

SUMMARY OF RECOMMENDED BUDGET ADJUSTMENTS

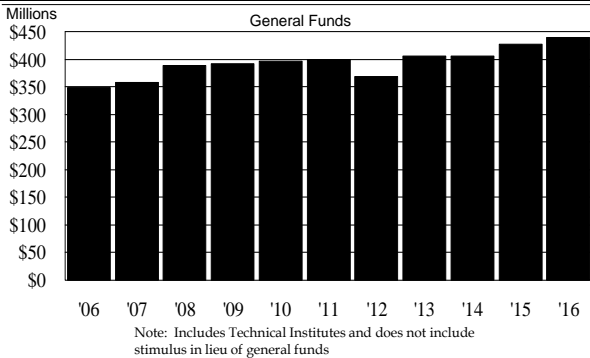
STATE AID, TECHNICAL INSTITUTES, HIGHER EDUCATION, & EDUCATION

The budgets included in this category are State Aid to K-12 Education and Technical Institutes, Higher Education, and the Department of Education. General funds in this budget account for a \$15.4 million increase out of the \$49.2 million in ongoing increases. This budget comprises of an increase of \$4.3 million of the \$61.2 million in ongoing total fund increases for FY2016. In terms of the total ongoing budget, the education category is 45.1% of the general funds and 33.8% of the total ongoing funds, which amounts to over \$1.5 billion in total ongoing funding for education.

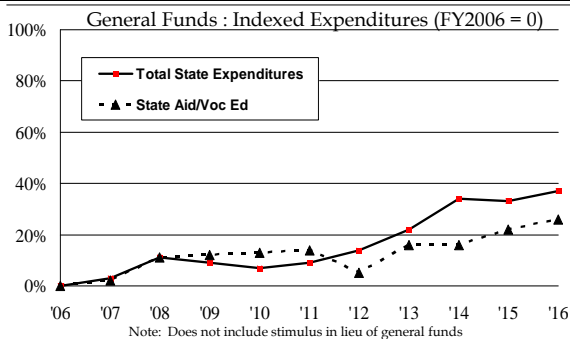
STATE AID TO K-12 EDUCATION AND TECHNICAL INSTITUTES

This category includes State Aid to K-12 General Education, Special Education, Technical Institutes, sparse school district funding, and Technology in the Schools.

State Aid to Schools



State Aid to Schools



STATE AID TO K-12 EDUCATION

The Governor's recommendation for State Aid to K-12 Education reflects an increase of \$10,813,206 in general funds. The total recommended budget for FY2016 is \$413,815,266 in general funds and \$3,904,346 in other fund expenditure authority.

The Governor is recommending a 2.0% inflationary increase to the base per student allocation for FY2016, which is 0.5% higher than the statutory required 1.5% increase for FY2016. This brings the per student allocation for general education to \$4,876.76 for FY2016, an increase of \$95.62 per student over the base FY2015 level.

In addition to the inflationary increase to the formula, the Governor also recommends funding for the Technology in Schools budget, payments to sparse school districts, and statewide assessment costs to be included as an additional component in the state aid formula. The budget increase for state aid to general education will be offset by corresponding decreases within the Technology in Schools, Sparsity, and Educational Services and Resources budgets, for a net savings of \$2,605,288 in general funds. The net savings is used to increase the per student allocation growth from 1.5% to 2.0%. The total recommended budgeted amount for state aid to general education is \$347,719,770 in general funds and \$2,100,000 in other fund expenditure authority for FY2016. The other fund expenditure authority of \$2,100,000 is budgeted to pay for the state share of the Limited English Proficiency adjustment through the Workforce Education Fund. An estimated FY2016 fall enrollment of 132,550 was used for calculating the FY2016 budget, which is a growth of 1,300 over the budgeted FY2015 level.

The funding for each disability level for State Aid to Special Education is recommended to increase 2.0%. The total recommended amount for state aid to special education is \$54,883,378 in general funds for FY2016. This represents a \$2,666,902 increase in state general funds over the FY2015 budget. Included in this budget is funding for the summer program within the South Dakota School for the Blind and Visually Impaired per South Dakota Codified Law 13-37-13.

The Governor is recommending \$1,900,032 in general funds for payments to sparse school districts. An estimated 28 schools will be eligible for sparse payments in FY2016.

The Governor is recommending increases totaling \$1,752,472 in general funds for the Technology in Schools budget in FY2016. This includes an increase of \$235,954 in general funds for software maintenance costs including the addition of the Longitudinal Data System. Also, an increase of \$53,518 in general funds is for contract increases at the K-12 data center. This recommendation also includes an increase of \$1,463,000 in general funds for statewide assessment costs, which will be offset by a decrease in the Educational Services and Resources budget, as these expenses have been transferred to the Technology in Schools budget to be included as a component to the state aid formula. The total recommended budget includes \$9,312,086 in general funds and \$1,804,346 in other fund expenditure authority. The Technology in Schools budget is used to support ongoing costs of the technology infrastructure and systems for the school districts.

