

MINUTES

Legislative Planning



Representative Scott Munsterman, Chair
Senator Mike Vehle, Vice Chair

**Fourth Meeting, 2016 Interim
Monday, September 19, 2016**

**Room 413 – State Capitol
Pierre, SD**

The fourth meeting of the Legislative Planning Committee was called to order by Representative Scott Munsterman, Chair, at 10:15 a.m. (CDT), on Monday, September 19, 2016, in Room 413 of the State Capitol in Pierre, South Dakota.

The following members answered the roll call: Representative Scott Munsterman, Chair; Senator Mike Vehle, Vice Chair; Senators Gary Cammack, Terri Haverly and Scott Parsley; Representatives Shawn Bordeaux, Kristin Conzet, Jacqueline Sly and Dean Wink. Member excused: Senator Ried Holien.

Staff members present included Clare Charlson, Principal Research Analyst; Stephanie Gruba, Fiscal Analyst; and Paul Giovanetti, Senior Legislative Secretary.

NOTE: For purpose of continuity, the following minutes are not necessarily in chronological order. Also, all referenced documents distributed at the meeting are attached to the original minutes on file in the Legislative Research Council office. This meeting was web cast live. The archived web cast is available at the LRC web site at <http://sdlegislature.gov>.

Approval of Minutes

REPRESENTATIVE WINK MOVED, SECONDED BY REPRESENTATIVE CONZET, TO APPROVE THE MINUTES FOR THE MEETING ON AUGUST 1, 2016. The motion prevailed unanimously on a voice vote.

Workforce Development for Veterans and their families

Mr. Larry Zimmerman, Secretary, Department of Veterans Affairs, presented an update on the efforts of the department to put veterans and their families to work. Currently there are four efforts underway within the department.

The Department of the Military and the Department of Veterans Affairs have selected Dr. William Meirose to lead their new initiative, South Dakota Joining Forces. The main goal of the initiative is to assist veterans, service members, and their families in finding the care and services they need. Dr. Meirose will provide program development, oversight, and coordination for the Joining Forces Initiative. He will enhance the state's ability to meet the behavioral-health care needs of its service members, veterans, and their families by increasing access to appropriate care, closing gaps in the system, building the system's capacity, increasing interagency communication, and building collaboration. The department will seek a \$92,000 appropriation at the next legislative session to fund the initiative.

Representative Jacqueline Sly asked for clarification on the funding the department will seek to fund the initiative. Secretary Zimmerman replied that the department is hoping to fund a position for the "South Dakota Joining Forces" initiative. The initiative will connect veterans, service members, and their

families to local resources specific to each county throughout the state. In comparison, the 211 system, which would achieve the same purpose, would cost the state between two and four million dollars. The 211 system is like a rolodex of information for the individual who needs assistance, but it is limited to only the larger populated areas in the state.

The Department of Veterans Affairs has entered into a Memorandum of Understanding with the United States Department of Defense to gain access to the Certificate of Release and Discharge Information Reporting System (CRDIRS). CRDIRS will allow the department to receive personal information on service members who are being discharged from the military and coming home to South Dakota. This information will benefit both the labor markets and the South Dakota National Guard.

The department has continued to provide training on Veterans' preference laws to state, county, municipal, and school officials.

The department is active in honoring the men and women who have served our nation through events like the distribution of the Korean Peace Medals earlier this year, and the tenth anniversary rededication of the Vietnam War Memorial, and is developing plans to honor our World War II veterans next year.

Representative Scott Munsterman asked what the department plans to do with the information from CRDIRS. Secretary Zimmerman replied that the information is valuable to the state, but will not be given out to the public. The department determined that, for individuals who have reached their Expiration of Term of Service (ETS) date from active duty, their information will be given to the Department of the Military, specifically the National Guard, as a way for the veteran to continue to serve as a reservist. The information on individuals who have retired from the military will go to their local tribal or county veteran service officer. Lastly, the department will make contact with all service members listed in the CRDIRS report, and welcome them home to South Dakota and inform them of the benefits to which they are entitled.

Research Parks and their impact on the state's economy

Mr. Dwaine Chapel, President, Research Park, South Dakota State University (SDSU) and **Mr. Rich Naser, President, University of South Dakota (USD) Discovery District** presented an overview of research parks ([Document #1](#)), the history of South Dakota research parks ([Document #2](#)), the economic impact the research parks have on the state's economy ([Document #3](#)), information on the Bio Roadshow 2016 ([Document #4](#)), and the future investment in research parks ([Document #5](#)).

