

SPECIAL APPROPRIATION RECOMMENDATIONS

FY 2005 SPECIAL APPROPRIATIONS	GENERAL FUNDS	FEDERAL FUNDS	OTHER FUNDS	TOTAL FUNDS
School District Consolidation Incentives	\$ 309,418	\$ 0	\$ 0	\$ 309,418
Physician Tuition Reimbursement Program	87,738	0	0	87,738
Tax Refunds for the Elderly and Disabled	1,000,000	0	0	1,000,000
Soil and Water Conservation Grants	0	0	600,000	600,000
Food Stamp Enhancement Program	5,000,000	0	0	5,000,000
TOTAL FY 2005 SPECIAL APPROPRIATIONS	<u>\$ 6,397,156</u>	<u>\$ 0</u>	<u>\$ 600,000</u>	<u>\$ 6,997,156</u>

NOTE: FY 2005 special appropriations become available for expenditure on July 1, 2004 and are included in the FY 2005 column of the General Fund Condition Statement.

The Governor is recommending a total special appropriation of \$6,397,156 in general funds, and \$600,000 in other fund expenditure authority. The following paragraphs highlight each recommended special appropriation.

- **School District Consolidation Incentives:** The Governor is recommending \$309,418 of general funds to reimburse certain school districts for consolidation incentives per SDCL 13:6:92.
- **Physician Tuition Reimbursement Program:** The Governor is recommending \$87,738 of general funds to reimburse three participants who have complied with the requirements of the South Dakota Physician Tuition Reimbursement Program per SDCL 1:16A:71.1.
- **Tax Refunds for the Elderly and Disabled:** The Governor is recommending \$1,000,000 in general funds for tax refunds for elderly and disabled individuals who meet income guidelines.
- **Soil and Water Conservation Grants:** The Governor is recommending \$600,000 in other fund expenditure authority to be used to fund the conservation districts and address soil and water conservation in South Dakota.
- **Food Stamp Enhancement Program:** The Governor is recommending \$5,000,000 in general funds to implement a food stamp enhancement program to expand the current federal program, pay for it at the state level, and really focus the efforts of sales taxes on food to the working poor.

FY 2004 EMERGENCY SPECIAL APPROPRIATIONS	GENERAL FUNDS	FEDERAL FUNDS	OTHER FUNDS	TOTAL FUNDS
Medical School Office of Medical Education	\$ 332,433	\$ 0	\$ 0	\$ 332,433
Department of Corrections' Prison Expansion Match	1,650,486	0	0	1,650,486
Public Utilities Commission Commissioners' Salaries	292,181	0	0	292,181
Fire Suppression Fund	2,124,322	0	0	2,124,322
PEPL Fund	1,200,000	0	0	1,200,000
Medicaid Shortfall	10,989,679	24,098,695	0	35,088,374
Veterans' Bonus	4,206,607	0	0	4,206,607
Education Enhancement	2,845,271	0	0	2,845,271
State Fair	1,164,599	0	0	1,164,599
Correctional Health Care	2,413,330	0	2,413,330	4,826,660
TOTAL FY 2004 EMERGENCY SPECIAL APPROPRIATIONS	<u>\$27,218,908</u>	<u>\$24,098,695</u>	<u>\$ 2,413,330</u>	<u>\$53,730,933</u>

- **Medical School Office of Medical Education:** The Governor is recommending \$332,433 in general funds for the balance of the one-time funds needed to fund the operation of the School of Medicine's Office of Medical Education in FY2004.
- **Department of Corrections' Prison Expansion Match:** The Governor is recommending \$1,650,486 in general funds to complete the construction plan as laid out during the 2003 legislative session by HB 1280.
- **Public Utilities Commission Commissioners' Salaries:** The Governor is recommending \$292,181 in general funds for salaries and benefits for the commissioners.
- **Fire Suppression Fund:** The Governor is recommending \$2,124,322 in general funds to be deposited into the Fire Suppression Fund for costs related to the suppression of wildfires in South Dakota.

- **PEPL Fund:** The Governor is recommending \$1,200,000 to pay Non-PEPL fund related costs incurred since January 7, 2003. This will allow our PEPL fund to pass the scrutiny of state and federal auditors in the future.
- **Medicaid Shortfall:** The Governor is recommending \$10,989,679 in general funds and \$24,098,695 million in federal fund expenditure authority to cover the increased average cost per Medicaid eligible.
- **Veterans' Bonus:** The Governor is recommending \$4,206,607 in general funds to award a bonus to all South Dakota Military Service Veterans who served on active duty in hostile areas from January 1, 1993 to present and in non-hostile areas from September 11, 2001 until present.
- **Education Enhancement:** FY2003 earnings to the Education Enhancement Trust Fund distributed in FY2004 rebounded in the last quarter of FY2003. The result of the increased earnings performance resulted in an amount of \$14.1 million of interest earnings that were transferred to the general fund on August 1, 2003. Since the Education Enhancement Trust Fund was ratified, there have been a total of \$11.3 million of education enhancement expenditures authorized by the legislature. Today, the general fund has \$2.8 million of revenues that have not been allocated to education enhancement. The Governor is recommending that the legislature appropriate \$2,845,271 in the FY2004 budget for education enhancement.
- **State Fair:** The Governor is recommending \$1,164,599 in general funds to cover the funding shortfall in the State Fair Fund.
- **Correctional Health Care:** The Governor is recommending \$2,413,330 in general funds and \$2,413,330 in other fund expenditure authority for Correctional Health to supplement the estimated shortfall due to rising health care costs. In FY2004, the program is incurring unexpected costs for inmates with renal failure, Hepatitis C, HIV/AIDS, and cancer. Outsourced inpatient hospital, outpatient hospital, and prescription drug services are the major areas being impacted by these unbudgeted medical conditions.