



MINUTES

Executive Board

**Fifth Meeting
2008 Interim
November 17, 2008**

**Legislative Conference Rooms 1 & 2
State Capitol
Pierre, South Dakota**

Before calling the meeting to order, Chair Tidemann, Vice Chair Hunhoff, other members of the Executive Board, and Mr. Fry, LRC Director, ceremonially opened the new meeting room 414 located on the fourth floor of the State Capitol.

The fifth 2008 interim meeting of the Legislative Research Council Executive Board was called to order by Chair Representative Larry Tidemann at 9:10 a.m. (CT), November 17, 2008, in Legislative Conference Rooms 1 and 2 of the State Capitol, Pierre, South Dakota.

A quorum was determined with the following members answering the roll call: Senators Julie Bartling, Bob Gray, Tom Hansen, Jim Hundstad, Jean Hunhoff, (Vice Chair), and Gil Koetzle; and Representatives Quinten Burg, Thomas Deadrick, Richard Engels, Kristi Noem, Gordon Pederson, Carol Pitts, J.E. "Jim" Putnam, and Larry Tidemann (Chair). Senator Gene Abdallah was excused.

Staff members present included James Fry, LRC Director; Fred Baatz, Principal Research Analyst; Reuben D. Bezpaletz, Chief of Research and Legal Services; Doug Decker, Code Counsel; Tom Magedanz, Principal Research Analyst; David Ortbahn, Principal Research Analyst; Teri Retrum, Administrative Assistant; and Jacquelyn Storm, Principal Legislative Attorney.

(Note): On Monday, November 17, 2008, the Computer Technology Subcommittee met at 7:30 a.m.; the Investment Council Subcommittee met at 8:00 a.m.; and the Legislative Interns Subcommittee met at 8:40 a.m.

(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."

Approval of Minutes

REPRESENTATIVE PEDERSON MOVED, SECONDED BY REPRESENTATIVE ENGELS, THAT THE MINUTES OF THE AUGUST 18, 2008, MEETING BE APPROVED. The motion prevailed on a voice vote.

Approval of Agenda

REPRESENTATIVE ENGELS MOVED, SECONDED BY REPRESENTATIVE BURG, THAT THE AGENDA BE AMENDED TO INCLUDE DISCUSSION ON TRAVEL COSTS TO NCSL, CSG, AND ALEC. The motion prevailed on a voice vote.

REPRESENTATIVE PUTNAM MOVED, SECONDED BY SENATOR HUNDSTAD, THAT THE AGENDA BE AMENDED THAT THE DIRECTOR'S REPORT INCLUDE INFORMATION ON THE PAGE PROGRAM. The motion prevailed on a voice vote.

There being no further amendments, **Chair Larry Tidemann** directed that the agenda will stand as amended.

Investment Council Report

Senator Bob Gray, Chair of the Investment Council Subcommittee, introduced **Mr. Curt Johnson**, Chair of the South Dakota Investment Council (SDIC), and **Mr. Matt Clark**, State Investment Officer.

The following documents were distributed:

- Letter transmitting the SDIC Report;
- Summary of Trust Fund Value and Asset Allocation;
- Graphs denoting the economic situation in past years and the current year; and
- Compensation/Incentive Plan.

The aforementioned documents are compiled and labeled **Document #1**.

Mr. Johnson gave a brief overview of the compensation/incentive plan for the State Investment Officer.

Mr. Clark introduced **Mr. Rob Wylie**, Executive Director, South Dakota Retirement System (SDRS), and **Ms. Tammy Otten**, SDIC, and explained the reason for the change to the four-year bonus computation. Mr. Clark said that the calculation for the bonus for the State Investment Officer was based on a national report that contained inaccurate information. After the accounting mistake was discovered, the corrected bonus amount is \$172,241.34 from the original amount of \$147,177.88; a difference of \$25,063.46.