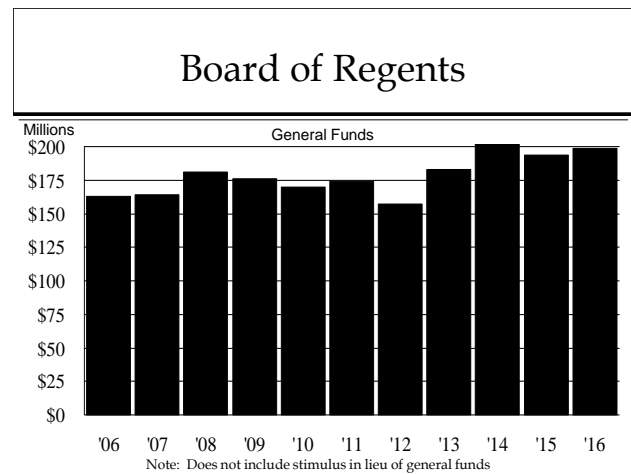
STATE AID TO TECHNICAL INSTITUTES

The Governor's recommendation for State Aid to Technical Institutes reflects an increase of \$683,812 in general funds. The total recommended budget for FY2016 is \$24,949,318 in general funds and \$100,000 in other fund expenditure authority.

An increase of \$59,911 in general funds is based on a per student funding level of \$3,329.13 for FY2016, which is a 2.0% increase from FY2015. The estimated number of students for the FY2016 budget is a decrease of 105 for a total of 6,150. An increase of \$186,368 in general funds is for the state share of the bond payments due to the passage of HB1098 from the 2013 legislative session. An increase of \$437,533 in general funds is recommended to assist in the maintenance and repair of Technical Institute buildings. The total recommended FY2016 budget for Technical Institutes is \$24,949,318 in general funds and \$100,000 in other fund expenditure authority.

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 Sioux Falls, the University Center Rapid City, and Capital University Center Pierre. 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.



The budget for the Board of Regents contains a net decrease of \$4,374,794 in total funds and an increase of 20.0 FTE over the FY2015 budget. The changes consist of increases of \$4,474,331 in general funds and \$1,350,875 in other fund expenditure authority, as well as a decrease of \$10,200,000 in federal fund expenditure authority. The total FY2016 recommended budget for the Board of Regents consists of \$198,503,922 in general funds, \$161,244,374 in federal fund expenditure authority, and \$454,148,394 in other fund expenditure authority, for a total FY2016 budget of \$813,896,690 and 5,162.4 FTE.

The Governor is proposing to increase the South Dakota Opportunity Scholarship for a four year term per recipient from \$5,000 to \$6,500, for a cost of \$1,274,001 in general funds. Also included in the recommendation are increases of \$1,230,803 in general funds for increased costs in utilities and \$2,055,512 in general funds for maintenance and repair (M&R). This is the third year of a four year plan to reach an M&R budget which is 2% of the replacement value of the buildings. The Governor is also recommending an increase of \$80,800 in general funds to pay for Nurse Practitioner Preceptors, a funding change of \$200,000 from federal fund expenditure authority to other fund expenditure authority for the summer program within the South Dakota School for the Blind and Visually Impaired, a decrease of \$159,120 in general funds due to adjustments related to insurance costs, a decrease of \$10,000,000 in federal fund expenditure authority due to reductions in grant awards, and increases of \$1,150,875 in other fund authority and 20.0 FTE due to growth in self-support classes.

EDUCATION

The Governor's recommendation for the Department of Education, including the State Aid to Education formula, reflects increases of

\$10,951,155 in general funds and 2.0 FTE and a decrease of \$2,273,238 in federal fund expenditure authority. The total recommended budget for FY2016 is \$449,647,270 in general funds, \$189,625,038 in federal fund expenditure authority, \$6,074,128 in other fund expenditure authority, and 137.0 FTE.

GENERAL ADMINISTRATION

The Governor recommends increases of \$114,637 in general funds and 1.0 FTE, along with a decrease of \$224,881 in federal fund expenditure authority. An increase of \$82,101 in general funds is to fund a portion of the two positions currently dedicated to the Longitudinal Data System project. Increases of \$32,537 in general funds and 1.0 FTE are for a management analyst position reducing the need for contracted services. A decrease of \$224,881 in federal fund expenditure authority is recommended due to the elimination of the statewide Longitudinal Data System grant. The total recommended FY2016 budget for this division is \$2,575,709 in general funds, \$8,900,494 in federal fund expenditure authority, \$209,052 in other fund expenditure authority, and 40.0 FTE.

