

## SPECIAL APPROPRIATION RECOMMENDATIONS

FY2023 EMERGENCY SPECIAL APPROPRIATIONS	FTE	GENERAL FUNDS	FEDERAL FUNDS	OTHER FUNDS	TOTAL FUNDS
Enterprise Resource Planning	45.0	\$ 70,000,000			\$ 70,000,000
Male Prison Facility		\$ 25,359,551		\$ 26,640,449	\$ 52,000,000
Motor Vehicles System Replacement		\$ 25,000,000			\$ 25,000,000
Paid Family Leave Business Incentives		\$ 20,000,000			\$ 20,000,000
Stronger Families Scholarships		\$ 15,000,000			\$ 15,000,000
Public Health Lab		\$ 12,800,000			\$ 12,800,000
Support for Rising Construction Costs		\$ 6,750,000			\$ 6,750,000
Sisseton Milbank Railroad Project		\$ 6,250,000			\$ 6,250,000
State Fair - Dakota Events Complex		\$ 6,000,000		\$ 3,000,000	\$ 9,000,000
Emergency and Disaster Fund		\$ 2,524,560			\$ 2,524,560
Wildland Fire Suppression Fund		\$ 2,463,207			\$ 2,463,207
Business Development Programs		\$ 2,286,217			\$ 2,286,217
Emergency System Upgrades		\$ 2,173,400		\$ 4,557,000	\$ 6,730,400
Extraordinary Litigation Fund		\$ 2,000,000			\$ 2,000,000
Rural Recruitment Assistance Programs		\$ 1,472,986			\$ 1,472,986
Wildland Fire - Rapid City Project		\$ 1,325,058			\$ 1,325,058
Wildland Fire - Hot Springs Project		\$ 1,200,000			\$ 1,200,000
Black Hills Forest Plan Support	1.0	\$ 950,000			\$ 950,000
Sioux Falls Readiness Center		\$ 667,000	\$ 2,001,000		\$ 2,668,000
Tax Refunds for the Elderly and Disabled		\$ 450,000			\$ 450,000
Watertown Field Maintenance Shop			\$ 29,000,000		\$ 29,000,000
Sioux Falls Readiness Center Addition			\$ 6,000,000		\$ 6,000,000
Governor's 2023 Omnibus Water Funding Bill			\$ 685,000	\$ 21,775,273	\$ 22,460,273
Female Prison Facility				\$ 60,000,000	\$ 60,000,000
Kinsman Building				\$ 1,550,000	\$ 1,550,000
Coordinated Conservation Fund				\$ 1,000,000	\$ 1,000,000
<b>TOTAL FY2023 EMERGENCY SPECIAL APPROPRIATIONS</b>	<b>46.0</b>	<b>\$ 204,671,979</b>	<b>\$ 37,686,000</b>	<b>\$ 118,522,722</b>	<b>\$ 360,880,701</b>

**NOTE:** FY2023 emergency special appropriations become available for expenditure upon passage of the bill and are included in the FY2023 column of the General Fund Condition Statement.

The Governor is recommending total emergency special appropriations of 46.0 FTE, \$204,671,979 in general funds, \$37,686,000 in federal fund expenditure authority, and \$118,522,722 in other fund expenditure authority. The following paragraphs highlight each recommended emergency special appropriation.

