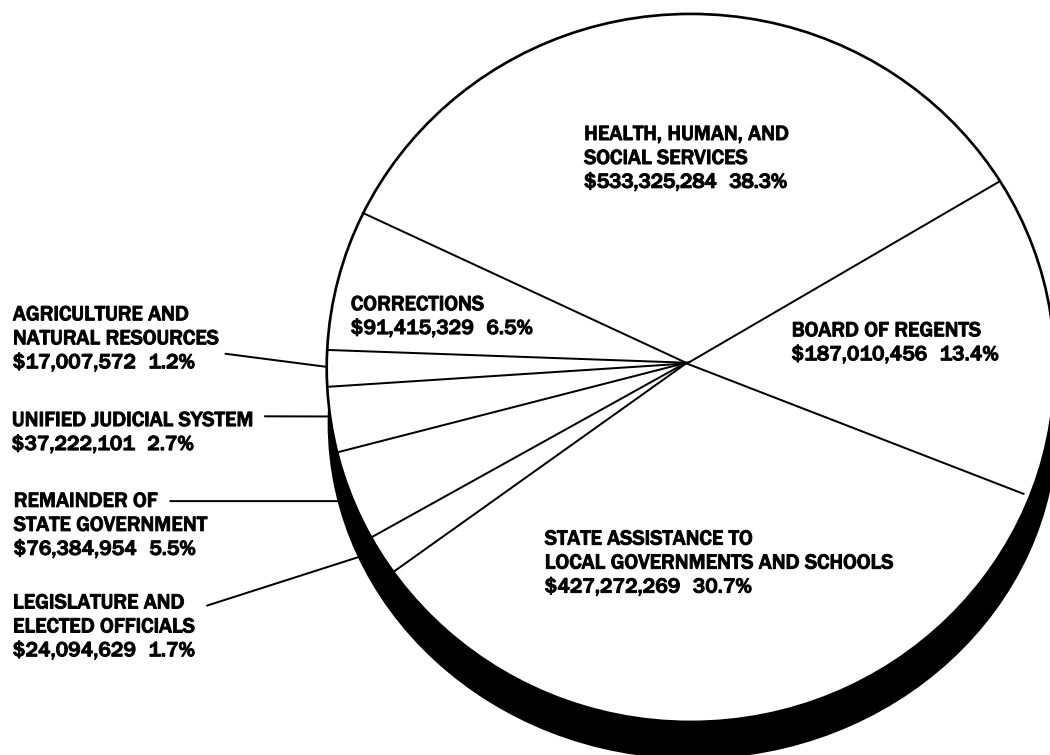


STATE OF SOUTH DAKOTA GOVERNOR'S BUDGET FISCAL YEAR 2015

**BEGINNING JULY 1, 2014
ENDING JUNE 30, 2015**

OUR 125th YEAR OF A BALANCED BUDGET



DENNIS DAUGAARD, GOVERNOR



STATE OF SOUTH DAKOTA

DENNIS DAUGAARD, GOVERNOR

MEMBERS OF THE 89th LEGISLATURE OF THE STATE OF SOUTH DAKOTA

I am pleased to present the state budget report for Fiscal Year 2015. This proposal will fund necessary state government services and special appropriations for the fiscal period beginning July 1, 2014, and ending June 30, 2015.

In South Dakota, we remain committed to fiscal responsibility and conservative management principles. We don't spend what we don't have. We use one-time money for one-time expenses, and ongoing money for ongoing expenses. When possible, we avoid the creation of unfunded liabilities. Instead, when one-time dollars are available, we use those dollars to eliminate a liability, build or improve an asset, secure an asset, or endow a program for the future.

As a result of our good stewardship, South Dakota is in a strong position. Our tax revenues are increasing because of economic growth, not tax increases, and we enjoy one of the lowest state tax burdens in America. South Dakota has the lowest cost of living in America and continues to have one of the lowest rates of unemployment in the nation. South Dakotans can enjoy stability and predictability from their state government, and our state has grown and prospered as a result.

This year, the growth in our tax base is sufficient to fund only a basic level of modest increases. I will be proposing, however, a means to use unexpected one-time dollars to free up additional ongoing dollars, so that we can offer increases beyond what is statutorily required.

Key among my recommendations:

- **Funding increase for K-12 according to the statutory funding formula.** I am committed to the notion that, in years where new dollars are available, education should follow the formula in statute. This year, the funding formula would call for an increase in the per-student allocation of 1.6 percent. By using one-time dollars creatively to free up additional ongoing revenue, however, I am able to propose a budget that will increase the per-student allocation for K-12 education by 3.0 percent. The cost of the additional 1.4 percent increase is \$6.5 million in state funds. Of the total increase for K-12, \$3.6 million is necessary due to increased enrollments. I am also recommending a 3.0 percent increase for special education disability levels in FY2015.
- **Increased reimbursement rates for Medicaid providers.** As with K-12 education, I am proposing an increase for providers of 3.0 percent, which is in excess of the projected 1.6 percent FY2015 Consumer Price Index (CPI) growth rate. The cost of all provider inflation, including a 3.0 percent rate increase for provider reimbursement rates, is \$15.7 million in state funds.
- **Increased funding for the State Universities.** I am proposing an ongoing increase to the Board of Regents of 2.6 percent at a cost of \$4.8 million. In addition to this proposal is a tuition freeze at the state universities for in-state, on-campus students. My budget allocates \$4 million in state dollars to the Regents to guarantee there will be no tuition increase for these students.

As the cost of college continues to rise, this is a proactive step to help keep college affordable. My recommendation also includes funds for an expansion of the Sanford School of Medicine at the University of South Dakota. As many physicians near retirement, the need for primary care physicians continues to escalate, especially in rural areas. This expansion will help meet our need for a new generation of primary care physicians.

- **Increased funding for the Technical Institutes.** My proposal for the Technical Institutes is very similar to that for K-12 with a 3.0 percent ongoing formula adjustment. In addition, my budget allocates dollars to assume a larger share of the Technical Institute's bonding costs. The Technical Institutes have transformed themselves through the construction of modern facilities, and the state is paying its share to ensure they continue to meet our state's workforce needs. Finally, my budget also recommends state dollars to freeze Technical Institute tuition up to \$5/credit hour at a cost of nearly \$1 million.
- **Salary policy for state employees.** The most valuable resource state government has is our human resource. After three years of frozen salaries, we returned to traditional salary policy packages the last two years, and my budget proposes we continue that pattern. I am proposing we continue with the PACE program started by former Governor George S. Mickelson and also with the Career Bands established in FY2010 for job families that are far below market. My salary policy recommendation includes:
 - A 3.0 percent cost of living adjustment across the board for permanent state employees, including 3.0 percent market adjustments for the career band job families.
 - Movement towards job worth of 3.0 percent for PACE employees, and performance-based increases of 0 percent to 4.5 percent to move career band employees towards market.
 - Targeted compensation adjustments for a small number of mostly vocational jobs that are below market, experiencing high turnover, a decline in applicants, or are difficult to fill because of the nature of the work.
 - An 18.6 percent increase in employer paid health insurance costs.
- **A conservative approach to growth.** I thank the Legislature for joining with me over the past three years to budget conservatively. It is better to spend dollars when they are probable than to commit them when they are hopeful. No projection can be perfect, and we should always hope that if we err, we err on the side of caution. I would much rather face a surplus each year than a shortfall.

The people of South Dakota trust you and I – their Legislature and their Governor – to spend the people's money and to manage the people's assets prudently. I treat this duty very seriously, and I know the Legislature does as well. Our system asks the governor to begin the conversation by proposing a budget. My proposal is A plan, not THE plan, and I look forward to working with the Legislature and the public over the coming months to continue our stewardship of this state. Together, we will continue our state's path to prosperity and stability.

Sincerely,



Dennis Daugaard



DEPARTMENT OF EXECUTIVE MANAGEMENT BUREAU OF FINANCE AND MANAGEMENT

TO MEMBERS OF THE 89th LEGISLATURE OF THE STATE OF SOUTH DAKOTA

The Governor's Budget Report for Fiscal Year 2015 represents our state's 125th year of a balanced budget. In November of 2012 South Dakota citizens passed Constitutional Amendment P, which explicitly added balanced budget requirements to the South Dakota Constitution. While we have practiced this in the past, it is now required by our Constitution.

The report is designed to give an accurate and timely reflection of the financial conditions of the state and the proposals for spending the taxpayers' money. It culminates budget activities by the agencies and the Governor's Office which began early this summer.

The budget document contains a great deal of financial and program information, including the following: financial statements for the general fund and other funds; a history of the record of expenditures of the past two fiscal years; proposed funding by program for the coming fiscal year; statements of goals, objectives, and mission statements for the various programs, divisions, and departments; a listing of revenues generated by each program; and, various informational charts and graphs.

Funding for each program is presented as general funds, federal funds, and other funds. In addition, expenditures for each program are broken down into personal services and operating expenses. Staffing levels for each program are expressed in terms of full-time equivalent employees (FTEs).

It is our hope that the information contained in this book will be useful to you in your deliberations during the upcoming legislative session.

Sincerely,

Jason C. Dilges, Chief Financial Officer
Bureau of Finance and Management

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GENERAL INDEX

BUREAU OF FINANCE AND MANAGEMENT



BUDGET ANALYSIS TEAM

JASON C. DILGES, CHIEF FINANCIAL OFFICER

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ALEX S. HANSON, SENIOR BUDGET ANALYST

STEVEN C. KOHLER, BUDGET ANALYST

MATTHEW A. FLYGER, BUDGET ANALYST

GENERAL FUND CONDITION STATEMENT

	ACTUAL FY2012	ACTUAL FY2013	REVISED FY2014	PROJECTED FY2015
RECEIPTS				
Sales and Use Tax ^A	\$ 744,413,638	\$ 776,095,539	\$ 810,063,958	\$ 835,211,364
Property Tax Reduction Fund ^{B, C}	102,441,742	107,261,166	108,053,338	110,176,855
Contractor's Excise Tax	82,991,355	84,466,868	89,532,268	94,819,513
Insurance Company Tax	65,076,133	70,291,028	73,988,534	77,463,340
Unclaimed Property Receipts	13,865,906	13,912,329	67,455,802 ^D	67,455,802 ^D
Bank Franchise Tax ^E	29,688,991	17,537,046	16,986,127	17,492,588
Other ^{F, G, H, I, J}	197,426,132	188,613,241	187,635,112	191,113,132
One-Time Receipts	26,326,591 ^K	29,931,989 ^L	77,880,389 ^M	-
Transfer from Budget Reserves	20,155,015 ^N	-	-	-
Transfer from Property Tax Reserves	-	-	19,626,221 ^O	-
Obligated Cash Carried Forward	-	75,655,964 ^{Y,Z}	25,216,171 ^{Y,Z}	-
TOTAL RECEIPTS	\$1,282,385,503	\$1,363,765,170	\$1,476,437,920	\$1,393,732,594
EXPENDITURES				
General Bill Excl. State Aid to Education ^{P, Q, R}	\$ 811,329,252	\$ 849,777,970	\$ 930,372,509	\$ 990,396,007 ^S
State Aid to Education	335,465,599	371,944,344	388,052,645	400,456,744
Special Appropriations	27,845,256	27,806,110	5,183,800	-
Emergency Special Appropriations	24,693,972	31,990,554	117,278,528	-
Continuous Appropriations ^T	2,395,460	2,435,167	2,617,916	2,770,191
Expenditure Transfers	5,000,000 ^U	6,745,000 ^V	8,700,000 ^W	109,652 ^X
TOTAL EXPENDITURES	\$1,206,729,539	\$1,290,699,145	\$1,452,205,398	\$1,393,732,594
TRANSFERS				
Budget Reserve Fund ^Y	\$ -	\$ 47,849,854	\$ 24,232,522	\$ -
TOTAL TRANSFERS	\$ -	\$ 47,849,854	\$ 24,232,522	\$ -
Beginning Unobligated Cash Balance	\$ -	\$ -	\$ -	\$ -
Net (Receipts less Expend./Transfers)	\$ 75,655,964	\$ 25,216,171	\$ -	\$ -
OBLIGATIONS AGAINST CASH				
Budget Reserve Fund ^Y	\$ (47,849,854)	\$ (24,232,522)	\$ -	\$ -
Cash Committed for Following Budget ^Z	(27,806,110)	(983,649)	-	-
Total Obligations Against Cash	(75,655,964)	(25,216,171)	-	-
Ending Unobligated Cash Balance	\$ -	\$ -	\$ -	\$ -

SOURCE: State of South Dakota Bureau of Finance and Management

NOTE: This document was prepared on a cash basis for budgeting purposes and reflects obligations against cash. The totals may not add due to rounding.

NOTES FOR RECEIPTS SECTION

^A Under current federal law South Dakota will lose the ability to assess sales tax on internet access services beginning on November 1, 2014. The loss of sales tax collections for FY2015 due to this provision is estimated at \$5.4 million and is incorporated in the sales and use tax estimate.

^B SB 225, passed during the 1996 legislative session, requires the state's proceeds from video lottery to be deposited into the Property Tax Reduction Fund (PTRF). In addition, the bill provides that the Commissioner of the Bureau of Finance and Management may transfer monies available from the PTRF to the general fund necessary to provide property tax relief through state aid to education. HB 1104, passed by the 2003 Legislature, imposes a tax of 4% upon the gross receipts of telecommunication services. Sixty percent of the revenue collected from this tax is deposited into the PTRF. Initiated Measure 2, adopted by the voters in November of 2006, increased the cigarette tax on a 20 pack of cigarettes by \$1.00 and

the tax on a 25 pack of cigarettes by \$1.25. In addition, the wholesale tax on other tobacco products increased from 10% to 35% of the wholesale purchase price. The PTRF receives a 33% share of any revenue generated by the tobacco tax which is in excess of \$35 million. The PTRF's share of the tobacco tax was \$7.4 million in FY2012 and \$7.8 million in FY2013, and is estimated to be \$7.9 million and \$7.7 million for FY2014 and FY2015, respectively.

- C In November of 2010, the voters of South Dakota approved Referred Law 12, which extended the statewide smoking ban to nearly all public places including restaurants, bars, and casinos. This change in law caused a sharp decline in video lottery revenue of approximately 18% for the first year. Video lottery revenue continues to be below its previous peak of \$111.1 million, which was reached in FY2008. The PTRF's share of video lottery revenue was \$87.3 million in FY2012 and \$91.4 million in FY2013, and is estimated to be \$93.1 million and \$94.9 million in FY2014 and FY2015, respectively.
- D Due to consolidation in the banking industry and changes in regulations, some large banks have moved their home office to South Dakota. This is expected to increase ongoing unclaimed property receipts to \$67.5 million in FY2014 and FY2015.
- E The national recession combined with federal regulation changes in the financial sector, most notably the credit card industry, caused bank franchise tax collections to the general fund to decline substantially during and after the economic recession. Improvements in economic conditions increased collections to \$29.7 million in FY2012. However, due to consolidation within the banking industry and new financial regulations, the allocation of taxable income to South Dakota decreased collections in FY2013 to just \$17.5 million. Bank franchise tax collections are expected to continue to trend below historical levels with collections totaling just \$17.0 million and \$17.5 million in FY2014 and FY2015, respectively.
- F Includes \$7.1 million in FY2012, \$6.5 million in FY2013, \$5.8 million in FY2014, and \$5.2 million in FY2015 derived from annuity contract payments related to the 1986 sale-leaseback transaction.
- G Includes receipts of \$2.1 million in FY2012, \$2.0 million in FY2013, \$1.9 million in FY2014, and \$2.2 million in FY2015 due to legislation allowing the Department of Game, Fish, and Parks to make lease payments to the Building Authority. These are used to retire revenue bonds issued for the renovation and modernization of infrastructure at Custer State Park, the renovation and modernization of fish hatchery facilities, the Sioux Falls Outdoor Learning Center, and stabilization of the Cedar Shore Resort marina.
- H Includes receipts of \$0.7 million in each fiscal year due to legislation passed in 2007 allowing the Board of Regents to make lease payments to the Building Authority. These are used to retire revenue bonds issued for critical maintenance and repair projects for the Board of Regents.
- I Includes \$18.3 million in FY2012, \$17.9 million in FY2013, \$18.4 million in FY2014, and \$19.9 million in FY2015 in interest proceeds from the Education Enhancement and Health Care Trust Funds. The market values of the Education Enhancement and Health Care Trust Funds are calculated using a 16 quarter moving average of the prior 16 quarters as of December 31st.
- J The Health Care Tobacco Tax Fund and the Education Enhancement Tobacco Tax Fund, created by the 2007 Legislature, receive a 34% share and 33% share of the revenue, respectively, generated by the tobacco tax in excess of \$35 million. The transfer from the Health Care Tobacco Tax Fund to the general fund was \$7.6 million in FY2012 and \$8.0 million in FY2013 and is estimated to be \$8.1 million and \$7.9 million in FY2014 and FY2015, respectively. The transfer from the Education Enhancement Tobacco Tax Fund to the general fund was \$7.4 million in FY2012 and \$7.8 million in FY2013, and is estimated to be \$7.9 million and \$7.7 million in FY2014 and FY2015, respectively.
- K Included in FY2012 one-time receipts is \$1.0 million transferred from the Tobacco Prevention and Reduction Trust Fund to the general fund due to HB 1251 passed by the 2011 Legislature. In addition, a reallocation of bank income from previous tax years increased the bank franchise tax collections by \$14.3 million on a one-time basis in FY2012. Also included are \$0.4 million from CREP savings, \$0.4 million from a securities settlement, \$0.4 million from refinancing gains, and \$9.8 million for unexpended carryovers and special appropriations.
- L Included in FY2013 one-time receipts are \$17.4 million in one-time unclaimed property receipts, \$2.4 million from miscellaneous national settlements, and \$1.7 million from refinancing gains. In addition, the 2013 Legislature passed HB 1060 which transferred \$4.1 million from the Tax Relief fund and \$1.8 million from the Budgetary Accounting fund to help offset the shortfall in the state employee health insurance. Also included in the one-time receipts is \$1.0 million transferred from the Tobacco and Prevention Reduction Trust fund, which was offset by a corresponding expense transfer, along with \$1.2 million from a one-time bank franchise tax correction from a prior fiscal year, and \$0.3 million from unexpended carryovers and special appropriations.
- M Included in FY2014 one-time receipts is \$54.5 million of one-time unclaimed property receipts. HB 1270, passed by the 2012 Legislature, changed the dormancy period for unclaimed property from 5 years to 3 years. Also included is a transfer of \$19.4 million of available cash from the large project refund liability account and \$4.0 million from an unexpended carryover.

- ^N HB 1269, passed by the 2012 Legislature, transferred \$20.2 million from the Budget Reserve Fund to the general fund to pay for 2011 flood and other disaster costs and for pine beetle suppression in the Black Hills through the Emergency and Disaster Fund and the Fire Suppression Fund.
- ^O In FY2014, the Governor is recommending using one-time funds to pay off higher interest debt to reduce future ongoing expenses. Included as part of the debt reduction plan, the Governor is recommending a transfer of \$19.6 million from the Property Tax Reserves to the general fund.

NOTES FOR EXPENDITURES, TRANSFERS, AND OBLIGATIONS AGAINST CASH SECTIONS

- ^P Includes \$7.1 million in FY2012, \$6.5 million in FY2013, \$5.8 million in FY2014, and \$5.4 million in FY2015 as appropriated to the Bureau of Administration and to the Bureau of Finance and Management to make lease payments pursuant to the leases entered into with the South Dakota Building Authority dated December 1, 1986.
- ^Q Includes expenditures of \$2.1 million in FY2012, \$2.0 million in FY2013, \$1.9 million in FY2014, and \$2.2 million in FY2015 due to legislation allowing the Department of Game, Fish, and Parks to make lease payments to the Building Authority. These are used to retire revenue bonds issued for the renovation and modernization of infrastructure at Custer State Park, the renovation and modernization of fish hatchery facilities, and for the Sioux Falls Outdoor Learning Center, and stabilization of the Cedar Shore Resort marina.
- ^R Includes expenditures of \$0.7 million in each fiscal year due to legislation passed in 2007 allowing the Board of Regents to make lease payments to the Building Authority. These are used to retire revenue bonds issued for critical maintenance and repair projects for the Board of Regents.
- ^S As part of the debt reduction plan recommended by the Governor, a savings of \$6.3 million has been incorporated in the FY2015 recommended budget. Reducing long-term debt with one-time funds allows the state to eliminate generally funded bond payments beginning in FY2015.
- ^T Includes continuous appropriations for fire premium tax refunds (SDCL 10-44-9.1) and the payment of special assessments (SDCL 5-14-20). Included is \$2.3 million in FY2012, \$2.4 million in FY2013, \$2.5 million in FY2014, and \$2.7 million in FY2015 for fire premium tax refunds and \$80,000 each fiscal year for payment of special assessments.
- ^U HB 1137 and SB 48, both passed during the 2012 legislative session, transferred \$1.0 million to the Cement Plant Retirement fund to reduce the liability shortfall and \$4.0 million to the Railroad Trust Fund for railroad projects in FY2012.
- ^V SB 197, passed during the 2012 legislative session, transferred \$0.2 million from the general fund to the Teen Court Grant Program Fund. HB 1060 and SB 90, which both passed during the 2013 Legislative session, amended the FY2013 General Appropriations Act and transferred \$6.6 million from the general fund for the following purposes: \$2.0 million to the Cement Plant Retirement Fund to reduce the liability shortfall, \$2.0 million to the Future Fund for economic development projects, \$1.0 million to the Department of Corrections Local & Endowment Fund for the Criminal Justice Initiative, \$1.0 million to the Tobacco Prevention and Reduction Trust Fund, \$0.5 million to Research Proof-of-Concept Fund for research commerce grants, and \$0.1 million to the Boxing Commission Fund for the South Dakota Athletic Commission.
- ^W HB 1185, which is the General Appropriations Act for FY2014, transferred \$7.0 million from the general fund for the following purposes: \$2.0 million to the Cement Plant Retirement Fund to reduce the liability shortfall, \$2.0 million to the SD Science and Technology Authority to rehabilitate the Ross shaft, \$2.0 million to the Future Fund for economic development projects, and \$1.0 million to the Railroad Trust Fund for railroad projects. SB 237, passed by the 2013 Legislature, authorized \$0.2 million to be transferred to the Board of Regents for the need-based matching program. In FY2014, the Governor is recommending a transfer of \$1.5 million from the general fund to the Health Special Services Fund for a reserve balance for the correctional health care program.
- ^X SB 233 and SB 237 passed by the 2013 Legislature allocated additional funds to the Education Enhancement Trust fund for the critical teaching needs scholarship program and the need-based matching program. The estimated amount of allocation for each program is \$54,826, for a total of \$0.1 million in FY2015.
- ^Y HB 1287, passed during the 1991 legislative session, provided that on July 1, 1991, \$20.0 million of the general fund ending unobligated cash balance from FY1991 be transferred into the Budget Reserve Fund. The maximum level of cash in the Budget Reserve Fund is limited to 10% of the general funds appropriated for the prior year in the General Appropriations Act. At the end of FY2012 and FY2013, \$47.8 million and \$24.2 million of unobligated general fund cash was obligated to the Budget Reserve Fund and transferred at the beginning of FY2013 and FY2014.
- ^Z SB 192, passed during the 2012 legislative session, obligated \$27.8 million of FY2012 cash and carried it forward to FY2013 to fund one-time special appropriations in FY2013. SB 90, passed during the 2013 legislative session, obligated \$1.0 million of FY2013 cash and carried it forward to FY2014. This obligated cash is reflected as a one-time receipt in FY2013 and FY2014.

GENERAL FUND RECEIPTS

	ACTUAL FY2012	ACTUAL FY2013	REVISED FY2014	PROJECTED FY2015
ONGOING RECEIPTS				
Sales and Use Tax	\$ 744,413,638	\$ 776,095,539	\$ 810,063,958	\$ 835,211,364
Contractor's Excise Tax	82,991,355	84,466,868	89,532,268	94,819,513
Alcohol Beverage Tax	10,186,442	10,456,399	10,710,395	10,974,543
Alcohol Beverage 2% Wholesale Tax	1,490,640	1,647,547	1,734,669	1,838,030
Cigarette Tax	30,000,000	30,000,000	30,000,000	30,000,000
Bank Franchise Tax	29,688,991	17,537,046	16,986,127	17,492,588
Insurance Company Tax	65,076,133	70,291,028	73,988,534	77,463,340
Licenses, Permits, and Fees	48,402,362	48,775,456	49,924,344	51,108,811
Investment Income and Interest	10,394,581	6,459,192	4,813,687	4,808,780
Charges for Goods and Services	10,203,592	11,144,224	10,873,747	10,867,028
Unclaimed Property Receipts	13,865,906	13,912,329	67,455,802	67,455,802
Net Transfers In	31,015,337	31,003,732	30,735,776	31,319,476
Trust Funds	30,345,686	27,235,040	28,375,768	30,513,526
Severance Taxes	10,441,940	7,690,588	6,613,045	6,111,125
Lottery	7,834,332	7,735,976	8,015,000	8,335,000
Property Tax Reduction Fund	102,441,742	107,261,166	108,053,338	110,176,855
Sale-Leaseback	7,111,219	6,465,087	5,838,681	5,236,813
SUBTOTAL (ONGOING RECEIPTS)	\$1,235,903,897	\$1,258,177,217	\$1,353,715,139	\$1,393,732,594
ONE-TIME RECEIPTS				
One-time Unclaimed Property Receipts	\$ 0	\$ 17,397,006	\$ 54,455,803	\$ 0
Transfer from Large Project Liability Account	0	0	19,424,586	0
Transfer from Tax Relief Fund	0	4,133,192	0	0
Miscellaneous Settlements	418,500	2,366,100	0	0
Transfer from Budgetary Accounting Fund	0	1,839,990	0	0
Refinancing Gains	396,295	1,738,786	0	0
Transfer from Tobacco Prev. and Red. Trust Fund	1,000,000	1,000,000	0	0
One-time Bank Franchise Tax	14,336,418	1,153,334	0	0
CREP Savings	400,000	0	0	0
Unexpended Carryovers and Specials	9,775,378	303,580	4,000,000	0
Transfer from Property Tax Reserves	0	0	19,626,221	0
Transfer from Budget Reserve Fund	20,155,015	0	0	0
Obligated Cash Carried Forward	0	75,655,964	25,216,171	0
SUBTOTAL (ONE-TIME RECEIPTS)	\$ 46,481,606	\$ 105,587,953	\$ 122,722,781	\$ 0
GRAND TOTAL	\$1,282,385,503	\$1,363,765,170	\$1,476,437,920	\$1,393,732,594

NOTE: The totals may not add due to rounding.

EXPLANATION OF ONGOING GENERAL FUND RECEIPTS

Sales and Use Tax (SDCL 10-45 and 10-46): A tax of 4% is imposed upon the gross receipts from selling, leasing, and renting tangible personal property and the sale of services. Starting January 1, 2006, all items subject to the state sales tax are taxed at 4% to conform to the Streamlined Sales Tax Project. A use tax of the same rate as the sales tax is imposed on goods and services that are used, stored, or consumed in South Dakota on which South Dakota sales tax was not paid. SB 262, passed by the 1994 Legislature, created the Sales and Use Tax Fund into which a portion of the sales tax is deposited to cover the Department of Revenue's cost of administering the tax. SB 63, passed by the 2003 Legislature, broadened the sales tax to include interstate telecommunication services. HB 1081, passed by the 2006 Legislature, exempted maintenance items used on agricultural machinery and equipment from the sales and use tax. HB 1154, passed by the 2006 Legislature, imposed an excise tax of 4% on the gross receipts from the sale of farm machinery, farm attachment units, and irrigation equipment. Municipal tax no longer applies to these sales.