EDUCATION SERVICES AND RESOURCES

This includes the Division of Assessment and Accountability, the Division of Educational Services and Support, the Division of Career and Technical Education and the Division of Curriculum and Instruction. The Governor recommends an increase of 1.0 FTE and decreases of \$660,500 in general funds and \$2,048,357 in federal fund expenditure authority. The total recommended FY2016 budget is \$6,468,213 in general funds, \$179,508,611 in federal fund expenditure authority, \$1,674,647 in other fund expenditure authority, and 69.5 FTE. An increase of \$802,500 in general funds will expand the number of dual credit classes offered to high school students throughout the state. Increases of \$71,094 in federal fund expenditure authority and 1.0 FTE are for a special education data position, which will ensure special education data is accurately collected and reported. An increase of \$258,831 in federal fund expenditure authority is for a 2.0% provider inflation increase for birth to three direct service providers and to align the budget with anticipated expenditures. A decrease of \$1,463,000 in general funds is due to including the statewide assessment budget as a component of the State Aid to General Education formula. A decrease of \$2,378,282 in federal fund expenditure authority is due to the end of the American Recovery and Reinvestment Act.

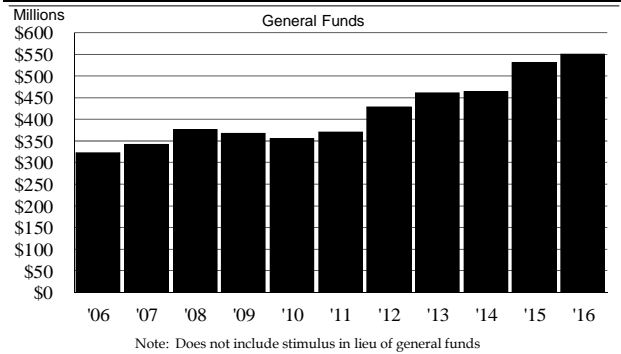
STATE LIBRARY

The Governor's recommendation for the State Library's FY2016 budget is \$1,838,764 in general funds, \$1,215,933 in federal fund expenditure authority, \$186,083 in other fund expenditure authority, and 27.5 FTE.

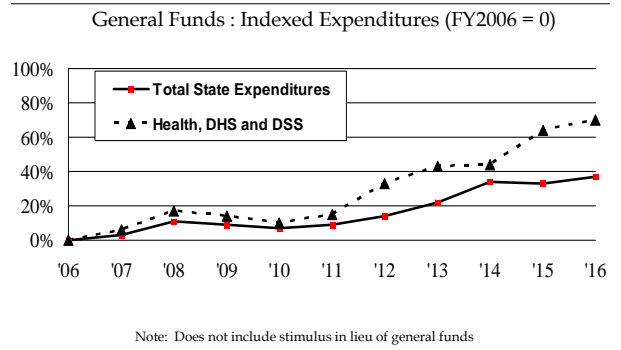
HEALTH, HUMAN, AND SOCIAL SERVICES

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 \$17.1 million increase out of the \$49.2 million in total ongoing general fund increases. This budget comprises of \$8.5 million of the \$61.2 million in total ongoing fund increases for FY2016. In terms of the total ongoing budget, this category is 38.3% of the general funds and 32.3% of the total ongoing funds, which amounts to nearly \$1.4 billion in total ongoing funding.

Health, Human, and Social Services



Health, Human, and Social Services



HEALTH

The total recommended budget is \$7,914,934 in general funds, \$42,236,140 in federal fund expenditure authority, and \$41,747,867 in other fund expenditure authority, for a total of \$91,898,941 and 423.2 FTE. This includes a decrease of \$10,584 in general funds and increases of \$580,378 in other fund expenditure authority and 4.0 FTE.

ADMINISTRATION

The total recommended budget for Administration is \$905,111 in general funds, \$1,803,500 in federal fund expenditure authority, \$1,460,126 in other fund expenditure authority, and 32.0 FTE. This includes decreases of \$320,842 in general funds and \$345,029 in other fund expenditure authority due to the final Health Laboratory bond payment being made in FY2015.

HEALTH SYSTEMS DEVELOPMENT AND REGULATION

The total recommended budget for Health Systems Development and Regulation is \$2,856,573 in general funds, \$9,898,990 in federal fund expenditure authority, \$3,147,746 in other fund expenditure authority, and 62.5 FTE. This includes an increase of \$70,000 in general funds to allow health profession students to participate in a four week program in rural communities. Also included is an increase of \$90,258 in general funds for Health Protection inspections.

