



Legislative Research Council

FIFTY-THIRD INTERIM REPORT November 2009

500 East Capitol, Pierre, South Dakota 57501-5070
<http://legis.state.sd.us>

TABLE OF CONTENTS

Agricultural Land Assessment Implementation and Oversight Advisory Task Force	1
Alcoholic Beverage Control and Licensing Laws Committee	5
Appropriations Committee	7
Bureau of Personnel Agency Review	10
Long-Term Highway Needs and Department of Transportation Agency Review	13
Medicaid Reimbursement Study Committee	16
Retirement Laws Committee	19
Rules Review Committee	20
Sex Offender Registry Study Committee	22
State-Tribal Relations Study Committee	25



All Legislative Research Council committee minutes and agendas are available at the South Dakota Legislature's home page: <http://legis.state.sd.us>. Subscribe to receive electronic notification of meeting schedules and the availability of agendas and minutes at MyLRC (<http://legis.state.sd.us/mylrc/index.aspx>).

AGRICULTURAL LAND ASSESSMENT IMPLEMENTATION AND OVERSIGHT ADVISORY TASK FORCE

The Agricultural Land Assessment Implementation and Oversight Advisory Task Force consists of four members of the House of Representatives, four members of the Senate, and six members of the general public (at least two of the general public members shall have an agricultural background and at least two of the general public members shall have a business background).

Study Assignment

The task force shall review the implementation of the provisions of law concerning the assessment and taxation of agricultural land and advise the Department of Revenue and Regulation regarding the rules promulgated by the Department to administer the provisions concerning the assessment and taxation of agricultural lands. In addition, the task force shall make recommendations in the following areas:

1. The proper percentage of annual earning capacity to be used to determine the agricultural income value for cropland and noncropland; and
2. The proper capitalization rate that minimizes the shift in total taxable value between agricultural land and the other property classifications.

Summary of Interim

The interim Agricultural Land Assessment Implementation and Oversight Advisory Task Force held its first meeting on July 8. Senator Larry Rhoden was elected Chair of the task force and Representative Kristi Noem was elected Vice Chair.

Mr. Michael Kenyon, Director for the Division of Property and Special Taxes with the Department of Revenue and Regulation (DRR), reviewed the data that will be used for the ag land assessment process. The gross revenue per acre for each county is determined by using information from the United States Department of Agriculture/National Agricultural Statistic Service (USDA/NASS) from 2001 to 2008, which will establish the 2010 assessed values. An eight-year Olympic average is used in the process, which means the lowest and highest years are thrown out and the remaining six years are averaged.

For cropland data, the actual production of each crop within a county is multiplied by the commodity price for the crop to determine the gross revenue. Mr. Kenyon said that the statewide crop prices are weighted to the months when most of the crops are sold. The gross revenue of each crop is added together and divided by the number of acres to obtain the gross revenue per acre in the county. For non-cropland, cash rents determine the gross revenue.

The next step of the productivity valuation formula is to determine the average value per acre. This is figured by multiplying the gross revenue by the landlord share percentages, and then dividing the amount by the capitalization rate.

The landlord's share represented the percentage of the gross revenue the owner would expect to receive from owning the land. The landlord share percentages are 35% for cropland and 100% for noncropland. The capitalization rate is 6.6%.

The final step in the productivity valuation formula is to figure the average value per acre for all agricultural land in each county. Once the productivity formula produces the average crop and noncrop values per acre, the valuation process is similar to the process used under the old market system. The Director of Equalization (DOE) applies the soil ratings and may make adjustments for location, size, soil survey statistics, climate, terrain, obstructions, etc.

Mr. Kenyon reminded the task force of the legislative change to limit the annual increase or decrease for the total taxable value of cropland and noncropland within any county by a maximum of 10%. Senator Knudson also commented on the changes made to the Cutler-Gabriel amendment in 2009. Although ag land valuations may increase, it does not necessarily mean the tax burden will increase at the same rate.

Mr. Kenyon informed the task force of two problem areas. The first pertains to irrigation. Last year, the task force asked the DRR to account for irrigated acres. However, DRR and South Dakota State University (SDSU) are not able to obtain sufficient information to make adjustments on a statewide level. It was decided to have the irrigated data included in the formula, and then have the local DOE make adjustments for irrigation.

The other issue pertains to the rent surveys. The last federal funding bill contained the budget authority for a national survey to be conducted on a county level. The federal government will be paying for a survey South Dakota normally would pay for. However, the survey methodology has been modified. Mr. Kenyon said that NASS did not get enough responses to publish the cash rent in some counties. The department was able to determine a figure for this year. Because of the change in methodology by NASS, DRR, and SDSU are looking at alternative methods for determining the noncropland value.

Senator Rhoden asked about the process for upgrading soil surveys. In response, Ms. Angela Ehlers, South Dakota Association of Conservation Districts, said that the entire state is mapped by soil surveys. She noted that the soil doesn't change over the years, and if the soil survey was upgraded for a county, it would primarily provide finer mapping details.

The primary responsibility for the local DOE's job is to determine how to set values and how to make adjustments. The DRR will work closely with the counties and address adjustments the local DOE may want to make. Mr. Kenyon stated that DRR will be holding workshops with the local DOE's. The DRR staff may visit with the local DOE's about the process in the mornings and may hold a public forum in the afternoon.

Representative Justin Cronin stated that his concern with the system comes from people not understanding the system or being confused about the system. He asked if there are ways to have educational opportunities for the farmers and ranchers to help understand the new system. Mr. Kenyon responded that the workshops with the DOE's could be expanded to include a session for the area farmers and ranchers. Currently, DRR was planning to have 6 – 8 workshops but is willing to have more meetings and work with the ag groups to ensure the success of the program.

The task force held its second meeting on November 2. Mr. Kenyon provided an update on the productivity valuation meetings that were held across the state. The meetings were held in August and September. There were twelve meeting locations and there were two meetings at each location. The locations were: Aberdeen, Belle Fourche, Huron, Kadoka, Mitchell, Mobridge, Pierre, Rapid City, Sioux Falls, Watertown, Winner, and Yankton. About 430 people attended the morning meetings and 530 people attended the afternoon meetings.

Mr. Kenyon said that DRR will be creating an internet version of the presentation for the productivity valuation meetings to assist interested parties.

Mr. Larry Gabriel suggested using the price of the crop at harvest time to create a more accurate price of the products. If crops are not sold at harvest time, this reflects a management decision to pay for the storage of the crop in order to sell the crop at a later date. In response to Mr. Gabriel's question pertaining to adjustments to the landlord's share, Dr. Pflueger said that current information shows no need for an adjustment at this time. According to statute, this issue will be reviewed annually and a report will be provided to the DRR.

