

MINUTES

Government Operations & Audit Committee

Senator Deb Peters, Chair
Representative Jean Hunhoff, Vice Chair



**First Meeting, 2017 Interim
Tuesday, March 28, 2017**

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

The first meeting of the 2017 Interim Government Operations and Audit Committee (Committee) was called to order by Chair Peters at 9:00 a.m., March 28, 2017, in room 412, State Capitol Building, Pierre, South Dakota.

A quorum was determined with the following members answering the roll call: Representatives Tieszen, Anderson, Hunhoff, Senators Tapio, Nelson, Cronin and Peters. Representative Steinhauer joined by conference call. Senator Sutton and Representative Wismer joined by conference call after roll was called.

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

NOTE: For purpose of continuity, the following minutes are not necessarily in chronological order. The bulleted items below each agenda item are documents sent out by the Committee.

Approval of Minutes

Representative Anderson moved, seconded by Senator Cronin, the minutes of the November 22, 2016 meeting be approved ([Minutes 11-22-16 Doc.1](#)). Motion prevailed unanimously on a voice vote.

Item 1 – Member discussion of 2017 statutes affecting the Committee

SB 120 – An Act to repeal the Legislative Planning Committee and charge the Government Operations and Audit Committee with the performance management review process duties.

Ms. Clare Charlson, a Principal Research Analyst with the Legislative Research Council, was present to address the Committee. Ms. Charlson was a staff member on the Legislative Planning Committee and discussed the 2016 Performance Management Report, providing a copy to the committee ([Performance Management Report](#)). State Agencies were split into three groups with 7-8 agencies in each group. Group A reported for 2016 and the Legislative Planning Committee had developed a schedule for Group B to report in 2017 and Group C in 2018. Agencies would be on a three-year rotation with updates required annually no later than November 15th. Senator Cronin asked if the updates could be submitted in October to give the GOAC time to review before submitting them to the Executive Board. Ms. Charlson thought it would be possible for agencies to do this.

Legislation says the performance management review shall include strategic goals, a description of resources allocated and performance measurements. The Legislative Planning Committee had suggested that Agencies try to submit uniform reports of about two pages and include about six goals, 4-5 indicators to reach and statistics.

The Legislative Planning Committee met five times and heard from 2-3 agencies each time. Senator Peters suggested keeping Ms. Charlson involved with the process. Senator Cronin suggested working with Mr. Flannery to develop a schedule for the agencies.

Senator Peters suggested changes to the schedule developed by the Legislative Planning Committee to coincide with the lien reviews and to group like agencies together. Ms. Peters suggested Group B consist of: Bureau of Human Resources, Bureau of Information Technology, Department of Human Services, Department of Social Services, Department of Health, Department of Labor & Regulation and Department of Revenue. Ms. Peters suggested Group C consist of the following agencies: Board of Regents, Department of Corrections, Department of Public Safety, Department of Tribal Relations, Bureau of Administration, Bureau of Finance and Management, Department of the Military and Department of Veterans Affairs.

HB 1005 – An Act to require the Government Operations and Audit Committee to provide oversight to the Board of Regents on issues relating to the university centers.

Senator Peters discussed that the GOAC will be responsible for reviewing the annual reports submitted by the Board of Regents and the Board of Education. The Board of Regents shall include a financial report on each of the university centers located in Pierre, Rapid City and Sioux Falls.

SB 151 – An Act to provide certain provisions regarding investigations of misconduct by certain public officials. Mr. Flannery explained that this is still in process. It allows the Division of Criminal Investigation to bring referrals to the GOAC on a case by case basis.

Item 2 – Unified Judicial System, Department of Corrections and Department of Social Services to discuss the Juvenile Justice Public Safety Improvement Act and efforts made to implement the legislation

- [Letter to UJS Doc.2](#)
- [Letter to DOC Doc.3](#)
- [Letter to DSS Doc.4](#)

Greg Sattizahn, State Court Administrator for the Unified Judicial System (UJS), was present to address the Committee. Mr. Sattizahn discussed that through the work of the Juvenile Justice Reinvestment Initiative Work Group, SB 73, the Juvenile Justice Public Safety Improvement Act (JJPSIA), was passed in 2015 and became effective January 1st, 2016.