Contractor's Excise Tax (SDCL 10-46A and 10-46B): An excise tax of 2% is imposed on the gross receipts of all prime contractors on construction projects. Subcontractor's gross receipts are not subject to the 2% tax if subcontractors are furnished a valid prime contractor's exemption certificate by the prime contractor for each specific job performed. The gross receipts of both prime contractors and subcontractors providing construction services or realty improvement projects for qualifying utilities are subject to a 2% excise tax.

Alcohol Beverage Tax (SDCL 35-5): This tax is computed and levied on all alcoholic beverages purchased, received, or imported from a distiller, manufacturer, or foreign wholesaler for sale to a retail dealer. The taxation rates are as follows: 1) \$8.50 per 31 gallon barrel (or a prorata share thereof) on malt beverages; 2) all light wines and diluted beverages (except sparkling wines and cider) having more than 3.2% and not more than 14% alcohol by weight, 93¢ per gallon; 3) all wines (except sparkling wines) having more than 14% and not more than 20% alcohol by weight, \$1.45 per gallon; 4) all wines (except sparkling wines) having more than 20% and not more than 24% alcohol by weight, and all sparkling wines containing alcohol, \$2.07 per gallon; 5) all cider having not more than 10% alcohol by weight, 28¢ per gallon; and, 6) all other alcoholic beverages, \$3.93 per gallon. The state receives 75% of the total tax collected, and 25% of the collections are returned to the municipalities.

Alcohol Beverage 2% Wholesale Tax (SDCL 35-5-6.1): This tax is in addition to the tax imposed by SDCL 35-5-3, and is levied at the rate of 2% of the purchase price upon the purchase of alcoholic beverages, except malt beverages, by a wholesaler from a distiller, manufacturer, or supplier.

Cigarette Tax (SDCL 10-50): In November 2006, the voters of South Dakota adopted Initiated Measure 2 which increased the cigarette tax on a 20 pack of cigarettes from \$0.53 to \$1.53. In addition, the tax on other tobacco products increased from 10% of the wholesale purchase price to 35% of the wholesale purchase price. The tax increase became effective January 1, 2007. The first \$30 million generated from this tax is deposited into the General Fund. The next \$5 million collected annually is deposited in the Tobacco Prevention and Reduction Trust Fund. Any tobacco tax revenue in excess of \$35 million is divided among the Property Tax Reduction Fund (33% share), the Education Enhancement Tobacco Tax Fund (33% share), and the Health Care Tobacco Tax Fund (34% share).

Bank Franchise Tax (SDCL 10-43): An annual tax is imposed on banks, financial institutions, and savings and loan associations based upon net income assignable to South Dakota. The tax rates are as follows: 1) 6% on net income of \$400 million or less; 2) 5% on net income exceeding \$400 million but equal to or less than \$425 million; 3) 4% on net income exceeding \$425 million but equal to or less than \$450 million; 4) 3% on net income exceeding \$450 million but equal to or less than \$475 million; 5) 2% on net income exceeding \$475 million but equal to or less than \$500 million; 6) 1% on net income exceeding \$500 million but equal to or less than \$600 million; 7) 0.5% on net income exceeding \$600 million but equal to or less than \$1.2 billion; and, 8) 0.25% on net income exceeding \$1.2 billion. Ninety-five percent of the taxes paid defined as credit card banks are deposited in the General Fund, and five percent of the taxes collected are returned to the county where the bank or financial institution is located. Twenty-six and two-thirds percent of all other revenues collected from the tax are deposited in the General Fund and seventy-three and one-third percent are remitted to the county where the bank or financial institution is located.

Insurance Company Tax (SDCL 10-44): A tax of 2.5% of premiums on policies insuring risks located in South Dakota is imposed on insurance companies. In addition, the insurer must also pay a tax of 0.5% of the gross premium receipts on all fire insurance business done in the state. The tax imposed on insurance companies for life insurance policies is 2.5% of premiums on the first \$100,000 of annual life premiums per policy, and 0.08% for that portion of the annual life premiums per policy exceeding \$100,000. A life insurance policy (other than credit life as defined in SDCL 58-19) of a face amount of \$7,000 or less is taxed at the rate of 1.25% of premiums. The tax imposed on insurance companies for annuities is 1.25% of the consideration for annuity contracts on the first \$500,000 of annual consideration per annuity contract, and 0.08% for that portion of the annual consideration per annuity contract exceeding \$500,000. Farm mutual insurers and fraternal benefit societies are exempt from insurance company taxes.

Licenses, Permits, and Fees: This receipt classification includes revenues received from the sales of a broad variety of licenses, permits, and filing fees that are assessed to defray administrative costs. State agencies collecting these revenues include the Departments of Agriculture, Health, Labor and Regulation, Public Safety, Social Services, Revenue, the Unified Judicial System, and the Secretary of State.

Investment Income and Interest: Revenues included in this category are from interest and the investment earnings of the general fund and nonparticipating funds in the Cash Flow Fund.

Charges for Goods and Services: Receipts included in this category are from charges made by institutions under the Department of Social Services; audit charges made by the Auditor General to state and local governments; child support collections paid back to the state received by the Department of Social Services; 35% of fines, penalties, and forfeitures collected on county, township, or municipal offenses; and other miscellaneous charges. Also, any receipts from the Inheritance and Estate Tax are included in the Charges for Goods and Services category.

Unclaimed Property Receipts (SDCL 43-41B): Receipts to the general fund from unclaimed property are the result of all funds in excess of \$50,000 that are receipted into the Unclaimed Property Trust Fund. Property is considered abandoned after

it has been unclaimed by the rightful owner for three years in South Dakota and must be submitted to the State Treasurer's office per state law. These unclaimed funds are a perpetual liability of the state of South Dakota and if the owner of such funds is identified, they must be paid to the rightful owner.

Net Transfers In: Receipts included in this category are general fund reimbursements by the Highway Fund; receipts from the Department of Game, Fish, and Parks; receipts from the Motor Vehicle Fund; the state's share of the Deadwood gaming revenue; the transfer from the Health Care Tobacco Tax Fund and the Education Enhancement Tobacco Tax Fund; lease payments to retire revenue bonds from various state agencies; and other miscellaneous receipts.

Trust Funds (SDCL 4-5-29.1, SDCL 4-5-29.2, and Article 13, Sections 20 and 21 of the State Constitution): Receipts included in this category are transfers from the Health Care Trust Fund, the Education Enhancement Trust Fund, and the Dakota Cement Trust Fund. Four percent of the market value is transferred from the Health Care Trust Fund and the Education Enhancement Trust Fund to the general fund as long as the principal of the trust funds is not invaded. The earnings from the Health Care Trust Fund are to be used for health care related programs, and the earnings from the Education Enhancement Trust Fund are to be used for education enhancement programs. Due to the passage of Constitutional Amendment O in the 2012 election, the transfer from the Dakota Cement Trust Fund to the general fund was changed from \$12 million each fiscal year to four percent of the market value, similar to the transfers from the Health Care Trust Fund and the Education Enhancement Trust Fund. This change took effect for the FY2013 transfer from the Dakota Cement Trust Fund.

Severance Taxes (SDCL 10-39 and 10-39A): A severance tax is imposed at the rate of \$4 per ounce of gold severed in South Dakota as well as an additional per ounce tax if the price of gold is in excess of \$800 per ounce. In addition, there is a tax of 10% of the net profits from the sale of precious metals severed. For persons severing precious metals that were in business in the state prior to January 1, 1981, 100% of the revenues collected are deposited in the General Fund. For persons permitted on or after January 1, 1981, for the purpose of severing precious metals, 80% of the revenues collected are deposited in the General Fund, and 20% are remitted to the county in which the precious metals were severed. Owners or operators of energy minerals must pay a tax equal to 4.5% of the taxable value of any energy minerals severed. One-half of the energy mineral severance taxes received are returned to the county where the energy minerals were severed and one-half are credited to the General Fund.

Lottery (SDCL 42-7A): Receipts under this classification include the general fund's share of revenues from the sale of instant and on-line lottery tickets. All of the net proceeds from the sale of instant lottery tickets are deposited in the General Fund. The first \$1.4 million of the net proceeds from the sale of online lottery tickets are deposited in the General Fund, and the remaining net proceeds are deposited in the Capital Construction Fund.

Property Tax Reduction Fund: The Property Tax Reduction Fund (PTRF) was created to fund property tax relief in South Dakota. SB 225, passed during the 1996 legislative session, provides that the Commissioner of the Bureau of Finance and Management may transfer monies available from the PTRF to the General Fund to provide property tax relief through state aid to education. Revenues deposited in the PTRF come from four sources: 1) 49.5% of video lottery net machine income; 2) 60% of the revenue from the 4% tax on the gross receipts of telecommunication services, which is imposed by HB 1104 passed by the 2003 Legislature; 3) 33% share of revenue generated from the tobacco tax in excess of \$35 million; and 4) unobligated cash remaining at the end of a fiscal year after the transfer into the Budget Reserve Fund, if the amount in the PTRF does not exceed 15% of the general fund appropriations in the General Appropriations Act for the previous fiscal year.

Sale-Leaseback: Receipts under this classification are derived from the annuity contract purchased with the proceeds from the sale of certificates of participation associated with the December 1986 sale-leaseback transaction.

EXPLANATION OF ONE-TIME GENERAL FUND RECEIPTS

One-time Unclaimed Property Receipts (FY2013 and FY2014): Mergers within the banking industry resulted in a large one-time increase of unclaimed property in FY2013, of which \$17.4 million is expected to be one-time. HB 1270, passed by the 2012 Legislature, changed the dormancy period for most unclaimed property from 5 years to 3 years. This change will result in 3 years of unclaimed property collections in FY2014, of which the one-time portion is estimated to be \$54.5 million.

Transfer from Tax Refund Construction Liability account (FY2014): In FY2014, the Governor is recommending a transfer of \$19.4 million from the Tax Refund Construction Liability account to pay outstanding bonds to reduce future ongoing expenses.

Transfer from Tax Relief Fund (FY2013): SB 196, passed by the 2010 Legislature, transferred \$1.0 million from the Tax Relief Fund to the general fund in FY2011 to help balance the budget. HB 1060, passed by the 2013 Legislature, transferred \$4.1 million from the tax relief in FY2013 to help fund the shortfall in the state health insurance program.

Misc. National Settlements (FY2012 and FY2013): This represents South Dakota's allocation of miscellaneous one-time national securities settlements in FY2012 and FY2013.

Transfer from Budgetary Accounting Fund (FY2013): HB 1060, passed by the 2013 Legislature, transferred \$1.8 million from the Budgetary Accounting Fund to the General Fund in FY2013 to help fund the shortfall in the state health insurance program.

Refinancing Gains (FY2012 and FY2013): This represents refunding gains from the South Dakota Building Authority by refinancing bonds.

Transfer from the Tobacco Prevention and Reduction Trust Fund (FY2012 and FY2013): HB 1251, passed by the 2011 Legislature, transferred \$1.0 million from the Tobacco Prevention and Reduction Trust fund to the General Fund to help balance the budget. In FY2013, a \$1.0 million transfer from the Tobacco Prevention and Reduction Trust Fund was transferred to the general fund but was offset by an equal transfer out of the general fund.

One-time Bank Franchise Tax (FY2012 and FY2013): This represents a one-time receipt of bank franchise tax due to a reallocation of bank income over prior tax years which were deemed allowable by the IRS. The reallocation of income caused a one-time increase in South Dakota's bank franchise tax of \$14.3 million in FY2012. In FY2013, a one-time \$1.2 million receipt of bank franchise tax was realized due to a prior period adjustment in bank franchise allocations.

CREP Savings (FY2012): This represents a one-time transfer from the South Dakota Building Authority as the Conservation Reserve Enhancement Program (CREP) bonds have been paid in full and these funds are no longer needed for the CREP program as the program is scheduled to end in November of 2013.

Unexpended Carryovers (FY2012, FY2013, and FY2014): Unexpended balances that revert to the General Fund from prior years for special appropriations and carryovers are reflected in receipts as unexpended carryovers and specials. Included in FY2014 is \$4.0 million that is expected to revert to the general fund from a prior year carryover.

Transfer from Property Tax Reserves (FY2014): In FY2014, the Governor is recommending a transfer of \$19.6 million from the Property Tax Reserves to help pay outstanding bonds in order to reduce future ongoing expenses.

Transfer from Budget Reserve Fund (FY2012): HB 1269, passed by the 2012 Legislature, transferred \$20.2 million from the Budget Reserve fund to the General Fund to cover emergency 2011 flood expenses and other outstanding disaster costs, as well as fund pine beetle suppression in Custer State Park and other privately owned land in the Black Hills.

Obligated Cash Carried Forward: This is the amount of prior year cash carried forward to meet obligations that existed at the end of the previous year. SB 192, passed by the 2012 Legislature, obligated \$27.8 million of FY2012 cash which was used to fund FY2013 one-time expenses. In addition, \$47.8 million of FY2012 cash was obligated and transferred to the Budget Reserve Fund in FY2013 as required by state law. The \$75.7 million total of FY2012 obligated cash was carried forward to FY2013 as one-time revenue. SB 90, passed by the 2013 Legislature, obligated \$1.0 million of FY2013 cash and carried it forward to FY2014. In addition, \$24.2 million of FY2013 cash was obligated and transferred to the Budget Reserve Fund in FY2014 per state law. This \$25.2 million of FY2013 cash was carried forward to FY2014 as one-time revenue.

**SOUTH DAKOTA DEPARTMENT OF TRANSPORTATION
HIGHWAY FUND CONDITION STATEMENT**

	ACTUAL FY2012	ACTUAL FY2013	PROJECTED FY2014	PROJECTED FY2015
Taxes	190,902,510	205,443,161	201,913,000	205,514,000
Motor Fuel Tax	122,260,728	132,792,532	127,083,000	128,439,000
3% Vehicle Excise Tax	68,641,782	72,650,629	74,830,000	77,075,000
Licenses, Permits & Fees	5,367,934	5,113,626	5,329,486	5,329,486
Logo Sign Fees	286,312	292,094	300,000	300,000
Tourist Oriented Directional Signs	42,237	31,412	35,000	35,000
Billboard Permits	90,941	83,737	85,000	85,000
Special Highway Permits	4,496,470	4,263,436	4,783,647	4,783,647
Miscellaneous Prorate Fees	451,974	442,946	125,839	125,839
Rev/Use of Money/Property	3,788,908	2,844,984	3,246,436	3,246,436
Dividends & Interest	2,710,013	2,060,575	2,250,000	2,250,000
Rent	29,244	28,469	28,000	28,000
Interest Collected by Dept. of Rev.	506,384	379,735	500,000	500,000
Federal	543,267	376,204	468,436	468,436
Charges for Sales & Services	528,624	419,949	1,114,424	1,114,424
Administered Program Revenues	355,481,701	336,656,040	354,147,466	354,712,466
Project Reimbursements	9,326,910	9,307,809	8,000,000	8,565,000
Federal	346,154,791	327,348,231	346,147,466	346,147,466
Other Revenues	1,777,419	1,761,744	1,590,750	1,590,750
Misc. Collections	255,930	204,377	70,000	70,000
Depreciation Recovery	913,218	951,436	1,000,000	1,000,000
Damage Collections	604,401	599,154	515,000	515,000
Other Revenue	3,870	6,777	5,750	5,750
Nonoperating Revenues	10,229,218	13,021,918	9,750,000	9,750,000
TOTAL REVENUE	\$568,076,313	\$565,261,421	\$577,091,562	\$581,257,562
Salaries	42,249,712	43,425,423	48,361,391	50,779,461
Benefits	11,852,251	13,605,284	16,047,667	16,850,050
Travel	1,230,315	1,220,678	1,530,776	1,530,776
Contractual Services	16,477,519	18,958,105	22,237,036	22,468,047
Supplies	22,194,933	20,751,887	24,705,689	24,793,666
Grants	12,530,413	10,885,142	17,404,634	17,404,634
Capital Outlay	21,916,616	19,690,860	26,036,667	27,038,367
Other	59,411	1,312	0	0
Transfers Out	2,037,618	1,175,269	1,033,269	1,033,269
Public Safety	15,143,290	16,694,426	18,017,353	18,892,193
Radio Communications	2,335,749	2,735,312	2,806,017	2,993,936
Governors Office	93,637	96,446	99,339	102,319
Highway Construction Contracts	421,813,925	427,528,816	388,776,219	388,776,219
Maintenance Contracts	11,388,123	6,760,825	13,318,615	13,318,615
TOTAL EXPENDITURES	\$581,323,512	\$583,529,784	\$580,374,672	\$585,981,552
NET CHANGE (Pay/Rec)	(\$4,115,842)	\$3,935,196	\$0	\$0
NET (Receipts less Disbursements)	(\$13,247,199)	(\$18,268,364)	(\$3,283,110)	(\$4,723,990)
BEGINNING CASH BALANCE	\$113,388,793	\$96,025,752	\$81,692,584	\$78,409,474
NET CHANGE IN FUND BALANCE	(\$17,363,041)	(\$14,333,168)	(\$3,283,110)	(\$4,723,990)
ENDING CASH BALANCE	\$96,025,752	\$81,692,584	\$78,409,474	\$73,685,484

SOUTH DAKOTA DEPARTMENT OF GAME, FISH AND PARKS
GAME AND FISH FUND CONDITION STATEMENT

	ACTUAL FY2012	ACTUAL FY2013	PROJECTED FY2014	PROJECTED FY2015
Licenses, Permits & Fees	28,950,110	27,302,796	27,287,000	28,900,000
Fines, Forfeits, and Penalties	0	2,788	0	0
Rev/Use of Money/Property	1,031,706	665,188	600,000	750,000
Charges for Sales & Services	205,905	123,142	125,000	125,000
Administered Program Revenues	13,907,450	14,102,449	16,347,560	16,115,000
Other Revenues	146,851	235,724	240,000	240,000
Nonoperating Revenues	7,146,511	1,661,611	1,533,354	1,075,000
TOTAL RECEIPTS	\$51,388,533	\$44,093,698	\$46,132,914	\$47,205,000
Salaries	11,803,274	11,569,116	12,065,000	12,547,000
Benefits	3,523,981	3,776,780	4,150,000	4,370,000
Travel	612,322	620,192	625,000	625,000
Contractual Services	13,846,179	13,540,539	13,560,000	13,675,000
Supplies	3,450,272	3,483,448	3,492,500	3,495,000
Grants	2,105,927	1,970,080	2,000,000	2,000,000
Capital Outlay	7,033,695	4,957,097	3,397,000	3,914,500
Other	22,958	42,725	38,000	38,000
Operating Transfers Out	12,223,741	6,699,169	6,039,895	6,035,000
TOTAL DISBURSEMENTS	\$54,622,349	\$46,659,146	\$45,367,395	\$46,699,500
NET (Receipts less Disbursements)	(\$3,233,816)	(\$2,565,448)	\$765,519	\$505,500
BEGINNING CASH BALANCE	\$12,047,031	\$8,813,215	\$6,247,767	\$7,013,286
ENDING CASH BALANCE	\$8,813,215	\$6,247,767	\$7,013,286	\$7,518,786

By law, revenue generated by license sales and other miscellaneous sources is dedicated for specific services which are delivered by programs in the Division of Wildlife. Current law authorizes the Game, Fish and Parks Commission to appropriate and expend revenue receipted into this fund. A detailed annual report is available upon request to the Department of Game, Fish and Parks, Foss Building, Pierre, SD 57501.

Revenue estimates for FY2014 and FY2015 represent calendar year estimates instead of fiscal year estimates. Historically, the Game, Fish and Parks Commission has had to rely solely on the revenue generated to the Game, Fish and Parks Fund to fund the activities it is charged with. In order to have adequate management information to react to license sales and their effect on funding available, the Commission established the calendar year revenue budget. At the end of a calendar year the Commission has sufficient information on license sales to determine if adjustments to the budget are necessary to maintain solvency.

Each year an amount designated in the General Appropriations Bill for the use of the State Radio Network is transferred from this fund to the General Fund. Other transfers consist of the fund's support for the Division of Administration, the Animal Damage Control Fund, and the Land Acquisition Fund.

SCHOOL AND PUBLIC LANDS FUND -- PROJECTED REVENUES FOR HIGHER EDUCATION
September 2013

	BHSU	DSU	NSU	SDSMT	SDSU	USD	UNIVERSITIES	AG EXP.	SDSD	SDSBVI	TOTAL
FY13 Beginning Cash Balance	866.31	695.23	194.32	123.25	1,588.01	651.29	4,118.41	0.00	464,493.83	201,562.95	670,175.19
Interest Proration	70,252.70	17,083.81	61,191.66	60,979.88	157,919.81	103,901.42	471,329.28	43,012.54	15,162.74	15,822.10	545,326.66
Payments/Surface Leasing & CRP	80,654.07	133,822.96	99,745.05	50,264.79	323,175.37	95,900.53	783,562.77	15,511.89	67,772.96	68,364.18	935,211.80
Mineral Monies	22,453.23	22,453.23	22,456.29	16,841.73	67,355.82	36,239.05	187,799.35	10,526.83	16,841.70	10,525.72	225,693.60
State Investment Council Interest	56.59	97.17	33.49	20.04	243.15	0.00	450.44	82.46	0.00	0.00	532.90
Total Revenue for FY13	173,416.59	173,457.17	183,426.49	128,106.44	548,694.15	236,041.00	1,443,141.84	69,133.72	99,777.40	94,712.00	1,706,764.96
Total Cash Available:	174,282.90	174,152.40	183,620.81	128,229.69	550,282.16	236,692.29	1,447,260.25	69,133.72	564,271.23	296,274.95	2,376,940.15
FY13 Expenditures	(173,360.00)	(173,360.00)	(183,393.00)	(128,229.69)	(548,451.00)	(236,041.00)	(1,442,834.69)	(69,133.72)	(96,519.21)	(93,886.64)	(1,702,374.26)
FY13 Unobligated Ending Cash	922.90	792.40	227.81	0.00	1,831.16	651.29	4,425.56	0.00	467,752.02	202,388.31	674,565.89
FY14 Beginning Cash Balance	922.90	792.40	227.81	0.00	1,831.16	651.29	4,425.56	0.00	467,752.02	202,388.31	674,565.89
Interest Proration	70,253.00	17,084.00	61,192.00	60,980.00	157,920.00	103,901.00	471,330.00	51,206.00	15,163.00	15,822.00	553,521.00
Payments/Surface Leasing & CRP	79,731.10	133,030.60	99,517.19	55,200.00	321,343.84	95,249.71	784,072.44	15,512.00	67,773.00	68,364.00	935,721.44
Mineral Monies	22,453.00	22,453.00	22,456.00	16,842.00	67,356.00	36,239.00	187,799.00	10,527.00	16,842.00	10,526.00	225,694.00
State Investment Council Interest	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Projected Revenue for FY14	172,437.10	172,567.60	183,165.19	133,022.00	546,619.84	235,389.71	1,443,201.44	77,245.00	99,778.00	94,712.00	1,714,936.44
Total Cash Available:	173,360.00	173,360.00	183,393.00	133,022.00	548,451.00	236,041.00	1,447,627.00	77,245.00	567,530.02	297,100.31	2,389,502.33
Projected FY14 Expenditures	(173,360.00)	(173,360.00)	(183,393.00)	(133,022.00)	(548,451.00)	(236,041.00)	(1,447,627.00)	(77,245.00)	(567,530.02)	(297,100.31)	(2,389,502.33)
FY14 Proj. Unobligated Ending Cash	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FY15 Beginning Cash Balance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Interest Proration	70,253.00	17,084.00	61,192.00	60,980.00	157,920.00	103,901.00	471,330.00	59,399.00	15,163.00	15,822.00	561,714.00
Payments/Surface Leasing & CRP	80,654.00	133,823.00	99,745.00	55,200.00	323,175.00	95,901.00	788,498.00	7,319.00	67,773.00	68,364.00	931,954.00
Mineral Monies	22,453.00	22,453.00	22,456.00	16,842.00	67,356.00	36,239.00	187,799.00	10,527.00	16,842.00	10,526.00	225,694.00
State Investment Council Interest	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Projected Revenue for FY15	173,360.00	173,360.00	183,393.00	133,022.00	548,451.00	236,041.00	1,447,627.00	77,245.00	99,778.00	94,712.00	1,719,362.00
Total Cash Available:	173,360.00	173,360.00	183,393.00	133,022.00	548,451.00	236,041.00	1,447,627.00	77,245.00	99,778.00	94,712.00	1,719,362.00
Projected FY15 Expenditures	(173,360.00)	(173,360.00)	(183,393.00)	(133,022.00)	(548,451.00)	(236,041.00)	(1,447,627.00)	(77,245.00)	(99,778.00)	(94,712.00)	(1,719,362.00)
FY15 Proj. Unobligated Ending Cash	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Board of Regents
HEFF Cash Flow Statement
September 2013

Fiscal Year	Beginning Balance July	Net 20% Tuition	M&R Fee Revenue	Interest Revenue	Total Revenue	FY M&R Expenditures	Lease Payment	Total Expenditures	Obligated Unexpended	Ending Cash	Unobligated Funds
2013	19,507,376	24,758,500	2,200,046	812,123	27,770,669	10,431,292	12,906,638	23,337,930	8,756,481	23,940,116	15,183,635
2014	23,940,116	25,719,130	2,202,933	767,345	28,689,408	22,159,341	16,086,205	38,245,546	0	14,383,979	14,383,979
2015	14,383,979	25,204,747	2,200,871	735,359	28,140,977	14,259,883	14,607,737	28,867,620	0	13,657,336	13,657,336
2016	13,657,336	26,182,691	2,201,902	706,293	29,090,887	15,168,831	16,472,874	31,641,705	0	11,106,518	11,106,518
2017	11,106,518	27,753,653	2,200,613	604,261	30,558,527	16,127,705	16,086,312	32,214,017	0	9,451,028	9,451,028
2018	9,451,028	29,418,872	2,202,160	538,041	32,159,073	17,144,998	16,092,235	33,237,234	0	8,372,867	8,372,867
2019	8,372,867	31,184,004	2,201,129	494,915	33,880,048	18,224,170	16,081,397	34,305,567	0	7,947,348	7,947,348
2020	7,947,348	33,055,045	2,202,675	477,894	35,735,614	19,368,074	18,849,117	38,217,191	0	5,465,771	5,465,771
2021	5,465,771	35,038,347	2,201,387	378,631	37,618,365	20,581,056	18,312,392	38,893,448	0	4,190,688	4,190,688
2022	4,190,688	37,140,648	2,201,232	327,628	39,669,508	21,868,249	18,322,779	40,191,028	0	3,669,167	3,669,167
2023	3,669,167	39,369,087	2,202,139	306,767	41,877,993	23,233,414	18,302,598	41,536,012	0	4,011,148	4,011,148
2024	4,011,148	41,731,232	2,204,381	320,446	44,256,059	24,677,574	18,323,806	43,001,381	0	5,265,827	5,265,827
2025	5,265,827	44,235,106	2,203,840	370,633	46,809,579	26,210,968	18,130,651	44,341,620	0	7,733,787	7,733,787
2026	7,733,787	46,889,213	2,203,840	469,351	49,562,404	27,832,859	18,134,005	45,966,864	0	11,329,327	11,329,327
2027	11,329,327	49,702,565	2,203,840	613,173	52,519,578	30,746,880	16,949,586	47,696,467	0	16,152,439	16,152,439
2028	16,152,439	52,684,719	2,203,840	806,098	55,694,657	32,571,061	16,335,520	48,906,581	0	22,940,515	22,940,515
2029	22,940,515	55,845,802	2,203,840	1,077,621	59,127,263	34,504,693	16,327,415	50,832,107	0	31,235,671	31,235,671
2030	31,235,671	59,196,551	2,203,840	1,409,427	62,809,817	36,554,342	15,343,864	51,898,207	0	42,147,281	42,147,281

