

September 24, 2015

Dear Board Member:

Accompanying this letter you will find your board materials for the Thursday-Friday, October 1-2 meeting in Sioux Falls. Printed copies will be available upon request.

The meeting is being held at TSP Architecture, 1112 N West Avenue in Sioux Falls beginning Thursday at 1:30 PM CDT and concluding by 5 PM. The SME Banquet/Auction begins at 5 PM at the Sioux Falls Convention Center. The board meeting will reconvene at 8:00 AM Friday, October 2 and adjourn no later than 12 noon.

If you have not yet sent your RSVP for the board meeting, please do so today by emailing maryanneb@sdchamber.biz or calling 1-877-817-8215.

Thank you.

Sincerely,



David Owen
President

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**South Dakota
Chamber of Commerce
& Industry**

Board of Directors Meeting

October 1-2, 2015

TSP Architecture|Engineering|Planning
Sioux Falls, South Dakota

BOARD MEMBER	Oct '14	Dec '14	Feb '15	Jun '15
Cathy Clark	X			X
Dan Garry	X		X B-Day	
Paul Hanson		X	X	
Dr. Charles Hart	X	Retired		
Jafar Karim		X	X	X
Mike Keller	X	Retired		
Steve Kirby	X	X		X
Jon Knuths	X		X	
Jeff Lautt	X			
Chris Lien	X		X	X
Dawn Morris		X	X	
Roger Musick		X		
David Owen	X	X	X	X
Bruce Pautsch	Retired	N/A		
Shane Penfield				
John Porter		X	X	
Patrick Sweetman				
Joe Vig	X			X
Jadwiga Ziolkowski	N/A		X	
COMMITTEE CHAIRS				
Tom Dempster, Legislative		X		
Brad Wheeler, Giant Vision				
Pat Wingen, YBA Advisory Board	X			X
PAST CHAIRS				
Jay Bender				X
Dan Kirby	X			
Al Kurtenbach				X
Barry Martin				
Jeff Parker	X	X		X
Bill Shorma		X		X
Fred Slunecka		X	X B-Day	
Kendall Stork	X	X		
Ron Williamson	X	X	X	

South Dakota Chamber of Commerce & Industry
Board of Directors
October 1-2, 2015 Meeting Packet

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South Dakota Chamber of Commerce & Industry
Board Meeting Agenda
Thursday-Friday, October 1-2, 2015
TSP, Inc. - 1112 N. West Avenue, Sioux Falls

Thursday, October 1

- 12 Noon New Board Member Orientation
- 1:30 PM Regular Board Meeting Call to Order
 ❖ Chris Lien, Chairman of the Board
- Welcome New Board Members
- 2:00 PM *Skilled Workforce Advisory Council (SWAC) – Workforce Development Focus*
 ❖ Greg Von Wald – Ballot Measure HJR Amendment R Campaign
- Education Council Update
- 3:00 PM *Wheeler Decision*
 ❖ James Marsh, SD Department of Labor and Regulation by Phone
- Think Tank – Intensifying Research on Business Data
- Federal Issues:*
 U.S. Chamber Political Activities and U.S. Chamber Committee of 100
 ❖ Dan Kirby and David Owen
- Ballot Measures
- 2016 General Election Ballot Measures
- HJR 1003 (Constitutional Amendment R)
 - Referred Law 19 Petition - SB 69 - certified June 29, 2015
 - Referred Law 20 Petition - SB 177 - certified June 30, 2015

Potential 2016 Initiated Ballot Measures – Currently Circulating

- An initiated measure to criminalize the transfer of alcoholic beverages
- *An initiated measure to criminalize the transfer of tobacco and tobacco paraphernalia*
- An initiated measure to legalize marijuana for medical use
- An initiated measure to set a maximum finance charge for certain licensed money lenders
- An initiated measure to decriminalize the possession of one ounce or less of marijuana and marijuana paraphernalia

Potential 2016 Initiated Constitutional Amendment – Currently Circulating

- An initiated amendment to the South Dakota Constitution to allow referral of state and municipal laws affecting public peace, health, safety and the support of government and also to limit the ability to amend or repeal initiated laws
- An initiated amendment to the South Dakota Constitution to provide for state legislative redistricting by a commission
- *An initiated amendment to expand rights for crime victims*
- An initiated amendment limiting the ability to set statutory interest rates for loans
- An initiated amendment establishing nonpartisan election

Potential 2016 Initiated Constitutional Amendment – Not Currently Circulating

- Attorney General's Statement: An initiated amendment establishing nonpartisan elections and requiring secret ballot elections for certain legislative officers

2016 Ballot Question Committees

- #SDRtThing2Do
- Committee for Regulated Lending
- Consistent South Dakota
- Give Us Credit South Dakota
- Marsy's Law for South Dakota
- New Approach South Dakota
- Respect the Vote SD
- SD VOICE (SB177)

- South Dakota Veterans for Veterans (HB1179)
- South Dakotans for Ethics Reform
- South Dakotans for Fair Elections (SB69)
- South Dakotans for Fair Lending
- South Dakotans for a Nonpartisan Democracy
- South Dakotans for Responsible Lending

Transfer of Board Leadership

Friday, October 2

8:00 A.M. Reconvene

Business Meeting

- Minutes
- Change in Fiscal Year
- Financial Report and Budget
- Membership Report and Sales
- Program Reports
 - YBA – Look at the Future (two campuses)
 - BIPAC
 - Business Day at the Legislature
 - Economic Outlook Seminar
 - Giant Vision

Sioux Falls Update

- ❖ Evan Nolte, Sioux Falls Area Chamber of Commerce

Medicaid Expansion Update

Unemployment Insurance Trust Fund – (UI Advisory Meeting)

10:30 AM Blue Ribbon Task Force on Schools – Senator Deb Soholt, Chairwoman

Adjourn

A Cinnabon That's Not So Sweet

South Dakota Supreme Court Ruling in Wheeler vs. Cinna Bakers

Establishing “aggregation of wages from multiple employers” when calculating average weekly wage for lost time wage claims in the Workers’ Compensation system.

The South Dakota Supreme Court issued a decision that changes how benefits are determined for Workers’ Compensation benefits involving “indemnity” payments, the payments employees receive for lost time wages resulting from being injured. The impact of this decision is limited to situations where injured workers have multiple jobs and the injury prohibits them from working at those other jobs, in addition to the lost time impact from the business where the injury actually occurred.

In the Wheeler vs. Cinna Bakers decision a unanimous court said when calculating the amount used to determine the “average weekly wage” (AWW) for an employee working part time, the law requires including all wages a workers earns, including wages from other employers. This is known as “aggregation” of wages.

In concluding that wages from other employers should be included in the AWW calculation for lost time payments, the Court contradicted the long established practice of determining AWW using only the wages lost at the job where the injury was sustained.

The workers’ compensation system rests on a concept that is known as “exclusive remedy”. The essence of exclusive remedy is that a person injured at work will get medical bills paid and receive a payment to mostly replace wages they have lost during recovery. These benefits are paid without regard to the employee’s responsibility for their own injury (e.g., single vehicle accident with only the employee involved). In exchange for receiving medical costs and being mostly compensated for lost wages, the employee accepts the benefits from the Workers’ Compensation System and foregoes the right to sue the employer.

The benefits paid by the Workers’ Compensation system are set in state law and determined by the state legislature. The payments for medical and lost time benefits are not paid by the business directly but are paid by the insurance company that sold the business its work comp policy.

This of course is way too simple, like suggesting that making brownies just takes putting together flour, sugar, chocolate and using an oven in some fashion. If employers are negligent, the results of the case may be much different. In similar fashion, the exclusive remedy is not always applied when an employee breaks a dozen rules and violates workplace safety guidelines. However, for this case the basics described above are sufficient.

Details and excerpts from the Court's decision are printed below. This summary will focus on the main elements of the court's decision, how that decision will affect the Workers' Comp system and how those changes might impact employers and their Workers's Comp coverage.

What Happened.

Patricia Wheeler worked three jobs. She worked at a Cinnabon, a casino, and at a convenience store. She worked three jobs to earn the same amount as she would earn working full time for one employer. She had done this for a long time and it is noted in the court's ruling that she expected to continue multiple jobs as her earning lifestyle.

While working at Cinnabon, Ms. Wheeler sustained two injuries that kept her from working at Cinnabon or either of the other two jobs. Ms. Wheeler was out of work long enough to qualify for "indemnity" or lost time payments from the Work Comp carrier that covered Cinna Bakers.

Changing the Determination of the Average Weekly Wage Benefit.

When determining how much she should receive for lost wages, the Workers' Compensation system concluded that she was entitled to wage benefit as it applied to the Cinnabon job alone. Wheeler's attorney argued that since she had lost wages from all three of her jobs, the average weekly wage for the indemnity payment should include the wages from the other workplaces. That argument was rejected by the state. The case was appealed to a circuit court, which upheld the use of wages from Cinnabon only.

