brown,

Heineman, Peters, Soholt, Tieszen, Gosch, Latterell, Olson, Westra, Carson, Maher. Those EXCUSED: Hawley.

SENATOR LUCAS MOVED, SECONDED BY REPRESENTATIVE TYLER, THAT THE EXECUTIVE BOARD COMBINE STUDY TOPIC C—STUDY UNDERAGE DRINKING IN SOUTH DAKOTA—AND STUDY TOPIC M—STUDY THE PREVENTION OF DRUG AND ALCOHOL ABUSE BY MINORS IN SOUTH DAKOTA—FOR STUDY IN THE 2013 INTERIM.

REPRESENTATIVE CARSON MADE A SUBSTITUTE MOTION, SECONDED BY REPRESENTATIVE GOSCH, THAT THE EXECUTIVE BOARD SELECT STUDY TOPIC E—STUDY CONDITION AND CAPACITY OF TOWNSHIP AND SECONDARY ROADS—FOR STUDY IN THE 2013 INTERIM.

Responding to Representative Tyler, Representative Gosch said that this topic is not a part of the Watershed Study Task Force.

THE SUBSTITUTE MOTION FAILED ON A ROLL CALL VOTE WITH 4 VOTING AYE, 10 VOTING NAY, 1 EXCUSED. Those voting AYE: Heineman, Gosch, Carson, Maher. Those voting NAY: Brown, Lucas, Peters, Soholt, Tieszen, Hoffman, Latterell, Olson, Tyler, Westra. Those EXCUSED: Hawley.

SENATOR HEINEMAN MADE A SUBSTITUTE MOTION, SECONDED BY SENATOR LUCAS, THAT THE EXECUTIVE BOARD SELECT STUDY TOPIC Q—STUDY THE COST EFFICIENCY, THE QUALITY OF CARE, AND THE UTILIZATION OF MEDICAID IN SOUTH DAKOTA—FOR STUDY IN THE 2013 INTERIM.

Senator Peters suggested that the Medicaid Expansion Task Force be given time to assess the situation before the Legislature conducts a study.

THE SUBSTITUTE MOTION FAILED ON A ROLL CALL VOTE WITH 2 VOTING AYE, 12 VOTING NAY, 1 EXCUSED. Those voting AYE: Heineman, Lucas. Those voting NAY: Brown, Peters, Soholt, Tieszen, Gosch, Hoffman, Latterell, Olson, Tyler, Westra, Carson, Maher. Those EXCUSED: Hawley.

SENATOR LUCAS' ORIGINAL MOTION TO COMBINE STUDY TOPICS C AND M FAILED ON A ROLL CALL VOTE WITH 6 VOTING AYE, 8 VOTING NAY, 1 EXCUSED. Those voting AYE: Heineman, Lucas, Soholt, Tieszen, Tyler, Maher. Those voting NAY: Brown, Peters, Gosch, Hoffman, Latterell, Olson, Westra, Carson. Those EXCUSED: Hawley.

SENATOR PETERS MOVED, SECONDED BY SENATOR BROWN, THAT NOMINATIONS CEASE FOR 2013 INTERIM STUDIES. The motion prevailed on a voice vote.

REPRESENTATIVE GOSCH MOVED, SECONDED BY SENATOR PETERS, THAT THE EDUCATION FUNDING FORMULA COMMITTEE BE COMPOSED OF 15 MEMBERS AND THAT THE DOMESTIC VIOLENCE COMMITTEE BE COMPOSED OF 9 MEMBERS. The motion prevailed on a voice vote.

The Board recessed at 12:25 p.m. and reconvened at 1:40 p.m.

Discussion on the International Legislative Forum

Senator Brown reviewed the International Legislative Forum. The beginning purpose of the Forum was to address flooding on the Red River, and individuals from Canada, North Dakota, South Dakota, and Minnesota were invited to participate. He said that several years ago, the Forum was hosted in Brookings. At one time, the Board was going to discontinue its membership in the International Legislative Forum. Senator Brown asked for input on this topic.

Mr. Fry said that the presiding officers made the appointments to the Forum. The Board needs to decide whether it will pay the membership dues of \$10,000, which currently are paid up to June 30, 2013.

SENATOR LUCAS MOVED, SECONDED BY SENATOR PETERS, THAT THE LEGISLATURE NOT PARTICIPATE IN THE INTERNATIONAL LEGISLATIVE FORUM AND NOT TO PAY MEMBERSHIP DUES OF \$10,000.

Senator Tieszen said that perhaps the final decision should not be made yet to allow input from other legislators regarding this matter.

