



# STATE OF SOUTH DAKOTA

M. MICHAEL ROUNDS, GOVERNOR

## MEMBERS OF THE 85<sup>th</sup> LEGISLATURE OF THE STATE OF SOUTH DAKOTA

It is my honor to submit the budget report for Fiscal Year 2011. This proposal will fund necessary state government services and special appropriations for the fiscal period beginning July 1, 2010, and ending June 30, 2011.

As you know, the national recession has caused state revenue collections to fall sharply. Therefore, careful prioritization of state spending is a necessity. Declining revenues not only impact next year's budget—they also require adjusting the current budget. However, these uncertain financial circumstances do not diminish my commitment to those who cannot take care of themselves—the very young and very old; protecting society from those who would harm others; providing a quality education for our children; and helping the private sector grow, which provides jobs and improves incomes.

My proposed budget will again fund essential government services but will require the use of federal stimulus funds, the property tax reduction fund, interest from state trust funds, and a portion of other revenues to meet the ongoing expenses of state government.

My FY2011 budget recommendations reflect the most recent revenue conditions, while meeting the needs of our citizens and being good stewards of taxpayers' money.

### Key among my recommendations:

- **Increased funding for the state's share of mandated federal health care programs** - The national recession has resulted in an explosion in the state's Medicaid program. The Medicaid eligibles in South Dakota have increased by record numbers in the last 18 months. The skyrocketing costs of providing these federally-mandated services, coupled with expanded caseloads, comprise a significant increase in my recommended budget for FY2011. Because of depressed revenues, I am not recommending an inflationary adjustment to our providers of medical services.
- **A continued commitment to education in FY2011** - Although some budget areas will be cut, I propose to keep funding for K-12 education at the existing level. That will require a change in state law, and I am asking you to please consider it. Current law requires schools receive an annual increase in state aid of either 3 percent or the rate of inflation, whichever is less. For next year, that would be 1.2 percent. I'm asking you, instead, to hold school funding at its present level.

• **Protecting the public** - One of our greatest obligations is keeping South Dakotans safe from those who do harm. Unfortunately, that requires a corrections system to house people convicted of crimes. I believe many of those people can be rehabilitated and eventually become contributing members of society. My budget supports the state prison system and will maintain a strong and effective court system.

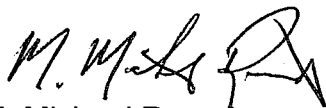
• **Commitment to our employees** - The most valuable resource in state government is its employees. State government services are in huge demand in these uncertain economic times, and state employees have stepped up to help. In spite of that increased demand for services, the percentage of our state's budget comprised by the rest of state government has decreased over the last 8 years. State employees received no inflationary salary increase this year, and we would love to provide them with one in this proposed budget, but we simply don't have the revenues to support that added expense.

The FY2011 budget has proven to be one of the most challenging budgets staff and I have had to produce. We had to set aside many worthwhile proposals because of our limited financial resources.

We must increase our ongoing revenues or be willing to cut ongoing expenses in order to balance this budget. I look forward to working with you in these coming months to finalize the FY2011 budget.

We must continue to deliver services as efficiently as possible and to develop opportunities for South Dakotans. It is my duty as governor to convey my priorities for the use of tax dollars the citizens of this state have entrusted to us for the coming fiscal year. This budget assures the necessary services citizens of this state expect us to deliver.

Sincerely,

A handwritten signature in black ink, appearing to read "M. Michael Rounds", with a stylized flourish at the end.

M. Michael Rounds



## DEPARTMENT OF EXECUTIVE MANAGEMENT BUREAU OF FINANCE AND MANAGEMENT

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### **TO MEMBERS OF THE 85<sup>th</sup> LEGISLATURE OF THE STATE OF SOUTH DAKOTA**

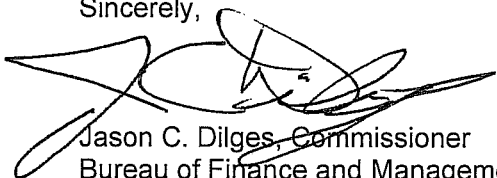
The Governor's Budget Report for Fiscal Year 2011 represents our state's 121<sup>st</sup> year of a balanced budget. The report is designed to give an accurate and timely reflection of the financial conditions of the state and the proposals for spending the taxpayer's money. It culminates budget activities 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 missions 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, Commissioner  
Bureau of Finance and Management

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# **BUREAU OF FINANCE AND MANAGEMENT**



## **BUDGET ANALYSIS TEAM**

**JASON C. DILGES, COMMISSIONER**

COLIN R. KEELER, DIRECTOR OF FINANCIAL SYSTEMS

LIZA G. SIZER, CHIEF BUDGET ANALYST

JAMES L. TERWILLIGER, ECONOMIST

JOSHUA T. LARSON, BUDGET ANALYST

EMILY D. WARD, BUDGET ANALYST

BENJAMIN D. MERRILL, BUDGET ANALYST

RACHEL A. BYRUM, BUDGET ANALYST

## GENERAL FUND CONDITION STATEMENT

	ACTUAL FY2008	ACTUAL FY2009	REVISED FY2010	PROJECTED FY2011
<b>RECEIPTS</b>				
Sales and Use Tax	\$ 644,596,998	\$ 658,724,471	\$ 647,738,298	\$ 668,353,398 <sup>L</sup>
Contractor's Excise Tax	78,978,429	71,384,919	73,375,756	74,739,517 <sup>L</sup>
Property Tax Reduction Fund <sup>K</sup>	126,605,981	125,463,350	120,040,104	118,547,934 <sup>M</sup>
Bank Franchise Tax	45,433,113	33,409,213	28,439,272	28,866,836
Insurance Company Tax	60,393,960	61,823,150	62,580,140	63,508,640
Other <sup>A, C, D, E, H, I, J, K</sup>	188,092,570	189,792,064	178,097,741	191,921,795 <sup>M</sup>
One-Time Receipts	6,508,132 <sup>Q</sup>	12,800,898 <sup>R</sup>	21,838,270 <sup>S,T</sup>	4,696,147 <sup>U</sup>
Transfer from Property Tax Reserves <sup>V</sup>	25,650,000	0	0	31,777,391
Obligated Cash Carried Forward	247,214	150,957	0	0
<b>TOTAL RECEIPTS</b>	<b>\$1,176,506,396</b>	<b>\$1,153,549,022</b>	<b>\$1,132,109,581</b>	<b>\$1,182,411,658</b>
<b>EXPENDITURES</b>				
General Bill Excl. State Aid to Education <sup>B, C, D, E, F</sup>	\$ 785,303,535 <sup>P</sup>	\$ 771,653,938 <sup>P</sup>	\$ 747,757,670	\$ 813,685,949
State Aid to Education	360,436,307	365,522,412	374,546,680	365,465,207
Special Appropriations	14,533,043	10,008,647	3,523,237	886,656
Emergency Special Appropriations	13,647,334	3,712,079	3,974,959	0
Continuing Appropriations <sup>G</sup>	2,188,007	2,500,989	2,307,035	2,373,846
<b>TOTAL EXPENDITURES</b>	<b>\$1,176,108,225</b>	<b>\$1,153,398,065</b>	<b>\$1,132,109,581</b>	<b>\$1,182,411,658</b>
<b>TRANSFERS</b>				
Budget Reserve Fund <sup>N</sup>	\$ 247,214	\$ 150,957	\$ 0	\$ 0
Property Tax Reduction Fund <sup>O</sup>	0	0	0	0
<b>TOTAL TRANSFERS</b>	<b>\$ 247,214</b>	<b>\$ 150,957</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Beginning Unobligated Cash Balance</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Net (Receipts less Expend./Transfers)</b>	<b>150,957</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>OBLIGATIONS AGAINST CASH</b>				
Budget Reserve Fund <sup>N</sup>	(150,957)	0	0	0
Property Tax Reduction Fund <sup>O</sup>	0	0	0	0
<b>Total Obligations Against Cash</b>	<b>(150,957)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Ending Unobligated Cash Balance</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>

**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.

<sup>A</sup> Includes \$9,827,175 for FY2008, \$9,141,450 for FY2009, \$8,457,825 for FY2010, and \$7,782,263 for FY2011 derived from annuity contract payments.

<sup>B</sup> Includes \$9,830,203 for FY2008, \$9,145,360 for FY2009, \$8,463,595 for FY2010, and \$7,787,398 for FY2011 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.

<sup>C</sup> Includes revenue and expenditure authority due to legislation passed by the 1988 Legislature allowing the Department of Game, Fish, and Parks to make lease payments to the Building Authority, which are used to retire bonds issued to lease land in the Conservation Reserve Program with a lump sum payment in return for the annual federal government payment. The annual payments from the federal government are deposited in the general fund and used to make the Department of Game, Fish, and Parks' lease payment.

<sup>D</sup> Includes revenue and expenditure authority (\$2,069,657 for FY2010 and \$2,057,996 for FY2011) due to legislation that allows the Department of Game, Fish, and Parks to make lease payments to the Building Authority, which 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.

- <sup>E</sup> Includes revenue and expenditure authority (\$699,270 for FY2010 and \$694,968 for FY2011) due to legislation passed in 2007 that allows the Board of Regents to make lease payments to the Building Authority, which is used to retire revenue bonds issued for critical maintenance and repair projects for the Board of Regents.
- <sup>F</sup> Includes \$2,304,379 in FY2010 and \$2,306,131 in FY2011 for the Board of Regents to make lease payments to the Building Authority for revenue bonds that were issued for science facilities, laboratory upgrades, and renovations for the Board of Regents.
- <sup>G</sup> Includes continuous appropriations for the payment of special assessments (SDCL 5-14-20) and fire premium tax refunds (SDCL 10-44-9.1). Included in FY2010 and FY2011 is \$80,000 for payment of special assessments and \$2,227,035 and \$2,293,846, respectively, for fire premium tax refunds.
- <sup>H</sup> Includes \$18,423,005 in FY2008, \$19,349,752 in FY2009, \$0 in FY2010, and \$17,725,897 in FY2011 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 31<sup>st</sup>. For FY2010, no transfer was available as the market values of the trust funds were below principal value as of December 31, 2008.
- <sup>I</sup> The 2009 Legislature passed HB 1300 which transfers all funds from the Education Enhancement Tobacco Tax Fund to the general fund to partially offset declines in other general fund revenue sources. The transfer from the Education Enhancement Tobacco Tax Fund to the general fund is estimated at \$8.6 million in FY2010 and \$7.9 million in FY2011.
- <sup>J</sup> The 2009 Legislature passed fee increases and an additional tax to defray costs within state government. The increases include: business registration fees within the Secretary of State; malt beverage license fees, alcohol brand registration fees, and coin laundry fees within the Department of Revenue and Regulation; various dairy licensing fees in the Department of Agriculture; vital records fees, food/lodging/campground license fees, and regulated health facility fees within the Department of Health; parolee supervision fees within the Department of Corrections; and an additional 1% tax on the proceeds of Deadwood gaming. These changes are estimated to generate \$3.5 million in revenue to the general fund in FY2010 and FY2011.
- <sup>K</sup> 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 of South Dakota 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 is estimated to be \$7.8 million and \$7.9 million in FY2010 and FY2011, respectively. The Health Care Tobacco Tax Fund, created by the 2007 Legislature, receives a 34% share of the revenue that is generated by the tobacco tax in excess of \$35 million. The transfer from the Health Care Tobacco Tax Fund to the general fund is estimated to be \$8.1 million and \$8.2 million in FY2010 and FY2011, respectively, and is included in the "Other" receipts.
- <sup>L</sup> In FY2011, the Governor is proposing changes to sales, use, and contractors' excise tax refunds for construction of agricultural processing and new business facilities which is estimated to generate an additional \$3.5 million of sales, use, and contractor's excise tax to the general fund in FY2011 that would have otherwise been refunded.
- <sup>M</sup> In FY2011, the Governor is proposing to eliminate the 2% distributor discount on cigarette stamps. The change is estimated to generate an additional \$1.0 million to the general fund through the Property Tax Reduction Fund, the Health Care Tobacco Tax Fund transfer, and the Education Enhancement Tobacco Tax Fund transfer.
- <sup>N</sup> 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. For each year thereafter, the maximum level of funds in the reserve was set at 5% of the general funds appropriated for the prior year in the General Appropriations Act, with the funding coming from any unobligated cash remaining in the general fund at the end of the fiscal year. HB 1195, passed by the 2002 legislature, changed the maximum level of funds in the reserve to 10% of the general funds appropriated for the prior year in the General Appropriations Act.
- <sup>O</sup> HB 1186, passed during the 1998 legislative session, transfers all remaining unobligated cash at year-end to the Property Tax Reduction Fund, after the transfer to the Budget Reserve Fund. HB 1198, passed during the 2002 legislative session, states that the Commissioner of the Bureau of Finance and Management shall transfer any unobligated cash remaining after the transfer into the Budget Reserve Fund into the Property Tax Reduction Fund, if the amount in the Property Tax Reduction Fund does not exceed 15% of the general fund appropriations in the General Appropriations Act for the previous fiscal year.

- <sup>P</sup> The market value of the Dakota Cement Trust Fund at the end of FY2007 and FY2008 made available additional funds to be spent for education enhancement in FY2008 and FY2009. Legislation was passed revising the FY2008 and FY2009 General Appropriations Act by spending an additional \$1,184,338 and \$1,522,942 for South Dakota Opportunity Scholarships in FY2008 and FY2009. Due to losses in financial markets, there are no additional funds available for education enhancement for FY2010.
- <sup>Q</sup> HB 1281, passed by the 2007 Legislature, transferred \$1.0 million from the Petroleum Release Compensation Fund, \$0.5 million from the Video Lottery Operating Fund, \$1.0 million from Telecommunications Relay Service Fund, and \$4.0 million from the Budgetary Accounting Fund to the general fund.
- <sup>R</sup> SB 203, passed by the 2008 Legislature, transferred \$6.0 million plus interest from the Custer State Park Improvement Fund for partial repayment of the appropriation from SB 218 passed by the 2007 Legislature, \$2.5 million from the Tobacco Prevention and Reduction Trust Fund, \$1.5 million from the Private Activity Bond Fee Fund, \$1.0 million from the Telecommunications Relay Service Funds, and \$1.0 million from the Prison Industries Revolving Fund.
- <sup>S</sup> HB 1300, passed by the 2009 Legislature, transfers \$2.3 million from the Custer State Park Improvement Fund for partial repayment of the appropriation from SB 218, passed by the 2007 Legislature. In addition, HB 1215 passed by the 2009 Legislature transfers \$1.5 million from the Tax Relief Fund to the general fund in FY2010.
- <sup>T</sup> In addition to the one-time receipts that were adopted by the 2009 Legislature, the Governor is proposing the following one-time receipts in FY2010 to help balance the budget shortfall: \$9.6 million from the Tax Refund Construction Liability Fund, \$2.0 million from the Budgetary Accounting Fund, \$2.0 million from the Aeronautics Fund, \$2.0 million from the Tax Relief Fund, and \$2.2 million from a refund of prior year's expenses.
- <sup>U</sup> One-time receipts in FY2011 include: \$3.9 million plus interest from the Custer State Park Improvement Fund, which will complete repayment of the appropriation from SB 218 passed by the 2007 Legislature, and \$0.3 million from the Other Disease Fund.
- <sup>V</sup> In FY2008, \$25.7 million was transferred from Property Tax Reserves to the general fund to balance the budget and in FY2009, no transfer was necessary. In FY2010, no transfer from reserves is anticipated to be needed to balance the budget. In FY2011, it is projected that \$31.8 million in one-time receipts from the Property Tax Reserves will need to be transferred to the general fund to balance the budget.



## GENERAL FUND RECEIPTS

	ACTUAL FY2008	ACTUAL FY2009	REVISED FY2010	PROJECTED FY2011
<b>CONTINUING RECEIPTS</b>				
Sales and Use Tax	\$ 644,596,998	\$ 658,724,471	\$ 647,738,298	\$ 668,353,398
Contractor's Excise Tax	78,978,429	71,384,919	73,375,756	74,739,517
Alcohol Beverage Tax	9,288,562	9,537,513	9,819,764	10,090,993
Alcohol Beverage 2% Wholesale Tax	1,212,155	1,284,896	1,383,587	1,473,896
Cigarette Tax	30,000,000	30,000,000	30,000,000	30,000,000
Bank Franchise Tax	45,433,113	33,409,213	28,439,272	28,866,836
Insurance Company Tax	60,393,960	61,823,150	62,580,140	63,508,640
Inheritance and Estate Tax	104,711	0	0	0
Licenses, Permits, and Fees	40,791,607	42,248,341	42,494,231	42,650,322
Investment Income and Interest	16,299,255	16,315,214	17,583,154	13,359,977
Charges for Goods and Services	16,726,952	16,570,377	15,102,207	15,283,638
Net Transfers In	20,119,164	19,327,158	30,493,438	30,218,797
Trust Funds	31,607,343	32,872,694	12,000,000	29,725,897
Severance Taxes	4,074,627	4,868,142	4,932,180	5,322,728
Unexpended Carryovers	352,827	1,695,722	0	0
Lottery	6,533,644	5,588,568	5,795,746	6,013,284
Property Tax Reduction Fund	126,605,981	125,463,350	120,040,104	118,547,934
Sale-Leaseback	9,827,175	9,141,450	8,457,825	7,782,263
CRP Program	1,154,547	341,988	35,609	0
<b>SUBTOTAL (CONTINUING RECEIPTS)</b>	<b>\$1,144,101,050</b>	<b>\$1,140,597,167</b>	<b>\$1,110,271,311</b>	<b>\$1,145,938,120</b>
<b>ONE-TIME RECEIPTS</b>				
Transfer from Telecommunications Relay Service	\$ 1,000,000	\$ 1,000,000	\$ 0	\$ 0
Transfer from Custer State Park Impr. Fund	0	6,325,898	2,433,637	4,403,286
Transfer from Private Activity Bond Fee Fund	0	1,500,000	0	0
Transfer from Prison Industries Revolving Fund	0	1,000,000	0	0
Transfer from Tobacco Prev. and Red. Trust Fund	0	2,500,000	0	0
Transfer from Budgetary Accounting Fund	4,008,132	0	2,020,021	0
Transfer from Petroleum Release Fund	1,000,000	0	0	0
Transfer from Aeronautics Fund	0	0	2,033,581	0
Refinancing Gains	0	475,000	0	0
Transfer from Video Lottery Fund	500,000	0	0	0
Transfer from Tax Relief Fund	0	0	3,533,582	0
Refund of Prior Year's Expense	0	0	2,200,307	0
Transfer from Tax Refund Const. Liability Fund	0	0	9,617,142	0
Transfer from Other Disease Fund	0	0	0	292,861
Transfer from Property Tax Reserves	25,650,000	0	0	31,777,391
Obligated Cash Carried Forward	247,214	150,957	0	0
<b>SUBTOTAL (ONE-TIME RECEIPTS)</b>	<b>\$ 32,405,346</b>	<b>\$ 12,951,855</b>	<b>\$ 21,838,270</b>	<b>\$ 36,473,538</b>
<b>GRAND TOTAL</b>	<b>\$1,176,506,396</b>	<b>\$1,153,549,022</b>	<b>\$1,132,109,581</b>	<b>\$1,182,411,658</b>

**NOTE:** The totals may not add due to rounding.

### EXPLANATION OF CONTINUING 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 and Regulation'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, exempts 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. HB 1151, passed by the 2007 Legislature, exempts bullion and coins from the sales tax.

**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):** HB 1297, passed by the 1995 Legislature, increased the cigarette tax from 23¢ to 33¢ per pack and imposed a tax upon all tobacco products at the rate of 10% of the wholesale purchase price, beginning in FY1996. HB 1147, passed by the 2003 Legislature, increased the cigarette tax from 33¢ per pack to 53¢ per pack. This tax rate became effective in March 2003. In November 2006, the voters of South Dakota adopted Initiated Measure 2 which 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 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 by banks organized under SDCL 51A-2-38 to 51A-2-43 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.

**Inheritance and Estate Tax (SDCL 10-40 and 10-40A):** Amendment C, passed by the voters in November 2000, repealed the inheritance tax effective July 1, 2001. The inheritance tax was imposed upon the inheritance of an heir and the rate varied according to the amount inherited and the relationship between the deceased and the heir. The estate tax was imposed upon estates subject to the federal estate tax. The tax was equal to the credit on the federal tax return for state estate taxes. The state estate tax had no effect on the total amount of tax paid by a deceased person's estate. Ninety percent of the tax was deposited in the General Fund, and 10% is remitted to the deceased person's county. Beginning in FY2009, any additional Inheritance and Estate Tax collected is included in the Charges for Goods and Services category.

**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, Public Safety, Social Services, Revenue and Regulation, 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 Human 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; funds received from unclaimed property; 35% of fines, penalties, and forfeitures collected on county, township, or municipal offenses; and other miscellaneous charges. Also, beginning in FY2009, any receipts from the Inheritance and Estate Tax are included in the Charges for Goods and Services category.

**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; lease payments to retire revenue bonds from various state agencies; and other miscellaneous receipts. Beginning in FY2010, the transfer from the Education Enhancement Tobacco Tax Fund to the general fund is included in this category.

**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. Each fiscal year, a transfer of \$12 million is made from the Dakota Cement Trust Fund to the general fund. Other than this transfer, the original principal of the trust fund is to remain intact. However, the Legislature shall, by appropriation, make distributions from the difference between the \$12 million annual transfer and 5% of the market value of the trust fund for the support of education, but not for the replacement of state aid to general education or special education, if the increase in the market value of the trust fund is sufficient to maintain the original principal of the trust fund after such distributions. Beginning with the FY2008 distribution, the market values of the Education Enhancement and Health Care Trust Funds are calculated using a 16-quarter moving average market value as of December 31<sup>st</sup>.

**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. 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.

**Unexpended Carryovers:** Unexpended balances that revert to the General Fund from prior years for special appropriations and emergency special appropriations are reflected in receipts as unexpended carryovers.

**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 on-line 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.

**CRP Program:** Receipts under this classification are derived from federal Conservation Reserve Program payments that farmers signed over to the state in exchange for lump sum payments.

## EXPLANATION OF ONE-TIME GENERAL FUND RECEIPTS

**Transfer from Custer State Park Improvement Fund (FY2009, FY2010, and FY2011):** This represents the repayment to the General Fund of the \$12 million appropriation from SB 218, passed by the 2007 Legislature. SB 203, passed by the 2008 Legislature, transferred \$6.0 million plus interest from the Custer State Park Improvement Fund to the General Fund. HB 1300, passed by the 2009 Legislature, transferred \$2.2 million plus interest to the General Fund. In FY2011, \$3.8 million plus interest will be transferred to the General Fund which will complete repayment of the \$12 million special appropriation.

**Transfer from Other Disease Fund (FY2011):** This represents a one-time transfer of \$0.3 million from the Other Disease Fund to the General Fund to help balance the projected shortfall in FY2011.

**Transfer from Tax Relief Fund (FY2010):** HB 1215, passed by the 2009 Legislature, transfers \$1.5 million from the Tax Relief Fund to the General Fund. The Governor is proposing to transfer an additional \$2.0 million from the Tax Relief Fund to the General Fund to help cover the budget shortfall in FY2010.