Responding to **Senator Jean Hunhoff**, Mr. Clark said that, according to the index provider, this problem has never happened before; now that it has happened the provider has assured that more caution will be taken and they will be more sensitive to it.

Representative J.E. "Jim" Putnam questioned whether the procedure to set the bonus is in sync with the time when the audit is completed.

Mr. Clark responded that the bonus is awarded subject to confirmation by an audit. The matter was formerly decided at the November meeting of the Executive Board; currently, it is decided at the August meeting.

REPRESENTATIVE DEADRICK MOVED, SECONDED BY SENATOR HANSEN, TO CORRECT THE INCENTIVE PAYMENT TO THE STATE INVESTMENT OFFICER (+\$25,063.46) BASED ON AN ERROR BY AN INDEPENDENT COMPANY AND \$10,000 TO THREE OTHER SDIC STAFF. The motion prevailed unanimously on a roll call vote, with 13 voting AYE and 2 EXCUSED. Those voting AYE: Bartling, Gray, Tom Hansen, Koetzle, Burg, Deadrick, Engels, Noem, Pederson, Pitts, Putnam, Hunhoff, and Tidemann. Those EXCUSED: Abdallah and Hundstad.

Mr. Clark reviewed the FY 2008 investment performance, which is below benchmarks by 4% to 5%. Mr. Clark said that, typically, the transmittal letter focuses on long-term investment performance; however, due to the economic situation, Mr. Clark said that the FY 2008 returns were a disappointment and worthy of discussion. The return for the South Dakota Retirement System was -8.65%, and the returns of the trust funds ranged from minus 5.75% to minus 6.65%. Mr. Clark attributed the underperformance primarily on adverse returns of the internally managed global equity portfolios. According to Mr. Clark, massive injections of liquidity have been provided by governments across the globe to lessen the severity of the financial crisis; however, if history is a guide, financial markets may recover in anticipation of later economic recovery.

Appointment to the South Dakota Code Commission

Mr. Jim Fry, LRC Director, informed the Board that current Code Commissioner, Mr. Michael DeMersseman, has expressed his desire to be reappointed to the South Dakota Code Commission.

REPRESENTATIVE DEADRICK MOVED, SECONDED BY REPRESENTATIVE PUTNAM, THAT THE BOARD REAPPOINT MR. MICHAEL DE MERSEMAN TO THE SOUTH DAKOTA CODE COMMISSION. The motion prevailed on a voice vote.

Representative Richard Engels commented that he had expressed his interest in this position. He said that a current legislator usually has been appointed as a member of the Code Commission. Representative Engels noted that Mr. DeMersseman was a sitting legislator at the time of his appointment; however, he is no longer a legislator. Based on that tradition, Representative Engels said that he will not support the motion.

The motion prevailed on a roll call vote with 13 voting AYE, 1 voting NAY, and 1 EXCUSED. Those voting AYE: Bartling, Gray, Tom Hansen, Hundstad, Koetzle, Burg, Deadrick, Noem, Pederson, Pitts, Putnam, Hunhoff, and Tidemann. Those voting NAY: Engels. Those EXCUSED: Abdallah.

Appointment to the Uniform Laws Commission (ULC)

Mr. Fry said that current Uniform Laws Commissioner, Mr. Sean O'Brien, has been appointed to a judgeship; therefore, Judge O'Brien is ineligible to serve on the Uniform Laws Commission. He said that the appointment to replace Judge O'Brien could be made prior to Legislative Session by this Board, or it could wait until the new Executive Board is elected.

Senator Jean Hunhoff said that, in the past, the caucus leaders have asked for input from their respective caucuses and then brought their recommendations forward to the Executive Board for consideration.

SENATOR HANSEN MOVED, SECONDED BY REPRESENTATIVE PUTNAM, THAT THE EXECUTIVE BOARD DIRECT THE LRC DIRECTOR TO SURVEY THE CAUCUS LEADERS REGARDING AN APPOINTMENT TO THE UNIFORM LAWS COMMISSION. The motion prevailed on a voice vote.