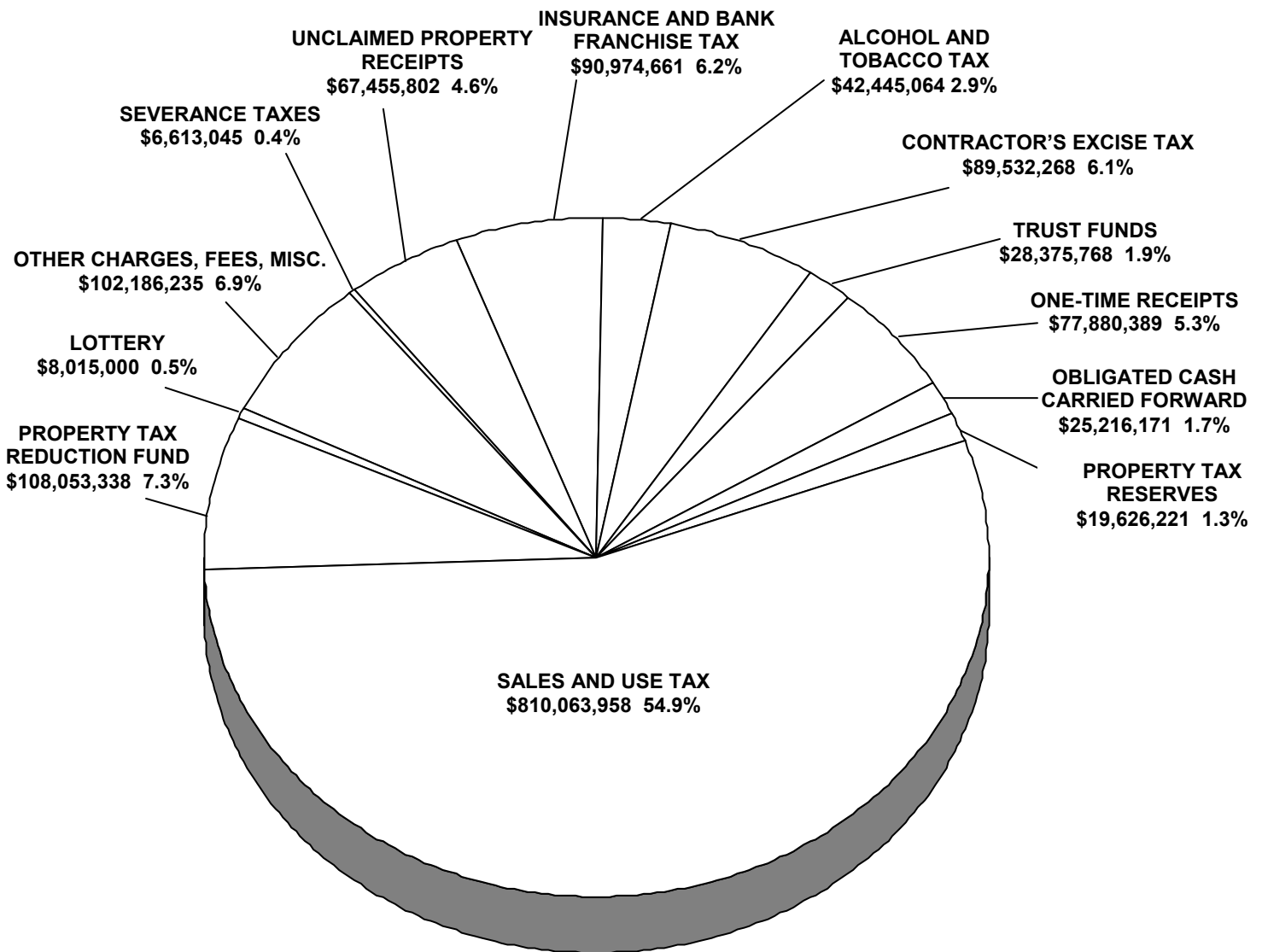
1. Assumes a 4.0% interest earnings calculation based on the ending cash balance plus \$4,000,000 for unexpended M&R funds.

2. Assumes stable enrollments and an annual tuition increase of 6%, except for FY15 which is 0%.

3. Assumes funding \$56,960,000 in capital projects in FY2014, \$6.0M in FY15, and \$42,040,000 in FY2020 that will be debt financed through SDBA.

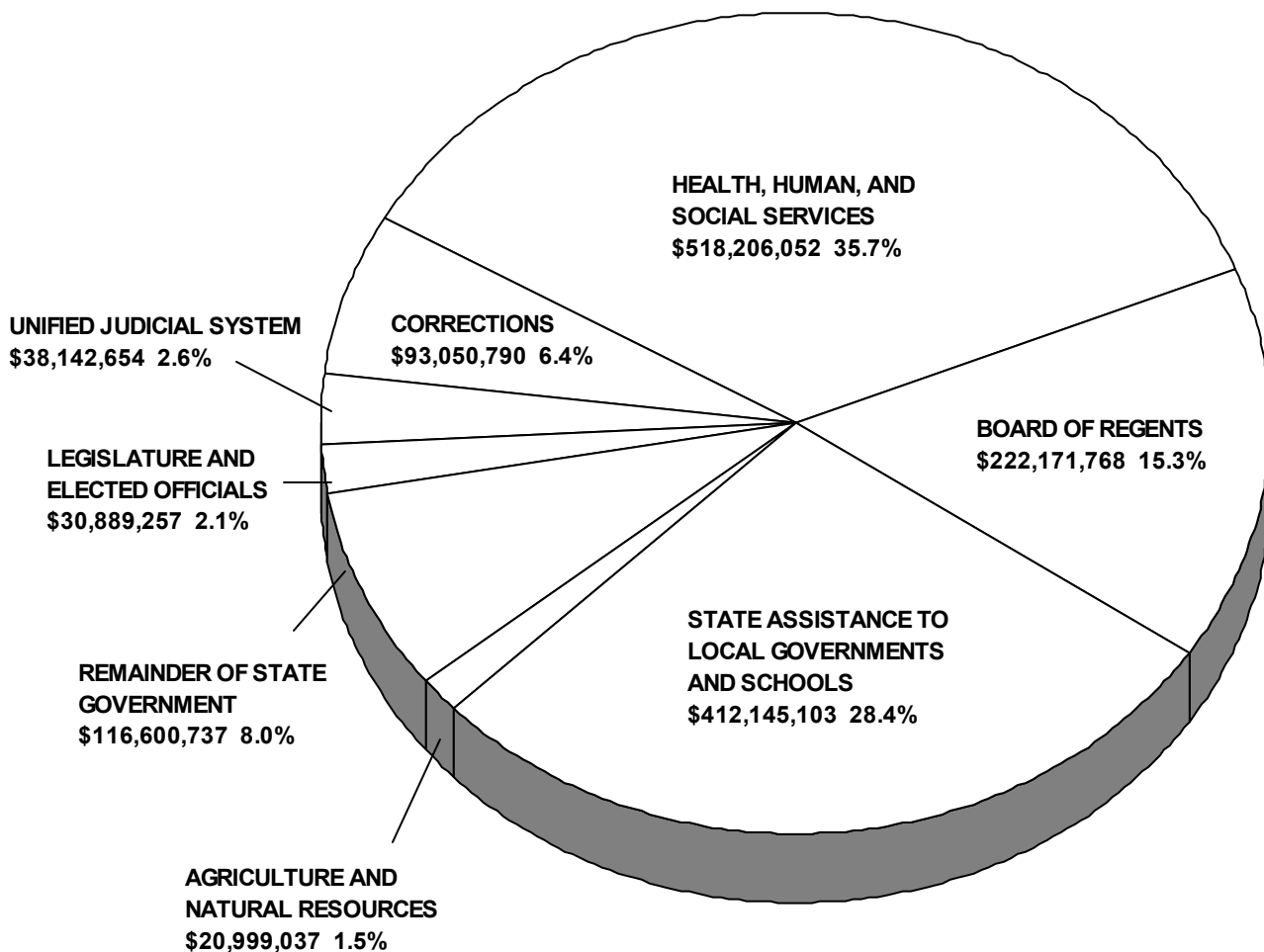
4. All figures for periods after June 30, 2013 (FY13) are estimates.

FY 2014 GENERAL FUND RECEIPTS



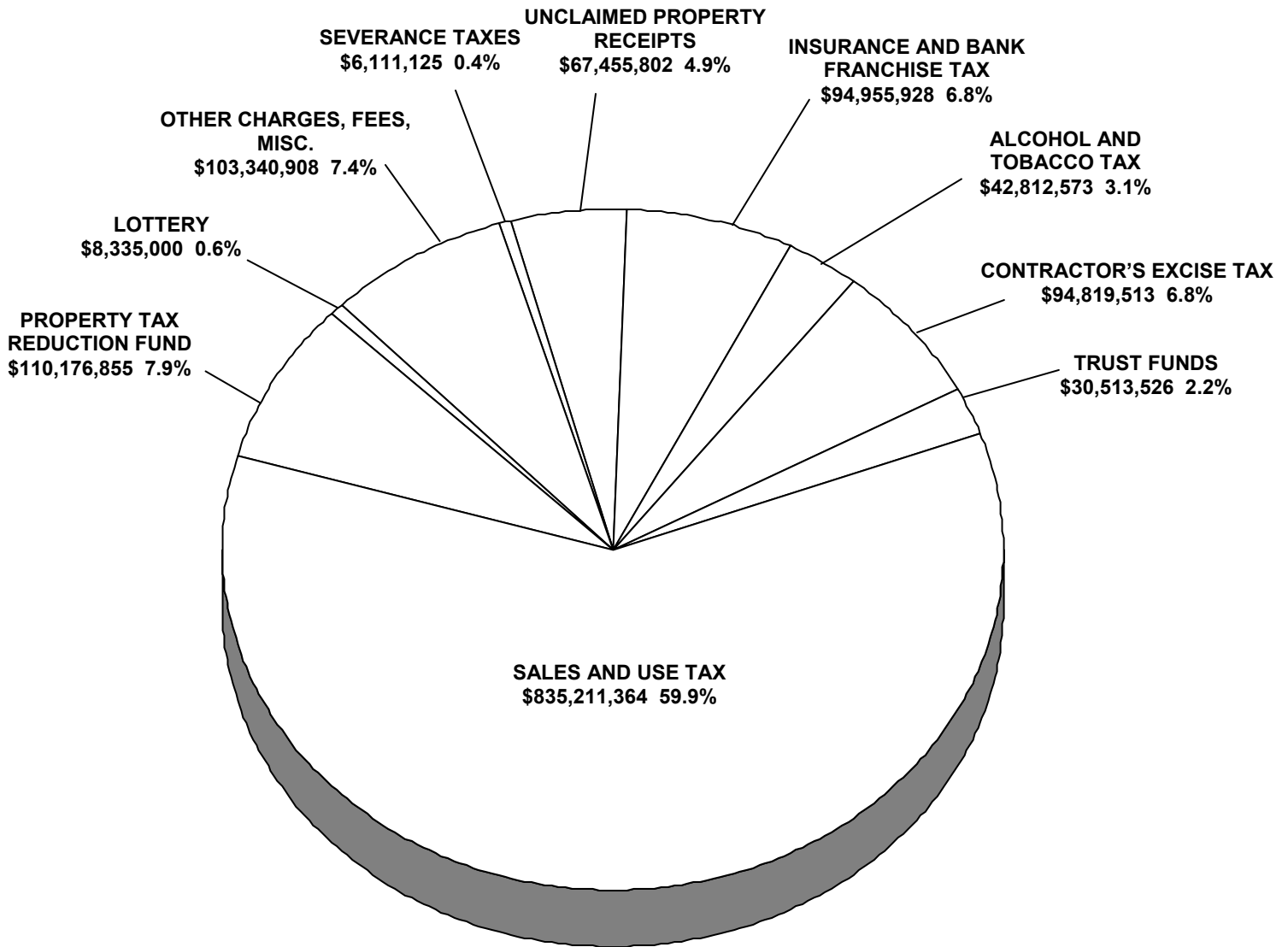
GENERAL FUND TOTAL: \$1,476,437,920

FY 2014 GENERAL FUND EXPENDITURES



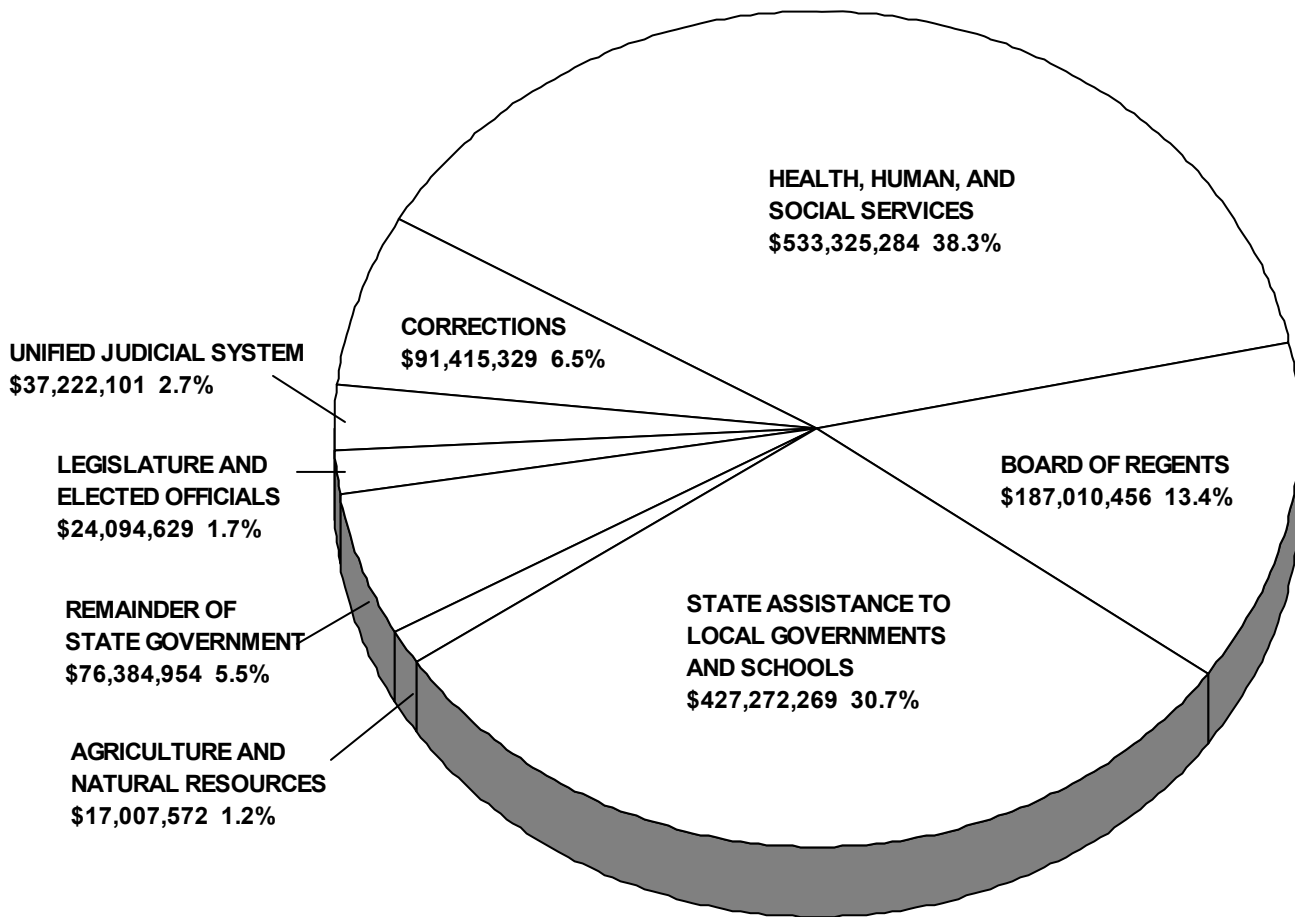
GENERAL FUND TOTAL: \$1,452,205,398

FY 2015 GENERAL FUND RECEIPTS



GENERAL FUND TOTAL: \$1,393,732,594

FY 2015 GENERAL FUND EXPENDITURES



GENERAL FUND TOTAL: \$1,393,732,594

SPECIAL APPROPRIATION RECOMMENDATIONS

FY2015 EXPENDITURE TRANSFERS	FTE	GENERAL FUNDS	FEDERAL FUNDS	OTHER FUNDS	TOTAL
Need-based Grant Fund		\$ 54,826			\$ 54,826
Critical Teaching Needs Fund		\$ 54,826			\$ 54,826
TOTAL FY2015 EXPENDITURE TRANSFERS		\$ 109,652	\$ -	\$ -	\$ 109,652

NOTE: FY2015 expenditure transfers become available for expenditure on July 1, 2014, and are included in the FY2015 column of the General Fund Condition Statement.

Governor Daugaard is recommending total expenditure transfers of \$109,652 in general funds. The following paragraphs highlight each recommended expenditure transfer.

- ◆ ***Need-based Grant Fund:*** The Governor is recommending \$54,826 in general funds be transferred to the Need-based Grant Fund per SB237 that was passed by the 2013 Legislature.
- ◆ ***Critical Teaching Needs Fund:*** The Governor is recommending \$54,826 in general funds be transferred to the Need-based Grant Fund per SB233 that was passed by the 2013 Legislature.

FY2014 EMERGENCY SPECIAL APPROPRIATIONS	FTE	GENERAL FUNDS	FEDERAL FUNDS	OTHER FUNDS	TOTAL
Extinguishing Debt		\$ 58,132,054			\$ 58,132,054
Prefund Building South Dakota		\$ 30,000,000			\$ 30,000,000
Cash vs. Borrowing for State Veterans' Home		\$ 16,365,044			\$ 16,365,044
Eliminate UAAL for Cement Plant Retirement Fund		\$ 5,598,495			\$ 5,598,495
SDSU Swine Facility construction		\$ 2,037,000			\$ 2,037,000
Public Safety Building construction		\$ 1,400,000		\$ 300,000	\$ 1,700,000
Missouri River Rail Bridge construction		\$ 1,200,000			\$ 1,200,000
Healthcare Provider Loan Fund		\$ 1,000,000			\$ 1,000,000
New South Dakotans/Dakota Roots		\$ 500,000			\$ 500,000
Tax Refunds for Elderly and Disabled Persons		\$ 450,000			\$ 450,000
Mountain Pine Beetle treatment		\$ 350,000			\$ 350,000
Watertown Armory		\$ 151,768			\$ 151,768
Rural Healthcare Recruitment Assistance Program		\$ 94,167			\$ 94,167
Water Omnibus bill			\$ 200,000	\$ 16,650,000	\$ 16,850,000
Conservation grant				\$ 500,000	\$ 500,000
TOTAL FY2014 EMERGENCY SPECIAL APPROPRIATIONS	0.0	\$ 117,278,528	\$ 200,000	\$ 17,450,000	\$ 134,928,528

NOTE: FY2014 emergency special appropriations become available for expenditure upon passage of the bill and are included in the FY2014 column of the General Fund Condition Statement.

Governor Dugaard is recommending total emergency special appropriations of \$117,278,528 in general funds, \$200,000 in federal fund expenditure authority, and \$17,450,000 in other fund expenditure authority. The following paragraphs highlight each recommended emergency special appropriation.

- ◆ **Extinguishing Debt:** The Governor is recommending \$58,132,054 in general funds to pay off the bond payment debt remaining on the following facilities: the Division of Criminal Investigation Building (\$6,040,293), the Human Services Center (HSC) (\$11,018,853), the Board of Regents Science Research Facilities (\$32,465,540), and the HSC Dietary Building (\$8,607,368).
- ◆ **Prefund Building South Dakota:** The Governor is recommending \$30,000,000 in general funds to provide a \$10 million transfer each year to the Building South Dakota fund for FY2015, FY2016, and FY2017, thus removing the need for ongoing funding for these years.
- ◆ **Cash vs. Borrowing for State Veterans' Home:** The Governor is recommending \$16,365,044 in general funds for the Department of Veterans' Affairs for the construction of the new State Veterans' Home.
- ◆ **Eliminate Unfunded Actuarial Accrued Liability for Cement Plant Retirement Fund:** The Governor is recommending \$5,598,495 in general funds to pay off the unfunded actuarial accrued liability in the Cement Plant Retirement Fund.
- ◆ **SDSU Swine Facility construction:** The Governor is recommending an increase of \$2,037,000 in general funds to assist in funding the swine teaching and research facilities at South Dakota State University.
- ◆ **Public Safety Building construction:** The Governor is recommending \$1,400,000 in general funds and \$300,000 in other fund expenditure authority for the Department of Public Safety to build a Public Safety building in Rapid City.
- ◆ **Missouri River Rail Bridge construction:** The Governor is recommending \$1,200,000 in general funds to repair the railroad bridge over the Missouri River at Chamberlain, which is imperative for the further build out of rail west of Chamberlain.
- ◆ **Healthcare Provider Loan Fund:** The Governor is recommending \$1,000,000 for the Healthcare Provider Loan Fund to allow for healthcare facilities to make investments in infrastructure.
- ◆ **New South Dakotans/Dakota Roots:** The Governor is recommending \$500,000 in general funds for the Dakota Roots program to attract out-of-state citizens to live and work in South Dakota.
- ◆ **Tax Refunds for Elderly and Disabled Persons:** The Governor is recommending \$450,000 in general funds for tax refunds for elderly and disabled individuals who meet income guidelines.
- ◆ **Mountain Pine Beetle treatment:** The Governor is recommending \$350,000 in general funds for the Fire Suppression Fund for pine beetle suppression on state lands within the Black Hills.
- ◆ **Watertown Armory:** The Governor is recommending \$151,768 in general funds for the Department of Military to purchase 25.6 acres from the Department of Transportation. This purchase would provide a new Unit Training and Equipment Site for the existing armory.
- ◆ **Rural Healthcare Recruitment Assistance Program:** The Governor is recommending \$94,167 in general funds to reimburse one participant who has complied with the requirements of the Rural Healthcare Recruitment Assistance program per SDCL 34-12G.

- ◆ ***Water Omnibus bill:*** The Governor is recommending \$200,000 in federal fund expenditure authority and \$16,650,000 in other fund expenditure authority for water development, solid waste, and water quality improvement projects throughout the state.
- ◆ ***Conservation grant:*** The Governor is recommending \$500,000 in other fund expenditure authority for the continued assistance of promoting conservation practices to reduce erosion, improve cropland and grazing conditions, improve surface water, and enhance habitat.

FY2014 GENERAL BILL AMENDMENTS	FTE	GENERAL FUNDS	FEDERAL FUNDS	OTHER FUNDS	TOTAL
State Employee Health Insurance shortfall		\$ 8,778,258	\$ 5,051,180	\$ 9,489,517	\$ 23,318,955
State Employee Health Insurance reserve		\$ 1,145,433	\$ 659,460	\$ 1,238,909	\$ 3,043,802
BOR Health Insurance tuition shortfall		\$ 2,600,000			\$ 2,600,000
Correctional Healthcare shortfall		\$ 2,000,000		\$ 2,000,000	\$ 4,000,000
Revised Utility projections		\$ 780,243	\$ 175,286	\$ 23,615	\$ 979,144
Internal Service rates		\$ 743,113	\$ 531,188	\$ 883,966	\$ 2,158,267
K-12 Technology upgrades		\$ 600,000			\$ 600,000
DOE E-grant system		\$ 500,000			\$ 500,000
BOR CAFR Technology upgrades		\$ 235,250			\$ 235,250
DOE Teacher Evaluation		\$ 194,360			\$ 194,360
DOH Infant Mortality Initiative		\$ 100,000			\$ 100,000
Black Hills Playhouse Wastewater reduction		\$ 47,000			\$ 47,000
BOR South Dakota Opportunity Scholarship funding		\$ 41,833			\$ 41,833
DOR Productivity study		\$ 37,500			\$ 37,500
DOE State Aid revision		\$ (5,874,773)			\$ (5,874,773)
DSS Medicaid Eligibles revision		\$ (6,086,570)	\$ (7,820,222)		\$ (13,906,792)
BOR NSU Federal Title III grant	4.0		\$ 320,000		\$ 320,000
BFM Financial Systems Accountant	0.5				\$ -
TOTAL FY2014 GENERAL BILL AMENDMENTS	4.5	\$ 5,841,647	\$ (1,083,108)	\$ 13,636,007	\$ 18,394,546

NOTE: FY2014 general bill amendments are changes needing to be made to the FY2014 General Appropriations Act and are included in the FY2014 column of the General Fund Condition Statement.

Governor Daugaard is recommending total general bill amendments of \$5,841,647 in general funds, (\$1,083,108) in federal fund expenditure authority, \$13,636,007 in other fund expenditure authority, and 4.5 FTE. The following paragraphs highlight the recommended changes to the FY2014 General Bill.

- ◆ **State Employee Health Insurance shortfall:** The Governor is recommending \$8,778,258 in general funds, \$5,051,180 in federal fund expenditure authority, and \$9,489,517 in other fund expenditure authority to pay for increased healthcare costs.
- ◆ **State Employee Health Insurance reserve:** The Governor is recommending \$1,145,433 in general funds, \$659,460 in federal fund expenditure authority, and \$1,238,909 in other fund expenditure authority to create a reserve in the State Employee Health Insurance program.
- ◆ **BOR Health Insurance tuition shortfall:** The Governor is recommending an increase of \$2,600,000 in general funds to help pay for the Board of Regents tuition portion of the increased state employee health insurance costs for FY2014.
- ◆ **Correctional Healthcare shortfall:** The Governor is recommending \$2,000,000 in general funds to cover the shortfall in Correctional Health due to costs associated with significant inmate healthcare events.
- ◆ **Revised Utility projections:** The Governor is recommending \$780,243 in general funds, \$175,286 in federal fund expenditure authority, and \$23,615 in other fund expenditure authority due to utility costs being higher than originally projected.
- ◆ **Internal Service rates:** The Governor is recommending increases of \$743,113 in general funds, \$531,188 in federal fund expenditure authority, and \$883,966 in other fund expenditure authority throughout State Government due to increases in internal service rates charged by the bureaus. These rates are increasing due to increases in health insurance rates, utilities projections, and anticipated operating expenses.
- ◆ **K-12 Technology upgrades:** The Governor is recommending \$600,000 in general funds to upgrade servers and other infrastructure at the K-12 data center to support the technology in schools budget.
- ◆ **DOE E-grant system:** The Governor is recommending \$500,000 in general funds to purchase a new E-grant system in the Department of Education which is used to manage federal grants with the K-12 schools and will assist in the completion of the annual financial reports within a required 6-month time frame.
- ◆ **BOR CAFR Technology upgrades:** The Governor is recommending \$235,250 in general funds for technology upgrades to assist with an aggressive initiative to complete the comprehensive annual financial reports within a required 6-month time frame.
- ◆ **DOE Teacher Evaluation:** The Governor is recommending \$194,360 in general funds to pay for additional costs of the teacher evaluation software due to higher demand from the school districts throughout the state.
- ◆ **DOH Infant Mortality Initiative:** The Governor is recommending \$100,000 in general funds for the Safe Sleep/Cribs for Kids program.
- ◆ **Black Hills Playhouse Waste Water reduction:** The Governor is recommending \$47,000 in general funds to reduce waste water generated at the Black Hills Playhouse, which is overloading the Game, Fish, & Parks owned leaching system.
- ◆ **BOR South Dakota Opportunity Scholarship funding:** The Governor is recommending \$41,833 in general funds to fund the projected shortfall in the South Dakota Opportunity Scholarship.