Senator Brown agreed.

SENATOR TIESZEN MADE A SUBSTITUTE MOTION, SECONDED BY REPRESENTATIVE HOFFMAN, TO DEFER MEMBERSHIP IN THE INTERNATIONAL LEGISLATIVE FORUM UNTIL THE BOARD'S NEXT MEETING. The substitute motion prevailed on a voice vote.

Appointments to the Streamlined Sales Tax Task Force

Senator Peters said that the Board has to appoint two additional members to the Streamlined Sales Tax Task Force. Senator Peters and Representative Cronin are current members. Senator Peters relayed the names of some individuals who have expressed an interest in serving.

REPRESENTATIVE TYLER MOVED, SECONDED BY REPRESENTATIVE GOSCH, THAT REPRESENTATIVE RAY RING BE APPOINTED TO SERVE ON THE STREAMLINED SALES TAX TASK FORCE.

SENATOR PETERS MADE A SUBSTITUTE MOTION, SECONDED BY REPRESENTATIVE TYLER, THAT SENATOR TIMOTHY RAVE AND REPRESENTATIVE RAY RING BE APPOINTED TO SERVE ON THE STREAMLINED SALES TAX TASK FORCE. The substitute motion prevailed on a roll call vote with 14 voting AYE and 1 EXCUSED. Those voting AYE: Brown, Heineman, Lucas, Peters, Soholt, Tieszen, Gosch, Hoffman, Latterell, Olson, Tyler, Westra, Carson, Maher. Those EXCUSED: Hawley.

Subcommittee Reports

Budget Subcommittee

Senator Peters, Chair of the Budget Subcommittee, reported that the Budget Subcommittee discussed the Executive Board Travel Policy.

REPRESENTATIVE CARSON MOVED, SECONDED BY SENATOR PETERS, THAT THE BOARD APPROVE THE BUDGET COMMITTEE'S RECOMMENDATION FOR THE TRAVEL POLICY FOR FY 2014 AS FOLLOWS:

Representative Carson read the travel policy as follows:

"THE EXECUTIVE BOARD OF THE SOUTH DAKOTA LEGISLATURE HAS ESTABLISHED A TRAVEL POLICY FOR ATTENDANCE AT OUT-OF-STATE MEETINGS MAY 1, 2013, THROUGH JUNE 30, 2014. ALL LEGISLATIVE OUT-OF-STATE TRAVEL NOT IN ACCORDANCE WITH THE GUIDANCE RECEIVED IN THIS MEMORANDUM WILL NOT BE REIMBURSED.

ALL REQUESTS FOR TRAVEL MUST BE APPROVED BY THE EXECUTIVE BOARD CHAIR. ANY LEGISLATOR WHO WISHES TO ATTEND A NATIONAL MEETING BUT WILL NOT BE SEEKING REIMBURSEMENT FROM STATE FUNDS MAY DO SO WITHOUT PRIOR APPROVAL.

A LEGISLATOR, WHO HAS BEEN SELECTED AS A MEMBER OF A COMMITTEE OF THE NATIONAL CONFERENCE OF STATE LEGISLATORS, THE COUNCIL OF STATE GOVERNMENTS, THE AMERICAN LEGISLATIVE EXCHANGE COUNCIL, OR THE MIDWESTERN LEGISLATIVE CONFERENCE WILL BE REIMBURSED FOR EXPENSES. ANY MEMBER OF THE EXECUTIVE GOVERNING BOARD OF THE NCSL, CSG, , ALEC, OR MLC WILL BE REIMBURSED FOR TRAVEL EXPENSES TO ATTEND BOARD MEETINGS.

LEGISLATORS AND INDIVIDUALS APPOINTED TO THE STREAMLINED SALES TAX PROJECT, THE UNIFORM LAWS COMMISSION, THE EDUCATION COMMISSION OF THE STATES, AND THE INTERNATIONAL LEGISLATIVE FORUM WILL BE REIMBURSED FOR EXPENSES TO ATTEND THESE MEETINGS

TRAVEL REIMBURSEMENTS ARE ALSO SUBJECT TO THE RULES OF THE SOUTH DAKOTA STATE BOARD OF FINANCE.

THIS POLICY IS EFFECTIVE MAY 1, 2013, TO JUNE 30, 2014.

ALL PREVIOUS TRAVEL POLICIES ADOPTED BY THE EXECUTIVE BOARD ARE SUPERSEDED BY THIS POLICY."

Senator Peters noted that membership dues to ALEC also should be paid, and legislators should be reimbursed for attendance at those meetings.