Next was an appeal to the South Dakota Supreme Court which was unanimous in reversing the district court and ruling that the wages from all three employers was the proper method to calculate Ms. Wheeler's average weekly wage for the purpose of setting lost time payments from Cinnabon's workers' compensation insurer.

What Does This Mean?

The most significant impact will be on the insurance companies that provide workers' compensation insurance to businesses that have a significant number of part-time workers. These companies do not currently have to estimate wages earned by employees when they are working elsewhere.

After the Wheeler decision, Cinna Baker's insurance company will face indemnity payments that may be much higher than the costs used to calculate the premiums, since those premiums were calculated using only the wages paid by Cinnabon.

South Dakota has the highest percent in the nation of the workforce that work multiple jobs. The methods that will be used to calculate potential losses for part time workers will undoubtedly involve higher costs to accommodate the increased exposure of covering the aggregated wages. These increased costs will most certainly add upward pressure on the cost of work comp premiums. This is as foreseeable as adding a teenage son to a car insurance policy, and may prove to be as expensive.

Another possible issue is whether businesses that employ part time workers will be allowed or even required to record each employee's other jobs and track wages from those jobs. It would seem that this ruling would make offering these jobs more complicated and more expensive and may put a drag on the pace of job growth.

Finally, the Wheeler decision seems to be retroactive, which might spark appeals from settlements long closed. It's a safe assumption that the Wheeler decision will be applied to any workers' compensation cases that are in process and have not been settled at this time. Every case that is now settled using aggregated wages from multiple jobs adds to the costs of insurance policies that could not have reasonably included these costs when determining premiums.

It May Not Be Catastrophic – Peeking Out of the Bunker.

All is not lost. While it is a certainty that the Wheeler decision will increase the costs of claims for a select group of businesses and their insurance companies, there are factors that provide assurance that the increased costs are not unlimited and will not threaten to bankrupt anyone.

Here are some facts that may help readers avoid rushing to an airport and heading out to the Cayman Islands.

- ❖ **9% of South Dakota's workforce has multiple jobs.** The often noted fact that South Dakota has highest percent of its workforce working multiple jobs tends to inflate the perception of the actual number of people working multiple jobs. It is still a small percent of the total workforce. To keep perspective – South Dakota's workforce has approximately 456,000 people. This means the number of people working multiple jobs would be some 41,000 people (hard to feed all at once but still a portion of the total). A small percent of those will be injured at one of their jobs; and a smaller portion of the injured will require lost time benefits.
- ❖ **Lost time or indemnity payments are 26% of total work comp benefit costs.** The vast majority of money paid out in benefits by the workers' compensation system is for medical payments used to heal injuries. Those costs are not affected by the Wheeler decision.

- ❖ **Average Weekly Wage (AWW) is a portion of wages paid.** Injured workers that are out of work long enough to receive indemnity payments are awarded wages based on 2/3 (or 0.6667) of their wages, which are calculated for the past 52 weeks using enough adjustments and variables to make the IRS seem friendly.
- ❖ **There is a maximum weekly amount for indemnity payments.** The maximum limit for average weekly wage payment is \$733/week. This is 2/3rds of an annual wage of approximately \$57,000. The AWW maximum benefit works out to be 2/3rds of an hourly wage that exceeds \$27.00 an hour if calculated on a 40 hour week. By definition, the Wheeler decision is aimed at part time employees that do not work 40 hours a week. That is a wage level that is not common in the industries where Ms. Wheeler was employed or others that use part time employees. Remember, these benefits are paid by the insurance company providing the work comp policy and these costs are reflected in future premiums.
 - It should also be noted that the benefits in statute for workers' compensation include a minimum weekly benefit of \$367/wk. That is 2/3rds of a weekly wage that is \$550 (\$13.4 based on 40 hour week) or an annual wage of \$28,000. This amount of indemnity does not change because of the Wheeler ruling, but the total cost of the wage portion will increase.
- ❖ **Most states do aggregate wages.** Thirty-nine other states aggregate wages of part time workers for workers' compensation indemnity benefits payments. This provides evidence that solutions exist for determining the costs of aggregated wages. It does not provide any assurance those solutions will be easy.

Conclusion. There will be increased costs ahead for the work comp system but those increased costs may not be as cataclysmic as businesses worst fears. The National Council on Compensation Insurance (NCCI) is a group that studies claims and recommends rates for WC coverage to state governments. NCCI said the impact of the Wheeler decision on rates could not be determined without actual claim data.

They did however offer some rudimentary calculations that put this issue in perspective. They assumed that lost time claims for employees working multiple jobs would increase 25-50%. If those wages impact 10% of the lost time claims (10% of the workforce is working at multiple jobs) and wage claim are 26% of all benefits (indemnity's share of total claims); then the impact on rates would range from +0.7% to +1.3%. **IMPORTANT** – the only thing one should conclude about those estimates is that they are NOT going to be the final numbers. There are too many assumptions and the assumptions use math that is simple enough for a chamber lobbyist to grasp. The actual losses will determine the impact on rates.

What Should be Done Now?

There are issues that the next legislature should consider and address. Among them are:

- ❖ **Retroactivity** – The Wheeler decision will most certainly be applied to all Worker Compensation claims that have just been filed or that are in the process of being settled or appealed. Several people have suggested that cases previously denied or being paid without aggregated wages might file for reconsideration. The legislature can limit the impact of the Wheeler decision on past cases.
- ❖ **Who pays the increased costs** – Companies that offer work comp policies now face two situations, both of which are bad. Cinna Bakers' insurance company must make lost time payments that include wages from businesses that are not customers, leaving all of the cost recovery to Cinna Bakers premiums. The other answer is no better. Future regulations might require the insurance companies covering the other businesses where Ms. Wheeler worked to contribute to the cost of the indemnity claim, meaning they would be forced to make payments for a case that has no claim. If you can find an abacus that can do that calculation you can also cure cancer.
- ❖ **Employer's awareness of potential risk** – Businesses that employ people on a part time basis will be at risk of higher premium costs because these employees are working elsewhere. There may need to be some clarification regarding an employer's right to ask employees about whether or not they are working for other businesses, and about their wages from those other businesses.
- ❖ **Impacts throughout the WC benefit system** – NCCI lists as one of the potential issues that may need to be addressed the impact on other injury categories such as Temporary Partial Disability.
- ❖ **Clarify which jobs/wages are included.** For a part time job to be included in the wage computation the employee must actually be employed in such job at the time of injury and must not be able to perform that job as a result of the injury.
- ❖ **Impact of partial employment on wage calculation.** If Ms. Wheeler had been able to continue to work at either of her other jobs, would those wages be included in determining her indemnity payments.
- ❖ **Abrogate** – because the ruling is based on interpretation of statutes and is not a constitutional ruling the legislature can essentially overturn it through a process known as abrogation. This option would involve as many political considerations as procedural ones.

South Dakota Chamber of Commerce & Industry
Board of Director Minutes
June 11-12, 2015

BOARD MEMBERS PRESENT: Chris Lien, Cathy Clark, Jaf Karim, Steve Kirby, Joe Vig, Pat Wingen
BOARD MEMBERS ABSENT: Dan Garry, Paul Hanson, Jon Knuths, Jeff Lutt, Dawn Morris, Roger Musick, Shane Penfield, John Porter, Patrick Sweetman, Jadwiga Ziolkowski
PAST CHAIRS PRESENT: Jay Bender, Al Kurtenbach, Jeff Parker, Bill Shorma
STAFF PRESENT: David Owen, Mary Anne Boyd, Jasper Diegel
GUESTS PRESENT: Dr. Melody Schopp, Wade Pogany, Secretary of State Shantel Krebs, Jason Williams

CALL TO ORDER: Chairman of the Board Chris Lien called the meeting to order.

MINUTES: A motion was made to approve the minutes of the last meeting. Motion was seconded and carried.

FINANCIALS: Chamber President David Owen reviewed financial reports that were distributed at the meeting. He noted several line items, including the decline in the accounts receivable dues. The Chamber's accounting system recognizes dues income in 1/12 increments (on a monthly basis); however, when a member is cancelled, their full dues amount is pulled from the receivables. Due to a corporate shift in support of retail associations, Walmart has dropped their \$9,500 membership. This explains a good portion of the decline in deferred revenue.

Owen noted that he has received a verbal commitment from Sanford to increase their dues by \$5,000 and Transcanada has rejoined for \$4,250.

Following a discussion about the current fiscal year start date of August 1st, Owen was asked to check with our accountant to discuss the pros and cons of switching to a calendar year or other logical start date. Such a change could allow for more of the income and expenses for summer and fall programs, and future political campaign activity, to be recognized during the same fiscal year.

