

# FY2015 Presentation to the Joint Committee on Appropriations

South Dakota

Bureau of Finance and Management

1/16/14

# Ongoing Revenue Projections FY2015

Source	Revised FY2014	Estimated FY2015	Dollar Change
Sales and Use Tax	\$810.1	\$835.2	+ 25.1
Property Tax Reduction Fund	108.1	110.2	+ 2.1
Contractor's Excise Tax	89.5	94.8	+ 5.3
Insurance Company Tax	74.0	77.5	+ 3.5
Ongoing Unclaimed Property	67.5	67.5	0.0
Bank Franchise Tax	17.0	17.5	+ 0.5
Remaining Ongoing Receipts	187.5	191.0	+ 3.5
<b>Total Ongoing Receipts</b>	<b>1,353.7</b>	<b>1,393.7</b>	<b>+ 40.0</b>

# Conservative Revenue Estimates Help Fund Additional Growth

FY2014 Structural Surplus left by  
2013 Legislature \$5.5 million

FY2014 Revised Ongoing  
Revenue Growth \$33.2 million

FY2015 Projected Ongoing  
Revenue Growth \$40.0 million

Total Ongoing Revenue Growth  
Available \$78.7 million

# Governor's FY2015 Budget Recommendations Overview

# Items Affecting Multiple Agencies

	General Funds
Federal Medical Assistance Percentage (FMAP)	\$15,637,278
State Employee Salary Policy	\$13,577,200
3% Provider Inflation	\$12,430,771
State Employee Health Insurance	\$6,756,462
Growth in Eligibles and Utilization	\$6,660,485
Maintenance and Repair (M&R)	\$5,129,430
Utilities	\$1,533,618
Comprehensive Annual Financial Report (CAFR)	\$585,691
Internal Service Rates	\$536,501
<b>Total</b>	<b>\$62,847,436</b>

# Federal Medical Assistance Percentage (FMAP)

	General	Federal
Social Services	\$12,791,094	(\$12,791,094)
Human Services	\$2,593,154	(\$2,593,154)
Corrections	\$253,030	(\$253,030)
<b>Total</b>	<b>\$15,637,278</b>	<b>(\$15,637,278)</b>

Medicaid rate change: 45.80% GF to 47.88% GF

Children's Health Insurance Program (CHIP) rate change: 32.06% GF to 33.52% GF

# State Employee Compensation Plan

<b>Recommended Increases</b>	<b>General</b>	<b>Federal</b>	<b>Other</b>
3% Across-the-Board and Market Increases	\$9,772,471	\$5,442,344	\$11,678,982
3% Adjustment Toward Job Worth (PACE)	\$2,797,040	\$1,346,040	\$1,828,378
0-4.5% Pay for Performance (Career Bands)	\$585,673	\$544,366	\$1,587,957
Targeted Compensation Adjustments	\$454,727	\$224,340	\$304,730
Employee Health Insurance Increase	\$6,756,462	\$3,902,062	\$7,286,652
<b>Total Cost of Recommendation</b>	<b>\$20,366,373</b>	<b>\$11,459,152</b>	<b>\$22,686,699</b>
Remaining FY2014 Compensation Pool	(\$32,711)	(\$190,766)	(\$464,725)
<b>Total Increase for Compensation Plan</b>	<b>\$20,333,662</b>	<b>\$11,268,386</b>	<b>\$22,221,974</b>

# 3% Provider Inflation

	General	Federal	Other
Social Services	\$10,398,831	\$9,070,891	\$43,211
Human Services	\$1,604,565	\$2,013,193	
Corrections	\$397,887	\$173,436	
Unified Judicial System	\$29,488	\$2,164	
Health			\$30,713
<b>Total</b>	<b>\$12,430,771</b>	<b>\$11,259,684</b>	<b>\$73,924</b>



# Eligibles and Utilization Growth

	General	Federal	Other
Social Services	\$3,151,150	\$1,731,163	
Corrections	\$1,865,440	(\$559,152)	
Human Services	\$1,643,895	\$1,752,996	
Health			\$2,011,226
<b>Total</b>	<b>\$6,660,485</b>	<b>\$2,925,007</b>	<b>\$2,011,226</b>