Mr. Kenyon distributed the DRR administrative rules that are proposed to be amended. The proposed rules eliminate the NA-Z classification and amend certain rules from applying to the previous cash rent system to the current productivity system.

Mr. Kenyon said that there are different approaches to changing the agricultural land classification criteria. One approach is to change the criteria of the three agricultural land tests (income, use, and acreage). Mr. Kenyon said that the legislative minimum acre size requirement allowed to be classified as agricultural land is 20 acres; however, counties are able to increase the minimum acre size up to 160 acres. A number of counties have set the minimum acre size between 20 and 160 acres.

In response to task force discussion, Mr. Kenyon said that the local DOE's have the ability to document any change that justifies the adjustment to land assessment values including location, size, soil survey characteristics, climate, terrain, obstructions, etc.

Public Testimony

The meetings were generally well attended by many interested parties representing many of the agricultural and businesses associations, the directors of equalization, and other interested taxpayers. The public provided input on various items reviewed by the task force and expressed concern on how this issue will be explained to the taxpayers.

Listing of Legislation Adopted

1. *An Act to revise certain provisions regarding the documentation of data used to make adjustments for factors that affect the capacity of the land to produce agricultural products during the assessment process.*

The proposed legislation clarifies whether the director of equalization may use certain sales

data to document the adjustment for certain factors that affect the productivity of the land.

Summary of Meeting Dates & Places and Listing of Task Force Members

The task force met on July 8 and November 2 in Pierre.

Task Force Members Were: Senator Larry Rhoden, Chair; Representative Kristi Noem, Vice Chair; Senators Gary Hanson, Dave Knudson, and Jim Peterson; Representatives Justin Cronin, H. Paul Dennert, and Steve Street; and Public Members Walter I. Bones III, Kirk Chaffee, Curt Everson, Larry Gabriel, Ron Olinger, and Duane Sutton.

Staff members were: Fred Baatz, Principal Research Analyst; and Lisa Shafer, Legislative Secretary.

ALCOHOLIC BEVERAGE CONTROL AND LICENSING LAWS COMMITTEE

Study Assignment

This study will review existing regulatory provisions and explore approaches to clarify and modernize alcohol beverage control laws. The review will focus on removing outdated and redundant provisions, modernizing statutory language for clarity, consolidating license types and reducing unnecessary regulatory burdens.

Summary of Interim

First meeting: Matt Fonder, Deputy Director, Division of Property and Special Taxes, Department of Revenue and Regulation, provided an overview of the Division's responsibilities involving the regulation of the alcoholic beverage industry and the collection of taxes on alcoholic beverages. In detail, he discussed the three-tier system and its importance to regulation and tax collection and the Division's reliance on local government to administer the retail segment of the alcoholic beverage industry. The Division enforces state laws regarding illegal sales of alcoholic beverages and issues a number of licenses, both annual and temporary special event, that make up the wholesale and retail sector of the industry.

Yvonne Taylor, Executive Director of the Municipal League, testified that local governments seek significantly greater control over local alcoholic beverage licensing decisions, especially the establishment of the number of licenses which may be issued within a particular municipality. Ms. Taylor also suggested changes in the control law which would make licensing provisions easier to find and interpret, reduce the differences between the treatments of different alcoholic beverages, broaden the restrictions on the character of licensees and the types of locations for retail sale, and penalize those entities holding, but not operating, retail licenses. Industry representatives expressed their support of the three-tier system and how that system works to protect consumers while offering extensive choice in the marketplace. Representatives for the retailers expressed their concern that more local control meant a confusing lack of uniformity for licensees.

The South Dakota Wine Growers asked for certain exclusions from the three-tier system to permit greater access for small wineries to the retail market.

Discussions were held regarding the minimum drinking age of consumers, as well as the minimum age of servers in retail establishments and the reliance of small town retailers on younger servers, and whether certain prohibitions regarding days of sale are still valid.

Second meeting: Darin Bergquist, Secretary of Transportation, testified on the importance of maintaining a minimum drinking age that met Federal requirements to the stream of revenue to the State Highway Fund. About \$17 million is at stake if South Dakota does not have a minimum drinking age of twenty-one years. Matt Fonder of the Department of Revenue and Regulation provided information regarding the age of sellers violating the 'sale-to-minors' law in South Dakota. The committee reviewed and discussed draft legislation regarding form and style changes to existing law and the proper age of sellers of alcoholic beverages. The beer wholesalers indicated their interest in a law that would insure price uniformity throughout the State, and a citizen from Ipswich indicated the concern of that city in regard to the fee that must be charged for a full-service restaurant on-sale license in that city. The retail industry

presented concerns regarding dram shop liability arising from a recent case that established retailer liability for negligent supervision of an employee who became intoxicated on the licensee's premise and injured a third party.

Third and final meeting: The Interim Committee reviewed eleven (11) legislative proposals and approved eight (8) all of which are listed below. No legislation relating to the legal drinking age was reviewed or approved.

List of Legislation Adopted.

1. An Act to revise certain provisions regarding alcoholic beverage control and licensing laws (a comprehensive form and style bill which also includes minor changes in substance).
2. An Act to allow municipalities and counties to issue certain special alcoholic beverage licenses and to repeal certain special alcoholic beverage licenses. (A consolidation of the special event licenses under a single section of law while repealing existing special license provisions that have been introduced over the years for numerous special events or circumstances.)
3. An Act to revise certain provisions regarding the days and hours that alcoholic beverages may be sold on a licensed premise, and who may sell serve, or dispense alcohol on a licensed premise.
4. An Act to expand dram shop protection for certain licensees. (Dram shop liability creates a financial obligation for a licensee if a customer or employee causes harm to another person after becoming intoxicated on the licensee's premise or because of some other fault of the licensee.)
5. An Act to repeal certain sign display requirements. (This section repeals the requirement to display a sign warning women about alcoholic beverage consumption when pregnant.)
6. An Act to reduce the time period for revising fees for restaurant on-sales licenses from ten years to five years.
7. An Act to revise certain rule-making authority regarding the sale of certain alcoholic beverage container sizes to on-sale licensees.
8. An Act to require nondiscriminatory pricing between malt beverage suppliers and malt beverage wholesalers.

Summary of Meeting Dates & Places and List of Committee Members

Meeting Dates: The Interim Committee met on June 19, 2009, and July 28, 2009 and September 29, 2009.

Committee Members: Senator Tom Nelson (Chair), Representative Tim Rounds (Vice Chair). Senators Ryan Maher, Russell Olson, and Craig Tieszen; and Representatives Lance Carson, Bob Faehn, Mark Kirkeby, Dan Lederman, Eldon Nygaard, Betty Olson, Oran Sorenson, Steve Street, and Charles Turbiville.