Mr. Sattizahn discussed that before JJPSIA, probation terms varied throughout the State and this Act helped establish a clear definition for the terms. The Act also focused on Diversion Programs, which have been positive for the State. To date, the Diversion Programs have a 69% successful completion rate. The same numbers of juveniles are on probation, but the violations have been cut in half. Probation completion is also on the rise.

JJPSIA also established an oversight council that meets two times a year. This council works with the court system, law enforcement, area schools, etc. They have identified challenges within the current system. One example is using a blanket method for truancy. He explained that different circumstances call for different penalties. The oversight council is using crime data trends to determine areas of need. They have also formed Native American focus groups.

Kristi Bunkers, Director of Juvenile Services for the Department of Corrections (DOC), was present to address the Committee ([JJPSIA Presentation](#)). Director Bunkers discussed that changes at the county level have helped decrease the number of juvenile commitments to DOC. She discussed that 38% of the

commitments in the past were Native Americans and currently 18% are Native Americans. She discussed that 25 counties received reimbursement through the diversion fiscal incentive established from SB 73 in 2015. In the first year, \$242,500 was paid in support of county use of court-approved diversion programs.

Director Bunkers also discussed the detention cost sharing program established to assist counties with increased detention costs. To qualify for the program, the number of bed stays in 2016 needed to exceed an average of the prior three years. Thirteen counties qualified in 2016 and 66% of the State's counties saw no increase. Senator Peters listed the 13 counties as: Pennington, Brookings, Brown, Lincoln, Fall River, Gregory, Hughes, McPherson, Kingsbury, Lake, Marshall, Davison and Yankton. Director Bunkers explained that the longer a juvenile is in the placement, the worse the outcome could be. To help with this, they have worked on staff training and created targets based on the level of care needed. They have recruited the staff to be more active in getting the juveniles out as early as possible.

Senator Cronin asked for a breakdown of the nationalities of the juveniles in the corrections system. Director Bunkers provided that 51% of the male population was white, 35% Native American and about 8% black ([Juvenile Race Handout](#)).

Senator Cronin asked how the recent sale of the facility has effected enrollment and asked what needed to be done to cover the current needs. Director Bunkers stated that juveniles needing the group care level, that can't get in, are being helped out-of-state. The Department of Social Services and Child Protection Services are continuing to look for solutions.

Senator Nelson stated that he heard from a Detective that the intake into juvenile detention centers was so high that they weren't able to handle the case load. The Detective conveyed that he doesn't feel like they have enough resources available. Director Bunkers stated that historically, law enforcement has relied heavily on the Department of Corrections. Risk assessment tools, functional family therapy and other resources have become available since the reform to help address the problems. Director Bunkers also said that access to diversion programs should continue to help.

Senator Sutton explained that he is on the oversight council and they continue to work on the issues. He suggests community members to reach out to the oversight council with concerns or suggestions. Representative Hunhoff said that the tools needed to help are there, but they don't work if they aren't being used.

Senator Tapio asked Director Bunkers to elaborate on youth in State custody. Director Bunkers stated Washington D.C. had the highest number of juveniles outside the home, with South Dakota being 2nd. Historically, 38% of the committed population was Native American. With this reform, we are currently at an 18% Native American population. Senator Tapio asked how different the statistics would be if you removed the minority numbers. Mr. Dennis Kaemingk, Secretary of the Department of Corrections, stated that other states have their own minority groups and he didn't think it made us stand out more.

Ms. Amy Iversen-Pollreisz, Deputy Secretary of the Department of Social Services (DSS) was present to update the Committee ([DSS Behavioral Health Presentation](#)). Ms. Iversen-Pollreisz explained SB 73, the Juvenile Justice Reinvestment Initiative (JJRI), which created funding for evidence-based services in the

community for youth involved in the criminal justice system. Its purpose is to serve youth in the community and prevent costly out-of-home placements by using a standardized referral process and quality assurance/fidelity processes conducted by DSS staff.