In discussing Giant Vision program revenue, Boyd was asked to quantify the amount of time spent on this and other programs throughout the year as a way to justify the need to keep program revenue in the general fund.

A motion was made to approve the financial reports. The motion was seconded and carried.

MEMBERSHIP REPORT: Owen reviewed the list of new and dropped members.

APPROVAL OF NEW BOARD MEMBERS: Chairman Lien and Owen commented that the proposed slate of new board members was the result of efforts to establish a good representation of the South Dakota landscape and fill several vacancies. A motion was made and seconded to approve the following list of new members who will join the board at the October meeting in Sioux Falls. Motion carried.

Dana Dykhouse, First Premier Bank, Sioux Falls
Brian Sandvig, Valley Queen Cheese, Milbank
Venky Venkatachalam, Dean, USD Beacom School of Business, Vermillion
Bruce Yakley, Trail King, Mitchell
Tim Boyle, Wendy's, Sioux Falls
Brent Phillips, Rapid City Regional, Rapid City
Dusty Johnson, Vantage Point Solutions (non-member), Mitchell
Robb Peterson, new company (non-member), Watertown

Outgoing board members will be notified that their terms are ending this year and will be recognized during the October meeting.

EDUCATION MULTI-YEAR STANDARDS REVISION AND BLUE RIBBON TASK FORCE: Secretary of Education Dr. Melody Schopp outlined the process of reviewing and revising educational standards. This year's focus is on career and technical education, areas that are revised every seven years. The goal is to help guide middle and high school students through the process for a positive outcome and working with the state's businesses to assure the curriculum is meeting workforce needs.

BLUE RIBBON TASK FORCE: Dr. Schopp stated that Governor Dugaard has appointed an initial group to look at funding for education. Using the same method that was used to revise the juvenile criminal justice system, she explained the process and meeting sites. The Pew Foundation is facilitating the "World Café" process of meetings with legislative, education, business and general community sectors. Specific questions are asked about funding and what funding could or should look like in order to change the fact that South Dakota is 51st in education funding. More information is available at www.blueribbon.sd.gov.

Board members stated that efficiencies in management are clearly needed. When asked, Dr. Schopp stated that it would take \$8,000 more per teacher to get South Dakota to 40th in education funding.

YOUTH BUSINESS ADVENTURE: Jasper Diegel, YBA Director, reviewed the week and introduced three students who gave their emerging entrepreneur presentation. Students reviewed return on investment, profits and sales, marketing and other skills used in the simulated company during the week-long program, as well as personal comments on what they learned and their positive experiences during YBA.

SCHOOL/BUSINESS PARTNERSHIPS: Wade Pogany, of the South Dakota School Boards Association, discussed the difficulty in securing and retaining good teachers, noting that it is more than salary issues and that the profession, in general, is becoming more difficult. Trends show that teacher vacancies are increasing. Pogany asked the board members what changes they see as a solution.

Comments included:

- Lack of consistency in metrics and measurements for how students are doing
- Shift the mind set of school boards to hire more leaders than managers
- Raise the pay scale for the hard to fill positions as opposed to raising pay for everyone – same as business would do
- School board members should have a responsibility to talk about consolidation
- The constant threat of this pending crisis has gotten tiresome for the business community
- Elevated school reserve levels have been an issue - Some may be for bricks and mortar; however, timing is a factor - One look at money held back at the end of the year shows high reserves but must be reconsidered at the low point during the fiscal year
- The culture of educators is that they want to be protected not incented
- Is this conversation a waste of time in that the culture is NOT going to change
- Efforts to change the culture would result in actual support from the business community
- If business states their support for a funding source, the districts must MATCH with something, e.g., cut expenses, compensation pay for math and science
- A funding goal of \$40 million helps but does not solve problems
- By using NLRB work rules, districts could start addressing differential pay
- The student population bottomed out in 2010 and is now increasing about 1,000/year

With time elapsed, the meeting was adjourned for the day.

FRIDAY, JUNE 12, 2015

The meeting was reconvened at 8:30 A.M. by Chairman of the Board Chris Lien.

PROGRAM REPORTS

BIPAC: Owen noted that in a non-election year there is not a lot of activity. Jeff Parker was thanked for his significant fund raising effort last year. Kirby stated that board membership should carry with it a responsibility to attend meetings and to make a minimum contribution to BIPAC.

BUSINESS DAY: Jaf Karim noted that during the after action of this year's event, we discussed an opportunity to recognize an advocate of the year and/or a legislator or policy maker of the year, perhaps a "friend of enterprise". A formal proposal will be presented at the October meeting. Business Day will continue with the compressed format, which was popular with attendees.

ECONOMIC OUTLOOK SEMINAR: Mary Anne Boyd reviewed planning for the Thursday, November 12 event at the Sioux Falls Convention Center, noting that USD Economics Professor Mike Allgrunn has been secured as the replacement for now retired Dr. Ralph Brown. Owen reviewed a proposed workforce panel to include Bruce Yakley of Trail King and others to discuss the challenges and rewards of today's employee landscape.

GIANT VISION: Boyd reviewed the planning committee's recent meeting and discussion to increase marketing, both for potential applicants and program name recognition. Past competitors have been polled for updates and will be used to showcase success stories. Social media efforts will be increased. Names were suggested for additions to the outreach database.

SEEKING PARTICIPANTS FOR NATIONAL BOARDS: Al Kurtenbach encouraged members to consider serving on boards such as the National Association of Manufacturers (NAM), National Institute of Standards and Technology (sponsor of the Malcolm Baldrige award), and others.

Following discussion, a motion was made to send a letter encouraging support of reauthorizing the XM Bank (drawing on NAM and US Chamber position statements for language). The motion was seconded and carried.

MEDICAID EXPANSION: Handouts of a media release from the White House were distributed, along with a draft letter to Governor Dugaard. Owen stated that this board has taken a position of supporting Medicaid expansion because of the \$2 billion that the state would receive over the next ten years. This move would add 28,000 more people to Medicaid in South Dakota. While we appreciate the Governor's caution, the board has previously voted to support expansion. Owen recommended holding the letter until after the healthcare providers discuss their proposal with the governor. Their proposal would fold into Indian Health Services, which answers a financial concern of the Governor.

WORKFORCE DEVELOPMENT: Owen referenced his work with local economic developers on policies and intends to start a formal conversation on this topic in October. Whether or not there is a role for the State Chamber to play, we at least need to be at the table when this is being discussed. Our current involvement is only through solutions highlighted at the annual Economic Outlook Seminar. It was suggested that we look into the GOED marketing plan and consider hosting a special meeting with Commissioner Costello and others to discuss the timelines in their plan. This could be tied in with what's happening with the revision of standards for technical schools and education. Further discussion will occur during the next meeting.

Owen also stated the need for the organization to reactivate the Education Council, with members invited from beyond the board of directors. The focus for discussion will include immigration and local training efforts.

2016 ELECTION/BALLOT ISSUES:

Owen reviewed the following issues.

- HJR 1003 – placed on the ballot by the Legislature during the 2015 session. This change says that the Board of Regents would no longer be in charge of all post-secondary education funded by the state, but rather have exclusive control over granting Associate of Arts/Science degrees; Baccalaureate degrees and higher degrees. The technical institutes could remain within the local school board's control or have another system created by the legislature. He stated that the Skilled Workforce Advocacy Council group wants to run the ballot campaign, which will require about a quarter million dollars in campaign funds.
- Signature gathering is underway on the effort to outlaw alcohol and tobacco sales – brought forth by the individual who has been working to legalize marijuana. His goal is for marijuana to fall under the same control issues that exist for alcohol and tobacco.
- SB 177 Youth Minimum Wage: It is likely the new law will be referred and be on the ballot. No recommended positions were presented.
- SD for Responsible Lending seeks to cap interest rates for payday lending companies. We may see opposing or contradicting ballot issues at the same time.

OTHER ISSUES: Owen briefly touched on the following issues that are being discussed around the state.

- Medical marijuana
- Non-partisan redistricting
- Franchise tax on corporate profits – Target is C Corps with profits that exceed \$250,000

CORPORATIONS AND THE CONSTITUTION: Secretary of State Shantel Krebs reviewed numerous topics and statistics that impact what happens with corporations in the state. Her staff has faced a challenge of getting the office technologically caught up and running efficiently. Other comments included:

- Proposed Constitutional Amendment to remove restrictions on state and municipal laws that may be referred to a public vote.
- In 2012 Constitutional Amendment M was proposed and defeated. It made changes in the state Constitution that related to corporations, including the removal of language that requires cumulative voting for corporate board of director elections. It also removed restrictions on the Legislature's authority to enact laws regarding corporations.
- The Secretary of State's office is working towards putting another amendment on the ballot addressing the same topics. Krebs is working to get the State Bar Association on board and is asking for the State Chamber's support also. Jaf Karim stated that Black Hills Corporation is interested in being part of the language development.
- Krebs also discussed a number of corporate reporting issues and what should be public versus private versus secret. There is some risk to individuals with having names on trusts being public.