**Transfer from Budgetary Accounting Fund (FY2008 and FY2010):** HB 1281, passed by the 2007 Legislature, transferred \$4.0 million from the Budgetary Accounting Fund to the General Fund. In FY2010, the Governor is proposing to transfer \$2.0 million from the Budgetary Accounting Fund to the general fund to help cover the budget shortfall.

**Transfer from Aeronautics Fund (FY2010):** For FY2010, the Governor is proposing to transfer \$2.0 million from the Aeronautics Fund to the General Fund to help cover the budget shortfall.

**Transfer from Tax Refund Construction Liability Fund (FY2010):** For FY2010, the Governor is proposing to transfer \$9.6 million from the Tax Refund Construction Liability Fund to the General Fund to help cover the budget shortfall.

**Refund of Prior Year's Expense (FY2010):** This represents a \$2.2 million one-time receipt related to a refund of the prior year's expense.

**Transfer from Telecommunications Fund (FY2008 and FY2009):** This represents one-time transfers from the Telecommunications Relay Services Fund for the deaf and other disabilities to the General Fund to help cover the budget shortfall in FY2008 and FY2009.

**Transfer from Private Activity Bond Fee Fund (FY2009):** SB 203, passed by the 2008 Legislature, transferred \$1.5 million from the Private Activities Bond Fee Fund to the General Fund.

**Transfer from the Tobacco Prevention and Reduction Trust Fund (FY2009):** SB 203, passed by the 2008 Legislature, transferred \$2.5 million from the Tobacco Prevention and Reduction Trust Fund to the General Fund.

**Transfer from Prison Industries Revolving Fund (FY2009):** SB 203, passed by the 2008 Legislature, transferred \$1.0 million from the Prison Industries Revolving Fund to the General Fund.

**Refinancing Gains (FY2009):** This represents refunding gains from the South Dakota Health and Educational Facilities Authority and the South Dakota Building Authority by refinancing bonds.

**Transfer from Petroleum Release Compensation Fund (FY2008):** HB 1281, passed by the 2007 Legislature, transferred \$1.0 million from the Petroleum Release Compensation Fund to the General Fund.

**Transfer from Video Lottery Fund (FY2008):** HB 1281, passed by the 2007 Legislature, transferred \$0.5 million from the Video Lottery Operating Fund to the General Fund.

**Transfer from Property Tax Reserves:** SB 225, passed during the 1996 legislative session, gave the Commissioner of the Bureau of Finance and Management the authority to transfer monies available from the Property Tax Reduction Fund to the General Fund to provide property tax relief through state aid to education. In FY2008, \$25.7 million was transferred from the Property Tax Reserves to the general fund to cover the budget shortfall and in FY2009, no transfer was necessary. In FY2010, no transfer from reserves is anticipated to be needed to balance the budget. In FY2011, it is projected that \$31.8 million in one-time receipts from the Property Tax Reserves will need to be transferred to the general fund to balance the budget.

**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. In FY2008, and FY2009, \$0.2 million and \$0.2 million, respectively, was carried forward and transferred to the Budget Reserve Fund.

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

	ACTUAL FY2008	ACTUAL FY2009	PROJECTED FY2010	PROJECTED FY2011
<b>Taxes</b>	<b>182,667,749</b>	<b>171,593,705</b>	<b>173,310,665</b>	<b>174,796,908</b>
Motor Fuel Tax	120,992,515	116,051,745	115,903,726	117,443,492
3% Vehicle Excise Tax	61,675,234	55,541,960	57,406,939	57,353,416
<b>Licenses, Permits &amp; Fees</b>	<b>4,064,827</b>	<b>4,313,859</b>	<b>3,331,192</b>	<b>3,431,128</b>
Logo Sign Fees	280,234	285,979	275,000	275,000
Tourist Oriented Directional Signs	43,751	41,905	40,000	40,000
Billboard Permits	50,076	50,415	50,000	50,000
Commercial Proration License Fees	278,565	281,694	250,000	250,000
Special Highway Permits	3,306,019	3,548,360	2,604,037	2,706,128
Miscellaneous Prorate Fees	106,182	105,506	112,155	110,000
<b>Rev/Use of Money/Property</b>	<b>1,601,455</b>	<b>1,434,649</b>	<b>2,151,053</b>	<b>2,151,053</b>
Dividends & Interest	555,313	26,206	1,250,000	1,250,000
Rent	63,624	51,421	50,000	50,000
Interest Collected by Dept. of Rev.	576,033	768,507	402,000	402,000
Federal	406,484	588,515	449,053	449,053
<b>Charges for Sales &amp; Services</b>	<b>2,056,803</b>	<b>1,191,219</b>	<b>1,275,000</b>	<b>1,650,671</b>
<b>Administered Program Revenues</b>	<b>204,499,752</b>	<b>242,308,305</b>	<b>255,898,000</b>	<b>255,232,000</b>
Project Reimbursements	3,289,310	10,606,110	3,266,000	3,600,000
Federal	201,210,442	231,702,195	252,632,000	251,632,000
<b>Other Revenues</b>	<b>1,334,527</b>	<b>1,495,933</b>	<b>1,325,000</b>	<b>1,325,000</b>
Misc. Collections	47,920	54,404	40,000	45,000
Depreciation Recovery	1,060,420	908,554	900,000	900,000
Damage Collections	226,050	532,972	385,000	380,000
Other Revenue	136	2	0	0
<b>Nonoperating Revenues</b>	<b>8,958,001</b>	<b>13,685,985</b>	<b>8,240,060</b>	<b>8,190,060</b>
Sale of Assets	0	0	532,930	500,000
<b>TOTAL REVENUE</b>	<b>\$405,183,114</b>	<b>\$436,023,655</b>	<b>\$445,530,970</b>	<b>\$446,776,820</b>
Salaries	40,532,238	42,031,888	43,822,782	43,347,700
Benefits	11,390,203	11,879,736	12,597,504	12,792,314
Travel	1,614,881	1,579,133	2,054,843	2,065,014
Contractual Services	16,123,203	18,638,799	21,033,000	22,222,198
Supplies	19,934,468	17,797,336	25,390,940	24,134,283
Grants	11,799,319	12,840,171	19,900,334	19,951,634
Capital Outlay	13,171,943	8,810,660	20,432,200	20,441,282
Other	981	338	0	0
Transfers Out	1,125,987	2,698,372	1,033,269	1,033,269
Public Safety	17,056,576	15,891,774	16,355,109	16,245,514
Radio Communications	2,018,808	2,079,972	2,286,227	2,286,227
Governors Office	91,353	93,637	93,637	93,637
Highway Construction Contracts	228,250,085	285,738,395	277,680,952	303,853,795
Maintenance Contracts	16,472,682	5,717,181	17,615,063	17,618,959
Deferred & Carryovers	4,086,794	5,292,288	0	0
<b>TOTAL EXPENDITURES</b>	<b>\$383,669,521</b>	<b>\$431,089,679</b>	<b>\$460,295,860</b>	<b>\$486,085,826</b>
NET CHANGE (Pay/Rec)	(\$302,992)	(\$1,354,409)	\$0	\$0
<b>PRIOR PERIOD ADJUSTMENT</b>	<b>(\$200,699)</b>	<b>\$41,365</b>	<b>\$0</b>	<b>\$0</b>
NET (Receipts less Disbursements)	\$21,513,593	\$4,933,976	(\$14,764,890)	(\$39,309,006)
BEGINNING CASH BALANCE	\$20,354,750	\$41,766,051	\$45,304,252	\$30,539,362
NET CHANGE IN FUND BALANCE	\$21,411,301	\$3,538,201	(\$14,764,890)	(\$39,309,006)
<b>ENDING CASH BALANCE</b>	<b>\$41,766,051</b>	<b>\$45,304,252</b>	<b>\$30,539,362</b>	<b>(\$8,769,644)</b>

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

	ACTUAL FY2008	ACTUAL FY2009	PROJECTED FY2010	PROJECTED FY2011
Licenses, Permits & Fees	27,732,579	28,098,498	27,904,455	25,719,600
Rev/Use of Money/Property	1,575,870	1,987,931	1,300,000	1,300,000
Charges for Sales & Services	403,265	189,946	190,000	190,000
Administered Program Revenues	12,117,359	11,095,240	14,210,244	14,142,868
Other Revenues	211,461	152,033	165,000	165,000
Nonoperating Revenues	734,528	168,928	0	0
<b>TOTAL RECEIPTS</b>	<b>\$42,775,062</b>	<b>\$41,692,575</b>	<b>\$43,769,699</b>	<b>\$41,517,468</b>
Salaries	10,298,407	10,665,764	11,065,236	10,971,681
Benefits	3,010,036	3,203,216	3,083,612	3,168,217
Travel	649,435	565,786	720,248	716,048
Contractual Services	10,310,952	10,889,820	12,797,303	14,475,751
Supplies	2,773,048	2,801,875	3,088,264	3,169,414
Grants	1,925,048	2,033,118	2,539,098	2,780,362
Capital Outlay	3,100,352	3,389,658	11,057,108	8,330,452
Other	22,883	2,393	2,000	2,000
Operating Transfers Out	6,335,179	7,784,642	5,107,844	5,107,844
Encumbrances	0	0	599,702	0
2nd Year Development	0	0	6,059,639	0
<b>TOTAL DISBURSEMENTS</b>	<b>\$38,425,342</b>	<b>\$41,336,271</b>	<b>\$56,120,054</b>	<b>\$48,721,769</b>
NET (Receipts less Disbursements)	\$4,349,720	\$356,304	(\$12,350,355)	(\$7,204,301)
BEGINNING CASH BALANCE	\$24,776,956	\$29,129,222	\$29,485,526	\$17,135,171
<b>ENDING CASH BALANCE</b>	<b>\$29,126,676</b>	<b>\$29,485,526</b>	<b>\$17,135,171</b>	<b>\$9,930,870</b>
Adjustments	\$2,546	\$0	\$0	\$0
<b>ENDING BALANCE</b>	<b>\$29,129,222</b>	<b>\$29,485,526</b>	<b>\$17,135,171</b>	<b>\$9,930,870</b>
Rapid City Outdoor Campus	9,000,000	12,500,000	4,500,000	0
Missouri River Transition	8,451,063	7,825,019	2,705,455	723,294
Homestake Mining Settlement	227,325	87,623	90,000	90,000
<b>ADJUSTED BALANCE</b>	<b>\$11,450,834</b>	<b>\$9,072,884</b>	<b>\$9,839,716</b>	<b>\$9,117,576</b>

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 FY2010 and FY2011 represent calendar year estimates instead of fiscal year estimates. Historically, the Game, Fish and Parks Commission has 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  
NOVEMBER 2009**

	BHSU	DSU	NSU	SDSMT	SDSU	USD	TOTAL UNIVERSITIES	AG. EXP.	SDSD	SDSBVI	SYSTEM TOTAL
FY09 Beg. Cash Balance	1,645.08	80.39	258.27	2,401.45	3,973.13	12,407.81	20,766.13	53,014.77	195,918.00	32,066.49	301,765.39
FY09 Interest Proration	39,337.23	39,052.19	45,296.99	53,764.05	112,809.91	94,872.55	385,132.92	43,934.59	41,116.35	38,999.76	509,183.62
Payments/Surface Leasing & CRP	103,538.72	103,538.76	107,532.53	54,633.00	344,346.27	98,976.49	812,565.77	22,849.65	33,763.43	54,483.81	923,662.66
FY09 Mineral Monies	30,769.05	30,769.05	30,773.24	23,079.25	92,301.84	49,660.63	257,353.06	11,038.29	23,079.22	14,424.05	305,894.62
Sismic Exploration				0.00			0.00				0.00
Timber Income				0.00			0.00				0.00
FY09 Interest on Deferred	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Revenue for FY09	173,645.00	173,360.00	183,602.76	131,476.30	549,458.02	243,509.67	1,455,051.75	77,822.53	97,959.00	107,907.62	1,738,740.90
Total Cash Available:	175,290.08	173,440.39	183,861.03	133,877.75	553,431.15	255,917.48	1,475,817.88	130,837.30	293,877.00	139,974.11	2,040,506.29
FY09 Expenditures	(175,290.08)	(173,360.00)	(183,393.00)	(133,022.00)	(552,832.00)	(236,041.00)	(1,453,938.08)	(130,762.00)	0.00	(81,120.92)	(1,665,821.00)
<b>FY09 Unobligated End Cash</b>	<b>0.00</b>	<b>80.39</b>	<b>468.03</b>	<b>855.75</b>	<b>599.15</b>	<b>19,876.48</b>	<b>21,879.80</b>	<b>75.30</b>	<b>293,877.00</b>	<b>58,853.19</b>	<b>374,685.29</b>
FY10 Beg. Cash Balance	0.00	80.39	468.03	855.75	599.15	19,876.48	21,879.80	75.30	293,877.00	58,853.19	374,685.29
Proj. FY10 Interest Proration	39,052.23	38,971.80	44,619.20	54,454.00	111,202.74	67,527.40	355,827.37	43,781.76	41,116.35	38,999.75	479,725.23
Payments/Surface Leasing & CRP	103,538.72	103,538.76	107,532.53	54,633.00	344,346.27	98,976.49	812,565.77	22,849.65	33,763.43	54,483.01	923,661.86
Proj. FY10 Mineral Monies	30,769.05	30,769.05	30,773.24	23,079.25	92,301.84	49,660.63	257,353.06	11,038.29	23,079.22	14,424.05	305,894.62
Sismic Exploration				0.00			0.00				0.00
Timber Income				0.00			0.00				0.00
Proj. FY10 Interest on Deferred	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 FY10	173,360.00	173,279.61	182,924.97	132,166.25	547,850.85	216,164.52	1,425,746.20	77,669.70	97,959.00	107,906.81	1,709,281.71
Total Cash Available:	173,360.00	173,360.00	183,393.00	133,022.00	548,450.00	236,041.00	1,447,626.00	77,745.00	391,836.00	166,760.00	2,083,967.00
Projected FY10 Expenditures	(173,360.00)	(173,360.00)	(183,393.00)	(133,022.00)	(548,450.00)	(236,041.00)	(1,447,626.00)	(77,745.00)	(247,959.00)	(94,712.00)	(1,868,042.00)
<b>FY10 Unobligated End Cash</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>143,877.00</b>	<b>72,048.00</b>	<b>215,925.00</b>
FY11 Projected Beginning Cash Balance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	143,877.00	72,048.00	215,925.00
Proj. FY11 Interest Proration	39,052.00	39,052.00	45,087.00	55,310.00	111,803.00	87,403.00	377,707.00	43,857.00	41,116.00	39,000.00	501,680.00
Payments/Surface Leasing & CRP	103,539.00	103,539.00	107,532.00	54,633.00	344,346.00	98,977.00	812,566.00	22,850.00	33,763.00	54,484.00	923,663.00
Proj. FY11 Mineral Monies	30,769.00	30,769.00	30,774.00	23,079.00	92,302.00	49,661.00	257,354.00	11,038.00	23,080.00	14,424.00	305,896.00
Sismic Exploration				0.00			0.00				0.00
Timber Income				0.00			0.00				0.00
Proj. FY11 Interest on Deferred	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 FY11	173,360.00	173,360.00	183,393.00	133,022.00	548,451.00	236,041.00	1,447,627.00	77,745.00	97,959.00	107,908.00	1,731,239.00
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	77,745.00	241,836.00	179,956.00	1,947,164.00
Projected FY11 Expenditures	(173,360.00)	(173,360.00)	(183,393.00)	(133,022.00)	(548,451.00)	(236,041.00)	(1,447,627.00)	(77,745.00)	(97,959.00)	(94,712.00)	(1,718,043.00)
<b>FY11 Unobligated End Cash</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>143,877.00</b>	<b>85,244.00</b>	<b>229,121.00</b>

# HIGHER EDUCATION FACILITIES FUND CASH FLOW ANALYSIS

## NOVEMBER, 2009

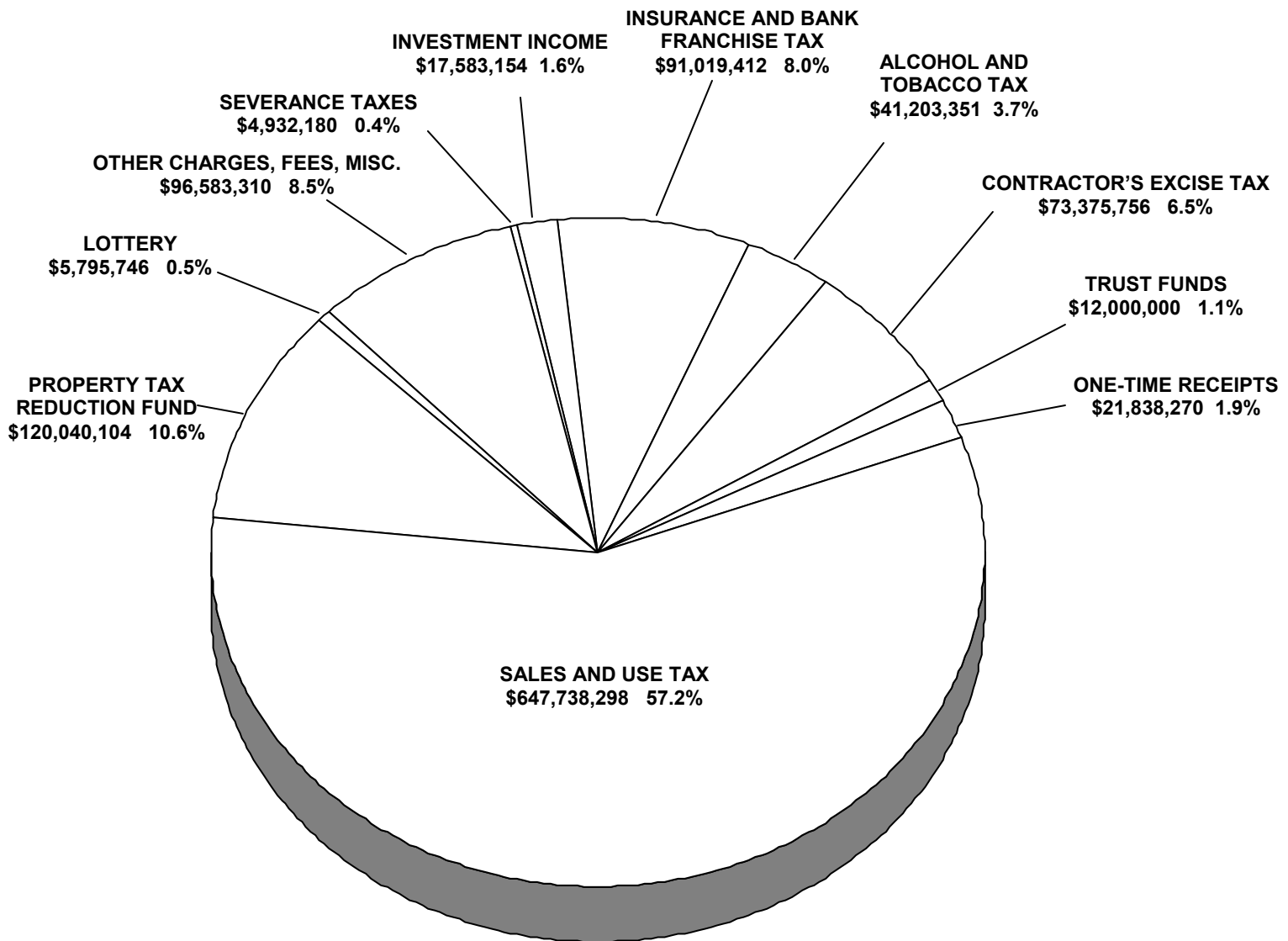
<u>Fiscal Year</u>	<u>Beginning Balance July</u>	<u>Net 20% Tuition</u>	<u>M&amp;R Fee Revenue</u>	<u>Interest Revenue</u>	<u>Total Revenue</u>	<u>FY M&amp;R Expenditures</u>	<u>Lease Payment</u>	<u>Total Expenditures</u>	<u>Obligated Unexpended</u>	<u>Ending Cash</u>	<u>Unobligated Funds</u>
2008	12,007,593	13,791,375	0	596,820	14,388,195	6,619,135	8,230,782	14,849,917	4,111,984	11,545,871	7,433,887
2009	11,545,871	14,663,239	2,200,291	2,543,788	19,407,318	6,526,594	11,261,141	17,787,735	3,768,562	13,165,454	9,396,893
2010	13,165,455	14,620,464	2,205,330	1,582,672	18,408,466	10,186,809	11,863,330	22,050,139	0	9,523,782	9,523,782
2011	9,523,782	15,059,078	2,203,320	460,951	17,723,349	8,694,934	13,268,610	21,963,544	0	5,283,587	5,283,587
2012	5,283,587	15,510,850	2,205,072	1,851,515	19,567,437	8,710,875	12,555,450	21,266,325	0	3,584,699	3,584,699
2013	3,584,699	15,976,176	2,200,046	223,388	18,399,610	8,005,555	11,662,021	19,667,576	0	2,316,733	2,316,733
2014	2,316,733	16,455,461	2,202,933	172,669	18,831,063	8,312,023	11,051,662	19,363,685	0	1,784,111	1,784,111
2015	1,784,111	16,949,125	2,200,871	151,364	19,301,360	8,630,749	11,057,640	19,688,389	0	1,397,082	1,397,082
2016	1,397,082	17,457,599	2,201,902	135,883	19,795,384	8,962,224	11,050,195	20,012,419	0	1,180,047	1,180,046
2017	1,180,046	17,981,327	2,200,613	127,202	20,309,142	9,306,959	10,661,308	19,968,267	0	1,520,921	1,520,921
2018	1,520,921	18,520,766	2,202,160	140,837	20,863,763	9,665,482	10,667,954	20,333,436	0	2,051,248	2,051,248
2019	2,051,248	19,076,389	2,201,129	162,050	21,439,568	10,038,347	10,660,971	20,699,318	0	2,791,498	2,791,498
2020	2,791,498	19,648,681	2,202,675	191,660	22,043,016	10,426,126	10,657,477	21,083,603	0	3,750,911	3,750,911

### Notes:

1. Assumes a 4.0% interest earnings calculation based on the ending cash balance plus \$2,000,000 for unexpended M&R funds.
2. Assumes stable enrollments and an annual tuition increase of 3%.
3. Expenditures include 4% annual inflationary growth to M&R funding, \$1.0M for the Dairy Plant in 2012, and \$1.0M for energy projects in 2012 and 2013.
4. Lease payments include the leases for the University Center South facility through 2012 and the Capital University Center facility.
5. Includes the bonding for \$11.4M in 2011 to fund projects on the 2005 ten-year plan and \$8,970,000 for the University Center South space replacement.