Ms. Iversen-Pollreisz explained Functional Family Therapy (FFT) as an intensive treatment program that targets externalizing behaviors ranging from mild to severe. Provider training in FFT began in January 2016 and services followed in February 2016. Ms. Iversen-Pollreisz explained that FFT could take 4-6 months to complete, so FY17 will be their first full year of data. There are 11 agencies providing services statewide. Two hundred twenty-three clients were served during SFY16 and as of December 2016, there had been 376 clients served. The State is divided into 7 Circuits and a map was provided to the FFT Providers in those circuits. Moral Reconciliation Therapy (MRT) and Aggression Replacement Training (ART) were also developed and services are currently being provided.

Senator Cronin asked if the 233 clients served were youth only and asked Ms. Iversen-Pollreisz to describe more about FFT. Ms. Iversen-Pollreisz answered that 223 was specifically the number of youth served. She explained that families can participate in all of the therapy sessions; the therapist decides who should be at each session. The therapists also work with the parents and make referrals to other agencies if they need additional services. Senator Cronin asked if they had statistics for completion rates. Ms. Iversen-Pollreisz stated that FY 16 wasn't a full year for the program, so they will start their statistics at the end of FY17. She did estimate that they were at about an 80% completion rate.

Ms. Iversen-Pollreisz discussed the JJRI funding allocation for FY17. DSS had a general bill amendment with a reduction of \$3,056,000. She explained that they didn't need the full budget since they were still in the process of ramping up the FFT program and implementing the additional ART & MRT programs. Representative Wismer asked why they had over \$3 million left and what portion was going toward next year's budget. Ms. Iversen-Pollreisz explained that when doing the budgeting for FY17, they were expecting about 1,000 referrals and budgeted accordingly. They focused on FFT and are still in the process of implementing everything. She stated that the majority of the \$3 million went to next year's budget. They expect to be at full capacity in FY18 and need the full funding.

Senator Peters asked how many clients could be served at full capacity and how many are being served now. Ms. Iversen-Pollreisz answered that 800-1,000 is capacity and they are currently serving 376. She explained that each trained clinician could serve up to 10 clients.

Representative Steinhauer asked if they knew what the current cost/youth was. Ms. Iversen-Pollreisz said nationally, costs range from \$4,000-\$8,000. She stated their goal is to have the youth complete the treatment and then will track that for FY17. Representative Steinhauer suggested figuring out a cost and setting a cost/child served target.

Representative Wismer stated that she thinks that the communities have been left on their own and that GOAC needs to keep tabs on what is going on. She thinks we need to do a better job at promoting the programs, including personal appearance at association meetings.

Senator Peters wanted more information on the DOC Juvenile System Flowchart ([DOC Handout](#)). Director Bunkers explained the process. Representative Tieszen asked Director Bunkers to list the

placement centers in South Dakota. Director Bunkers listed Group Care: McCrossan's Boy's Ranch, New Beginnings, Wellfully; Psychiatric Residential Treatment Facility (PRTF): Abbott House, Children's Home Society, Our Home Parkston and ASAP, LSS Summit Oaks, LSS Canyon Hills, VOA Independent Living; Intensive Residential Treatment (IRT): Aurora Plains Academy.

Item 3 – Department of Social Services and Department of Corrections to discuss the methamphetamine treatment programs and services

Ms. Amy Iversen-Pollreisz, Deputy Secretary of the Department of Social Services (DSS) was present to update the Committee ([Meth Treatment Presentation](#)). Ms. Iversen-Pollreisz discussed the different community-based substance use disorder services available to individuals with a methamphetamine addiction. South Dakota has two Intensive Methamphetamine Treatment Programs located in Sioux Falls and Rapid City. Long-term treatment consists of four phases including detox, intensive treatment, lower-intensity treatment and transitional outpatient treatment. Ms. Iversen-Pollreisz stated that South Dakota had a 69% completion rate compared to a 43% completion rate at the national level. DSS surveyed those who completed the program and had very positive responses. The Intensive Meth program had a budget of \$830,487 in FY16 and served 121 adults. Senator Cronin asked how much of the FY16 budget was reverted and Ms. Iversen-Pollreisz will find that figure and report back.

