

## State Board of Finance Minutes

Tuesday, January 20, 2015  
2:00 p.m.

Governor's Large Conference Room  
Capitol Building

**Board members present:** Tony Venhuizen, Office of the Governor; Shantel Krebs, Secretary of State; Jeffrey Hallem, Office of Attorney General; Dennis Keith, Office of the State Auditor; Marianne Gabriel, Office of the State Treasurer; Mike Lauritsen, Office of School and Public Lands; Mike Mueller, Bureau of Administration; Jason Dilges, Bureau of Finance and Management.

**Others Present:** Teresa Bray and Leah Svendsen, both from Office of Secretary of State.

Tony Venhuizen, Chairman, called the meeting to order at 2:00 p.m.

**Agenda:** Jeffrey Hallem moved and Michael Mueller seconded to approve the Agenda. Motion carried.

**Minutes:** Regarding the minutes from the December 16, 2014, Board of Finance meeting, a grammatical correction was noted to the debt write off regarding Northern State University and the debt write off for the Department of Agriculture needed to be added. A motion was made by Jeffrey Hallem and seconded by Michael Mueller to approve the minutes with these corrections. Motion carried.

### State Transfers and Professional Recruitments:

<b>Game Fish and Parks</b>					
Eric Kraetsch	Wildlife Range Specialist	\$31,000	Crooks, SD	Milbank	December 2014
Mike Grewer	Resource Biologist	\$35,360	Portland, OR	Fort Pierre	December 2014

<b>Department of Agriculture</b>					
Danielle Hanson	Ag Specialist	\$46,000	Washington DC	Pierre	December 2014 & January 2015

<b>South Dakota State University</b>					
Jeffrey J. Doom	Assistant Prof.- SDSU Mech Engr	\$78,630	Niskayuna, NY	Brookings	December 2014
Joy Scaria	Assistant Professor-SDSU	\$80,581	Ithaca, NY	Brookings	August 2014
Krista Wood	Head-Softball Coach SDSU	\$67,000	Wayne, NE	Brookings	November 2015
David Karki	Extension-Field Specialist SDSU	\$60,000	Brookings, SD	Watertown	November 2014
Christina M. Kaberline	Assoc. Director	\$60,000	Brookings, SD	Greenville/ NC Norfolk VA	December 2014 & January 2015
David W. Haugan	Safety Consultant	\$40,116	Monticello, MN	Brookings	January 2015

NOTE: *This meeting is being held in a physically accessible place. Individuals needing assistance, pursuant to the Americans with Disabilities Act, should contact the Secretary of State's Office at (605) 773.3537 in advance of the meeting to make any necessary arrangements.*

University of South Dakota					
Craig Franken	Assistant Director O & M	\$70,000	Ankey, IA	Vermillion	December 2014
Mark Nelson Beard	Assistant Dcan	\$180,000	Columbia, MO	Sioux Falls	January 2015

\*Reimbursement amount is calculated based on annual salary amount denoted in above requests.

Dennis Keith moved and Marianne Gabriel seconded to approve the following household moving allowance requests for the following state transfers and professional recruitments. Motion carried.

**Debt Write Offs:** Jeffrey Hallem moved and Shantel Krebs seconded to approve the debt write off for the Department of Corrections in the amount of \$336.02. Motion carried.

Dennis Keith moved and Mike Mueller seconded to approve the debt write off for Northern State University in the amount of \$52,035.09. Motion carried.

Jeffrey Hallem moved and Jason Dilges seconded to approve the debt write off for Black Hills State University in the amount of \$2,505.21. Motion carried.

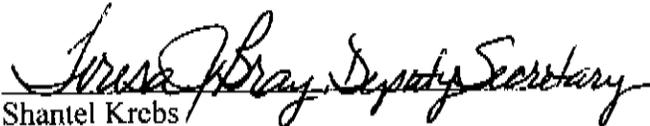
**Discussion:** As a follow up to recommendation from the December 16, 2014, Board of Finance meeting, Jason Dilges, presented proposed administrative rule changes regarding the state rate for milcage of motor vehicles, airplane rates, per diem and lodging for special needs. A schedule of the changes, as well as the proposed rule changes was presceted. The summary denotes information regarding the current rates, proposed rates, the date the rates were last changed and the percentage increase. These changes are consistent with what was reviewed in December and they keep up with inflation. A copy of the presentation accompanies these minutes.