# Maintenance and Repair

	General	Federal
Bureau of Administration	\$3,072,198	
Board of Regents	\$1,647,447	
Military	\$409,785	\$1,639,141
<b>Total</b>	<b>\$5,129,430</b>	<b>\$1,639,141</b>

Calculation for Budget Increase:

$(\text{Replacement Values of Buildings} * 2\% - \text{current M\&R budget}) / 3 \text{ years} = \text{Increase}$

# Utilities Increases

	General	Federal	Other
Board of Regents	\$1,161,617		
Corrections	\$132,924		
Social Services	\$112,822	\$16,732	
Human Services	\$80,027	\$87,115	
Military	\$45,928	\$157,355	
Transportation			\$124,148
Veterans Affairs			(\$42,798)
<b>Total</b>	<b>\$1,533,318</b>	<b>\$261,202</b>	<b>\$81,350</b>

# Comprehensive Annual Financial Report

## 12/31 Goal For FY2016

	FTE	General	Other
Board of Regents	3.0	\$313,416	
Legislative Audit	3.0	\$172,275	
Education		\$100,000	
Bureau of Finance and Management	3.0		\$233,306
<b>Total</b>	<b>9.0</b>	<b>\$585,691</b>	<b>\$233,306</b>

# Internal Service Rate Increases

	General	Federal	Other
Bureau of Info and Tele	\$410,182	\$337,772	\$370,291
Bureau of Admin	\$99,171	\$35,083	\$91,636
Bureau of Finance and Mgmt	\$27,148	\$58,568	\$147,590
<b>Total</b>	<b>\$536,501</b>	<b>\$431,423</b>	<b>\$609,517</b>

# Governor's FY2015 Budget Recommendations by Agency

# Department of Social Services

Recommended Changes	FTE	General	Federal	Other
FMAP		\$12,791,094	(\$12,791,094)	
Provider Inflation		\$12,700,696	\$9,086,170	\$43,211
Mental Health Services		\$1,686,133	\$706,899	
Title XIX (Medicaid)		\$1,257,831	\$1,399,226	
Child Protection Services		\$516,341	\$47,494	
Internal Service Rates		\$256,740	\$299,629	\$1,385
New DSS FTE	4.0	\$113,446	\$63,432	
Change in Title XXI (CHIP)		(\$213,057)	(\$422,556)	
HSC Dietary Bond Payment Reduction		(\$457,175)		
HSC Bond Payment Reduction		(\$2,870,299)		
Miscellaneous		\$650,756	(\$485,141)	(\$5,400)

# Bureau of Finance and Management

Recommended Changes	FTE	General	Federal	Other
Employee Compensation Pool		\$20,333,662	\$11,268,386	\$22,221,974
Comprehensive Annual Financial Report	3.0			\$233,306
Internal Service Rates		\$1,356		\$53,422
Financial Systems Accountant	1.0			\$72,331
Miscellaneous		\$30,000		\$158,070



# Department of Education

Recommended Changes	FTE	General	Federal	Other
State Aid to General Education		\$8,037,797		
Postsecondary Technical Institutes		\$2,070,792		
Technology in Schools		\$307,909		
Dual Credit classes		\$300,000		
FTE Increases	3.0	\$191,311		
Internal Service Rates		\$33,975	\$14,043	\$2,006
Federal Grant Authority			\$9,611,027	
Miscellaneous	(3.0)	(\$488,841)	(\$81,166)	\$0

# Board of Regents

Recommended Changes	FTE	General	Federal	Other
State-Support Resident Tuition Freeze		\$3,955,862		
Maintenance and Repair		\$1,647,447		
Utilities		\$1,161,617		
SSOM MD Expansion	4.9	\$1,036,515		\$865,216
SSOM DNP and PA Preceptor Reimbursement		\$371,000		
Comprehensive Annual Financial Report	3.0	\$313,416		
SD Opportunity Scholarship		\$308,333		
Internal Service Rates		\$62,888	\$36	\$97,980
ADRDL Bond Completion		(\$459,540)		
Science Facilities Bond Payment Reduction		(\$2,301,879)		
Miscellaneous	6.5	\$321,801	(\$500,000)	\$3,020,029