Representative Dean Wink noted that companies across the nation are spending much less in research and development, and asked how this has impacted the research parks. Mr. Naser stated that previously, a pharmaceutical company would come into a university and partner with the research early on and continue to develop the product through the multiple phases of testing. Now within the biomedical field, the university or small company has to develop the product and conduct phase I and phase II clinical trials before the pharmaceutical company will purchase the new product. This requires capital and entrepreneur investment before companies will acquire the product.

Senator Gary Cammack asked about the wages of the one hundred ninety employees at the SDSU Research Park. Mr. Chapel stated that the park has a total payroll of five million dollars and that the annual salaries of professionals range between \$80,000 and \$150,000. This total also includes twenty-seven interns from SDSU.

Senator Scott Parsley asked if the Biotech grant program is currently being conducted at the University Center - Sioux Falls. Mr. Naser answered that USD, SDSU, and Black Hill State University (BHSU) all have a significant portion of research and development being completed at the GEAR Center in Sioux Falls.

Representative Munsterman asked if the research parks have had similar discussions with the Board of Regents on the future of the university centers in the state. Mr. Naser stated the Board of Regents has refocused the university centers to provide adequate education for both the research parks and the local community.

Representative Wink asked how revenue from patents comes back to the State of South Dakota. Mr. Naser replied that if the patent comes from the university, the university receives fifty percent of the proceeds from the patent. Representative Wink asked how much money the universities are receiving in patent revenues. **Paul Turman, System Vice President for Academic Affairs, Board of Regents**, replied that SDSU has received around three million dollars. USD and the South Dakota School of Mines and Technology (SDSMT) have received between \$30,000 and \$200,000 in patent revenues.

Representative Sly asked how the research parks get companies to participate. Mr. Naser replied the key to getting a company to be active in the research park is marketing the necessary skill set from the university. The other vital piece is having the company and the university develop a working relationship before the company comes to the research park.

Performance Management Review Process

Department of Agriculture

Mr. Mike Jaspers, Secretary, Department of Agriculture, presented the department's proposed performance measures ([Document #6](#)). The department had a challenge in narrowing down the different aspects of a very diverse department to show quantifiable and measurable performance. Secretary Jaspers highlighted the performance measures and the methodology behind each one.

Representative Munsterman asked if the assistance to counties to increase fire protection capabilities will be measured in dollars or in the number of counties assisted. Secretary Jaspers replied that the plan is to show both the number of counties and the amount of financial assistance.

Representative Sly asked if the department will identify the number of events held at the State Fair or the number of people attending the events. Secretary Jaspers replied that the department can report both statistics on the performance measure. This would give the department an indication if the events are utilizing state resources efficiently.

The committee had a discussion regarding the fourth performance measure and advised Secretary Jaspers to return in October with a different way to measure the performance of the Ag Service Division, which is the regulatory part of the department.

Department of Game, Fish and Parks

Mr. Kelly Hepler, Secretary, Department of Game, Fish and Parks, presented an update from the last meeting to the committee. The department held stakeholder sessions with various groups across the state and received input from the stakeholders on the department's strategic plan ([Document #7](#)). The department then updated the goals and objectives ([Document #8](#)). The department has three main goals: provide outdoor recreational opportunities; serve as stewards of the state's outdoor resources; and inspire confidence. Each goal has two objectives which will be used to measure the overall success of the goal.

Representative Munsterman stated the department has goals and objectives identified and asked what performance measures will show whether the objectives are being met. Secretary Hepler stated he will work on identifying the measures to show the objectives are being met.

Department of Environment and Natural Resources

Mr. Steve Pirner, Secretary, Department of Environment and Natural Resources, presented the department's final draft report to the committee ([Document #9](#)). The department has six outcomes identified: public health protection; air and water protection; pollution prevention; cleanup of mined lands and spills; adequate and affordable publicly owned environmental infrastructure; and environmental and business friendly climates maintenance.

The committee commended Secretary Pirner for the development of the outcomes and performance measures. The committee discussed the second performance measure and how the Environmental Protection Agency (EPA) has set more stringent standards which shows a decrease in the air and water quality metrics. This change in standards has been noted, including the reasoning for the decrease.

Planning of Future Meetings

The next meeting will be held on October 31, 2016, in Pierre.

Adjournment

REPRESENTATIVE WINK MOVED, SECONDED BY SENATOR VEHLE, TO ADJOURN. The motion prevailed unanimously on a voice vote.

The committee adjourned at 3:06 p.m.