Responding to **Representative Carol Pitts**, Mr. Fry said that traditionally an appointee to the ULC has been an attorney, because a law-trained individual is best -equipped to deal with the intensive legal issues examined by the ULC. Mr. Fry told Representative Pitts that he would check to find out if it is a requirement that an appointee be an attorney.

Mr. Fry commented that South Dakota is well-represented on the Commission with two life-time members.

The motion prevailed on a voice vote.

The Board recessed at 10:20 a.m. and reconvened at 10:30 a.m.

Reports of Interim Committees

(Note: Copies of each interim draft committee report are compiled and labeled **Document #2.**)

Agricultural Land Assessment Implementation and Oversight Advisory Task Force

Mr. Fred Baatz, Principal Research Analyst, reviewed the Task Force's Final Interim Report. Mr. Baatz said that the meetings were well attended by many interested parties representing many of the agricultural and business associations, the directors of equalization, individual farmers and ranchers, and other interested taxpayers.

Mr. Baatz distributed draft legislation—(1) to revise certain provisions concerning the assessment of agricultural land; and (2) to revise certain tax levy limitations and property tax levies for school districts (compiled and labeled **Document #3**).

SENATOR HUNDSTAD MOVED, SECONDED BY SENATOR HANSEN, THAT THE EXECUTIVE BOARD ACCEPT THE REPORT OF THE AGRICULTURAL LAND ASSESSMENT IMPLEMENTATION AND OVERSIGHT ADVISORY TASK FORCE. The motion prevailed unanimously on a voice vote.

Senator Jean Hunhoff assumed the Chair.

Appropriations Committee

Representative Tidemann discussed the Appropriations Committee's interim study. He said that the committee reviewed the budget transfers and investment income proration reports prepared by the Bureau of Finance and Management for the period ending June 6, 2008.

Also, Representative Tidemann said that the committee approved three Letters of Intent, which were in addition to those approved during the Legislative Session. Representative Tidemann listed the agency reports which were presented to the committee. He also commented on the West River Tour. Representative Tidemann said that three subcommittees were appointed, which will be reporting to the full committee in December.

REPRESENTATIVE PUTNAM MOVED, SECONDED BY REPRESENTATIVE PEDERSON, THAT THE EXECUTIVE BOARD ACCEPT THE REPORT OF THE APPROPRIATIONS COMMITTEE. The motion prevailed unanimously on a voice vote.

Representative Tidemann resumed the Chair.

Department of Game, Fish and Parks Agency Review Committee

Senator Tom Hansen, Chair of the committee, read his prepared remarks concerning the interim study (**Document #4**). Senator Hansen said that the committee received public testimony, and the “open fields doctrine” continues to be an issue. In addition, Senator Hansen said that public acquisition of land and access to that land still were concerns. According to Senator Hansen, on-going questions on the allocation of big game licenses and the distribution of the funds received from the sale of all licenses continue to be an issue. Senator Hansen said that the committee approved the introduction of six bills for consideration in the 2009 Legislature.

Mr. Reuben Bezpaletz, Chief of Research Analysis and Legal Services, distributed copies of the committee’s draft legislation (**Document #5**).

REPRESENTATIVE PEDERSON MOVED, SECONDED BY REPRESENTATIVE PITTS, THAT THE EXECUTIVE BOARD ACCEPT THE REPORT OF THE DEPARTMENT OF GAME, FISH AND PARKS AGENCY REVIEW COMMITTEE. The motion prevailed unanimously on a voice vote.

Department of Tourism and State Development Agency Review Committee

As Chair of the committee, Representative Phyllis Heineman discussed the activities of the committee. Representative Heineman said that the Department of Tourism and State Development shared a lot of information. Chair Heineman distributed copies of the following:

- Economic Indicators (**Document #6**);
- Website from which the department’s information can be accessed (**Document #7**);
- Listing of Energy Infrastructure Authority Reports (**Document #8**); and
- Information on Dakota Roots and Dakota Seeds Programs (**Document #9**).