HEALTH AND MEDICAL SERVICES

The total recommended budget for Health and Medical Services is \$4,153,250 in general funds, \$25,518,844 in federal fund expenditure authority, \$5,930,750 in other fund expenditure authority, and 188.5 FTE. This includes increases of \$150,000 in general funds for an immunization billing system and 4.0 FTE for nurses to work on disease prevention and infectious disease control activities.

LABORATORY SERVICES

The total recommended budget for Laboratory Services is \$3,270,082 in federal fund expenditure authority, \$3,282,203 in other fund expenditure authority, and 28.0 FTE.

CORRECTIONAL HEALTH

The total recommended budget for Correctional Health is \$19,564,654 in other fund expenditure authority and 87.0 FTE. This includes increases in other fund expenditure authority of \$21,755 for a

2.0% provider inflation increase, \$312,030 for other inflationary costs, and \$500,000 for costs related to anticipated Hepatitis C treatment.

TOBACCO PREVENTION

The total recommended budget for Tobacco Prevention is \$1,542,413 in federal fund expenditure authority, \$4,500,038 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 twelve 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, Board of Massage Therapy, and Board of Speech-Language Pathology. The Governor is recommending increases in other fund expenditure authority of \$6,000 in the Board of Dentistry, \$41,500 in the Board of Nursing, \$1,894 in the Board of Nursing Home Administrators, \$33,350 in the Board of Pharmacy, \$4,778 in the Board of Massage Therapy, and \$4,100 in the Board of Speech-Language Pathology. The total recommended budget for the Boards is \$202,311 in federal fund expenditure authority, \$3,862,350 in other fund expenditure authority, and 22.2 FTE.

HUMAN SERVICES

The Governor is recommending increases of \$4,147,419 in general funds, \$2,965,403 in federal fund expenditure authority, and \$466,311 in other fund expenditure authority. The recommendation includes an increase of \$675,997 in general funds with a corresponding decrease in federal fund expenditure authority due to the change in the Federal Medical Assistance Percentage (FMAP). For FY2016, a total budget consisting of \$78,284,764 in general funds, \$104,817,342 in federal fund expenditure authority, \$15,571,732 in other fund expenditure authority, and 550.4 FTE is recommended.

SECRETARIAT

The total recommended budget is \$858,079 in general funds, \$646,146 in federal fund expenditure authority, \$1,421 in other fund expenditure authority, and 16.0 FTE.

DEVELOPMENTAL DISABILITIES

The recommendation for the Division of Developmental Disabilities includes increases of \$3,910,130 in general funds, \$3,027,441 in federal fund expenditure authority, and \$346,311 in other fund expenditure authority. Increases of \$1,104,220 in general funds, \$1,348,441 in federal fund expenditure authority, and \$227,579 in other fund expenditure authority are for a 2.0% provider inflation increase. Also, increases of \$2,091,729 in general funds and \$2,231,813 in federal fund expenditure authority are to address growth in individuals needing services who have developmental disabilities. Increases of \$180,914 in general funds and \$99,186 in federal fund expenditure authority are to add two additional Family Support Services programs to serve 80 more people in southeastern South Dakota. The total recommended budget for the Developmental Disabilities division is \$59,938,237 in general funds, \$72,845,482 in federal fund expenditure authority, \$11,607,096 in other fund expenditure authority, and 20.5 FTE.

SOUTH DAKOTA DEVELOPMENTAL CENTER

The recommendation for the South Dakota Developmental Center includes an increase of \$161,163 in general funds and a decrease of \$82,541 in federal fund expenditure authority. The Governor's recommendation includes increases of \$38,037 in general funds and \$40,585 in federal fund expenditure authority for utility cost adjustments. The total recommended budget is \$12,105,254 in general funds, \$12,986,403 in federal fund expenditure authority, \$792,145 in other fund expenditure authority, and 385.6 FTE.

REHABILITATION SERVICES

The Governor's recommended budget for Rehabilitation Services includes increases of \$76,126 in general funds, \$20,503 in federal fund expenditure authority, and \$70,000 in other fund expenditure authority. The Governor's recommendation includes increases of \$56,522 in general funds and \$40,107 in federal fund expenditure authority for a 2.0% provider inflation increase. This also includes an increase of \$70,000 in other fund expenditure authority for an increase in the Communication Assistance Program contract. The total recommended budget is \$4,444,550 in general funds, \$15,773,637 in federal fund expenditure authority, \$1,493,424 in other fund expenditure authority, and 99.1 FTE.

