BFM Leadership Team (p.1 Brief Summary)

- Jeff Partridge, Interim Commissioner
- Derek Johnson, State Economist
- Morgan Gruebele, Chief Budget Analyst
- Matt Flett, EMFO Director
- Colin Keeler, Financial Systems Director
- Keith Senger, Financial Reporting Director
- Allysen Kerr, Statewide Internal Control Officer
Agenda

- Programs and Services
- Overview of Workforce
- FY 2022 Legislative Adopted Budget
- Governor’s FY 2023 Budget Recommendation
- FY 2022 Budget Amendments
Programs and Services
Programs and Services (p.1)

- Budget Analysis
- Revenue and Economic Forecasting
- Executive Management Finance Office
- Financial Systems and Operations
- Accounting Analysis and Financial Reporting
- Statewide Internal Control Office
- Authorities
Budget Analysis (p.4)

- Assists state agencies on budget matters
- Reviews budget transfers
- Prepares fiscal notes
- Works with state agencies on fiscal year-end
- Reviews budget carryovers
- Develops Long-Term Financial Plans
- Publishes monthly financial metrics & dashboards
- Provides expenditure information to bond rating agencies
- SDCL 4-7; SDCL 4-8
Revenue and Economic Forecasting (p.4)

- Estimates, tracks, and reports general fund revenue
- Monitors the SD economy
- Leads the Governor’s Council of Economic Advisors
- Develops Long-Term Financial Plans
- Manages fiscal year-end revenue information
- Monthly revenue dashboards on BFM’s website
- Provides presentations on state economic conditions, general fund revenues, and the budget to the public
- SDCL 4-7; SDCL 4-8
Executive Management
Finance Office (p.4)

- Prepares bureau full accrual financial statements
- Establishes bureau billing rates
- Manages the budget of the four bureaus (BFM, BOA, BIT, BHR)
- Prepares Statewide Cost Allocation Plan (SWCAP)
- Monitors and prepares the Treasury-State Agreement
- Oversees general accounting functions specific to the four bureaus

[SDCL 4-7]
Financial Systems and Operations (p.4)

- Manages daily, weekly, monthly, and annual fiscal cycles
- Assists and trains users of the state’s central financial systems
- Performs the W-9 review and issuance of IRS forms 1099
- Manages the technical operation of central payroll and the associated human resource information systems
- Provides reporting tools for agencies to access a wide variety of financial data used by state government
- Manages and creates publicly available financial information (OpenSD)
Accounting Analysis and Financial Reporting (p.4)

- Publishes the Annual Comprehensive Financial Report (ACFR)
- Prepares over 200 fund financial statements
- Establishes statewide accounting policies and procedures
- Provides technical assistance to state agencies on accounting best practices and new accounting standards
- Serves as the liaison between state agencies and the Department of Legislative Audit
- Prepares the Schedule of Expenditure and Federal Awards
- SDCL 4-4-4; SDCL 4-4-6
Statewide Internal Control Office (p.4)

- Reviews, researches, interprets, and advises all state agencies on internal control
- Manages the implementation of the state internal control framework
- Produces annual internal control report
- Staffs the South Dakota Board of Internal Control
- SDCL 1-56
Computer Services and Development Pool (p.10)

- To provide expenditure authority which may be transferred to other agencies for the one-time development and maintenance of information systems
- No cash associated with the pool
SD Building Authority (p.15)

- Created to provide low-cost financing for buildings owned by the State of South Dakota
- Issues bonds for public facilities, which result in substantial savings on capital projects
- Informational Budget
- SDCL 5-12
SD Health and Educational Facilities Authority (p.18)

- Created to provide low-cost financing for educational facilities and healthcare projects for the state
- Issues bonds for health and educational institution construction and authorize activities to promote health, education, and welfare in the state
- Informational Budget
- SDCL 1-16A
Educational Enhancement Funding Corporation (p.24)