- **Enterprise Resource Planning:** The Governor is recommending 45.0 FTE and \$70,000,000 in general funds to modernize the State's existing legacy systems and processes with a modern Enterprise Resource Planning system.
- **Male Prison Facility:** The Governor is recommending \$25,359,551 in general funds and \$26,640,449 in other fund expenditure authority to purchase land and provide design services for a male prison facility.
- **Motor Vehicles System Replacement:** The Governor is recommending \$25,000,000 in general funds to replace the current motor vehicles information system.
- **Paid Family Leave Business Incentives:** The Governor is recommending \$20,000,000 in general funds to incentivize businesses to provide paid family leave benefits for their employees.
- **Stronger Families Scholarships:** The Governor is recommending \$15,000,000 in general funds to provide options for children in foster care to achieve success in their education.
- **Public Health Lab:** The Governor is recommending \$12,800,000 in general funds for cost increases for the Public Health Lab & Workforce Development and Education Center.
- **Support for Rising Construction Costs:** The Governor is recommending \$6,750,000 in general funds for cost increases in construction projects within the Board of Regents.
- **Sisseton Milbank Railroad Project:** The Governor is recommending \$6,250,000 in general funds be used as matching funds for a federal grant to reconstruct 37 miles of railroad between Sisseton and Milbank.
- **State Fair - Dakota Events Complex:** The Governor is recommending \$6,000,000 in general funds and \$3,000,000 in other fund expenditure authority to complete the Dakota Events Complex.
- **Emergency and Disaster Fund:** The Governor is recommending \$2,524,560 in general funds be deposited into the Emergency and Disaster Special Fund for costs related to emergencies and disasters in South Dakota.
- **Wildland Fire Suppression Fund:** The Governor is recommending \$2,463,207 in general funds be deposited into the Wildland Fire Suppression Fund for costs related to the suppression of wildfires in South Dakota.
- **Business Development Programs:** The Governor is recommending \$2,286,217 in general funds to support the Small Business Development Center, the Manufacturing and Technology Solutions, and the Procurement and Technical Assistance Center.

- **Emergency System Upgrades:** The Governor is recommending \$2,173,400 in general funds and \$4,557,000 in other fund expenditure authority for replacement of the emergency alert system, inspection and replacement of the Hetland/Brookings State Radio and Public Broadcasting tower, and microwave interconnect replacement.
- **Extraordinary Litigation Fund:** The Governor is recommending \$2,000,000 in general funds be deposited into the Extraordinary Litigation Fund to fund litigation expenses which are not eligible to be paid under SDCL 3-22-1.
- **Rural Recruitment Assistance Programs:** The Governor is recommending \$1,472,986 in general funds to recruit medical professionals to rural communities.
- **Wildland Fire - Rapid City Project:** The Governor is recommending \$1,325,058 in general funds to construct a new shop building for the Rapid City District Office.
- **Wildland Fire - Hot Springs Project:** The Governor is recommending \$1,200,000 in general funds to construct a new shop building for the Hot Springs District Office.
- **Black Hills Forest Plan Support:** The Governor is recommending 1.0 FTE and \$950,000 in general funds to support state and county participation in the revision process of the Black Hills National Forest's Land and Resource Management Plan.
- **Sioux Falls Readiness Center:** The Governor is recommending \$667,000 in general funds and \$2,001,000 in federal fund expenditure authority to complete the Sioux Falls Readiness Center.
- **Tax Refunds for the Elderly and Disabled:** The Governor is recommending \$450,000 in general funds for tax refunds to elderly and disabled individuals who meet income guidelines.
- **Watertown Field Maintenance Shop:** The Governor is recommending \$29,000,000 in federal fund expenditure authority for the construction of a new field maintenance shop in Watertown.
- **Sioux Falls Readiness Center Addition:** The Governor is recommending \$6,000,000 in federal fund expenditure authority for an addition to the Sioux Falls Readiness Center for a new unit that will house 78 additional soldiers.
- **Governor's 2023 Omnibus Water Funding Bill:** The Governor is recommending \$685,000 in federal fund expenditure authority and \$21,775,273 in other fund expenditure authority for water development, solid waste, and water quality improvement projects throughout the state.
- **Female Prison Facility:** The Governor is recommending \$60,000,000 in other fund expenditure authority to utilize funding in the Incarceration Construction Fund for construction of a female prison facility in Rapid City.
- **Kinsman Building:** The Governor is recommending \$1,550,000 in other fund expenditure authority for completion of the Kinsman Building.
- **Coordinated Conservation Fund:** The Governor is recommending \$1,000,000 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.