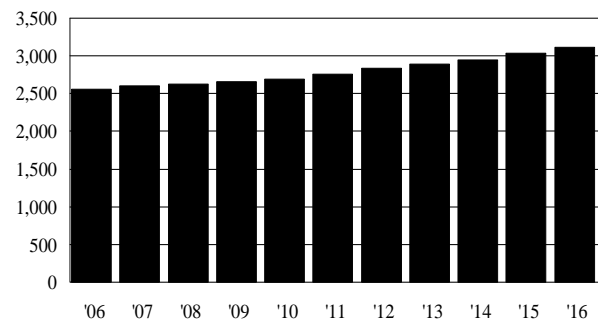
TELECOMMUNICATION DEVICES FOR THE DEAF

The Governor's recommended budget for Telecommunication Devices for the Deaf includes an increase of \$50,000 in other fund expenditure authority for purchases of new technology and related services. The total FY2016 budget is \$1,301,680 in other fund expenditure authority.

SERVICE TO THE BLIND AND VISUALLY IMPAIRED

The Governor is not recommending any changes to the Service to the Blind and Visually Impaired division. The total recommended budget is \$938,644 in general funds, \$2,565,674 in federal fund expenditure authority, \$375,966 in other fund expenditure authority, and 29.2 FTE.

Developmental Disabilities Clients



SOCIAL SERVICES

The Governor's recommended budget for the Department of Social Services is \$464,734,833 in general funds, \$627,974,633 in federal fund expenditure authority, and \$10,090,977 in other fund expenditure authority, for a total FY2016 budget of \$1,102,800,443 and 1,656.3 FTE. This recommendation is an increase of \$13,008,722 in general funds, a decrease of \$12,665,941 in federal fund expenditure authority, and an increase of \$16,806 in other fund expenditure authority over the FY2015 operating budget. This budget includes a funding swap of \$3,141,428 from federal fund expenditure authority to general funds due to the increase in the state's share in the Federal Medical Assistance Percentage (FMAP).

ADMINISTRATION

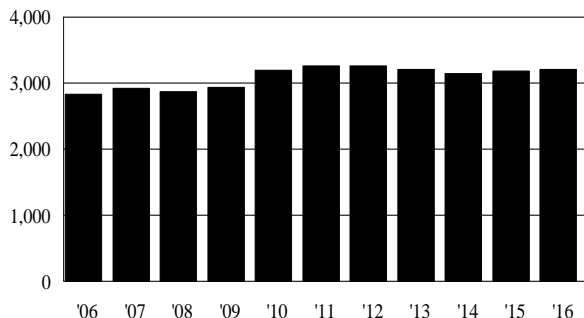
The Governor's recommended changes within Administration include an increase of \$2,896 in general funds along with a decrease of a like

amount in federal fund expenditure authority. The total recommended budget is \$8,695,703 in general funds, \$21,046,720 in federal fund expenditure authority, \$19,095 in other fund expenditure authority, and 182.7 FTE.

ECONOMIC ASSISTANCE

The Governor's recommended budget for Economic Assistance includes increases of \$244,569 in general funds and \$7,609 in federal fund expenditure authority. Increases of \$241,582 in general funds and \$10,596 in federal fund expenditure authority are for a provider inflation increase of 2.0%. The total recommended budget is \$25,117,558 in general funds, \$60,546,943 in federal fund expenditure authority, \$340,303 in other fund expenditure authority, and 320.5 FTE.

TANF Case Load in South Dakota

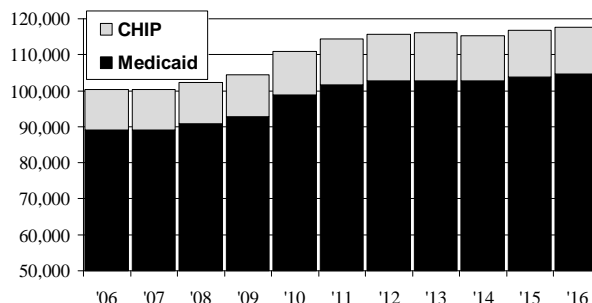


MEDICAL AND ADULT SERVICES

The Governor's recommended budget for Medical and Adult Services includes an increase of \$7,549,694 in general funds and a decrease of \$10,471,639 in federal fund expenditure authority. The FY2016 recommended budget is \$311,325,303 in general funds, \$459,657,439 in federal fund expenditure authority, \$1,788,170 in other fund expenditure authority, and 151.0 FTE. Increases of \$1,379,522 in general funds and \$727,416 in federal fund expenditure authority are for inflationary increases required by federal regulations. The Governor's recommendation also includes \$5,715,288 in general funds and \$5,876,800 in federal fund expenditure authority for a 2.0% provider inflation increase. Increases of \$1,133,113 in general funds and \$3,245,916 in federal fund expenditure authority are due to changes in utilization and the projected number of participants in the Medicaid program. Also included in this recommendation is a funding swap of \$1,211,255 from federal fund expenditure authority to general funds due to the enhanced match rate for the Health Homes program ending. Another funding

swap of \$4,665,641 in general funds to federal fund expenditure authority is due to receiving a temporary enhancement to the Children's Health Insurance Program (CHIP) match rate. A decrease in \$21,000,000 in federal fund expenditure authority is recommended as it is not needed for the Health Information and Technology program.