OTHER: A suggestion was made for future meetings that would include scheduled time to discuss issues after specific topics and speakers.

Following a motion and second, the meeting was adjourned.

FINANCIAL REPORT NOTE:

Directors will undoubtedly notice a whopping loss in the accounting for programs. On the page that lists the Chamber's programs, there is a committee that is listed as the "NO on 17" Committee. This was the campaign for the group that opposed Initiative 17 known as "Patient Choice". The loss is a function of timing with the Chamber's year starting in August and the Campaign ending later the same year in November. The campaign broke even. The income that covered the reported loss came in the previous fiscal year.

SOUTH DAKOTA CHAMBER OF COMMERCE AND INDUSTRY
BALANCE SHEET
JULY 31, 2015 AND 2014

	ASSETS	
CURRENT ASSETS	<u>2015</u>	<u>2014</u>
CASH IN BANK-BANKWEST	\$ 869.19	\$ 599.10
CREDIT CARD PROGRAM	29,077.72	28,288.42
MONEY MARKET ACCOUNT-BANKWEST	34,099.15	27,470.14
CD'S-AMERICAN BANK & TRUST	52,881.25	52,807.35
NO ON 17	-	150,083.49
SDC - BAC	4,464.48	4,464.48
CD'S - HOME FEDERAL	32,779.55	32,721.15
CD'S-FIRST FIDELITY BANK-BURKE	9,918.99	9,914.03
ACCOUNTS RECEIVABLE -DUES	11,235.00	11,440.00
ACCOUNTS RECEIVABLE-PROGRAMS	674.99	719.26
ALLOWANCE FOR DOUBTFUL ACCOUNTS	(1,000.00)	(1,000.00)
DUE FROM YBA	4,461.73	7,892.38
PREPAID INSURANCE	1,411.00	1,594.00
TOTAL CURRENT ASSETS	<u>\$ 180,873.05</u>	<u>\$ 326,993.80</u>
FIXED ASSETS		
EQUIPMENT	\$ 87,002.86	\$ 87,002.86
LESS: ACCUMULATED DEPRECIATION	<u>(82,642.25)</u>	<u>(80,306.73)</u>
TOTAL FIXED ASSETS	<u>\$ 4,360.61</u>	<u>\$ 6,696.13</u>
TOTAL ASSETS	<u>\$ 185,233.66</u>	<u>\$ 333,689.93</u>
	LIABILITIES	
CURRENT LIABILITIES		
ACCOUNTS PAYABLE	\$ 1,432.88	\$ 957.89
BONUS PAYABLE	5,132.00	5,135.00
MEDICAL CARE FSA	(500.00)	0.00
DEFERRED REVENUE - DUES	117,340.00	125,075.00
UNEMPLOYMENT FUTA/SUTA	<u>266.48</u>	<u>32.66</u>
TOTAL LIABILITIES	<u>\$ 123,671.36</u>	<u>\$ 131,200.55</u>
	NET ASSETS	
NET ASSETS	\$ 202,489.38	\$ 67,242.58
NET INCOME (LOSS)	<u>(140,927.08)</u>	<u>135,246.80</u>
TOTAL NET ASSETS	<u>\$ 61,562.30</u>	<u>\$ 202,489.38</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$ 185,233.66</u>	<u>\$ 333,689.93</u>

SOUTH DAKOTA CHAMBER OF COMMERCE & INDUSTRY
ADMINISTRATIVE INCOME AND EXPENSES
FOR THE TWELVE MONTHS ENDED JULY 31, 2015 AND 2014

INCOME	<u>2015</u>	<u>2014</u>	<u>INCREASE (DECREASE)</u>
DUES INCOME	\$ 256,590.00	\$ 256,743.00	\$ (153.00)
WEBSITE ADVERTISING	500.01	0.00	500.01
INTEREST INCOME	176.74	215.79	(39.05)
CREDIT CARD FEES	789.30	715.79	73.51
MISCELLANEOUS	37,214.48	10,201.00	27,013.48
LOBBYIST PHONE ATTENDANT	<u>8,980.00</u>	<u>5,160.00</u>	<u>3,820.00</u>
TOTAL	\$ <u>304,250.53</u>	\$ <u>273,035.58</u>	\$ <u>31,214.95</u>
 EXPENSES			
SALARIES	\$ 202,747.32	\$ 196,515.72	\$ 6,231.60
RETIREMENT PLAN	6,823.62	6,661.47	162.15
PAYROLL TAXES	15,418.27	14,982.84	435.43
FUT & SUT	430.95	351.71	79.24
INSURANCE EMPLOYEE	23,365.63	29,137.44	(5,771.81)
CREDIT CARD FEES	1,325.87	1,186.13	139.74
STAFF EXPENSES / TRAVEL	8,056.73	6,818.77	1,237.96
AUTO LEASE / REPAIRS	11,482.76	9,712.58	1,770.18
CONSUMABLE SUPPLIES	3,844.00	3,041.02	802.98
LEGISLATIVE SERVICES	438.12	80.00	358.12
MAINTENANCE CONTRACTS	2,957.28	2,469.84	487.44
POSTAGE / LAB / SHIPPING	1,189.34	1,196.94	(7.60)
POSTAGE METER LEASE	2,633.00	1,895.25	737.75
SOFTWARE/TRAINING	809.53	890.39	(80.86)
TELEPHONE	8,564.84	7,934.70	630.14
IT SUPPORT	1,169.82	1,134.59	35.23
JANITORIAL EXPENSE	1,929.20	1,979.00	(49.80)
RENT	10,800.00	10,898.00	(98.00)
AUDIT FEES	3,789.50	3,657.00	132.50
DUES / SUBSCRIPTIONS	2,845.25	4,023.94	(1,178.69)
GENERAL INSURANCE	3,503.00	4,301.00	(798.00)
DEPRECIATION	2,335.52	1,449.88	885.64
MISCELLANEOUS	1,040.65	1,812.16	(771.51)
OFFICE FURNISHINGS / EQUIPMENT	0.00	0.00	0.00
LOBBYIST	40.00	0.00	40.00
BAD DEBT EXPENSE	0.00	0.00	0.00
CONTINUING EDUCATION	0.00	0.00	0.00
NEW MEMBER MARKETING	47.70	0.00	47.70
BOARD MEETING / MATERIALS	1,883.80	2,903.14	(1,019.34)
LOBBYIST PHONE ATTENDANT	<u>561.12</u>	<u>1,436.03</u>	<u>(874.91)</u>
TOTAL	\$ <u>320,032.82</u>	\$ <u>316,469.54</u>	\$ <u>3,563.28</u>
INCOME OVER EXPENSES	\$ <u>(15,782.29)</u>	\$ <u>(43,433.96)</u>	\$ <u>27,651.67</u>

SOUTH DAKOTA CHAMBER OF COMMERCE & INDUSTRY
PROGRAM REVENUE AND EXPENSES
FOR THE TWELVE MONTHS ENDED JULY 31, 2015 AND 2014