FY2023 GENERAL BILL AMENDMENTS	FTE	GENERAL FUNDS	FEDERAL FUNDS	OTHER FUNDS	TOTAL FUNDS
Cybersecurity Upgrades		\$ 5,106,000			\$ 5,106,000
Medicaid Expansion Implementation	34.0	\$ 2,926,362	\$ 2,926,362		\$ 5,852,724
Hughes County Jail Contract		\$ 2,804,400			\$ 2,804,400
Computerized Criminal History System		\$ 2,257,029	\$ 1,260,000		\$ 3,517,029
Bureau Billings		\$ 1,076,592	\$ 304,801	\$ 1,429,547	\$ 2,810,940
Various Statewide Utilities		\$ 1,014,396	\$ 484,613	\$ (650,079)	\$ 848,930
Digital Radios		\$ 371,243			\$ 371,243
Staff Communications		\$ 355,680		\$ 2,340	\$ 358,020
Civil Air Patrol Radios and Devices		\$ 309,657			\$ 309,657
Food Services		\$ 301,324			\$ 301,324
Correctional Healthcare		\$ 248,655		\$ 248,655	\$ 497,310
Department of Public Safety Operating Expenses		\$ 61,402		\$ 489,088	\$ 550,490
Wildland Fire PPE		\$ 36,000			\$ 36,000
Session Mileage Reimbursement		\$ 28,743			\$ 28,743
Department of Corrections Administrative Reorganization	0.0	\$ -			\$ -
Revenue Bond Payment		\$ (111,501)			\$ (111,501)
Dual Credit		\$ (194,487)			\$ (194,487)
Drug/DUI Court Treatment		\$ (415,419)			\$ (415,419)
Technical Colleges Formula		\$ (474,503)			\$ (474,503)
Juvenile Placements		\$ (479,157)	\$ (32,907)		\$ (512,064)
South Dakota Developmental Center Personal Services Reduction	(18.5)	\$ (516,769)	\$ (691,481)		\$ (1,208,250)
Department of Human Services Utilization		\$ (6,823,744)	\$ (9,130,793)		\$ (15,954,537)
State Aid Revision		\$ (9,630,400)			\$ (9,630,400)
6.2% Enhanced FMAP		\$ (74,225,960)	\$ 71,501,729	\$ (967,113)	\$ (3,691,344)
Road Construction Contracts			\$ 369,000,000	\$ 67,000,000	\$ 436,000,000
Indian Health Services			\$ 61,994,000		\$ 61,994,000
Airport Construction Contracts			\$ 13,000,000		\$ 13,000,000
Department of Education CANS Federal Authority			\$ 7,777,040		\$ 7,777,040
Department of Education Supply Chain Assistance			\$ 5,005,030		\$ 5,005,030
Office of the Attorney General Federal Fund Expenditure Authority			\$ 1,057,321		\$ 1,057,321
Federal Registered Apprenticeship Program	4.0		\$ 303,558		\$ 303,558
Motor Vehicles System Upgrades			\$ 216,700		\$ 216,700
Highway Patrol Vehicles			\$ 206,152	\$ 1,051,927	\$ 1,258,079
License Plate Reissuance				\$ 1,250,000	\$ 1,250,000
Tobacco Prevention Authority				\$ 1,000,000	\$ 1,000,000
Parks & Recreation Authority Adjustments				\$ 750,000	\$ 750,000
Medical Cannabis				\$ 606,968	\$ 606,968
Veterans Home - Temporary Staffing				\$ 480,000	\$ 480,000
Department of Revenue Modernization Plan				\$ 390,000	\$ 390,000
Highway Patrol Operating Expenses				\$ 135,000	\$ 135,000
Commission on Gaming				\$ 37,500	\$ 37,500
Real Estate/Massage Therapy FTE Shift	0.0			\$ (40,123)	\$ (40,123)
<b>TOTAL FY2023 GENERAL BILL AMENDMENTS</b>	<b>19.5</b>	<b>\$ (75,974,457)</b>	<b>\$ 525,182,125</b>	<b>\$ 73,213,710</b>	<b>\$ 522,421,378</b>

**NOTE:** FY2023 general bill amendments are changes made to the FY2023 General Appropriations Act and are included in the FY2023 column of the General Fund Condition Statement.

The Governor is recommending total general bill amendments of 19.5 FTE, (\$75,974,457) in general funds, \$525,182,125 in federal fund expenditure authority, and \$73,213,710 in other fund expenditure authority. The following paragraphs highlight the recommended changes to the FY2023 General Bill.