Medical Assistance Case Loads in South Dakota



CHILDREN'S SERVICES

The Governor's recommended FY2016 budget for Children's Services includes decreases of \$30,699 in general funds and \$2,007,754 in federal fund expenditure authority, along with an increase of \$10,152 in other fund expenditure authority. This includes increases of \$593,634 in general funds and \$62,718 in federal fund expenditure authority for additional subsidized adoptions and guardianships. In addition, increases of \$485,455 in general funds, \$272,726 in federal fund expenditure authority, and \$10,152 in other fund expenditure authority are recommended for a provider inflation increase of 2.0%. Decreases of \$867,854 in general funds and \$1,700,000 in federal fund expenditure authority are due to reduced caseloads in the Child Care subsidies program. Also, decreases of \$428,227 in general funds and \$456,905 in federal fund expenditure authority in psychiatric residential treatment services will be reinvested per the Juvenile Justice Reinvestment Initiative. The total recommended budget for Children's Services is \$45,455,649 in general funds, \$48,403,601 in federal fund expenditure authority, \$4,650,658 in other fund expenditure authority, and 353.8 FTE.

BEHAVIORAL HEALTH

The Governor recommends an increase of \$5,242,262 in general funds, a decrease of \$191,261 in federal fund expenditure authority, and an increase of \$6,654 in other fund expenditure authority. Increases of \$803,170 in general funds, \$245,220 in federal fund expenditure authority, and \$6,654 in other fund expenditure authority are

recommended for a 2.0% provider inflation increase. An increase of \$194,032 in general funds is for increased consumers within community behavioral health. Also, an increase of \$300,000 in general funds is to align rates closer to costs for Alcohol and Drug Abuse Addiction Low Intensity providers. Recommended increases at the Human Services Center (HSC) include \$325,147 in general funds for utility cost adjustments, \$218,390 in general funds for medical supplies and increased operating expenses, and \$34,053 in general funds for the worker's compensation rate increase. Also included in the HSC budget is a funding shift of \$263,386 from federal fund expenditure authority to general funds due to a decrease of federal revenue. An increase of \$2,930,540 in general funds is also recommended for the Juvenile Justice Reinvestment Initiative. The total recommended FY2016 budget is \$74,140,620 in general funds, \$38,319,930 in federal fund expenditure authority, and \$2,859,065 in other fund expenditure authority for a total of \$115,319,615 and 647.0 FTE.

BOARDS – INFORMATIONAL

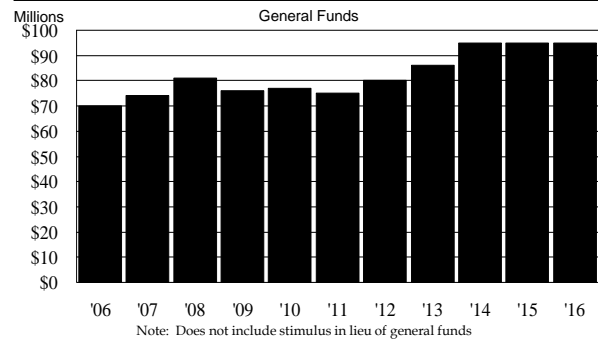
Included in the Department of Social Services are the informational budgets of four boards. The boards are the Board of Counselor Examiners, Board of Psychology Examiners, Board of Social Work Examiners, and the Board of Addiction and Prevention Professionals. The total recommended budget for FY2016 for the Boards is \$433,686 in other fund expenditure authority and 1.3 FTE.

CORRECTIONS

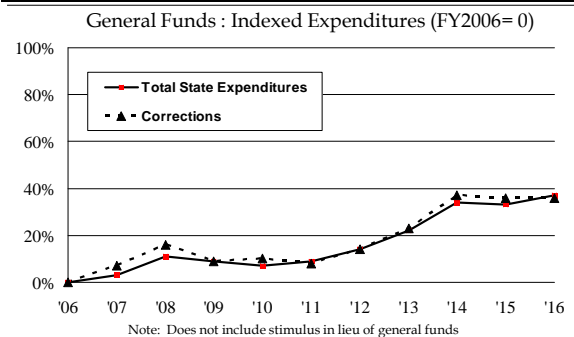
The Governor's FY2016 budget recommendation for the Department of Corrections includes \$95,275,023 in general funds, \$8,332,594 in federal fund expenditure authority, and \$12,716,933 in other fund expenditure authority, for a total FY2016 budget of \$116,324,550 and 877.2 FTE. This budget recommendation consists of increases of \$571,244 in general funds and 3.0 FTE, as well as decreases of \$882,549 in federal fund expenditure authority and \$222,699 in other fund expenditure authority.

