

85th Legislative Session – 2010

Committee: Joint Appropriations

Wednesday, January 13, 2010

P - Present
E - Excused
A - Absent

Roll Call

P Ahlers
P Burg
P Bartling
P Dennert
P Hundstad
P Wismer
P Novstrup (Al)
P Brown
P Carson
P Deadrick
P Peters
P Wink
P Haverly
P Putnam
P Hunhoff (Jean), Chair
P Tidemann, Vice-Chair

OTHERS PRESENT: See Original Minutes

The meeting was called to order by Senator Jean Hunhoff.

Bureau of Administration

Mr. Jeff Bloomberg, Secretary, and **Mr. Jim Neiles**, Finance Officer, updated the committee on the FY11 budget request for the Bureau of Administration (BOA).

Reduction of 4 FTEs

Secretary Bloomberg stated that 4 positions are proposed to be eliminated from the FY11 budget.

Increased use of technology is the primary reason for the elimination of the positions. The FTEs that are proposed to be eliminated include:

- 1.0 FTE - a purchasing specialist in the procurement office
- 2.0 FTE - in Central Services
- 1.0 FTE - PPL Fund Administration

Senator Dan Ahlers asked about the vacant FTEs that remain in the FY11 budget. He requested the agency provide information stating the need and reason to keep the vacant FTEs and funding in the budget request.

Priorities for FY11

Distributed to the committee was a handout entitled listing the BOA's top five priorities for FY 2011. (**Document #1**) The top five priorities are:

1. Work with state agencies to further minimize executive branch motor vehicle travel. (Executive branch employees reduced travel in state vehicles by 1.8 million miles - a 5.7% reduction from FY08 to FY09.)
2. Reduce state government electrical consumption and heating expenses. The BOA will implement as many Energy Conservation Measures identified in statewide energy report as funding will allow. From FY08 - FY09, the BOA improved the mechanical systems and automating building controls and decreased energy use in Capitol complex buildings by 6.6%.
3. Complete capitol complex renovation projects and consolidate office space in Pierre.
 - Complete McKay renovation and move Dept. of Education to second floor.
 - Close Children and Adult Nutrition Services (CANS) lease and move to McKay.
 - Close two BIT leases and move to Kneip.
 - Realign space in the Kneip building between DSS, BIT and Labor.
 - Close MMIS lease for both BIT and DSS and move to Kneip.
 - Complete Capitol Lake Plaza renovation project.
 - Close Lottery lease and move to Capitol Lake Plaza.
 - Complete renovation of basement area in Becker Hanson.
 - Consolidate training areas to basement of Becker Hanson.
4. Continue aggressive statewide and capitol complex maintenance and repair program. This will be accomplished by keeping the buildings in good repair to extend their lifespan and energy efficiency; and by renovating to meet LEED Existing Building standards wherever feasible.
5. Develop a plan for relocation of the Buildings and Grounds shop. The current location for the Buildings and Grounds shop is just east of the Becker Hanson building in a building owned by the Pierre School District pursuant to an agreement entered into during the Janklow administration. The school district gave notice to BOA this fall that they have tentatively decided that they would like to end that agreement and reoccupy the shop currently occupied by Buildings and Grounds. They have indicated that they would allow

BOA to remain in that location until January. 1, 2012. The shop houses equipment and personnel that are involved in daily grounds and building projects.

Representative Larry Tidemann asked about the monetary savings to the state for reducing vehicle travel. Mr. Neilis responded that the BOA would be able to provide the information with the exception of specialty vehicles.

Senator Corey Brown requested that the BOA provide an electronic copy of the last quarter report of the efficiencies in travel.

In response to another question posed by Senator Brown, Secretary Bloomberg stated that the BOA has not purchased any new vehicles for the general fleet in FY10. However, vehicles for DCI agents and specialized vehicles for smaller programs have been purchased.