Representative Heineman commented that virtually all public testimony was in strong support regarding the combination of tourism and economic development, and testifiers spoke very favorably of the combined Department of Tourism and State Development.

Ms. Jacque Storm, Principal Legislative Attorney, talked about the committee’s four subcommittees that were formed to hear public testimony. The subcommittees met in

Aberdeen, Oacoma, Rapid City, and Sioux Falls on September 15, 2008, and addressed that testimony at the full committee's meeting in Pierre on September 16.

Representative Heineman said that the consensus of the subcommittee chairs was that the testifiers very much appreciated the committee's outreach to communities across the state. According to the chairs, good comments were heard regarding the department. Lots of support was heard concerning the arts and history divisions in relation to economic development.

At the request of Representative Heineman, Ms. Storm explained the draft legislation to revise the form and style of certain provisions and to delete certain obsolete provisions regarding the Department of Tourism and State Development.

SENATOR HUNDSTAD MOVED, SECONDED BY REPRESENTATIVE DEADRICK, THAT THE EXECUTIVE BOARD ACCEPT THE REPORT OF THE DEPARTMENT OF TOURISM AND STATE DEVELOPMENT AGENCY REVIEW COMMITTEE. The motion prevailed unanimously on a voice vote.

Rules Review Committee

Mr. Doug Decker, Code Counsel, told the Board that the committee reviewed 89 sets of rules so far this interim. All rules presented to the committee were ultimately accepted.

Government Operations and Audit Committee

Mr. Gary Hoscheid, Department of Legislative Audit, distributed the "Report of the Government Operations and Audit Committee 2008" (**Document #10**).

Mr. Hoscheid reviewed the executive summary and discussed the Government Operations and Audit Committee's interim activities. Among those activities was the review of the semi-annual Juvenile Corrections Monitor Reports, as well as any reports on substantiated cases of abuse or neglect involving juveniles in the custody and care of the Department of Corrections and semi-annual reports on the same in private contracted facilities. The committee also toured the Springfield Correctional Facility.

SENATOR HUNHOFF MOVED, SECONDED BY REPRESENTATIVE NOEM, THAT THE EXECUTIVE BOARD ACCEPT THE REPORT OF THE GOVERNMENT OPERATIONS AND AUDIT COMMITTEE. The motion prevailed unanimously on a voice vote.

South Dakota Highway Needs and Financing Committee

Representative Gordon Pederson, Chair of the committee, discussed the interim study of the South Dakota Highway Needs and Financing Committee. Presentations from the Department of Transportation (DOT) provided information regarding the current and future needs of the state highway system. The committee was told of the problems facing the Federal Highway Trust Fund and of the uncertainties of future highway funds.

Mr. Dave Ortbahn, Principal Research Attorney, distributed copies of the committee's proposed draft legislation (**Document #11**).

REPRESENTATIVE PUTNAM MOVED, SECONDED BY REPRESENTATIVE ENGELS, THAT THE EXECUTIVE BOARD ACCEPT THE REPORT OF THE SOUTH DAKOTA HIGHWAY NEEDS AND FINANCING COMMITTEE. The motion prevailed unanimously on a voice vote.

Department of State-Tribal Relations Committee

Mr. Tom Magedanz, Principal Research Analyst, said that the committee is an on-going interim committee that was created in statute (SDCL 2-6-20) in 1993.

Mr. Magedanz said that the committee held meetings at the Badlands Visitor Center, Oglala Lakota College in Kyle, Wounded Knee, and Oglala Lakota College's He Sapa Center in Rapid City. The committee also held meetings with the Flandreau Santee Sioux Tribe and the Yankton Sioux Tribe. Mr. Magedanz stated that the committee heard valuable testimony on various issues of interest to the state and the tribes.

REPRESENTATIVE PEDERSON MOVED, SECONDED BY REPRESENTATIVE PITTS, THAT THE EXECUTIVE BOARD ACCEPT THE REPORT OF THE STATE-TRIBAL RELATIONS COMMITTEE. The motion prevailed unanimously on a voice vote.

