

SPECIAL APPROPRIATION RECOMMENDATIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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