



Legislative
Research
Council

MINUTES

Bureau of Administration Agency Review Committee

First Meeting
2010 Interim
Monday, July 26, 2010

Room 413
State Capitol Building
Pierre, South Dakota

The first meeting of the interim Bureau of Administration Agency Review Committee was called to order by Representative Timothy Rave, Chair, at 9:00 a.m. (CDT), on Monday, July 26, 2010, in Room 413 of the State Capitol, in Pierre, South Dakota.

A quorum was determined with the following members answering the roll call: Senators Dan Ahlers, Jeffrey Haverly (Vice Chair), and Craig Tieszen; and Representatives Dennis Feickert, Mark Kirkeby, J.E. "Jim" Putnam, Timothy Rave (Chair), Darrell Solberg, Dean Wink, and Susan Wismer. Senator Pam Merchant was present following the roll call.

Staff members present included Sue Cichos, Senior Fiscal Analyst; David Ortbahn, Principal Research Analyst; Reuben Bezpaletz, Chief Analyst for Research and Legal Services; and Kris Schneider, Senior Legislative Secretary.

All material distributed at the meeting is attached to the original minutes on file in the Legislative Research Council (LRC). The committee documents are available at the LRC website at <http://legis.state.sd.us> under "Interim Information – Committee Documents." For the purpose of continuity, these minutes are not necessarily in chronological order. This meeting was web cast live. The archived web cast is available under "Interim Information – Minutes and Agendas."

Remarks from the Chair and Vice Chair

Chair Timothy Rave and **Vice Chair Jeffrey Haverly** welcomed the officials from the Bureau of Administration (BOA) and explained the roles and function of the committee.

Historical Perspective of the Sunset Process

Mr. Reuben Bezpaletz gave a historical perspective of the legislative sunset process and discussed a typical study plan for interim sunset committees (**Document 1**).

Bureau of Administration's Presentation

Mr. Jeff Bloomberg, Commissioner, stated the legislative authority for BOA is provided for in SDCL Chapter 1-33. They are one of four bureaus within the Department of Executive Management.

The primary mission of BOA is to provide administrative and support services to state government agencies, institutions, and various political subdivisions. They also provide

administrative functions for the Records Destruction Board and the Capitol Complex Restoration and Beautification Commission. A copy of BOA's presentation was distributed to the committee (**Document 2**).

Budget & Funding

Mr. Jim Neiles, Budget Analyst with the Bureau of Finance and Management who is assigned to the BOA, reviewed the major changes in their budget over the past ten years. The 2011 budget is \$36,892,099 which includes \$4,532,420 General Funds; \$500,000 Federal Funds; and \$31,859,679 Other Funds. Currently there are 173.5 FTE compared to 181.4 FTE in 2001.

Mr. Neiles also reviewed the BOA's billing rates and how they are set and billed.

In response to a question on how the federal rate is negotiated, he stated that a process, not a rate, is negotiated with the federal government. It is monitored quarterly, and adjustments are made as needed.

Chair Rave asked that the BOA provide the committee with a more detailed listing of the BOA's Other Funds (breakdown of funding by source received from each agency) and to provide a sampling of how the rate setting process works for the next meeting.

Central Office

Commissioner Bloomberg introduced the Central Office staff – Mr. Steve Stoneback, Deputy Commissioner; Ms. Marla Anderson, Administrative Assistant; and Mr. Dwane Russell, Space Manager. Mr. Mike Mueller, Sustainable Government and Special Projects, was not present at the meeting.

Office of Space Management

Mr. Dwane Russell, Manager of the Office of Space Management, gave a brief synopsis of the process of obtaining new lease space in Sisseton for the Department of Health.

Commissioner Bloomberg provided the committee with a list of current leases that the Office of Space Management manages for the State of South Dakota (sorted by community) (**Document 3**). He noted that most of the leases have a 90-day termination clause; however some may have a 30-day termination clause. They are encouraging energy savings and have been working with agencies in that regard. He also reported on the various renovation projects involving state buildings and agencies. It was noted that the Capitol Lake Plaza building is a LEED Silver project and that up to 64% of its energy use will be generated on site via wind, photovoltaic and geothermal.

In response to a question on the amount of square footage of leased space today versus five years ago, Commissioner Bloomberg responded it would probably be less. The BOA will provide that information to the committee at the next meeting.

In response to a question about the federal stimulus money used to renovate the Capitol Lake Plaza, Mr. Neiles explained how \$23 million of the \$30 million received for energy was allocated to state projects. The stimulus money used for the Capitol Lake Plaza building went through the Department of Tourism and State Development and the Office of the State Engineer budgets.

