



# MINUTES

## GOVERNMENT OPERATIONS AND AUDIT COMMITTEE

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LCR 1

October 25, 2004

### 2004 Interim

The seventh meeting of the Government Operations and Audit Committee was called to order by Chair Kleven at 10:00 a.m., October 25, 2004, in the Legislative Conference Room 1, State Capitol Building, Pierre, South Dakota.

A quorum was determined with the following members answering the roll call: Senators Arnold Brown, J.P. Duniphan, John Koskan, Marguerite Kleven and Garry Moore; and, Representatives Ted Klaudt, Rebekah Craddock, Gerald Lange, and Clare Konold. Representative Margaret Gillespie was excused.

Staff Members present were Marty Guindon, Auditor General, Rich Hornak and Gary Hoscheid, State Government Audit Managers and Robert Christianson, Auditor IV for the Department of Legislative Audit (DLA). Reed Holwegner, Chief Fiscal Analyst and Annie Mehlhaff, Principal Fiscal Analyst represented the Legislative Research Council.

### Approval of Minutes

*Representative Lange moved, seconded by Senator Duniphan that the minutes of the September 13 and 14, 2004 meeting be approved. Motion prevailed unanimously on a voice vote.*

Representative Klaudt had additions to the agenda which included:

### Board of Regents – Technology Outreach Services (TOS)

Gary Hoscheid gave an update concerning TOS. The committee raised additional questions regarding all funding sources to be used to fund the TOS and the state's commitment to utilize the services of the TOS. It was decided the TOS program would be a continuing item.

### BFM Memo

Jason Dilges, Commissioner, Bureau of Finance and Management discussed a handout that was mailed to committee members that identified the status of indirect cost funds.

### Bill Drafts

Reed Holwegner from Legislative Research Council gave an overview of proposed legislation that would require condition statements for every statutorily and administratively created fund.

*Senator Moore moved, seconded by Senator Duniphan, that the following amendments be made to bill draft, reference No. 958L0114: Page 2 line 5, strike "every statutorily and administratively created fund." and insert "all indirect cost reimbursement funds received from the federal government." Motion prevailed on a roll call vote, with 5 ayes, 4 nays and one excused. Voting aye: Brown, Duniphan, Moore, Konold and Lange. Voting nay: Kleven, Koskan, Klaudt and Craddock. Excused: Gillespie.*

*Senator Koskan moved, seconded by Representative Klaudt that the following amendments be made to bill draft, reference No. 958L0114: page 1, line 8, add the word "projected" before "receipts" and "disbursements". Motion prevailed on a unanimous vote.*

*Senator Brown moved, seconded by Representative Konold to table bill draft, reference No.958L0114: Motion failed on a roll call vote, with 2 ayes, 7 nays and one excused. Voting aye: Brown, and Konold. Voting nay: Duniphan, Kleven, Koskan, Moore, Klaudt, Cradduck and Lange. Excused: Gillespie.*

*Senator Moore moved, seconded by Representative Lange to recommend bill draft, reference No. 958L0114 to the Executive Board. Motion prevailed on a roll call vote, with 5 ayes, 4 nays and one excused. Voting aye: Kleven, Moore, Klaudt, Cradduck and Lange. Voting nay: Brown, Duniphan Koskan and Konold. Excused: Gillespie.*

*Representative Klaudt moved, seconded by Senator Moore to recommend bill draft, reference No. 886L0071 to the Executive Board. Motion prevailed on a roll call vote, with 7 ayes, 2 nays and one excused. Voting aye: Duniphan, Kleven, Koskan, Moore, Klaudt, Cradduck and Lange. Voting nay: Brown and Konold. Excused: Gillespie.*

*Representative Klaudt moved, seconded by Representative Cradduck to recommend Bill draft, reference No. 868L0072 to the Executive Board. Motion prevailed on a roll call vote, with 7 ayes, 2 nays and one excused. Voting aye: Duniphan, Kleven, Koskan, Moore, Klaudt, Cradduck and Lange. Members voting nay were: Brown and Konold. Excused: Gillespie.*

## **Encumbrances**

Rich Hornak provided an overview of the fiscal year 2004 encumbrances. The committee requested additional contractual information for selected encumbrances, to be discussed at the next meeting. The committee also recommended the encumbrance report be sent to the Appropriation Committee.

## **Department of Corrections Letter**

Annie Mehlhaff provided the committee with information on population counts and daily rates for Group and Residential Treatment Facilities relating to juvenile corrections. The committee suggested a letter be written to the Department of Corrections voicing any concerns or ideas relating to the meeting held at the Custer campuses in September. The issue will be discussed at the next meeting.

The next committee meeting is scheduled for December 7, 2004 in Pierre, South Dakota.

The committee adjourned the meeting at 1:30 p.m.



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