The average daily population (ADP) of adult inmates is projected to be 3,598 in FY2016. This represents a decrease of 29 inmates over the actual FY2014 ADP of 3,627 inmates and a decrease of 24 inmates over the budgeted FY2015 ADP of 3,622. The ADP of juveniles is projected to be 608 in FY2015 and FY2016. This represents a decrease of 33 juveniles when compared to the actual FY2014 ADP of 641.

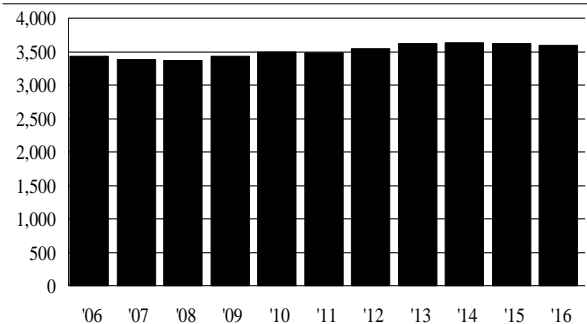
Corrections



Corrections



Average Daily Population of Adult Inmates



ADMINISTRATION

The Governor is recommending a net decrease of \$10,015 in total funds. This is attributed to an increase of \$47,841 in general funds relating to the Comprehensive Offender Management System maintenance contract and a decrease of \$57,856 in federal fund expenditure authority due to reduced federal grant awards. The FY2016 recommended budget for Administration is \$2,025,007 in general funds, \$961,385 in federal fund expenditure authority, \$333,781 in other fund expenditure authority, and 22.0 FTE.

MIKE DURFEE STATE PRISON

The Governor is recommending a net increase of \$45,248 in total funds. Included in this budget are increases of \$98,554 in general funds for utilities and \$25,543 in general funds for clothing and bedding, as well as a decrease of \$127,283 in general funds for food services. The FY2016 recommended budget for Mike Durfee State Prison is \$15,861,495 in general funds, \$119,080 in federal fund expenditure authority, \$1,389,627 in other fund expenditure authority, and 210.0 FTE.

STATE PENITENTIARY

The Governor is recommending a net increase of \$213,570 in total funds. Included in this budget are increases of \$165,771 and 4.0 FTE for Correctional Officers, \$117,701 in general funds for utilities, and \$73,197 for a unit pay differential within Restrictive Housing, as well as a decrease of \$112,107 in general funds for food services. The FY2016 recommended budget for the State Penitentiary is \$20,644,775 in general funds, \$595,803 in federal fund expenditure authority, \$1,252,106 in other fund expenditure authority, and 310.0 FTE.

WOMEN'S PRISON

The Governor is recommending a net decrease of \$24,350 in total funds. Included in this budget is an increase of \$16,200 in general funds for utilities, as well as a decrease of \$43,082 in general funds for food services. The FY2016 recommended budget for the Women's Prison is \$4,957,548 in general funds, \$77,288 in federal fund expenditure authority, \$316,050 in other fund expenditure authority, and 70.0 FTE.

PHEASANTLAND INDUSTRIES

The FY2016 recommended budget for Pheasantland Industries is \$6,047,394 in other fund expenditure authority and 14.0 FTE.

INMATE SERVICES

The Governor is recommending a net increase of \$657,093 in total funds. Included in this budget is an increase of \$500,000 in general funds due to treating inmates with Hepatitis C, as well as an increase of \$136,404 in general funds for a maintenance contract associated with the Electronic Management Record System. Also included are decreases of \$243,940 in federal fund expenditure authority, \$113,283 in other fund expenditure authority, and 1.0 FTE due to an Adult Reentry grant expiring. The FY2016 recommended budget for Inmate Services is \$22,041,361 in general funds, \$127,751 in federal fund expenditure

authority, \$1,611,904 in other fund expenditure authority, and 24.0 FTE.

PAROLE SERVICES

The Governor is recommending an increase of \$78,222 in general funds. Included in this budget are increases of \$28,722 in general funds for the Community Transition Program and \$20,000 in general funds for returning absconders. The FY2016 recommended budget for Parole Services is \$4,205,656 in general funds, \$990,137 in other fund expenditure authority, and 55.0 FTE.

JUVENILE COMMUNITY CORRECTIONS

The Governor is recommending a net decrease of \$1,535,217 in total funds. Included in this budget are decreases of \$1,395,094 in general funds and \$603,285 in federal fund expenditure authority due to decreases in the juvenile average daily population. Also included is an increase of \$51,524 in general funds and a decrease of a like amount in federal fund expenditure authority due to the change in the Federal Medical Assistance Percentage (FMAP). The FY2016 recommended budget for Juvenile Community Corrections is \$15,688,394 in general funds, \$5,795,773 in federal fund expenditure authority, \$567,369 in other fund expenditure authority, and 47.5 FTE.