Staff Members: James Fry, Director; Fred Baatz, Principal Research Analyst; Lisa Shafer, Legislative Secretary.

JOINT COMMITTEE ON APPROPRIATIONS

Study Assignment

A continuing review of the appropriations process.

Summary of Interim

On March 30, 2009, the Joint Committee on Appropriations (JCA) approved the following letters of intent.

- **Department of Tourism and State Development.** Setting forth the funding for Tourism Challenge Grants, Office of Arts, and Archeological Research Center envisioned by the JCA including adjustments if the yield from the one-half percent increase in the gross receipts tax on visitor-related businesses is less than projected. Quarterly reports to the JCA were required.
- **Board of Regents.** Requested (1) quarterly reports to the JCA on the status of the new Masters Degree in Social Work, and (2) an administrative review of the Cooperative Extension Service including a proposed reorganization plan. A supplemental letter of intent was issued in April requesting the Department to work with a subcommittee of the JCA regarding the School for the Deaf.
- **Department of Corrections.** Required the Department to report to the JCA regarding status and implementation of the new Rapid City Minimum Security Facility and introduce new legislation if the site was not finalized in 2009.
- **Bureau of Finance and Management.** Requested BFM cooperation with a JCA subcommittee established to develop improved reports concerning FTE utilization for the Committee's use.
- **Department of Agriculture.** Directed the Department to update the Committee on the plan for a fire dispatch and forestry field office in the Black Hills. To conform with the requirements of case law, the Department was further requested to seek enactment of an additional special appropriation prior to the construction or purchase of this building.
- **Department of Education.** Requested the Department to (1) conduct an administrative review of the Birth to Three Program, and (2) provide the Committee with a plan on how the Secretary will encourage local school districts to use federal stimulus money to contract with ESAs for NCLN requirements and for teacher bonuses. A supplemental letter of intent was issued in April requesting the Department to work with a subcommittee of the JCA regarding the School for the Deaf.

At its June 22, 2009 meeting the, JCA:

- Concluded the pilot status of the drug court and the methamphetamine treatment program at the Woman's Prison with these programs incorporated into the general bill.
- Heard agency presentations from the following:
 - Research, Education, Economic Development (REED) Network progress.
 - Board of Regents budget (FY10 budget reduction plan).
 - Department of Education (school district bonding authority, AARA funding, and Career and Technical Education)

- Bureau of Finance and Management (proration and interest earnings and budget transfers)
- Department of Labor (unemployment update)
- Department of Corrections (status of Rapid City prison site)
- Department of Social Services (reimbursement rates for Homemaker/Home Health Nursing Providers)
- Considered the possibility of accelerating the agency hearings on the FY 11 budget, starting in December instead of waiting until the legislative session begins in January. The Committee decided against this approach due to the additional costs to reimburse members travel, lodging, and per diem; the additional demands on members time away from their non-legislative business; and the imbalance between the approaches in the odd vs. the even years when this could not be done due to new members not being sworn until the start of the legislative session.

The East River Tour was conducted from August 10 through August 12, 2009. It included the following visits:

- South Dakota State University (Innovation Campus, New Facilities, Dairy Plant, United Retirement Center)
- ADVANCE (community support provider in Brookings)
- State Penitentiary
- GEAR Building/ University Center
- SDSN (Reed Network)
- Investment Council
- Human Services Center
- Mike Durfee State Prison

At the October 22, 2009 meeting, the JCA heard reports as follows:

- Bureau of Finance and Management (Federal Stimulus Oversight, and the State Aid to Education Formula)
- LRC Staff (Local Option to Increase sales Tax and Revised Financial Reports)

The Committee also discussed and agreed to move ahead in a trial basis with three Study Groups of Interested Committee Members which will work with the LRC staff to become better informed with respect to the following areas:

- State Financial Obligations Created by Private Funding
- Capital Budgeting
- Homestake Funding

The JCA appointed three subcommittees on the following subjects to report back with recommendations at the December 8, 2009 meeting or as soon thereafter as possible:

- **FTE Utilization.** (As discussed above under Letter of Intent to BFM)
- **Closing of Driver's License Stations.** (To review the manner in which the closings were communicated to the local areas, to determine any savings from these closings and the alternative uses to which the funds were put, and to review alternative ways to resume service to the communities who list it)

- **School for the Deaf.** (As directed by the Executive Board, the subcommittee to work with the Board of Regents, the Department of Education, and the Parent-LEA Advisory Committee to make recommendations for improvements which can include outreach models, magnet school models, or any other standard delivery of services model)

Listing of Legislation Adopted

None.

Listing of Committee Members

Representative Larry Tidemann (Co-Chair); Senator Jean Hunhoff (Co-Chair); Senators Dan Ahlers, Julie Bartling, Corey Brown, Jeffrey Haverly, Jim Hundstad, Al Novstrup; Representatives Quinten Burg, Lance Carson, Thomas Deadrick, H. Paul Dennert, Deb Peters, J.E. "Jim" Putnam, Dean Wink, and Susan Wismer.

LRC Staff

Staff members included: Fred Schoenfeld, Chief Fiscal Analyst, Annie Mehlhaff, Principal Fiscal Analyst, Sue Cichos, Senior Fiscal Analyst, Aaron Olson, Senior Fiscal Analyst, and Lisa Shafer, Legislative Secretary.

BUREAU OF PERSONNEL AGENCY REVIEW COMMITTEE

Study Assignment

The Bureau of Personnel (BOP) Agency Review Committee was one of two agency reviews, or "sunset" committees, conducted during the 2009 legislative interim. Each year since 2003, pursuant to state law codified at SDCL 1-26E-1 to 1-26E-8, inclusive, the Executive Board of the Legislative Research Council selects two state agencies for study and assessment. The standard study plans for this type of oversight committee includes:

- 1) An in-depth presentation by agency staff of the agency's programs, personnel, mission, and performance;
- 2) A physical walk-through of the agency's facilities;
- 3) Committee selection of focus topics;
- 4) A major public hearing with testimony from all interested parties;
- 5) Preparation and approval of legislation in response to committee or agency concerns; and
- 6) Committee evaluation of agency performance and possible suggestions or directives for the agency.