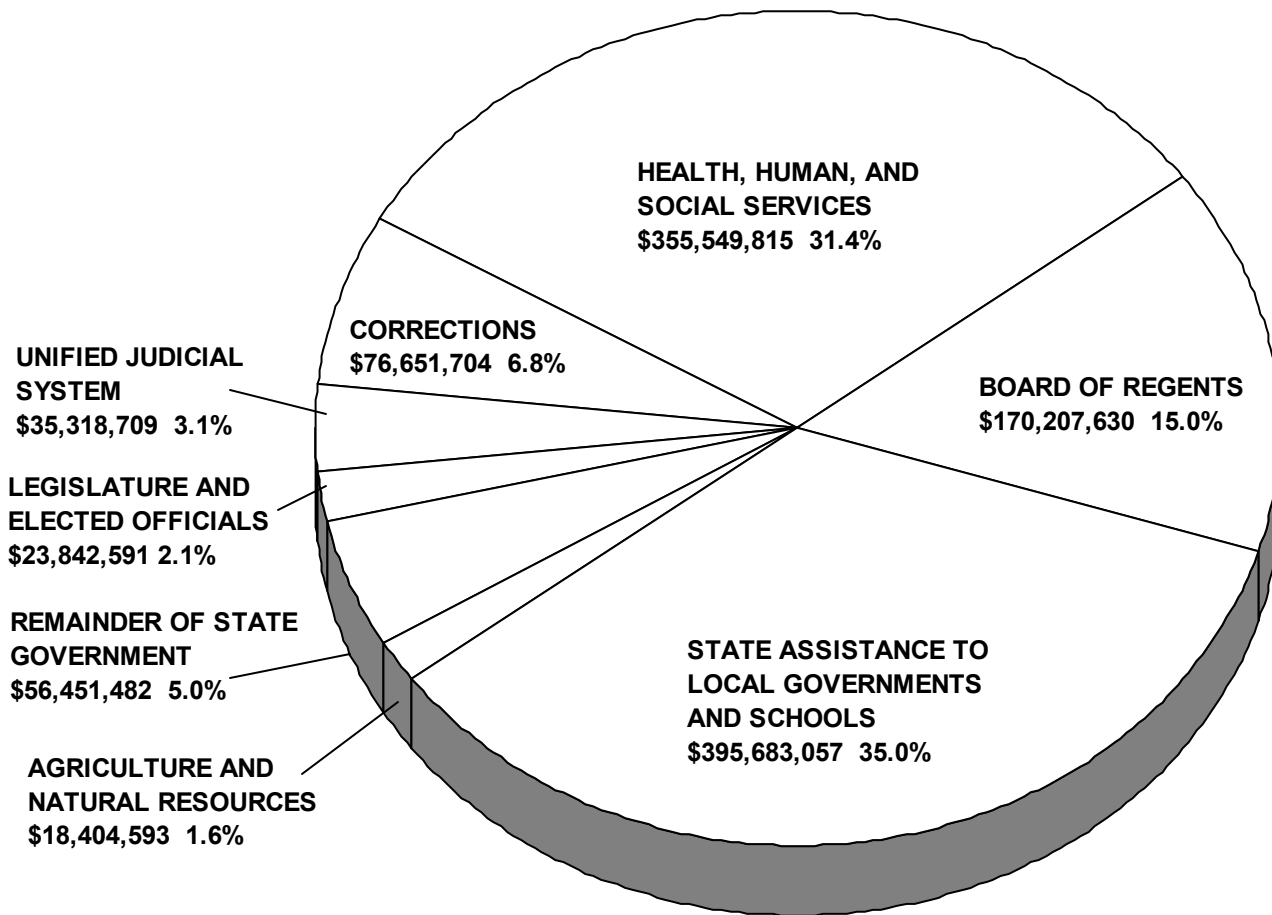


# ***FY 2010 GENERAL FUND RECEIPTS***



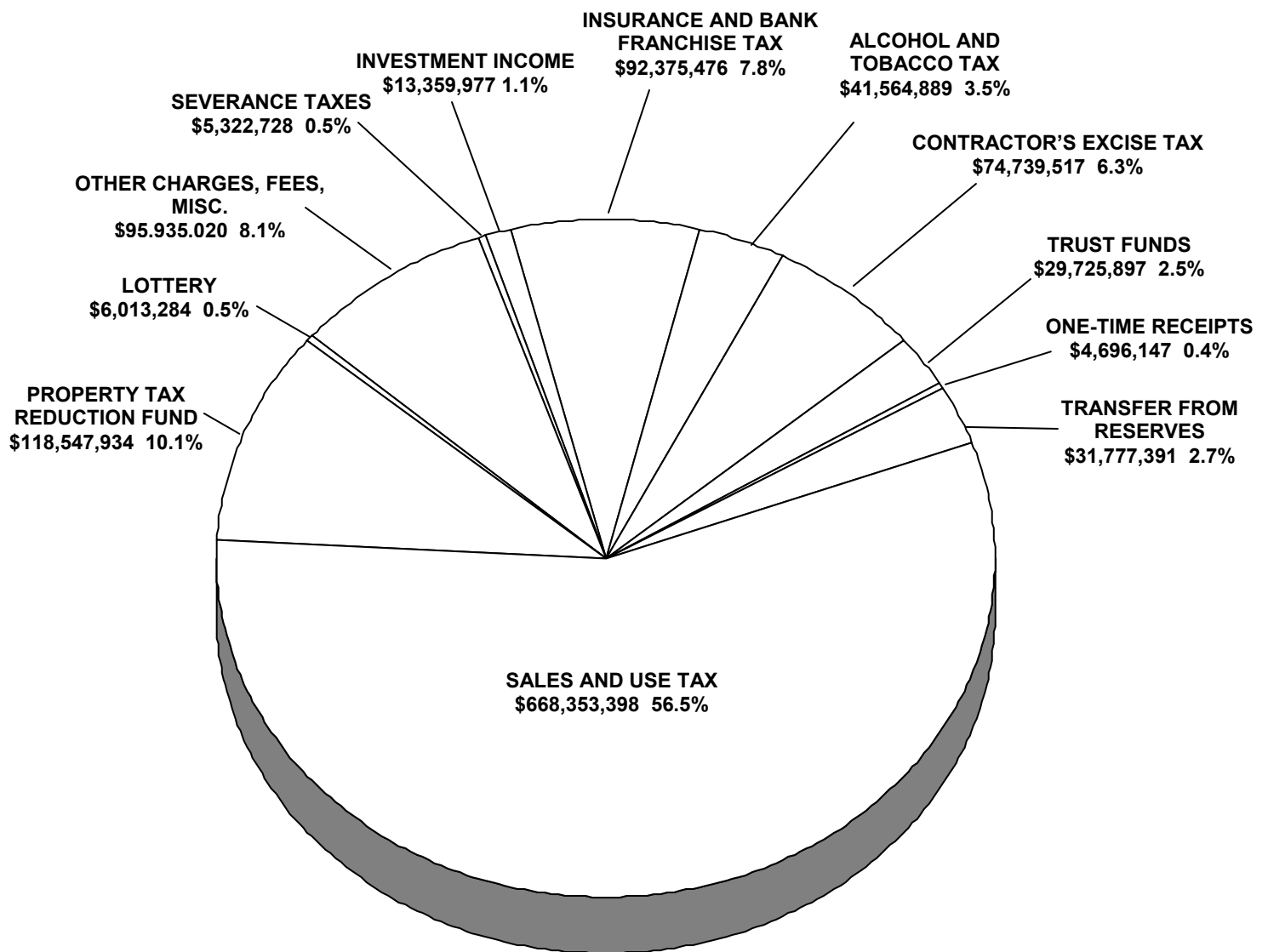
**GENERAL FUND TOTAL: \$1,132,109,581**

# *FY 2010 GENERAL FUND EXPENDITURES*



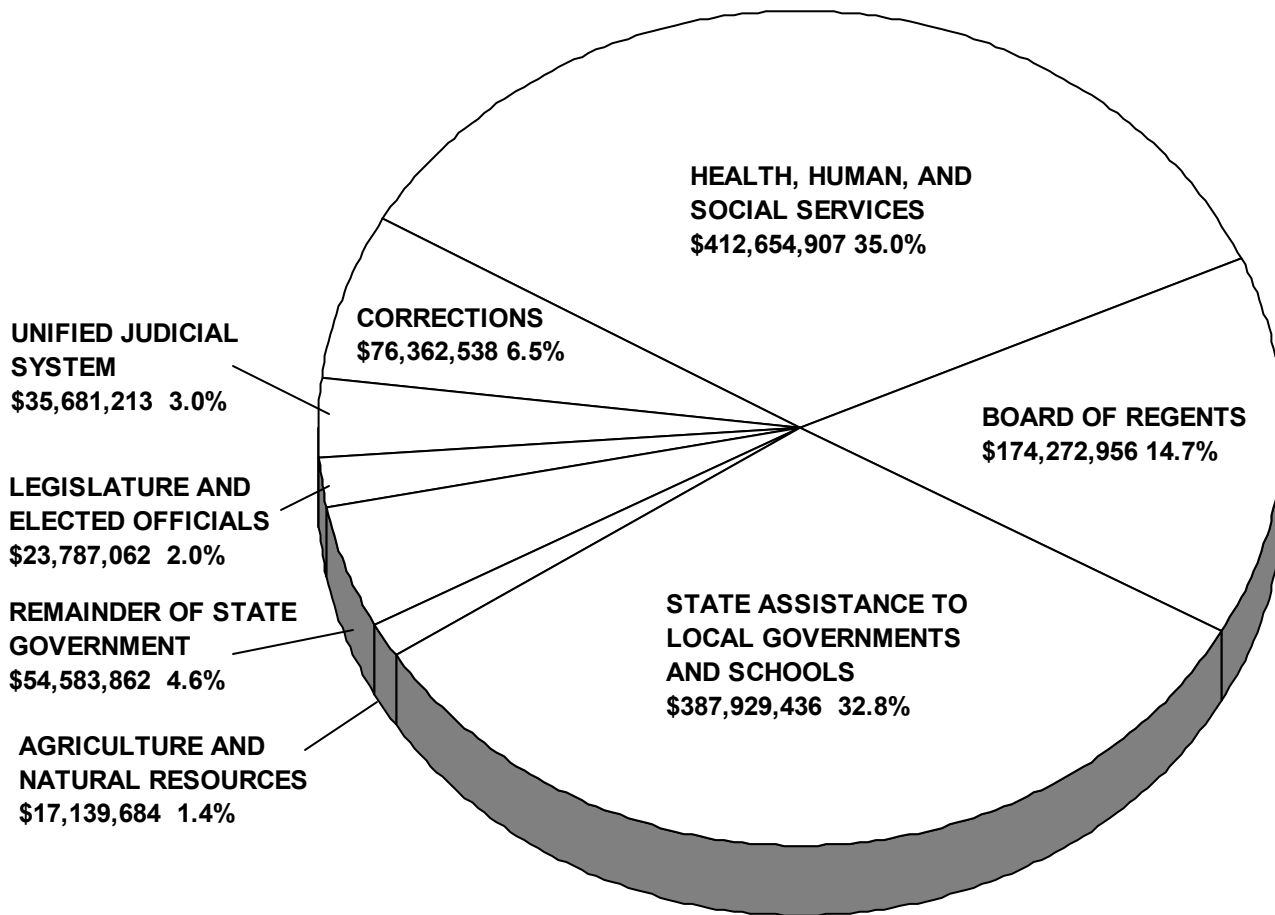
*GENERAL FUND TOTAL: \$1,132,109,581*

# ***FY 2011 GENERAL FUND RECEIPTS***



***GENERAL FUND TOTAL: \$1,182,411,658***

# *FY 2011 GENERAL FUND EXPENDITURES*



*GENERAL FUND TOTAL: \$1,182,411,658*

## SPECIAL APPROPRIATION RECOMMENDATIONS

FY2011 SPECIAL APPROPRIATIONS	FTE	GENERAL FUNDS	FEDERAL FUNDS	OTHER FUNDS	TOTAL
Tax Refunds for Elderly and Disabled		\$ 650,000	\$ -	\$ -	\$ 650,000
Physician Tuition Reimbursement		\$ 236,656	\$ -	\$ -	\$ 236,656
Conservation Grant		\$ -	\$ -	\$ 500,000	\$ 500,000
<b>TOTAL FY2011 SPECIAL APPROPRIATIONS</b>	<b>0.0</b>	<b>\$ 886,656</b>	<b>\$ -</b>	<b>\$ 500,000</b>	<b>\$ 1,386,656</b>

**NOTE:** FY2011 special appropriations become available for expenditure on July 1, 2010, and are included in the FY2011 column of the General Fund Condition Statement.

Governor Rounds is recommending total special appropriations of \$886,656 in general funds and \$500,000 in other fund expenditure authority. The following paragraphs highlight each recommended special appropriation.

- ◆ ***Tax Refunds for the Elderly and Disabled:*** The Governor is recommending \$650,000 in general funds for tax refunds for elderly and disabled individuals who meet income guidelines.
  
- ◆ ***Physician Tuition Reimbursement Program:*** The Governor is recommending \$236,656 in general funds to reimburse four participants who have complied with the requirements of the South Dakota Physician, Midlevel, or Dentist Tuition Reimbursement program per SDCL 1-16A-71.1, SDCL 1-16A-73.6, or SDCL 1-16A-73.20.
  
- ◆ ***Conservation Grant:*** The Governor is recommending \$500,000 in other fund expenditure authority to be used to fund the conservation districts and address soil and water conservation in South Dakota.

<b>FY2010 EMERGENCY SPECIAL APPROPRIATIONS</b>	<b>FTE</b>	<b>GENERAL FUNDS</b>	<b>FEDERAL FUNDS</b>	<b>OTHER FUNDS</b>	<b>TOTAL</b>
Development of Rapid City Community Corrections Site		\$ 1,800,000	\$ 1,175,000	\$ 825,000	\$ 3,800,000
Fire Suppression Fund		\$ 1,230,349	\$ -	\$ -	\$ 1,230,349
Extraordinary Litigation Fund		\$ 944,610	\$ -	\$ -	\$ 944,610
Water Omnibus Bill			\$ 275,000	\$ 13,950,000	\$ 14,225,000
<b>TOTAL FY2010 EMERGENCY SPECIAL APPROPRIATIONS</b>	<b>0.0</b>	<b>\$ 3,974,959</b>	<b>\$ 1,450,000</b>	<b>\$ 14,775,000</b>	<b>\$ 20,199,959</b>

**NOTE:** FY2010 emergency special appropriations become available for expenditure upon passage of the bill and are included in the FY2010 column of the General Fund Condition Statement.

Governor Rounds is recommending total emergency special appropriations of \$3,974,959 in general funds, \$1,450,000 in federal fund expenditure authority, and \$14,775,000 in other fund expenditure authority. The following paragraphs highlight each recommended emergency special appropriation.

- ◆ **Development of Rapid City Community Corrections Site:** The Governor is recommending \$1,800,000 in general funds, \$1,175,000 in federal fund expenditure authority, and \$825,000 in other fund expenditure authority. The funding will be utilized for an architectural and engineering design, structural custom-fit remodeling, and construction costs. The current anticipated opening date is planned for the beginning of FY2012.
- ◆ **Fire Suppression Fund:** The Governor is recommending \$1,230,349 in general funds to be deposited into the Fire Suppression Fund for costs related to the suppression of wildfires in South Dakota.
- ◆ **Extraordinary Litigation Fund:** The Governor is recommending \$944,610 in general funds to be deposited into the Extraordinary Litigation Fund to fund litigation expenses which are not eligible to be paid under SDCL 3-22-1.
- ◆ **Water Omnibus Bill:** The Governor is recommending \$275,000 in federal fund expenditure authority and \$13,950,000 in other fund expenditure authority for water development, solid waste, and water quality improvement projects throughout the state. The portion of the Governor's omnibus bill that will go to the Lewis & Clark Rural Water System is \$6,300,000 in other fund expenditure authority.

FY2010 GENERAL BILL AMENDMENTS	FTE	GENERAL FUNDS	FEDERAL FUNDS	OTHER FUNDS	TOTAL
Indian Health Services		\$ -	\$ 20,160,575	\$ -	\$ 20,160,575
H1N1 Grant	15.0	\$ -	\$ 5,000,000	\$ -	\$ 5,000,000
Second Chance Prisoner Reentry Grant		\$ -	\$ 850,568	\$ 425,410	\$ 1,275,978
State Veterans' Home Food Services		\$ 23,728	\$ -	\$ 35,592	\$ 59,320
Low Income Energy Assistance Program		\$ -	\$ 12,000,000	\$ -	\$ 12,000,000
Airport Construction Projects (ARRA)		\$ -	\$ 11,486,080	\$ -	\$ 11,486,080
DSS Alternate Non-Emergency Services		\$ -	\$ 5,500,000	\$ -	\$ 5,500,000
DSS Medical Services		\$ -	\$ 29,439,698	\$ -	\$ 29,439,698
DHS 1.89% bonus FMAP (ARRA)		\$ (3,260,660)	\$ -	\$ -	\$ (3,260,660)
DOC 1.89% bonus FMAP (ARRA)		\$ (325,140)	\$ -	\$ -	\$ (325,140)
DOE 1.89% bonus FMAP (ARRA)		\$ (5,880)	\$ -	\$ -	\$ (5,880)
DOE Birth to Three (ARRA)		\$ (335,339)	\$ 335,339	\$ -	\$ -
BOR Revised Utility Projections		\$ (694,471)	\$ -	\$ -	\$ (694,471)
DOC Revised Utility Projections		\$ (684,608)	\$ -	\$ -	\$ (684,608)
MVA Revised Utility Projections		\$ (149,813)	\$ (301,992)	\$ (128,652)	\$ (580,457)
DHS Revised Utility Projections		\$ (82,936)	\$ (148,269)	\$ -	\$ (231,205)
DOT Revised Utility Projections		\$ -	\$ -	\$ (315,540)	\$ (315,540)
<b>TOTAL FY2010 GENERAL BILL AMENDMENTS</b>	<b>15.0</b>	<b>\$ (5,515,119)</b>	<b>\$ 84,321,999</b>	<b>\$ 16,810</b>	<b>\$ 78,823,690</b>

**NOTE:** FY2010 general bill amendments are changes needing to be made to the FY2010 General Appropriations Act and are included in the FY2010 column of the General Fund Condition Statement.

Governor Rounds is recommending total general bill amendments of (\$5,515,119) in general funds, \$84,321,999 in federal fund expenditure authority, and \$16,810 in other fund expenditure authority. The following paragraphs highlight each recommended FY2010 general bill amendment.

- ◆ **Indian Health Services:** The Governor is recommending \$20,160,575 in federal fund expenditure authority. The billing methodology is being changed to allow billing for different services provided the same day which is consistent with how Medical Services providers are reimbursed.
- ◆ **H1N1 Grant:** The Governor is recommending \$5,000,000 in federal fund expenditure authority and 15.0 FTE due to receiving federal H1N1 funds which are being spent on planning and responding to H1N1 throughout the state.
- ◆ **Second Chance Prisoner Reentry Grant:** The Governor is recommending \$850,568 in federal fund expenditure authority and \$425,410 in other fund expenditure authority. The funds will be used to support one Community Case Manager position in Pierre, one Project Manager in Parole Services, and the implementation of programs, policies, and procedures to assist in the reduction of recidivism among adult and juvenile offenders in the state.
- ◆ **State Veterans' Home Food Services:** The Governor is recommending \$23,728 in general funds and \$35,592 in other fund expenditure authority due to increased food services rates and a higher average daily census of residents.
- ◆ **Low Income Energy Assistance Program:** The Governor is recommending \$12,000,000 in federal fund expenditure authority due to an increase in energy assistance benefits to low income individuals as a result of an increase in the federal grant.
- ◆ **Airport Construction Projects (ARRA):** The Governor is recommending \$11,486,080 in American Recovery and Reinvestment Act federal fund expenditure authority for airport construction projects.
- ◆ **DSS Alternate Non-Emergency Services:** The Governor is recommending \$5,500,000 in federal fund expenditure authority for programs which help divert Medicaid recipients from more costly non-emergency room medical services.
- ◆ **DSS Medical Services:** The Governor is recommending \$29,439,698 in federal fund expenditure authority due to additional clients and claims in Medical Services. These funds will be matched with general funds made available by the 1.89% bonus FMAP made available by American Recovery and Reinvestment Act.
- ◆ **DHS 1.89% bonus FMAP (ARRA):** The Governor is recommending (\$3,260,660) in general funds due to the state receiving additional American Recovery and Reinvestment Act for the state Medicaid program.
- ◆ **DOC 1.89% bonus FMAP (ARRA):** The Governor is recommending (\$325,140) in general funds due to the state receiving additional American Recovery and Reinvestment Act funds for the state Medicaid program.
- ◆ **DOE 1.89% bonus FMAP (ARRA):** The Governor is recommending (\$5,880) in general funds due to the state receiving additional American Recovery and Reinvestment Act funds for the state Medicaid program.
- ◆ **DOE Birth to Three (ARRA):** The Governor is recommending (\$335,339) in general funds and \$335,339 in American Recovery and Reinvestment Act federal fund expenditure authority as the state can maintain current funding for the program using available ARRA funding.

- ◆ ***BOR Revised Utility Projections:*** The Governor is recommending (\$694,471) in general funds due to revised FY2010 energy projections.
- ◆ ***DOC Revised Utility Projections:*** The Governor is recommending (\$684,608) in general funds due to revised FY2010 energy projections.
- ◆ ***MVA Revised Utility Projections:*** The Governor is recommending (\$149,813) in general funds, (\$301,992) in federal fund expenditure authority, and (\$128,652) in other fund expenditure authority due to revised FY2010 energy projections.
- ◆ ***DHS Revised Utility Projections:*** The Governor is recommending (\$82,936) in general funds and (\$148,269) in federal fund expenditure authority due to revised FY2010 energy projections.
- ◆ ***DOT Revised Utility Projections:*** The Governor is recommending (\$315,540) in other fund expenditure authority due to revised FY2010 energy projections.



## GOVERNOR ROUNDS' RECOMMENDATION FOR STATE EMPLOYEE COMPENSATION PACKAGE

	GENERAL FUNDS	FEDERAL FUNDS	OTHER FUNDS	TOTAL FUNDS
<b>PACE ADJUSTMENT TO JOB WORTH:</b> The Governor is not recommending an increase for PACE adjustment to job worth.	\$ -	\$ -	\$ -	\$ -
<b>ACROSS-THE-BOARD INCREASE:</b> The Governor is not recommending an across-the-board pay increase.				
Executive Branch	\$ -	\$ -	\$ -	\$ -
Board of Regents	-	-	-	-
Legislative Branch	-	-	-	-
Judicial Branch	-	-	-	-
Constitutional Offices	-	-	-	-
<b>Subtotal</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
 <b>HEALTH INSURANCE INCREASE:</b> The costs associated with the employer-paid portion of the state employee's health insurance plan for FY2011 is projected to increase by 6.3%.	 <b>\$ 1,880,186</b>	 <b>\$ 1,016,399</b>	 <b>\$ 1,772,036</b>	 <b>\$ 4,668,621</b>
 <b>GRAND TOTAL INCREASE FOR STATE HEALTH INSURANCE:</b>	 <b><u>\$ 1,880,186</u></b>	 <b><u>\$ 1,016,399</u></b>	 <b><u>\$ 1,772,036</u></b>	 <b><u>\$ 4,668,621</u></b>

For FY2011, health insurance was distributed to agencies in the Governor's recommended budget.