	<u>2015</u>	<u>2014</u>	<u>INCREASE (DECREASE)</u>
BUSINESS DAY			
REVENUE	\$ 26,502.50	\$ 24,647.50	\$ 1,855.00
EXPENSE	21,656.48	24,136.74	(2,480.26)
NET INCOME	<u>\$ 4,846.02</u>	<u>\$ 510.76</u>	<u>\$ 4,335.26</u>
MEMBER PUBLICATIONS			
REVENUE	\$ 13,674.10	\$ 13,936.75	\$ (262.65)
EXPENSE	11,292.63	10,635.88	656.75
NET INCOME (LOSS)	<u>\$ 2,381.47</u>	<u>\$ 3,300.87</u>	<u>\$ (919.40)</u>
GIANT VISION			
REVENUE	\$ 89,480.00	\$ 94,640.00	\$ (5,160.00)
EXPENSE	74,695.23	76,512.39	(1,817.16)
NET INCOME (LOSS)	<u>\$ 14,784.77</u>	<u>\$ 18,127.61</u>	<u>\$ (3,342.84)</u>
NO ON 17 COMMITTEE			
REVENUE	\$ 657,903.10	\$ 150,000.00	\$ 507,903.10
EXPENSE	813,145.13	16.51	813,128.62
NET INCOME (LOSS)	<u>\$ (155,242.03)</u>	<u>\$ 149,983.49</u>	<u>\$ (305,225.52)</u>
VOTE YES ON AMENDMENT K			
REVENUE	\$ 0.00	\$ 0.00	\$ 0.00
EXPENSE	0.00	0.00	0.00
NET INCOME (LOSS)	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>
ECONOMIC OUTLOOK SEMINAR			
REVENUE	\$ 30,020.00	\$ 24,610.00	\$ 5,410.00
EXPENSE	21,557.66	17,851.97	3,705.69
NET INCOME (LOSS)	<u>\$ 8,462.34</u>	<u>\$ 6,758.03</u>	<u>\$ 1,704.31</u>
BALLOT ACTION COMMITTEE			
REVENUE	\$ 0.00	\$ 0.00	\$ 0.00
EXPENSE	0.00	0.00	0.00
NET INCOME (LOSS)	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>
YBA			
REVENUE	\$ 107,359.00	\$ 101,729.63	\$ 5,629.37
EXPENSE	104,143.31	110,126.31	(5,983.00)
NET INCOME (LOSS)	<u>\$ 3,215.69</u>	<u>\$ (8,396.68)</u>	<u>\$ 11,612.37</u>
Other Programs			
REVENUE	\$ 0.00	\$ 0.00	\$ 0.00
EXPENSE	377.36	0.00	377.36
NET INCOME (LOSS)	<u>\$ (377.36)</u>	<u>\$ 0.00</u>	<u>\$ (377.36)</u>
TOTAL PROGRAM REVENUE	\$ 924,938.70	\$ 409,563.88	\$ 515,374.82
TOTAL PROGRAM EXPENSES	<u>1,046,867.80</u>	<u>239,279.80</u>	<u>807,588.00</u>
NET PROGRAM INCOME (LOSS)	<u>\$ (121,929.10)</u>	<u>\$ 170,284.08</u>	<u>\$ (292,213.18)</u>

SOUTH DAKOTA CHAMBER OF COMMERCE & INDUSTRY
STATEMENT OF INCOME AND EXPENSES
FOR THE TWELVE MONTHS ENDED JULY 31, 2015 AND 2014

INCOME	2015	2014
ADMINISTRATIVE INCOME		
DUES INCOME	\$ 256,590.00	\$ 256,743.00
WEBSITE ADVERTISING	500.01	0.00
INTEREST INCOME	176.74	215.79
CREDIT CARD FEES	789.30	715.79
MISCELLANEOUS	37,214.48	10,201.00
LOBBYIST PHONE ATTENDANT	8,980.00	5,160.00
TOTAL ADMINISTRATIVE INCOME	\$ 304,250.53	\$ 273,035.58
 PROGRAM INCOME		
BUSINESS DAY	\$ 26,502.50	\$ 24,647.50
GIANT VISION	89,480.00	94,640.00
ECONOMIC OUTLOOK SEMINAR	30,020.00	24,610.00
SD CHAMBER BAC	0.00	0.00
OTHER PROGRAMS	0.00	0.00
NO ON 17 COMMITTEE	657,903.10	150,000.00
MEMBER PUBLICATIONS	13,674.10	13,936.75
TOTAL PROGRAM INCOME	817,579.70	307,834.25
 TOTAL INCOME	\$ 1,121,830.23	\$ 580,869.83
 EXPENSES		
ADMINISTRATIVE EXPENSES		
SALARIES	\$ 202,747.32	\$ 196,515.72
RETIREMENT PLAN	6,823.62	6,661.47
PAYROLL TAXES	15,418.27	14,982.84
FUT & SUT	430.95	351.71
INSURANCE EMPLOYEE	23,365.63	29,137.44
CREDIT CARD FEES	1,325.87	1,186.13
STAFF EXPENSES / TRAVEL	8,056.73	6,818.77
AUTO LEASE / REPAIRS	11,482.76	9,712.58
CONSUMABLE SUPPLIES	3,844.00	3,041.02
LEGISLATIVE SERVICES	438.12	80.00
MAINTENANCE CONTRACTS	2,957.28	2,469.84
POSTAGE / LABEL / SHIPPING	1,189.34	1,196.94
POSTAGE METER LEASE	2,633.00	1,895.25
SOFTWARE/TRAINING	809.53	890.39
TELEPHONE	8,564.84	7,934.70
IT SUPPORT	1,169.82	1,134.59
JANITORIAL EXPENSE	1,929.20	1,979.00
RENT	10,800.00	10,898.00
AUDIT FEES	3,789.50	3,657.00
DUES / SUBSCRIPTIONS	2,845.25	4,023.94
GENERAL INSURANCE	3,503.00	4,301.00
DEPRECIATION	2,335.52	1,449.88
MISCELLANEOUS	1,040.65	1,812.16
OFFICE FURNISHINGS / EQUIPMENT	0.00	0.00
BAD DEBT EXPENSE	0.00	0.00
MEMBER MARKETING	47.70	0.00
LOBBYIST	40.00	0.00
BOARD MEETING / MATERIALS	1,883.80	2,903.14
LOBBYIST PHONE ATTENDANT	561.12	1,436.03
TOTAL ADMINISTRATIVE EXPENSES	\$ 320,032.82	\$ 316,469.54
 PROGRAM EXPENSES		
BALLOT ACTION COMMITTEE	\$ 0.00	\$ 0.00
ECONOMIC OUTLOOK SEMINAR	21,557.66	17,851.97
MEMBER PUBLICATIONS	11,292.63	10,635.88
VOTE YES ON AMENDMENT K	0.00	0.00
CHAMBER LEADERSHIP COUNCIL	377.36	0.00
NO ON 17 COMMITTEE	813,145.13	16.51
GIANT VISION	74,695.23	76,512.39
OTHER PROGRAM EXPENSES	0.00	0.00
BUSINESS DAY	21,656.48	24,136.74
TOTAL PROGRAM EXPENSES	942,724.49	129,153.49
 TOTAL EXPENSES	\$ 1,262,757.31	\$ 445,623.03
NET INCOME	\$ (140,927.08)	\$ 135,246.80

SOUTH DAKOTA CHAMBER OF COMMERCE AND INDUSTRY
REVENUE AND EXPENSES
FOR THE TWELVE MONTHS ENDED JULY 31, 2015 AND 2014

	<u>2015</u>	<u>2014</u>	<u>INCREASE (DECREASE)</u>
REVENUE			
ADMINISTRATIVE	\$ 304,250.53	\$ 273,035.58	\$ 31,214.95
PROGRAM	<u>924,938.70</u>	<u>409,563.88</u>	<u>515,374.82</u>
TOTAL REVENUE	<u>\$ 1,229,189.23</u>	<u>\$ 682,599.46</u>	<u>\$ 546,589.77</u>
EXPENSES			
ADMINISTRATIVE	\$ 320,032.82	\$ 316,469.54	\$ 3,563.28
PROGRAM	<u>1,046,867.80</u>	<u>239,279.80</u>	<u>807,588.00</u>
TOTAL EXPENSES	<u>\$ 1,366,900.62</u>	<u>\$ 555,749.34</u>	<u>\$ 811,151.28</u>
NET INCOME (LOSS)	<u>\$ (137,711.39)</u>	<u>\$ 126,850.12</u>	<u>\$ (264,561.51)</u>

SOUTH DAKOTA CHAMBER OF COMMERCE & INDUSTRY
COMBINED BALANCE SHEETS
JULY 31, 2015 AND 2014

ASSETS		
CURRENT ASSETS	<u>2015</u>	<u>2014</u>
CASH IN BANK-BANKWEST	\$ 869.19	\$ 599.10
CREDIT CARD PROGRAM	29,077.72	28,288.42
MONEY MARKET ACCOUNT-BANKWEST	34,099.15	27,470.14
CD'S-AMERICAN STATE BANK	52,881.25	52,807.35
NO ON 17 COMMITTEE	0.00	150,083.49
SDC - BAC	4,464.48	4,464.48
CD'S - HOME FEDERAL	32,779.55	32,721.15
CD'S-FIRST FIDELITY BANK-BURKE	9,918.99	9,914.03
RESTRICTED MONEY MARKET-ASB	3,153.45	2,122.73
RESTRICTED CHECKING ACCOUNT-ASB	508.05	753.73
ACCOUNTS RECEIVABLE -DUES	11,235.00	11,440.00
ACCOUNTS RECEIVABLE-PROGRAMS	674.99	719.26
ALLOWANCE FOR DOUBTFUL ACCOUNTS	(1,000.00)	(1,000.00)
PREPAID INSURANCE	1,411.00	1,594.00
TOTAL CURRENT ASSETS	<u>\$ 180,072.82</u>	<u>\$ 321,977.88</u>
FIXED ASSETS		
EQUIPMENT	\$ 87,002.86	\$ 87,002.86
LESS: ACCUMULATED DEPRECIATION	<u>(82,642.25)</u>	<u>(80,306.73)</u>
TOTAL FIXED ASSETS	<u>\$ 4,360.61</u>	<u>\$ 6,696.13</u>
TOTAL ASSETS	<u>\$ 184,433.43</u>	<u>\$ 328,674.01</u>
LIABILITIES		
CURRENT LIABILITIES		
ACCOUNTS PAYABLE	\$ 1,432.88	\$ 957.89
SCHOLARSHIP PAYABLE	6,000.00	5,000.00
BONUS PAYABLE	5,132.00	5,135.00
MEDICAL CARE FSA	(500.00)	0.00
DEFERRED REVENUE - DUES	117,340.00	125,075.00
UNEMPLOYMENT FUTA	<u>266.48</u>	<u>32.66</u>
TOTAL LIABILITIES	<u>\$ 129,671.36</u>	<u>\$ 136,200.55</u>
NET ASSETS		
NET ASSETS	\$ 192,473.46	\$ 65,623.34
NET INCOME (LOSS)	<u>(137,711.39)</u>	<u>126,850.12</u>
TOTAL NET ASSETS	<u>\$ 54,762.07</u>	<u>\$ 192,473.46</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$ 184,433.43</u>	<u>\$ 328,674.01</u>