Summary of Interim

The Bureau of Personnel Agency Review Committee began its study with an overview of the BOP. Commissioner Sandy Zinter, BOP, began the presentation to the committee by referencing SDCL chapter 1-33 where the BOP is created as one of 4 bureaus within the Department of Executive Management. Commissioner Zinter also provided the committee with the bureau's mission statement, historical review of major changes in the last twenty years, guiding principles, strategic goals, and a list of who the BOP serves. The BOP presentation was continued by other key personnel providing more detailed information regarding various divisions within the bureau. The divisions and key personnel who participated were as follows: Classification and Training, Ms. Ellen Zeller, Director; Compensation and Agency Support, Ms. Sandy Jorgensen, Director; Ms. Toni Richardson, HR Analyst, and Ms. Lynne Valenti, Legal Counsel; Employee Benefits, Mr. Dennis Struder, Director, and Ms. Mary Weischedel, Assistant Director. The meeting also included a tour of the bureau's offices in the State Capitol and the Joe Foss Building.

The second meeting began with a continuation of the BOP's presentation regarding the South Dakota Risk Pool and a history of BOP's budget, including FTE's. Ms. Jill Kruger, Risk Pool Manager, and Ms. Mary Keeler, Senior Accountant, addressed these two areas. The committee then heard public testimony regarding the policies and performance of the BOP. The committee heard from Mr. Corey Landeen, Executive Director for the South Dakota Employees Organization; Mr. Rob Wylie, South Dakota Retirement System; Mr. Dave Hewett, President of the South Dakota Association of Healthcare Organizations; Mr. Kirk Zimmer, CEO of Dakotacare; and Mr. Gordon Garnos, Chair of the South Dakota Career Service Commission. The committee also received written testimony from Ms. Barbara Smith, Chief Executive Officer of the South Dakota State Medical Association, and Mr. Jeff Jares, President, Claims Associates, Inc. The majority of public testimony was positive regarding the Bureau's policies and performance, with exception to concerns expressed from Mr. Landeen regarding the PACE program and the concept of job worth and employees not being informed of proposed changes to the state's health insurance plan until late spring. In response to

these concerns, Commissioner Zinter stated the BOP is addressing the issue of job worth, in part, by the career banding pilot program, and information regarding changes to the employee health insurance plan cannot be provided until after the Governor's budget address in December. During testimony, Mr. Hewett cautioned the BOP to keep plan deductibles and co-pay amounts in line regarding the state's health plan; otherwise, healthy employees and dependents will go elsewhere for coverage. The committee also discussed concerns as to why state employee evaluations are not conducted on a more regular schedule by supervisors.

At its third meeting, the committee mainly reviewed clean-up legislation and discussed recommendations for the BOP. The clean-up legislation was unanimously approved by the committee for recommendation as a committee bill. The following recommendations for the BOP were also approved by the committee:

- 1) The BOP should keep the Legislature informed on the pilot program of Career Banding and how it is addressing the difficulties in acquiring and maintaining talent for high demand jobs, and also in addressing the concerns in regard to career progression beyond the salary range midpoint or job worth.
- 2) Regarding the state employee's health plan, the committee cautions the BOP from requiring employees to provide more through higher plan deductibles and co-pay amounts in an effort to reduce costs of the health insurance plan. This only encourages employees to seek health insurance for their healthy family elsewhere. It is better to keep them in the state's health insurance system to help support families with higher health costs.
- 3) The BOP will communicate with the South Dakota State Employees Organization information regarding rates for the employee paid portion of the state employee's health insurance plan and any other proposed changes to the state employee's health insurance plan, such as plan deductibles, co-pay amounts, etc. The communication regarding these items will take place each year shortly after the Governor's budget address but no later than the start of the next Legislative Session.
- 4) The BOP should implement policies that require supervisors to annually conduct employee performance evaluations, as prescribed by BOP, in a timely manner. The completion of these performance evaluations should be tied to the supervisors' advancement in state government and with the annual movement to job worth adjustment within the PACE program.

The committee also agreed that the agency review process is a great learning tool and provides an opportunity to create relationships with departments and staff. The committee recommends to the Executive Board that the agency review process be continued. At its conclusion, the committee recognized that the BOP should not be sunsetted and that the BOP should continue with the format and missions in place. Also, the BOP should continue to follow-up with the final recommendations of the committee.

Listing of Legislation Adopted

1. An Act to make form and style correction to certain statutes related to the Bureau of Personnel.

This Act revises awkward or archaic language and amends statutes that are gender specific to modernize language and make the statutes consistent with current drafting style.

Summary of Meeting Date and Places and Listing of Committee Members.

The BOP Agency Review Committee met on June 16, August 24, and October 7 in the State Capitol in Pierre.

Committee members were: Representative Larry Tidemann, Chair; Senator Jeffrey Haverly, Vice Chair; Senators Jim Bradford, Corey Brown, Cooper Garnos, and Jim Hundstad; Representatives Phil Jensen, Patrick Kirschman, Don Kopp, Kristi Noem, Todd Schlekeway, and Susan Wismer.

Staff members were: Terry Miller, Senior Fiscal Analyst; Tom Magedanz, Principal Research Analyst; and Kris Schneider, Senior Legislative Secretary.

LONG-TERM HIGHWAY NEEDS AND DEPARTMENT OF TRANSPORTATION AGENCY REVIEW COMMITTEE

Committee Assignment

The committee was directed to study long-term highway needs and the resources available to provide the financial support appropriate to meet those needs. The study also included an agency review of the Department of Transportation.

Summary of Committee Activities

In conducting its review the committee held three two-day meetings. For the first two meetings, the first day was dedicated to the agency review and the second day was dedicated to the study of highway needs and the financing of those needs.

At the first meeting of the committee, the Department of Transportation gave the committee an overview of the department's mission and organization. The department has about 1,000 employees and is charged with maintaining and managing the state's transportation system. The committee was told by Secretary Bergquist that the four biggest challenges that the department is currently facing are: declining state highway revenues in recent years, uncertain future short-term and long-term federal funding for highways, highway construction and maintenance costs are inflating at unprecedented rates, and highway needs greatly exceed existing highway funding. The committee reviewed the services provided by the Office of the Secretary, the Division of Finance and Management, the Division of Planning and Engineering, and the Division of Operations. The committee's first meeting day concluded with a tour of the department's work facilities located in the Becker-Hansen Building.

The second day of the first meeting consisted of a review of state and local highway needs and the current funding sources in place to apply towards those needs. The committee was informed how highway needs are determined. The committee was told that the state needs an additional \$128.8 million each year to address state highway needs. The need includes \$72.3 million for pavement preservation, \$17.4 million for bridge preservation, \$25.0 million for highway system expansion, \$4.1 million for field operations, and \$9.5 million for capital assets. Ms. Deb Hillmer, Director of the Division of Motor Vehicles, reviewed with the committee the sources of highway revenues for the state and for county, city, and township highways. She also reviewed with the committee the distribution of those revenues.