- ◆ **DOR Productivity study:** The Governor is recommending \$37,500 to pay for transitional costs of the agriculture productivity study that is conducted by SDSU each year per state law.
- ◆ **DOE State Aid revision:** The Governor is recommending a decrease of \$5,874,773 in general funds in state aid to general education due to actual property valuation growth being higher than budgeted in FY2014.
- ◆ **DSS Medicaid Eligibles revision:** The Governor is recommending decreases of \$6,086,570 in general funds and \$7,820,222 in federal fund expenditure authority due to updated projections which estimate fewer Medicaid eligibles than previously anticipated.
- ◆ **BOR NSU Federal Title III grant:** The Governor is recommending \$320,000 in federal fund expenditure authority and 4.0 FTE for a Title III grant that Northern State University was recently awarded.
- ◆ **BFM Financial Systems Accountant:** The Governor is recommending an increase of 0.5 FTE in the Bureau of Finance and Management for a Financial Systems Accountant.

FY2014 EXPENDITURE TRANSFERS	FTE	GENERAL FUNDS	FEDERAL FUNDS	OTHER FUNDS	TOTAL
Correctional Healthcare reserve		\$ 1,500,000			\$ 1,500,000
TOTAL FY2014 EXPENDITURE TRANSFERS	0.0	\$ 1,500,000	\$ -	\$ -	\$ 1,500,000

NOTE: FY2014 expenditure transfers are included in the FY2014 column of the General Fund Condition Statement.

Governor Daugaard is recommending total expenditure transfers of \$1,500,000 in general funds. The following paragraph highlights the recommended expenditure transfer.

- ◆ **Correctional Healthcare reserve:** The Governor is recommending \$1,500,000 in general funds to establish a reserve within Correctional Health for costs associated with significant inmate healthcare events.

GOVERNOR DAUGAARD'S RECOMMENDATION FOR STATE EMPLOYEE COMPENSATION PLAN

	GENERAL FUNDS	FEDERAL FUNDS	OTHER FUNDS	TOTAL FUNDS
ACROSS-THE-BOARD INCREASE AND MARKET ADJUSTMENTS: The Governor is recommending all permanent state employees receive a 3.0% cost-of-living/maket adjustment increase.	\$ 9,772,471	\$ 5,442,344	\$ 11,678,982	\$ 26,893,797
ADJUSTMENT TOWARD JOB WORTH: The Governor is recommending the Performance and Compensation Equity (PACE) system established in FY1990 be continued to include 3.0% adjustments to employees who are paid under the job worth of their pay range.	\$ 2,797,040	\$ 1,346,040	\$ 1,828,378	\$ 5,971,458
PAY FOR PERFORMANCE: The Governor is recommending 0% to 4.5% performance-based adjustments to employees in the Career Band families established in FY2010.	\$ 585,673	\$ 544,366	\$ 1,587,957	\$ 2,717,996
TARGETED COMPENSATION ADJUSTEMENTS: Following a total compensation market analysis study, compensation adjustments are being recommended for a small number of mostly vocational jobs that are below market, experiencing high turnover, a decline in applicants, or are difficult to fill because of the nature of the work.	\$ 454,727	\$ 224,340	\$ 304,730	\$ 983,797
HEALTH INSURANCE INCREASE: The cost associated with the employer-paid portion of the state employee's health insurance plan for FY2015 is projected to increase by 18.6%.	\$ 6,756,462	\$ 3,902,062	\$ 7,286,652	\$ 17,945,176
TOTAL COST OF RECOMMENDED STATE EMPLOYEE COMPENSATION PLAN:	\$ 20,366,373	\$ 11,459,152	\$ 22,686,699	\$ 54,512,224
REMAINING FY2014 COMPENSATION POOL:	<u>\$ (32,711)</u>	<u>\$ (190,766)</u>	<u>\$ (464,725)</u>	<u>\$ (688,202)</u>
TOTAL INCREASE FOR RECOMMENDED STATE EMPLOYEE COMPENSATION PLAN:	\$ 20,333,662	\$ 11,268,386	\$ 22,221,974	\$ 53,824,022

For FY2015, the state employee compensation plan is recommended as a pool in the Bureau of Finance and Management.

TOTAL STATE GOVERNMENT BUDGET (Excluding Information Budgets)

GENERAL APPROPRIATIONS BILL

	ACTUAL FY 2012	ACTUAL FY 2013	BUDGETED FY 2014	REQUESTED FY 2015	GOVERNOR'S RECOMMENDED FY 2015	RECOMMENDED INC/(DEC) FY 2015
FUNDING SOURCE:						
General Funds	\$ 1,146,794,851	\$ 1,221,722,313	\$ 1,312,583,507	\$ 1,375,117,450	\$ 1,390,852,751	\$ 78,269,244
Federal Funds	1,103,936,467	1,071,161,052	1,294,346,422	1,290,334,713	1,307,273,207	12,926,785
Other Funds	645,126,467	683,429,745	805,094,248	844,204,060	865,495,545	60,401,297
Total	<u>\$ 2,895,857,785</u>	<u>\$ 2,976,313,110</u>	<u>\$ 3,412,024,177</u>	<u>\$ 3,509,656,223</u>	<u>\$ 3,563,621,503</u>	<u>\$ 151,597,326</u>
EXPENDITURE DETAIL:						
Personal Services	\$ 721,897,732	\$ 749,000,807	\$ 836,895,793	\$ 852,514,534	\$ 901,587,367	\$ 64,691,574
Operating Expenses	2,173,960,053	2,227,312,303	2,575,128,384	2,657,141,689	2,662,034,136	86,905,752
Total	<u>\$ 2,895,857,785</u>	<u>\$ 2,976,313,110</u>	<u>\$ 3,412,024,177</u>	<u>\$ 3,509,656,223</u>	<u>\$ 3,563,621,503</u>	<u>\$ 151,597,326</u>
Staffing Level FTE:	11,577.0	11,739.6	12,534.9	12,622.9	12,595.4	60.5

SPECIAL APPROPRIATIONS AND GENERAL FUND CONTINUING APPROPRIATIONS

FUNDING SOURCE:	REVISED BUDGETED FY 2014	GOVERNOR'S RECOMMENDED FY 2015	RECOMMENDED INC/(DEC) FY 2015
General Funds	\$ 139,621,891	\$ 2,879,843	(\$ 136,742,048)
Federal Funds	5,116,892	6,000,000	883,108
Other Funds	148,390,528	1,283,270	(147,107,258)
Total	<u>\$ 293,129,311</u>	<u>\$ 10,163,113</u>	<u>(\$ 282,966,198)</u>
Staffing Level FTE:	4.5	0.0	(4.5)

TOTAL STATE GOVERNMENT BUDGET

FUNDING SOURCE:	REVISED BUDGETED FY 2014	GOVERNOR'S RECOMMENDED FY 2015	RECOMMENDED INC/(DEC) FY 2015
General Funds	\$ 1,452,205,398	\$ 1,393,732,594	(\$ 58,472,804)
Federal Funds	1,299,463,314	1,313,273,207	13,809,893
Other Funds	953,484,776	866,778,815	(86,705,961)
Total	<u>\$ 3,705,153,488</u>	<u>\$ 3,573,784,616</u>	<u>(\$ 131,368,872)</u>
Staffing Level FTE:	12,539.4	12,595.4	56.0

INFORMATION BUDGETS CONTAINED IN THE GENERAL APPROPRIATIONS BILL

	ACTUAL FY 2012	ACTUAL FY 2013	BUDGETED FY 2014	REQUESTED FY 2015	GOVERNOR'S RECOMMENDED FY 2015	RECOMMENDED INC/(DEC) FY 2015
FUNDING SOURCE:						
General Funds	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Federal Funds	395,946,103	380,960,819	383,748,735	384,729,939	384,738,724	989,989
Other Funds	309,458,906	336,545,624	311,241,595	317,743,667	317,899,397	6,657,802
Total	\$ 705,405,008	\$ 717,506,443	\$ 694,990,330	\$ 702,473,606	\$ 702,638,121	\$ 7,647,791
EXPENDITURE DETAIL:						
Personal Services	\$ 101,292,566	\$ 103,809,812	\$ 114,796,082	\$ 115,193,049	\$ 115,191,724	\$ 395,642
Operating Expenses	604,112,443	613,696,632	580,194,248	587,280,557	587,446,397	7,252,149
Total	\$ 705,405,008	\$ 717,506,443	\$ 694,990,330	\$ 702,473,606	\$ 702,638,121	\$ 7,647,791
Staffing Level FTE:	1,374.8	1,414.5	1,291.4	1,295.5	1,295.5	4.1

INFORMATION BUDGETS

South Dakota Building Authority
 South Dakota Health and Educational Facilities Authority
 Public Entity Pool for Liability (PEPL) Administration
 PEPL Fund Claims
 Insurance Fraud Unit
 Petroleum Release Fund
 Lottery Instant and On-Line Operations
 Real Estate Commission
 Abstractors Board of Examiners
 South Dakota Athletic Commission
 Commission on Gaming
 American Dairy Association
 Wheat Commission
 Oilseeds Council
 Soybean Research and Promotion Council
 Brand Board
 Corn Utilization Council
 Board of Veterinary Medical Examiners
 South Dakota Pulse Crops Council
 South Dakota Housing Development Authority
 South Dakota Science and Technology Authority
 South Dakota Energy Infrastructure Authority
 South Dakota Ellsworth Development Authority
 Building South Dakota Fund
 Division of Wildlife
 Wildlife Development and Improvement
 Snowmobile Trails Program
 Board of Chiropractic Examiners
 Board of Dentistry
 Board of Hearing Aid Dispensers
 Board of Funeral Service
 Educational Enhancement Funding Corporation

Board of Medical and Osteopathic Examiners
 Board of Nursing
 Board of Nursing Home Administrators
 Board of Examiners in Optometry
 Board of Pharmacy
 Board of Podiatry Examiners
 Board of Massage Therapy
 Board of Speech-Language Pathology
 Board of Accountancy
 Board of Barber Examiners
 Cosmetology Commission
 Plumbing Commission
 Board of Technical Professions
 Electrical Commission
 Highway Construction Contracts
 911 Coordination Board
 Tuition and Fee Fund
 Army/Air National Guard
 Board of Counselor Examiners
 Board of Psychology Examiners
 Board of Social Work Examiners
 Board of Addiction and Prevention Professionals
 Regulated Response Fund
 Livestock Cleanup
 Public Utilities Commission Administration
 Grain Warehouse
 Fixed Utilities
 Pipeline Safety
 One-Call Notification Board
 State Bar Association
 Unclaimed Property Fund

TOTAL STATE GOVERNMENT BUDGET (Including Information Budgets)

GENERAL APPROPRIATIONS BILL

	ACTUAL FY 2012	ACTUAL FY 2013	BUDGETED FY 2014	REQUESTED FY 2015	GOVERNOR'S RECOMMENDED FY 2015	RECOMMENDED INC/(DEC) FY 2015
FUNDING SOURCE:						
General Funds	\$ 1,146,794,851	\$ 1,221,722,313	\$ 1,312,583,507	\$ 1,375,117,450	\$ 1,390,852,751	\$ 78,269,244
Federal Funds	1,499,882,570	1,452,121,871	1,678,095,157	1,675,064,652	1,692,011,931	13,916,774
Other Funds	954,585,373	1,018,926,473	1,116,335,843	1,161,947,727	1,183,394,942	67,059,099
Total	<u>\$ 3,601,262,794</u>	<u>\$ 3,692,770,656</u>	<u>\$ 4,107,014,507</u>	<u>\$ 4,212,129,829</u>	<u>\$ 4,266,259,624</u>	<u>\$ 159,245,117</u>
EXPENDITURE DETAIL:						
Personal Services	\$ 823,190,298	\$ 852,810,619	\$ 951,691,875	\$ 967,707,583	\$ 1,016,779,091	\$ 65,087,216
Operating Expenses	2,778,072,496	2,839,960,038	3,155,322,632	3,244,422,246	3,249,480,533	94,157,901
Total	<u>\$ 3,601,262,794</u>	<u>\$ 3,692,770,656</u>	<u>\$ 4,107,014,507</u>	<u>\$ 4,212,129,829</u>	<u>\$ 4,266,259,624</u>	<u>\$ 159,245,117</u>
Staffing Level FTE:	12,951.9	13,154.1	13,826.3	13,918.4	13,890.9	64.6

SPECIAL APPROPRIATIONS AND GENERAL FUND CONTINUING APPROPRIATIONS

FUNDING SOURCE:	REVISED BUDGETED FY 2014	GOVERNOR'S RECOMMENDED FY 2015	RECOMMENDED INC/(DEC) FY 2015
General Funds	\$ 139,621,891	\$ 2,879,843	(\$ 136,742,048)
Federal Funds	5,116,892	6,000,000	883,108
Other Funds	148,390,528	1,283,270	(147,107,258)
Total	<u>\$ 293,129,311</u>	<u>\$ 10,163,113</u>	<u>(\$ 282,966,198)</u>
Staffing Level FTE:	4.5	0.0	(4.5)

TOTAL STATE GOVERNMENT BUDGET

FUNDING SOURCE:	REVISED BUDGETED FY 2014	GOVERNOR'S RECOMMENDED FY 2015	RECOMMENDED INC/(DEC) FY 2015
General Funds	\$ 1,452,205,398	\$ 1,393,732,594	(\$ 58,472,804)
Federal Funds	1,683,212,049	1,698,011,931	14,799,882
Other Funds	1,264,726,371	1,184,678,212	(80,048,159)
Total	<u>\$ 4,400,143,818</u>	<u>\$ 4,276,422,737</u>	<u>(\$ 123,721,081)</u>
Staffing Level FTE:	13,830.8	13,890.9	60.1

SELF-LIQUIDATING PROJECTS - INSTITUTIONS OF HIGHER EDUCATION **JUNE 30, 2013**

CONSOLIDATED SERIES	INSTITUTION	ORIGINAL CONTRACT DATE	REVENUE BOND ORIGINAL ISSUE	OUTSTANDING PRINCIPAL
BLACK HILLS STATE UNIVERSITY				
Series 2004	Apartment Complex and Heidepriem Thomas	February 15, 2004	\$5,190,000	\$3,175,000
Series 2004A	Student Union and Thomas Hall	November 23, 2004	\$3,460,000	\$2,445,000
Series 2006	Parling Lot Improvement	December 6, 2006	\$1,270,000	\$965,000
Series 2007	Student Union Expansion	December 19, 2007	<u>\$8,150,000</u>	<u>\$6,980,000</u>
			\$18,070,000	\$13,565,000
DAKOTA STATE UNIVERSITY				
Series 2004A	Higbie, Trojan Center, Emry & Richardson Refinance	November 23, 2004	\$3,260,000	\$2,265,000
Series 2007	Existing Residence Hall Renovations	December 19, 2007	\$390,000	\$330,000
Series 2008A	Residence Hall Renovations	April 7, 2008	<u>\$4,770,000</u>	<u>\$3,890,000</u>
			\$8,420,000	\$6,485,000
NORTHERN STATE UNIVERSITY				
Series 2004A	Steele Hall Renovation, Refinance Student Center Renovation	November 3, 2004	\$6,245,000	\$4,825,000
Series 2008B	Kramer Hall Renovation	November 4, 2008	\$1,095,000	\$935,000
Series 2009	Kramer Hall Renovation	May 21, 2009	\$1,440,000	\$1,275,000
Series 2011	Student Union Renovation and Expansion	November 17, 2011	<u>\$5,780,000</u>	<u>\$5,635,000</u>
			\$14,560,000	\$12,670,000
SOUTH DAKOTA SCHOOL OF MINES & TECHNOLOGY				
Series 2003	Peterson Hall	April 1, 2003	\$7,730,000	\$6,410,000
Series 2008B	Surbeck Center Renovation	November 4, 2008	\$4,135,000	\$3,530,000
Series 2009	Surbeck Center Renovation and Connolly & Palmerton Halls Renovation	May 28, 2009	<u>\$10,140,000</u>	<u>\$9,685,000</u>
			\$22,005,000	\$19,625,000
SOUTH DAKOTA STATE UNIVERSITY				
Series 2004	Refinance, Student Union Addition & Residence Hall Reno	February 25, 2004	\$31,300,000	\$19,520,000
Series 2005A	Exiting Residence Hall Renovations	December 21, 2005	\$3,025,000	\$2,415,000
Series 2006	Residence Hall, Food Service, Wellness Center	December 6, 2006	\$7,745,000	\$5,880,000
Series 2009	New Residence Hall; Matthews Renovation; Dining Expansion; Student Parking	May 28, 2009	\$34,270,000	\$30,445,000
Series 2011	New Residence Hall, Student Union Addition, Parking	November 17, 2011	<u>\$57,700,000</u>	<u>\$57,700,000</u>
			\$134,040,000	\$115,960,000
UNIVERSITY OF SOUTH DAKOTA				
Series 2005A	Coyote Student Center/Facilities	December 21, 2005	\$11,785,000	\$10,590,000
Series 1997	Old Main	December 24, 1996	\$2,463,000	\$1,168,000
Series 2000	Dakota Dome Roof	April 1, 2000	\$6,505,000	\$4,325,000
Series 2009	Wellness Ctr & Coyote Village	May 28, 2009	\$44,475,000	\$41,785,000
Series 2013A	Refinance of Series 2003	February 6, 2013	<u>\$11,990,000</u>	<u>\$11,990,000</u>
			\$77,218,000	\$69,858,000
GRAND TOTAL			<u>\$274,313,000</u>	<u>\$238,163,000</u>

EXECUTIVE SALARIES

Title	Agency or Institution	Salary
Chief Health Professions Officer	University of South Dakota	517,450
State Investment Officer **	Investment Council	405,206
Executive Director	Board of Regents Central Office	345,998
President *	South Dakota State University	344,240
President *	University of South Dakota	344,240
President *	School of Mines and Technology	321,360
Associate Academic Dean	University of South Dakota	317,791
Exempt Medical	Dept. of Social Services	295,650
Director, Internal Med Res Prg	University of South Dakota	286,290
Chair, Surgery	University of South Dakota	280,775
Exempt Medical	Dept. of Social Services	270,141
Exempt Medical	Dept. of Social Services	270,141
Dir, Sophomore Preceptorship	University of South Dakota	268,829
Exempt Medical	Dept. of Social Services	258,037
Deputy Investment Officer **	Investment Council	256,006
Exempt Medical	Dept. of Social Services	253,234
Exempt Medical	Dept. of Social Services	253,234
Exempt Medical	Dept. of Social Services	246,604
Exempt Medical	Dept. of Social Services	238,265
Dean, Basic Biomed Sciences	University of South Dakota	234,023
President *	Black Hills State University	229,687
President *	Northern State University	229,687
President *	Dakota State University	229,687
Investment Council Staff **	Investment Council	219,034
Investment Council Staff **	Investment Council	218,472
Director, Dean of the Med - Basic Biomed Sc	University of South Dakota	216,122
Dean-Ag & Bio Sciences/Prof	South Dakota State University	212,957
Dean, Med Student Education	University of South Dakota	211,220
Exempt Medical	Dept. of Health	202,550
Chair, Pediatrics	University of South Dakota	202,500
Provost/VP Academic Affairs	South Dakota State University	200,314
Head Coach-Men's Basketball	South Dakota State University	200,000
Dean, School of Law	University of South Dakota	194,500
Provost/VP Ac Affairs	School of Mines and Technology	192,816
Chair, OB/GYN	University of South Dakota	190,092
Investment Council Staff **	Investment Council	190,037
Investment Council Staff **	Investment Council	190,037
Dean-Nursing	South Dakota State University	190,000
Dean - Pharmacy	South Dakota State University	190,000
Dean-Arts & Science	South Dakota State University	190,000
Investment Council Staff **	Investment Council	188,551
Investment Council Staff **	Investment Council	188,551

* Housing Provided

** The State Investment Officer, Deputy Investment Officer, and Assistant Investment Officers are eligible to receive performance-based compensation from zero to 200% of the prior year's base salary.

EXECUTIVE SALARIES

Title	Agency or Institution	Salary
Provost/VP, Academic Affairs	University of South Dakota	186,475
Investment Council Staff **	Investment Council	184,744
Chair, Internal Medicine	University of South Dakota	184,592
Chair, Psychiatry	University of South Dakota	184,592
Chief Academic Officer	Board of Regents Central Office	180,250
Head Coach-Women's Basketball	South Dakota State University	180,000
Dean, College of Arts & Science	University of South Dakota	179,549
Vice Chair, Family Medicine	University of South Dakota	178,755
Dean-Engineering	South Dakota State University	175,812
Investment Council Staff **	Investment Council	175,305
VP of Research	South Dakota State University	174,423
System VP of Finance & Admin	Board of Regents Central Office	171,490
Vice President for Research	School of Mines and Technology	171,392
Director - Athletics	South Dakota State University	171,392
Associate Dean, SSOM Research	University of South Dakota	171,295
Director, Parry Center	University of South Dakota	170,000
Dean, School of Health Science	University of South Dakota	169,906
Chief Academic Officer	Black Hills State University	167,780
Dean-Ed & Human Sciences	South Dakota State University	166,868
Assoc Dean for Research/DistProf	South Dakota State University	166,816
VP-Finance&Business/CFO	South Dakota State University	165,000
Assoc Dean/Dir AES/Professor	South Dakota State University	164,466
Assc Dean ABS-Acad Programs	South Dakota State University	164,464
Director/Professor	South Dakota State University	163,846
VP Research/Inter Dean, GradSch	University of South Dakota	163,354
Associate Academic Dean	University of South Dakota	163,163
Dean, School of Business	University of South Dakota	162,774
Assoc Dean of Basic Sciences	University of South Dakota	161,972
Superintendent	School for the Visually Handicapped	161,442
Coord, MPA Program	University of South Dakota	160,924
Head Coach-Football	South Dakota State University	160,012
Chief Univ. Librarian/Prof.	South Dakota State University	158,153
Acting Asst Dean, Stud Med Ed	University of South Dakota	157,561
Dept Head, Chemical & Biological Engineering	School of Mines and Technology	157,106
Department Head, Mechanical Engineering	School of Mines and Technology	156,364
Department Head, Industrial Engineering	School of Mines and Technology	155,742
VP, Admin & Information Tech	University of South Dakota	155,345
VP, Finance/CFO	University of South Dakota	155,345
Department Head, Civil & Environmental Eng	School of Mines and Technology	155,060
Athletic Director	University of South Dakota	155,000
VP Technology & Safety	South Dakota State University	155,000
Department Head, Economics	South Dakota State University	154,501

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EXECUTIVE SALARIES

Title	Agency or Institution	Salary
Department Head, Chem & Applied Bio Sciences	School of Mines and Technology	154,500
Director, ICM	University of South Dakota	154,238
Chief Academic Officer	Northern State University	153,698
VP of Research & Econ Develop	Board of Regents Central Office	153,077
Dean-Graduate School	South Dakota State University	152,512
Dept Head/Dir Museum Geology	School of Mines and Technology	151,492
Dean	School of Mines and Technology	151,410
Dept Head, Electrical & Computer Engineering	School of Mines and Technology	150,808
Dept Head, Electrical Engr & Computer Science	South Dakota State University	149,155
Professor/Program Director	School of Mines and Technology	149,107
Exempt Medical	Dept. of Health	146,780
Professor, School of Business	University of South Dakota	145,504
Chair, Nursing	University of South Dakota	145,486
Diversity Director	South Dakota State University	145,230
Dean Grad Studies & Research	Dakota State University	145,186
VP for Academic Affairs	Dakota State University	145,000
Interim Dean	University of South Dakota	145,000
Director - ADRDL	South Dakota State University	145,000
Department Head, Plant Science	South Dakota State University	145,000
Department Head, Animal Science	South Dakota State University	145,000
Exec Dir, Center for Disabilities	University of South Dakota	145,000
Investment Council Staff **	Investment Council	144,860
Department Head, Mechanical Engineering	South Dakota State University	144,679
Assc VP-Research	South Dakota State University	144,306
Dept Head, Department of Atmospheric Science	School of Mines and Technology	144,200
Dept Head, Department of Physics	School of Mines and Technology	144,114
Professor, School of Business	University of South Dakota	142,947
Dept Head, Construction & Operations Mgmnt	South Dakota State University	142,724
Coord of Distance Ed Grad Prog	Black Hills State University	142,674
Co Director/Sr Rsrch Scientist	South Dakota State University	142,029
Exempt Medical	Dept. of Health	141,973
Professor/Prog Coord MS Constr	School of Mines and Technology	141,922
Associate Dean/Professor	South Dakota State University	141,283
General Counsel	Board of Regents Central Office	140,553
VP, Mktg, Enrol & Student Serv	University of South Dakota	140,145
Professor, School of Business	University of South Dakota	139,721
Professor, School of Law	University of South Dakota	139,484
Professor, School of Law	University of South Dakota	139,416
Vice President Univ Relations	School of Mines and Technology	139,256
Dean Student Affairs SOM	University of South Dakota	139,131
Director CAPE/Prof Met and CBE	School of Mines and Technology	138,027
Director, Animal Res Cent, DVM	University of South Dakota	137,699

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EXECUTIVE SALARIES

Title	Agency or Institution	Salary
Asst VP-AA-IA & Outreach	South Dakota State University	137,026
Professor, School of Law	University of South Dakota	136,861
Associate Director-AES/Prof	South Dakota State University	136,723
Professor, School of Business	University of South Dakota	136,597
Department Head-Architecture	South Dakota State University	136,363
Assoc VP for Academic Affairs	University of South Dakota	136,257
Academic Dean - Bus & Info Sys	Dakota State University	136,062
VP for Student Affairs	South Dakota State University	135,499
Department Head, Chemistry & Biochemistry	South Dakota State University	135,445
Associate Professor - 9	Dakota State University	135,000
Associate Dean-Academic Prog	South Dakota State University	134,067
Director-Technology Transfer	South Dakota State University	133,598
Department Head, Mathematics & Statistics	South Dakota State University	133,561
Department Head, Dairy Science	South Dakota State University	133,304
Dept Head, Natural Resource Management	South Dakota State University	133,200
Professor, School of Law	University of South Dakota	133,125
Professor, School of Law	University of South Dakota	132,919
Director, CBRD/Assoc Prof CEE	School of Mines and Technology	132,634
Professor, GISc Center of Excellence	South Dakota State University	132,579
Associate VP-Academic Affairs	South Dakota State University	132,086
Department Head, Pharmacy Clinical	South Dakota State University	131,760
Assoc Dean-Ugrad Nursing/Prof	South Dakota State University	131,437
Prof/Coord-Res,Schlr&Grad Std	South Dakota State University	131,170
Head Coach - Football	University of South Dakota	131,060
Chair, Physical Therapy	University of South Dakota	130,918
Department Head, Department of Humanities	School of Mines and Technology	130,660
Associate Dean-Grad Nursing	South Dakota State University	130,537
Professor, Electrical Engr & Computer Science	South Dakota State University	130,511
Vice Pres for Univ Advancement	Black Hills State University	130,337
Director-SGI/Professor	South Dakota State University	130,000
Director, Farber Center	University of South Dakota	129,909
Assoc Dean, Health Sciences	University of South Dakota	129,823
Assoc Dean, Col of A&S	University of South Dakota	129,569
Dir, Health Services Admin	University of South Dakota	129,000
Professor, School of Law	University of South Dakota	128,778
Vice President	School of Mines and Technology	128,750
University Legal Counsel	South Dakota State University	128,750
Director, Geology & Geological Engineering	School of Mines and Technology	128,750
Dept Head, Dept of Math & Computer Science	School of Mines and Technology	128,530
Department Head, Biology & Microbiology	South Dakota State University	128,395
Director, Chemistry	University of South Dakota	127,871
Associate Professor, School of Business	University of South Dakota	127,855

