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Representative Scott Munsterman, Chair  
Senator Mike Vehle, Vice Chair

Ninth Meeting  
Interim Committee  
October 28, 2013

Room 413  
State Capitol  
Pierre, South Dakota

**Monday, October 28, 2013**

The October meeting of the Legislative Planning Committee was called to order by Vice Chair Vehle, at 10 a.m. (CDT) in Room 413 of the State Capitol, Pierre, South Dakota.

A quorum was determined with the following members answering the roll call: Senator Mike Vehle, Vice Chair; Senators Tom Jones, Ryan Maher, and Billie Sutton; Representatives Kristin Conzet and Susan Wismer. Members excused: Representative Scott Munsterman, Chair; Senators Corey Brown and Bruce Rampelberg; Representatives Brian Gosch and Jacqueline Sly.

Staff members present included David Ortbahn, Principal Research Analyst; Amanda Reiss, Legislative Attorney; and Cindy Tryon, 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 (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 – Current Interim – Minutes and Agendas.")

**Approval of Minutes**

**REPRESENTATIVE CONZET MOVED, SECONDED BY SENATOR SUTTON, TO APPROVE THE MINUTES OF JULY 11, 2013. The motion prevailed unanimously on a voice vote.**

**Opening Remarks**

**Senator Mike Vehle, Vice Chair**, welcomed everyone to the meeting and explained that Representative Munsterman, Chair, was unable to attend the meeting. Senator Vehle reminded the committee of the four topics of study the Executive Board had asked them to research: Workforce Development; Education; Government Services; and Government Organization. The committee will be ending their study of workforce development and need to decide on their next topic.

Senator Vehle distributed copies of the draft workforce development for South Dakota policy brief that had first been presented at the June meeting (**Document #1**). He said that Chair Munsterman will be working on revisions to that document and will then distribute copies to the

committee for further discussion either via a conference call or at the December committee meeting.

### **Rehabilitation Services**

**Mr. Eric Weiss**, Director, Division of Rehabilitation Services, Department of Human Services and **Bernie Grimme**, Assistant Director, Division of Rehabilitation Services, Department of Human Services, gave a PowerPoint presentation, *Vocational Rehabilitation in South Dakota (Document #2)*.

Mr. Weiss reported that Vocational Rehabilitation is mandated by the Federal Rehabilitation Act and is part of the Workforce Investment Act. Mr. Weiss said that the unemployment rate is almost twice as high for people with disabilities. He said that over 6,100 people were served last year with 2,600 new applicants and 943 individuals successfully employed.

Mr. Weiss said that the average cost of services for a rehabilitation client is \$5,000. He said that for every \$1.00 Vocational Rehabilitation spends on the client, the increased earnings of that client is \$8.96. Over 900 different employers hired clients over the past two years. Mr. Weiss distributed a brochure they send to employers (*Document #3*).

Senator Vehle asked for the total number of clients who Vocational Rehabilitation has successfully helped find employment. Mr. Weiss did not have that data with him but said that he would get that information to the Senator.

In response to a question from **Representative Susan Wismer**, Mr. Weiss said that an individual case may be closed successfully and then if the client loses that job he or she can return to Vocational Rehabilitation for further assistance.

**Senator Billie Sutton** asked about the community support providers. Mr. Weiss said that the community support providers work more with intellectual disabilities and clients who need a long-term service. Vocational Rehabilitation does collaborate with them and some of their clients on a short-term basis.

**Senator Tom Jones** asked what would happen with Vocational Rehabilitation if there was no state funding available. Mr. Weiss said that the federal funds they receive must be matched with state funds, so if there were no state funds available the federal funding would also disappear. The clients would then have to use other resources such as the Department of Labor and they would have a difficult time finding the support areas they need. Senator Jones asked how many people that would affect. Mr. Weiss said that he could not put a number on it but that every South Dakotan with a disability would be affected in some way.