At the second meeting of the committee, the committee took public testimony regarding the performance of the department. The comments received by the committee were generally favorable towards the department. The committee received an update of the review of statutes governing the department. The committee learned that many of the aeronautic laws are antiquated and date back to the late 1930s. The department indicated it was working with the Aeronautics Commission on a possible revision of the aeronautics laws that would go beyond just a style and form cleanup. The committee also took a tour of the DOT materials lab. On this tour, the committee learned about the various new technologies being implemented in the construction and maintenance of highways.

On the second day of the second meeting, the committee received more detailed information

about how annual highway revenues no longer are meeting annual highway construction and maintenance needs. The committee also received an update of a report from last year which estimated local highway needs. The department emphasized that the state highway system needs an additional \$128.8 million a year and the local highway system needs an additional \$81 million a year to keep the highway system from deteriorating. An additional \$30 million dollars a year would also be needed at the state level to restore to previous levels state funded programs such as the 90-10 SWAP Program, right-of-way acquisition, economic development grants, and Department of Game, Fish, and Parks roads. The committee was told that inflation of highway and bridge construction costs for the last decade means the state gas tax would have to be 36 cents a gallon today to purchase the equivalent of what the 22 cents per gallon gas tax could purchase in 1999. The committee also learned that our motor vehicle license fees were less than half the fees charged in North Dakota and a fraction of the fees charged in the other surrounding states.

To address these funding needs, the committee reviewed a wide array of possible highway funding sources. After considerable committee discussion, the committee decided to compile an omnibus funding bill for public comment at the committee's last meeting. The omnibus funding bill would increase the state gas tax by 10 cents, increase noncommercial motor vehicle registration fees to about what North Dakota charges, increase the vehicle excise tax by 1%, and change, from five years to ten years, the year at which the reduction of motor vehicle registration fees for older motor vehicles begins to apply. This omnibus proposal would generate about \$76 million a year for the state highway system and about \$46 million a year for county, township, and municipal highways.

At the final meeting, the committee finished its review of the department. The committee received a report of current research and technologies being utilized by the department to become more efficient. The committee also reviewed draft legislation which makes style and form revisions to statutes related to the department and to the Aeronautics Commission. The committee was informed that the department will be working with the Aeronautics Commission on a rewrite of Title 51. However, that rewrite won't be ready until the 2011 Legislative Session.

The committee, in concluding its review of the department, is recommending no significant changes to the department or the statutes which govern the department. The committee did approve for recommendation to the 2010 Legislature two cleanup drafts; one making style and form revisions to statutes regarding the Aeronautics Commission and one making similar changes to the statutes regarding the rest of the department.

The committee continued its consideration of the omnibus funding bill proposed at the committee's last meeting. The committee had considerable discussion on this proposal and the public reaction to the proposal. The committee decided to recommend a revised version of that proposal. The committee decided to change the fees for cars, pickups, vans, motor homes, and trailers so that the fees would be about 1.5 cents per pound and the fee for noncommercial trucks would be about 1 cent per pound. License fee increases for recreational vehicles, trailers, and motorcycles were also included in the proposal. The committee is recommending that the proposal be implemented in two stages. Half of the increase in fees would go into effect on May 1, 2010, and the other half would go into effect on May 1, 2012. The proposed increase would increase highway revenues for counties, municipalities, and townships by about \$17.2 million a year beginning in 2010, and would

increase by another \$14.6 million a year in 2012. The increase for the state highway fund would be about \$37.7 million a year beginning in 2010, and that would increase another \$37.7 million a year in 2012.

The committee is also recommending a resolution be sent to Congress requesting the Congress to pass, in a timely manner, a balanced, well-funded, multiyear federal highway program which provides connectivity and mobility to both rural and urban areas. Congress has not yet passed a new federal highway program and further delays will affect the state's ability to address highway needs.

Listing of Legislation Recommended

- An Act to repeal, update, and make form and style revisions to certain statutes related to the Department of Transportation.
- An Act to repeal, update, and make form and style revisions to certain statutes related to the Aeronautics Commission.
- An Act to increase certain registration fees and taxes for the use of motor vehicles on the public highways and to declare an emergency.
 - This proposal would generate about \$17.2 million for local highways beginning in 2010 and an additional \$14.6 million beginning in 2012. This proposal would generate about \$37.7 million for the state highway fund beginning in 2010 and another \$37.7 million beginning in 2012.
- A Concurrent Resolution urging Congress to pass a balanced, well-funded, multiyear federal highway program which provides connectivity and mobility to both rural and urban areas.

Summary of Meeting Dates and Listing of Committee Members

The committee met on June 23 & 24, August 19 & 20, and October 13 & 14. All of the meetings of the committee were held in the State Capitol in Pierre.

Committee members included Representative Shantel Krebs, Chair; Senator Mike Vehle, Vice Chair; Senators Dan Ahlers, Art Fryslie, Dave Knudson, and Pam Merchant; and Representatives Justin Cronin, Elaine Elliot, Kent Juhnke, Gerald Lange, Ed McLaughlin, Larry Lucas, J.E. "Jim" Putnam, Manny Steele, Steve Street, Kim Vanneman, and Mike Verchio.

Staff members included David L. Ortbahn, Principal Research Analyst; Fred Baatz, Principal Research Analyst; Aaron Olson, Senior Fiscal Analyst; and Lisa Shafer, Legislative Secretary.

MEDICAID REIMBURSEMENT STUDY COMMITTEE

Study Assignment

A study of the reimbursement practices for Medicaid providers together with a review of the cost structure for community-based services. The focus of this study will include an examination of and findings regarding: the structure and adequacy of the reimbursement formulas for Medicaid providers; understanding and determination of the costs for community-based services; options for generating revenue for matching federal Medicaid funds.

Summary of Interim

The Medicaid Reimbursement Study Committee began its study by reviewing the many aspects of Medicaid. The Department of Social Services, with the Department of Human Services, provided a comprehensive overview of Medicaid, including a description of what it is, how it works, the eligibility criteria, and the federal regulations governing it. Medicaid is a federal-state partnership that provides health care coverage to certain required categories of individuals and allows states to cover other optional categories. Medicaid is governed by federal regulations and each state's own Medicaid State Plan. Each state has a unique program, with different eligibility criteria, covered services, and methods of administration. South Dakota is a more conservative state in the optional services that it covers. The state plan is essentially a contract with the federal government and any changes to the plan require approval by CMS, the Centers for Medicare and Medicaid Services. The Division of Medical Services in the Department of Social Services is the designated state Medicaid agency for South Dakota.