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EXECUTIVE SALARIES

Title	Agency or Institution	Salary
Academic Dean	Northern State University	127,776
Dir AMP/Assoc Prof ME/Met Engr	School of Mines and Technology	127,458
SD Chief Financial Officer / Commissioner	Bureau of Finance and Management	127,308
Dir of Educ & Outreach, SURF	Black Hills State University	127,305
Investment Council Staff **	Investment Council	126,671
Investment Council Staff **	Investment Council	126,671
Investment Council Staff **	Investment Council	126,671
Investment Council Staff **	Investment Council	126,671
Dean, Col of Fine Arts	University of South Dakota	126,620
Academic Dean	Northern State University	126,548
Academic Dean	Northern State University	126,254
Dir, Geriatric Fellowship Prog	University of South Dakota	126,196
Supreme Court Justice (5)	Unified Judicial Systems	125,370
Director, Civil & Environmental Engineering	South Dakota State University	125,239
Assistant Department Head	South Dakota State University	125,238
Dean-General Studies	South Dakota State University	125,061
Director of Extended Programs	Dakota State University	125,000
Associate V.P. for Diversity	University of South Dakota	125,000
Associate Professor,Accounting	University of South Dakota	125,000
Professor, Dean of the Med - Basic Biomed Sc	University of South Dakota	124,860
VP of Finance & Administration	Northern State University	124,618
Chair, Occupational Therapy	University of South Dakota	124,524
Vice Pres for Finance & Admin	Black Hills State University	124,426
Assistant Department Head	South Dakota State University	124,412
Professor, Chemical & Biological Engineering	School of Mines and Technology	124,384
VP of Bus & Admin Services	Dakota State University	123,760
Professor, School of Law	University of South Dakota	123,700
Academic Dean	Northern State University	123,600
Department Head, Materials & Metallurgical Eng	School of Mines and Technology	123,600
Head Coach - W Basketball	University of South Dakota	123,500
Executive Director	South Dakota Retirement System	123,396
Assoc Dean, GME	University of South Dakota	123,120
Commissioner	Governor's Office of Economic Development	123,064
Professor, Pharmacy Clinical	South Dakota State University	122,982
Academic Dean	Black Hills State University	122,885
Professor, Dean of the Med - Basic Biomed Sc	University of South Dakota	122,730
Professor, Dean of the Med - Basic Biomed Sc	University of South Dakota	122,548
Professor, Dept of Math & Computer Science	School of Mines and Technology	122,325
Professor, School of Law	University of South Dakota	122,325
Deputy Attorney General	Office of the Attorney General	121,798
Assistant Dept Head, Economics	South Dakota State University	121,788
Professor, Dean of the Med - Basic Biomed Sc	University of South Dakota	121,670

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EXECUTIVE SALARIES

Title	Agency or Institution	Salary
Professor, Materials & Metallurgical Eng	School of Mines and Technology	121,612
Associate Dean-Ed & Human Sci	South Dakota State University	121,453
Associate Dean-Ed & Human Sci	South Dakota State University	121,247
Professor, Natural Resource Management	South Dakota State University	120,725
Professor, Pharmacy Clinical	South Dakota State University	120,686
Department Head, Pharmaceutical Sciences	South Dakota State University	120,500
Professor, Pharmacy Clinical	South Dakota State University	120,244
Investment Council Staff **	Investment Council	120,193
Chair, Biomedical Engineering	University of South Dakota	120,056
Assistant Professor - 9	Dakota State University	120,000
Assist Vice Pres Facilities Mg	University of South Dakota	120,000
Associate Dean/Professor	South Dakota State University	119,999
Professor, Pharmacy Clinical	South Dakota State University	119,687
Assoc Prov Ac Aff and Enrl Mgt	School of Mines and Technology	119,478
Professor, Pharmacy Clinical	South Dakota State University	119,468
Asst VP-Fin & Bus/Controller	South Dakota State University	119,000
Asst VP Facilities & Svcs	South Dakota State University	119,000
Senior Advisor to the Governor	Governor's Office	118,821
Professor, School of Law	University of South Dakota	118,134
Associate Chair, Nursing	University of South Dakota	118,043
Dean-Honors College	South Dakota State University	117,830
Professor, Endowed Chair	School of Mines and Technology	117,501
Assoc Dean, School of Ed	University of South Dakota	117,467
Chief Info Technology Officer	Board of Regents Central Office	117,439
Assistant Department Head	South Dakota State University	117,295
Professor, Dean of the Med - Basic Biomed Sc	University of South Dakota	117,260
Dept Head, Teaching, Learning & Leadership	South Dakota State University	117,143
Circuit Court Judges (multiple)	Unified Judicial Systems	117,099
Professor, GISc Center of Excellence	South Dakota State University	116,822
Chair, Chemistry	University of South Dakota	116,719
Commissioner	Bureau of Information and Telecom	116,699
Department Head, Physics	South Dakota State University	116,681
Coordinator, Academic - MSET	Dakota State University	116,640
Professor, Pharmacy Clinical	South Dakota State University	116,569
Professor, GISc Center of Excellence	South Dakota State University	116,543
Assistant Professor, School of Business	University of South Dakota	116,415
Professor, GISc Center of Excellence	South Dakota State University	115,800
System Chief Info Officer	Board of Regents Central Office	115,536
Vice President - Student Life	Black Hills State University	115,400
Director, Mechanical Engineering	School of Mines and Technology	115,383
Department Head, Ag & Biosystems Engineering	South Dakota State University	115,361
Professor, Electrical Engr & Computer Science	South Dakota State University	114,926

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EXECUTIVE SALARIES

Title	Agency or Institution	Salary
Professor, Dean of the Med - Basic Biomed Sc	University of South Dakota	114,846
Dean of Libraries	University of South Dakota	114,500
Department Head, Health & Nutritional Sciences	South Dakota State University	113,828
Deputy Commissioner	Bureau of Information and Telecom	113,612
Associate Director-CES	South Dakota State University	113,299
Academic Dean - A&S	Dakota State University	113,000
Chair, Computer Science	University of South Dakota	112,572
Assistant Department Head	South Dakota State University	112,525
Professor, Mechanical Engineering	School of Mines and Technology	112,252
Professor, Dept of Math & Computer Science	School of Mines and Technology	112,250
Assoc Dean, Col of A&S	University of South Dakota	112,206
Professor, Civil & Environmental Eng	School of Mines and Technology	112,125
Assistant Department Head	South Dakota State University	112,083
Professor - 9	Dakota State University	112,044
Chair, Communication Disorders	University of South Dakota	112,021
Deputy CIO	University of South Dakota	111,800
Assoc VP Res-Econ Dev	School of Mines and Technology	111,800
Director, Academic	University of South Dakota	111,519
Chair, Social Work	University of South Dakota	111,498
Chair/Department Head	South Dakota State University	111,482
Chief of Staff	Governor's Office	111,395
Department Secretary	Dept. of Social Services	111,182
Professor, Materials & Metallurgical Eng	School of Mines and Technology	111,084
Professor, Mechanical Engineering	School of Mines and Technology	110,922
Assoc VP-Academic Affairs	Black Hills State University	110,733
Department Secretary	Dept. of Health	110,334
Department Secretary	Dept. of Game, Fish and Parks	110,334
Professor, Geology & Geological Engineering	School of Mines and Technology	110,048
Associate Professor, Pharmacy Clinical	South Dakota State University	110,044
Dir, Acad Eval & Assess	University of South Dakota	110,020
Interim Academic Dean - Educ	Dakota State University	110,000
Dir, National Music Museum	University of South Dakota	110,000
Coordinator, Academic - BADM	Dakota State University	109,829
Department Secretary	Dept. of Education	109,803
Professor, Chemical & Biological Engineering	School of Mines and Technology	109,564
Department Head, Visual Arts	South Dakota State University	109,054
Chief Information Officer	Dakota State University	109,021
Prsn Endw Prfshp S Engr/Prof	School of Mines and Technology	108,748
Professor, Biology	University of South Dakota	108,529
Asst Dean-Stdnt Svcs/Assc Prof	South Dakota State University	108,126
Associate Professor - 9	Dakota State University	108,051
Chief Student Affairs Officer	Northern State University	107,888

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EXECUTIVE SALARIES

Title	Agency or Institution	Salary
Director of HIM/Program Coord	Dakota State University	107,666
Div Chair, Curriculum & Instru	University of South Dakota	107,607
Exempt Atty General Pro	Office of the Attorney General	107,562
Clinical Associate Professor	South Dakota State University	107,095
Executive Director	Northern State University	107,028
Professor, Mechanical Engineering	School of Mines and Technology	107,004
Assistant Dean/Assoc Professor	South Dakota State University	106,913
Academic Dean	Black Hills State University	106,903
Asst Assoc.Dean/Associate Prof	South Dakota State University	106,874
Director of CEX/Associate Dean	Dakota State University	106,870
Associate Professor, School of Business	University of South Dakota	106,734
Distinguished Professor	South Dakota State University	106,705
Associate Professor, Pharmacy Clinical	South Dakota State University	106,500
Chair, Mgt, B Law & Mktg	University of South Dakota	106,136
Department Secretary	Dept. of Transportation	106,090
Department Secretary	Dept. of Env. and Natural Resources	106,090
Commissioner	Bureau of Human Resources	106,090
Department Secretary	Dept. of the Military	106,090
Legislative Director	Governor's Office	106,090
Department Secretary	Dept. of Corrections	106,090
Chair, Psychology	University of South Dakota	106,068
Chair, Physician Asst Prog	University of South Dakota	106,015
Director, Law Library	University of South Dakota	105,935
Professor, Veterinary & Biomedical Sciences	South Dakota State University	105,591
Pharmacist II	Dept. of Social Services	105,383
Auditor General	Dept. of Legislative Audit	105,348
Assistant Professor, School of Business	University of South Dakota	105,319
Associate Professor, School of Business	University of South Dakota	105,296
Professor, Animal Disease Res & Diagnostic Lab	South Dakota State University	105,295
Professor/Info Res Mngt Spec	South Dakota State University	105,291
Professor, Pol Science & Criminal Justice	University of South Dakota	105,185
Associate Professor, Pharmacy Clinical	South Dakota State University	105,129
Director of Commercialization	Governor's Office of Economic Development	105,029
Assistant Professor, Marketing	University of South Dakota	105,014
Assistant Vice Pres-HR	South Dakota State University	105,000
Professor, Animal Disease Res & Diagnostic Lab	South Dakota State University	104,819
Associate Professor, Dept of Accounting	Northern State University	104,802
Professor, Elementary Secondary & Special Ed	Northern State University	104,689
Professor, Economics	South Dakota State University	104,632
Chair, Dental Hygiene	University of South Dakota	104,335
Professor, Civil & Environmental Eng	School of Mines and Technology	104,086
Governor *	Governor's Office	104,002

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EXECUTIVE SALARIES

Title	Agency or Institution	Salary
Attorney General	Office of the Attorney General	103,892
Chief Warden, Mike Durfee State Prison	Dept. of Corrections	102,194
Director, South Dakota Development Center	Dept. of Human Services	102,194
Department Secretary	Dept. of Human Services	100,786
Department Secretary	Dept. of Public Safety	100,786
Department Secretary	Dept. of Public Safety	100,786
Department Secretary	Dept. of Human Services	100,786
State Court Administrator	Unified Judicial Systems	100,000
Acting Executive Director	Legislative Research Council	100,000
Department Secretary	Dept. of Agriculture	99,910
Department Secretary	Dept. of Agriculture	99,910
Warden, State Penitentiary	Dept. of Corrections	97,850
Administrator, Human Services Center	Dept. of Social Services	97,328
Leg Research Council Staff	Legislative Research Council	97,018
Public Utilities Commissioner (3)	Public Utilities Commission	96,956
Commissioner	Bureau of Administration	95,481
Department Secretary	Dept. of Revenue	95,481
Department Secretary	Dept. of Revenue	95,481
Magistrate Judge	Unified Judicial Systems	94,129
Executive Director	Public Utilities Commission	92,913
Department Secretary	Dept. of Tribal Relations	84,872
Commissioner of School and Public Lands	Office of School and Public Lands	83,135
State Treasurer	Office of the State Treasurer	83,135
State Auditor	Office of the State Auditor	83,135
Secretary of State	Office of the Secretary of State	83,135
Department Secretary	Dept. of Veterans' Affairs	82,400
Warden, Women's Prison	Dept. of Corrections	74,573
Superintendent, STAR Academy	Dept. of Corrections	73,327
Lt. Governor	Governor's Office	65,654

* Housing Provided

** The State Investment Officer, Deputy Investment Officer, and Assistant Investment Officers are eligible to receive performance-based compensation from zero to 200% of the prior year's base salary.

SOUTH DAKOTA BOARDS, COMMISSIONS, COUNCILS AND COMMITTEES

DEPARTMENT	BOARD	TYPE OF BOARD	NO.OF MEMBERS	CURRENT		RECOMMENDED FY14/15	
				PER DIEM	EXPENSES	PER DIEM	EXPENSES
EXECUTIVE MANAGEMENT	Building Authority of SD	P	7	60	X	60	X
	Capitol Complex Restoration and Beautification Commission	A	8	-	X	-	X
	Civil Service Commission	P	7	60	X	60	X
	Council of Economic Advisors	A	10	-	X	-	X
	Economic Development, Board of	A	17	60	X	60	X
	(legislative members don't receive per-diem)						
	Economic Development Finance Authority	P	5	-	X	-	X
	Educational Telecommunications, Board of Directors for	P	9	60	X	60	X
	Housing Development Authority	P	7	75	X	75	X
	Health and Education Facilities Auth.	P	7	-	X	-	X
	Personnel Management Advisory Board	A	13	-	X	-	X
	Records Destruction Board	A	5	-	-	-	-
	Research and Commercialization Council	A	11	-	X	-	X
	Risk Pool Advisory Board	A	12	-	-	-	-
	Risk Pool Governing Board	M	6	-	-	-	-
	Science and Technology Authority, Board of	P	7	75	X	75	X
	SD Energy Infrastructure Authority	P	5	60	X	60	X
	SD Ellsworth Authority	P	7	-	X	-	X
	SD State Radio	A	18	-	X	-	60
REVENUE	Gaming, Commission on	P	5	75	X	75	X
	SD Lottery Commission	P	7	75	X	75	X
AGRICULTURE	American Dairy Association of SD	P	8	60	X	60	X
	Animal Industry Board	P	7	60	X	60	X
	Brand Board	P	5	60	X	60	X
	Corn Utilization Council	P	15	60	X	60	X
	Oilseeds Council	P	8	60	X	60	X
	SD Pulse Crops Council	P	5	60	-	60	-
	Soybean Research and Promotion Council	P	7	60	X	60	X
	State Conservation Commission	P	9	60	X	60	X
	State Fair Commission	A	13	60	X	75	X
	Value Added Finance Authority	P	7	60	X	60	X
	Veterinary Medical Examiners, Board of	P	4	60	X	60	X
	Weed and Pest Control Commission	P	11	60	X	60	X
	Wheat Commission	P	5	60	X	60	X
TOURISM	Arts Council	P	11	60	X	60	X
	Historical Society Trustees, Board of	P	12	60	X	60	X
	Tourism, Board of	A	18	60	X	60	X
GAME, FISH, AND PARKS	Game, Fish, and Parks Commission	M	8	75	X	75	X
	Governor's Commission on Ft. Sisseton	A	18	-	X	-	X
	SD Recreation Trail Advisory Board	A	5	-	X	-	X
	SD Snowmobile Advisory Council	A	7	-	X	-	X
	Boundary Waters Commission - SD - MN	A	-	-	X	-	X
TRIBAL RELATIONS	SD Geographic Names, Board of	A	5	-	X	-	X

DEPARTMENT	BOARD	TYPE OF BOARD	NO. OF MEMBERS	CURRENT		RECOMMENDED FY14/15	
				PER DIEM	EXPENSES	PER DIEM	EXPENSES
SOCIAL SERVICES	Aging, Advisory Council on	A	11	60	X	60	X
	Board of Addiction and Prevention Professionals	P	9	60	X	60	X
	Counselor Examiners, Board of	P	9	60	X	60	X
	Human Services Center Advisory Board	A	11	-	X	-	X
	Medical Advisory Committee	A	13	-	X	-	X
	Pharmaceutical and Therapeutics Committee	A	10	60	X	60	X
	Psychology Examiners, Board of	P	7	60	X	60	X
	Social Services, Board of	A	7	60	X	60	X
	Social Workers Examiners, Board of	P	7	60	X	60	X
	Victims' Compensation Board	P	5	60	X	60	X
	Behavioral Health Advisory Committee	A	31	-	X	-	X
	Visitation Grant Advisory Group	P	9	-	X	-	X
	Commission on Child Support	A	7	-	X	-	X
HEALTH	AIDS Program Review Panel	A	18	-	X	-	X
	Chiropractic Examiners, Board of	P	5	60	X	60	X
	Colorectal Cancer Screening Grant						
	Medical Advisory Committee	A	9	-	X	-	X
	Community Transformation Leadership Team	A	16	-	X	-	X
	Comprehensive Cancer Control Steering Committee	A	15	-	X	-	X
	Dentistry, Board of	P	7	60	X	60	X
	Funeral Services, State Board of	P	8	60	X	60	X
	Health Link Advisory Committee	A	11	-	X	-	X
	Healthcare-Associated Infection Advisory Group	A	15	-	X	-	X
	Hearing Aid Dispensers, Board of	P	5	60	X	60	X
	HIV Community Planning Workgroup	A	60	-	X	-	X
	HIV Media Review Committee	A	10	-	X	-	X
	HIV Prevention Planning Workgroup	A	25	-	X	-	X
	Massage Therapy, Board of	P	5	60	X	60	X
	Medical and Osteopathic Examiners, State Board of	P	9	60	X	60	X
	Nursing, Board of	P	11	60	X	60	X
	Nursing Home Administrators, Board of	P	11	60	X	60	X
	Optometry, Board of Examiners	P	5	60	X	60	X
	Pharmacy, Board of	P	5	60	X	60	X
	PHHS Block Grant Advisory Committee	A	4	-	X	-	X
	Podiatry Examiners, Board of	P	5	60	X	60	X
	Rape Prevention and Education Grant Advisory Committee	A	13	-	X	-	X
	Ryan White Care Council	A	24	-	X	-	X
	Tobacco Prevention Advisory Committee	A	11	-	X	-	X
LABOR AND REGULATION	Abstractors Board of Examiners	P	5	60	X	60	X
	Accountancy, SD Board of	P	6	60	X	60	X
	Appraiser Certification Program Advisory Council	A	8	-	-	-	-
	Banking Commission, State	P	5	60	X	60	X
	Barber Examiners, Board of	P	4	60	X	60	X
	Cosmetology Commission	P	5	60	X	60	X
	Department of Labor Employees Retirement Board	P	5	60	X	60	X
	Electrical Commission, State	P	7	60	X	60	X
	Human Rights, Commission on	P	5	60	X	60	X
	Plumbing Commission	P	5	60	X	60	X
	Real Estate Commission	P	5	60	X	60	X
	SD Retirement System Board of Trustees	M	17	75	X	75	X
	SD Work Force Development Council	P	15	60	X	60	X
	State Workers' Compensation Advisory Council	A	10	-	X	-	X
	Technical Professions, Board of	P	7	60	X	60	X
	Unemployment Insurance Advisory Council	A	8	60	X	60	X
	SD Athletic Commission	P	5	60	X	60	X
TRANSPORTATION	Aeronautics Commission	P	7	60	X	60	X
	Railroad Authority, SD	P	7	60	X	60	X
	Railroad Board, SD	P	7	60	X	60	X

DEPARTMENT	BOARD	TYPE OF BOARD	NO. OF MEMBERS	CURRENT		RECOMMENDED FY14/15	
				PER DIEM	EXPENSES	PER DIEM	EXPENSES
EDUCATION	Advisory Council on Certification	A	12	-	X	-	X
	Advisory Panel for Children With Disabilities	A	22	-	X	-	X
	Education, State Board of	M	9	75	X	75	X
	Extraordinary Cost Oversight Board	A	7	60	X	60	X
	Headstart Advisory Group	A	21	-	X	-	X
	Native American Advisory Council	A	24	-	X	-	X
	Practitioners, Committee of Professional Administrators	A	9	-	X	-	X
	Practices and Standards Commission	A	7	60	X	60	X
	Professional Practices and Standards Commission	A	7	60	X	60	X
	Richard Hagen-Minerva Harvey Memorial Scholarship Board	A	5	-	X	-	X
	SD Interagency Coordinating Council	A	17	-	X	-	X
	State Library Board	P	7	60	X	60	X
	Superintendent Advisory Committee	A	10	-	X	-	X
	Teacher's Compensation Assistance Program Oversight Board	A	10	-	X	-	X
	Title III Coordinators Advisory Panel	A	13	-	X	-	X
	Virtual High School Advisory	A	7	-	X	-	X
PUBLIC SAFETY	SD Homeland Security Senior Advisory Committee	A	-	-	X	-	X
	SD 9-1-1 Coordination Board	P	11	-	X	-	X
	Transportation Commission, State	M	9	75	X	75	X
REGENTS	Regents, Board of	M	9	75	X	75	X
MILITARY	Military Affairs, Board of	P	7	60	X	60	X
VETERANS AFFAIRS	Veterans' Commission	P	6	60	X	60	X
CORRECTIONS	Corrections Commission	A	9	-	X	-	X
	Council of Juvenile Services	A	20	-	X	-	X
	Pardons and Paroles, Board of	M	9	75	X	75	X
	Governor's Reentry Council	A	14	-	-	-	-
HUMAN SERVICES	Blind Vendors Committee	A	6	-	X	-	X
	Family Support Council	A	15	60	X	60	X
	Planning Council on Developmental Disabilities	A	23	-	X	-	X
	Services to the Blind and Visually Impaired, Board of	A	15	60	X	60	X
	Spinal Cord/Traumatic Brain Injury Council	A	7	-	-	-	-
	State Council for Independent Living	A	15	-	X	-	X
	Vocational Rehabilitation, Board of/ Governor's Advisory Committee on Employment of People with Disabilities	A	15	60	X	60	X
ENVIRONMENT AND NATURAL RESOURCES	Emergency Response Commission	A	10	-	X	-	X
	Minerals and Environment, Board of	P	9	75	X	75	X
	Operator Certification Board	A	6	-	X	-	X
	Petroleum Release Compensation Board A	A	5	60	X	60	X
	Small Business Clean Air Compliance Advisory Panel	A	7	-	X	-	X
	Water and Natural Resources, Board of	P	7	60	X	60	X
	Water Management Board	P	7	60	X	60	X
PUBLIC UTILITIES COMMISSION	One Call Notification Board	M	11	-	X	-	X

DEPARTMENT	BOARD	TYPE OF BOARD	NO. OF MEMBERS	CURRENT		RECOMMENDED FY14/15	
				PER DIEM	EXPENSES	PER DIEM	EXPENSES
UNIFIED JUDICIAL SYSTEM	Court Appointed Special Advocate Commission	P	5	-	-	60	X
	Judicial Qualifications Commission	P	7	60	X	60	X
LEGISLATIVE	Appropriations	L	18	123	X	123	X
	Code Commission	L	5	123	X	123	X
	Government Operations and Audits	L	10	123	X	123	X
	Intergovernmental Cooperation Commission (Executive Board)	L	15	123	X	123	X
	Interim Rules Review	L	6	123	X	123	X
	Joint Bonding Review Committee (Executive Board)	L	15	123	X	123	X
	Legislative Research Council (Executive Board)	L	15	123	X	123	X
	Legislative Procedure	L	14	123	X	123	X
	Retirement Laws Committee	L	10	123	X	123	X
	State-Tribal Relations Committee	L	10	123	X	123	X
	Water Development Oversight Committee	L	4	123	X	123	X
ATTORNEY GENERAL	Law Enforcement Officers Standards Commission	P	10	60	X	60	X
	Open Meeting Commission	P	5	60	X	60	X
SECRETARY OF STATE	Elections, State Board of Finance, Board of	P	7	60	X	60	X
		M	7	-	-	-	-
STATE TREASURER	Investment Council	M	8	75	X	75	X
	Public Deposit Protection Commission	M	2	-	-	-	-
STATE AUDITOR	Commission on Equal Access to Our Courts	A	7	-	X	-	X
TYPES OF BOARDS	A = Advisory						
	L = Legislative						
	M = Management						
	P = Policy Making						

4-7-1.1. Definitions. For the purposes of this chapter:

- (1) An "advisory body" is one which serves as an official consultant or advisor to a state agency without making formal policy decisions for the agency or its programs;
- (2) A "legislative body" is one composed primarily of legislators pursuant to chapter 1-4, 1- 26, 1-26B, 2-6, 2-9, 2-11, 2-16, 4-8A, 4-8B, or 6-11;
- (3) A "management body" is a policymaking body which has additional duties, responsibilities, and authority such that they place additional demands upon the body's members in terms of attending meetings, dealing with state agencies and the public, and being knowledgeable in the body's specific subject area; and
- (4) A "policymaking body" is one which monitors and directs the work of an agency by making official policy either through rule making, licensing, or regulatory authority.

4-7-10.4. Budgeting and appropriations for compensation and expenses of members of state boards and councils and management, policy making or advisory bodies. The budget report of the Governor for each odd-numbered fiscal year shall contain a separate schedule disclosing the current salaries or per diem compensation and allowable expense reimbursement for appointed members of all boards, commissions, councils, committees, and all other statutory or executive created management, policy making, or advisory bodies of the executive branch of state government, whether appointed by the Governor or not, and the recommendations for each of the next two fiscal years. The appropriations committees of the Legislature shall review the recommendations and include in a separate section of the general appropriations act the salary or per diem compensation and allowable expense reimbursement for each such body, based upon whether it be a management, policy making, or advisory body, and which shall constitute the salaries or per diem compensation and allowable expense reimbursement increases for members of such bodies for the next two succeeding fiscal years.