SB 43 was an act to expand intensive methamphetamine treatment services within DSS by providing one-time funding of \$603,740. Additional meth treatment resources are needed given the increase in arrest rates. Representative Anderson asked if there were any federal dollars available to match the one-time funding. Ms. Iversen-Pollreisz answered no. Representative Steinhauer asked if the one-time funding included adding a new location, or expanding the two current programs. Ms. Iversen-Pollreisz answered that they want to expand to additional areas throughout the state, thinking the central part would be ideal. Representative Hunhoff asked if they were considering the central area due to the Women's Prison. Ms. Iversen-Pollreisz answered no; there are programs in the eastern and western parts of the state and the central part would make it easier. Senator Cronin asked if they were planning to have an all new facility or use an existing one. He also asked what the timeline for completion was. Ms. Iversen-Pollreisz answered they planned to use existing providers with current resources and the capacity. They plan to present an RFP in May 2017 and begin services in FY18.

Ms. Iversen-Pollreisz discussed correctional intensive methamphetamine treatment in the Women's Prison. Ninety adult women were served in this four phase program in FY16. DSS had a budget of \$786,364 in FY16 for the correctional intensive methamphetamine program. Senator Peters asked what the budgets were for the Department of Corrections and Department of Health for these programs. Ms. Laurie Feiler, Deputy Secretary for the South Dakota Department of Corrections, stated their budget for FY16 was \$787,000 and covers more than just the intensive meth treatment program. Currently there are 148 women in the prison with less than 20 enrolled in the intensive methamphetamine treatment program. Representative Hunhoff states that over \$1 million was spent and asked what the results are. Ms. Feiler answered the per diem cost for FY18 for the Pierre facility is estimated at \$46.78. Senator Peters wants DOC's breakdown as a follow up item.

Representative Tieszen quoted statistics from a February census. Twenty six percent of male offenders in prison were for drug crimes and 46% for violent crimes. Fifty eight percent of female offenders were in prison for drug crimes and 16% for violent crimes. He stated that providing treatment in prison has its

challenges. One being that sentence time is not usually long enough to complete the treatment program. Ms. Feiler stated that they do not breakout the number of violent crimes that had drugs involved, but about 85% of the people had problems with substance abuse. Ms. Bunkers explained that everyone who enters the corrections system receives a full assessment at entrance, as well at exit.

DSS has developed the Meth Awareness Campaign “Meth Changes Everything”. They have made 164 school presentations and 21 community meetings, with several more meetings scheduled throughout the school year. They have developed a website and a social media component to reach more individuals.

Item 4 – Department of Public Safety and the Office of the Attorney General to discuss the Interstate Drug Trafficking Task Force

- [Letter to DPS](#)
- [Letter to Attorney General](#)

Mr. Trevor Jones, Secretary of the Department of Public Safety (DPS) was present to update the Committee. He thanked the Committee for the resources and said it was helping them to target the issues. Secretary Jones explained that they have changed their strategy in fighting drug trafficking and are in the early stages of the initiative. They’ve developed a Fusion Center as a central hub for information and intelligence sharing. Senator Peters asked Mr. Jones to explain what the plan was for the additional DPS funds approved through appropriations. He explained that with the additional funds, they were able to hire 4 additional Highway Patrol (HP) troopers to work with the Division of Criminal Investigation (DCI) to specifically go after drug trafficking organizations.

Mr. Bryan Gortmaker, the Director of DCI, was present to update the Committee. He reviewed the statistics of drug offenses in South Dakota reported through the National Incident-Based Reporting System for the last ten years ([DCI Drug Trafficking](#)). He also discussed the 3 meth maps put together by High Intensity Drug Trafficking Area program for 2016, 2015 and 2014. The number of meth related arrests has dramatically increased from 2014 to 2016. DCI did not receive funds for an additional agent in FY18, but they plan to use an agent to specifically work with the HP. Director Gortmaker explained that the majority of meth in South Dakota is coming from our southern borders. The number of lab incidents has gone down each year, supporting that less meth is being made in South Dakota and it is easier and cheaper to get drugs from across the borders.