A discussion was held regarding the rate changes. A motion was made by Jeffrey Hallem and seconded by Jason Dilges to authorize the Secretary of State's Office to proceed with the administrative rules process as proposed in the summary presented by Jason Dilges with an effective date of July 1, 2015. Motion carried.

The plan is to hold the public hearing at the next Board of Finance meeting on February 17, 2015. It was advised that Doug Dcker should be contacted for direction on the process.

**Adjournment:** Shantel Krebs moved and Mike Mueller seconded to adjourn the meeting.

Meeting adjourned at 2:30 p.m.

  
Shantel Krebs  
Secretary of State

**Rate Proposal for Board of Finance**

Lodging	Current Rates	Proposed Rates	Last Changed	% Increase
In-State Lodging	\$55-\$70	Same as current	FY2015	N/A
Out-of-state lodging	\$150-\$250	\$175-\$275	FY2008	16.7% - 10.0%
Out-of-country lodging	\$150-\$250	\$175-\$275	FY2008	16.7% - 10.0%
Special Needs Lodging	\$100	\$125	FY1996	25.0%

**Meals**

In-state meals	\$5/\$9/\$12 = \$26	\$6/\$11/\$15 = \$32	FY2005	23.1%
Out-of-state meals	\$8/\$11/\$17 = \$36	\$10/\$14/\$21 = \$45	FY2005	25.0%
Out-of-country meals	\$7/\$18/\$25 = \$50	\$10/\$21/\$29 = \$59	?	18.0%
Highway patrol officers	\$	12 \$	FY2005	16.7%

**Mileage**

Low-rate	\$	0.20 \$	0.23	FY2008	15.0%
High-rate	\$	0.37 \$	0.42	FY2008	13.5%
Special Needs Rate	\$0.37/\$0.49	\$0.42/\$0.56	FY2008	13.5% - 14.3%	

**Private airplane rates**

Piston single engine	\$	1.50 \$	2.50	FY2008	66.7%
Piston multi engine	\$	3.00 \$	4.00	FY2008	33.3%
Turbo prop: < 9	\$	3.95 \$	4.65	FY2008	17.7%
Turbo prop: > 9	\$	5.25 \$	5.65	FY2008	7.6%

**Private Trailer House/Camper**

Sleeping room	\$	4.00 \$	8.00	FY1994	200%
Per Day	\$	13.00 \$	26.00	FY1994	200%

Total Increase:

**Expense Increases**

	General	Federal	Other	Total
N/A				
N/A - in most cases, actual costs are reimbursed				
N/A				
N/A				
\$ 141,102	\$ 160,963	\$ 360,759	\$	662,824
\$ 21,817	\$ 61,856	\$ 166,039	\$	249,712
N/A				
\$ -	\$ -	\$ 67,020	\$	67,020

\$ 11,921	\$ 19,493	\$ 45,339	\$	76,752
\$ 59,171	\$ 13,109	\$ 45,444	\$	117,725
N/A				

N/A				

	General	Federal	Other	Total
N/A				
N/A				
\$ 234,011	\$ 255,420	\$ 684,601	\$	1,174,032

\* Inflation FY2005-FY2014 = 26.3%

\* Inflation FY2008-FY2014 = 15.1%

1) **5:01:02:01. Allowance for use of privately owned motor vehicle.** In lieu of actual transportation expenses, an employee shall be paid ~~37~~ **42 cents a mile** for use of a privately owned motor vehicle on official business outside the city limits of the employee's designated post of duty. The mileage rate covers all expenses incidental to the operation of a motor vehicle, including gasoline, oil, tires, repairs, towing, and insurance.

If State Fleet and Travel Management or Department of Transportation pool motor vehicles are available in a designated city but the employee desires to drive a personal motor vehicle, the employee shall be paid at the rate of ~~20~~ **23 cents a mile**.

Upon written request of the head of a state agency or institution, an employee may be reimbursed for mileage within a designated city area by the state auditor if the required travel is not compensated through the employee's salary.

**Source:**SL 1975, ch 16, § 1; 2 SDR 14, effective August 27, 1975; 3 SDR 92, effective July 10, 1977; 6 SDR 15, effective August 30, 1979; 7 SDR 52, effective May 1, 1981; 11 SDR 176, effective June 30, 1985; 15 SDR 194, effective June 22, 1989; 16 SDR 195, effective May 20, 1990; 17 SDR 194, effective June 23, 1991; 19 SDR 68, effective July 1, 1993; 21 SDR 4, effective July 22, 1994; 25 SDR 146, effective July 1, 1999; 30 SDR 204, effective June 30, 2004; 33 SDR 212, adopted May 15, 2007, effective July 1, 2007.