In response to Senator Vehle's questions, Mr. Weiss said that they do not keep track of their clients on a long-term basis.

### **Update on the Workforce Development Council and WINS**

**Ms. Kim Olson**, Policy Advisor, Governor's Office, updated the committee on the Governor's Workforce Development Council and the WINS program. The WINS program has 4

categories: preparing youth, training for skilled work, promoting rural occupations in health care, and New South Dakotans (recruiting people into the state). The program started in July of 2012 and they are in the process of putting together the first annual report which will be distributed to all legislators during the 2014 Legislative Session. Ms. Olson distributed one page from that report regarding the Dakota Roots program (**Document #4**).

New marketing dollars were used to encourage people to return and the annual report will show just what affect those additional dollars had on the program. Through the Dakota Roots program, 529 people were recruited back to South Dakota in 2012.

Ms. Olson said that they discovered that a lot of systems that collect various types of data do not connect with each other to share that information. She said that a vacancy ratio has never been done. That ratio would show what vacancies are out there and how long those vacancies have existed.

Ms. Olson said that the five areas they found that have chronic employment needs are: Information and Technology, Health, Engineering, Professional Consulting, and Manufacturing. By having that information, there can be more of a focus on those areas when training people to enter the workforce.

Ms. Olson said that many states are facing these same workforce issues. She said that through the National Governors' Association, 13 states are working together to analyze data and discuss ways to address these issues.

In response to a question from **Representative Kristin Conzet**, Ms. Olson said that the most confusing workforce shortage is in the nursing profession. Ms. Olson said that the education system is graduating enough nurses to meet the need but there are still a large number of vacancies. This is one situation that illustrates that the data does not always fit the actual situation.

In response to Senator Vehle's question regarding dashboard indicators, Ms. Olson said that supply and demand, and vacancy rates are two dashboard indicators that could be used. She said it might be six months before they develop any dashboard indicators. She would keep the committee informed as those are developed.

### **Status Report from the Department of Education on Workforce Initiatives involving Native American Students**

**Dr. Melody Schopp**, Secretary, Department of Education, gave a PowerPoint presentation (**Document #5**). Dr. Schopp said that the gap between Native American students and non-Native American students continues to grow in regard to reading and math levels. She said that there is also a significant gap as far as the graduation rates.

Dr. Schopp said that one program that is working on this issue is Jobs for America's Graduates (JAG) which promotes staying in school, pursuing postsecondary education, and securing quality entry-level jobs leading to career advancement opportunities. This program works with all students and helps in improving academic performance and raising self-esteem because it lets the student know that someone cares about him or her. Students involved in

this program have never belonged to anything before and by being a part of JAG, they now belong to something.

JAG has received \$275,000 in financial support from the State Legislature over a three-year period. 180 high school students from five communities participated in JAG this past year. The five communities that are involved in the program are Wagner, Bennett County, Rapid City, Lake Andes, and McLaughlin. Lake Andes is in the process of expanding the program into the Middle School.

The WoLakota Project is another program geared at trying to help improve Native American students' achievements and uses elders' stories to help reach the students.

In response to questions, Dr. Schopp said that South Dakota has the highest poverty rate on some of our reservations and that greatly impacts the students living in those areas. She said that students living in poverty are three times more likely to drop out of school.

### **Developing Missions, Goals, Performance Measures**

Dr. Schopp reported that the Department of Education has contracted with a group, Delivery Institute, to help the department learn how to better achieve the goals they set for themselves. The following are the 15 steps the Delivery Institute gave to the department to help them create a plan:

1. Create aspiration.
2. Review our current state of delivery.
3. Create a delivery unit.
4. Establish a guiding coalition.
5. Evaluate past and present performance.
6. Understand drivers of performance and relevant activities.
7. Determine reform strategy.
8. Set targets and establish trajectories.
9. Establish delivery plans.
10. Establish routines.
11. Solve problems early and regularly.
12. Sustain and continually build momentum.
13. Build system capacity all the time.
14. Communicate the delivery message.
15. Unleash the alchemy of relationships.

