



# MINUTES

## GOVERNMENT OPERATIONS AND AUDIT COMMITTEE

**Eighth Meeting  
2009 Interim  
January 11, 2010**

**Room 413  
State Capitol  
Pierre, South Dakota**

The eighth meeting of the 2009 Interim Government Operations and Audit Committee was called to order by Chair Peters at 9:10 a.m., January 11, 2010, in LRC Room 413, State Capitol Building, Pierre, South Dakota.

A quorum was determined with the following members answering the roll call: Senators Jean Hunhoff, Craig Tieszen, Julie Bartling, and Jeffrey Haverly; Representatives Deb Peters, Paul Dennert, Quinten Burg, and Charles Turbiville. Representative Kent Juhnke arrived shortly after roll call, and Senator Margaret Gillespie was present via telephone.

Staff members present were Mr. Martin L. 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 Bartling, the minutes of the December 7, 2009 meeting be approved. Motion prevailed unanimously on a voice vote.*

### **Brand Board – Review of Recent Financial Data (Doc’s 2, 3, and 4)**

Mr. Larry Stearns, Executive Director for the State Brand Board addressed the Committee. Mr. Stearns explained the fee structure for brand renewals and transfers. Mr. Stearns testified that there are approximately 26,300 brands registered in the state. There was no further discussion.

### **Department of Revenue – Contract with South Dakota State University (SDSU)**

Mr. Tim Flannery, Department of Legislative Audit reviewed an email reply from the Department of Revenue explaining that the Department plans to continue this contract. SDSU will annually update the database containing the productive value of land by county for property tax assessment purposes.

### **Military and Veterans Affairs – Contract with Law Firm (Doc 9)**

Mr. Flannery reviewed the response from Military and Veterans Affairs (MVA) regarding a settlement for a roofing project. MVA is still working on a date for the conclusion of the settlement for the roofing project, because the warranty for roofing work has yet to be provided. This issue may be revisited at a future date.

### **Department of Transportation – (Doc 10)**

Mr. Flannery reviewed Document 10, which contained detailed information on usage of state owned airplanes. The document also contained previously requested information on Railroad Authority loans. This information may be reviewed by other committees in the future.

### **Review of Blue Book – Supplement (Doc 11)**

Mr. Bob Christianson, Department of Legislative Audit reviewed the supplemental information to the Blue Book. There was no further discussion.

### **Department of Corrections – Follow-up Syscon Contract and Inmate Trust Financials (Doc's 5, 6, and 12)**

Mr. Timothy Reisch, Secretary of the Department of Corrections, and Mr. Scott Bollinger, Director of Operations, Department of Corrections addressed the Committee. Mr. Reisch testified that he is pleased with the progression of the Syscon Justice System Inc. contract. Mr. Reisch said the system will not be a cost saving, but it is necessary to upgrade the outdated system currently in use. Mr. Bollinger explained the funds in the inmate trust fund. The Committee may revisit the contract with Syscon if deemed necessary.

### **Department of Health – Update on H1N1 Vaccinations (Doc's 8 and 13)**

Ms. Doneen Hollingsworth, Secretary of the Department of Health, and Ms. Colleen Winter, Division Director for the Department of Health were present to address the Committee on the status of the H1N1 vaccination program. Ms. Hollingsworth answered numerous questions regarding the rollout, distribution, and administration of the H1N1 vaccine. Ms. Hollingsworth is pleased with how the various agencies have worked together in a short time frame to carry out a program of this magnitude. Ms. Hollingsworth also stated that the Department will continue to vaccinate as long as necessary. Ms. Winter addressed the Committee on the re-call and safety of the recalled vaccine. This topic may be revisited if deemed necessary.

### **Board of Medical & Osteopathic Examiners – Fund Review (Doc's 7 and 14)**

Mr. Tim Flannery reviewed the information in Document 14 (handout) regarding the Board of Medical & Osteopathic Examiners Fund (Company 6503). The Committee requested further information from the Board of Medical & Osteopathic Examiners.

### **In Addition to Agenda**

Ms. Mary Ellen Garrett, Budget and Accounting Coordinator for the Board of Regents was present in case the Committee had any questions of the Board of Regents. Due to technical difficulties, the Board of Regents was unable to listen to this particular Committee meeting. The Committee had no questions for the Board of Regents at this time.

### **Future Meeting Dates**

To be determined at a later date.

*Representative Peters moved, seconded by Representative Haverly to adjourn the meeting. Motion prevailed unanimously on a voice vote.*

The Committee adjourned the meeting at 11:50 a.m.



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