SOUTH DAKOTA CHAMBER OF COMMERCE AND INDUSTRY
YBA BALANCE SHEET
JULY 31, 2015 AND 2014

	ASSETS	
CURRENT ASSETS	<u>2015</u>	<u>2014</u>
RESTRICTED MONEY MARKET-ASB	\$ 3,153.45	\$ 2,122.73
CD'S AMERICAN STATE BANK	0.00	0.00
ACCOUNTS RECEIVABLE	0.00	0.00
RESTRICTED CHECKING ACCOUNT-ASB	<u>508.05</u>	<u>753.73</u>
TOTAL ASSETS	\$ <u>3,661.50</u>	\$ <u>2,876.46</u>
 LIABILITIES		
CURRENT LIABILITIES		
ACCOUNTS PAYABLE	\$ 0.00	\$ 0.00
SCHOLARSHIP PAYABLE	6,000.00	5,000.00
DEFERRED REVENUE	0.00	0.00
DUE TO SD CHAMBER	<u>4,461.73</u>	<u>7,892.38</u>
	\$ <u>10,461.73</u>	\$ <u>12,892.38</u>
 NET ASSETS		
FUND BALANCE	\$ (10,015.92)	\$ (1,619.24)
NET INCOME (LOSS)	<u>3,215.69</u>	<u>(8,396.68)</u>
TOTAL NET ASSETS	\$ <u>(6,800.23)</u>	\$ <u>(10,015.92)</u>
TOTAL LIABILITIES & NET ASSETS	\$ <u>3,661.50</u>	\$ <u>2,876.46</u>

SOUTH DAKOTA CHAMBER OF COMMERCE & INDUSTRY
YBA STATEMENT OF INCOME AND EXPENSES
FOR THE TWELVE MONTHS ENDED JULY 31, 2015 AND 2014

INCOME	<u>2015</u>	<u>2014</u>
CONTRIBUTIONS	\$ 44,818.76	\$ 47,401.65
STUDENT REGISTRATION	26,450.00	28,750.00
GREATER SD FOUNDATION	29,598.50	25,527.04
SD COMMUNITY FOUNDATION	6,465.46	0.00
REIMBURSEMENTS	0.00	0.00
YBA ENDOWMENT FUND	0.00	0.00
OTHER	0.00	22.35
INTEREST EARNED	26.28	28.59
TOTAL INCOME	\$ <u>107,359.00</u>	\$ <u>101,729.63</u>
EXPENSES		
SALARIES	\$ 37,563.98	\$ 38,987.49
PAYROLL TAXES	2,750.29	2,982.53
INSURANCE	4,433.01	6,860.78
RECRUITMENT	461.34	2,064.34
FUND RAISING	657.54	332.10
STAFF TRAVEL	2,218.62	2,103.16
ADVISORY BOARD	363.38	191.35
CONSUMABLES	1,582.56	1,685.47
MATERIALS	2,071.53	972.27
BHSU - CAMP	18,324.07	18,695.01
USD - CAMP	14,104.26	18,306.90
TEACHER STIPENDS	2,700.00	3,000.00
TEACHER CREDITS	640.00	1,120.00
POSTAGE	1,354.89	1,307.55
TECHNOLOGY	2,017.32	653.00
VOLUNTEERS	250.00	300.00
SUPPORT STAFF	3,784.25	2,480.99
NATIONAL CONFERENCE	0.00	0.00
SCHOLARSHIPS	3,000.00	2,000.00
SPEAKERS	4,542.57	4,523.35
30th ANNIVERSARY EXPENSES	0.00	0.00
T-SHIRTS	1,165.70	1,360.02
MISCELLANEOUS	158.00	200.00
TOTAL EXPENSES	\$ <u>104,143.31</u>	\$ <u>110,126.31</u>
NET INCOME (LOSS)	\$ <u><u>3,215.69</u></u>	\$ <u><u>(8,396.68)</u></u>

NEW/DROPPED MEMBERS
August 1, 2014 through July 31, 2015

New Members:

Altria (rejoin)	\$ 2,185
Energy Transfer Partners	\$ 1,000
NAMI South Dakota	\$ 345
Dakota Access	\$ 1,000
Professional Server Certification Corp	\$ 345
Browns Hunting Lodge	\$ 345
Printing Industry Midwest	\$ 345
Transcanada (rejoin)	\$ 4,245
American Bank & Trust (2 nd bank)	<u>\$ 570</u>
 TOTAL	 \$ 10,380

Dropped Members:

Hills Materials Company	\$ 1,255
MN-SD Equipment Dealers	\$ 345
Face It! Sioux Falls	\$ 110
Absolutely! Aberdeen	\$ 345
SD School of Mines & Technology	\$ 675
Morgan Theeler	\$ 370
Republic National Distributing	\$ 595
Wal-Mart	\$ 9,500
American Bank & Trust (combining 2)	\$ 1,255
GlaxoSmithKline	\$ 1,000
Lockridge Grindal Nauen	\$ 370
American Express Open	\$ 350
Sonifi (try again next year)	<u>\$ 1,830</u>
 TOTAL	 \$ 18,000

September 23, 2015

Youth Business Adventure Report

The YBA Advisory Board will meet the morning of October 1. The February board meeting will be held on Thursday, February 18, 2016, in Pierre at the Ramkota RiverCentre, during the SD Chamber's Business Day at the Legislature.

YBA BUDGET: (See 2015 & 2016 Budgets) All bills for the 2015 program year were paid within the fiscal year. The check from the SD Community Foundation did not arrive until early August and the dorm counselor reimbursement of \$1,000.00 did not arrive until September.

SME BENEFIT AUCTION: The Sales and Marketing Executives of Sioux Falls raised \$17,368.76 in 2014 for YBA. Since 2001, SME has raised over \$264,000 for YBA. YBA thanks all Chamber and YBA Board members for their contributions and attendance.

Board members are encouraged to attend the **2015 SME Benefit Auction event the evening of October 1st**, following the Chamber board meeting. This year's benefit auction event will be held at the Sioux Falls Convention Center beginning at 5:00 p.m. with dinner served at 6:30 p.m. Your presence/participation at this year's event would be greatly appreciated as a show of support for SME's efforts on behalf of YBA.

2016 CAMPUS DATES: The YBA 2016 campuses and dates are: Black Hills State University in Spearfish June 12-17 and the University of South Dakota in Vermillion June 19-24.

COMPANY ADVISOR RECRUITMENT: Company Advisor recruitment for YBA 2016 has begun. YBA needs businesses/corporations to commit the loan of an executive early and guarantee that someone will show up on campus. We expect to recruit approx. 16 CAs, depending on student numbers.

Please consider sending a volunteer from your company. It is a great way for your employees to experience and improve management and organizational skills.

HIGHER EDUCATION YBA SCHOLARSHIP AWARDS: (See Scholarship Report) five scholarships have been paid of the six 2014 winners. There were seven scholarships awarded for 2015.