## TOTAL STATE GOVERNMENT BUDGET (Excluding Information Budgets)

### GENERAL APPROPRIATIONS BILL

	ACTUAL FY 2008	ACTUAL FY 2009	BUDGETED FY 2010	REQUESTED FY 2011	GOVERNOR'S RECOMMENDED FY 2011	RECOMMENDED INC/(DEC) FY 2011
<b>FUNDING SOURCE:</b>						
General Funds	\$ 1,145,739,840	\$ 1,137,176,349	\$ 1,127,819,469	\$ 1,224,860,567	\$ 1,179,151,156	\$ 51,331,687
Federal Funds	950,214,676	1,120,571,111	1,442,715,267	1,471,176,705	1,506,262,652	63,547,385
Other Funds	581,316,261	606,920,300	687,566,601	715,786,029	717,283,209	29,716,608
Total	<u>\$ 2,677,270,777</u>	<u>\$ 2,864,667,760</u>	<u>\$ 3,258,101,337</u>	<u>\$ 3,411,823,301</u>	<u>\$ 3,402,697,017</u>	<u>\$ 144,595,680</u>
<b>EXPENDITURE DETAIL:</b>						
Personal Services	\$ 666,180,977	\$ 698,786,594	\$ 735,318,154	\$ 748,562,646	\$ 746,756,574	\$ 11,438,420
Operating Expenses	2,011,089,800	2,165,881,166	2,522,783,183	2,663,260,655	2,655,940,443	133,157,260
Total	<u>\$ 2,677,270,777</u>	<u>\$ 2,864,667,760</u>	<u>\$ 3,258,101,337</u>	<u>\$ 3,411,823,301</u>	<u>\$ 3,402,697,017</u>	<u>\$ 144,595,680</u>
Staffing Level FTE:	12,447.5	12,502.6	13,133.7	13,227.5	13,042.0 (	91.7 )

### SPECIAL APPROPRIATIONS AND GENERAL FUND CONTINUING APPROPRIATIONS

FUNDING SOURCE:	REVISED BUDGETED FY 2010	GOVERNOR'S RECOMMENDED FY 2011	RECOMMENDED INC/(DEC) FY 2011
General Funds	\$ 4,290,112	\$ 3,260,502	( \$ 1,029,610 )
Federal Funds	91,871,999	6,100,000	( 85,771,999 )
Other Funds	27,551,955	1,783,270	( 25,768,685 )
Total	<u>\$ 123,714,066</u>	<u>\$ 11,143,772</u>	<u>( \$ 112,570,294 )</u>
Staffing Level FTE:	15.0	0.0	( 15.0 )

### TOTAL STATE GOVERNMENT BUDGET

FUNDING SOURCE:	REVISED BUDGETED FY 2010	GOVERNOR'S RECOMMENDED FY 2011	RECOMMENDED INC/(DEC) FY 2011
General Funds	\$ 1,132,109,581	\$ 1,182,411,658	\$ 50,302,077
Federal Funds	1,534,587,266	1,512,362,652	( 22,224,614 )
Other Funds	715,118,556	719,066,479	3,947,923
Total	<u>\$ 3,381,815,403</u>	<u>\$ 3,413,840,789</u>	<u>\$ 32,025,386</u>
Staffing Level FTE:	13,148.7	13,042.0	( 106.7 )

## INFORMATION BUDGETS CONTAINED IN THE GENERAL APPROPRIATIONS BILL

	ACTUAL FY 2008	ACTUAL FY 2009	BUDGETED FY 2010	REQUESTED FY 2011	GOVERNOR'S RECOMMENDED FY 2011	RECOMMENDED INC/(DEC) FY 2011
<b>FUNDING SOURCE:</b>						
General Funds	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Federal Funds	231,248,940	275,085,944	410,471,886	407,318,756	403,960,186 (	6,511,700 )
Other Funds	224,859,360	291,895,463	258,548,648	249,155,410	249,324,380 (	9,224,268 )
Total	\$ 456,108,300	\$ 566,981,407	\$ 669,020,534	\$ 656,474,166	\$ 653,284,566 (	\$ 15,735,968 )
<b>EXPENDITURE DETAIL:</b>						
Personal Services	\$ 74,771,953	\$ 83,146,196	\$ 90,430,051	\$ 92,931,733	\$ 92,944,388	\$ 2,514,337
Operating Expenses	381,336,348	483,835,212	578,590,483	563,542,433	560,340,178 (	18,250,305 )
Total	\$ 456,108,300	\$ 566,981,407	\$ 669,020,534	\$ 656,474,166	\$ 653,284,566 (	\$ 15,735,968 )
Staffing Level FTE:	1,251.1	1,278.3	1,332.9	1,340.9	1,325.9 (	7.0 )

## 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  
 Commission on Gaming  
 American Dairy Association  
 Wheat Commission  
 Oilseeds Council  
 Soybean Research and Promotion  
 Brand Board  
 Corn Utilization Council  
 Board of Veterinary Medical Examiners  
 SD Pulse Crops Council  
 South Dakota Housing Development Authority  
 Science and Technology Authority  
 SD Energy Infrastructure Authority  
 SD Ellsworth Development Authority  
 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  
 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 Accountancy  
 Board of Barber Examiners  
 Cosmetology Commission  
 Plumbing Commission  
 Board of Technical Professions  
 Electrical Commission  
 Highway Construction Contracts  
 Tuition and Fee Fund  
 Army/Air National Guard  
 Board of Counselor Examiners  
 Board of Psychology Examiners  
 Board of Social Work Examiners  
 Certification Board for Alcohol and Drug  
 Professionals  
 Regulated Response Fund  
 Livestock Cleanup  
 Transportation Warehouse  
 Fixed Utilities  
 PUC Rate Case/Utility Investigation Fund  
 Pipeline Safety  
 One-Call Notification Board  
 Do Not Call List  
 State Bar Association  
 Unclaimed Property Fund

# TOTAL STATE GOVERNMENT BUDGET (Including Information Budgets)

## GENERAL APPROPRIATIONS BILL

	ACTUAL FY 2008	ACTUAL FY 2009	BUDGETED FY 2010	REQUESTED FY 2011	GOVERNOR'S RECOMMENDED FY 2011	RECOMMENDED INC/(DEC) FY 2011
<b>FUNDING SOURCE:</b>						
General Funds	\$ 1,145,739,840	\$ 1,137,176,349	\$ 1,127,819,469	\$ 1,224,860,567	\$ 1,179,151,156	\$ 51,331,687
Federal Funds	1,181,463,616	1,395,657,055	1,853,187,153	1,878,495,461	1,910,222,838	57,035,685
Other Funds	806,175,621	898,815,763	946,115,249	964,941,439	966,607,589	20,492,340
Total	<u>\$ 3,133,379,077</u>	<u>\$ 3,431,649,168</u>	<u>\$ 3,927,121,871</u>	<u>\$ 4,068,297,467</u>	<u>\$ 4,055,981,583</u>	<u>\$ 128,859,712</u>
<b>EXPENDITURE DETAIL:</b>						
Personal Services	\$ 740,952,930	\$ 781,932,790	\$ 825,748,205	\$ 841,494,379	\$ 839,700,962	\$ 13,952,757
Operating Expenses	2,392,426,147	2,649,716,378	3,101,373,666	3,226,803,088	3,216,280,621	114,906,955
Total	<u>\$ 3,133,379,077</u>	<u>\$ 3,431,649,168</u>	<u>\$ 3,927,121,871</u>	<u>\$ 4,068,297,467</u>	<u>\$ 4,055,981,583</u>	<u>\$ 128,859,712</u>
Staffing Level FTE:	13,698.5	13,780.8	14,466.6	14,568.4	14,367.9 (	98.7)

## SPECIAL APPROPRIATIONS AND GENERAL FUND CONTINUING APPROPRIATIONS

FUNDING SOURCE:	REVISED BUDGETED FY 2010	GOVERNOR'S RECOMMENDED FY 2011	RECOMMENDED INC/(DEC) FY 2011
General Funds	\$ 4,290,112	\$ 3,260,502	(\$ 1,029,610)
Federal Funds	91,871,999	6,100,000	( 85,771,999)
Other Funds	27,551,955	1,783,270	( 25,768,685)
Total	<u>\$ 123,714,066</u>	<u>\$ 11,143,772</u>	<u>(\$ 112,570,294)</u>
Staffing Level FTE:	15.0	0.0	( 15.0)

## TOTAL STATE GOVERNMENT BUDGET

FUNDING SOURCE:	REVISED BUDGETED FY 2010	GOVERNOR'S RECOMMENDED FY 2011	RECOMMENDED INC/(DEC) FY 2011
General Funds	\$ 1,132,109,581	\$ 1,182,411,658	\$ 50,302,077
Federal Funds	1,945,059,152	1,916,322,838	( 28,736,314)
Other Funds	973,667,204	968,390,859	( 5,276,345)
Total	<u>\$ 4,050,835,937</u>	<u>\$ 4,067,125,355</u>	<u>\$ 16,289,418</u>
Staffing Level FTE:	14,481.6	14,367.9	( 113.7)

# SELF-LIQUIDATING PROJECTS - INSTITUTIONS OF HIGHER EDUCATION

## JUNE 30, 2009

CONSOLIDATED SERIES	INSTITUTION	ORIGINAL CONTRACT DATE	REVENUE BOND ORIGINAL ISSUE	AMOUNT OUTSTANDING
<b>BLACK HILLS STATE UNIVERSITY</b>				
Series 2004	Apartment Complex and Heidepriem Thomas	February 15, 2004	\$5,190,000	\$4,165,000
Series 2004A	Student Union and Thomas Hall	November 23, 2004	\$3,460,000	\$2,955,000
Series 2006	Parling Lot Improvement	December 6, 2006	\$1,270,000	\$1,175,000
Series 2007	Student Union Expansion	December 19, 2007	\$8,150,000	\$8,150,000
			\$18,070,000	\$16,445,000
<b>DAKOTA STATE UNIVERSITY</b>				
Series 2004A	Higbie, Trojan Center, Emry & Richardson Refinance	November 23, 2004	\$3,260,000	\$2,795,000
Series 2007	Existing Residence Hall Renovations	December 19, 2007	\$390,000	\$390,000
Series 2008A	Residence Hall Renovations	April 7, 2008	\$4,770,000	\$4,605,000
			\$8,420,000	\$7,790,000
<b>NORTHERN STATE UNIVERSITY</b>				
Series 2004A	Steele Hall Renovation, Refinance Student Center Renovation	November 3, 2004	\$6,245,000	\$5,580,000
Series 2008B	Kramer Hall Renovation	November 4, 2008	\$1,095,000	\$1,095,000
Series 2009	Kramer Hall Renovation	May 21, 2009	\$1,440,000	\$1,440,000
			\$8,780,000	\$8,115,000
<b>SOUTH DAKOTA SCHOOL OF MINES &amp; TECHNOLOGY</b>				
Series 2003	Peterson Hall	April 1, 2003	\$7,730,000	\$7,115,000
Series 2008B	Surbeck Center Renovation	November 4, 2008	\$4,135,000	\$4,135,000
Series 2009	Surbeck Center Renovation and Connolly & Palmerton Halls Renovation	May 28, 2009	\$10,140,000	\$10,140,000
			\$22,005,000	\$21,390,000
<b>SOUTH DAKOTA STATE UNIVERSITY</b>				
Series 2004A	Refinance, Student Union Addition & Residence Hall Reno	February 25, 2004	\$31,300,000	\$25,190,000
Series 2005A	Exiting Residence Hall Renovations	December 21, 2005	\$3,025,000	\$2,770,000
Series 2006	Residence Hall, Food Service, Wellness Center	December 6, 2006	\$7,745,000	\$7,170,000
Series 2009	New Residence Hall; Matthews Renovation; Dining Expansion; Student Parking	May 28, 2009	\$34,270,000	\$34,270,000
			\$76,340,000	\$69,400,000
<b>UNIVERSITY OF SOUTH DAKOTA</b>				
Series 2003	Residence Hall Renovations	June 2, 2003	\$16,435,000	\$13,700,000
Series 2005A	Coyote Student Center/Facilities	December 21, 2005	\$11,785,000	\$12,120,000
Series 2005B	Coyote Student Center	December 21, 2005	\$1,000,000	
Series 1997	Old Main	December 24, 1996	\$2,463,000	\$1,588,000
Series 2000	Dakota Dome Roof	April 1, 2000	\$6,505,000	\$5,235,000
Series 2009	Wellness Ctr & Coyote Village	May 28, 2009	\$44,475,000	\$44,475,000
			\$82,663,000	\$77,118,000
<b>GRAND TOTAL</b>			<b>\$216,278,000</b>	<b>\$200,258,000</b>

## EXECUTIVE SALARIES

State Investment Officer **	\$388,356	Dean; Research Professor, Sanford School of Medicine	195,515
Dean/Vice-President of Health Affairs, Sanford School of Medicine	379,600	Academic Dean, Sanford School of Medicine	194,365
Executive Director, Board of Regents	323,000	Dean, Family and Consumer Science, South Dakota State University	187,000
President, South Dakota State University *	321,360	Assistant Investment Officer ** (2)	182,134
President, University of South Dakota *	321,360	Primary Care Physician, Human Services Center	181,338
President, South Dakota School of Mines and Technology *	300,000	Chair, Surgery, Sanford School of Medicine	175,000
Internal Medical Residency Program Director, Sanford School of Medicine	267,800	Chair, Psychiatry, Sanford School of Medicine	175,000
Psychiatrist, Human Services Center	265,960	Chair, Internal Medicine, Sanford School of Medicine	175,000
Chair, Department of Family Medicine, Sanford School of Medicine	254,865	Chair, Obstetrics-Gynecology, Sanford School of Medicine	175,000
Psychiatrist, Human Services Center (4)	254,634	Provost and Vice President for Academic Affairs, University of South Dakota	175,000
Deputy Investment Officer **	245,360	Dean, School of Law, University of South Dakota	174,515
Psychiatrist, Human Services Center	240,625	Dean, College of Arts & Sciences, University of South Dakota	170,145
Associate Academic Dean, Sanford School of Medicine	235,392	Dean, Ag & Biological Sciences, South Dakota State University	169,655
Dean of Graduate Medical Education, Sanford School of Medicine	228,776	Deputy Project Manager for Facility Development, DUSEL	169,500
Executive Dean, Basic Biomedical Sciences, Sanford School of Medicine	220,379	Chief Academic Officer, South Dakota State University	166,671
President, Dakota State University *	214,240	Assistant Investment Officer **	164,837
President, Black Hills State University *	214,240	Director of Primary Care Ambulatory Program, Sanford School of Medicine	163,703
President, Northern State University *	214,240	Vice President of Research; Dean of the Graduate School, South Dakota State University	162,832
Assistant Investment Officer **	209,926	Assistant Investment Officer **	162,178
Assistant Investment Officer **	209,387	Dean of Engineering, South Dakota State University	161,469
Dean; Co-director of Basic Biomedical Sciences, Sanford School of Medicine	201,768	Vice President for Academic Affairs, Board of Regents	160,625
Director, GISC Center of Excellence, South Dakota State University	199,949	Chief Research Officer, Board of Regents	160,500
Chair, Pediatrics, Sanford School of Medicine	199,084	Vice President for Research, South Dakota School of Mines and Technology	160,000
Dean, School of Health Science	196,000	Director, Intercollegiate Athletics, South Dakota State University	160,000

\* Housing Provided

\*\* The State Investment Officer, Deputy Investment Officer, and Assistant Investment Officers are eligible to receive performance-based compensation from zero to 100% of the prior year's base salary.

## EXECUTIVE SALARIES

Assistant Investment Officer **	158,084	Commissioner, Bureau of Information and Telecommunications	137,060
Director, Martin Endowed Chair – Nutrition, South Dakota State University	155,350	Associate Dean, Agriculture Experiment Station, South Dakota State University	136,292
Dean, School of Business, University of South Dakota	154,538	Academic Dean, Graduate Studies, Dakota State University	136,292
System Vice President for Administrative Services	153,318	Vice President for Academic Affairs, Black Hills State University	135,200
Vice President for Research, University of South Dakota	153,289	Associate Dean; Director of Cooperative Extension Service, South Dakota State University	135,000
Vice President for Administration, South Dakota State University	152,648	Professor Emeritus, GISc Center of Excellence, South Dakota State University	134,969
Dean of Pharmacy, South Dakota State University	151,300	Department Head, Mechanical Engineering, South Dakota State University	134,957
Dean of Nursing, South Dakota State University	149,826	Department Head, Mechanical Engineering, South Dakota State University	134,957
Associate Dean of Basic Biomedical Sciences, University of South Dakota	149,008	Chair, Economics and Production, Beacom School of Business, University of South Dakota	134,749
Coordinator, Master of Public Administration, Beacom School of Business, University of South Dakota	147,884	Secretary, Department of Tourism and State Development	134,698
Interim Provost, Vice President for Academic Affairs, South Dakota School of Mines and Technology	147,014	Dean of Arts and Sciences, South Dakota State University	134,261
Executive Dean, University Center, University of South Dakota	146,133	Dean, Arts and Science, South Dakota State University	134,261
Chief of Staff, Governor's Office	145,127	Vice President for Academic Affairs, Dakota State University	134,003
Director, Environmental Health and Safety, DUSEL	145,000	Director, Farber Center, Political Science and Criminal Justice, University of South Dakota	132,886
Dean, School of Education, University of South Dakota	145,000	Chair; Department Head, Engineering Technology and Management, South Dakota State University	132,464
Associate Academic Dean, Beacom School of Business, University of South Dakota	144,553	Chair; Department Head, Civil and Environmental Engineering, South Dakota State University	131,500
Director of Research, South Dakota State University	143,222	Director, Water and Environmental Engineering Research Center, South Dakota State University	131,229
Vice President for Finance and Administration, University of South Dakota	142,800	Dean, H M Briggs Library, South Dakota State University	130,500
Academic Dean, School of Education, Northern State University	142,500	Dean of Student Affairs, University of South Dakota	130,053
Vice President for Finance and Administration, South Dakota State University	140,000	Dean, Continuing Education, University of South Dakota	130,000
Chair, Neurosciences, University of South Dakota	140,000	Professor, School of Law, University of South Dakota	129,970
Commissioner, Bureau of Finance and Management	139,668	Professor and Dean, Basic Biomedical Sciences, University of South Dakota	129,661
Provost and Chief Academic Officer, Northern State University	139,476	Academic Dean, Business and Information Systems, Dakota State University	129,009
Department Head, Electrical Engineering and Computer Science, South Dakota State University	137,347	Director, Master of Professional Accountancy Program, Beacom School of Business, University of South Dakota	128,480

\* Housing Provided

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## EXECUTIVE SALARIES

Department Head, Pharmaceutical Sciences, South Dakota State University	128,286	Associate Vice President for Academic Affairs, South Dakota State University	121,753
Professor, School of Law, University of South Dakota	127,371	Special Assistant to the President, South Dakota State University	121,719
Vice President for Finance and Administration, Northern State University	127,218	Dean of Continuing and Extended Education, South Dakota State University	121,540
Associate Dean for Ag and Biological Sciences, South Dakota State University	126,941	Coordinator of Accounting Internships, Beacom School of Business, University of South Dakota	121,510
General Counsel, Board of Regents	126,916	Professor, Provost, Northern State University	121,500
Director of Intercollegiate Athletics, University of South Dakota	126,690	Assistant Dean of Engineering, South Dakota State University	121,324
Dean of Student Affairs, South Dakota State University	126,494	Assistant Dean, Engineering, South Dakota State University	121,324
Director, Animal Disease Research and Diagnostic Lab, South Dakota State University	126,477	Professor, School of Law, University of South Dakota	120,256
Director, Center for Accelerated Applications, Nanoscale, South Dakota School of Mines and Technology	125,917	Associate Professor, School of Business, University of South Dakota	120,019
Head Coach, Football, South Dakota State University	125,751	Director of Technology Transfer, South Dakota State University	120,000
Executive Director, Center for Disabilities, University of South Dakota	125,331	Associate Professor, Business and Information Systems, Dakota State University	120,000
Professor, Education and Human Sciences, South Dakota State University	125,000	Academic Dean, School of Arts and Sciences, Northern State University	120,000
Director, Center for Bioprocessing Research and Development, South Dakota School of Mines and Technology	125,000	Associate Dean, Health Sciences, University of South Dakota	120,000
Dean of Libraries, University of South Dakota	125,000	Dean, General Studies, South Dakota State University	120,000
Professor, School of Law, University of South Dakota	124,080	Chair, Nursing, University of South Dakota	120,000
Professor, School of Law, University of South Dakota	123,864	Chair, Computer Science, University of South Dakota	119,870
Department Head, Clinical Pharmacy, South Dakota State University	123,657	Department Head, Industrial Engineering, South Dakota School of Mines and Technology	119,051
Director, GIS Center of Excellence, South Dakota State University	123,186	Vice President, Information Technology, University of South Dakota	119,000
Chief Development Officer, University Relations, Black Hills State University	122,918	Chair, Physical Therapy, University of South Dakota	118,627
Vice President for Information Technology, South Dakota State University	122,902	Professor, Basic Biomedical Sciences, University of South Dakota	118,416
Associate Vice President for Research, Professor, Graduate School, South Dakota State University	122,686	Supreme Court Justice (5)	118,173
Professor, School of Law, University of South Dakota	122,605	Professor, Plant Science, South Dakota	118,000
Assistant Professor, School of Business, University of South Dakota	122,360	Professor, Basic Biomedical Sciences, University of South Dakota	117,701
Department Chair, Chemical and Biological Engineering, South Dakota School of Mines and Technology	122,265	Vice President for Business and Administration, Black Hills State University	117,045

\* Housing Provided

\*\* The State Investment Officer, Deputy Investment Officer, and Assistant Investment Officers are eligible to receive performance-based compensation from zero to 100% of the prior year's base salary.