# Department of Human Services

Recommended Changes	FTE	General	Federal	Other
FMAP		\$2,593,154	(\$2,593,154)	
Developmental Disabilities (DD) Eligibles and Utilization growth		\$1,690,798	\$1,804,052	
3% Provider Inflation		\$1,604,565	\$2,013,193	
DD Cost Share Reduction		\$214,874	\$233,902	
Internal Service Rates		\$6,726	\$19,913	\$225
DD School District Match				\$11,260,785
Miscellaneous		\$146,188	(\$1,044,409)	

# Department of Corrections

Recommended Changes	FTE	General	Federal	Other
Correctional Health Care		\$2,370,475		
3.0% Provider Inflation		\$397,887	\$173,436	
FMAP		\$253,030	(\$253,030)	
Personal Services	6.0	\$187,360		
Jailing Rate		\$135,200		
Utilities		\$132,924		
Internal Service Rates		\$27,422	\$2,155	\$11,156
Placement Costs		(\$145,786)	(\$559,152)	
Utilize Cash			(\$462,833)	\$960,474
Pheasantland Industries				\$3,403,165
Juvenile/Adult Reentry Grants	(3.0)		(\$713,903)	(\$365,265)
Miscellaneous		\$410,290	\$55,944	\$368,579)

# Bureau of Administration

<b>Recommended Changes</b>	<b>FTE</b>	<b>General</b>	<b>Federal</b>	<b>Other</b>
Maintenance & Repair		\$3,072,198		\$150,000
Internal Service Rates		\$1,033		\$17,779
Sale-Leaseback		(\$695,768)		(\$1,444)
Lease Payments on State Vehicles				\$860,000

# Unified Judicial System

Recommended Changes	FTE	General	Federal	Other
Drug/DUI Courts	4.5	\$395,773	\$13,336	
Court Staff	2.5	\$92,246		
Juvenile Detention Alternatives Initiative	1.0	\$70,108		
Internal Service Rates		\$5,376		\$4,013
Miscellaneous		\$29,488	\$2,164	\$79,536

# Department of Agriculture

Recommended Changes	FTE	General	Federal	Other
Agriculture Rural Rehabilitation		\$460,000		(\$460,000)
Internal Service Rates		\$6,191	\$4,315	\$8,658
Miscellaneous	1.1	\$2,761	(\$635,439)	\$2,759,873

# Department of the Military

<b>Recommended Changes</b>	<b>FTE</b>	<b>General</b>	<b>Federal</b>	<b>Other</b>
Maintenance & Repair		\$409,785	\$1,639,141	
FTE transfer to DVA	(1.0)	(\$62,686)		
Internal Service Rates		\$1,649	\$3,876	\$58
Miscellaneous		\$61,714	\$157,355	



# Department of Labor and Regulation

Recommended Changes	FTE	General	Federal	Other
Adult Education and Literacy		\$325,000		
Internal Service Rates		\$677	\$22,481	\$7,159
ACA - Actuary and Attorney	2.0		\$125,863	\$111,527

# Department of Game, Fish and Parks

Recommended Changes	FTE	General	Federal	Other
Bond Repayment		\$291,467		
Internal Service Rates			\$19	\$28,628
Miscellaneous	1.0		(\$897,798)	\$426,697

# Department of Health

Recommended Changes	FTE	General	Federal	Other
Rural Experience for Healthcare Students		\$148,540		
West Nile Virus Prevention		\$50,000		\$500,000
Internal Service Rates		\$3,419	\$14,773	\$11,179
Correctional Healthcare				\$2,446,226
Provider Inflation				\$30,713
Miscellaneous			(\$2,236,935)	\$1,751,436

# Auditor General

Recommended Changes	FTE	General	Federal	Other
Faster CAFR	3.0	\$172,275		
Movement to Midpoint		\$28,319		
Internal Service Rates		\$35		