Representative Tyler said that she does not recall any discussion on membership or payment of expenses to ALEC. She said that she does not approve of paying those dues or expenses.

Senator Lucas said that he would like time to think about this proposal before voting on this Travel Policy.

Senator Tieszen asked for details on what membership in ALEC provides.

Senator Peters said that individual legislators will benefit from the membership the same as they benefit in membership in NCSL and CSG.

Senator Lucas asked how much this increases the travel costs. He said that \$10,000 does not take care of the organization's conventions and that he does not approve of private money being put into ALEC's conventions.

Senator Peters said that ALEC has costs just as other national organizations. It is set up like NCSL and CSG. Private money goes into those organizations also. If it should develop into more than that, Senator Peters said that the Board can revisit the issue.

REPRESENTATIVE OLSON MADE A SUBSTITUTE MOTION, SECONDED BY SENATOR PETERS, THAT PAYMENT OF DUES AND TRAVEL EXPENSES TO ALEC BE INCLUDED IN THE TRAVEL POLICY. The substitute motion prevailed on a roll call vote with 10 voting AYE, 4 voting NAY, 1 EXCUSED. Those voting AYE: Brown, Heineman, Peters, Sohlt, Gosch, Hoffman, Olson, Westra, Carson, Maher. Those voting NAY: Lucas, Tieszen, Latterell, Tyler. Those EXCUSED: Hawley.

Continuing discussion on travel expenditures, Senator Peters said that the Governor's office paid for travel expenditures for legislators appointed to his task forces and asked that the Legislators pay for some of the per diem.

REPRESENTATIVE HOFFMAN MOVED, SECONDED BY SENATOR PETERS, THAT THE LEGISLATURE PAY PER DIEM FOR THOSE LEGISLATORS WHO ARE APPOINTED TO GOVERNOR'S TASK FORCES.

Senator Tieszen said that this same policy should apply to the Chief Justice's Task Forces.

Representative Hoffman said that he accepts Senator Tieszen's statement as a friendly insert to the motion.

REPRESENTATIVE HOFFMAN'S MOTION, WITH THE ADDITION OF SENATOR TIESZEN'S STATEMENT, PREVAILED ON A VOICE VOTE.

SENATOR BROWN MOVED, SECONDED BY REPRESENTATIVE OLSON, THAT THE BOARD APPROVE REIMBURSEMENT FOR ONE NIGHT'S LODGING FOR LEGISLATORS ON THE TOUR FOR THE HOUSE AND SENATE AG COMMITTEES. The motion prevailed on a voice vote.

Representative Tyler said that she would like to discuss an accountability standard for attendance at meetings.

Responding to Senator Heineman, Chair Maher said that all appointments to leadership on boards of national conferences have been made.

Senator Peters said that the Budget Subcommittee mostly discussed travel policy and talked about the maintenance and repair plan. She said that an additional \$500,000 has been added to the budget to address some of the travel, etc.

Computer Subcommittee

Senator Lucas, Chair of the Computer Subcommittee, reported that LRC computer staff will send out a survey to legislators to assess the use of their notebooks or iPads. Next year, Senator Lucas said that the subcommittee would prefer more intern training regarding the iPads. He noted that the possibility of a software change was discussed.

Representative Latterell discussed the Website interface.

Review of Legislative Insurance Policy

Mr. Fry told the Board that proposals to raise the accidental death insurance policy from \$200,000 to \$250,000 have been received—one proposal from Reliance Standard Life Insurance Company and one proposal from Business Travel Accident Insurance. Mr. Fry reported that the proposal submitted from Reliance Standard Life Insurance Company is less costly.

REPRESENTATIVE CARSON MOVED, SECONDED BY REPRESENTATIVE WESTRA, THAT THE BOARD APPROVE THE PROPOSAL FROM RELIANCE STANDARD LIFE INSURANCE COMPANY TO PROVIDE A \$250,000 ACCIDENTAL DEATH INSURANCE POLICY TO SOUTH DAKOTA LEGISLATORS. The motion prevailed on a roll call vote with 11 voting AYE, 2 voting NAY, 1 EXCUSED. Those voting AYE: Heineman, Lucas, Peters, Tieszen, Gosch, Hoffman, Latterell, Olson, Tyler, Westra, Maher. Those voting NAY: Brown, Soholt, Carson. Those EXCUSED: Hawley.

Adjournment

SENATOR LUCAS MOVED, SECONDED BY SENATOR PETERS, THAT THE EXECUTIVE BOARD ADJOURN. The motion prevailed unanimously on a voice vote.

The Executive Board adjourned at 2:30 p.m.