**General Authority:** SDCL 3-9-1.

**Law Implemented:** SDCL 3-9-1.

2) **5:01:02:01.01. Allowance for use of privately owned motor vehicle by individual with special needs.** If no state vehicles are equipped or modified for the transportation of an individual with special needs and the individual desires to drive a personal motor vehicle on state business, the individual shall be paid ~~49~~ **56 cents a mile** for a passenger or cargo van, pick up, or sports utility vehicle and ~~37~~ **42 cents a mile** for any other motor vehicle.

An individual with special needs is a person with a disability that makes the person unable temporarily or permanently to operate an unmodified state vehicle but allows the person to operate a personal motor vehicle that is equipped or modified to be operated in spite of the disability.

To receive reimbursement under this section, the individual shall complete the form provided by the State Board of Finance and attach the form to the travel voucher. The form shall contain the name of the individual requesting the reimbursement, the individual's driver license number, the individual's agency and the agency address and phone number, the make and model of the motor vehicle, the vehicle license plate number, the individual's signature, the signature of the supervisor approving the request, and the date of travel.

**Source:**21 SDR 218, effective July 1, 1995; 25 SDR 146, effective July 1, 1999; 30 SDR 204, effective June 30, 2004; 33 SDR 212, adopted May 15, 2007, effective July 1, 2007.

**General Authority:** SDCL 3-9-2.

**Law Implemented:** SDCL 3-9-2.

3) **5:01:02:07. Private airplane rates.** The mileage rates for any state employee flying a privately owned or rented airplane while traveling on state business are as follows:

- (1) Piston single engine -- ~~\$1.50~~ **\$2.50** per statute mile;
- (2) Piston multi engine -- ~~\$3.00~~ **\$4.00** per statute mile;
- (3) Turbo prop multi engine with fewer than nine seats -- ~~\$3.95~~ **\$4.65** per statute mile;

and

- (4) Turbo prop multi engine with nine seats or more -- ~~\$5.25~~ **\$5.65** per statute mile.

Travel by privately owned or rented airplanes may be authorized only by the head of the department.

**Source:**SL 1975, ch 16, § 1; 1 SDR 44, effective December 9, 1974; 2 SDR 14, effective August 27, 1975; 3 SDR 92, effective July 10, 1977; 6 SDR 15, effective August 30, 1979; 7 SDR 52, effective May 1, 1981; 10 SDR 62, effective January 1, 1984; 14 SDR 61, effective October 28, 1987; 21 SDR 4, effective July 22, 1994; 25 SDR 146, effective July 1, 1999; 33 SDR 212, adopted May 15, 2007, effective July 1, 2007.

**General Authority:** SDCL 3-9-1, 3-9-2.

**Law Implemented:** SDCL 3-9-1, 3-9-2.

4) **5:01:02:10.01. Out-of-country per diem rates.** Reimbursement for official state travel outside the United States of America shall be paid in United States dollars. Prior approval by the department head is required for all out-of-country travel. Receipts are required for all reimbursement of lodging. The out-of-country rates are as follows:

(1) The actual cost of lodging up to a maximum of ~~\$150~~ **\$175** per day. A person designated as having authority to approve out-of-country travel requests may at the person's discretion approve up to 100 additional dollars a day for lodging provided the total amount paid to the employee does not exceed the actual cost of the lodging; and

(2) An allowance for meals in the amount not to exceed ~~\$7~~ **\$10** for breakfast, ~~\$18~~ **\$21** for lunch, and ~~\$25~~ **\$29** for dinner while on travel status.

**Source:**7 SDR 52, effective May 1, 1981; 15 SDR 194, effective June 22, 1989; 25 SDR 146, effective July 1, 1999; 33 SDR 66, effective October 23, 2006; 33 SDR 212, adopted May 15, 2007, effective July 1, 2007

**General Authority:** SDCL 3-9-1, 3-9-2.

**Law Implemented:** SDCL 3-9-1, 3-9-2.

5) **5:01:02:11. Out-of-state per diem rates.** The per diem rates for official state travel outside South Dakota are as follows:

(1) The actual cost of lodging up to a maximum of ~~\$150~~ **\$175** plus tax a day. A person designated as having authority to approve out-of-state travel requests may at the person's discretion approve an additional allowance of up to \$100 a day for lodging provided the total

amount paid to the employee as reimbursement for lodging does not exceed the actual cost of that lodging; and

(2) An allowance for meals of ~~\$8~~ **\$10** for breakfast, ~~\$11~~ **\$14** for lunch, and ~~\$17~~ **\$21** for dinner a day while on travel status.