# Legislative Research Council

Recommended Changes	FTE	General	Federal	Other
Legislative Members and Support		\$77,182		
Internal Service Rates		\$11,249		

# Attorney General

Recommended Changes	FTE	General	Federal	Other
Maintenance Agreements		\$45,668		
Internal Service Rates		\$34,693	\$2,682	\$27,219
DCI Building Bond Payment Reduction		(\$647,160)		
Miscellaneous	1.0		(\$32,000)	\$257,067

# Department of Veterans Affairs

Recommended Changes	FTE	General	Federal	Other
FTE transfer from DOM	1.0	\$62,686		
Internal Service Rates		\$3,162	\$337	\$661
State Vets Home				\$982,703
Miscellaneous		\$2,813		(\$42,798)

# Public Utilities Commission

Recommended Changes	FTE	General	Federal	Other
Grain Warehouse		\$43,364		(\$43,364)
Internal Service Rates		\$8	\$336	\$2,625
Miscellaneous	1.0		\$47,033	\$39,394



# Department of Tribal Relations

Recommended Changes	FTE	General	Federal	Other
Travel		\$12,150		
Internal Service Rates		\$2,249		
Miscellaneous		\$10,380		

# Department of Public Safety

<b>Recommended Changes</b>	<b>FTE</b>	<b>General</b>	<b>Federal</b>	<b>Other</b>
Weights and Measures Fees		\$14,805		
Internal Service Rates		\$5,874	\$15,959	\$37,883
Worker Comp Rate for Hwy Patrol			\$15,881	\$215,202
Driver License Station Rent				\$29,038

# Department of Tourism

Recommended Changes	FTE	General	Federal	Other
Internal Service Rates		\$11,074	\$240	\$21,538
Advertising				\$366,996

# Bureau of Information and Telecommunications

Recommended Changes	FTE	General	Federal	Other
Internal Service Rates		\$5,635	\$10,583	\$105,888
SD MEDx	9.0			\$761,246
Development	9.0			\$688,698
Miscellaneous	2.0		(\$1,090,000)	\$94,036

# Governor's Office of Economic Development

<b>Recommended Changes</b>	<b>FTE</b>	<b>General</b>	<b>Federal</b>	<b>Other</b>
Internal Service Rates		\$4,895	\$388	\$1,388
Informational Budgets	2.1		(\$180,073)	\$2,546,858

# Department of Revenue

Recommended Changes	FTE	General	Federal	Other
Internal Service Rates		\$490		\$23,753
License Plate Production				\$1,800,000
Staff Attorney	1.0			\$77,794

# Office of the State Treasurer

Recommended Changes	FTE	General	Federal	Other
Internal Service Rates		\$1,067		\$813
Capital Outlay		(\$1,521)		
Unclaimed Property				\$1,369,520

# Office of the State Auditor

Recommended Changes	FTE	General	Federal	Other
Internal Service Rates		\$1,780		
Personal Services	(1.0)	(\$42,323)		
Miscellaneous		(\$547)		



# South Dakota Investment Council

Recommended Changes	FTE	General	Federal	Other
Performance Based Compensation				\$4,624,945
Internal Service Rates				\$3,388
Miscellaneous				\$402,092

# Department of Transportation

Recommended Changes	FTE	General	Federal	Other
Highway Equipment				\$1,001,700
Internal Service Rates				\$116,572
Miscellaneous				\$202,416

# South Dakota Retirement System

Recommended Changes	FTE	General	Federal	Other
Operating Expenses				\$95,000
Programming				\$50,000
Quadrennial Independent Report				\$40,000
Internal Service Rates				\$4,351

# Remaining Agencies

Recommended Changes	General	Federal	Other
Office of the Governor	\$11,074		
Bureau of Human Resources	\$11,074		
Secretary of State	\$10,424	\$5,539	\$4,412
Department of Environment and Natural Resources	\$8,754	\$12,335	\$28,199
Office of School and Public Lands	\$1,001		

# FY2015 Bottom Line

	FY2015
Total Recommended Receipts	\$1,393,732,594
Total Recommended Expenses	\$1,393,732,594
Total General Fund Increase Over FY2014	\$78,666,817