YBA BUDGET PROGRAM YEAR 2015

ACCT#	ACCOUNT NAME	14-15 BUDGET	14-15 ACTUAL
INCOME			
8010	CONTRIB/PLEDGES	\$ 49,000.00	\$ 44,818.76
8020	SPEAKER FUND	6,250.00	2,700.00
8025	STUDENT REGISTRATION	55,000.00	\$ 26,450.00
8030	GREATER SD FOUNDATION CONTRIB/PLEDGES	32,400.00	29,598.50
8040	SD COMMUNITY FOUNDATION	3,500.00	6,465.46
8045	REIMBURSEMENTS	0.00	0.00
8050	YBA ENDOWMENT FUND	3,500.00	2,523.50
8060	Am.St.Bank/INTEREST	50.00	26.28
TOTAL		\$ 149,700.00	\$ 112,582.50
EXPENSES			
9010	STAFF SALARIES	41,000.00	37,563.98
9020	PAYROLL TAXES	3,100.00	2,750.29
9030	INSURANCE	4,500.00	4,433.01
9040	STUDENT RECRUITMENT	2,200.00	461.34
9060	FUNDRAISING	1,200.00	657.54
9070	STAFF TRAVEL	3,000.00	2,218.62
9080	ADVISORY BOARD	350.00	363.38
9090	CONSUMABLES (office)	2,000.00	1,582.56
9100	MATERIALS (on campus)	1,100.00	1,959.81
BHSU CAMPUS I			
9121	FOOD	\$ 18,000.00	8,703.19
9122	ENTERTAINMENT	1,250.00	676.10
9123	CAMPUS FEES	5,600.00	4,554.36
9124	LODGING	6,000.00	3,834.17
9125	BUSING	1,200.00	338.00
9126	OTHER (Copier rental, Commerical DVDs etc.)	1,800.00	218.25
USD CAMPUS II			
9131	FOOD	\$ 18,000.00	7,219.57
9132	ENTERTAINMENT	1,100.00	852.38
9133	CAMPUS FEES	1,500.00	795.20
9134	LODGING	7,000.00	4,384.80
9135	BUSING	500.00	677.31
9136	OTHER (Copier rental,	500.00	175.00
9140	TEACHER STIPENDS	\$ 6,500.00	2,700.00
9150	TEACHER CREDITS	2,000.00	640.00
9160	POSTAGE	2,500.00	1,354.89
9165	TECHNOL/MARKETING	2,000.00	2,017.32
9170	VOLUNTEERS	1,500.00	250.00
9175	STAFF SUPPORT	3,500.00	3784.28*
9190	NATIONAL CONFERENCE	-	0.00
9200	SCHOLARSHIPS	3,500.00	3,500.00
9210	SPEAKERS	5,000.00	4,542.57
9220	T-SHIRTS	1,800.00	1,165.70
9250	MISCELLANEOUS	500.00	158.00
TOTAL		\$ 149,700.00	\$ 100,747.34

*reimbursed \$1000.00 of this by USD for dorm counselors. Check did not arrive until Sept

YBA BUDGET PROGRAM YEAR 2016

ACCT#	ACCOUNT NAME	15-16 BUDGET	15-16 ACTUAL
INCOME			
8010	CONTRIB/PLEDGES	\$ 49,000.00	
8020	SPEAKER FUND	6,250.00	
8025	STUDENT REGISTRATION	50,000.00	
8030	GREATER SD FOUNDATION CONTRIB/PLEDGES	32,400.00	
8040	SD COMMUNITY FOUNDATION	3,500.00	
8045	REIMBURSEMENTS	0.00	
8050	YBA ENDOWMENT FUND	3,500.00	
8060	Am.St.Bank/INTEREST	50.00	
TOTAL		\$ 144,700.00	
EXPENSES			
9010	STAFF SALARIES	41,000.00	
9020	PAYROLL TAXES	3,100.00	
9030	INSURANCE	5,100.00	
9040	STUDENT RECRUITMENT	2,200.00	
9060	FUNDRAISING	1,200.00	
9070	STAFF TRAVEL	3,000.00	
9080	ADVISORY BOARD	400.00	
9090	CONSUMABLES (office)	1,800.00	
9100	MATERIALS (on campus)	2,000.00	
BHSU CAMPUS I			
9121	FOOD	\$ 14,000.00	
9122	ENTERTAINMENT	1,250.00	
9123	CAMPUS FEES	5,600.00	
9124	LODGING	5,500.00	
9125	BUSING	800.00	
9126	OTHER (Copier rental, Commerical DVDs etc.)	1,000.00	
USD CAMPUS II			
9131	FOOD	\$ 14,000.00	
9132	ENTERTAINMENT	1,100.00	
9133	CAMPUS FEES	1,500.00	
9134	LODGING	7,000.00	
9135	BUSING	500.00	
9136	OTHER (Copier rental,	500.00	
9140	TEACHER STIPENDS	\$ 6,500.00	
9150	TEACHER CREDITS	2,000.00	
9160	POSTAGE	2,500.00	
9165	TECHNOL/MARKETING	2,500.00	
9170	VOLUNTEERS	1,500.00	
9175	STAFF SUPPORT	4,000.00	
9190	NATIONAL CONFERENCE	-	
9200	SCHOLARSHIPS	4,000.00	
9210	SPEAKERS	5,000.00	
9220	T-SHIRTS	1,800.00	
9250	MISCELLANEOUS	500.00	
TOTAL		\$ 142,850.00	\$ -

YBA Scholarship Report

2014 YBA SCHOLARSHIPS

There were 6 2014 YBA Scholarship winners: four at the BHSU session and three at the USD session. These students are also eligible to receive a \$500 scholarship from a matching South Dakota institution of higher education.

Kaley Withers, Milbank HS, (Bill & Marcie Shorma Scholarship)- South Dakota State University
Shaina Dean, T.F. Riggs HS, (Pat & Theresa Wingen Scholarship)- The University of South Dakota
Justin Rosebrock, Aberdeen Roncalli HS (Citibank Scholarship)- The University of South Dakota
Bailee Holscher, Warner HS, (Citibank Scholarship)- Augustana College
Megan DeBoer, Wilmot HS, (SME Scholarship)- South Dakota State University
Darbi Nelson, Winner HS, (YBA Scholarship)- University of Nebraska at Kearney

2015 YBA SCHOLARSHIPS

There were 7 2015 YBA Scholarship winners: two at the BHSU session and five at the USD session. These students are also eligible to receive a \$500 scholarship from a matching South Dakota institution of higher education.

Kali Hansen, Gettysburg HS (Bill & Marcie Shorma Scholarship)-
Alyssa Idema, T.F. Riggs HS (SME Scholarship)-
Marlee Jones, Groton HS (Citibank Scholarship)
Brady Kafka, New Technology HS (Pat & Theresa Wingen Scholarship)-
Cayley Schmit, Tea Area HS (SME Scholarship)-
Maggie Simon, Groton HS (SME Scholarship)-
Allison Weber, Groton HS (Citibank Scholarship)-

YBA Enrollment Numbers since 2012

	2012 YBA	2013 YBA	2014 YBA	2015 YBA
Applied	239	191	187	177
Accepted	214	180	179	171
Minus Cancellations, etc.	199 participated	161 participated	161 participated	146 participate
	89 at BHSU 110 at USD	74 at BHSU 87 at USD	47 at BHSU 114 at USD	46 at BHSU 100 at USD

High School enrollment declining at approx 5% since 2009. From data on SD Dept. of Education's website high school enrollment will begin to climb up again in the next 5 to 6 years.

**South Dakota Chamber of Commerce & Industry
Board of Directors Meeting
September 23, 2015
BIPAC Report**

BALANCE SHEET (as of 9/23/2015)

Income:

Beginning Balance (as of 6/1/15)	\$2,216.51
None	

Expenses:

SD Republican Party	<u>\$ 500.00</u>
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Current Account Balance	<u>\$1,716.51</u>
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**Business Day at the Legislature Report
September 24, 2015
Dawn Morris, Chairman**

Business Day at the Legislature has existed for 39 years and continues to be the largest event for the South Dakota Chamber. The purpose of the day reflects our role as a leading voice of business by bringing local business and community leaders to Pierre for updates on legislative activities, participation in the Business Caucus, networking opportunities, recognition of the manufacturing industry and an opportunity to spend time at the Capitol during session.

The 2016 event will be held Thursday, February 18 (always the Thursday after President's Day) at the Ramkota in Pierre. The Board of Directors meeting will be Friday, February 19, also at the Ramkota.

Responses to program changes implemented this year were very favorable and will be continued in 2016. An addition to the day will be presenting a Legislative Advocate of the Year award during the banquet. A draft of the award, criteria and nomination process is included with this report. Board approval is requested.

The following is a preliminary outline of the day.

- | | |
|---------|---|
| 11 AM | Registration |
| 12 Noon | Luncheon with guest speaker |
| 1:30 PM | David Owen's Legislative Update and Business Caucus Program |
| 3 PM | Free time at the Capitol <ul style="list-style-type: none">- Ask House and Senate floor leaders to recognize/welcome attendees |
| 4 PM | Presentation at the Capitol Building (Room 414) <ul style="list-style-type: none">- Target Marty Jackley or other cabinet level speaker(s)- Encourage attendees to talk about what's important to business |
| 4:45 PM | Reception |
| 5:45 PM | Banquet and keynote speaker (<i>Looking into a transportation speaker through Senator Thune's office</i>) |
| 7:45 PM | Adjourn |

The Business Caucus has been underwritten by 3M and US Bank since its inception, with additional sponsorship support given by Black Hills Corporation and NorthWestern Energy.