Dr. Schopp said that using these steps provides purpose for the department's work outside of compliance and it gives a reason to say no when there is a lack of alignment.

In response to Senator Jones' question, Dr. Schopp said that the need for teachers is being met in general but that there is a specific need for teachers in math and science.

In response to Representative Conzet's question about how data will be put to use, Dr. Schopp said that one thing they are doing is contacting the parents, student and school if a student does not meet the ACT requirements. That student can then take remediation courses

in high school in preparation for college. The Department of Education is also working with postsecondary schools to offer more college preparatory classes.

In response to Senator Vehle's question, Dr. Schopp said that it is the Department of Education's goal to make sure students are career and life ready; that they are prepared to be productive, contributing citizens. By doing that, the student is able to become a positive member of the workforce.

### **Working Poor – Medicaid Expansion Taskforce Report**

**Ms. Deb Bowman**, Senior Advisor to the Governor, and **Ms. Kim Malsam-Rysdon**, Secretary of the Department of Social Services, talked to the committee about the Medicaid Expansion Task Force.

Ms. Bowman distributed a document, "South Dakota Medicaid Expansion Population Demographics" (**Document #6**). Ms. Bowman explained that the Governor did not ask for Medicaid expansion during the 2013 Legislative Session. She said that South Dakota does have an effective Medicaid program. To answer any questions regarding South Dakota expanding Medicaid, the Governor set up the Medicaid Expansion Task Force. The full report is available on line at <http://sd.gov/governor/docs/Medicaid> .

The task force met four times and heard public testimony as well as debating the issues at great length. The biggest change with Medicaid expansion would allow people at 100 – 138% of the federal poverty level (FPL) to be eligible for Medicaid. South Dakota asked if we could just expand to those at the 100% FPL, but that request was denied. However, with changes being made at the Federal level, that request may be approved in the future.

Ms. Malsom-Rysdon reviewed with the committee five different scenarios of uninsured in the state and how they would be impacted by the Affordable Care Act.

Ms. Bowman said that rather than focusing on expanding Medicaid, we should be focusing on how to help people get out of poverty. She said that with only a 3.8% unemployment rate, most South Dakotans are working, but many need better paying jobs.

### **Committee Discussion**

The committee discussed what their next focus should be. After much discussion, the committee reached a consensus that education would be the best field of study but will wait to see what the Education Funding Formula study committee reports before finalizing that decision.

The committee also agreed that they should not have any meetings during the legislative session.

Senator Vehle suggested that the committee meet with standing committee chairs to present the policy brief to them.

**Mr. David Ortbahn**, Principal Research Analyst, presented two versions of draft legislation for committee consideration (**Document #7**). The legislation is in response to the technical institutions need for more information from the high schools in order to reach out to high school students.

**SENATOR MAHER MOVED, SECONDED BY REPRESENTATIVE CONZET, THAT THE COMMITTEE MOVE DRAFT A OF THE PROPOSED LEGISLATION ON TO THE EXECUTIVE BOARD FOR THEIR CONSIDERATION. The motion prevailed on a roll call vote with 6 voting AYE, 5 EXCUSED. Those voting AYE: Jones, Sutton, Conzet, Wismer, Maher, Vehle. Those EXCUSED: Rampelberg, Sly, Brown, Gosch, Munsterman.**

### **Next Meeting**

The next meeting was scheduled for Monday, December 2, 2013, at 10 a.m. The committee will go over the policy brief and finalize the dashboard indicators at that meeting.

### **Adjourn**

**SENATOR MAHER MOVED, SECONDED BY SENATOR SUTTON, TO ADJOURN. The motion prevailed unanimously on a voice vote.**

The committee adjourned at 4:00 p.m.



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