Elected state constitutional officers and public utilities commissioners shall be reimbursed for actual expenses for lodging and meals if the officials provide receipts. Such officials may, in lieu of providing receipts for meals, be reimbursed in accordance with subdivision (2) of this section.

**Source:**SL 1975, ch 16, § 1; 3 SDR 34, effective November 7, 1976; 4 SDR 8, effective August 15, 1977; 6 SDR 15, effective August 30, 1979; 7 SDR 52, effective May 1, 1981; 10 SDR 62, effective January 1, 1984; 15 SDR 194, effective June 22, 1989; 19 SDR 68, effective July 1, 1993; 25 SDR 146, effective July 1, 1999; 31 SDR 115, effective January 27, 2005; 33 SDR 212, adopted May 15, 2007, effective July 1, 2007.

**General Authority:** SDCL 3-9-2.

**Law Implemented:** SDCL 3-9-2.

6) **5:01:02:14. In-state per diem rates.** Per diem rates for official in-state travel are as follows:

- (1) **(Effective January 1, 2015)**, the actual cost of lodging up to a maximum of:
  - (a) \$55.00 plus tax a day from check-in on September 1 through check-out on June 1, and
  - (b) \$70.00 plus tax a day from check-in on June 1 through check-out on September 1;

(2) An allowance for meals of ~~\$5~~ **\$6** for breakfast, ~~\$9~~ **\$11** for noon lunch, ~~\$12~~ **\$15** for dinner, and ~~\$2 for evening supper~~ up to a maximum of ~~\$26~~ **\$32** a day;

(3) A flat meal allowance of ~~\$12~~ **\$14** a day for uniformed highway patrol officers when assigned to field duties; and

(4) Mileage to and from an in-state work site, allowable only to the extent that it does not exceed the allowable cost of meals and lodging that could be charged if the employee stayed at the work site.

Elected state constitutional officers and public utilities commissioners shall be reimbursed for actual expenses for lodging and meals if the officials provide receipts. Such officials may, in lieu of providing receipts for meals, be reimbursed in accordance with subdivision (2) of this section. An employee required to perform services under the provisions of SDCL 33-15-8, if authorized by the Governor, shall be reimbursed for actual expenses for lodging in excess of allowances provided under subdivision (1) of this section if the employee provides receipts.

Upon prior written request of the head of a department or a constitutional officer who hosts a regional or national conference of which the state is a dues-paying member, the Board of Finance may authorize an employee of the department, agency, bureau, or office to be reimbursed for up

to the actual costs of lodging if the conference or meeting is in furtherance of the state's interests, concerns, and activities within the scope of the department's, agency's, bureau's, or office's responsibilities; the employee's lodging is required to carry out duties connected with employment; and lodging for the employee at in-state per diem rates is not available.

**Source:** SL 1975, ch 16, § 1; 1 SDR 44, effective December 9, 1974; 2 SDR 14, effective August 27, 1975; 3 SDR 34, effective November 7, 1976; 3 SDR 92, effective July 10, 1977; 4 SDR 8, effective August 15, 1977; 6 SDR 15, effective August 30, 1979; 7 SDR 52, effective May 1, 1981; 9 SDR 49, effective October 24, 1982; 10 SDR 62, effective January 1, 1984; 11 SDR 176, effective June 30, 1985; 13 SDR 128, effective March 22, 1987; 14 SDR 150, effective May 22, 1988; 15 SDR 194, effective July 1, 1989; 16 SDR 195, effective May 20, 1990; 16 SDR 220, effective July 1, 1990; 17 SDR 194, effective June 23, 1991; 19 SDR 68, effective July 1, 1993; 19 SDR 198, effective July 1, 1993; 21 SDR 4, effective July 22, 1994; 25 SDR 146, effective July 1, 1999; 29 SDR 101, effective July 1, 2003; 31 SDR 115, effective January 27, 2005; 33 SDR 66, effective October 23, 2006; 38 SDR 220, effective July 1, 2012; 41 SDR 34, effective January 1, 2015.