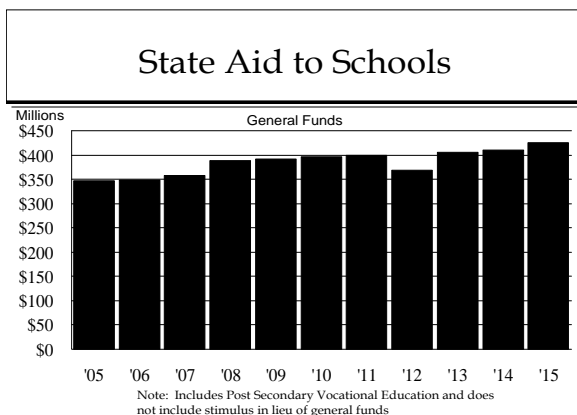
SUMMARY OF RECOMMENDED BUDGET ADJUSTMENTS

STATE AID, HIGHER EDUCATION, EDUCATION

The budgets included in this category are State Aid to Education, Higher Education, and the Department of Education. General funds in this budget account for a \$16.9 million increase out of the \$78.3 million in ongoing increases. This budget comprises of an increase of \$29.9 million of the \$159.2 million in ongoing total fund increases for FY2015. In terms of the total ongoing budget, the education category is 44.8% of the general funds and 33.7% of the total ongoing funds, which amounts to over \$1.4 billion in total ongoing funding for education.

STATE AID

This category includes state aid to K-12 general education, special education, postsecondary vocational education institutes, sparse school district funding, consolidation incentive funding, and technology in the schools.



The Governor is recommending a 3.0% inflationary increase to the base per student allocation for FY2015, which is 1.4% higher than the statutory required 1.6% increase for FY2015. This brings the per-student allocation for general education to \$4,764.42 for FY2015, an increase of \$138.77 per student over the base FY2014 level.

The total recommended budgeted amount for state aid to general education is \$338,333,731 in general funds and \$2,100,000 in other fund expenditure authority for FY2015. This represents an \$8,037,797 increase in state general funds over the FY2014 budget. The other fund expenditure authority of \$2,100,000 is budgeted to pay for the state share of the limited English proficiency

adjustment through the workforce education fund. The estimated FY2015 fall enrollment of 131,250 was used for calculating the FY2015 budget, which is a growth of 1,450 over the budgeted FY2014 level.

The funding for each disability level for state aid to special education is recommended to increase 3%. The total recommended amount for state aid to special education is \$53,045,141 in general funds for FY2015.

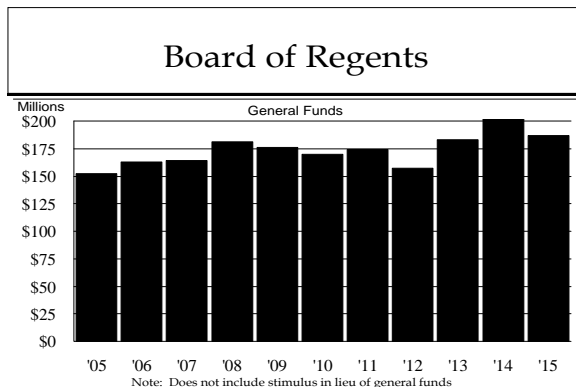
The Governor is recommending \$1,863,053 of general funds for payments to sparse school districts. An estimated 28 schools will be eligible for sparse payments in FY2015.

The Governor is recommending increases totaling \$323,442 in general funds for the technology in schools budget in FY2015. This includes an increase of \$119,295 in general funds for increased costs of the teacher evaluation software due to higher demand, \$100,000 in general funds for the annual fee for a new Egrant system, and \$88,614 in general funds for contract increases at the K-12 data center. The total recommended budget includes \$7,214,819 in general funds and \$1,804,346 in other fund expenditure authority. The technology in schools budget is used to support ongoing costs of the technology infrastructure and systems for the school districts.

The Governor is recommending a total increase of \$2,070,792 in general funds for the postsecondary technical institutes in FY2015. An increase of \$915,920 in general funds is to freeze tuition up to \$5 per credit hour or 4.8% at the postsecondary technical institutes. An increase of \$778,992 in general funds is based on a per student funding level of \$3,306.72 for FY2015, which is a 3.0% increase from FY2014. The estimated number of students for the FY2015 budget is an increase of 55 for a total of 6,255. An increase of \$875,880 in general funds is for the state share of the bond payment due to the passage of HB1098 from the 2013 legislative session. A decrease of \$500,000 in general funds is recommended to eliminate the one-time funding added to the FY2014 base budget. The total recommended FY2015 budget for postsecondary technical institutes is \$24,125,334 in general funds and \$100,000 in other fund expenditure authority.

BOARD OF REGENTS

The budget for the Board of Regents provides funding for the six state universities (Black Hills State University, Dakota State University, Northern State University, South Dakota School of Mines and Technology, South Dakota State University, and the University of South Dakota). Within the university budgets is funding for the University Center Sioux Falls, the University Center Rapid City, and Capital University Center Pierre. The state's two special schools, the South Dakota School for the Deaf and the South Dakota School for the Blind and Visually Impaired, are also included in the regental system.



The budget for the Board of Regents contains a net increase of \$9,900,721 in total funds and 14.4 FTE over the FY2014 budget. The changes consist of increases of \$6,417,460 in general funds and \$3,983,225 in other fund expenditure authority, and a decrease of \$499,964 in federal fund expenditure authority. The total FY2015 recommended budget for the Board of Regents consists of \$186,900,804 in general funds, \$169,368,482 in federal fund expenditure authority, and \$446,649,740 in other fund expenditure authority, for a total FY2015 budget of \$802,919,026 and 5,087.8 FTE.

The Governor is proposing to fund the state-support resident tuition portion of the employee compensation package in order to freeze tuition and fees for state-support resident tuition for FY2015, for a cost of \$3,955,862 in general funds. Also included in the recommendation is \$1,161,617 in general funds for increased costs in utilities and \$1,647,447 in general funds is for maintenance and repair. This is the second year of a four year plan to reach an M&R budget which is 2% of the replacement value of the buildings.

The Governor is also recommending \$1,036,515 in general funds and 4.9 FTE for the expansion of 11 students per year in the Medical Doctor program at the Sanford School of Medicine (SSOM). Also included in the SSOM budget is \$111,000 in general funds for the remaining cost to pay all

Physician Assistant Preceptors. In the South Dakota State University budget, \$260,000 in general funds is recommended to pay for Nurse Practitioner Preceptors. The Governor is recommending \$313,416 in general funds for an aggressive initiative to complete the comprehensive annual financial reports within a required 6-month timeframe.

As a result of the Governor's recommendation to use one-time money to pay off higher interest debt, a reduction of \$2,301,879 in ongoing general funds is recommended for the science facilities bond payment.

The South Dakota Opportunity Scholarship continues to grow. No cement plant trust fund earnings are available so the Governor is recommending a general fund increase of \$308,333 in order to fully fund approximately 3,910 students in FY2015.

EDUCATION

The Governor's recommendation for the Department of Education, including the State Aid to Education formula, reflects increases of \$10,452,943 in general funds, \$9,543,904 in federal fund expenditure authority, and \$2,006 in other fund expenditure authority. Increases of \$33,975 in general funds, \$14,043 in federal fund expenditure authority, and \$2,006 in other fund expenditure authority are recommended throughout the department due to changes in the internal service rates charged by the bureaus. The total recommended budget for FY2015 is \$436,092,723 in general funds, \$191,636,175 in federal fund expenditure authority, \$6,058,702 in other fund expenditure authority, and 135.0 FTE.

GENERAL ADMINISTRATION

The Governor recommends increases of \$40,827 in general funds, \$6,398 in federal fund expenditure authority, \$761 in other fund expenditure authority, and 1.0 FTE. Increases of \$32,115 in general funds and 1.0 FTE are for an additional staff attorney to address increasing legal demands of the department. A portion of the FTE costs will be funded with current federal and other fund expenditure authority previously utilized on legal contractual services. The total recommended FY2015 budget for this division is \$2,240,882 in general funds, \$8,889,482 in federal fund expenditure authority, \$204,685 in other fund expenditure authority, and 39.5 FTE.

EDUCATION SERVICES AND RESOURCES

This includes the Division of Assessment and Accountability, the Division of Educational Services and Support, and the Division of Curriculum, Career, and Technical Education. The Governor recommends increases of \$509,734 in general funds, \$9,566,254 in federal fund expenditure authority, and \$1,245 in other fund expenditure authority. The total recommended FY2015 budget is \$7,505,527 in general funds, \$181,552,066 in federal fund expenditure authority, \$1,663,588 in other fund expenditure authority, and 68.0 FTE. An increase of \$300,000 in general funds will expand the number of dual credit classes offered to high school students throughout the state. An increase of \$85,064 in general funds and 1.0 FTE is for an accountability position which will solely be responsible for the accountability and report card process to assure federal compliance and to focus efforts to improve student achievement. An increase of \$74,132 in general funds and 1.0 FTE will fund a teacher and leader effectiveness position to implement and coordinate the teacher evaluation process statewide and lead efforts to improve teacher and school leadership quality in K-12 schools. These FTE increases are offset by a reduction of \$51,217 in federal fund expenditure authority and 2.0 FTE due to the loss of a federal grant and efficiencies realized within the division. An increase of \$48,712 in general funds is recommended to pay for a portion of an FTE to administer the National Career Readiness Certificate Test (NCRC) for all high school juniors in order to fulfill the career readiness indicator for the state's accountability system. An increase of \$9,611,027 in federal fund expenditure authority is due to changes in anticipated federal flow-through grant awards in the department.

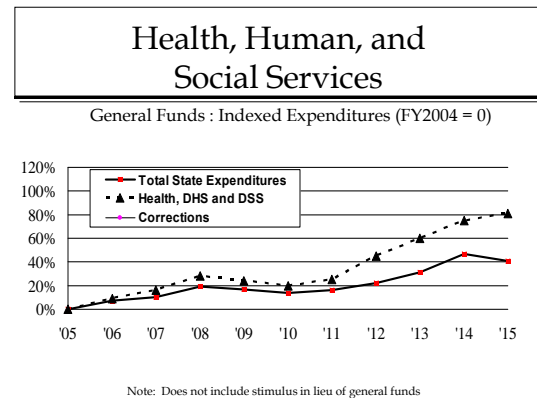
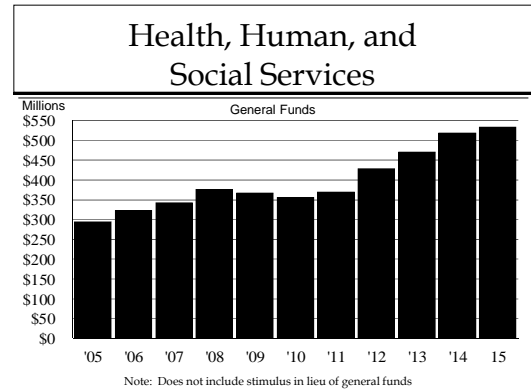
STATE LIBRARY

The Governor recommends an increase of \$7,904 in general funds and decreases of \$28,748 in federal fund expenditure authority and 1.0 FTE. Decreases of \$29,949 in federal fund expenditure authority and 1.0 FTE are due to efficiencies realized in the State Library braille and talking book program. The total recommended FY2015 budget for this division is \$1,764,236 in general funds, \$1,194,627 in federal fund expenditure authority, \$186,083 in other fund expenditure authority, and 27.5 FTE.

HEALTH, HUMAN, AND SOCIAL SERVICES

The budgets included in this category are the Department of Health, Department of Human Services, and Department of Social Services.

General funds account for a \$32.9 million increase out of the \$78.3 million in total ongoing general fund increases. This budget comprises of \$45.0 million of the \$159.2 million in total ongoing fund increases for FY2015. In terms of the total ongoing budget, this category is 38.3% of the general funds and 32.4% of the total ongoing funds, which amounts to almost \$1.4 billion in total ongoing funding.



HEALTH

The total recommended budget for the Department of Health includes an increase of \$201,959 in general funds, a decrease of \$2,222,162 in federal fund expenditure authority, and an increase of \$4,739,554 in other fund expenditure authority. Included are increases of \$3,419 in general funds, \$14,773 in federal fund expenditure authority, and \$11,179 in other fund expenditure authority due to changes in the internal service rates charged by the bureaus. The total recommended budget is \$7,653,375 in general funds, \$42,328,090 in federal fund expenditure authority, and \$39,384,370 in other fund expenditure authority, for a total of \$89,365,835 and 419.2 FTE.

ADMINISTRATION

The total recommended budget for Administration is \$1,180,788 in general funds, \$6,445,194 in federal fund expenditure authority, \$1,572,384 in other fund expenditure authority, and 32.0 FTE.

HEALTH SYSTEMS DEVELOPMENT AND REGULATION

The total recommended budget for Health Systems Development and Regulation is \$2,587,242 in general funds, \$9,595,132 in federal fund expenditure authority, \$2,896,909 in other fund expenditure authority, and 62.5 FTE. This includes increases of \$50,000 in general funds for West Nile Virus surveillance and \$148,540 in general funds to allow health profession students to participate in a four week program in rural communities. Also included is an increase of \$1,200,000 in other fund expenditure authority to purchase chest compression devices for hospitals and emergency medical services.

HEALTH AND MEDICAL SERVICES

The total recommended budget for Health and Medical Services is \$3,885,345 in general funds, \$21,719,163 in federal fund expenditure authority, \$5,242,201 in other fund expenditure authority, and 184.5 FTE. This includes a decrease of \$1,776,935 in American Recovery and Reinvestment Act (ARRA) federal fund expenditure authority which is no longer needed.

LABORATORY SERVICES

The total recommended budget for Laboratory Services is \$3,242,470 in federal fund expenditure authority, \$3,201,014 in other fund expenditure authority, and 28.0 FTE.

CORRECTIONAL HEALTH

The total recommended budget for Correctional Health is \$18,284,647 in other fund expenditure authority and 87.0 FTE. This includes an increase of \$2,446,226 in other fund expenditure authority due to costs associated with significant inmate healthcare events, as well as other inflationary costs. Also included is an increase of \$30,713 in other fund expenditure authority due to a 3.0% provider inflation increase.

TOBACCO PREVENTION

The total recommended budget for Tobacco Prevention is \$1,127,437 in federal fund expenditure authority, \$4,500,038 in other fund expenditure authority, and 3.0 FTE. This includes an increase of \$500,000 in other fund expenditure authority to enhance outreach to priority high risk populations. A decrease of \$460,000 in ARRA federal fund expenditure authority is also recommended as this is no longer needed.

PROFESSIONAL AND OCCUPATIONAL LICENSING - INFORMATIONAL

This division is comprised of the informational budgets of the professional and occupational licensing boards. There are twelve boards including the Board of Chiropractic Examiners, Board of Dentistry, Board of Hearing Aid Dispensers, Board of Funeral Service, Board of Medical and Osteopathic Examiners, Board of Nursing, Board of Nursing Home Administrators, Board of Optometry, Board of Pharmacy, Board of Podiatry Examiners, Board of Massage Therapy, and Board of Speech-Language Pathology. The Governor is recommending increases in other fund expenditure authority of \$5,892 in the Board of Dentistry, \$600 in the Board of Hearing Aid Dispensers, \$5,100 in the Board of Funeral Service, \$18,000 in the Board of Nursing, \$6,444 in the Board of Nursing Home Administrators, \$3,538 in the Board of Optometry, \$4,470 in the Board of Massage Therapy, and \$7,392 in the Board of Speech-Language Pathology. The total recommended budget for the Boards is \$198,694 in federal fund expenditure authority, \$3,687,177 in other fund expenditure authority, and 22.2 FTE.

HUMAN SERVICES

The Governor is recommending increases of \$6,256,305 in general funds, \$433,497 in federal fund expenditure authority, and \$11,261,010 in other fund expenditure authority. The recommendation includes an increase of \$2,593,154 in general funds with a corresponding decrease in federal fund expenditure authority due to the change in the Federal Medical Assistance Percentage (FMAP). Also, increases of \$6,726 in general funds, \$19,913 in federal fund expenditure authority, and \$225 in other fund expenditure authority are recommended throughout the department due to changes in the internal service rates charged by the bureaus. For FY2015, a total budget consisting of \$73,107,476 in general funds, \$100,386,551 in federal fund expenditure authority, \$15,095,756 in other fund expenditure authority, and 550.4 FTE is recommended.

SECRETARIAT

The Governor's recommended budget for the Secretariat includes increases of \$276 in general funds and \$263 in federal fund expenditure authority. The total recommended budget is \$822,969 in general funds, \$610,697 in federal fund expenditure authority, \$1,421 in other fund expenditure authority, and 16.0 FTE.

DEVELOPMENTAL DISABILITIES

The recommendation for the Division of Developmental Disabilities includes increases of \$5,503,017 in general funds, \$715,446 in federal fund expenditure authority, and \$11,260,785 in other fund expenditure authority. Increases of \$1,522,817 in general funds and \$1,954,219 in federal fund expenditure authority are for a 3.0% provider inflation increase. Also, increases of \$1,606,756 in general funds and \$1,749,042 in federal fund expenditure authority are to address growth in individuals needing services who have developmental disabilities. Increases of \$84,042 in general funds and \$55,010 in federal fund expenditure authority are to add an additional Family Support services coordinator who will serve an 40 more people in eastern South Dakota. Also, increases of \$214,874 in general funds and \$233,902 in federal fund expenditure authority are due to eliminating cost sharing on earned income for participants receiving home and community based waiver services. A decrease of \$1,203,543 in federal fund expenditure authority is to align the budget to more closely reflect expenditures. An increase of \$11,260,785 in other fund expenditure authority is to provide matching funds for children's home and community based services. The total recommended budget for the Developmental Disabilities division is \$55,832,744 in general funds, \$69,560,015 in federal fund expenditure authority, \$11,260,785 in other fund expenditure authority, and 20.5 FTE.

SOUTH DAKOTA DEVELOPMENTAL CENTER

The recommendation for the South Dakota Developmental Center includes an increase of \$588,590 in general funds and a decrease of \$276,855 in federal fund expenditure authority. The Governor's recommendation includes increases of \$80,027 in general funds and \$87,115 in federal fund expenditure authority for utility cost adjustments. Increases of \$66,161 in general funds and \$72,019 in federal fund expenditure authority are due to the worker's compensation rate increasing. The total recommended budget is \$11,221,108 in general funds, \$12,285,247 in federal fund expenditure authority, \$792,145 in other fund expenditure authority, and 385.6 FTE.

REHABILITATION SERVICES

The Governor's recommended budget for Rehabilitation Services includes an increase of \$163,786 in general funds and a decrease of \$6,727 in federal fund expenditure authority. The Governor's recommendation includes increases of \$81,748 in general funds and \$58,974 in federal fund expenditure authority for a 3.0% provider inflation increase. The total recommended budget is

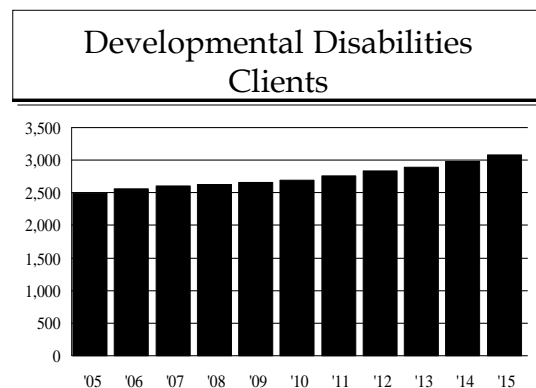
\$4,317,603 in general funds, \$15,438,712 in federal fund expenditure authority, \$1,423,424 in other fund expenditure authority, and 99.1 FTE.

TELECOMMUNICATION DEVICES FOR THE DEAF

The Governor is recommending no change to the Telecommunication Devices for the Deaf budget. The total FY2015 budget is \$1,251,680 in other fund expenditure authority.

SERVICE TO THE BLIND AND VISUALLY IMPAIRED

The Governor is recommending increases of \$636 in general funds, \$1,370 in federal fund expenditure authority, and \$225 in other fund expenditure authority. The total recommended budget is \$913,052 in general funds, \$2,491,880 in federal fund expenditure authority, \$366,301 in other fund expenditure authority, and 29.2 FTE.



SOCIAL SERVICES

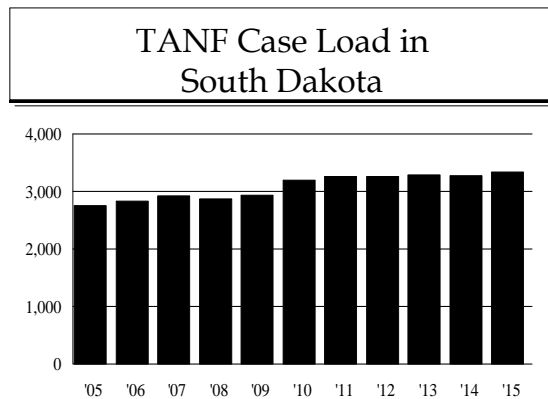
The Governor's recommended budget for the Department of Social Services is \$452,564,433 in general funds, \$643,114,520 in federal fund expenditure authority, and \$9,874,099 in other fund expenditure authority, for a total FY2015 budget of \$1,105,553,052 and 1,656.3 FTE. This recommendation is an increase of \$26,432,506 in general funds, a decrease of \$2,095,841 in federal fund expenditure authority, and increases of \$39,196 in other fund expenditure authority and 4.0 FTE over the FY2014 operating budget. This budget includes a funding swap of \$12,791,094 from federal fund expenditure authority to general funds due to the increase in the state's share in the Federal Medical Assistance Percentage (FMAP). Also included are increases of \$256,740 in general funds, \$299,629 in federal fund expenditure authority, and \$1,385 in other fund expenditure authority throughout the department due to changes in the internal service rates charged by the bureaus.

ADMINISTRATION

The Governor's recommended increases within Administration include increases of \$189,118 in general funds, \$241,547 in federal fund expenditure authority, and \$1 in other fund expenditure authority. The total recommended budget is \$8,312,554 in general funds, \$20,566,429 in federal fund expenditure authority, \$18,736 in other fund expenditure authority, and 182.7 FTE.

ECONOMIC ASSISTANCE

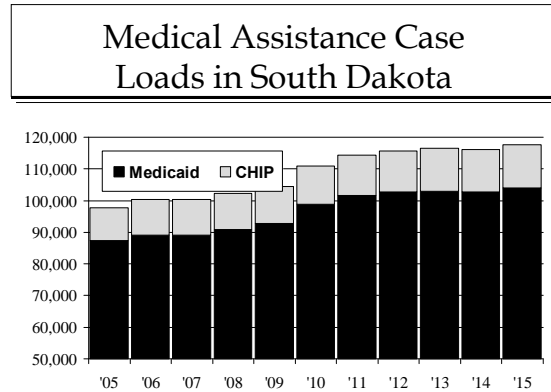
The Governor's recommended budget for Economic Assistance includes increases of \$876,504 in general funds, \$11,918 in federal fund expenditure authority, and \$2 in other fund expenditure authority. Increases of \$356,653 in general funds and \$517,132 in federal fund expenditure authority are for provider inflation of 3.0%. The total recommended budget is \$24,277,777 in general funds, \$59,904,305 in federal fund expenditure authority, \$338,378 in other fund expenditure authority, and 320.5 FTE.



MEDICAL AND ADULT SERVICES

The recommended budget for Medical and Adult Services includes an increase of \$21,994,291 in general funds, a decrease of \$2,569,353 in federal fund expenditure authority, and increases of \$668 in other fund expenditure authority and 1.0 FTE. The FY2015 recommended budget is \$308,458,831 in general funds, \$475,111,371 in federal fund expenditure authority, \$1,777,297 in other fund expenditure authority, and 151.0 FTE. An increase of \$1,764,017 in general funds and a decrease of \$486,468 in federal fund expenditure authority are for mandatory inflation. The Governor's recommendation also includes \$7,793,697 in general funds and \$8,272,678 in federal fund expenditure authority for a 3.0% provider inflation increase. Decreases of \$213,057 in general funds and \$422,556 in federal fund expenditure authority are due to the revised projection of eligibles within the Children's Health Insurance Program (CHIP).

Increases of \$1,257,831 in general funds and \$1,399,226 in federal fund expenditure authority are due to the projected number of Medicaid eligibles. Also included is an additional \$21,214 in both general funds and federal fund expenditure authority and 1.0 FTE for a Program Assistant within Medical Services.



CHILDREN'S SERVICES

The Governor's recommended FY2015 budget for Children's Services includes an increase of \$3,054,321 in general funds, a decrease of \$216,898 in federal fund expenditure authority, and increases of \$33,524 in other fund expenditure authority and 3.0 FTE. This includes increases of \$420,243 in general funds and \$47,594 in federal fund expenditure authority for additional subsidized adoptions. In addition, increases of \$1,682,494 in general funds, \$435,815 in federal fund expenditure authority, and \$33,521 in other fund expenditure authority are recommended for provider inflation of 3.0%. Increases of 3.0 FTE, \$92,232 in general funds, and \$42,218 in federal fund expenditure authority are for a Program Assistant, an Intake Specialist, and a Family Service Specialist. The total recommended budget for Children's Services is \$44,737,794 in general funds, \$49,734,418 in federal fund expenditure authority, \$4,579,207 in other fund expenditure authority, and 353.8 FTE.

BEHAVIORAL HEALTH

The Governor recommends increases of \$318,272 in general funds, \$436,945 in federal fund expenditure authority, and \$10,038 in other fund expenditure authority. Increases of \$1,686,133 in general funds and \$706,899 in federal fund expenditure authority are recommended for increased eligibles within community behavioral health. Recommended increases at the Human Services Center (HSC) include \$112,948 in general funds and \$16,606 in federal fund expenditure authority for utility cost adjustments and \$54,641 in general funds for a food services adjustment, along with a decrease of \$18,580 in general funds for

bond payment adjustments. Increases of \$1,103,835 in general funds, \$347,013 in federal fund expenditure authority, and \$9,690 in other fund expenditure authority are recommended for 3.0% provider inflation. As a result of the Governor's recommendation to use one-time money to pay off higher interest debt, a reduction of \$3,327,474 in ongoing general funds is recommended for the HSC Mickelson and HSC Dietary buildings. The total recommended FY2015 budget is \$66,777,477 in general funds, \$37,797,997 in federal fund expenditure authority, and \$2,737,370 in other fund expenditure authority for a total of \$107,312,844 and 647.0 FTE.

BOARDS – INFORMATIONAL

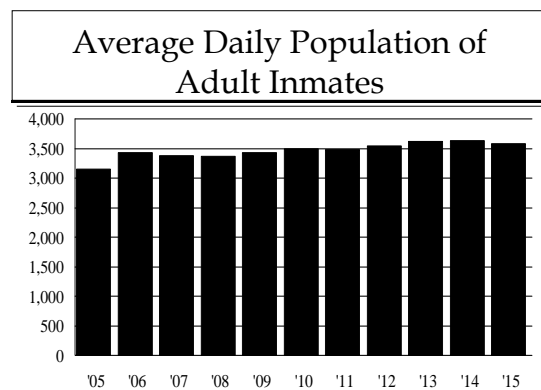
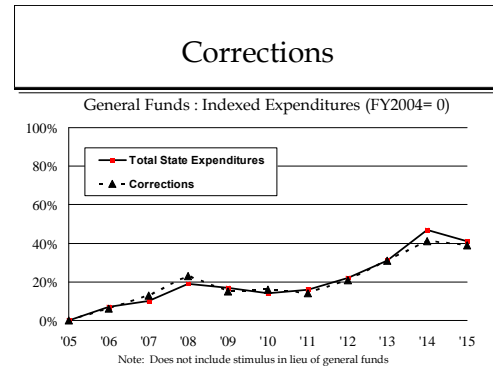
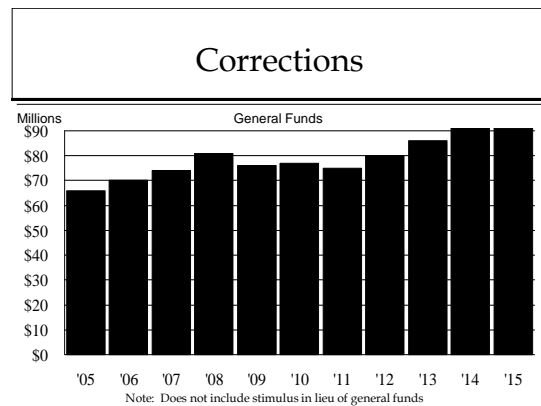
There are four boards including the Board of Counselor Examiners, Board of Psychology Examiners, Board of Social Work Examiners, and the Board of Addiction and Prevention Professionals. The total recommended budget for FY2015 for the Boards is \$423,111 in other fund expenditure authority and 1.3 FTE.