Representative Quentin Burg asked about the amount of ethanol used and the blender pumps at the state fueling stations. Secretary Bloomberg responded that in the last calendar year, the state used 932,272 gallons of regular fuel, 1,184,306 gallons of E-10, and 53,973 gallons of E-85.

Secretary Bloomberg said that the BOA used stimulus money to install E-85 tanks at five state fueling locations. It was requested that any person using a flex fuel vehicle use those locations. He mentioned that there is proposed legislation this year to move the fleet vehicles at South Dakota State University and install an E-85 fuel tank.

Representative H. Paul Dennert asked if there were any savings from purchasing fuel. Secretary Bloomberg stated that the Department of Transportation, Department of Game, Fish and Parks, and the Board of Regents (BOR) purchase the fuel and the BOA buys the fuel from that agency. The BOA will provide the contract price for fuel for the last fiscal year.

Senator Jean Hunhoff asked if there were any reductions for leases in the FY10 or FY11 budgets. Secretary Bloomberg informed the committee that the leases are paid by the specific agencies. Due to when the plans were finalized to move various agencies, he assumes the change is not reflected in the FY11 budget.

Maintenance and Repair

Distributed to the committee was a "Project Evaluation Worksheet" (**Document #2**) and the "Statewide Maintenance and Repair Unfunded Projects List" (**Document #3**). Secretary Bloomberg said that the Maintenance and Repair (M&R) projects are ranked according to a point system using the "Project Evaluation Worksheet". All projects not able to be completed in the fiscal year due to available funds are listed on the "Statewide Maintenance and Repair Unfunded Projects List". The BOA works through the list top to bottom as funds become available, but the list changes when serious problems need to be addressed.

Secretary Bloomberg addressed the “Statewide Maintenance and Repair Projects Completed in FY09” (**Document #4**) and “Statewide Maintenance and Repair Projects Completed in FY10” (**Document #5**).

Representative Susan Wismer asked about the length of time some projects remain on the Statewide Maintenance and Repair Unfunded Projects List”. In response, **Ms. Kristi Honeywell**, State Engineer, said that some projects have been on the list for up to ten years. There will be projects that never move up on the list due to more serious issues arising, the ranking system, and available funding.

Senator Hunhoff asked about M&R projects on newer buildings. Secretary Bloomberg responded that the majority of the problems are in the older buildings. However, if issues arise in the newer buildings and the project does not fall under the warranty, then they are placed on the M&R list.

State Engineers Office

Secretary Bloomberg distributed a flow chart entitled “Typical State Construction Project Process” (**Document #6**). The chart outlines the process of constructing buildings. Secretary Bloomberg explained the handout.

Senator Jim Hundstad asked about the future M&R of buildings that are constructed with donor funds. Secretary Bloomberg said that the BOA helps the BOR with the construction of buildings; however, M&R on campus is the responsibility of the BOR. Non-revenue generating buildings do receive M&R funds.

In response to a question posed by Representative Dean Wink, Secretary Bloomberg stated that LEED buildings will save money over time. The first state LEED buildings are being completed and data is not available yet. It may be beneficial to have LEED buildings for schools and other public buildings, but not necessarily for private homes.

Additional documents distributed to the committee:

- “Office of the State Engineer” responsibility summary (**Document #7**)
- “OSE Managed Active Projects Opened Prior to Fiscal Year 2007” (**Document #8**)

Senator Ahlers asked about the difference in the actual travel budget vs. the budgeted travel budget. In response, Secretary Bloomberg stated that the travel budget remained about the same, and if there are no travel costs, then there are no billings to other agencies. At the end of the fiscal year, the other fund authority reverts but there is no actual money transaction.

Energy Audit Report

Distributed to the committee was a document entitled “Statewide Energy Auditing for Energy Master Plan”. (**Document #9**)

MOTION: ADJOURN

Moved by: Haverly
Second by: Deadrick
Action: Prevailed by voice vote.

Lisa Shafer
Committee Secretary

Jean M. Hunhoff, Chair