## **EXECUTIVE SALARIES**

Professor, School of Law, University of South Dakota	116,993	Superintendent, South Dakota School for the Deaf	104,000
Professor, Chemical and Biological Engineering, South Dakota School of Mines and Technology	116,627	Commissioner, Bureau of Administration	103,000
Associate Vice President for Academic Affairs, University of South Dakota	116,597	Secretary, Department of Agriculture	103,000
Secretary, Department of Environment and Natural Resources	116,531	Secretary, Department of Transportation	103,000
Secretary, Department of Health	116,531	Secretary, Department of Military and Veterans Affairs	103,000
Secretary, Department of Social Services	116,531	Warden, State Penitentiary	101,953
Department Head, Materials and Metallurgical Engineering, South Dakota School of Mines and Technology	116,284	Administrator, Unified Judicial System	100,000
Professor, Basic Biomedical Sciences, University of South Dakota	116,040	Executive Director, Legislative Research Council	98,345
Director, North Central Sun Grant Center, South Dakota State University	116,000	Auditor General	98,345
Associate Dean, College of Arts and Sciences, University of South Dakota	115,993	Attorney General	97,928
Associate Dean, College of Arts and Sciences, University of South Dakota	115,993	Administrator, Human Services Center	91,741
Superintendent, South Dakota School for the Blind and Visually Impaired	115,712	Director, South Dakota Developmental Center	91,741
Secretary, Department of Game, Fish and Parks	115,607	Warden, Mike Durfee State Prison	91,741
Academic Dean, Atmospheric Science, South Dakota School of Mines and Technology	115,587	Commissioner, Public Utilities Commission (3)	91,390
Governor	115,331	Executive Director, Public Utilities Commission	87,579
Secretary, Department of Education	115,000	State Treasurer	78,363
Executive Director, South Dakota Retirement System	114,312	Secretary of State	78,363
Secretary, Department of Corrections	113,455	Commissioner, School and Public Lands	78,363
Secretary, Department of Labor	113,448	State Auditor	78,363
Circuit Court Judges	110,377	Superintendent, State Treatment and Rehabilitation Academy	75,705
Secretary, Department of Revenue and Regulation	110,303	Superintendent, State Veterans' Home	75,123
Commissioner, Bureau of Personnel	107,468	Warden, Women's Prison	63,103
Secretary, Department of Public Safety	107,120	Lt. Governor (Part Time Position)	17,699
Secretary, Department of Human Services	105,583		

\* Housing Provided

\*\* The State Investment Officer, Deputy Investment Officer, and Assistant Investment Officers are eligible to receive performance-based compensation from zero to 100% of the prior year's base salary.

# SOUTH DAKOTA BOARDS, COMMISSIONS, COUNCILS AND COMMITTEES

DEPARTMENT	BOARD	TYPE OF BOARD	NO.OF MEMBERS	CURRENT		RECOMMENDED FY10/11	
				PER DIEM	EXPENSES	PER DIEM	EXPENSES
EXECUTIVE MANAGEMENT	Boundary Waters Commission - SD - MN	A	-	-	X	-	X
	Building Authority of SD	P	7	60	X	60	X
	Capitol Complex Restoration and Beautification Commission	A	8	-	X	-	X
	Career Service Commission	P	5	60	X	60	X
	Council of Economic Advisors	A	5	-	X	-	X
	Educational Telecommunications, Board of Directors for	P	9	60	X	60	X
	Governor's Council on Physical Fitness	A	11	-	X	-	X
	Governor's Reentry Council	A	14	-	-	-	-
	Health and Education Facilities Auth.	P	7	-	X	-	X
	Law Enforcement Civil Service Commission	P	5	60	X	60	X
	Personnel Management Advisory Board	A	13	-	X	-	X
	Records Destruction Board	A	5	-	X	-	X
	Risk Pool Advisory Board	A	15	-	X	-	X
	Risk Pool Governing Board	M	7	75	X	75	X
	SD State Cement Plant Commission	M	7	75	X	75	X
	SD State Radio	A	18	-	X	-	60
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	-
	Seed Certification Board	P	5	60	X	60	X
	Soybean Research and Promotion Council	P	7	60	X	60	X
	State Conservation Commission	P	9	60	X	60	X
	State Fair Commission	M	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	14	60	X	60	X
	Wheat Commission	P	5	60	X	60	X
TOURISM	Arts Council	P	11	60	X	60	X
	Economic Development, Board of	A	13	60	X	60	X
	Economic Development Finance Authority	P	5	-	X	-	X
	Historical Society Trustees, Board of	P	12	60	X	60	X
	Housing Development Authority	P	7	75	X	75	X
	SD Energy Infrastructure Authority	P	5	60	X	60	X
	Tourism, Board of	A	18	60	X	60	X
	Research and Commercialization Council	A	11	-	X	-	X
	Science and Technology Authority, Board of	P	7	75	X	75	X
	SD Geographic Names, Board of	A	5	X	X	X	X
GAME, FISH, AND PARKS	SD Ellsworth Authority	P	7	X	X	X	X
	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
REVENUE AND REGULATION	SD Snowmobile Advisory Council	A	7	-	X	-	X
	Abstractors Board of Examiners	P	5	60	X	60	X
	Appraiser Certification Program Advisory Council	A	8	-	-	-	-
	Banking Commission, State	P	5	60	X	60	X
	SD Boxing Commission	X	5	X	X	X	X
	Gaming, Commission on	P	5	75	X	75	X
	Petroleum Release Compensation Board A	A	5	60	X	60	X
	Real Estate Commission	P	5	60	X	60	X
	SD Lottery Commission	M	7	75	X	75	X

DEPARTMENT	BOARD	TYPE OF BOARD	NO. OF MEMBERS	CURRENT		RECOMMENDED FY10/11	
				PER DIEM	EXPENSES	PER DIEM	EXPENSES
SOCIAL SERVICES	Aging, Advisory Council on	A	12	60	X	60	X
	Medical Advisory Committee	A	13	-	X	-	X
	Pharmaceutical and Therapeutics Commission	A	10	60	X	60	X
	Social Services, Board of	A	7	60	X	60	X
	Victims' Compensation Board	P	5	60	X	60	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
	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
	Hearing Aid Dispensers, Board of	P	5	60	X	60	X
	HIV Community Planning Workgroup	A	60	-	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	14	-	X	-	X
	Ryan White Care Council	A	24	-	X	-	X
	Tobacco Prevention Advisory Committee	A	11	-	X	-	X
PUBLIC SAFETY	Emergency Medical Services Advisory Committee	A	7	-	X	-	X
	SD Homeland Security Senior Advisory Committee	A	-	-	X	-	X
	SD 9-1-1 Coordination Board	P	11	-	X	-	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
	Transportation Commission, State	M	9	75	X	75	X
EDUCATION	Advisory Council on Certification	A	12	-	X	-	X
	Advisory Panel for Children With Disabilities	A	17	-	X	-	X
	Education, State Board of	M	9	75	X	75	X
	Excess General Fund Oversight Board	M	5	-	X	-	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	A	9	-	X	-	X
	Professional Administrators						
	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 Council of Postsecondary Technical Institutes Superintendents and Dir.	A	9	-	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

DEPARTMENT	BOARD	TYPE OF BOARD	NO. OF MEMBERS	CURRENT		RECOMMENDED FY10/11	
				PER DIEM	EXPENSES	PER DIEM	EXPENSES
LABOR	Accountancy, SD Board of	P	6	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	8	60	X	60	X
	Human Rights, Commission on	P	5	60	X	60	X
	Plumbing 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	17	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	9	75	X	75	X
REGENTS	Regents, Board of	M	9	75	X	75	X
MILITARY AND VETERANS AFFAIRS	Military Affairs, Board of	P	5	60	X	60	X
	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
HUMAN SERVICES	Blind Vendors Committee	A	6	-	X	-	X
	Certification Board for Alcohol and Drug Professionals	P	9	60	X	60	X
	Counselor Examiners, Board of	P	9	60	X	60	X
	Drug and Alcohol Abuse Advisory Council	A	15	-	X	-	X
	Family Support Council	A	15	60	X	60	X
	Human Services Center Advisory Board	A	11	-	X	-	X
	Mental Health Planning and Coordination Advisory Board	A	26	-	X	-	X
	Planning Council on Developmental Disabilities	A	23	-	X	-	X
	Psychology Examiners, Board of	P	7	60	X	60	X
	Services to the Blind and Visually Impaired, Board of	A	15	60	X	60	X
	Social Workers Examiners, Board of	P	7	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
	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
UNIFIED JUDICIAL SYSTEM							
	Court Appointed Special Advocate Commission	P	5	-	-	60	X
	Judicial Qualifications Commission	P	7	60	X	60	X

DEPARTMENT	BOARD	TYPE OF BOARD	NO. OF MEMBERS	CURRENT		RECOMMENDED FY10/11	
				PER DIEM	EXPENSES	PER DIEM	EXPENSES
LEGISLATIVE	Appropriations	L	16	110	X	110	X
	Code Commission	L	5	110	X	110	X
	Government Operations and Audits	L	10	110	X	110	X
	Intergovernmental Cooperation Commission (Executive Board)	L	15	110	X	110	X
	Interim Rules Review	L	6	110	X	110	X
	Joint Bonding Review Committee (Executive Board)	L	15	110	X	110	X
	Legislative Research Council (Executive Board)	L	15	110	X	110	X
	Legislative Procedure	L	14	110	X	110	X
	Retirement Laws Committee	L	10	110	X	110	X
	State-Tribal Relations Committee	L	10	110	X	110	X
	Water Development Oversight Committee	L	4	110	X	110	X
ATTORNEY GENERAL	Law Enforcement Officers Standards Commission	P	10	60	X	60	X
	Open Meeting Commission	P	5	60	X	60	X
PUBLIC UTILITIES COMMISSION	One Call Notification Board	M	11	-	X	-	X
STATE AUDITOR	Commission on Equal Access to Our Courts	A	7	-	X	-	X
STATE TREASURER	Investment Council	M	8	75	X	75	X
	Public Deposit Protection Commission	M	2	-	-	-	-
SECRETARY OF STATE	Elections, State Board of	P	7	60	X	60	X
TYPES OF BOARDS	A = Advisory B = 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 \$3.4 million decrease out of the \$51.3 million in ongoing changes. This budget comprises of \$53.5 million of the \$128.9 million in ongoing total fund increases for FY2011. In terms of the total ongoing budget, the education category is 48.7% of the general funds and 34.1% of the total ongoing funds, which amounts to \$1.4 billion in total ongoing funding for education.

### ***STATE AID***

This category includes state aid to K-12 education, postsecondary vocational education institutes, and technology in the schools. Also for FY2011, the Governor is recommending that payments to sparse schools and consolidation incentive payments be included in the budget. In the past these payments were funded by special appropriations.

Due to extreme economic conditions that are severely impacting revenue growth, the Governor is recommending a 0.0% increase in the per student allocation for state aid to general education and for state aid to special education. This leaves the per-student allocation for state aid to general education at \$4,804.60 for FY2011 which is the same funding per student as in FY2010.

In addition, the Governor is recommending a change to the state aid to general education formula. The first recommendation is to suspend provisions of SDCL 13-13-71, SDCL 13-13-72, and SDCL 13-13-72.1 for FY2011 which will decrease the FY2011 state's portion of local need to an estimated 55.2%, as the general fund school district levies for taxes payable in 2011 will remain at the same level as taxes payable in 2010. This change does not affect total funding for schools. The FY2011 fall enrollment estimate of 122,742 was used for calculating the FY2011 budget. The total recommended budgeted amount for state aid to general education is \$313,431,221 in general funds and \$24,442,647 in federal fund ARRA expenditure authority which represents the remainder of education State Fiscal Stabilization Funds through ARRA that are dedicated to K-12 education.

The budgeted amount for state aid to special education is recommended to decrease by \$4,063,352 in general funds, bringing the total

budget for this program to \$42,732,190 in general funds for FY2011. The formula for FY2011 is based on 0.0% increase in each disability level. Due to additional ARRA funds allocated to special education, it is expected that fewer expenses will be needed through the Extraordinary Cost fund in both FY2010 and FY2011 which is a contributing factor to the budget decrease in FY2011.

In accordance with SDCL 13-13-78 and SDCL 13-13-79, the Governor is recommending that \$1,836,328 of general funds be included in the FY2011 base budget for payments to sparse school districts. An estimated 23 schools will be eligible for sparse payments in FY2011.

Payments to school districts that have consolidated per SDCL 13-6-92 and 13-6-92.1 are also recommended to be included in the FY2011 budget. The estimated consolidation payments are \$785,446 in general funds for FY2011.

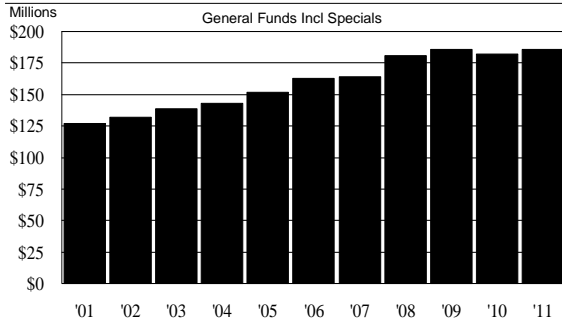
The Governor is recommending a decrease of \$88,392 in other fund expenditure authority for the technology in schools budget in FY2011. The total recommended budget includes \$6,680,022 in general funds and \$2,520,755 in other fund expenditure authority. The technology in schools budget is used to support ongoing costs of the technology infrastructure for the school districts.

The Governor is recommending an increase of \$2,696,804 in general funds over the FY2010 base budget for the postsecondary technical institutes. The increase includes a 0.0% adjustment in the per student funding which will remain at \$3,619.87 for FY2011. The funding increase is being driven by record enrollment growth being experienced by the postsecondary technical institutes. The estimated number of students for the FY2011 budget is an increase of 745 which is a 14.9% increase over the FY2010 budgeted level. The total recommended FY2011 budget for postsecondary institutes is \$22,464,229 in general funds.

### ***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, which is located in Sioux Falls. 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.

## Board of Regents



The budget for the Board of Regents contains a net increase of \$68,090,168 in total funds and a reduction of 25.2 FTE over the FY2010 budget. The increase consists of \$3,370,855 in general funds, \$34,755,015 in federal fund expenditure authority, and \$29,964,298 in other fund expenditure authority. The total FY2011 recommended budget for the Board of Regents consists of \$174,272,956 in general funds, \$193,516,012 in federal fund expenditure authority, and \$353,064,326 in other fund expenditure authority, for a total FY2011 budget of \$720,853,294 and 5,600.8 FTE.

The FY2011 recommendation includes \$970,000 in general funds and \$614,700 in other fund expenditure authority and 17.0 FTE to support the establishment of a PhD program in Physics. The Governor is recommending \$106,241 in general funds to fully fund the research, education, and economic development network (REED). This recommendation also includes a reduction of \$500,000 in general funds due to the elimination of performance funds for the campuses and 42.2 FTE due to underutilization. An increase of \$705,297 in general funds, \$228,042 in federal fund expenditure authority, and \$695,278 in other fund expenditure authority for health insurance is also recommended.

The South Dakota Opportunity Scholarship continues to grow and is projected to have 3,294 students receiving scholarship funds in FY2011. There will not be any available cement plant trust fund earnings so the Governor is recommending a general fund increase of \$1,995,510 to continue funding the program.

The Board of Regents continues to grow in federal grant and contract activity, along with student support and support staff increases. The recommended budget includes the addition \$34,636,040 in federal fund expenditure authority, and \$28,381,871 in other fund expenditure authority related to federal grant and contract activity and increased lease payments. Instead of recommending additional FTE the Governor is recommending realignment between the campuses,

the central office, and the special schools to cover the increased need.

## EDUCATION

The Governor's recommendation for the Department of Education, including the State Aid to Education formula, reflects a decrease of \$6,802,463 in general funds, \$7,903,826 in federal fund expenditure authority, and an increase of \$141,961 in other fund expenditure authority. The total recommended budget for FY2011 is \$399,518,299 in general funds, \$257,017,346 in federal fund expenditure authority, \$4,149,756 in other fund expenditure authority, and 138.0 FTE.

### GENERAL ADMINISTRATION

The total recommended FY2011 budget for this division is \$2,068,118 in general funds, \$7,897,394 in federal fund expenditure authority, \$13,716 in other fund expenditure authority, and 36.5 FTE. Increases in the division include 2.0 FTE and \$88,909 of federal fund expenditure ARRA authority to operate a statewide longitudinal data system. The Department is applying for a federal ARRA grant to establish this system in South Dakota which is a requirement to receive the remaining Education State Fiscal Stabilization Funds. This system will connect K-12 and higher education student data allowing longitudinal analysis of student/teacher performance. Other increases within General Administration include an increase of \$167,109 in general funds, \$444 in federal fund expenditure authority and \$42 in other fund expenditure authority related to a re-alignment of budget for space billing and other miscellaneous rate changes. These increases are offset by decreases in other areas in the Department's budget.

### CURRICULUM, CAREER, AND TECHNICAL EDUCATION

The total recommended FY2011 budget for this division is \$1,293,199 in general funds, \$9,441,362 in federal fund expenditure authority, \$204,352 in other fund expenditure authority, and 15.0 FTE. Changes in this division include a reduction of 2.0 FTE, \$11,159 in general funds, and \$65,089 in federal fund expenditure authority for a vacant secretary position that is no longer needed and a position related to the Reading First Grant that will be complete at the end of FY2010. Additional recommended FY2011 changes include an increase of \$9,464 in general funds and a decrease of \$9,099 in federal fund expenditure authority related to a re-alignment of budget for space billing and other miscellaneous rate changes.

## EDUCATION SERVICES AND RESOURCES

This division includes the Office of Assessment and Technology Systems; the Office of Accreditation and Teacher Quality; and the Office of Education Services and Support. The recommendation for this division includes a decrease of 2.0 FTE, a decrease of \$365,292 in general funds, a decrease of \$7,693,619 in federal fund expenditure authority, and an increase of \$230,311 in other fund expenditure authority. A decrease of 2.0 FTE and decreases of \$23,156 in general funds, \$29,008 in federal fund expenditure authority, and \$23,160 in other fund expenditure authority are recommended as a vacant position is no longer needed within the Office of Accreditation and Teacher Quality as well as to align the division's budget closer to actual FTE utilization. A decrease of \$341,219 in general funds and an increase of \$341,219 in federal fund expenditure authority is recommended as the ARRA IDEA part C grant is able to supplement the Birth to Three program during FY2011, reducing the general fund expenses to the maintenance of effort level. An increase in federal fund authority totaling \$1,110,089 is recommended for increases in flow through funds for title programs and the 21st Century Community learning center grant from the U.S. Department of Education. An increase in other fund expenditure authority in the amount of \$250,000 is recommended for a possible partnership between Coordinated School Health and the Wellmark Foundation to expand school health programming in South Dakota. A decrease of \$9,128,285 of ARRA federal fund expenditure authority is recommended based on the remaining ARRA federal fund expenditure authority needed in FY2011. The remaining recommended budget changes include a decrease of \$2,171 in general funds, a decrease of \$6,134 in federal fund expenditure authority, and an increase of \$2,155 in other fund expenditure authority related to a re-alignment of budget for space billing and other miscellaneous rate changes. The total recommended FY2011 budget for this division is \$5,863,943 in general funds, \$214,043,173 in federal fund expenditure authority, \$1,224,850 in other fund expenditure authority, and 55.0 FTE.

## EDUCATION SERVICES AGENCIES

The Governor is recommending no changes for this budget. The FY2011 recommended budget for this program is \$500,000 in general funds.

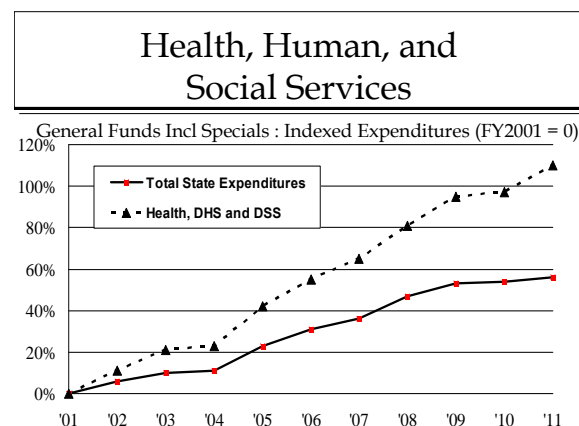
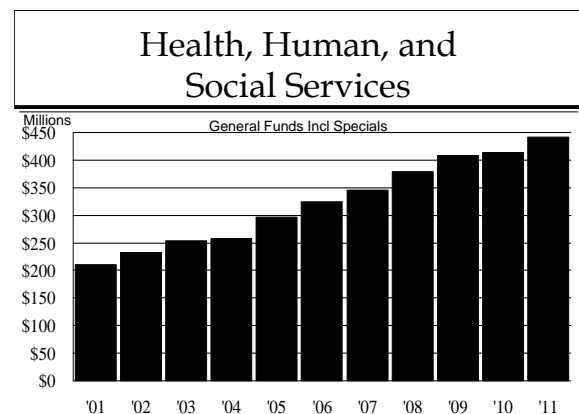
## STATE LIBRARY

The total recommended FY2011 budget for this division is \$1,863,603 in general funds, \$1,192,770 in federal fund expenditure authority, and \$186,083 in other fund expenditure authority. Changes in this division includes a decrease of \$228,490 in general funds and an increase of \$258 in federal fund

expenditure authority related to a department wide re-alignment of budget for space billing and other miscellaneous rate changes.

## 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 \$54.7 million increase out of the \$51.3 million in total ongoing changes. This budget comprises of \$98.7 million of the \$128.9 million in total ongoing fund increases for FY2011. In terms of the total ongoing budget, this category is 34.9% of the general funds and 32.0% of the total ongoing funds and, which amounts to \$1.3 billion in total ongoing funding.



## HEALTH

The FY2011 Governor's recommended budget for the Department of Health includes increases of \$19,409 in general funds, \$5,333,152 in federal fund expenditure authority, and \$275,383 in other fund expenditure authority, with a decrease of 4.0 FTE. This budget includes increases of \$23,530 in general funds, \$72,593 in federal fund expenditure authority, and \$54,452 in other fund expenditure authority for health insurance. The total FY2011 budget is \$7,782,285 in general funds, \$45,272,377



in federal fund expenditure authority, and \$32,009,365 in other fund expenditure authority, for a total of \$85,064,027 and 401.2 FTE.

### **ADMINISTRATION**

The FY2011 recommendation for Administration includes an increase of \$3,781 in general funds, and decreases of \$12,308 in federal fund expenditure authority, \$16,201 in other fund expenditure authority, and 1.0 FTE. Decreases of 1.0 FTE, \$18,044 in federal fund expenditure authority, and \$18,044 in other fund expenditure authority are for a Policy Analyst II. The total recommended budget is \$1,175,956 in general funds, \$6,060,165 in federal fund expenditure authority, and \$1,894,345 in other fund expenditure authority, and 31.0 FTE.

### **HEALTH SYSTEMS DEVELOPMENT AND REGULATION**

The recommendation for this division includes increases of \$8,299 in general funds and \$2,768,988 in federal fund expenditure authority, and a decrease of 1.0 FTE. An increase of \$2,800,000 in federal fund expenditure authority is to spend H1N1 grant funds on administering the H1N1 vaccine throughout the state. Decreases of 1.0 FTE and \$46,858 in federal fund expenditure authority are for a Public Health Advisor I. The total recommended budget is \$2,431,312 in general funds, \$15,044,834 in federal fund expenditure authority, \$96,301 in other fund expenditure authority, and 63.5 FTE.

### **HEALTH AND MEDICAL SERVICES**

The changes recommended in the budget for this division include increases of \$7,329 in general funds, \$2,113,903 in federal fund expenditure authority, \$2,907 in other fund expenditure authority, and a decrease of 1.0 FTE. An increase of \$600,000 in federal fund expenditure authority is for implementing a colorectal cancer screening program. The American Recovery and Reinvestment Act (ARRA) is providing funds to upgrade the WIC information system, resulting in a federal fund expenditure authority increase of \$1,500,000. Decreases of 1.0 FTE, \$4,121 in general fund, \$34,539 in federal fund expenditure authority, and \$5,751 in other fund expenditure authority are for a Program Specialist. The total recommended budget is \$4,175,017 in general funds, \$20,527,159 in federal fund expenditure authority, \$3,769,837 in other fund expenditure authority, and 177.5 FTE.