The Board recessed at 12:20 p.m. and reconvened at 2:30 p.m.

Director's Report

Director Fry discussed the financial statement as of October 31, 2008 (**Document #12**). He said that the budget is proceeding in a normal fashion.

Legislative Photography

Mr. Fry drew the Board's attention to the lone bid for providing the Legislator portraits and composites for both Chambers of the South Dakota Legislature and on the group photographs of the pages and interns (**Document #13**). Mr. Fry said that the bid was submitted by Edgar W. Matuska, Master Photographer, Samuel's Studio, from Rapid City, South Dakota.

REPRESENTATIVE PEDERSON MOVED, SECONDED BY REPRESENTATIVE ENGELS, TO AWARD SAMUEL'S STUDIO THE CONTRACT FOR PHOTOGRAPHY FOR THE 2009 AND 2010 LEGISLATURES. The motion prevailed unanimously on a voice vote.

Legislative Printing

REPRESENTATIVE NOEM MOVED, SECONDED BY SENATOR BARTLING, THAT THE BOARD AWARD TO MERRIMAN PRINTING THE CONTRACT FOR PRINTING THE 2009 OFFICIAL DIRECTORY AND RULES OF THE SOUTH DAKOTA LEGISLATURE (RED BOOK).

Representative Deadrick suggested that each legislator's term of service be included in the information on the Red Book.

Representative Noem agreed, along with Senator Bartling, to include Representative Deadrick's information in the motion.

The motion prevailed unanimously on a voice vote.

Fourth Floor Renovation

Mr. Fry reported that the fourth floor renovation project is nearly complete—technical finishing and installation of doors remains to be done. He said that the renovation project has resulted in a very nice facility for the legislative process and for use by state agencies and for the public who will attend meetings held by the Legislature and state agencies.

Mr. Fry commented that the Board might want to revisit the current \$50 fee for state agencies to use the rooms—the fee is charged and paid for through the direct voucher process. Mr. Fry questioned whether this process should be continued.

Representative Pederson stated that the rooms are beautiful and perhaps the fee should be increased.

Representative Burg suggested that maybe a fee based on a comparable meeting room in the Pierre area should be implemented. He cautioned not to set the fee too high.

Chair Tidemann suggested that a deposit fee could be charged and, if there is no damage to the room, the deposit would be returned.

SENATOR KOETZLE MOVED, SECONDED BY REPRESENTATIVE ENGELS, TO CHARGE \$75 FOR USE OF THE MEETING ROOMS ON FOURTH FLOOR AND REQUIRE THAT A DAMAGE GUARANTEE BE SIGNED.

REPRESENTATIVE DEADRICK MOVED TO AMEND THE MOTION TO CHARGE \$100 TO USE ROOM 414 BECAUSE IT HAS THE MOST TECHNOLOGICAL CAPACITY THAT COULD BE JEOPARDIZED. The motion to amend the amendment prevailed on a voice vote.

The motion, as amended, prevailed on a roll call vote with 14 voting AYE and 1 EXCUSED. Those voting AYE: Bartling, Gray, Tom Hansen, Hundstad, Koetzle, Burg Deadrick, Engels, Noem, Pederson, Pitts, Putnam, Hunhoff, and Tidemann. Those EXCUSED: Abdallah.

Senator Hunhoff recommended that the Executive Board request the Legislative Procedure Committee to review rules for chairs regarding remote testimony.

Senator Gray said that caution must be taken regarding the technology available in the rooms.

Chair Tidemann said that traditionally the room fee has been waived during session and asked if that should be continued.

Representative Burg said that he supports the waiver during session.

REPRESENTATIVE ENGELS MOVED, SECONDED BY REPRESENTATIVE PUTNAM, TO CONTINUE TO WAIVE THE FEE TO STATE AGENCIES TO USE THE MEETING ROOMS DURING SESSION. The motion prevailed on a voice vote.