Senator Nelson said he was familiar with informant based investigations and asked why they were focusing on highway trafficking. He also asked about drug seizures on the highways and if the HP was taking the investigation to the next step to gain further information. Director Gortmaker explained that they are starting with highways, but can be broadened to communities. The larger quantities are being found on the Interstate and that search warrants do not typically yield as large of quantities. Efforts are being made to try to get as much out of the arrests as possible, but they are not always able to get cooperation. He parallels weaker punishments with less cooperation.

Item 5 – Department of Social Services to discuss the current financial position of block grants and how potential federal government level changes may impact South Dakota

Ms. Brenda Tidball-Zeltinger, Deputy Secretary of the Department of Social Services (DSS), was present to update the Committee ([DSS Federal Block Grants](#)). Ms. Tidball-Zeltinger explained that about 57% of DSS's budget comes from federal funds. The majority of federal funds come from Medicaid, an entitlement program. Block grants are fixed amounts based on historical spending. Most block grants level off and require the use of State funding to cover inflation. Block grants can vary significantly. South Dakota has 7 large block grants and 40-50 smaller ones.

Temporary Assistance to Needy Families (TANF) – is used to fund a variety of programs including: TANF benefits to families, child welfare and specialized services for pregnant women and their children. The annual grant amount is \$21.3 million and the State has a \$8.5 million maintenance of effort. Fifty four percent of those funds are TANF benefits to families. This grant amount and the maintenance of effort requirement have not changed since 1996. The State carries forward about \$22 million in federal funds every year.

Senator Cronin asked for more information on the \$22 million carry over funds. Ms. Tidball-Zeltinger explained that in the early years of the program, we did not spend the full amount awarded and were able to carry it over to coming years. Due to program requirements, we typically spend the carryover funds first and use the new grant amount to carry forward to the next year.

Representative Wismer asked if there were any audit findings related to the draw down timing on this grant in the last 5 years. Mr. Flannery & Mr. Christianson did not recall any. Ms. Tidball-Zeltinger explained that several years ago, there was a deficit to this program. They were spending more federal dollars than awarded, so they used State funds as a bridge to fix the issue. She believes it was identified in the Management Letter from their audit.

Children's Health Insurance Program (CHIP) – is used to provide insurance to uninsured children. South Dakota receives \$23.6 million and a State general fund match is required. The matching amount averages 13-15% higher than the FMAP rate, but The Affordable Care Act (ACA) provided a temporary additional 23% increase until 9-30-2019. In FY16, the monthly average number of children eligible for CHIP was 13,533. The SD CHIP and Medicaid programs mirror each other, offering the same services and allowing more coverage under CHIP rather than Medicaid.

Senator Cronin asked what DSS's plan was for funding when the temporary increase expires in 2019. Ms. Tidball-Zeltinger explained that when the increase was issued in FY14, DSS adjusted their budget at that time, with the understanding that in FY20, they would need to adjust back up. They are looking at options and hope to receive State funding back. Senator Cronin asked what would happen if the ACA repeals the 23% increase. Ms. Tidball-Zeltinger stated they are watching for that very closely.

Senator Peters asked why there weren't more kids in CHIP rather than Medicaid, to utilize more federal funds. Ms. Tidball-Zeltinger explained that they are maximizing their current program to include as many as possible, but some requirements are set by the federal government. They have increased some income requirements to help more kids qualify.

Child Care and Development Block Grant (CCDBG) – provides assistance to families with child care costs. The State received \$13.5 million in FY16 and had a \$5 million match at the FMAP rate and \$802 thousand maintenance of effort. An average of 2,132 families used this with payments being made directly to the child care provider.

Low Income Home Energy Assistance (LIHEAP) – provides family assistance with heating expenses. The State received \$17.3 million in FY16 with no match or maintenance of effort required. The payments go directly to the heating providers.

Community Mental Health and Substance Abuse Treatment Grants – provides funding for community based mental health and substance abuse treatment services. The State received \$7.1 million for the grant and had a maintenance of effort of about \$23 million. The maintenance of effort is based on a 2-3 year average. In FY16, 19,825 mental health and 12,297 substance abuse patients were served. Funding supports 11 Community Mental Health Centers and 52 Substance Use Disorder providers.