### **LABORATORY SERVICES**

The recommendation for Laboratory Services is an increase of \$1,923 in federal fund expenditure

authority and decreases of \$32,021 in other fund expenditure authority and 1.0 FTE. Decreases of 1.0 FTE and \$39,971 in other fund expenditure authority are for Technical Staff reduction. The total recommended budget is \$2,074,758 in federal fund expenditure authority, \$3,185,381 in other fund expenditure authority, and 28.0 FTE.

### **CORRECTIONAL HEALTH**

This division has a recommended increase of \$205,599 in other fund expenditure authority. An increase of \$176,327 in other fund expenditure authority is due to prescription drug and medical supplies inflation. The total FY2011 budget for this division is \$14,782,809 in other fund expenditure authority and 76.0 FTE.

### **TOBACCO PREVENTION**

The recommendation for Tobacco Prevention includes an increase of \$460,646 in federal fund expenditure authority. This increase is for federal funds received from the ARRA for tobacco prevention activities. The total recommended budget is \$1,565,461 in federal fund expenditure authority, \$5,000,000 in other fund expenditure authority, and 3.0 FTE.

### **PROFESSIONAL AND OCCUPATIONAL LICENSING - INFORMATIONAL**

This division is comprised of the informational budgets of the professional and occupational licensing boards. There are eleven 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, and Board of Massage Therapy. The total recommended budget for FY2011 for the Boards is \$3,280,692 in other fund expenditure authority and 22.2 FTE. This represents an increase of \$115,099 in other fund expenditure authority.

## ***HUMAN SERVICES***

The Governor is recommending an increase of \$8,019,025 in general funds, a decrease of \$391,439 in federal fund expenditure authority, and an increase of \$7,438 in other fund expenditure authority, for a total increase of \$7,635,024 and a decrease of 15.0 FTE. The recommendation includes an increase of \$5,522,909 in general funds and a corresponding decrease in federal fund expenditure authority due to the change in the Federal Medical Assistance Percentage (FMAP) for Title XIX and Title XXI programs. The Governor recommends increases of \$242,417 in general

funds, \$196,422 in federal fund expenditure authority, and \$7,444 in other fund expenditure authority for health insurance. For FY2011, a total budget of \$256,283,849 is recommended, consisting of \$109,396,791 in general funds, \$140,651,501 in federal fund expenditure authority, \$6,235,557 in other fund expenditure authority, and 1,205.2 FTE.

#### **SECRETARIAT**

The Governor's recommendation includes increases of \$4,035 in general funds and \$4,018 in federal fund expenditure authority, for a total increase of \$8,053.

#### **DEVELOPMENTAL DISABILITIES**

The recommendation for the Division of Developmental Disabilities is an increase in general funds of \$4,432,742 and a decrease of \$1,550,243 in federal fund expenditure authority. The Governor's recommendation includes increases of \$1,003,958 in general funds and \$1,871,890 in federal fund expenditure authority to address consumer expansion for individuals with developmental disabilities.

##### **SOUTH DAKOTA DEVELOPMENTAL CENTER**

The recommendation for the South Dakota Developmental Center includes an increase of \$781,825 in general funds, a decrease of \$915,198 in federal fund expenditure authority, and a decrease of 12.0 FTE. The Governor's recommendation includes decreases of \$47,500 in general funds and \$88,568 in federal fund expenditure authority within personal services and 12.0 FTE. The total recommended budget is \$8,407,790 in general funds, \$15,285,326 in federal fund expenditure authority, \$992,145 in other fund expenditure authority, and 395.6 FTE.

#### **ALCOHOL AND DRUG ABUSE**

The Governor recommends increases of \$359,885 in general funds and \$2,254,182 in federal fund expenditure authority, and a reduction of 1.0 FTE, for a total increase of \$2,614,067 in this division. Increases within this division include \$2,135,724 in federal fund expenditure authority for a State Prevention/State Incentive Grant, along with \$174,645 in general funds and \$325,627 in federal fund expenditure authority to meet the increased demand for alcohol dependency treatment for pregnant women and women with dependent children. The Governor's recommendation also includes decreases of \$14,136 in general funds and \$26,356 in federal fund expenditure authority within personal services and 1.0 FTE.

#### **REHABILITATION SERVICES**

The Governor's recommended budget for Rehabilitation Services includes increases of \$263,505 in general funds and \$315,224 in federal fund expenditure authority, for a total increase of \$578,729. Increases within this division include \$70,362 in federal fund expenditure authority for additional Social Security Administration staff and \$78,470 in general funds and \$289,934 in federal fund expenditure authority to address consumer expansion for individuals receiving vocational rehabilitation services.

#### **TELECOMMUNICATION DEVICES FOR THE DEAF**

The Governor is recommending no change to the Telecommunication Devices for the Deaf budget. The total FY2011 budget is \$1,251,680 in other fund expenditure authority.

#### **BOARD OF COUNSELOR EXAMINERS - INFORMATIONAL**

The Governor is recommending an increase of \$6,849 in other fund expenditure authority. The total FY2011 budget is \$84,239 in other fund expenditure authority.

#### **BOARD OF PSYCHOLOGY EXAMINERS - INFORMATIONAL**

The Governor is recommending no change to the Board of Psychology Examiners informational budget. The total FY2011 budget is \$76,329 in other fund expenditure authority.

#### **BOARD OF SOCIAL WORK EXAMINERS - INFORMATIONAL**

The Governor is recommending no change to the Board of Social Work Examiners information budget. The total FY2011 budget is \$93,260 in other fund expenditure authority.

#### **CERTIFICATION BOARD FOR ALCOHOL AND DRUG PROFESSIONALS - INFORMATIONAL**

The Governor is recommending a decrease of \$6,072 in other fund expenditure authority. The total FY2011 budget is \$138,216 in other fund expenditure authority and 1.3 FTE.

#### **SERVICE TO THE BLIND AND VISUALLY IMPAIRED**

The Governor is recommending increases of \$22,445 in general funds, \$80,014 in federal fund expenditure authority, and \$910 in other fund expenditure authority, for a total increase of \$103,369. Increases within this division include

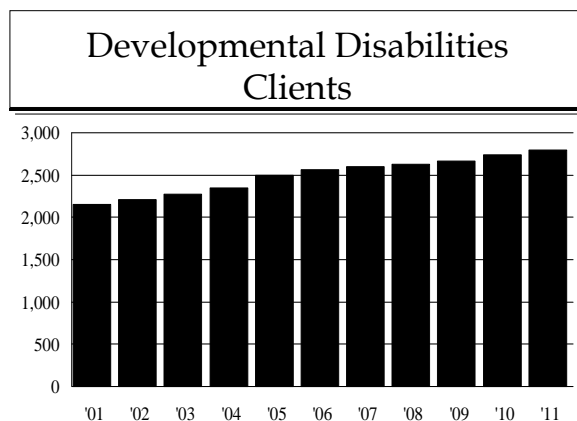
\$19,618 in general funds and \$72,484 in federal fund expenditure authority to address consumer expansion for individuals receiving vocational rehabilitation services. The total recommended budget is \$909,945 in general funds, \$2,357,090 in federal fund expenditure authority, \$252,356 in other fund expenditure authority, and 29.2 FTE.

### HUMAN SERVICES CENTER

The Governor recommends an increase of \$1,002,819 in general funds, a decrease of \$321,654 in federal fund expenditure authority, an increase of \$1,086 in other fund expenditure authority, and a decrease of 2.0 FTE. This recommendation includes an increase of \$394,000 in general funds for an annual bond payment for a new dietary building. Decreases within this budget include \$12,527 in general funds and \$16,605 in federal fund expenditure authority within personal services and 2.0 FTE.

### COMMUNITY MENTAL HEALTH

The Governor's recommendation for the Division of Community Mental Health reflects an increase of \$1,151,769 in general funds, a decrease of \$257,782 in federal fund expenditure authority, and an increase of \$4,665 in other fund expenditure authority, for a total increase of \$898,652. Additional funding is recommended for Mental Health consumer expansion at a total cost of \$588,947 in general funds and \$301,190 in federal fund expenditure authority.



### SOCIAL SERVICES

The Governor's recommended budget for the Department of Social Services is \$294,589,175 in general funds, \$655,282,347 in federal fund expenditure authority, and \$8,062,044 in other fund expenditure authority, for a total FY2011 budget of \$957,933,566 and 995.5 FTE. This recommendation includes increases of \$46,624,472 in general funds and \$40,764,972 in federal fund expenditure authority, and decreases of \$1,891,330 in other fund expenditure authority and 3.0 FTE.

This budget includes increases of \$150,938 in general funds, \$196,973 in federal fund expenditure authority, and \$11,168 in other fund expenditure authority for health insurance.

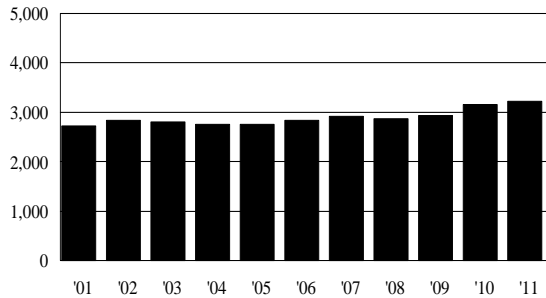
### ADMINISTRATION

The recommended budget for Administration includes decreases of \$13,625 in general funds, \$20,474 in federal fund expenditure authority, and 2.5 FTE. A funding switch of \$4,904 from federal fund expenditure authority to general funds is due to the change in the Federal Medical Assistance Percentage (FMAP). Decreases of \$48,249 in general funds, \$50,661 in federal fund expenditure authority, and 2.5 FTE are due to finding efficiencies through restructuring duties of clerical staff throughout the state. The total recommended budget is \$7,130,823 in general funds, \$19,213,952 in federal fund expenditure authority, \$219,117 in other fund expenditure authority, and 177.2 FTE.

### ECONOMIC ASSISTANCE

The Governor's recommended budget for Economic Assistance includes increases of \$77,865 in general funds, \$2,569,815 in federal fund expenditure authority, and \$143,803 in other fund expenditure authority. A funding switch of \$5,662 from federal fund expenditure authority to general funds is due to the change in the FMAP. Increases in this budget include: \$143,803 in other fund expenditure authority for additional Auxiliary Placement cases, \$16,740 in general funds for additional Supplemental Security Income cases, \$1,457,174 in federal fund expenditure authority for additional Temporary Assistance to Needy Families (TANF) cases, \$12,000,000 in federal fund authority due to an increase in the Low Income Energy Assistance Program grant, and \$58,773 in federal fund expenditure authority in the Nutrition Education Program. Reductions in federal fund expenditure authority of \$8,000,000 in the Weatherization Program and \$3,000,000 in the Community Services Block Grant are to align the budget with anticipated American Recovery and Reinvestment Act (ARRA) expenditures. The total recommended budget is \$21,279,286 in general funds, \$71,205,177 in federal fund expenditure authority, \$443,803 in other fund expenditure authority, and 320.5 FTE.

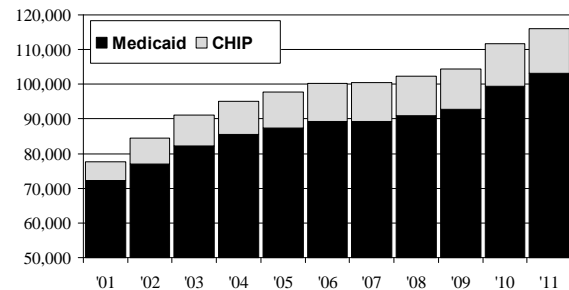
## TANF Case Load in South Dakota



### MEDICAL AND ADULT SERVICES

The recommended budget for Medical and Adult Services includes increases of \$44,257,576 in general funds and \$44,843,908 in federal fund expenditure authority, and decreases of \$2,052,808 in other fund expenditure authority and 0.5 FTE. The FY2011 recommended budget is \$233,657,854 in general funds, \$512,031,914 in federal fund expenditure authority, \$2,991,730 in other fund expenditure authority, and 145.0 FTE. Increases of \$1,894,011 in general funds and \$2,638,069 in federal fund expenditure authority are for inflation. A funding switch of \$19,098,261 from federal fund expenditure authority to general funds is due to the change in the FMAP. Increases of \$7,012,410 in general funds and \$13,179,743 in federal fund expenditure authority are due to the growth in the number of Medicaid and Children's Health Insurance Program (CHIP) clients and the increased utilization of Medical Services. Increases of \$14,191,627 in general funds and \$27,882,431 in federal fund expenditure authority are due to projected increased costs in the Medical Services budget. A funding switch of \$2,153,526 from other fund expenditure authority to general funds is due to other funds no longer being available for the Medicare Part D program. A temporary funding swap of \$100,000 from general funds to other fund expenditure authority is to spend Homemaker Fees funds. Decreases of \$8,321 in general funds, \$6,934 in federal fund expenditure authority, and 0.5 FTE are due to restructuring of duties allowing a reduction for data encoding. An increase of \$20,160,575 in federal fund expenditure authority is for reimbursement changes to Indian Health Services. An increase of \$103,145 in federal fund expenditure authority is for the Aging and Disability Resource Center grant, and an increase of \$900,000 in federal fund expenditure authority is due to higher claims in the School-Based Administrative Claiming program. Reductions in federal fund expenditure authority of \$500,000 in the Elderly Nutrition program and \$448,286 in the Victims' Services program are to align the budget with anticipated ARRA expenditures.

## Medical Assistance Case Loads in South Dakota



### CHILDREN'S SERVICES

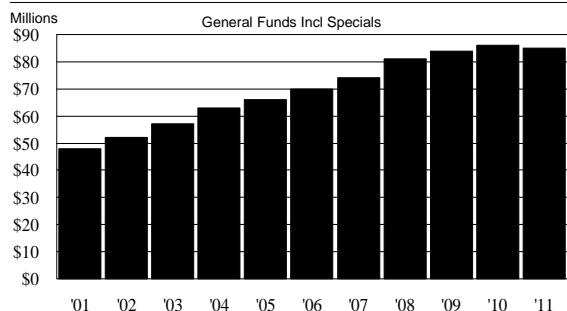
The Governor's recommended FY2011 budget for Children's Services includes an increase of \$2,302,656 in general funds, a decrease of \$6,628,277 in federal fund expenditure authority, and an increase of \$17,675 in other fund expenditure authority. Adjustments to this budget include: a funding switch of \$1,073,986 of federal fund expenditure authority to general funds due to the change in the FMAP; an increase of \$729,802 in general funds and \$408,183 in federal fund expenditure authority for additional subsidized adoptions; increases of \$21,675 in general funds, \$56,100 in federal fund expenditure authority, and \$7,225 in other fund expenditure authority for child support referee hearings; and a decrease of \$5,000,000 in federal fund expenditure authority since the ARRA Child Care funds are no longer available. A funding switch of \$1,087,500 in federal fund expenditure authority to general funds is due to provisions of the ARRA ending. The total recommended budget is \$32,521,212 in general funds, \$52,831,304 in federal fund expenditure authority, \$4,407,394 in other fund expenditure authority, and 352.8 FTE.

## CORRECTIONS

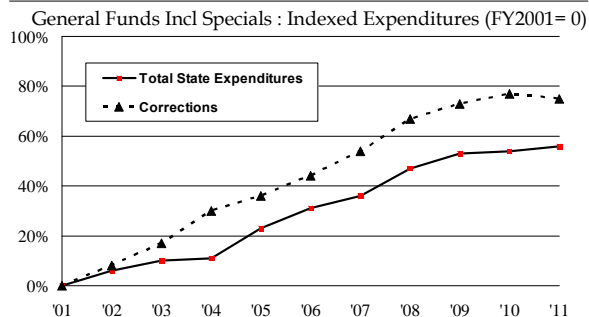
The Governor's recommended budget for the Department of Corrections is \$76,362,538 in general funds, \$21,014,940 in federal fund expenditure authority, and \$9,605,000 in other fund expenditure authority, for a total FY2011 budget of \$106,982,478 and 885.0 FTE. The distribution of health insurance for the Department of Corrections accounts for increases of \$321,998 in general funds, \$2,645 in federal fund expenditure authority, and \$21,396 in other fund expenditure authority. The overall FY2011 budget recommendation includes increases of \$501,086 in general funds and \$626,841 in federal fund expenditure authority, and a decrease of \$358,369 in other fund expenditure authority, for a net increase of \$769,558 and a reduction of 4.0 FTE.

The Average Daily Count (ADC) of adult inmates is projected to reach 3,585 in FY2011. This represents an increase of 157 inmates over the actual FY2009 ADC of 3,428 inmates, or a 4.6% increase over two years. The average daily population of juveniles in institutional settings within the Department of Corrections is projected at 149 for FY2011, which is a 3.4% increase over two years. The implementation of programs beginning in FY2010 resulting from federal grant awards and the Governor's Reentry Council are targeting recidivism rates and focused on slowing the growth of the inmate population in South Dakota.

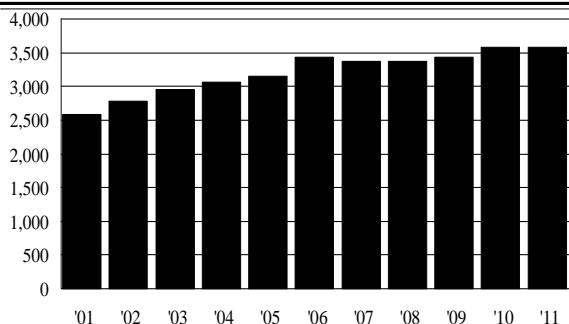
### Corrections



### Corrections



### Average Daily Population of Adult Inmates



## ADMINISTRATION

The Governor is recommending increases of \$294,157 in general funds and \$581,865 in federal fund expenditure authority, a decrease of \$843,622 in other fund expenditure authority, and an increase of 1.0 FTE. The general fund increase represents the projected expenses of correctional health care agreements with the Department of Health and a funding switch due to the American Recovery and Reinvestment Act (ARRA) Stabilization funding. Increases of \$711,623 in federal fund expenditure authority, \$355,912 in other fund expenditure authority, and 1.0 FTE are the result of the Department of Corrections receiving a Second Chance/Reentry grant award to assist in activities to reduce adult inmate recidivism rates in South Dakota. A reduction of \$1,200,000 in other fund expenditure authority is recommended due to the completion of the Offender Management System installation. The total recommended budget in Administration includes \$9,876,449 in general funds, \$10,625,652 in federal fund expenditure authority, \$490,314 in other fund expenditure authority, and 35.5 FTE.

### MIKE DURFEE STATE PRISON

The recommendation for the Mike Durfee State Prison (MDSP) includes decreases of \$645,152 in general funds, \$18,231 in federal fund expenditure authority, \$6,274 in other fund expenditure authority, and 1.0 FTE, for a total decrease of \$669,657. The general fund decrease is a result of lower projected utility costs, the renegotiated food services agreement, and personal services adjustments to help offset operational expense increases throughout the Department of Corrections. The federal and other fund expenditure authority reductions are due to the food services agreement and reductions in Adult Education grants. The overall budget for MDSP is \$12,436,936 in general funds, \$154,588 in federal fund expenditure authority, \$409,114 in other fund expenditure authority, and 179.5 FTE.

### STATE PENITENTIARY

The recommendation for the South Dakota State Penitentiary (SDSP) includes a decrease of \$214,835 in general funds, increases of \$706 in federal fund expenditure authority and \$914 in other fund expenditure authority, and a reduction of 3.0 FTE. The general fund reductions are the result of projected utility costs, the revised food services contract, and personal services adjustments to help offset projected operating expense increases throughout the Department of Corrections. The overall budget for SDSP is \$18,248,413 in general funds, \$502,704 in federal fund expenditure authority, \$229,662 in other fund expenditure authority, and 286.5 FTE.

## **WOMEN'S PRISON**

The South Dakota Women's Prison (SDWP) budget is recommended to decrease by \$58,399 in general funds. The reduction reflects the projected costs of utilities and the current food services agreement. In addition, the distribution of health insurance accounts for an increase of \$15,119 in general funds. The budget for the SDWP is \$3,126,460 in general funds, \$275,951 in federal fund expenditure authority, \$151,814 in other fund expenditure authority, and 50.0 FTE.

## **PHEASANTLAND INDUSTRIES**

The budget for Pheasantland Industries is recommended to increase by \$307,269 in other fund expenditure authority and decrease by 1.0 FTE. Of the budgeted increase, \$300,000 in other fund expenditure authority is for the purchase of raw materials due to production of the new state vehicle license plates, which is expected to be completed in FY2011. The reduction of 1.0 FTE is recommended to offset the 1.0 FTE increase in Administration due to the Second Chance/Reentry grant. The total budget for Pheasantland Industries is \$3,988,768 in other fund expenditure authority and 14.0 FTE.

## **COMMUNITY SERVICES**

The Community Services budget is recommended to increase by \$117,615 in general funds, \$45,500 in federal fund expenditure authority, and \$9,896 in other fund expenditure authority. A transfer of 1.0 FTE to Parole Services for the Second Chance/Reentry grant is also recommended. The recommended budget increases are largely due to additional inmates participating in the Work Release program, food services contract revisions, and the development of educational and career training services provided at the Rapid City Minimum Unit. The total budget for Community Services is \$3,849,610 in general funds, \$169,713 in federal fund expenditure authority, \$3,195,517 in other fund expenditure authority, and 75.5 FTE.

## **PAROLE SERVICES**

The Governor's budget recommendation for Parole Services includes increases of \$88,445 in general funds, \$35,762 in federal fund expenditure authority, \$18,455 in other fund expenditure authority, and 1.0 FTE. The recommended general fund increase is the result of rising local jailing costs and additional travel required by the Parole Board members. Increases of \$35,439 in federal fund expenditure authority, \$17,724 in other fund expenditure authority, and 1.0 FTE are due to the Second Chance/Reentry grant award. The total budget recommendation for Parole Services is \$3,701,737 in general funds, \$35,762 in federal

fund expenditure authority, \$274,859 in other fund expenditure authority, and 59.0 FTE.

## **JUVENILE COMMUNITY CORRECTIONS**

The Juvenile Community Corrections budget is recommended to increase by \$791,430 in general funds, decrease by \$18,859 in federal fund expenditure authority, and increase by \$154,993 in other fund expenditure authority, for a total increase of \$927,564. The majority of the general fund increase is due to Group and Residential Placement services provided to juvenile offenders. Additional reductions in budgeted personal services are also recommended to offset operational expense increases throughout juvenile corrections. Changes to the Federal Medical Assistance Percentages (FMAP) account for \$431,623 of the general fund increase and federal fund expenditure authority decrease. Increases of \$297,896 in federal fund expenditure authority and \$148,993 in other fund expenditure authority are due to the Juvenile Second Chance Act Initiative grant award directed to reduce recidivism rates of juveniles in the correctional system. The overall budget for Juvenile Community Corrections is \$15,372,689 in general funds, \$8,715,221 in federal fund expenditure authority, \$635,080 in other fund expenditure authority, and 48.5 FTE.