- Organized under the SD Building Authority
- State sold Tobacco Settlement Revenues and issued bonds, which allowed for a revenue stream into the Education Enhancement Trust Fund
- Informational Budget
- SDCL 5-12
Workforce
Workforce

- Recommended 45.0 total FTE; 5.0 FTE within Authorities
- Becoming increasingly difficult to recruit staff into such specialized roles on a small team
- A small staff is responsible for many different operations
- Critical gaps in succession planning are an emerging risk
Full-Time Equivalent (FTE)
FY 2022 Legislative Adopted Budget
## FY 2022 Adopted Budget (p.27)

<table>
<thead>
<tr>
<th>Summary</th>
<th>FTE</th>
<th>General</th>
<th>Federal</th>
<th>Other</th>
<th>Total</th>
</tr>
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<tr>
<td>Computer Software Contract Maintenance</td>
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<td>$75,582</td>
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<tr>
<td>Legal Consulting Services</td>
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<td>($2,281,620)</td>
<td>($5,097,814)</td>
<td>($12,557,896)</td>
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<tr>
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<tr>
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<tr>
<td>Market Adjustment</td>
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Governor’s FY 2023 Budget Recommendations
## FY 2023 Governor’s Recommended Budget (p. 1)

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<th>Budget</th>
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<td>$172,102,861</td>
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<tr>
<td>Summary</td>
<td>FTE</td>
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</tr>
<tr>
<td>----------------------------------------------</td>
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<td>---------</td>
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<tr>
<td>Accountant I FTE</td>
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<tr>
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<td>COVID Pool Funds</td>
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<tr>
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<tr>
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<td>$74,583</td>
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<tr>
<td>Market Adjustment for State Employees</td>
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<td>$24,746,814</td>
<td>$11,420,348</td>
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<tr>
<td>Salary Policy to Adjust Artificial Minimums</td>
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<td>$46,287</td>
<td>$14,247</td>
<td>$180,565</td>
<td>$241,099</td>
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<tr>
<td>Salary Policy Adjustment to Targeted Job Classes</td>
<td>$3,170,225</td>
<td>$462,082</td>
<td>$1,970,355</td>
<td>$5,602,662</td>
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<tr>
<td>Total</td>
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</table>
Deputy Commissioner (p.5)

- 1.0 FTE and $149,381 in General Funds
- This position will bifurcate more short-term and operational duties of BFM and state government from the Commissioner
- Supports BFM’s succession planning
Accountant I FTE (p.4)

- $74,361 in Other Fund Expenditure Authority
- FTE is transferred from HEFA to BFM's Division of Executive Management Finance Office
- Supports BFM’s succession planning
Maintenance/Lease Contract Expense

(p.5)

- $85,344 in Other Fund Expenditure Authority
- Needed to cover the rising costs of financial systems maintenance contracts and other lease expenses
Management Analyst/Project Manager Transfer (p.5)

- 1.0 FTE and $74,583 in Other Fund Expenditure Authority
- FTE is transferred from BIT to BFM's Division of Financial Systems and Operations
- Position will assist in the state’s Enterprise Resource Planning
COVID Pool Funds (p.12)

- $100,000,000 in Federal Fund Expenditure Authority
- Will be a pool of authority within BFM
- Federal Fund Expenditure Authority will be used for COVID related grants and transferred to state agencies on as needed basis
## Market Adjustment for State Employees

*(p.20)*

<table>
<thead>
<tr>
<th>Budget</th>
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Recommended as a pool within BFM
Salary Policy to Adjust Artificial Minimums (p.20)

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Recommended as a pool within BFM
Salary Policy Adjustment to Targeted Job Classes (p.20)

<table>
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</table>

Recommended as a pool within BFM
FY 2022
Recommended Budget
Amendments
# FY2022 Recommended Budget Amendments

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<th>Federal</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>EMFO Accountant I FTE</td>
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<td>$74,361</td>
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<td>HEFA FTE</td>
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<tr>
<td>Management Analyst FTE</td>
<td>1.0</td>
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<td>$74,583</td>
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