Community Services Block Grant – assists with gaining employment, one-time assistance with utility connections, rent, deposits, transportation, etc. and is provided to Community Action Agencies. The State received \$3.0 million in FY16 with no matching requirement or maintenance of effort.

Social Services Block Grant – supports home services for the elderly and for child welfare. The State received \$4.2 million and transferred \$2.1 million from TANF, for a total of \$6.3 million. There is no matching requirement or maintenance of effort.

Representative Hunhoff asked if there had been any recent changes in the programs or if programs had been added or removed. Ms. Tidball-Zeltinger advised that there have not been any recent changes, but that changes are made through the State Plan and would be published through public notice.

Item 6 – Department of Social Services to discuss admissions and overtime pay at the Human Services Center in Redfield

Mr. Troy Jones, Administrator of the Human Services Center (HSC) was present to address the Committee ([HSC Presentation](#)). Mr. Jones explained that the Human Services Center in Yankton is South Dakota's only state psychiatric hospital. Admissions for FY16 were 1,742 patients and for FY15, 1,960 patients. The majority of patients are admitted involuntarily.

In FY16, the bed capacity was 281 beds broken out in the following programs: Acute Psychiatric – 68 beds, Psychiatric Rehabilitation – 66 beds, Adolescent Psych – 54 beds, Chemical Dependency – 24 beds and Geriatric – 69 beds. Mr. Jones explained that the most used are the Acute Psychiatric bed with an average stay of about 14-15 days. Adolescent Psych patients' average stay is about 50 days.

Representative Wismer asked how the closure of the inpatient substance abuse program last year affected their bed numbers. Mr. Jones explained that it was a different program and did not have an effect on the adolescent psych numbers.

Senator Peters asked for more information about the pending lawsuit filed by Minnehaha County against HSC regarding court ordered admittances. Mr. Jones explained that patients admitted to HSC need to have a psychiatric illness to be admitted and if they don't need those services, they try to help them get to the right place. They are working on improving communications with the court systems and attorneys to ensure proper referrals. Representative Hunhoff asked if they were still performing 3 competency assessments per month. Mr. Jones replied they were.

Representative Hunhoff asked if they were fully staffed. Mr. Jones answered full capacity would be 556 FTE's and they currently have 39.5 vacancies. They have all 7 psychiatrists and 1 mid-level psychiatric provider currently filled. The largest vacancies include mental health aides and nurses.

Mr. Jones presented the total hours worked, overtime hours worked and overtime dollars paid in FY17, FY16 and FY15. From 7-1-16 to 3-8-17, 738,489 regular hours had been worked, 36,836 overtime hours had been worked and \$1,116,822 in overtime had been paid. Representative Wismer stated that the numbers don't appear to be improving for FY17. Mr. Jones stated that their projection shows the number will be very consistent with FY16.

Representative Hunhoff asked for an update on their hiring and asked if they've identified any issues deterring them from getting employees. Mr. Jones explained that they've had as high as 60 vacancies and recently hired 14 individuals during a rapid hire event. They are working on retaining employees and have seen some improvement. Turnover last FY was about 20% with direct staff at about 24%. Currently through March, the turnover rate is at 12% and 14% for direct staff. Mr. Jones said they are recruiting sooner and offering sign-on bonuses making them competitive with the private sector. He feels they are making progress and headed in the right direction to reduce overtime and fill the vacancies.

Senator Peters asked if the process of going through the Bureau of Human Resources seemed to be slowing down hiring. Mr. Jones stated that he did not believe so and feels that process is significantly faster than his experience in another state.

Representative Hunhoff asked if they are performing another staff engagement survey. Mr. Jones said that a survey has recently gone out and is being completed at this time. Senator Peters asked that the results be submitted to the Committee when available. Representative Wismer also requested that he provide figures with the average overtime hours per week per employee.