Page Information

Senator Hunhoff said that the 2009 page information did not get to some of the students and asked if a page application could be included in the initial mailing to legislators concerning session.

Responding to Representative Engels, Mr. Fry said that the 2009 Page Applications have started to arrive at a steady pace—86 applications have been received, so far. Mr. Fry said that the application response has been very good.

Representative Burg said that individual legislators also are responsible to work with the schools on the page program.

Representative Noem asked if schools are supportive of students being out of classes for a two-week page term.

Chair Tidemann said that his conversations with schools have been very supportive and positive of the page program. School officials continue to believe that it is a good educational experience for students. Chair Tidemann agreed that legislators also need to continue to promote the page program.

Reappointment of Auditor General

REPRESENTATIVE DEADRICK MOVED, SECONDED BY REPRESENTATIVE ENGELS, THAT THE BOARD GO INTO EXECUTIVE SESSION TO DISCUSS THE REAPPOINTMENT OF THE AUDITOR GENERAL. The motion prevailed unanimously on a voice vote.

The Board went into Executive Session at 3:15 p.m. and came out of Executive Session at 3:25 p.m.

REPRESENTATIVE ENGELS MOVED, SECONDED BY REPRESENTATIVE PEDERSON, THAT THE EXECUTIVE BOARD DIRECT STAFF TO DRAFT A RESOLUTION TO REAPPOINT MR. MARTIN GUINDON AS AUDITOR GENERAL FOR ANOTHER EIGHT-YEAR TERM. The motion prevailed on a roll call vote with 14 voting AYE and 1 EXCUSED. Those voting AYE: Bartling, Gray, Tom Hansen, Hundstad, Koetzle, Burg Deadrick, Engels, Noem, Pederson, Pitts, Putnam, Hunhoff, and Tidemann. Those EXCUSED: Abdallah.

Selection of Agencies for Review during 2009 Interim

REPRESENTATIVE NOEM MOVED, SECONDED BY REPRESENTATIVE PITTS, THAT THE BOARD SELECT THE DEPARTMENT OF TRANSPORTATION FOR AGENCY REVIEW DURING THE 2009 INTERIM.

Representative Putnam suggested that the committee be composed of as many people who served on the 2008 Interim South Dakota Highway Needs and Financing Committee as possible so that the topic can be addressed with continued knowledge and background.

Representative Noem commented that she would recommend that the topics include review of efficiencies within the department.

Representative Pederson said that he disagreed with the motion because the 2008 interim committee is going to introduce long-term funding legislation in the upcoming 2009 Legislature.

As far as efficiencies within the department, Representative Pederson said that the highway needs committee heard many ways that the department has reviewed policy and practices and made changes to address efficiencies within the department.

The motion prevailed on a voice vote. Representative Pederson cast a NAY vote.

SENATOR KOETZLE MOVED, SECONDED BY SENATOR BARTLING, THAT THE BOARD SELECT THE BUREAU OF FINANCE AND MANAGEMENT FOR AGENCY REVIEW DURING THE 2009 INTERIM.

Chair Tidemann said that the Bureau of Finance and Management (BFM) is in the process of hiring new auditors and suggested that the Board might want to wait to review BFM.

SENATOR HUNHOFF MADE A SUBSTITUTE MOTION, SECONDED BY SENATOR GRAY, THAT THE BOARD SELECT THE BUREAU OF PERSONNEL FOR AGENCY REVIEW DURING THE 2009 INTERIM.

Senator Koetzle urged the Board to resist the substitute motion. He said that the Legislature needs to get more information on how the Bureau of Finance and Management does its work.

Representative Burg expressed agreement for Senator Koetzle's position.

Representative Putnam said that the agencies selected for review at this meeting can be changed. He suggested that, if the Appropriations Committee does not get some accountability from BFM during the 2009 Legislative Session, a determination can be made after session whether to select BFM for 2009 interim review.