Sustainable Government and Special Projects

Commissioner Bloomberg reviewed Mr. Mueller's job responsibilities. Mr. Mueller is also the BOA's public information officer.

Office of Hearing Examiners

Mr. Leo Disburg, Chief Hearing Examiner, gave a brief overview of the Office of Hearing Examiners. He stated the office conducts administrative hearings and writes final and proposed decisions for various agencies. They have 3 FTE. The office handles approximately 300 – 400 cases a year.

Central Services

Mr. Stoneback introduced the various managers within Central Services.

Records Management

Mr. Dana Hoffer, Manager of Records Management, gave a brief overview of the services that they provide. Records Management was established in 1967 by the Legislature. They have 3.5 FTE. They provide services that relate to the creation, utilization, maintenance, retention, disposal, and preservation of records. They operate a Records Storage Center, Microfilm Unit and a Microfilm Storage Vault.

Central Mail

Mr. Roger Getz, Manager of Central Mail, gave a brief overview of their services. They process all incoming, interoffice, and outgoing mail for state agencies. They have 8.3 FTE. They also offer mail inserting services to agencies.

The committee recessed at 11:23 a.m. for a tour of Central Services and lunch. The committee reconvened at 1:17 p.m.

Federal Surplus Property

Mr. Daryl Miller, Manager of Federal Surplus Property, provided a brief overview of their services. The South Dakota Federal Property Agency was created by the Legislature in accordance with the Federal Property and Administrative Services Act of 1949, as amended. Their mission is to acquire federal government surplus property and redistribute it to state and

local government entities and other private non-profit entities that meet the eligibility requirements. They receive no state general funds. They have 13 FTE and have warehouses in Box Elder and Huron. A copy of a brochure entitled "Federal Property Agency" and the August 2010 Monthly bulletin were distributed (**Documents 4 and 5**).

In response to a question on where the profits go when items are sold, Mr. Neiles stated that they will provide the committee with the name of the fund and the fund detail and balance at the next meeting.

Buildings and Grounds

Mr. Stoneback provided a brief overview of the Buildings and Grounds responsibilities. They have 81.7 FTE. They maintain twenty-three buildings covering 857,830 sq. ft. on 200 acres of grounds.

In response to questions regarding the costs Buildings and Grounds incur in assisting with special events (i.e. Capitol Celebration, Christmas tree project, Inaugural), Mr. Neiles stated there is a revolving fund for miscellaneous revenue. The BOA will provide a report regarding the costs incurred for special events at the next meeting.

Office of the State Engineer

Ms. Kristi Honeywell, State Engineer, reviewed the services they provide to state agencies. They manage the construction process for all new construction and renovations of state owned buildings, provide technical assistance and advice to physical plant directors, manage the Statewide Maintenance and Repair Program, and implement the state energy plan. They have 14 FTE. The committee was provided copies of the Statewide Maintenance and Repair Unfunded List FY 2011 (Sorted by Ranking) and (Sorted by Campus), Statewide Maintenance and Repair Funded List, State Building Projects Being Constructed to LEED Silver Standard as of July 2010, and a flow chart of the Typical State Construction Project (**Documents 6, 7, 8, 9, and 10**).

The BOA will provide a copy of the Statewide Maintenance and Repair Unfunded List from ten years ago or the oldest one available to the committee at the next meeting.

Topics for Future Meetings

The presentations from the remaining Central Service areas (Central Duplicating, Property Management/Central Supply, and Office of Procurement Management) Fleet and Travel Management, and the Office of Risk Management were held over until the next meeting. Handouts distributed to the committee relating to these areas included the Responsibilities of the Office of Risk Management and Fleet and Travel Management (**Documents 11 and 12**).

The committee would like some additional information and an update regarding the obsolete buildings at the Human Services Center in Yankton.

It was requested that information regarding company 6014 be included in the People Fund discussion next time.

Recommended Legislation

Commissioner Bloomberg briefly highlighted twelve issues that the BOA believes should be addressed during the next Legislative session. A copy of the Proposed Legislation was distributed to the committee (**Document 13**). LRC staff is currently reviewing the statutes and rules. Draft legislation will be discussed at a future meeting.

Next Meeting Date

Chair Rave set the next meeting for Wednesday, August 25, 2010, starting at 9:00 a.m. The third and final meeting date was set for Tuesday, October 5, 2010.

Adjournment

Senator Tieszen moved, seconded by Representative Wink, that the meeting adjourn. Motion prevailed on a voice vote.

The meeting adjourned at 3:03 p.m.