Item 7 – Department of Human Services to discussion admissions and overtime pay at the Development Center in Redfield

- [Letter to DHS Doc.7](#)

Barb Abeln, Director of the South Dakota Developmental Center in Redfield (SDDC) was present to address the Committee ([DHS SDDC Handout](#)). The SDDC is a public intermediate care facility (ICF) which provides services to individuals with intellectual or developmental disabilities that occurs before age 22. This is a Medicaid program.

Director Abeln stated that SDDC currently has 347.6 FTE employees with 184.5 direct support professionals (dsp). She compared the total overtime hours for FY16 and FY17, with FY16 having 46,311.82 hours and FY17 through 3-21-17 at 22,249.9 hours. In FY16, they required dsp's to work four overtime hours per week and currently dsp's are required to work four overtime hours every two weeks. In FY16, there was an average of 30 dsp vacancies, with a high of 41 vacancies. Currently they have 10 dsp vacancies. Director Abeln explains that the spikes in overtime are due to the dsp vacancies, employee illnesses, patient medical issues and one on one direct care. The one on one direct care takes

place in the hospitals in either Redfield or Aberdeen. Overtime hours totaled \$1,104,001.27 in FY16 and \$541,376.50 through 3-21-17 in FY17.

Director Abeln mentioned there is a national shortage of medical staff, leading to increased overtime hours. The lower unemployment rates in Redfield also attribute to higher overtime. The starting rate of dsp's is \$13.54/hour and they offer a \$1.00/hour incentive for the 3:00pm-11:00pm shift and a \$1.50 incentive for the 11:00pm-7:00am shift. She feels the incentive pay has helped with the vacancies in the later shifts. Representative Wismer asked if the number of dsp FTE's changed from last year to this year. Director Abeln answered that the number of dsp FTE's is the same.

Director Abeln advised there have been a total of 279 patients admitted over the last ten years and the number has been declining since 2009. The majority of admissions come from a mental health facility such as HSC. They have been working hard to help people in need, stay at home or within the community. Admission can be voluntary, court ordered or board ordered. She explained that 160 people received support in 2007, 131 people in 2016 and they currently have 120. They have 13 living units and two transitional facilities. They have taken a variety of steps to help with safety and employee satisfaction, but realize it is an ongoing process.

Senator Cronin asked if the Committee could receive a report with the number of days a patient was off campus with illnesses and the types of illnesses. He would also like a breakdown of the cost associated with the patient being off campus. Director Abeln will provide that information. Representative Wismer asked about the status of the employee satisfaction survey. Mr. Flannery advised that the survey was provided to the Committee at the end of last year.

Item 8 – Bureau of Information and Telecommunications and the Department of Public Safety to discuss infrastructure upgrades to the Public Safety Radio System

- [Letter to BIT Doc.8](#)

Mr. Jim Edman, Deputy Commissioner with the Bureau of Information and Telecommunications (BIT) was present to address the Committee. Mr. Edman stated that the State Radio plan remains the same. They went through an update in 2014. A notification from Motorola has required the State to make some changes. The State remains in charge of the network for the State Radio. Mr. Jeff Pierce, an Engineering Manager with BIT provided additional information to the Committee. He presented a copy of the notification that is currently being sent to all State users informing them of the changes ([BIT Handout](#)).

Mr. Pierce also discussed funding options to sustain the communications systems. He provided several examples of what other states have done. He also researched records to provide estimates of investment amounts by the State. Senator Peters asked if the infrastructure investment figures of \$45-\$50M included local investment as well. Mr. Pierce advised that it does. Senator Peters asked for a breakdown of that total and thinks that the figure is low and wants more information showing where the money is being spent. Mr. Pierce stated that the radios purchased figure of \$44.4M is in addition to the infrastructure amount.

The original plan called for upgrades to radios by the year 2023. They are in the process of coming up with a sustainability plan. They have been fortunate to receive one time grants that have allowed them to make the changes required in years past. They realize that one time grants are not a solution for long term sustainability.

Representative Wismer asked how much of a surprise this notification is to the local governments. Mr. Pierce advised that they have been providing communications to the governments for a number of years. Staci Ackerman, Executive Director for the SD Sheriffs' Association, advised that the change in the timeline has been somewhat of a surprise. They found out in March that they would be required to be upgraded by the end of 2017. Most of their communication is done through email or through their meetings, and is not always easy to reach everyone. Mr. Edman sympathizes with the counties and agrees that the 21 month notice does not give them much time to make the changes required.