The substitute motion prevailed on a roll call vote with 8 voting AYE, 6 voting NAY, and 1 EXCUSED. Those voting AYE: Gray, Tom Hansen, Dadrick, Noem, Pitts, Putnam, Hunhoff, and Tidemann. Those voting NAY: Bartling, Hundstad, Koetzle, Burg, Engels, and Pederson. Those EXCUSED: Abdallah.

Subcommittee Reports

Computer Technology Subcommittee

As Chair of the Computer Technology Subcommittee, Representative Pitts said that everything is on schedule regarding the notebook computers for new-member orientation. She said that the subcommittee continues to support the \$250 per diem stipend for individual legislator's technology.

Legislative Interns Subcommittee

Representative Putnam, Chair of the Legislative Interns Subcommittee, informed the Board that the application numbers are higher in total than last year and that the quality of the applicants is very good.

At the direction of Representative Putnam, Mr. Ortbahn distributed copies of "Summary of Intern Applications (1997-2009)" (**Document #14**).

Mr. Ortbahn reviewed the interview and selection process and said that the presiding officers of the House and Senate have selected the interns for the respective chambers for the 2009 Legislative Session.

Legislature's 2009 Meeting Schedule

Mr. Fry distributed a proposed change to the session meeting schedule (**Document #15**). The change moves House Education to a Monday, Wednesday, Friday schedule and House Health and Human Services and Senate Judiciary to a Tuesday, Thursday schedule. Senate Transportation is moved to a Monday, Wednesday, Friday schedule so it no longer meets at the same time as House Transportation.

After brief discussion, The Board elected to leave the final 2009 meeting schedule to be determined by the presiding officers.

Legislative Travel

Representative Engels distributed a copy of information showing legislative out-of-state travel FY 2008 paid as of 11/12/08 (**Document #16**).

Representative Engels said that the Legislature will be asking state agencies to make tough budgeting decisions. Therefore, Representative Engels said that the Legislature also should reduce some of its nonessential spending. Representative Engels stated the following proposal:

Reduce legislative travel by 50% and put a cap on the number of legislators who are authorized to travel to National Conference of State Legislatures (NCSL), Council of State Governments (CSG), and Midwest Legislative Conference (MLC) conferences and eliminate travel reimbursement to attend the American Legislative Exchange Council (ALEC).

Stating thus, **REPRESENTATIVE ENGELS MOVED, SECONDED BY REPRESENTATIVE BURG, THAT LEGISLATIVE TRAVEL TO NCSL, CSG, AND MLC CONFERENCES BE REDUCED BY FIFTY PERCENT, ELIMINATE TRAVEL TO ALEC, AND PLACE A CAP OF \$3,000 FOR A LEGISLATOR'S TRAVEL PER YEAR.**

Representative Pitts expressed her opinion that one of the ways the Legislature has imposed budgetary constraints on itself is by not increasing its members' salaries in concert with other state employees' cost of living salary increases. Representative Pitts said that legislators need and deserve continuing education on topical issues that is provided by national organizations.

Representative Engels asked how many legislators travel to the out-state-meetings.

Mr. Fry responded that the current policy is to approve travel to the meetings of national organizations for the legislators who have been appointed to a specific committee of a national organization by the presiding officer of the House or Senate. Approval is then signed by the Chair of the Executive Board. Mr. Fry said about 26 to 30 attend NCSL Annual Meeting; about 15 attend NCSL Forums; less than a dozen attend CSG; about 40 attend MLC; and attendance to ALEC is determined by restrictions placed on it by the Executive Board. Mr. Fry said that 40% to 45% of Legislators attend various out-of-state conferences.

Chair Tidemann said that a \$3,000 cap might be a little too tight because it costs \$2,500 for travel to one NCSL meeting.

Representative Burg agreed that \$3,000 might be a little tight; however, he said that travel should be openly published.

Senator Gray said that everyone who is appointed to a national committee has the opportunity to travel to its meetings. Some of the appointed legislators are leaders in these organizations.