CORRECTIONS

The Governor's recommended budget for the Department of Corrections is \$91,415,329 in general funds, \$9,163,501 in federal fund expenditure authority, and \$12,753,304 in other fund expenditure authority. The overall FY2015 budget for Corrections is \$113,332,134 in total funds and 874.2 FTE.

The FY2015 budget recommendation includes an increase of \$3,768,829 in general funds, a decrease of \$1,757,383 in federal fund expenditure authority, and increases of \$4,378,109 in other fund expenditure authority and 3.0 FTE. Increases of \$27,422 in general funds, \$2,155 in federal fund expenditure authority, and \$11,156 in other fund expenditure authority are recommended throughout the department due to changes in the internal service rates charged by the bureaus.

The average daily population (ADP) of adult inmates is projected to be 3,584 in FY2015. This represents a decrease of 39 inmates over the actual FY2013 ADP of 3,623 inmates. The ADP of juveniles in institutional settings is projected to be 715 in FY2015. This represents an increase of 22 juveniles when compared to the FY2013 ADP of 693.



ADMINISTRATION

The Governor is recommending a net decrease of \$36,690 in total funds. This is mainly attributed to a decrease of \$99,714 in other fund expenditure authority due to reduced contract coverage for the Comprehensive Officer Management System (COMS). The FY2015 recommended budget in Administration is \$1,815,449 in general funds, \$1,011,006 in federal fund expenditure authority, \$333,348 in other fund expenditure authority, and 22.0 FTE.

MIKE DURFEE STATE PRISON

The Governor's FY2015 budget recommendation for Mike Durfee State Prison (MDSP) includes increases of \$2,919 in general funds and \$96,742 in other fund expenditure authority, and a decrease of

\$25,422 in federal fund expenditure authority. The increase of \$101,867 in other fund expenditure authority is for overtime costs due to coverage and transporting of inmates receiving medical coverage at hospitals. The total FY2015 recommended budget for MDSP is \$15,208,304 in general funds, \$116,991 in federal fund expenditure authority, \$1,339,129 in other fund expenditure authority, and 210.0 FTE.

STATE PENITENTIARY

The FY2015 recommendation for the South Dakota State Penitentiary's (SDSP) budget includes increases of \$420,651 in general funds, \$584,332 in other fund expenditure authority, and 4.0 FTE, and a decrease of \$391,512 in federal fund expenditure authority. The Governor is recommending an increase of 1.0 FTE and \$44,911 in general funds for a Correctional Officer to increase coverage for Unit C. Unit C has an estimated 300 inmates per day entering and leaving the facility for work release, community service, the community transition program (CTP), and institutional support. The Governor is also recommending an increase of 1.0 FTE and \$50,598 in general funds to hire an Electronics Specialist. Also included in this budget recommendation is an increase of \$67,835 in general funds to house an inmate who is under 18 years of age at an out of state facility. The FY2015 budget for SDSP is \$21,188,409 in total funds and 306.0 FTE.

WOMEN'S PRISON

The FY2015 recommendation for the South Dakota Women's Prison's (SDWP) budget includes an increase of \$23,401 in general funds, \$76 in federal fund expenditure authority, and \$1,009 in other fund expenditure authority. This budget includes an increase in total funds of \$24,486 for utilities and operating expenditures. The FY2015 recommended budget for the SDWP is \$5,157,806 in total funds and 70.0 FTE.

PHEASANTLAND INDUSTRIES

The Pheasantland Industries budget is recommended to increase by \$3,406,150 in other fund expenditure authority. This increase is for raw materials to start the first year of a two year license plate run. Plates would start to be issued January 1st, 2016. The FY2015 budget for Pheasantland Industries is \$5,991,115 in other fund expenditure authority and 14.0 FTE.

INMATE SERVICES

The Inmate Services recommended budget is to increase by \$2,355,617 in general funds, along with decreases of \$571,664 in federal fund expenditure

authority, \$292,688 in other fund expenditure authority, and 1.0 FTE. The Governor is recommending increases of \$2,249,296 in general funds for Correctional Healthcare (CHC), \$18,855 in general funds for a 3% provider inflation increase for CHC, and \$81,898 in general funds for Sex Offender Management. The Governor is also recommending decreases of \$571,935 in federal fund expenditure authority, \$293,233 in other fund authority, and 3.0 FTE. The decreases are primarily due to the completion of The Adult Reentry grant. The recommended FY2015 budget for Inmate Services is \$22,399,265 in total funds and 25.0 FTE.

PAROLE SERVICES

The FY2015 budget recommendation for Parole Services is an increase of \$100,301 in general funds and \$747,983 in other fund expenditure authority. The majority of the increase is \$500,000 in other fund expenditure authority for grants related to the Criminal Justice Initiative. The FY2015 budget for Parole Services is \$3,885,585 in general funds, \$972,986 in other fund expenditure authority, and 55.0 FTE.

JUVENILE COMMUNITY CORRECTIONS

The Juvenile Community Corrections budget is recommended to increase by \$558,499 in general funds and to decrease by \$760,714 in federal fund expenditure authority and \$72,021 in other fund expenditure authority. The Governor is recommending an increase of \$253,030 in general funds and a decrease of a like amount in federal fund expenditure authority due to the change in the Federal Medical Assistance Percentage (FMAP). The recommendation also includes a decrease of \$513,665 in general funds and \$559,152 federal fund expenditure authority due to a projected reduction in juvenile Medicaid eligible placements. The FY2015 budget includes \$16,809,638 in general funds, \$6,324,625 in federal fund expenditure authority, \$567,369 in other fund expenditure authority, and 47.5 FTE.

YOUTH CHALLENGE CENTER

The FY2015 budget for the Youth Challenge Center is \$1,479,523 in general funds, \$14,942 in other fund expenditure authority, and 26.0 FTE.

PATRICK HENRY BRADY ACADEMY

The FY2015 budget for the Brady Academy is \$1,483,688 in general funds, \$14,280 in other fund expenditure authority, and 26.0 FTE.

STATE TREATMENT AND REHABILITATION ACADEMY

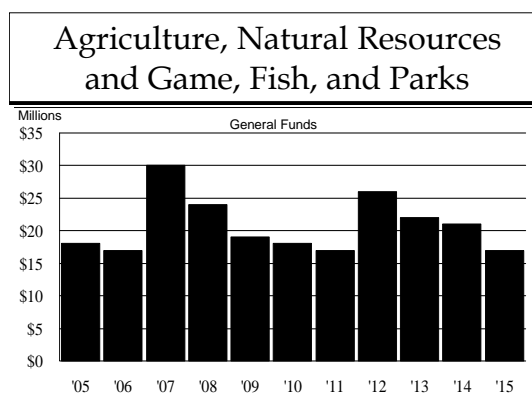
The State Treatment and Rehabilitation (STAR) Academy budget is recommended to increase by \$243,056 in general funds, \$5,700 in other fund expenditure authority, and to decrease by \$8,249 in other fund expenditure authority. The primary increase is \$142,727 in general funds for Correctional Healthcare. The overall FY2015 budget for STAR is \$5,601,449 in total funds and 44.7 FTE.

QUEST/EXCEL

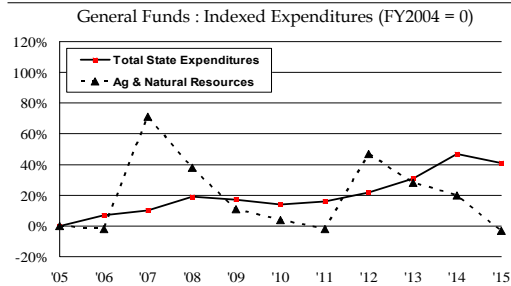
The FY2015 recommended budget for Quest/ExCEL is \$1,593,917 in general funds, \$23,310 in other fund expenditure authority, and 28.0 FTE.

AGRICULTURE; ENVIRONMENT AND NATURAL RESOURCES; AND, GAME, FISH, AND PARKS

The budgets included in this category are the Department of Agriculture, Department of Environment and Natural Resources, and Department of Game, Fish, and Parks. General funds account for an increase of \$0.8 million out of the \$78.3 million in total ongoing general fund increases. This budget represents an increase of \$2 million out of the \$159.2 million in total ongoing fund increases for FY2015. In terms of the total ongoing state budget, this category is 1.2% of the general funds and 3.4% of the total ongoing funds, which amounts to \$145.7 million in total ongoing funding.



Agriculture, Natural Resources and Game, Fish, and Parks



AGRICULTURE

The total recommended budget for the Department of Agriculture is \$45,383,278, consisting of \$6,400,419 in general funds, \$7,089,515 in federal fund expenditure authority, \$31,893,344 in other fund expenditure authority, and 225.9 FTE. The Governor is recommending total increases of \$468,952 in general funds, \$2,308,531 in other fund expenditure authority, and 1.1 FTE, along with a total decrease of \$631,124 in federal fund expenditure authority. Increases of \$6,191 in general funds, \$4,315 in federal fund expenditure authority, and \$8,658 in other fund expenditure authority are recommended due to changes in the internal service rates charged by the bureaus.

OFFICE OF THE SECRETARY

The total recommended budget for the Office of the Secretary is \$1,022,883, consisting of \$800,767 in general funds, \$56,659 in federal fund expenditure authority, \$165,457 in other fund expenditure authority, and 9.5 FTE.

AGRICULTURAL SERVICES AND ASSISTANCE

The total recommended budget for Agricultural Services and Assistance includes \$1,826,260 in general funds, \$3,758,760 in federal fund expenditure authority, and \$3,020,735 in other fund expenditure authority, for a total budget of \$8,605,755 and 83.1 FTE. This includes a decrease of \$429,840 in American Recovery and Reinvestment Act (ARRA) federal fund expenditure authority which is no longer needed.

AGRICULTURAL DEVELOPMENT AND PROMOTION

The Governor's recommended budget for Agricultural Development and Promotion is \$4,182,735, consisting of \$1,602,083 in general funds, \$1,669,806 in federal fund expenditure authority, \$910,846 in other fund expenditure authority, and 27.8 FTE. This includes an increase

of \$460,000 in general funds with a corresponding decrease of \$460,000 in other fund expenditure authority to correct the structural shortfall within the Rural Rehabilitation Fund.

ANIMAL INDUSTRY BOARD

The total recommended budget for the Animal Industry Board is \$3,772,755 and 41.0 FTE. This budget is comprised of \$1,901,927 in general funds, \$1,604,290 in federal fund expenditure authority, and \$266,538 in other fund expenditure authority. This includes increases of \$2,761 in general funds and \$1,329 in federal fund expenditure authority due to an increase in the Board's lease agreement. Also included is a decrease of \$206,928 in federal fund expenditure authority due to reductions in state cooperative agreements.

BOARDS AND COMMISSIONS - INFORMATIONAL

The Agricultural Boards and Commissions are as follows: the American Dairy Association, the Wheat Commission, the Oilseeds Council, the Soybean Research and Promotion Council, the Brand Board, the Corn Utilization Council, the Board of Veterinary Medical Examiners, and the Pulse Crops Council. The total recommended budget for the Agricultural Boards and Commissions is \$25,056,296 in other fund expenditure authority and 45.0 FTE. The Governor is recommending increases in other fund expenditure authority of \$53,275 in the American Dairy Association, \$4,667 in the Oilseeds Council, \$2,916,549 and 1.0 FTE in the Soybean Research and Promotion Council, \$13,362 in the Brand Board, \$110,270 in the Corn Utilization Council, \$30 in the Board of Veterinary Medical Examiners, and \$897 in the Pulse Crops Council. The Governor is also recommending a decrease in other fund expenditure authority of \$337,420 in the Wheat Commission. The total increase in other fund expenditure authority for the boards and commissions is \$2,761,630.

STATE FAIR

The total recommended budget for the State Fair is \$269,382 in general funds and \$2,473,472 in other fund expenditure authority for a total budget of \$2,742,854 and 19.5 FTE.

ENVIRONMENT AND NATURAL RESOURCES

The total recommended budget for the Department of Environment and Natural Resources totals \$22,454,256 and consists of \$5,853,136 in general funds, \$7,551,753 in federal fund expenditure

authority, \$9,049,367 in other fund expenditure authority, and 180.5 FTE. Included are increases of \$8,754 in general funds, \$12,335 in federal fund expenditure authority, and \$7,110 in other fund expenditure authority due to changes in the internal service rates charged by the bureaus.

FINANCIAL AND TECHNICAL ASSISTANCE

The total recommended budget for Financial and Technical Assistance consists of \$2,245,178 in general funds, \$1,975,791 in federal fund expenditure authority, and \$1,027,765 in other fund expenditure authority, for a total budget of \$5,248,734 and 56.5 FTE.

ENVIRONMENTAL SERVICES

The total recommended budget for Environmental Services is \$12,159,853 and 119.0 FTE, consisting of \$3,607,958 in general funds, \$5,575,962 in federal fund expenditure authority, and \$2,975,933 in other fund expenditure authority.

REGULATED RESPONSE FUND – INFORMATIONAL

The Governor is recommending no change in the Regulated Response Fund budget. This budget is informational and continuously appropriated with \$1,750,002 in other fund expenditure authority.

LIVESTOCK CLEANUP FUND – INFORMATIONAL

The Governor is recommending no change in the Livestock Cleanup Fund budget. This budget is informational and continuously appropriated with \$765,000 in other fund expenditure authority.

PETROLEUM RELEASE COMPENSATION

The total recommended budget for Petroleum Release Compensation is \$2,530,667 in other fund expenditure authority and 5.0 FTE.

GAME, FISH, AND PARKS

The total recommended budget for the Department of Game, Fish, and Parks totals \$77,906,729, including \$4,754,017 in general funds, \$23,279,438 in federal fund expenditure authority, \$49,873,274 in other fund expenditure authority, and 567.4 FTE. This budget reflects an overall decrease of \$150,987, including a decrease of \$897,779 in federal fund expenditure authority and increases of \$291,467 in general funds, \$455,325 in other fund expenditure authority, and 1.0 FTE. Included are increases of \$19 in federal fund expenditure

authority and \$28,628 in other fund expenditure authority due to changes in the internal service rates charged by the bureaus.

ADMINISTRATION

The total recommended budget for Administration includes \$928,289 in general funds, \$3,293,361 in other fund expenditure authority, and 25.1 FTE, for a total budget of \$4,221,650. This includes an increase of \$4,187 in general funds resulting from changes in bond payments related to the Division of Wildlife's fish hatcheries. A like amount of the Division of Wildlife other funds are transferred into the general fund resulting in a net zero impact to the general fund.

WILDLIFE – INFORMATIONAL

The total recommended budget for the Division of Wildlife is \$43,268,542, composed of \$15,865,182 in federal fund expenditure authority, \$27,403,360 in other fund expenditure authority, and 290.0 FTE. Included in this budget is an increase of \$15,891 in federal fund expenditure authority and a decrease of \$306,261 in other fund expenditure authority to align the budget with anticipated expenditures.

WILDLIFE DEVELOPMENT AND IMPROVEMENT – INFORMATIONAL

The total recommended budget for the Wildlife Development and Improvement Division is \$1,512,000, including \$1,093,750 in federal fund expenditure authority and \$418,250 in other fund expenditure authority. This includes decreases of \$637,250 in federal fund expenditure authority and \$468,750 in other fund expenditure authority to align the budget with anticipated costs from the capital development project list.

STATE PARKS AND RECREATION

The total recommended budget for the Division of State Parks and Recreation is \$20,708,469 and 243.2 FTE, consisting of \$3,825,728 in general funds, \$3,258,756 in federal fund expenditure authority, and \$13,623,985 in other fund expenditure authority. This includes an increase of \$287,280 in general funds due to changes in bond payments related to the Custer State Park, the Angostura Recreation Area and the Cedar Shore Resort marina. A like amount of the State Parks and Recreation other funds are transferred into the general fund resulting in a net zero impact to the general fund. Increases of \$174,130 in federal fund expenditure authority and \$536,503 in other fund expenditure authority are for daily operational functions within the statewide park system.

STATE PARKS AND RECREATION DEVELOPMENT AND IMPROVEMENT

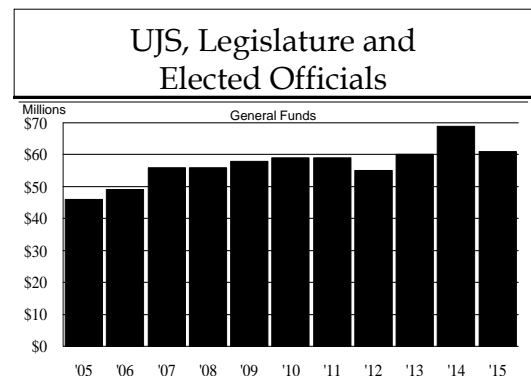
The total recommended budget for the State Parks and Recreation Development and Improvement Program is \$6,786,200, composed of \$2,829,750 in federal fund expenditure authority and \$3,956,450 in other fund expenditure authority. This includes a decrease of \$394,550 in federal fund expenditure authority and an increase of \$734,750 in other fund expenditure authority to align the budget with anticipated costs from the capital development project list.

SNOWMOBILE TRAILS – INFORMATIONAL

The total recommended budget for the Snowmobile Trails Program is \$232,000 in federal fund expenditure authority, \$1,177,868 in other fund expenditure authority, and 9.1 FTE. The Governor is recommending decreases of \$56,000 in federal fund expenditure authority and \$46,000 in other fund expenditure authority to reflect changes in the capital asset budget.

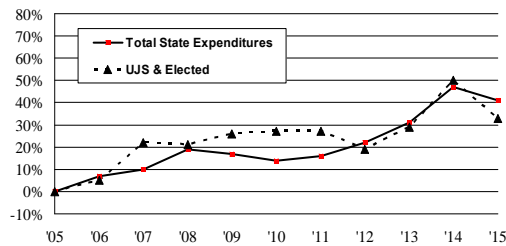
LEGISLATURE, UNIFIED JUDICIAL SYSTEM, PUBLIC UTILITIES COMMISSION, AND ELECTED OFFICIALS

The budgets included in this category are the Legislature, Unified Judicial System, Public Utilities Commission, Office of the Attorney General, Secretary of State, School and Public Lands, Office of the State Auditor, and Office of the State Treasurer. General funds account for an increase of \$0.3 million out of the \$78.3 million in total ongoing increases. This budget represents a \$7.1 million increase out of the \$78.3 million in total ongoing fund increases for FY2015. In terms of the total ongoing state budget, this category is 4.2% of the general funds and 2.6% of the total ongoing funds, which amounts to \$112.4 million in total ongoing funding.



UJS, Legislature and Elected Officials

General Funds : Indexed Expenditures (FY2004 = 0)



LEGISLATURE

The FY2015 budget for the Legislature is \$8,833,801 in total funds and 70.3 FTE. An increase of \$11,284 in general funds is recommended due to changes in the internal service rates charged by the bureaus.

The Legislative Research Council's budget includes an increase of \$88,431 in general funds. The overall FY2015 budget for the Legislative Research Council is \$5,532,532 in general funds, \$35,000 in other fund expenditure authority, and 31.3 FTE.

General fund increases of \$200,701 and 3.0 FTE for the Auditor General are recommended for an aggressive initiative to complete the comprehensive annual financial reports within a required 6-month timeframe. The overall FY2015 budget for Legislative Audit is \$3,266,269 in general funds and 39.0 FTE.

UNIFIED JUDICIAL SYSTEM

The Governor's recommended changes for the Unified Judicial System include increases of \$592,991 in general funds, \$15,500 in federal fund expenditure authority, \$83,549 in other fund expenditure authority, and 8.0 FTE.

This recommendation includes increases of \$395,773 in general funds, \$13,336 in federal fund expenditure authority, and 4.5 FTE for the Drug/DUI Courts. This consists of 0.5 FTE for a Magistrate Judge, 3.0 FTE for Court Services Officers, and 1.0 FTE for a Drug/DUI Court Specialists. Also included are increases of \$162,354 in general funds and 3.5 FTE for a Juvenile Detention Alternatives Coordinator, Deputy Court Clerks, and a Court Services Secretary. Increases of \$29,488 in general funds and \$2,164 in federal fund expenditure authority are for a 3.0% provider inflation increase. Also, an increase of \$79,536 in other fund expenditure authority is for statewide capital assets. Also included are increases of \$5,376 in general funds and \$4,013 in other fund

expenditure authority due to changes in the internal service rates charged by the bureaus.

The total recommended budget for the Unified Judicial System is \$49,245,668, consisting of \$37,222,101 in general funds, \$732,967 in federal fund expenditure authority, \$11,290,600 in other fund expenditure authority, and 563.9 FTE.

PUBLIC UTILITIES COMMISSION

The total recommended budget for the Public Utilities Commission is \$4,499,025, consisting of \$535,246 in general funds, \$539,409 in federal fund expenditure authority, \$3,424,370 in other fund expenditure authority, and 34.2 FTE. This includes an increase of 1.0 FTE within Fixed Utilities for a utility analyst. A funding swap of \$43,364 from other fund expenditure authority to general funds is recommended within Grain Warehouse. Also included are increases of \$8 in general funds, \$336 in federal fund expenditure authority, and \$2,625 in other fund expenditure authority due to changes in the internal service rates charged by the bureaus.

ATTORNEY GENERAL

The Governor's FY2015 budget recommendation for the Office of the Attorney General includes \$9,396,827 in general funds, \$4,192,396 in federal fund expenditure authority, and \$9,508,402 in other fund expenditure authority, for a total of \$23,097,625 in total funds and 176.0 FTE.

This budget recommendation consists of decreases of \$566,799 in general funds and \$29,318 in federal fund expenditure authority, and increases of \$284,286 in other fund expenditure authority and 1.0 FTE. This is a FY2015 net decrease of \$311,831 in total funds. Increases of \$34,693 in general funds, \$2,682 in federal fund expenditure authority, and \$27,219 in other expenditure authority are recommended throughout the department due to changes in the internal service rates charged by the bureaus.

LEGAL SERVICES

Included in this budget recommendation is an increase of \$12,398 in general funds, a decrease of \$9,336 in federal fund expenditure authority, and an increase of \$94,260 in other fund expenditure authority. The Governor is recommending an increase of \$62,000 of other fund expenditure authority for public awareness radio advertisements, senior handbooks, and privacy rights books as part of a consumer protection program. This request is to protect consumers against identity theft, scams that target the elderly,

and any criminal information against the masses. The FY2015 budget for The Legal Services Division is \$7,633,506 in total funds and 67.0 FTE.

CRIMINAL INVESTIGATION

Included in this budget are decreases of \$589,916 in general funds and \$19,982 in federal fund authority, and an increase of \$184,305 other fund expenditure authority and 1.0 FTE. As a result of the Governor's recommendation to use one-time money to pay off higher interest debt, a reduction of \$647,160 in ongoing general funds is recommended for the division of criminal investigation building bond payment. The Governor is recommending a decrease of \$647,160 in general funds due to debt reduction on an existing bond. The Governor is also recommending 1.0 FTE, \$25,000 in federal fund expenditure authority, and \$116,899 in other fund expenditure authority for a white collared DCI agent who specializes in computer forensic examinations. The overall FY2015 budget for The Criminal Investigation Division is \$12,906,361 in total funds and 92.5 FTE.

LAW ENFORCEMENT TRAINING

The FY2015 budget recommendation for the division of Law Enforcement Training is \$368,519 in general funds and \$1,732,130 in other fund expenditure authority. The FY15 budget consists of \$2,100,649 in total funds and 11.5 FTE.

911 TRAINING

The FY2015 recommended budget for 911 Training is \$213,838 in other fund expenditure authority and 2.0 FTE.

INSURANCE FRAUD UNIT - INFORMATIONAL

The FY2015 recommended budget for the Insurance Fraud Unit is \$243,271 in other fund expenditure authority and 3.0 FTE.

SECRETARY OF STATE

The Governor's recommendation for the Secretary of State's FY2015 budget is \$927,667 in general funds, \$3,142,251 in federal fund expenditure authority, \$470,121 in other fund expenditure authority, and 15.6 FTE. This includes increases of \$10,424 in general funds, \$5,539 in federal fund expenditure authority, and \$4,412 in other fund expenditure authority due to changes in the internal service rates charged by the bureaus.

SCHOOL AND PUBLIC LANDS

The Governor's recommendation for the FY2015 School and Public Lands' budget is \$515,956 in general funds, \$325,000 in other fund expenditure authority, and 6.0 FTE. An increase of \$1,001 in general funds is due to changes in the internal service rates charged by the bureaus.

STATE AUDITOR

The total recommended budget is \$1,251,980, consisting of \$1,151,980 in general funds, \$100,000 in other fund expenditure authority, and 16.0 FTE. This includes decreases of \$42,323 in general funds and 1.0 FTE to remove unutilized funding and FTE from the budget, as well a decrease of \$547 in general funds to align the budget with anticipated expenditures. Also, an increase of \$1,780 in general funds is due to changes in the internal service rates charged by the bureaus.

STATE TREASURER

The total recommended budget is \$20,093,301, consisting of \$505,101 in general funds, \$19,588,200 in other fund expenditure authority, and 39.0 FTE. This includes a total decrease of \$454 in general funds and an increase of \$6,400,758 in other fund expenditure authority. Included are increases of \$1,067 in general funds and \$4,201 in other fund expenditure authority due to changes in the internal service rates charged by the bureaus.

TREASURY MANAGEMENT

The total budget within Treasury Management is \$505,101 in general funds and 5.2 FTE. This includes a decrease of \$1,521 in general funds due to changes in the capital outlay budget.

UNCLAIMED PROPERTY - INFORMATIONAL

The total recommended budget for Unclaimed Property is \$4,282,697 in other fund expenditure authority and 3.8 FTE. This includes an increase of \$1,369,520 in other fund expenditure authority to align the budget with anticipated expenditures within claim payments and audits.

INVESTMENT OF STATE FUNDS

The Governor is recommending an increase of \$402,092 in other fund expenditure authority within Investment of State Funds for the South Dakota Investment Council (SDIC). This is for personal services promotional development and salary.