## **YOUTH CHALLENGE CENTER**

The Governor is recommending an increase of \$9,288 in general funds for the Youth Challenge Center (YCC) budget for the distribution of health insurance. The total budget for YCC is \$1,467,207 in general funds, \$14,942 in other fund expenditure authority, and 26.0 FTE.

## **PATRICK HENRY BRADY ACADEMY**

The Governor is recommending an increase of \$9,044 in general funds for the Patrick Henry Brady Academy budget due to the distribution of health insurance. The total budget for the Brady Academy is \$1,439,389 in general funds, \$14,280 in other fund expenditure authority, and 26.0 FTE.

## **STATE TREATMENT AND REHABILITATION (STAR) ACADEMY**

The State Treatment and Rehabilitation (STAR) Academy contains the budget for food services, the physical plant, medical services, education, and administration for the Custer juvenile programs. The budget for FY2011 is recommended to increase by \$99,783 in general funds and \$98 in federal fund expenditure authority. The general fund increase is primarily due to rising costs of the food services agreements and advancing educational opportunities. The total budget for STAR is \$5,270,440 in general funds, \$535,349 in

federal fund expenditure authority, \$188,000 in other fund expenditure authority, and 56.5 FTE.

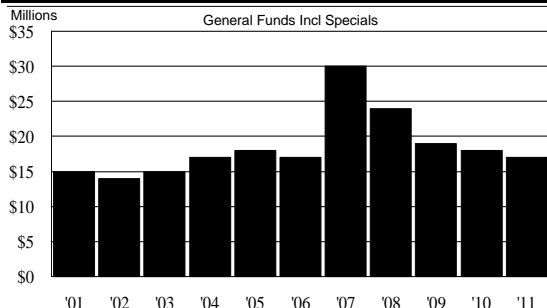
### QUEST/EXCEL

The Governor is recommending a budget increase of \$9,710 in general funds in Quest/ExCEL for health insurance. The total budget for Quest/ExCel is \$1,573,208 in general funds, \$12,650 in other fund expenditure authority, and 28.0 FTE.

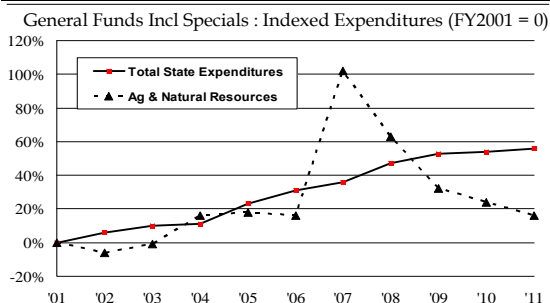
## AGRICULTURE; ENVIRONMENT AND NATURAL RESOURCES; AND, GAME, FISH, AND PARKS

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 a decrease by \$0.01 million out of the \$51.3 million in total ongoing changes. This budget represents a decrease of \$8.4 million out of the \$128.9 million in total ongoing fund increases for FY2011. In terms of the total ongoing state budget, this category is 1.5% of the general funds and 4.4% of the total ongoing funds, which amounts to \$178.8 million in total ongoing funding.

### Agriculture, Natural Resources and Game, Fish, and Parks



### Agriculture, Natural Resources and Game, Fish, and Parks



## AGRICULTURE

The Governor's FY2011 recommended budget for the Department of Agriculture is \$40,601,485, and consists of \$6,245,020 in general funds, \$10,417,661 in federal fund expenditure authority, \$23,938,804 in other fund expenditure authority, and 226.5 FTE. The Governor is recommending an increase of \$22,818 in general funds, \$15,698 in federal fund expenditure authority, and \$21,901 in other fund expenditure authority for health insurance.

### OFFICE OF THE SECRETARY

The Governor is recommending an increase of \$32,121 in general funds for the Office of the Secretary, which is being offset by a decrease in Agricultural Development and Promotion. These general funds will provide for additional staffing within the consolidated Department of Game, Fish, and Parks and South Dakota Department of Agriculture finance office. The Office of the Secretary's total recommended budget for FY2011 is \$1,006,796 and consists of \$841,865 in general funds, \$52,592 in federal fund expenditure authority, and \$112,339 in other fund expenditure authority, and 9.5 FTE.

### AGRICULTURAL SERVICES AND ASSISTANCE

The recommended FY2011 budget for Agricultural Services and Assistance includes \$1,975,388 in general funds, \$6,389,658 in federal fund expenditure authority, and \$2,988,528 in other fund expenditure authority, for a total budget of \$11,353,574 and 81.8 FTE. This recommendation reflects a total decrease of \$4,046,070 for FY2011. This general bill center is composed of Agriculture Services and Fire Suppression.

The total FY2011 recommended budget for Agriculture Services is \$4,258,413 and 32.2 FTE. This budget is comprised of \$912,221 in general funds, \$812,693 in federal fund expenditure authority, and \$2,533,499 in other fund expenditure authority. The Governor is recommending a decrease of 1.8 unutilized FTE and \$65,869 in other fund expenditure authority.

The total recommended budget for Fire Suppression includes \$1,063,167 in general funds, \$5,576,965 in federal fund expenditure authority, \$455,029 in other fund expenditure authority, and 49.6 FTE for a total budget of \$7,095,161. Included in this budget is a decrease of \$4,000,000 in American Recovery and Reinvestment Act federal fund expenditure authority that is not needed in FY2011.



## **AGRICULTURAL DEVELOPMENT AND PROMOTION**

The Governor is recommending a total decrease of \$27,328 for Agricultural Development and Promotion. The total recommended FY2011 budget consists of \$1,121,651 in general funds, \$2,053,070 in federal fund expenditure authority, and \$1,867,267 in other fund expenditure authority, for a total of \$5,041,988 and 27.8 FTE. This general bill center is composed of Agriculture Development and Resource Conservation and Forestry.

The total FY2011 recommended budget for Agriculture Development is \$1,520,956 and 9.0 FTE. The Governor is recommending no significant changes for this division's budget.

The total FY2011 recommended budget for Resource Conservation and Forestry is \$3,521,032 and 18.8 FTE. The Governor is recommending decreases of 0.2 unutilized FTE, \$2,553 in general funds, and \$2,552 in other fund expenditure authority in personal services. Also included in this budget is a decrease of \$32,121 in general funds, which offsets the increase for additional finance office staffing in the Office of the Secretary.

### **ANIMAL INDUSTRY BOARD**

The total FY2011 recommended budget for the Animal Industry Board is \$4,085,424 and 44.9 FTE. This budget is comprised of \$1,906,116 in general funds, \$1,922,341 in federal fund expenditure authority, and \$256,967 in other fund expenditure authority. The Governor is recommending a funding switch of \$15,000 from general funds to federal fund expenditure authority, as more personal services are eligible to be charged to federal funds. The Governor is also recommending a decrease of \$25,000 in federal fund expenditure authority, since it is no longer necessary to test for pseudorabies in swine.

### **BOARDS AND COMMISSIONS**

The total recommended FY2011 budget for the Agricultural Boards and Commissions is \$16,707,616 in other fund expenditure authority. 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 and Medical Examiners, and the Pulse Crops Council. For FY2011, the Governor is recommending an increase of \$300,254 in other fund expenditure authority and a decrease of 5.0 FTE within the boards and commissions. The decrease of 5.0 FTE are unutilized FTE in the Brand Board.

## **STATE FAIR**

The total FY2011 Governor's recommended budget for the State Fair is \$400,000 in general funds and \$2,006,087 in other fund expenditure authority for a total budget of \$2,406,087 and 19.5 FTE. No changes are recommended for this budget in FY2011.

## **ENVIRONMENT AND NATURAL RESOURCES**

The Governor's FY2011 recommended budget for the Department of Environment and Natural Resources totals \$60,335,794, and consists of \$5,807,108 in general funds, \$48,671,279 in federal fund expenditure authority, \$5,857,407 in other fund expenditure authority, and 174.7 FTE. The Governor is recommending an increase of \$25,342 in general funds, \$23,697 in federal fund expenditure authority, and \$12,498 in other fund expenditure authority for health insurance.

### **FINANCIAL AND TECHNICAL ASSISTANCE**

The Financial and Technical Assistance budget consists of \$2,186,616 in general funds, \$40,541,563 in federal fund expenditure authority, and \$819,032 in other fund expenditure authority, for a total budget of \$43,547,211 and 56.5 FTE. The Governor is recommending decreases of 1.5 unutilized seasonal FTE, \$9,365 in general funds, and \$21,824 in federal fund expenditure authority.

### **ENVIRONMENTAL SERVICES**

The Governor recommends a total FY2011 budget for Environmental Services of \$14,273,583 and 118.2 FTE. Environmental Services consists of \$3,620,492 in general funds, \$8,129,716 in federal fund expenditure authority, and \$2,523,375 in other fund expenditure authority. The Governor is recommending decreases of 0.3 unutilized seasonal FTE which includes \$4,230 in general funds and \$1,620 in federal 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 \$1,750,000 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.

## **GAME, FISH, AND PARKS**

The FY2011 recommended budget for the Department of Game, Fish, and Parks totals \$77,850,280, including \$5,087,556 in general funds, \$21,379,151 in federal fund expenditure authority, \$51,383,573 in other fund expenditure authority, and 563.6 FTE. This budget reflects an overall decrease of \$4,675,388. The Governor is recommending increases of \$17,063 in general funds, \$25,132 in federal fund expenditure authority, and \$108,308 in other fund expenditure authority for health insurance.

### **CONSERVATION RESERVE ENHANCEMENT PROGRAM**

The Governor is recommending a decrease of \$31,975 in general funds in the Conservation Reserve Enhancement Program due to a decrease in the bond payment per the bond amortization schedule. The total recommended budget for FY2011 is \$75,000 in general funds. These funds are dedicated for the retirement of bonds issued to lease land from farmers and ranchers in the Conservation Reserve Program.

### **ADMINISTRATION**

The total recommended budget for Administration includes \$1,150,254 in general funds, \$3,122,717 in other fund expenditure authority, and 25.1 FTE, for a total budget of \$4,272,971. The Governor is recommending no significant changes in this budget for FY2011.

### **WILDLIFE – INFORMATIONAL**

The Governor is recommending a total budget for the Division of Wildlife of \$40,012,204. This budget is composed of \$14,331,894 in federal fund expenditure authority and \$25,680,310 in other fund expenditure authority. Included in this budget is an increase of \$1,200,000 in federal fund expenditure authority for payments to private landowners for habitat and hunting access projects through the James River Valley Conservation Reserve Enhancement Program. The Governor is recommending an increase of \$483,279 in federal fund expenditure authority for increased landowner incentive payments associated with the Walk-In Program and for state wildlife grant funding. Also included in this budget is an increase of \$244,550 in other fund expenditure authority for operating expenses due to the construction of the Outdoor Campus West in Rapid City. The Governor is also recommending decreases of 2.0 unutilized seasonal FTE, \$11,550 in federal fund expenditure

authority, and \$27,931 in other fund expenditure authority.

The Governor is recommending an overall decrease of \$3,750,875 in the Wildlife Development and Improvement Program. The total budget for the Wildlife Development and Improvement Program is \$6,156,000, of which \$1,005,000 is federal fund expenditure authority and \$5,151,000 is other fund expenditure authority.

### **STATE PARKS AND RECREATION**

The Division of State Parks and Recreation's recommended total FY2011 budget is \$17,932,944 and 240.2 FTE. The Governor is recommending increases of \$7,860 in general funds, \$114,467 in federal fund expenditure authority, and \$226,351 in other fund expenditure authority. This budget includes increases of \$111,746 in federal fund expenditure authority and \$83,545 in other fund expenditure authority for increases in operating costs due to campground expansion at Hartford Beach State Park and Lake Vermillion Recreation Area, and projected expansion in visitation throughout the statewide park system. This budget also includes an increase of \$115,700 in other fund expenditure authority to pay an additional 0.5% in sales taxes on camping sales, due to the passage of HB1072 during the 2009 Legislative Session.

The Division of State Parks and Recreation's Development and Improvement Program has a total recommended decrease of \$3,511,120. The total recommended budget includes a decrease of \$4,883,620 in federal fund expenditure authority and an increase of \$1,372,500 in other fund expenditure authority, for a total budget of \$7,782,150. The Governor is recommending a decrease of \$4,309,000 in American Recovery and Reinvestment Act federal fund expenditure authority, since it is not needed in FY2011. Within this budget, the Governor is also recommending an increase of \$1,070,000 in other fund expenditure authority to add sixty additional campsites to the Lake Vermillion Recreation Area.

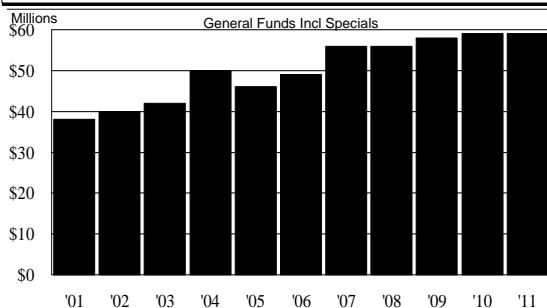
### **SNOWMOBILE TRAILS – INFORMATIONAL**

The total recommended budget for the Snowmobile Trails Program is \$235,000 in federal fund expenditure authority, \$1,384,011 in other fund expenditure authority, and 9.1 FTE. Included in this budget is an increase of \$135,000 in federal fund expenditure authority and \$90,500 in other fund expenditure authority to construct a new shop at the Hardy Camp.

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

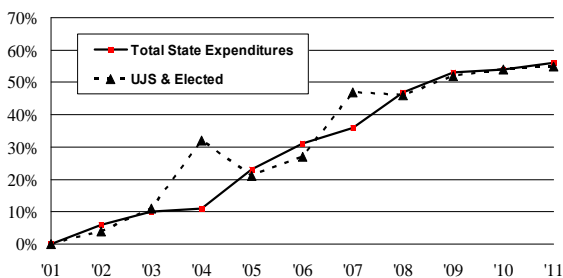
The budgets included in this category are the Legislature, Unified Judicial System, Public Utilities Commission, Office of the Attorney General, Secretary of State, School and Public Lands, Office of the State Auditor, and Office of the State Treasurer. General funds account for an increase of \$0.3 million out of the \$51.3 million in total ongoing changes. This budget represents a \$4.1 million increase out of the \$128.9 million in total ongoing fund increases for FY2011. In terms of the total ongoing state budget, this category is 4.8% of the general funds and 2.4% of the total ongoing funds, which amounts to \$96.9 million in total ongoing funding.

### UJS, Legislature, and Elected Officials



### UJS, Legislature, and Elected Officials

General Funds Incl Specials : Indexed Expenditures (FY2001 = 0)



## LEGISLATURE

The total FY2011 recommended budget for the South Dakota Legislature is \$7,652,736 in general funds, \$35,000 in other fund expenditure authority, and 67.3 FTE. Changes to the budget for the Legislative Research Council include an increase of \$26,692 in general funds for dues and registration fees, space billing, and health insurance. The

Governor is also recommending a total increase of \$40,170 within Legislative Audit for their compensation program and health insurance. The net change for the South Dakota Legislature is an increase of \$66,862 in general funds.

## UNIFIED JUDICIAL SYSTEM

The Governor's recommendation for the Unified Judicial System includes increases of \$362,504 in general funds, \$770 in federal fund expenditure authority, and \$2,164,553 in other fund expenditure authority for FY2011.

The recommended budget for the Unified Judicial System is increasing by \$179,615 in general funds for capital asset improvements throughout the Fourth Circuit due to courthouse renovations. The recommended increases in other fund expenditures authority include \$70,530 for UJS staff and judicial training, \$240,000 for child referee services due to the projected caseload increase in child support hearings, and \$1,845,474 for the initial purchase and implementation of the new Case Management System. In addition, recommended increases of \$182,889 in general funds, \$770 in federal fund expenditure authority, and \$8,549 in other fund expenditure authority for the distribution of health insurance.

The total FY2011 recommended budget for the Unified Judicial System is \$35,681,213 in general funds, \$393,539 in federal fund expenditure authority, and \$9,328,633 in other fund expenditure authority, for a total budget of \$45,403,385 and 527.4 FTE.

## PUBLIC UTILITIES COMMISSION

The Governor recommends increases of \$1,843 in general funds, \$255,509 in federal fund expenditure authority, \$1,870 in other fund expenditure authority, and 3.0 FTE. Increases of 3.0 FTE and \$256,833 in federal fund expenditure authority are for an American Recovery and Reinvestment Act grant requiring the hiring of utilities analysts for analyzing electricity dockets. Increases of \$1,843 in general funds, \$1,176 in federal fund expenditure authority, and \$7,474 in other fund expenditure authority are for health insurance. The total FY2011 recommended budget is \$514,199 in general funds, \$351,905 in federal fund expenditure authority, \$3,275,430 in other fund expenditure authority, and 33.2 FTE.

## ATTORNEY GENERAL

The Governor's FY2011 budget recommendation for the Office of the Attorney General includes \$9,886,879 in general funds, \$4,327,481 in federal

fund expenditure authority, \$6,447,149 in other fund expenditure authority, and 157.0 FTE. The budget recommendation consists of a decrease of \$158,833 in general funds and increases of \$30,025 in federal fund expenditure authority and \$695,957 in other fund expenditure authority. The distribution of health insurance accounts for increases of \$31,544 in general funds, \$8,195 in federal fund expenditure authority, and \$14,553 in other fund expenditure authority. The total recommended FY2011 budget for the Office of the Attorney General is \$20,661,509.

### **LEGAL SERVICES**

The recommended budget for Legal Services includes a decrease of \$277,200 in general funds and increases of \$5,153 in federal fund expenditure authority and \$303,368 in other fund expenditure authority. The majority of the recommended budget adjustments are a result of supporting all Legal Services Consumer Settlement personal services through the Consumer Settlement Fund. The total FY2011 recommended budget for the Legal Services division is \$5,203,058 in general funds, \$1,848,021 in federal fund expenditure authority, and \$1,376,325 in other fund expenditure authority, for a total of \$8,427,404 and 76.0 FTE.

### **CRIMINAL INVESTIGATION**

The Governor is recommending budget increases of \$118,367 in general funds, \$24,872 in federal fund expenditure authority, and \$392,452 in other fund expenditure authority for the Division of Criminal Investigation (DCI). The general fund increase is primarily due to required travel of DCI staff and DCI Agent reclassifications and probationary increases. The majority of the recommended increase in other fund expenditure authority is dedicated to the implementation of Prescription Monitoring Program software, which will be funded by Consumer Settlement funds. The distribution of health insurance reflects increases of \$12,416 in general funds, \$3,826 in federal fund expenditure authority, and \$7,680 in other fund expenditure authority. The overall recommended budget for the Division of Criminal Investigation is \$4,301,419 in general funds, \$2,479,460 in federal fund expenditure authority, and \$3,207,638 in other fund expenditure authority, for a total of \$9,988,517 and 68.5 FTE.

### **LAW ENFORCEMENT TRAINING**

The Governor's recommendation for Law Enforcement Training is a decrease of \$526 in other fund expenditure authority. Recommended budget adjustments to the central services space billing rate is reflected in the reduction. The distribution of health insurance accounts for an increase of \$3,058 in other fund expenditure authority. The total

budget for this division is \$382,402 in general funds and \$1,658,219 in other fund expenditure authority, for a total of \$2,040,621 and 10.5 FTE.

### **911 TRAINING**

The Governor is recommending an increase of \$663 in other fund expenditure authority for the 911 Training division. The recommendation includes an increase of \$686 for the distribution of health insurance and a reduction of \$23 for central services space billing rate adjustments. The total recommended budget for 911 Training is \$204,967 in other fund expenditure authority and 2.0 FTE.

## **SECRETARY OF STATE**

The Governor's recommendation for the Secretary of State's FY2011 budget is \$1,007,237 in general funds, \$3,130,575 in federal fund expenditure authority, \$453,940 in other fund expenditure authority, and 15.6 FTE. This budget includes an increase of \$35,730 in general funds due to increases in contractual services and the cost of printing the Legislative Manual (Blue Book). Also included in this budget is a funding movement of \$17,928 in federal fund expenditure authority from operating expenses to personal services. The Office of the Secretary of State will be able to code more of its staff time to federal funds in FY2011. Due to the recoding of personal services to federal funds in FY2011, a corresponding decrease of \$10,702 in general funds is being recommended within personal services. The remaining \$7,226 in general funds are for a recommended increase of 0.3 FTE for a Part Time Elections Clerk. The Governor is recommending an increase of \$5,430 in general funds for health insurance.

## **SCHOOL AND PUBLIC LANDS**

The Governor's recommendation for the FY2011 School and Public Lands' budget is \$547,047 in general funds and \$225,000 in other fund expenditure authority, for a total budget of \$772,047 and 7.0 FTE. The Governor is recommending an increase of \$2,534 in general funds for health insurance.

## **STATE AUDITOR**

The Governor's recommendation includes a decrease of \$6,058 in general funds. The recommended budget includes miscellaneous decreases in operating expenses. An increase of \$6,516 in general funds accounts is recommended for health insurance. The total FY2011 recommended budget is \$1,205,943 in general funds, \$100,000 in other fund expenditure authority, and 18.0 FTE.

## **STATE TREASURER**

The Governor's recommended budget includes increases of \$1,697 in general funds and \$646,044 in other fund expenditure authority. The total FY2011 recommended budget consists of \$508,556 in general funds, \$11,813,433 in other fund expenditure authority, and 37.0 FTE.

### **TREASURY MANAGEMENT**

The Governor's recommendation includes an increase of \$1,697 in general funds for the distribution of health insurance. The total recommended FY2011 budget for Treasury Management includes \$508,556 in general funds and 5.5 FTE.

### **UNCLAIMED PROPERTY - INFORMATIONAL**

The Governor's recommendation includes an increase of \$1,199 in general funds for the distribution of health insurance. The total recommended FY2011 budget for Unclaimed Property is \$2,895,551 in other fund expenditure authority and 3.5 FTE.

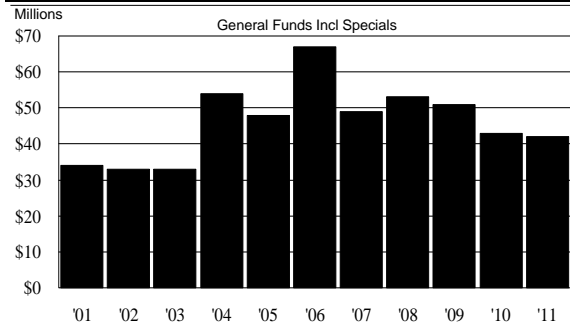
### **INVESTMENT COUNCIL**

The Governor is recommending an increase of \$644,845 in other fund expenditure authority for the Investment Council. The recommendation includes an increase of \$610,075 for personal services promotional development of intermediate and entry level Investment Council staff. The recommended budget also includes increases in other fund expenditure authority for contractual services of \$24,634 and the distribution of health insurance of \$10,136. The total recommended FY2011 budget for the Investment Council is \$8,917,882 in other fund expenditure authority and 28.0 FTE.