Representative Deadrick said that there seems to be a disconnect between the presiding officers and those who travel to these meetings. He suggested that travel be approved by presiding officers since they make the appointments.

Senator Hansen said that it is a legislator's responsibility to attend available meetings to which a legislator has been appointed. Some legislators will write a report on the meeting. Senator Hansen said that he does not believe that legislative travel should be equated to legislative pay. He said that there could be a better handle on which legislators are attending meetings for the right reasons and which are not.

Representative Putnam agrees with the concept that Representative Engels is trying to address; however, the budget integrity should be followed.

Representative Pitts clarified that her intent was to retain budget integrity regarding travel. In her opinion, Representative Pitts said that the travel policy is not broken and should be retained as it is currently handled.

REPRESENTATIVE ENGELS MOVED, SECONDED BY REPRESENTATIVE BURG, TO AMEND THE MOTION TO REDUCE LEGISLATIVE TRAVEL TO NCSL, CSG, AND MLC CONFERENCES BY \$135,000 TOTAL, WITH A CAP OF \$5,000 PER INDIVIDUAL LEGISLATOR PER YEAR.

Representative Engels said that it is important to send a message that the Legislature also is willing to impose budget constraints on itself.

Senator Gray said that it is a matter for discussion of appropriations for the state budget.

Senator Koetzle called the question. Call of the question prevailed on a voice vote.

The amendment to amend the motion prevailed on a voice vote.

REPRESENTATIVE PUTNAM MADE A SUBSTITUTE MOTION, SECONDED BY SENATOR GRAY, THAT THE EXECUTIVE BOARD DIRECT THE LRC DIRECTOR TO ADDRESS THE TRAVEL ISSUE DURING THE APPROPRIATIONS PROCESS.

Representative Engels said that the Legislature should restrict its perks on non-essential spending.

The substitute motion prevailed on a voice vote.

REPRESENTATIVE DEADRICK MOVED, SECONDED BY SENATOR GRAY, THAT THE PRESIDING OFFICERS OF THE HOUSE AND SENATE MAKE THE DETERMINATION OF APPOINTMENTS TO NATIONAL COMMITTEES AND TRAVEL TO THOSE MEETINGS.

Representative Burg questioned whether there is enough information regarding who is going to meetings and said that perhaps more tools should be available to track that information.

Senator Gray said that it would be helpful to get a report of which meeting, and its location, the appointees choose to attend.

REPRESENTATIVE ENGELS MADE A SUBSTITUTE MOTION, SECONDED BY REPRESENTATIVE BURG, THAT ONCE A YEAR LEGISLATIVE TRAVEL INFORMATION BE PUT ON THE LRC WEBSITE TO INCLUDE THE NAME OF THE LEGISLATOR ATTENDING A CONFERENCE, THE NAME OF THE CONFERENCE, THE LOCATION OF THE CONFERENCE, AND THE COSTS OF THE CONFERENCE.

As Chair of the Executive Board, Chair Tidemann said that he signs travel requests only for those legislators approved by the Speaker of the House of Representatives and the President Pro Tempore of the Senate to attend a conference.

Representative Pitts said that she believes in the integrity of the Legislature and that she believes Director Fry and leadership would let the Executive Board know if travel is getting out-of-hand.

The substitute motion failed on a voice vote.

Mr. Fry said that travel information and costs are public information and are available to anyone who requests the information.

The original motion that the presiding officers of the House and Senate make the determination of appointments to national committees and travel to those meetings failed on a voice vote.

Chair Tidemann recognized Representative Pederson and Senator Koetzle for their service on the Executive Board and commended their legislative accomplishments.

Adjournment

SENATOR BARTLING PEDERSON MOVED, SECONDED BY SENATOR HUNHOFF, THAT THE EXECUTIVE BOARD ADJOURN. The motion prevailed on a voice vote.

The Executive Board adjourned at 4:55 p.m.