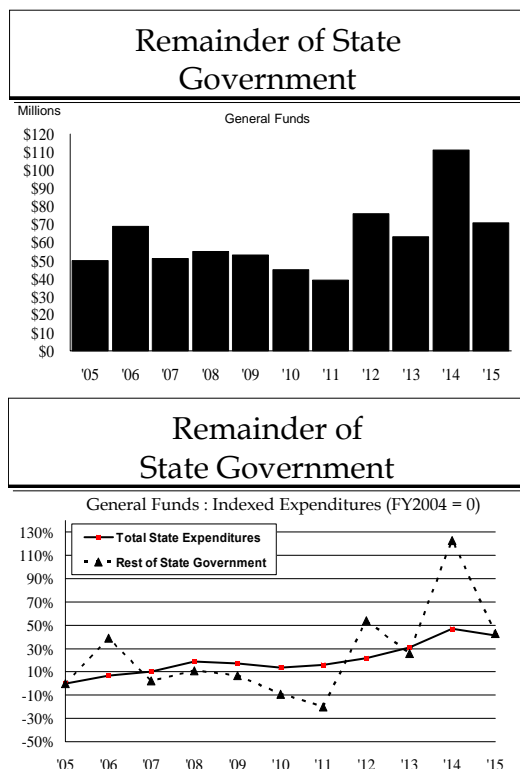
adjustments based on the SDIC's long-term compensation plan. The total recommended budget for the Investment of State Funds is \$6,970,852 in other fund expenditure authority and 30.0 FTE.

PERFORMANCE BASED COMPENSATION

The Governor is recommending an increase of \$4,624,945 in other fund expenditure authority within Performance Based Compensation for the SDIC. The total recommended budget for the Performance Based Compensation is \$8,334,651 in other fund expenditure authority.

REMAINDER OF STATE GOVERNMENT

The budgets included in this category are the Departments of Executive Management, Military, Veterans' Affairs, Revenue, Tourism, Tribal Relations, Transportation, Labor and Regulation, and Public Safety. General funds account for an increase of \$23.6 million out of the \$78.3 million in total ongoing increases. This budget represents an increase of \$68.7 million out of the \$159.2 million in total ongoing fund increases for FY2015. Included in this category is the Employee Compensation pool budgeted in Executive Management, totaling \$20.3 million in general funds and \$53.8 million in total funds. In terms of the total ongoing state budget, this category is 4.8% of the general funds and 25.2% of the total ongoing funds, which amounts to \$1.1 billion in total ongoing funding.



EXECUTIVE MANAGEMENT

The Governor's recommendation for the Department of Executive Management includes increases of \$22,764,881 in general funds, \$10,009,524 in federal fund expenditure authority, \$27,985,090 in other fund expenditure authority, and 26.1 FTE. The total FY2015 budget includes \$50,861,016 in general funds, \$28,886,317 in federal fund expenditure authority, \$160,904,307 in other fund expenditure authority, and 809.6 FTE.

GOVERNOR'S OFFICE

The total recommended budget for the Governor's Office including the Lt. Governor is \$2,263,051 in general funds, \$268,114 in federal fund expenditure authority, and 22.0 FTE. An increase of \$11,074 in general funds is due to changes in the internal service rates charged by the bureaus.

OFFICE OF ECONOMIC DEVELOPMENT

The Governor's total recommended FY2015 budget for this agency is \$6,288,373 in general funds, \$13,852,159 in federal fund expenditure authority, \$41,790,022 in other fund expenditure authority, and 140.6 FTE. Increases of \$4,895 in general funds, \$388 in federal fund expenditure authority, and \$1,388 in other fund expenditure authority are recommended due to changes in the internal service rates charged by the bureaus.

The Governor's total recommended budget for the Office of Economic Development is \$2,431,420 in general funds, \$11,663,319 in federal fund expenditure authority, \$21,199,048 in other fund expenditure authority, and 40.6 FTE.

The Governor is recommending a total budget of \$3,856,953 in general funds, \$500,000 in other fund expenditure authority, and 2.0 FTE for the Office of Research Commerce.

The total recommended FY2015 South Dakota Housing Development Authority budget consists of \$2,188,840 in federal fund expenditure authority, \$8,119,902 in other fund expenditure authority, and 65.0 FTE. This includes an increase of \$50,000 in other fund expenditure authority due to increased insurance costs.

The total recommended FY2015 budget for the South Dakota Science and Technology Authority is \$6,418,623 in other fund expenditure authority and 33.0 FTE. Increases of 4.6 FTE and \$2,109,185 in other fund expenditure authority are to reflect anticipated expenses on the Ross Shaft rehabilitation.

The Governor is recommending a total budget of \$58,269 in other fund expenditure authority for the South Dakota Energy Infrastructure Authority.

The total recommended FY2015 budget for the South Dakota Ellsworth Development Authority budget is \$594,180 in other fund expenditure authority. Included in this is an increase of \$387,673 in other fund expenditure authority and decreases of \$180,073 in federal fund expenditure authority and 2.5 FTE to reflect anticipated expenditures.

The total other fund expenditure authority budget recommended for the Building South Dakota program in this agency is \$4,900,000. This includes \$350,000 for the Revolving Economic Development and Initiative (REDI) Fund, \$1,750,000 for the Local Infrastructure Improvement Grant Fund, \$1,050,000 for the Economic Development Partnership Fund, and \$1,750,000 for the Housing Opportunity Fund.

BUREAU OF FINANCE AND MANAGEMENT

The total recommended FY2015 budget is \$26,244,106 in general funds, \$11,459,152 in federal fund expenditure authority, \$30,585,288 in other fund expenditure authority, and 40.0 FTE. This includes increases of \$20,365,018 in general funds, \$11,268,386 in federal fund expenditure authority, \$22,739,103 in other fund expenditure authority, and 4.0 FTE. Included are increases of 1.0 FTE and \$72,331 in other fund expenditure authority for a financial systems accountant. Increases of 3.0 FTE and \$233,306 in other fund expenditure authority are recommended for an aggressive initiative to complete the comprehensive annual financial reports within a required 6-month timeframe. A general fund increase of \$30,000 is attributable to the Bureau of Finance and Management's sale/leaseback payment schedule. Also, increases of \$1,356 in general funds and \$53,422 in other fund expenditure authority are recommended due to changes in the internal service rates charged by the bureaus.

The Governor recommends net increases to the employee compensation pool for state employees of \$20,333,662 in general funds, \$11,268,386 in federal fund expenditure authority, and \$22,221,974 in other fund expenditure authority. An increase of \$282,636 in other fund expenditure authority is recommended for the Computer Services and Development pool. Decreases in other fund expenditure authority of \$17,337 for the Conservation Reserve Enhancement Program and \$145,809 for the SD Building Authority, along with increases of \$21,872 for the Health and Educational Facilities Authority and \$16,708 for the Education Enhancement Funding Corporation, are to align the budgets with anticipated expenditures.

BUREAU OF ADMINISTRATION

The Governor recommends increases of \$2,377,463 in general funds and \$1,026,335 in other fund expenditure authority. This recommendation includes increases of \$3,072,198 in general funds and \$150,000 in other fund expenditure authority for maintenance and repair (M&R) of state buildings. This is the second year of a four year plan to reach an M&R budget which is 2% of the replacement value of the buildings. Decreases of \$695,768 in general funds and \$1,444 in other fund expenditure authority are for the sale/leaseback payments. Since the State fleet is replacing older deteriorated vehicles with new vehicles, an increase of \$860,000 in other fund expenditure authority is necessary. One FTE is being removed from Central Services with a corresponding increase in the State Engineer's Office. Also, increases of \$1,033 in general funds and \$17,779 in other fund expenditure authority are recommended due to changes in the internal service rates charged by the bureaus. The FY2015 recommended budget is \$9,327,361 in general funds, \$500,000 in federal fund expenditure authority, \$30,999,119 in other fund expenditure authority, and 163.0 FTE.

BUREAU OF INFORMATION AND TELECOMMUNICATIONS

The Governor recommends increases of \$5,635 in general funds, \$1,649,868 in other fund expenditure authority, and 20.0 FTE, along with a decrease of \$1,079,417 in federal fund expenditure authority. Increases of \$761,246 in other fund expenditure authority and 9.0 FTE are to restart implementation of the Department of Social Services MEDx system. Recommended increases of \$688,698 in other fund expenditure authority and 9.0 FTE are for additional specialty application developers. An additional 2.0 FTE and \$94,036 in other fund expenditure authority are for SD Public Broadcasting digital production editors. Since the State has received the Public Safety Broadband Network grant, an increase of \$410,000 in federal fund expenditure authority is recommended. Increases of \$5,635 in general funds, \$10,583 in federal fund expenditure authority, and \$105,888 in other fund expenditure authority are recommended due to changes in the internal service rates charged by the bureaus. A decrease of \$1,500,000 in federal fund expenditure authority is related to the completion of the American Recovery and Reinvestment Act Broadband Mapping grant. The Governor's total recommended FY2015 budget for the Bureau of Information and Telecommunications is \$6,486,016 in general funds, \$2,305,927 in federal fund expenditure authority, \$42,121,004 in other fund expenditure authority, and 373.5 FTE.

BUREAU OF HUMAN RESOURCES

The Governor's recommended changes for the Bureau of Human Resources includes increases of \$796 in general funds, \$240 in federal fund expenditure authority, and \$21,538 in other fund expenditure authority. These are due to changes in the internal service rates charged by the bureaus. The total FY2015 budget consists of \$252,109 in general funds, \$500,965 in federal fund expenditure authority, \$15,408,874 in other fund expenditure authority, and 70.5 FTE.

MILITARY

The Governor's FY2015 budget recommendation for the Department of Military includes \$3,694,243 in general funds, \$17,775,850 in federal fund expenditure authority, \$27,705 in other fund expenditure authority, and 104.4 FTE. The budget reflects increases of \$410,462 in general funds, \$1,800,372 in federal fund expenditure authority, and \$58 in other fund expenditure authority, and a decrease of 1.0 FTE. Increases of \$1,649 in general funds, \$3,876 in federal fund expenditure authority, and \$58 in other expenditure authority are recommended throughout the department due to changes in the internal service rates charged by the bureaus.

OFFICE OF THE ADJUTANT GENERAL

The Governor's FY2015 budget recommendation for the Office of the Adjutant General includes \$898,425 in general funds, \$10,306 in federal fund expenditure authority, \$27,647 in other fund expenditure authority, and 5.3 FTE. Included are decreases of \$62,686 in general funds and 1.0 FTE as it is being moved to the Department of Veterans' Affairs.

ARMY GUARD

The Governor's recommendation for the Army Guard includes increases of \$429,672 in general funds, \$1,720,803 in federal fund expenditure authority, and \$58 in other fund expenditure authority. The Governor is recommending increases of \$429,672 in general funds and \$1,720,803 in federal fund expenditure authority for statewide maintenance and repair (M&R) on South Dakota National Guard armories. This is the second year of a four year plan to reach an M&R budget which is 2% of the replacement value of the buildings. The overall FY2015 budget for the Army Guard Division is \$15,052,026 in total funds and 52.1 FTE.

AIR GUARD

The Governor's FY2015 budget recommendation is \$401,339 in general funds and \$5,108,055 in federal fund expenditure authority. The overall FY2015 budget for the Air Guard Division is \$5,509,394 in total funds and 47.0 FTE.

VETERANS' AFFAIRS

The Governor's FY2015 budget recommendation for the Department of Veterans' Affairs includes \$3,653,115 in general funds, \$1,068,882 in federal fund expenditure authority, and \$5,618,518 in other fund expenditure authority, for a total of \$10,340,515 and 105.7 FTE. This budget recommendation consists of increases of \$68,661 in general funds, \$337 in federal fund expenditure authority, \$940,566 in other fund expenditure authority, and 1.0 FTE. Increases of \$3,162 in general funds, \$337 in federal fund expenditure authority, and \$661 in other expenditure authority are recommended throughout the department due to changes in the internal service rates charged by the bureaus.

VETERANS' BENEFITS AND SERVICES

The recommended FY2015 budget for Veterans' Benefits and Services is \$1,345,362 in general funds, \$256,600 in federal fund expenditure authority, \$61,000 in other fund expenditure authority and 21.0 FTE. Included in this budget recommendation are increases of \$62,686 in general funds and 1.0 FTE that is being moved from the Department of Military. The overall FY2015 budget for Veterans' Benefits and Services is \$1,662,962 in total funds and 20.0 FTE.

STATE VETERANS' HOME

The Governor's recommendation for the State Veterans' Home includes increases of \$2,065 in general funds and \$940,566 in other fund expenditure authority. The Governor is recommending an increase of \$982,703 of other fund expenditure authority for projects relating to the new State Veterans' Home in Hot Springs. The overall FY2015 budget for the State Veterans' Home is \$8,677,553 in total funds and 85.7 FTE.

REVENUE

The Governor's recommended FY2015 budget for the Department of Revenue totals \$71,260,812, consisting of \$1,117,713 in general funds, \$68,241,552 in other fund expenditure authority, and 247.5 FTE. Increases include \$490 in general funds and \$23,753 in other fund expenditure

authority throughout the department due to changes in the internal service rates charged by the bureaus. The Governor is recommending total increases of \$490 in general funds, \$1,901,547 in other fund expenditure authority, and 1.0 FTE for the Department.

SECRETARIAT

The total FY2015 Governor's recommended budget for the Secretariat division consists of \$3,430,571 in other fund expenditure authority and 28.0 FTE. An increase of \$77,794 in other fund expenditure authority and 1.0 FTE is for an additional staff attorney to address the increase in the number of complex cases the department has experienced.

BUSINESS TAX

The total FY2015 Governor's recommended budget for Business Tax consists of \$4,112,343 in other fund expenditure authority and 57.5 FTE.

MOTOR VEHICLES

The total FY2015 Governor's recommended budget for Motor Vehicles consists of \$7,186,858 in other fund expenditure authority and 46.0 FTE. An increase of \$1,800,000 in other fund expenditure authority will pay for costs related to the new license plate production.

PROPERTY AND SPECIAL TAXES

The total FY2015 Governor's recommended budget for Property and Special Taxes consists of \$1,117,713 in general funds and 14.0 FTE.

AUDITS

The total FY2015 Governor's recommended budget consists of \$4,128,596 in other fund expenditure authority and 55.0 FTE.

LOTTERY

The total FY2015 Governor's recommended budget for Lottery is \$40,732,775 of other fund expenditure authority and 31.0 FTE.

COMMISSION ON GAMING – INFORMATIONAL

The total FY2015 Governor's recommended budget for the Commission on Gaming is \$10,551,956 in other fund expenditure authority and 16.0 FTE.

TOURISM

The Governor's recommended budget for the Department of Tourism consists of \$1,867,757 in general funds, \$1,783,688 in federal fund expenditure authority, \$17,043,689 in other fund expenditure authority, and 72.0 FTE. The recommended changes include increases of \$25,863 in general funds, \$1,784 in federal fund expenditure authority, and \$375,264 in other fund expenditure authority. Included are increases of \$25,863 in general funds, \$1,784 in federal fund expenditure authority, and \$8,268 in other fund expenditure authority throughout the department due to changes in the internal service rates charged by the bureaus.

TOURISM

The Tourism budget is funded by revenues generated from Deadwood Gaming, a gross receipts tax on hotel rooms and other tourist activities, and the Co-op Revolving Fund. The Governor recommends an increase of \$372,711 in other fund expenditure authority due to anticipated increases in revenue. The total FY2015 recommended budget consists of \$13,561,406 in other fund expenditure authority and 25.0 FTE.

ARTS

The total recommended FY2015 Arts budget consists of \$878,000 in federal fund expenditure authority, \$806,023 in other fund expenditure authority, and 3.0 FTE.

HISTORY

The total recommended FY2015 History budget consists of \$1,867,757 in general funds, \$905,688 in federal fund expenditure authority, \$2,676,260 in other fund expenditure authority, and 44.0 FTE.

TRIBAL RELATIONS

The Governor's recommended change to the FY2015 budget consists of an increase of \$24,779 in general funds. This includes an increase of \$12,150 in general funds related to travel to tribal reservations. Also included is an increase of \$3,300 in general funds due to an increase in office rent. In order to pay for the expenses of the SD Board of Geographic Names, an additional \$5,580 in general funds is recommended. An increase of \$1,500 in general funds is recommended to provide honorariums to Lakota speakers who assist Department staff. An increase of \$2,249 in general funds is due to changes in the internal service rates charged by the bureaus. The total recommended

FY2015 budget for the Department of Tribal Relations budget is \$419,017 in general funds, \$100,000 in federal fund expenditure authority, \$100,000 in other fund expenditure authority, and 5.0 FTE.

TRANSPORTATION

The recommended FY2015 budget for the Department of Transportation contains \$502,391 in general funds, \$380,216,339 in federal fund expenditure authority, \$216,565,936 in other fund expenditure authority, and 1,026.3 FTE. The FY2015 budget includes an increase of \$1,320,688 in other fund expenditure authority.

GENERAL OPERATIONS

The Governor's total FY2015 recommended budget for General Operations includes \$502,391 in general funds, \$33,147,466 in federal fund expenditure authority, \$140,471,651 in other fund expenditure authority, and 1,026.3 FTE. This includes an increase of \$1,001,700 in other fund expenditure authority for depreciable equipment. Also included is an increase of \$141,616 in other fund expenditure authority for road salts. A decrease of \$63,348 in other fund expenditure authority is to align the road oil and asphalt budget with anticipated expenditures. An increase of \$124,148 in other fund expenditure authority is based on overall utility usage. An increase of \$116,572 in other fund expenditure authority is due to changes in the internal service rates charged by the bureaus.

CONSTRUCTION CONTRACTS - INFORMATIONAL

No changes are recommended in the Construction Contracts budget. The total budget for Construction Contracts is \$423,163,158, consisting of \$347,068,873 in federal fund expenditure authority and \$76,094,285 in other fund expenditure authority. The Construction Contracts division makes up 71% of the Department of Transportation's budget.

LABOR & REGULATION

The Governor's FY2015 recommendation for the Department of Labor and Regulation is \$1,253,876 in general funds, \$36,567,544 in federal fund expenditure authority, \$9,193,450 in other fund expenditure authority, and 2.0 FTE. The overall FY2015 budget for the Department Labor and Regulation is \$47,014,870 in total funds and 484.7 FTE. Increases of \$677 in general funds, \$22,481 in federal fund expenditure authority, and \$11,510 in

other expenditure authority are recommended throughout the department due to changes in the internal service rates charged by the bureaus.

ADMINISTRATION

The recommended budget is \$605,033 in general funds, \$18,748,612 in federal fund expenditure authority, and \$232,066 in other fund expenditure authority. Included in this recommendation is an increase of \$325,000 in general funds due to a reduction of the Adult Education and Literacy grants. The FY2015 budget for Administration is \$19,585,711 in total funds and 53.5 FTE.

UNEMPLOYMENT INSURANCE

The recommended FY2015 budget is \$5,400,822 in federal fund expenditure authority and 92.0 FTE.

EMPLOYMENT SERVICES

The recommended budget is \$11,249,247 in federal fund expenditure authority and 184.0 FTE.

STATE LABOR LAW ADMINISTRATION

The total recommended budget is \$648,843 in general funds, \$436,988 in federal fund expenditure authority, \$463,976 in other fund expenditure authority, and 19.0 FTE.

PROFESSIONAL AND OCCUPATIONAL LICENSING - INFORMATIONAL

This division is comprised of the informational budgets of the professional and occupational licensing boards. FY2014 had eight boards with a total recommended budget of \$3,438,661 in other fund expenditure authority and 43.0 FTE. The boards include: Board of Accountancy, Board of Barber Examiners, Cosmetology Commission, Plumbing Commission, Board of Technical Professions, the Electrical Commission, the Abstractors Board of Examiners, and the Real Estate Commission. The Governor's FY2015 recommendation for the Boards and Commissions is to add The South Dakota Athletic Commission and other fund authority of \$55,000. The total recommended budget is \$3,619,325 in other fund expenditure authority and 43.0 FTE.

BANKING

The recommended FY2015 budget is \$2,315,983 in other fund expenditure authority and 24.5 FTE.

SECURITIES

The FY2015 recommended budget consists of \$471,260 in other fund expenditure authority and 5.7 FTE.

INSURANCE

The Governor's FY2015 budget recommendation for Insurance Division includes an increase of \$125,863 federal fund expenditure authority, \$114,134 in other fund expenditure authority, and 2.0 FTE. These increases represent an actuary and an attorney to fulfill the requirements of the Affordable Care Act. The recommended FY2015 budget consists of \$731,875 in federal fund expenditure authority, \$2,090,840 in other fund expenditure authority, and 30.0 FTE. The overall FY2015 budget for Insurance is \$2,822,715 in total funds and 30.0 FTE.

SOUTH DAKOTA RETIREMENT SYSTEM

The Governor's FY2015 recommended budget for the South Dakota Retirement System is \$4,034,227 in other fund expenditure authority and 33.0 FTE. Included in this recommendation is an increase of \$189,351 in other fund expenditure authority to publish the Quadrennial Report, required by SDCL 3-12-118, and postage. An increase of \$4,351 in other expenditure authority is recommended due to changes in the internal service rates charged by the bureaus.

PUBLIC SAFETY

The Governor's FY2015 budget recommendation for the Department of Public Safety includes \$3,688,232 in general funds, \$23,088,263 in federal fund expenditure authority, and \$34,390,362 in other fund expenditure authority, for \$61,166,857 in total funds and 418.0 FTE. Increases of \$5,874 in general funds, \$15,959 in federal fund expenditure authority, and \$37,883 in other expenditure authority are recommended throughout the department due to changes in the internal service rates charged by the bureaus.

ADMINISTRATION

The Governor's FY2015 budget recommendation for Administration is \$12,474 in general funds, \$136,253 in federal fund expenditure authority, and \$681,741 in other fund expenditure authority. The FY2015 budget for Administration is \$945,441 in total funds and 8.5 FTE.

HIGHWAY PATROL

The Division of Highway Patrol includes the South Dakota Highway Patrol, Accident Records, Highway Safety, and State Radio. The Governor is recommending increases of \$2,033 in general funds, \$10,415 in federal fund expenditure authority, and \$196,804 in other fund expenditure authority. The Governor is recommending the increase of federal fund expenditure authority and other fund expenditure authority due to the worker's compensation rate increasing for Highway Patrol. The FY2015 recommendation includes \$1,280,117 in general funds, \$7,727,617 in federal fund expenditure authority, and \$21,136,513 in other fund expenditure authority. The overall FY2015 budget for Highway Patrol is \$30,144,247 in total funds and 277.0 FTE.

EMERGENCY SERVICES AND HOMELAND SECURITY

The Division of Emergency Services and Homeland Security includes Emergency Management, Emergency Medical Services, the State Fire Marshal, and the Office of Homeland Security. The Governor is recommending increases of \$3,671 in general funds, \$11,210 in federal fund expenditure authority, and \$120 in other fund expenditure authority. The FY2015 budget recommendation for the Division of Emergency Services and Homeland Security includes \$1,588,243 in general funds, \$15,130,342 in federal fund expenditure authority, and \$313,447 in other fund expenditure authority. The overall FY2015 budget for Division of Emergency Services and Homeland Security is \$17,032,032 in total funds and 36.0 FTE.

LEGAL AND REGULATORY SERVICES

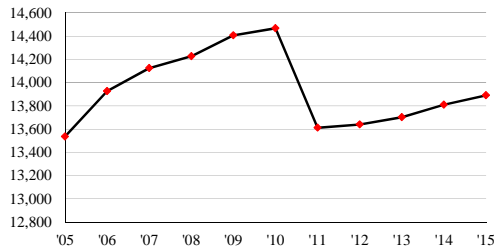
The Division of Legal and Regulatory Services includes Weights and Measures, Driver Licensing, and Inspections. The FY2015 recommended budget includes \$692,398 in general funds, \$94,051 in federal fund expenditure authority, and \$7,360,144 in other fund expenditure authority. The Governor's recommending increases of \$14,889 in general funds, \$1,488 of federal fund expenditure authority, and \$48,564 in other fund expenditure authority. The general fund increase is due to increased fees in Weights and Measures to cover projected costs. Also included in this recommendation is \$29,038 in other fund expenditure authority due to increased rent at Driver License exam stations in Sioux Falls, Watertown, and Vermillion. The overall FY2015 budget for Legal and Regulatory Services is \$8,146,593 in total funds and 95.5 FTE.

911 COORDINATION BOARD - INFORMATIONAL

The FY2015 budget for the 911 Coordination Board is \$4,898,544 in other fund expenditure authority. The only increase was \$267 in other fund expenditure authority.

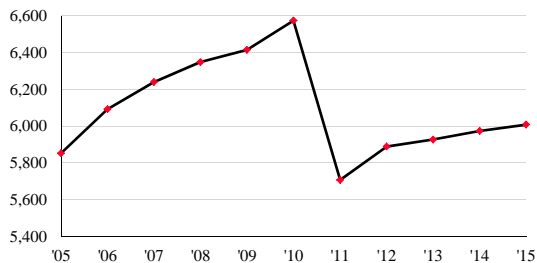
FTE CHANGE

FTE History All of State Government



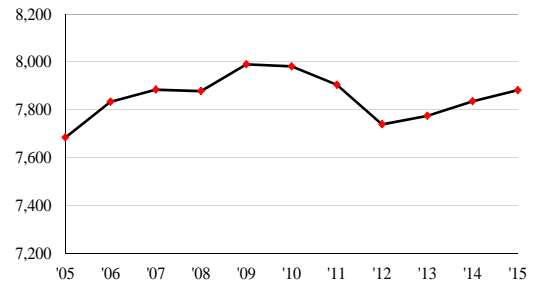
The total appropriated FTE increased from 13,535.2 in FY2005 to a recommended level of 13,890.9 for FY2015. This is an increase of 355.7 FTE, or 2.6%, over the decade. The recommended change in ongoing FTE for FY2015 is an increase of 64.6 across state government.

FTE History for Offices Outside Control of Governor



For offices outside the control of the Governor, total appropriated FTE grew from 5,852.7 in FY2005 to a recommended level of 6,008.8 for FY2015. This is an increase of 156.1 FTE, or 2.7%, over the decade. The recommended changes for these offices in the FY2015 budget are a net increase of 26.4 FTE. This includes increases of 14.4 FTE for the Board of Regents, 8.0 FTE within the Unified Judicial System, 3.0 FTE in the Department of Legislative Audit, 1.0 FTE in the Office of the Attorney General, 1.0 FTE in the Public Utilities Commission, and a decrease of 1.0 FTE in the Office of the State Auditor.

FTE History for Offices Under Control of Governor



The agencies under direct control of the Governor had total appropriated FTE of 7,682.5 in FY2005. The FY2015 budget recommendation brings the FTE to a level of 7,882.1. This is an increase of 199.6 FTE, or 2.6%, over the decade. The recommended increase of 38.2 FTE in the FY2015 budget includes increases of 20.0 FTE in the Bureau of Information and Telecommunications, 4.6 FTE in the SD Science and Technology Authority, 4.0 FTE in the Department of Social Services, 4.0 FTE in the Bureau of Finance and Management, 3.0 FTE in the Department of Corrections, 2.0 FTE in the Department of Labor and Regulation, 1.1 FTE in the Department of Agriculture, 1.0 FTE in the Department of Game, Fish and Parks, 1.0 FTE in the Department of Revenue, and 1.0 FTE in the Department of Veterans' Affairs, and decreases of 2.5 FTE in the SD Ellsworth Authority and 1.0 FTE in the Department of the Military.

SUMMARY OF RECOMMENDED REORGANIZATIONS

REVENUE

A reorganization occurred in the Department of Revenue. The budget reorganization moved the collections function of the department from the Administrative Service division to the Business Tax division.