- **Cybersecurity Upgrades:** The Governor is recommending an increase of \$5,106,000 in general funds to support cybersecurity upgrades with the Board of Regents.
- **Medicaid Expansion Implementation:** The Governor is recommending increases of 34.0 FTE, \$2,926,362 in general funds, and \$2,926,362 in federal fund expenditure authority to implement Medicaid Expansion.
- **Hughes County Jail Contract:** The Governor is recommending an increase of \$2,804,400 in general funds to house 96 female offenders at the Hughes County jail to address overcrowding at the Women's Prison in Pierre until the new facility is complete in Rapid City.
- **Computerized Criminal History System:** The Governor is recommending \$2,257,029 in general funds and \$1,260,000 in federal fund expenditure authority for a new computerized criminal history system.
- **Bureau Billings:** The Governor is recommending increases of \$1,076,592 in general funds, \$304,801 in federal fund expenditure authority, and \$1,429,547 in other fund expenditure authority to be distributed to state agencies for increases in bureau billings.
- **Various Statewide Utilities:** The Governor is recommending increases of \$1,014,396 in general funds and \$484,613 in federal fund expenditure authority and a decrease of \$650,079 in other fund expenditure authority for adjustments in utilities based on projected usage and utility costs.
- **Digital Radios:** The Governor is recommending an increase of \$371,423 in general funds to purchase new digital radios for the Office of the Attorney General that will be compatible with the state's new radio system.
- **Staff Communications:** The Governor is recommending increases of \$355,680 in general funds and \$2,340 in other fund expenditure authority to provide email accounts for Department of Corrections security staff.

- **Civil Air Patrol Radios and Devices:** The Governor is recommending an increase of \$309,657 in general funds for digital radios for the Department of Military that will be compatible with the state's new radio system.
- **Food Services:** The Governor is recommending a decrease of \$301,324 in general funds due to meal rate and population changes at the adult correctional facilities.
- **Correctional Healthcare:** The Governor is recommending increases of \$248,655 in general funds and \$248,655 in other fund expenditure authority to fund correctional healthcare based on expenditures, patient count, and inflation.
- **Department of Public Safety Operating Expenses:** The Governor is recommending increases of \$61,402 in general funds and \$489,088 in other fund expenditure authority to align budget with anticipated expenditures.
- **Wildland Fire PPE:** The Governor is recommending \$36,000 in general funds to purchase fire-rated boots for Wildland Fire as PPE.
- **Session Mileage Reimbursement:** The Governor is recommending an increase of \$28,743 in general funds due to changes in mileage reimbursement.
- **Department of Corrections Administrative Reorganization:** The Governor is recommending a transfer of FTE and general funds within the Department of Corrections to align budget with the revised organizational structure. This reorganization has a net-zero impact to FTE and budget.
- **Revenue Bond Payment:** The Governor is recommending a decrease of \$111,501 in general funds based on the bond payment schedule within the Board of Technical Education.
- **Dual Credit Reduction:** The Governor is recommending a decrease of \$194,487 in general funds due to lower than projected dual credit enrollments.
- **Drug/DUI Court Treatment:** The Governor is recommending a decrease of \$415,419 in general funds to align with projected clients for the remainder of FY2023.
- **Technical Colleges Formula:** The Governor is recommending a decrease of \$474,503 in general funds due to updates in the number of full-time equivalent students.
- **Juvenile Placements:** The Governor is recommending decreases of \$479,157 in general funds and \$32,907 in federal fund expenditure authority based on the decline of youth adjudicated to the Department of Corrections.
- **South Dakota Developmental Center Personal Services Reduction:** The Governor is recommending decreases of 18.5 FTE, \$516,769 in general funds, and \$691,481 in federal fund expenditure authority to align budget with anticipated FTE and personal services expenditures in FY2023.
- **Department of Human Services Utilization:** The Governor is recommending decreases of \$6,823,744 in general funds and \$9,130,793 in federal funds to align budget with anticipated eligibles and expenses.
- **State Aid Revision:** The Governor is recommending a decrease of \$9,630,400 in general funds due to lower than projected student numbers and higher than projected property tax valuations in FY2023.
- **6.2% Enhanced FMAP:** The Governor is recommending decreases of \$74,225,960 in general funds and \$967,113 in other fund expenditure authority and an increase of \$71,501,729 in federal fund expenditure authority for four quarters of 6.2% enhanced FMAP due to the Coronavirus Public Health Emergency.
- **Road Construction Contracts:** The Governor is recommending increases of \$369,000,000 in federal fund expenditure authority and \$67,000,000 in other fund expenditure authority for road construction projects.
- **Indian Health Services:** The Governor is recommending an increase of \$61,994,000 in federal fund expenditure authority for increased cost and utilization under Indian Health Services.
- **Airport Construction Contracts:** The Governor is recommending an increase of \$13,000,000 in federal fund expenditure authority for airport construction projects.
- **Department of Education CANS Federal Authority:** The Governor is recommending an increase of \$7,777,040 in federal fund expenditure authority due to an increase in federal grants received through USDA's Food Nutrition Services and Food Distribution Division.
- **Department of Education Supply Chain Assistance:** The Governor is recommending an increase of \$5,005,030 in federal fund expenditure authority to provide grants to local school districts to purchase domestic food products in response to supply chain disruptions.
- **Office of the Attorney General Federal Fund Expenditure Authority:** The Governor is recommending an increase of \$1,057,321 in federal fund expenditure authority to align the budget with anticipated federal funding.
- **Federal Registered Apprenticeship Program:** The Governor is recommending increases of 4.0 FTE and \$303,558 in federal fund expenditure authority for a federal apprenticeship grant received by the Department of Labor and Regulation.
- **Motor Vehicles System Upgrades:** The Governor is recommending an increase of \$216,700 in federal fund expenditure authority to make upgrades to the International Fuel Tax Agreement (IFTA) and International Registration Plan (IRP) technology system.
- **Highway Patrol Vehicles:** The Governor is recommending increases of \$206,152 in federal fund expenditure authority and \$1,051,927 in other fund expenditure authority to purchase vehicles that have been ordered over the past two years but have not been received yet due to supply chain issues.
- **License Plate Reissuance:** The Governor is recommending an increase of \$1,250,000 in other fund expenditure authority for increased costs of license plate reissuance within the Department of Revenue and the Department of Corrections.
- **Tobacco Prevention Authority:** The Governor is recommending an increase of \$1,000,000 in other fund expenditure authority to be spent on tobacco prevention.
- **Parks & Recreation Authority Adjustments:** The Governor is recommending an increase of \$750,000 in other fund expenditure authority to cover anticipated expenses within the Division of Parks & Recreation.
- **Medical Cannabis:** The Governor is recommending an increase of \$606,968 in other fund expenditure authority to operate the existing medical cannabis program using fee revenue collected.
- **Veterans Home Temporary Staffing:** The Governor is recommending an increase of \$480,000 in other fund expenditure authority due to temporary staffing cost increases.