Medicaid impacts many South Dakotans, covering 130,000 South Dakotans in fiscal year 2008 and expending \$720.2 million in health care services and administration, including \$266 million in matching dollars. FMAP or the Federal Medical Assistance Percentage determines how much the federal government and state government pay for Medicaid services. FMAP is determined by a formula using the last three years' personal income from each state. South Dakota's current FMAP for Medicaid, not including the 8.09 percent stimulus boost, is 62.55 percent federal and the remaining 37.45 percent is state matching funds. The state's share of Medicaid has been growing over the past several years. In 2001, the state's FMAP was 68.72 percent federal.

Eligibility for Medicaid depends first on whether a person fits a specific eligibility category, and then resources and income are considered. The income and resource limits vary by category of service. In addition, four Home and Community Based Services (HCBS) waivers extend Medicaid eligibility and additional services to individuals who may not otherwise qualify for Medicaid and in doing so allow these persons to remain living at home and in the community. The SD CHOICES waiver provides supports for persons who are mentally retarded or developmentally disabled who meet Intermediate Care Facilities/Mentally Retarded (ICF/MR) level of care requirements. Similarly, the Family Support Waiver provides services for persons who meet the ICF/MR level of care. The Assistive Daily Living Services Waiver offers services for persons with significant physical disabilities, such as quadriplegia, who are eighteen years of age or older, who meet the nursing level of care, and who are able to manage and direct their own services. Finally, the Elderly Waiver provides services for persons who are nineteen years of age or older and meet the nursing facility level of care.

The discussion then focused on provider reimbursement. While the goal of any rate setting methodology is to include all allowable and reasonable costs and permit the provider to cover the costs incurred for the provision of the service, there will always be a gap because not all costs are allowable for Medicaid reimbursement. Rate setting is not done in isolation. Sometimes a collaborative approach utilizing financial workgroups composed of various stakeholders is used to develop rate setting models. Other times the department works directly with various groups to gather input about the reimbursement process. The reimbursement rates are established on the basis of costs reported to the department, or if the collection of cost data is not feasible or if the service is provided out of state, the reimbursement rates are established by using Medicare or other fee schedules. The discussion included how reimbursement rates are established for various providers, including hospitals, community based services, community support services, nursing facilities, clinics, independent practitioners, Indian Health Service, school districts, durable medical equipment, home health agencies, prescription drugs, and dental services.

At the end of the first meeting, the committee explored options for generating revenues for additional matching Medicaid dollars. There is no cap on the amount of federal dollars that a state can access but a state must have the general funds for the match. Currently, the state matching funds come from general fund revenues raised through taxes and fees. Generating additional general fund revenues to leverage matching federal Medicaid funds could be accomplished by increasing the appropriation of general funds or by increasing revenues by either a broad-based tax or a health provider tax.

The second meeting began with a discussion of the policy considerations of health provider taxes/fees with speakers from the Colorado Department of Health Care Policy and Financing. Colorado's nursing home provider fee model has been approved by CMS and Colorado is currently seeking approval for their hospital provider fee model.

A majority of the second meeting was devoted to public testimony. About two dozen persons, either providers or advocates of recipients, testified. There was some testimony regarding shortfalls between costs and Medicaid reimbursement; however, no remedy was recommended. There was opposition expressed to a provider tax. With no specific legislation to consider and no consensus on raising new revenues or appropriating additional general funds, the interim study committee concluded its business.

Listing of Legislation Adopted

None.

Summary of Meeting Dates & Places and Listing of Committee Members

The committee met on July 7 and August 6. Each meeting was held in the State Capitol in Pierre.

Committee members were: Representative Tim Rave, Chair; Senator Tom Dempster, Vice Chair; Senators Stanford Adelstein and Tom Hansen; Representatives Suzy Blake, Paul Dennert, Marc Feinstein, Peggy Gibson, Noel Hamiel, Larry Lucas, Nick Moser, Carol Pitts, Fred Romkema, and Darrell Solberg.

Staff members were: Jacquelyn Storm, Principal Legislative Attorney; Sue Cichos, Senior Fiscal Analyst; Lisa Shafer, Legislative Secretary; and Kris Schneider, Senior Legislative Secretary.

RETIREMENT LAWS COMMITTEE

Study Assignment

A continuing study of the pension, annuity, and benefit laws relating to employees and officers in public service.

A continuing study of Summary of Interim

The Retirement Laws Committee focused on changes to the system that would reduce costs and strengthen the long-term financial health of the system. Chief Investment Officer, Matt Clark, reported a negative investment performance of 19.5% at the June meeting. He reported that in these troubled economic times, the office is looking for long-range returns and not focusing on short-term market fluctuations. Mr. Clark reported in September, that the total value of South Dakota's portfolio had increased by 13 percent since the beginning of FY2010.

Rob Wylie, Executive Director of the South Dakota Retirement System (SDRS), presented possible changes to the retirement system that would eliminate \$240M in future costs. He described several options that will be discussed further at the next meeting of the South Dakota Retirement System Board of Trustees on December 1st and 2nd. The options presented to the committee included:

- Make the return to work provisions cost neutral (could include a 90-day separation period, 15% reduction in retirement benefits upon reemployment, no additional retirement benefits earned upon reemployment);
- Eliminate first-year pro-rated cost of living adjustments (COLA) for retirees and all other pro-rated COLAs;
- Reduce the refund amount if the employee leaves the system;
- Index the COLA and base it on the SDRS Funded Status (if the system is doing well, the COLA will be 3.1%, whereas if the market value funded ratio is less than 100%, the COLA would be reduced on a sliding scale, but never lower than 2.1%); and
- Reduce or eliminate the current deficit in the optional spouse benefit.

Listing of Legislation Adopted

Even though the committee will not propose legislation, the SDRS will submit legislative proposals at the December meeting.

Summary of Meeting Dates & Places and Listing of Committee Members

The committee met jointly with the Board of Trustees of the South Dakota Retirement System in Pierre at the View 34 Conference Room. The meeting was held on June 4, 2009. The Committee met again in Sioux Falls at the offices of the State Investment Council on September 16th. The next meeting of the Retirement Laws Committee will be on December 8th in Pierre.

Committee members were: Representative Tim Rounds (Chair), Senator Tom Nelson (Vice Chair); Senators Gene Abdallah, Corey Brown, Sandy Jerstad, and Kathy Miles; and Representatives Marc Feinstein, Noel Hamiel, Patrick Kirschman, and Manny Steele.

Staff members were Annie Mehlhaff, Principal Fiscal Analyst, and Lisa Shafer, Legislative Secretary.

RULES REVIEW COMMITTEE

Study Assignment

A review of proposed state agency rules.