## **REMAINDER OF STATE GOVERNMENT**

The budgets included in this category are the Departments of Executive Management, Military and Veterans' Affairs, Revenue and Regulation, Tourism and State Development, Transportation, Labor, and Public Safety. General funds account for a decrease of \$0.7 million out of the \$51.3 million in total ongoing changes. This budget represents a decrease of \$19.9 million out of the \$128.9 million in total ongoing fund increases for FY2011. In terms of the total ongoing state budget, this category is 3.7% of the general funds and 24.5% of the total ongoing funds, which amounts to \$992.5 million in total ongoing funding.

## **Remainder of State Government**



## **EXECUTIVE MANAGEMENT**

The Governor's recommendation for the Department of Executive Management includes a decrease of \$651,800 in general funds, an increase of \$778 in federal fund expenditure authority, a decrease of \$1,088,339 in other fund expenditure authority, and a decrease of 11.0 FTE. The Governor recommends increases of \$32,349 in general funds, \$778 in federal fund expenditure authority, and \$205,046 in other fund expenditure authority for health insurance. The total FY2011 budget includes \$21,871,150 in general funds, \$12,414,112 in federal fund expenditure authority, and \$95,400,001 in other fund expenditure authority, for a total of \$129,685,163 and 678.3 FTE.

### **GUBERNATORIAL DIVISION**

The total recommended budget for this division is \$2,464,465 in general funds, \$253,296 in federal fund expenditure authority, and 22.0 FTE, for a total of \$2,717,761. The Governor's recommendation includes a decrease of 1.0 FTE for FY2011.

### **BUREAU OF FINANCE AND MANAGEMENT**

The Governor recommends a general fund decrease of \$626,903 and an increase in other fund expenditure authority of \$52,273. The general fund decrease is attributable to the Bureau of Finance and Management's sale/leaseback agreement schedule. This recommendation also includes decreases of \$34,986 in other fund expenditure authority within personal services and 1.0 FTE. The recommended FY2011 budget is \$8,134,630 in general funds, \$6,000,000 in federal fund expenditure authority, and \$7,065,660 in other fund expenditure authority, for a total FY2011 recommended budget of \$21,200,290 and 36.0 FTE.

## **BUREAU OF ADMINISTRATION**

The Governor recommends decreases of \$51,794 in general funds, \$93,679 in other fund expenditure authority, and 4.0 FTE. This recommendation includes decreases of \$148,641 in other fund expenditure authority within personal services and 4.0 FTE. The FY2011 recommended budget for this division is \$4,532,420 in general funds, \$500,000 in federal fund expenditure authority, and \$31,859,679 in other fund expenditure authority, for a total FY2011 budget of \$36,892,099 and 173.5 FTE.

## **BUREAU OF INFORMATION AND TELECOMMUNICATIONS**

The Governor recommends an increase of \$18,432 in general funds, and decreases of \$1,045,468 in other fund expenditure authority, and 4.0 FTE. This recommendation includes decreases of \$162,416 in other fund expenditure authority within personal services, 4.0 FTE, and \$1,000,000 in unneeded other fund expenditure authority. The Governor's total recommended FY2011 budget for the Bureau of Information and Telecommunications is \$5,768,686 in general funds, \$5,160,816 in federal fund expenditure authority, and \$42,335,014 in other fund expenditure authority, for a total FY2011 recommended budget of \$53,264,516 and 376.3 FTE.

## **BUREAU OF PERSONNEL**

The Governor's recommended changes for the Bureau of Personnel are for an overall increase of \$1,848 in general funds and decreases of \$1,465 in other fund expenditure authority and 1.0 FTE. This recommendation includes decreases of \$26,038 in other fund expenditure authority within personal services and 1.0 FTE. The total FY2011 budget consists of \$970,949 in general funds, \$500,000 in federal fund expenditure authority, and \$14,139,648 in other fund expenditure authority, for a total of \$15,610,597 and 70.5 FTE.

## **MILITARY AND VETERANS' AFFAIRS**

The Governor's recommendation for the Department of Military and Veterans' Affairs includes a decrease of \$43,692 in general funds, an increase of \$16,453,115 in federal fund expenditure authority, and a decrease of \$552,024 in other fund expenditure authority. The total recommended FY2011 budget is \$6,270,811 in general funds, \$37,260,722 in federal fund expenditure authority, and \$4,192,906 in other fund expenditure authority, for a total of \$47,724,439 and 196.1 FTE. The Governor is recommending increases of \$26,892 in general funds, \$26,943 in federal fund expenditure

authority, and \$16,745 in other fund expenditure authority for health insurance.

## **OFFICE OF THE ADJUTANT GENERAL**

The Governor's FY2011 total budget recommendation for the Office of the Adjutant General is \$782,416 in general funds, \$11,300 in federal fund expenditure authority, \$26,168 in other fund expenditure authority, and 6.3 FTE.

## **ARMY AND AIR GUARD**

The Governor's recommendation for the Guard includes a decrease of \$17,193 in general funds and an increase of \$16,451,870 in federal fund expenditure authority. Included in this recommendation is an increase of \$17,000,000 in federal fund expenditure authority for Military Construction projects at Camp Rapid, a decrease of \$439,905 in American Recovery and Reinvestment Act federal fund expenditure authority, and decreases of \$26,739 in general funds and \$133,923 in federal fund expenditure authority, due to anticipated decreases in utility costs. The total FY2011 recommended budget for the Army Guard is \$33,675,115 and 48.1 FTE. The total FY2011 recommendation for the Air Guard is \$4,914,714 and 41.0 FTE.

## **VETERANS' BENEFITS AND SERVICES**

The total recommended FY2011 budget for Veterans' Benefits and Services is \$1,116,403 in general funds, \$274,765 in federal fund expenditure authority, and \$61,000 in other fund expenditure authority, for a total of \$1,452,168 and 18.0 FTE. The Governor is recommending no significant changes in this budget for FY2011.

## **STATE VETERANS' HOME**

The Governor's recommendation for the State Veterans' Home includes increases of \$23,728 in general funds and \$35,592 in other fund expenditure authority for food services, a decrease of \$69,573 in general funds and \$104,361 in other fund expenditure authority due to anticipated decreases in utility costs, and, a decrease of \$500,000 of unutilized other fund expenditure authority. The total recommended FY2011 budget is \$2,269,320 in general funds, \$487,500 in federal fund expenditure authority, and \$4,105,738 in other fund expenditure authority, for a total budget of \$6,862,558 and 82.7 FTE.

## **REVENUE AND REGULATION**

The Governor's recommended budget for the Department of Revenue and Regulation totals \$70,258,509, and consists of \$1,142,611 in general

funds, \$69,115,898 in other fund expenditure authority, and 322.1 FTE. The Governor is recommending an increase of \$5,883 in general funds, and decreases of \$1,072,240 in other fund expenditure authority and 4.0 FTE. Included in the recommended budget is an increase of \$5,883 in general funds, and \$108,860 in other fund expenditure authority for employee health insurance.

#### **SECRETARIAT**

The Governor's recommendation includes an increase of \$721 in general funds and \$14,195 in other fund expenditure authority for health insurance. The total FY2011 recommended budget consists of \$165,371 in general funds, \$3,657,842 in other fund expenditure authority and 39.5 FTE.

#### **BUSINESS TAX**

The Governor's recommendation includes decreases of 1.0 unutilized FTE and \$10,185 in other fund expenditure authority. The total FY2011 recommended budget consists of \$3,633,759 in other fund expenditure authority and 50.0 FTE.

#### **MOTOR VEHICLES**

The Governor's recommendation includes a decrease of \$1,132,642 in other fund expenditure authority. This includes a decrease of \$1,150,000 of other fund expenditure authority related to the new license plate issue. A total of \$1,055,540 in other fund expenditure authority is being retained in the FY2011 base budget for the plate issue costs that are expected during FY2011. The total FY2011 recommended budget consists of \$6,910,273 in other fund expenditure authority and 49.1 FTE.

#### **PROPERTY AND SPECIAL TAXES**

The Governor's recommendation includes an increase of \$5,162 in general funds for health insurance. The recommended FY2011 budget consists of \$977,240 in general funds and 14.0 FTE.

#### **AUDITS**

The recommended FY2011 budget consists of an increase of \$19,853 in other fund expenditure authority for health insurance. The total FY2011 budget consists of \$3,643,988 in other fund expenditure authority, and 56.0 FTE.

#### **BANKING**

The Governor's recommendation for FY2011 is an overall decrease of \$3,771 in other fund

expenditure authority as the health insurance increase was offset by decreases in capital expenses. The recommended FY2011 budget is \$1,912,253 in other fund expenditure authority and 21.5 FTE.

#### **SECURITIES**

The Governor's recommendation includes an increase of \$1,772 in other fund expenditure authority for health insurance. The total FY2011 recommended budget consists of \$410,695 in other fund expenditure authority and 5.0 FTE.

#### **INSURANCE**

The Governor's recommendation includes an increase of \$9,992 in other fund expenditure authority for health insurance. The total recommended FY2011 budget consists of \$1,826,578 in other fund expenditure authority and 28.0 FTE.

#### **INSURANCE FRAUD UNIT - INFORMATIONAL**

The Governor is recommending decreases of \$55,180 in other fund expenditure authority and 1.0 unutilized FTE. The total recommended FY2011 budget is \$267,046 in other fund expenditure authority and 3.0 FTE.

#### **PETROLEUM RELEASE COMPENSATION**

The Governor's recommendation includes an increase of \$1,772 in other fund expenditure authority for health insurance. The total recommended FY2011 budget for Petroleum Release Compensation is \$2,553,132 in other fund expenditure authority and 5.0 FTE.

#### **LOTTERY**

The Governor's recommendation includes decreases of 1.0 unutilized FTE and \$33,674 in other fund expenditure authority. Also included is an increase of \$9,968 in other fund expenditure authority for health insurance. The total recommended FY2011 budget for Lottery is \$33,136,568 of other fund expenditure authority and 30.0 FTE.

#### **REVENUE BOARDS AND COMMISSIONS – INFORMATIONAL**

This includes the informational budgets of the Real Estate Commission, the Abstracters Board of Examiners, and the Commission on Gaming. The Governor is recommending an overall decrease of 1.0 FTE and an increase of \$105,660 in other fund expenditure authority within the three informational boards. This includes a 138,750 increase in other

fund expenditure authority for Real Estate Commission for the development of on-line services and to align the budget with actual expenditures. In addition, the Governor is recommending decreases of 1.0 unutilized FTE and \$40,534 in other fund expenditure authority within the Commission on Gaming. The total FY2011 recommended budget for the Boards and Commissions is \$11,163,764 in other fund expenditure authority and 21.0 FTE.

## ***TOURISM AND STATE DEVELOPMENT***

The Governor's recommended budget for the Department of Tourism and State Development totals \$72,809,561, and consists of \$8,733,424 in general funds, \$14,714,453 in federal fund expenditure authority, \$49,361,684 in other fund expenditure authority, and 253.1 FTE. The recommended changes include decreases of \$23,082 in general funds, \$411,540 in federal fund expenditure authority, \$13,258,015 in other fund expenditure authority, and 2.0 FTE. The Governor recommends increases of \$6,683 in general funds, \$4,212 in federal fund expenditure authority, and \$28,917 in other fund expenditure authority for health insurance.

### **ECONOMIC DEVELOPMENT**

The Governor's recommended budget for Economic Development consists of \$2,441,871 in general funds, \$11,268,805 in federal fund expenditure authority, and \$11,625,626 in other fund expenditure authority, for a total budget of \$25,336,302 and 40.8 FTE. This recommendation includes increases of \$3,398 in general funds, \$1,826 in federal fund expenditure authority, and \$3,897 in other fund expenditure authority.

### **TOURISM**

The Tourism budget is funded by revenues generated from Deadwood Gaming, a 1.5% gross receipts tax on hotel rooms and other tourist activities, and the Co-op Revolving Fund. For FY2011, the Governor is recommending an increase of \$494,367 in other fund expenditure authority for additional advertising, promotions, and industry co-ops. This number is based on a projected 5.0% growth in gaming revenues, 3.8% growth in promotion tax revenues, and an additional \$50,000 available for industry co-ops. The recommendation includes a decrease of \$48,216 in other fund expenditure authority and 1.0 FTE within personal services. The total FY2011 recommended budget consists of \$11,834,564 in other fund expenditure authority and 22.8 FTE.

## **RESEARCH COMMERCE**

The Governor is recommending \$4,042,579 in general funds and 2.0 FTE for the Division of Research Commerce.

### **TRIBAL GOVERNMENT RELATIONS**

The Governor's recommendation for the FY2011 Tribal Government Relations budget is \$225,317 in general funds and 3.0 FTE.

### **CULTURAL AFFAIRS**

The total recommended FY2011 Cultural Affairs budget consists of \$2,023,657 in general funds, \$1,614,452 in federal fund expenditure authority, and \$3,140,481 in other fund expenditure authority, for a total budget of \$6,778,590 and 47.0 FTE. This recommendation includes decreases of \$27,937 in general funds within personal services and 1.0 FTE.

### **SOUTH DAKOTA HOUSING DEVELOPMENT AUTHORITY - INFORMATIONAL**

The total recommended FY2011 South Dakota Housing Development Authority budget is \$9,961,306, and consists of \$1,656,196 in federal fund expenditure authority, \$8,305,110 in other fund expenditure authority, and 65.0 FTE.

### **SOUTH DAKOTA SCIENCE AND TECHNOLOGY AUTHORITY - INFORMATIONAL**

The total recommended FY2011 budget for the South Dakota Science and Technology Authority is \$14,199,023 in other fund expenditure authority and 70.0 FTE. A decrease of \$13,422,835 in other fund expenditure authority is being recommended for FY2011 in order to align available funding with expenditure authority.

### **SOUTH DAKOTA ELLSWORTH DEVELOPMENT AUTHORITY - INFORMATIONAL**

The total recommended FY2011 budget for the South Dakota Ellsworth Development Authority is \$175,000 in federal fund expenditure authority, \$200,000 in other fund expenditure authority, and 2.5 FTE.

## ***TRANSPORTATION***

The recommended FY2011 budget for the Department of Transportation contains \$522,399 in general funds, \$387,687,989 in federal fund expenditure authority, \$189,059,569 in other fund expenditure authority, and 1,026.3 FTE, for a total budget of \$577,269,957. The FY2011 budget reflects an increase of \$2,574 in general funds, a decrease of \$26,791,213 in federal fund

expenditure authority, an increase of \$6,973,065 in other fund expenditure authority, and a decrease of 14.0 FTE. The Governor is recommending increases of \$2,574 in general funds, \$58,830 in federal fund expenditure authority, and \$291,143 in other fund expenditure authority for health insurance.

### **GENERAL OPERATIONS**

The Governor's total FY2011 recommended budget for General Operations includes \$522,399 in general funds, \$37,969,955 in federal fund expenditure authority, and \$132,416,187 in other fund expenditure authority, for a total budget of \$170,908,541 and 1,026.3 FTE. This budget includes: a decrease of \$1,496,311 in other fund expenditure authority due to anticipated decreases in the cost of motor fuels and utilities, decreases of \$628,307 in other fund expenditure authority and 14.0 unutilized FTE, a decrease of \$554,565 in other fund expenditure authority within the Aviation Services program, and increases of \$90,000 of other fund expenditure authority and \$400,000 in American Recovery and Reinvestment Act federal fund expenditure authority to be passed through to transit and metropolitan planning organizations. The Governor is recommending that the General Operations budget decrease by \$1,952,439 in FY2011.

### **CONSTRUCTION CONTRACTS**

The recommended budget for Construction Contracts includes a decrease of \$26,079,069 in federal fund expenditure authority and an increase of \$8,215,934 in other fund expenditure authority.

Within the budget for Roads and Bridges, the Governor is recommending a decrease of \$33,020,000 in American Recovery and Reinvestment Act federal fund expenditure authority since it is not needed in FY2011. The Governor is recommending an increase of \$6,930,744 in other fund expenditure authority for statewide Road and Bridge construction projects.

The budget for Airport Construction is recommended to increase by \$6,940,931 in federal fund expenditure authority and \$1,285,190 in other fund expenditure authority. Within the budget for Airport Construction \$2,546,520 of the federal fund expenditure authority increase is for American Recovery and Reinvestment Act eligible projects. The remainder will be for enhancements to statewide airports.

The total budget for Construction Contracts is \$406,361,416, and makes up 70% of the Department of Transportation's budget. The Construction Contracts budget is Informational.

## **LABOR**

The Governor's recommendation for the Department of Labor is \$876,167 in general funds, \$34,827,066 in federal fund expenditure authority, \$6,984,215 in other fund expenditure authority, and 427.5 FTE. This recommendation includes increases of \$4,164 in general funds, \$96,378 in federal fund expenditure authority, and \$50,057 in other fund expenditure authority, and a decrease of 1.0 FTE. Decreases of 1.0 FTE and \$20,253 in federal fund expenditure authority are to adjust the budget to reflect actual usage of FTE hours. Increases of \$4,164 in general funds, \$116,631 in federal fund expenditure authority, and \$27,257 in other fund expenditure authority is for health insurance. For reporting purposes, the budgets for six professional and occupational licensing boards and the South Dakota Retirement System are included in this department.

### **PROFESSIONAL AND OCCUPATIONAL LICENSING**

This division is comprised of the informational budgets of the professional and occupational licensing boards. There are six boards with a total recommended budget for FY2011 of \$2,813,622 in other fund expenditure authority, which is a total increase of \$12,094 in other fund expenditure authority. The boards include: Board of Accountancy, Board of Barber Examiners, Cosmetology Commission, Plumbing Commission, Board of Technical Professions, and the Electrical Commission.

### **SOUTH DAKOTA RETIREMENT SYSTEM**

The recommended budget for the South Dakota Retirement System is \$3,735,876 in other fund expenditure authority and 33.0 FTE. The recommendation includes an increase of \$35,622 in other fund expenditure authority.

## **PUBLIC SAFETY**

The Department of Public Safety FY2011 Governor's recommendation includes \$3,669,056 in general funds, \$21,892,382 in federal fund expenditure authority, \$26,508,899 in other fund expenditure authority, for a total of \$52,070,337 and 411.5 FTE.

### **ADMINISTRATION**

The Governor is recommending increases of \$167 in general funds and \$2,374 in other fund expenditure authority. The distribution of health insurance accounts for increases of \$167 in general funds and \$2,537 in other fund expenditure



authority increases. Additionally, a minor reduction in other fund expenditure authority is also recommended due to a space billing rate adjustment. The Division of Administration's total recommended budget is \$105,808 in general funds, \$123,044 in federal fund expenditure authority, and \$628,461 in other fund expenditure authority, for a total of \$857,313 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 \$8,091 in general funds and \$3,902 in federal fund expenditure authority and decreases of \$111,912 in other fund expenditure authority and 5.0 FTE. The recommended decrease is primarily due to the reduction of 5.0 FTE in Motor Carrier Inspections. The distribution of health insurance reflects increases of \$8,091 in general funds, \$4,076 in federal fund expenditure authority, and \$84,181 in other fund expenditure authority. The total FY2011 recommendation includes \$1,388,642 in general funds, \$5,538,263 in federal fund expenditure authority, and \$18,944,984 in other fund expenditure authority, for a total of \$25,871,889 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 \$5,652 in general funds and \$7,308 in federal fund expenditure authority and decreases of \$21,767 in other fund expenditure authority and 1.0 FTE. Recommended budget decreases are due to the elimination of 1.0 FTE in Emergency Management and central services space billing rate adjustments. The distribution of health insurance accounts for increases of \$6,311 in general funds, \$8,986 in federal fund expenditure authority, and \$338 in other fund expenditure authority. The FY2011 budget recommendation for the Emergency Services and Homeland Security division includes \$1,509,027 in general funds, \$16,231,075 in federal fund expenditure authority, and \$286,999 in other fund expenditure authority, for a total of \$18,027,101 and 35.5 FTE.

### INSPECTION AND LICENSING

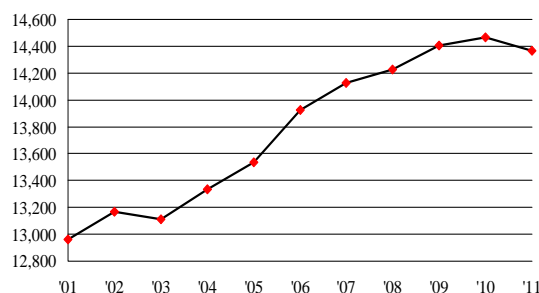
The Division of Inspection and Licensing includes Weights and Measures, Driver Licensing, and Inspections. The Governor is recommending increases of \$548 in general funds and \$519,089 in other fund expenditure authority. An increase of

\$488,193 in other fund expenditure authority in Driver Licensing is due to the contract agreement for the production and issuance of driver licenses and identification cards. The distribution of health insurance accounts for increases of \$574 in general funds and \$31,340 in other fund expenditure authority. The FY2011 recommended budget includes \$665,579 in general funds and \$6,648,455 in other fund expenditure authority, for a total of \$7,314,034 and 90.5 FTE.

### FTE CHANGE

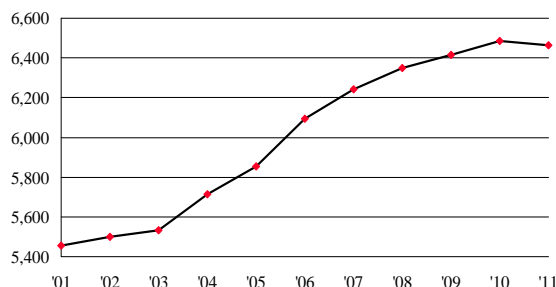
The total appropriated FTE increased from 12,964.0 in FY2001 to a recommended level of 14,367.9 for FY2011. This is a difference of 1,403.9 FTE over a ten-year period. The recommended change in ongoing FTE is a reduction of 102.0 across state government.

FTE History  
All of State Government



For offices outside the control of the Governor, total appropriated FTE grew from 5,455.5 in FY2001 to a recommended level of 6,463.3 for FY2011. This is an increase of 1,007.8 FTE, or 18.5%. The changes recommended for these offices in the FY2011 budget are a net decrease of 21.9 FTE. This includes an increase of 3.0 FTE in the Public Utilities Commission for electrical utilities analysts funded with ARRA federal authority, an increase of 0.3 FTE in the Secretary of State's office to handle additional administrative workloads, and a decrease of 25.2 FTE in the regental system.

FTE History for Offices  
Outside Control of Governor



The agencies under direct control of the Governor had total appropriated FTE of 7,508.5 in FY2001. The FY2011 budget recommendation brings the FTE to a level of 7,904.6. This is an increase of 396.1 FTE, or 5.3%, during the decade. The recommended decrease of 76.8 FTE in FY2011 is to bring agency FTE budgets in line with their historical utilization and eliminate FTE hours that have gone unused. This is the second consecutive year of a recommended FTE reduction in the agencies under the control of the Governor.

### FTE History for Offices Under Control of Governor