- **Department of Revenue Modernization Plan:** The Governor is recommending an increase of \$390,000 in other fund expenditure authority for the Department of Revenue's modernization plan to prepare to replace major department systems.
- **Highway Patrol Operating Expenses:** The Governor is recommending an increase of \$135,000 in other fund expenditure authority to align budget with anticipated expenditures.
- **Commission on Gaming:** The Governor is recommending an increase of \$37,500 in other fund expenditure authority to purchase equipment.
- **Real Estate/Massage Therapy FTE Shift:** The Governor is recommending a transfer of 0.6 FTE from the Department of Labor and Regulation to the Department of Health and a decrease of \$40,123 in other fund expenditure authority from the Department of Labor and Regulation due to the Real Estate Commission doing work for the Board of Massage Therapy.

<u>FY2023 EXPENDITURE TRANSFERS</u>	<u>FTE</u>	<u>GENERAL FUNDS</u>	<u>FEDERAL FUNDS</u>	<u>OTHER FUNDS</u>	<u>TOTAL FUNDS</u>
Incarceration Construction Fund (Male Prison Facility)		\$ 87,031,734			\$ 87,031,734
<b>TOTAL FY2023 EXPENDITURE TRANSFERS</b>	<b>0.0</b>	<b>\$ 87,031,734</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 87,031,734</b>

**NOTE:** FY2023 expenditure transfers are included in the FY2023 column of the General Fund Condition Statement.

The Governor is recommending a total expenditure transfer of \$87,031,734 in general funds. The following paragraph highlights the recommended expenditure transfer.

- ***Incarceration Construction Fund (Male Prison Facility)***: The Governor is recommending a transfer of \$87,031,734 in general funds to the Incarceration Construction Fund for construction of a male prison facility.