Summary of Interim

The Rules Review Committee will have had held nine meetings by the end of this interim. The committee will have reviewed more than 80 sets of rules this interim. The committee has two additional meetings scheduled for later this year. One meeting is scheduled for November 18th and another tentatively set for December 15th. The committee is attempting to avoid meeting the day before session begins to avoid support staff time conflicts with session preparations. Any rules that may be pending before the legislative session will be placed on the committee's agenda for the first meeting following session.

The rules reviewed this year were from each of the Executive Branch agencies, the Secretary of State's Office, the Public Utilities Commission, and many licensing boards and commissions. Typically, the rules updated the routine operations of state government.

There were two rules' proposals from two agencies that were sent back to an earlier step in the rules process to allow the affected agency an opportunity to hold additional public hearings or meet with interested parties to address concerns expressed by the interested parties or the concerns held by the committee. One set of rules proposed by the Department of Health dealt with egress windows. The second set of rules from the State Historical Society increased various fees for storage maintenance and access to archived material. Both of these sets of rules will be reviewed at the November 18th meeting.

The committee continues to work to make better use of the electronic media and conferencing. This goal continues to be a work in progress.

The committee continues its scrutiny of any agency rules that propose to increase fees. The committee requires a thorough explanation of the agency's fiscal note, budget, and need for the fee increase. By statute, an agency also is required to present fund balance condition statements for three years to support the fee increase.

Listing of Legislation Adopted

No legislation has been proposed at this time.

Summary of Meeting Dates and Places

The Rules Review Committee met at the State Capitol in Pierre on the following dates: March 13, 2009; April 21, 2009; May 20, 2009; June 9, 2009; July 28, 2009; September 1, 2009; and September 29, 2009. The committee is scheduled to meet on November 18, 2009, and has tentatively set December 15, 2009, to consider any rules that need to be considered before the legislative session begins. The committee scheduled three meetings via the Dakota Digital Network and held two meetings via teleconference.

Listing of Committee Members

Committee members were Representative Roger Hunt (Chair); Senator Jean Hunhoff (Vice-Chair); Senators Jim Hundstad and Mike Vehle; and Representatives Peggy Gibson and David Lust.

Listing of Staff Members

Staff members were Doug Decker, Code Counsel, and Kris Schneider, Senior Legislative Secretary.

SEX OFFENDER REGISTRY STUDY COMMITTEE

Study Assignment

A study to determine whether all of the names that are placed on the registry pursuant to current law are appropriate for inclusion; to review whether certain offenders should be illegible for removal from the registry and under what circumstances; to review state statutes that regulate the inclusion of names on or removal of names from the registry; to review state statutes that regulate registration renewal; to review state statutes requiring the registration of homeless offenders; to determine minimum standards necessary to ensure continuing federal funding; to review models from other states for appropriateness and utility; and to determine whether the public would be better served by additional classification of offenders.

Summary of Interim

First meeting: The Committee inaugurated its interim activities with a detailed report from committee staff which reviewed:

- (1) The state's sex offender registry statutes;
- (2) Recent state sex offender legislation;
- (3) Correspondence and materials from the media, and
- (4) Illustrations of both South Dakota's and neighboring states' sex offender websites.

Staff also reported on research conducted by the staff into the number of state registrants, the number of state registrants from out-of-state, the number of women and Native Americans on the registry, and the number of registrants living in small South Dakota towns with no schools.

Attorney General Long and his office briefed the committee on the history of sex offender legislation in South Dakota and recent legislative initiatives from his office. The Attorney General's Office also administers the registry and John Strohmman, who is in charge of the program, discussed its operation. He and the Attorney General expressed concern that South Dakota would lose Byrne Grant funding if the state did not come into compliance with the federal Adam Walsh Act by July 1, 2011. Compliance with the Adam Walsh Act was a recurring theme of committee discussions throughout the interim.

Also presenting to the Committee were Stephanie LoConto and Lori McPherson, Policy Advisors with the Sex Offender, Sentencing, Monitoring, Apprehending, Registering, and Tracking (SMART) office of the U.S. Department of Justice. They presented an overview of the Sex Offender Registration and Notification Act (SORNA). The purpose of SORNA is to enhance community safety, public awareness of risk, and assist law enforcement. It was passed on July 27, 2006, and was designed to create a national set of standards to eliminate loopholes and gaps in existing registry systems. The minimum standards of SORNA and the compliance process were reviewed.

Current South Dakota law inconsistencies with SORNA are:

- Frequency of recapture (6 months – for SORNA Tier III offenses, 3 months is required).

- Information required included in registration: passport and immigration documents, phone numbers, licensing information, temporary lodging information, copy of driver's license, vehicle registration number.
- Keeping registration current: South Dakota only requires immediate update of residence information; however, SORNA requires immediate in-person updates for residence, and immediate in-person and non-in-person updates of other information.

Second meeting: The primary focus of the second meeting was an extensive public hearing attended by about forty-five interested parties with over twenty electing to testify, four of whom did so by phone. The largest group represented was the wives and families of sex offender registrants who spoke movingly of hardships that the families experience as a result of having a registrant in the household. Many requested that the Committee recommend legislation that would permit all but hardened sexual predators to have a chance at some point in time to earn their way off the list by demonstrated rehabilitation and good behavior. Most opposed quarterly registration as an unproductive and unnecessary burden.

Others who testified included law enforcement, prosecutors, public defenders, defense counsel, interested legislators, clergy, and counselors. A few sex offenders also described their experiences with the registry.

An invited guest, participating by phone, was Ross Loder, Legislative Liaison, Iowa Highway Department of Public Safety, who provided a summary of significant legislation in Iowa since 2002. He noted that Iowa's law enforcement community is more concerned where sex offenders are when they are awake than when they are asleep. He also noted that Iowa does use risk assessments as a tool for treatment; they no longer post the findings on their website as it provides a false sense of security if you rate someone low and they reoffend. He acknowledged that Iowa had overreacted with harsh community safety zone legislation and that it had proved unenforceable.

A detailed program for reforming the sex offender statutes was presented by Ryan Kolbeck, Sioux Falls, a Minnehaha Public Defender and President of the South Dakota Association of Criminal Defense Lawyers, speaking on his own behalf. He asked the committee to review the purpose of the sex offender registry and whether everyone on the list should remain on the list forever. He believes that not everyone on the list is a threat and that there needs to be an incentive to comply. A tiered system is important; SDCL 22-22-1.3 provides for a presentence investigation report that could be used for risk assessment. He believes that the AWA requirement that employers and families also register is unfair; and that if a sex offender fails to register, the charge should be a misdemeanor not a felony. A major problem with the community safety zones is the shelters and halfway houses are located within the safety zones and that they are not able to obtain the help they need.