Senator Tapio asked how many radios would need to be replaced. Mr. Pierce stated there are about 16,000 Motorola radios. He predicts about 5,000 have already been upgraded and the remaining could be replaced at a cost of about \$2,500-\$3,000 each. He stated the cost to the infrastructure for the state would be about \$11.8 million and would need to be completed by 2023. Representative Wismer asked for clarification on the timeline. Mr. Pierce advised that most radios in use right now, either need to purchase an upgrade before 12-31-17, or purchase new radios that will be compatible with the new upcoming system. Senator Peters asked why this wasn't addressed during the 2017 legislative session or made more of a priority. Mr. Pierce advised that this was not on their radar until March 2016. Mr. Edman explained that the network is not affected by the 12-31-17 deadline, but radios cannot be upgraded after 12-31-17. The radios will continue to work until 7-1-2023, but will not have software support from Motorola. Senator Peters asked if we would continue to be compatible with neighboring states if we do not upgrade our network until 2023. Mr. Pierce said we have equipment and procedures in place to communicate with all neighboring states.

Mr. Dave Eischens, a Strategic Projects Director with Motorola Solutions, was present to address the committee. He explained that the technology the state is using dates back to 1991. Mr. Eischens explained that they alerted the State as soon as they found out about the service discontinuation.

Senator Cronin asked if we don't upgrade or replace the existing 16,000 radios by 2023, they will no longer be useable. Mr. Eischens confirmed that after the network update in 2023, any radios not equipped with the flash update would not be compatible with the new system. He estimates that the new radios compatible with the new system could cost about \$2,000-\$4,000. Representative Hunhoff asked how long radios will last if they receive the upgrades. Mr. Eischens explained that the life of radios depends heavily on their usage. A well-used radio could last 4-5 years and one that doesn't get used often could last 10 years. Senator Nelson asked if there was anything in the contract guaranteeing how long a radio would be good for. Mr. Pierce explained that the end user agreements with the counties usually include that, not the contract with the State.

Representative Tieszen asked where the date of 12-31-17 for the upgrades came from and why was there such short notice. Mr. Eischens stated that the cost to support the old technology was the issue for them. Radios have a 5 year guaranteed support timeframe. The current radios are past that timeframe and it is not practical for Motorola to continue offering upgrades. Mr. Eischens explained

that to help with the burden caused to their customers, Motorola offered a 7 year no-interest payment plan. Senator Cronin asked if the no-interest financing was still an option for customers. Mr. Eischens answered that the no-interest option is still on the table. They are also working with BIT to come up with an ongoing plan.

Senator Peters asked what BIT's ongoing budget is for infrastructure upgrades. BIT has a total budget of about \$3.7 million, including an \$821,000 lease buy back payment. Mr. Trevor Jones, Secretary of the Department of Public Safety advised that the Highway Patrol has built in radio upgrades in their normal operations within the budget. The radios that they are upgrading are compatible with the new system and they will provide the current number of radios that are not compatible.

Item 9 – Future meeting date and topics

It was discussed trying to perform two Management Reviews in the next meeting. Senator Peters wants the Legislative Research Council to continue to be a part of the process and figure out who is ready to present.

Other topics included: the report from DOC for the last six months of 2016, the special review of Mid Central Education Cooperative, Annual Review for the Brand Board, Single Audit Report findings, South Dakota High School Activities Association's Annual Report, expansion of Public Broadcasting in Rapid City and a review of the University Center reports.

April 25, 2017 was discussed for the date of the next meeting in Pierre. If there were several agenda items, the meeting may start the afternoon of April 24th.

A June 6, 2017 meeting was tentatively scheduled in Sioux Falls.

A July 24, 2017 meeting was tentatively scheduled in the Aberdeen/Redfield/Watertown area.

A motion was made by Representative Anderson to adjourn, seconded by Senator Cronin. The motion passed on a voice vote.