**General Authority:** SDCL 3-9-2.

**Law Implemented:** SDCL 3-9-2.

**Cross-Reference:** Allowance for use of privately owned automobile, § 5:01:02:01.

**7) 5:01:02:14.01. In-state lodging reimbursement for individual with special needs.** If an individual who has special needs is required to travel on state business and that individual cannot find accessible rooms available at the customary state rates, the individual may be reimbursed for not more than **\$100 \$125 for the accessible room.**

An individual with special needs is a person with a disability who requires lodging that is physically accessible.

To receive reimbursement under this section, the individual shall complete a form provided by the State Board of Finance and attach the form to the travel voucher. The form shall contain the name of the individual requesting the reimbursement, the individual's agency, the agency address and phone number, the individual's signature, the signature of the supervisor approving the request, and the date of the travel.

**Source:** 21 SDR 218, effective July 1, 1995.

**General Authority:** SDCL 3-9-2.

**Law Implemented:** SDCL 3-9-2.

**8) 5:01:02:17. Schedule for computation of travel meal allowances.** The travel meal allowances provided in subdivision 5:01:02:11(2) and subdivision 5:01:02:14(3) shall be computed according to the following schedule:

(1) Breakfast shall be allowed if an employee leaves the post of duty before 5:31 a.m. or returns to the post of duty after 7:59 a.m.;

(2) Noon lunch shall be allowed if an employee leaves the post of duty before 11:31 a.m. or returns to the post of duty after 12:59 p.m.;

(3) Dinner shall be allowed if an employee leaves the post of duty before 5:31 p.m. or returns to the post of duty after 7:59 p.m.; and

~~(4) Evening supper shall be allowed if an employee leaves the post of duty before 8:01 p.m. or returns to the post of duty after 1:59 a.m.~~

**Source:** SL 1975, ch 16, § 1; 6 SDR 15, effective August 30, 1979; 7 SDR 52, effective December 4, 1980.

**General Authority:** SDCL 3-9-2.

**Law Implemented:** SDCL 3-9-2.

9) ~~**5:01:02:18. Evening supper limitations.** The evening supper allowed by § 5:01:02:14 is allowable only to employees whose hours do not conform to normal hours or who perform special night duties. It does not apply to employees who return late from meetings, seminars, or conferences.~~

**Source:** SL 1975, ch 16, § 1; 19 SDR 68, effective July 1, 1993.

**General Authority:** SDCL 3-9-2.

**Law Implemented:** SDCL 3-9-2.

10) **5:01:02:19. Per diem rates for private trailer house.** For use of a privately owned trailer house for sleeping accommodations while on in-state or out-of-state official state travel, an allowance of ~~\$4-\$8~~ **a day** plus parking fees and electricity costs is allowed. The total amount may not exceed ~~\$13~~ **\$26 a day**.

**Source:** SL 1975, ch 16, § 1; 10 SDR 62, effective January 1, 1984; 19 SDR 68, effective July 1, 1993.

**General Authority:** SDCL 3-9-2.

**Law Implemented:** SDCL 3-9-2.

11) **5:01:02:23. Meals and lodging not to be included in registration expense -- Exception.** The cost of meals or lodging which is included in the registration fee shall be deducted from the registration fee and included as per diem based on rates allowed by § 5:01:02:11 or 5:01:02:14. However, one **banquet meal** fee per registration fee will be allowable in lieu of reimbursement under subdivision 5:01:02:11(2) or subdivision 5:01:02:14(3) for that meal.

**Source:** SL 1975, ch 16, § 1; 6 SDR 15, effective August 30, 1979.

**General Authority:** SDCL 3-9-2.

**Law Implemented:** SDCL 3-9-2.



*South Dakota Secretary of State*  
SHANTEL KREBS

State Board of Finance

Tuesday, January 20, 2015  
2:00 p.m.

Governor's Small Conference Room  
Capitol Building

Office of the Governor:

Office of the Secretary of State:

Office of the Attorney General:

Office of the State Auditor:

Office of the State Treasurer:

Office of School & Public Lands:

Bureau of Administration:

Bureau of Finance & Management:

*[Handwritten signatures on lined paper: Governor, Shantel Krebs, Jeffrey P. Valle, Dennis Keith, Meriwine Gabriel, Mike Hansen, Kurt Muller, Jan D.]*

Guests

*Teresa Bray*  
*Leah Svendsen*

Representing

*Secretary of State*  
*Secretary of State*