The Committee concluded by requesting staff to prepare a program of discussion of the points raised at the first two meetings for the next meeting.

Third meeting: The Committee spent the bulk of the third meeting working through the program of discussion prepared by staff. The discussion resulted in the committee asking staff to prepare draft legislation for final approval at the last meeting.

Fourth meeting: The Committee gave final approval to eight pieces of legislation and one

committee resolution as reflected below. The Committee rejected legislation to:

- (1) Exclude all adjudicated juveniles from the sex offender registry unless tried as adults;
- (2) Expand eligibility to petition for removal from the sex offender registry based on severity of offenses; and
- (3) Provide prosecutorial discretion to charge registrants who fail to timely reregister with a misdemeanor rather than a felony.

Listing of Legislation Adopted

1. An Act to limit misdemeanor eligibility for registry on the sex offender registry.
2. An Act to reduce the grace period for certain sex offender registry registrations.
3. An Act to establish the application of certain statutes relating to the sex offender registry with regard to out-of-state offenders residing in the state of South Dakota.
4. An Act to revise the criteria for removal from the sex offender registry.
5. An Act to provide for a tiered sex offender registry and to establish certain criteria for eligibility to petition for removal or reassignment.
6. An Act to permit certain sex offenders who are homeless or on parole to reside in certain halfway homes or homeless shelters within community safety zones.
7. An Act to revise certain provisions relating to the registration of juvenile sex offenders.
8. An Act to define solicitation of or conspiracy to commit certain crimes of registerable sex offenses.

The Interim Committee also adopted an interim committee resolution requesting the Office of the Attorney General to review the form and style in which information is provided to the public in the South Dakota Sex Offender Registry to determine the feasibility, cost, and desirability of reconfiguring the presentation of the data to facilitate enhanced utilization by the public consistent with the opinions expressed in the interim committee during its deliberations.

Summary of Meeting Dates & Places and Listing of Committee Members

The committee met on July 8, August 18, September 21, and October 19. Each meeting was held in the State Capitol in Pierre.

Committee members were: Senator Gene Abdallah, Chair ; Representative Brian Gosch, Vice Chair; Senator Sandy Jerstad; Representatives Richard Engels, Peggy Gibson, Jacqueline Sly, and Roger Solum.

Staff members were: Reuben Bezpaletz, Chief Analyst for Research and Legal Services; Jacquelyn Storm, Principal Legislative Attorney; and Kris Schneider, Senior Legislative Secretary.

STATE-TRIBAL RELATIONS STUDY COMMITTEE

Study Assignment

The State-Tribal Relations Study Committee held its organizational meeting and selected study topics for the 2009 Interim at its first meeting held at the Capitol in Pierre on March 30, 2009. The committee elected officers and discussed possible topics for study. The committee also indicated that at least one meeting should be held on a South Dakota reservation rather than in Pierre.

Summary of Interim

The State-Tribal Relations Study Committee is an ongoing interim committee that was created in statute (SDCL 2-6-20) in 1993 as a part of the state's reconciliation efforts. The committee provides a forum within state government for discussion by Indians and non-Indians of issues affecting the Native American community and issues involving Tribal governments and State government. The committee also serves as a way of familiarizing legislators with such issues.

The committee held its organizational meetings in the Capitol in Pierre on March 30 and June 9, 2009. At the March 30 meeting, the committee selected Senator Jim Bradford to serve as committee chair and Representative Kent Juhnke to serve as Vice Chair. At the June meeting, the committee decided to accept an invitation from the Rosebud Sioux Tribe to hold a meeting on the Rosebud Reservation during the 2009 Interim. The committee also heard presentations and briefings on issues affecting the Native American population by several state agencies, including the Office of Tribal Government Relations, the Governor's Indian Health Care Initiative, the Department of Transportation, the Department of Corrections, the Department of Revenue and Regulation, and the Office of the Attorney General. The committee also heard public testimony on potential study topics and other issues.

The committee's third meeting was held on September 16-17, 2009 at the Rosebud Sioux Tribe Water Resources Conference Room in Rosebud. The focus of this meeting was on health care issues, as well as other issues affecting the Rosebud Sioux Tribe. Tribal president Rodney Bordeaux discussed a number of issues projects of the Tribe and asked the committee's help in requesting the Department of Public Safety to reconsider its decision to close the driver license examination station at Mission. The committee sent a letter to that effect to the department. The committee heard a presentation from the Department of Public Safety on 9-1-1 Emergency Communication issues. The committee then heard a discussion by officials from Todd and Tripp counties on the delivery of county services in reservation areas and the agreement in place between the two counties under which Todd County contracts with neighboring Tripp County to provide services by the Register of Deeds, the Auditor, and the Treasurer. Todd County contracts with individuals for such services as sheriff and states attorney. On the topic of health care issues, the committee heard presentations by former Senator Paul Valandra, officials from the Rosebud Indian Health Service Health Center Hospital and Clinic, the Pine Ridge Specialty Clinic sponsored by Rapid city Regional Hospital, and the Department of Social Services. The committee also heard public testimony and discussion by other officials of the Rosebud Sioux Tribe. On the following day, the committee toured several facilities on the Rosebud Reservation, including the new, tribally-owned Turtle Creek Crossing grocery store and supermarket in Mission and the Rosebud Sioux Tribe's Juvenile Detention Center west of Mission.

The committee's fourth meeting was held on November 12, 2009 in the Capitol in Pierre. The committee focused on k-12 education issues and heard presentations by Mr. Stuart Zephier, Indian Education Coordinator with the Department of Education, Dr. Victoria Pietz and Mr. Gene McCowan of the Pierre Indian Learning Center, Superintendent Ted Hamilton of Tiospa Zina Tribal School of the Sisseton-Wahpeton Oyate, Ms. Miranda Eastman of the Oceti Sakowin Education Consortium, and Ms. Dayna Brave Eagle of the Oglala Sioux Tribe Education Department. The committee also heard public testimony on a variety of topics.

Listing of Legislation Adopted

None

Summary of Meeting Dates and Places and Listing of Committee Members

The committee met in the State Capitol in Pierre on March 30 and June 9, 2009; at Rosebud, the Rosebud Casino, and Mission on September 16-17, 2009, and again at the State Capitol on November 12, 2009.

Members of the committee included Sen. Jim Bradford (Chair), Rep. Kent Juhnke (Vice Chair); Senators Dan Ahlers, Ryan Maher, Russell Olson, and Craig Tiezen; and Representatives Ed Iron Cloud III, Kevin Killer, Carol Pitts, and Dean Wink.

Committee staff members were Tom Magedanz, Principal Research Analyst; and Reta Rodman, Legislative Secretary.