We will continue the Manufacturing Showcase presentation that runs during the reception and again during dinner. Roughly a dozen companies participate in the annual Showcase, which (for a fee) allowed each to present a series of slides with captions about their business. The slides run as an automated PowerPoint presentation, which is also placed on our website after Business Day.

To further assist with expenses, we ask local chambers and development offices for their support with hosting legislators and sponsoring the reception. Board members will be asked for financial assistance by sponsoring cabinet members and constitutional officers.

Business Day is also the time when our Annual Action Report is printed and distributed to all attendees, as well as mailed out to the membership. The Report includes a review of all Chamber programs, legislative activities and a membership list. As a cost saving measure, the Report serves a dual purpose as a program for the Business Day Banquet.

**South Dakota Chamber of Commerce and Industry
Legislative Advocate of the Year Award Criteria**

The South Dakota Chamber of Commerce and Industry has a strong, effective leadership program that includes identifying legislative issues impacting the business community of the state; working with members on legislative, regulatory, and ballot measures that affect the ability to operate profitably; working with the Governor's Office, department officials, and legislators in developing policies that protect public interests while encouraging investment in South Dakota's economy.

The purpose of the Legislative Advocate of the Year Award is to recognize an individual for outstanding contributions of time and effort in state or federal policy advocacy. Recipients will have demonstrated leadership in building relationships with issue leaders and elected officials; taking action affecting law and policy; representing the South Dakota Chamber of Commerce and Industry to business leaders, public administrators, and the business community's grassroots relationships networks.

Eligibility

- Member in good standing of the South Dakota Chamber of Commerce & Industry for a minimum of three years
- An active supporter of Chamber programs, events and mission
- An active participant in Chamber activities (events or advocacy)
- Representative of the private or non-profit sector
- Provide a positive image for the Chamber

Application/Nomination

One letter of nomination (for yourself or others) shall be submitted for each nominee and shall include:

- The name, limited bio information and contact information of the individual
- A description of the individual's advocacy work for the South Dakota Chamber, including approximate dates, examples of resource contributions, both time and financially

The application/nomination should specifically include information regarding how the nominee has significantly contributed as an outstanding legislative advocate for the organization in any of the following ways:

- Held leadership role or worked on statewide ballot measures
- Testified before state Legislature on issues championed by the State Chamber
- Been actively involved in federal legislation impacting the South Dakota business community

Considerations for criteria/determination of winner (may change from year to year): What type of behaviors do we want to create in our membership with this recognition? How can this award inspire others? What other forms of influence should be considered? For example, massive grassroots activation; significant innovation or drive to change public policy, or subtle efforts to work with leaders and institutions

The award will be presented during Business Day at the Legislature. The recipient will receive a complimentary registration and a plaque of appreciation. Recipient will be allowed to make very brief comments to the Business Day audience.

Please send nomination materials to Mary Anne Boyd at maryanneb@sdchamber.biz by December 1, 2015.

**Economic Outlook Seminar
Fred Slunecka, Chairman
September 24, 2015 Report**

The Economic Outlook Seminar was developed nine years ago and has established itself as the premier presentation for those wanting to understand the economic forces that push South Dakota, to see the state's economy in context with the national economy and to preview what might be on the horizon for the state. This year's event will be held **Thursday, November 12** at the **Sioux Falls Convention Center**, 8:30 AM to 1:30 PM.

Agenda Details:

- 8:30 AM – The South Dakota and Local Economies
Mike Allgrunn, PhD, Economics – Associate Professor of Economics at the University of South Dakota
- 10:30 AM – Workforce Panel Discussion
Bruce Yakley, CEO, Trail King and others
Build Dakota Scholarship Program
Dana Dykhouse, Chairman, Build Dakota Board and CEO,
First PREMIER Bank
- 11:30 AM – Why Die on Mars Campaign Update
Scott Lawrence, Lawrence and Schiller, Sioux Falls
- 12:15 PM – Luncheon and Keynote Speaker
J.D. Foster, Chief Deputy Economist, US Chamber of Commerce

Our sponsors remain supportive of this event and all have committed again this year. Sponsorships are \$5,000, with the exception of Forward Sioux Falls, which is \$3,000 plus in-kind assistance with promotion and registration.

- **Avera Health**
- **First PREMIER Bank/PREMIER Bankcard**
- **Forward Sioux Falls**
- **Sanford Health**
- **U.S. Bank**

The invitations are being drafted and will be mailed the second week of October.

Registration for the Economic Outlook Seminar will be \$60 per person. The online registration system is up on the [South Dakota Chamber](#) website.

Governor's Giant Vision Business and Student Competition
September 24, 2015
Brad Wheeler, Chairman

The Governor's Giant Vision Competition was developed in 2005 to help South Dakota residents realize that South Dakota is the best place to start a successful business and to allow the South Dakota Chamber to play a role in economic development efforts. The program is funded through private business donations and matching funds from Governor Dugaard's office. 2015 marked the eleventh year for the business competition and the ninth for the college student component.

In addition to the event, the GV Planning Committee meets in conjunction with the Board's June meeting. This meeting allows committee members to review the spring competition and make any needed program changes. We are currently planning for April 13, 2016 event, which will be held in conjunction with the GOED conference at the Sanford Research Facility in Sioux Falls.

Since the beginning of the program, 536 applications have been received and \$586,500 in prize money has been distributed. Past participants were surveyed again this year to determine their business progress. We also seek information from other sources on how our applicants are doing. Brad Wheeler has crunched the numbers and we are pleased to report that the Business Competition has played a significant role in the creation of at least 622 new jobs in South Dakota. These jobs stem from 32 Business Competition applicants, representing a 10% success ratio. With the total amount spent on Giant Vision prize money over the past eleven years at \$586,500, this averages \$943 per job.

Increased visibility is a key goal for the coming year. Promotional efforts include the distribution of full-color postcards with a new message from Governor Dugaard to an updated list of locations and agencies. We will continue using a 30 second radio spot to promote interest and applications. The first campaign is scheduled for mid-October to mid-November and the second during January. A print advertisement will run in the SD Banker's Association Directory to make loan officers aware of the program and an ad is slated to run in newspapers statewide early in October. All promotional materials direct people to the website www.southdakotagiantvision.com.

The website is the source for information on the program and is where applications are submitted. The site is maintained by GOED with all questions and applications sent to Chamber staff. Updates for the 2016 competition have been incorporated into the site, making it ready for the next round of applications. Plans are in place for a new look to website in the coming year.

Promotional efforts also include Facebook advertising and feature stories are suggested to area media outlets. Regular media releases and membership email reminders are sent. At the June committee meeting, it was decided to allocate funds for a professional media campaign to further increase awareness and visibility of the competition.

Giant Vision will be promoted at the annual Innovation Expo, sponsored by the South Dakota Enterprise Institute September 29th in Rapid City and again October 1st in Sioux Falls, along with our sponsorship of a college student idea competition. Monetary prizes were awarded to the top six students, along with an encouragement to apply for this competition.

One of our sponsors is Dacotah Bank and earlier this year they selected the Giant Vision event as a featured story for their 2014 annual report and during the annual meeting. Dacotah Bank has also requested assistance with setting up a brief meeting with Governor Daugaard and David Owen to present a plaque of appreciation for this important event. Staff is working to coordinate the meeting.

The Giant Vision program pays prize money for the Business competition in the following amounts:

- 1st - \$20,000
- 2nd - \$10,000
- 3rd - \$5,000
- 4th - \$3,000
- 5th - \$2,000

All other business qualifiers receive \$500 for their participation.

Prize money for the Student competition is

- 1st - \$5,000
- 2nd - \$4,000
- 3rd - \$2,500
- 4th - \$2,000
- 5th - \$1,000

The remaining student qualifiers receive a \$500 stipend.

Sponsor of the two competitions are:

- Governor Dennis Daugaard
- Black Hills Power/Corp.
- Christiansen Land & Cattle
- Citibank South Dakota
- Dacotah Banks
- Daktronics, Inc.
- MidAmerican Energy
- South Dakota EPSCoR
- Toshiba America
- US Bank
- Wheeler Manufacturing
- Xcel Energy

SOUTH DAKOTA CHAMBER OF COMMERCE & INDUSTRY

FUTURE BOARD MEETING SCHEDULE

2015

Friday, December 4 – Sioux Falls (specific location to be announced)
~ Thursday, Dec. 3 - Reception at the home of past chairman of the board Fred (and Sandy) Slunecka ~

2016

Friday, February 19 – Pierre Ramkota
In conjunction with February 18 South Dakota Chamber Business Day at the Legislature