YOUTH CHALLENGE CENTER

The Governor is recommending an increase of \$23,584 in general funds for a shift pay differential. The FY2016 recommended budget for the Youth Challenge Center is \$1,770,377 in general funds, \$14,942 in other fund expenditure authority, and 29.0 FTE.

PATRICK HENRY BRADY ACADEMY

The Governor is recommending an increase of \$23,584 in general funds for a shift pay differential. The FY2016 recommended budget for the Patrick Henry Brady Academy is \$1,762,993 in general funds, \$14,280 in other fund expenditure authority, and 29.0 FTE.

STATE TREATMENT AND REHABILITATION ACADEMY

The Governor is recommending a net decrease of \$20,884 in total funds. Included in this budget are increases of \$12,854 in general funds for a shift pay differential, \$13,500 in general funds for contract agreements, as well as a decrease of \$4,293 in general funds for food services. The FY2016 recommended budget for the State Treatment and Rehabilitation Academy is \$5,025,553 in general

funds, \$655,514 in federal fund expenditure authority, \$166,050 in other fund expenditure authority, and 45.7 FTE.

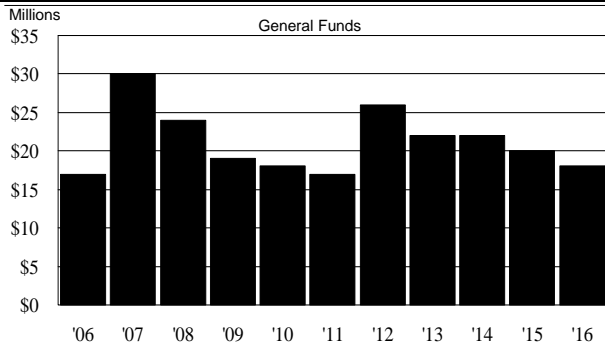
QUEST

The Governor is recommending an increase of \$15,161 in general funds for a shift pay differential. The FY2016 recommended budget for QUEST is \$1,291,864 in general funds, \$13,293 in other fund expenditure authority, and 21.0 FTE.

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

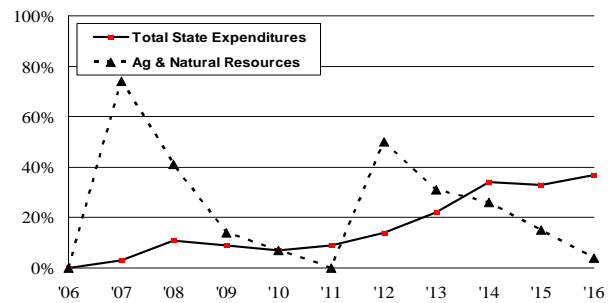
The budgets included in this category are the Department of Agriculture, Department of Environment and Natural Resources, and Department of Game, Fish, and Parks. General funds account for an increase of \$0.1 million out of the \$49.2 million in total ongoing general fund increases. This budget represents an increase of \$1.3 million out of the \$61.2 million in total ongoing fund increases for FY2016. In terms of the total ongoing state budget, this category is 1.2% of the general funds and 3.5% of the total ongoing funds, which amounts to \$150.3 million in total ongoing funding.

Agriculture, Natural Resources and Game, Fish, and Parks



Agriculture, Natural Resources and Game, Fish, and Parks

General Funds : Indexed Expenditures (FY2006 = 0)



AGRICULTURE

The total recommended budget for the Department of Agriculture is \$44,710,309, consisting of \$6,667,233 in general funds, \$7,269,252 in federal fund expenditure authority, \$30,773,824 in other fund expenditure authority, and 225.9 FTE. The Governor is recommending total increases of \$5,325 in general funds and \$4,475 in federal fund expenditure authority, along with a decrease of \$1,364,200 in other fund expenditure authority.

OFFICE OF THE SECRETARY

The total recommended budget for the Office of the Secretary is \$1,062,441, consisting of \$835,404 in general funds, \$58,124 in federal fund expenditure authority, \$168,913 in other fund expenditure authority, and 9.5 FTE.

AGRICULTURAL SERVICES AND ASSISTANCE

The total recommended budget for Agricultural Services and Assistance includes \$1,896,786 in general funds, \$3,854,292 in federal fund expenditure authority, and \$3,083,100 in other fund expenditure authority, for a total budget of \$8,834,178 and 83.1 FTE

AGRICULTURAL DEVELOPMENT AND PROMOTION

The Governor's recommended budget for Agricultural Development and Promotion is \$4,288,219, consisting of \$1,668,700 in general funds, \$1,696,593 in federal fund expenditure authority, \$922,926 in other fund expenditure authority, and 27.8 FTE.

ANIMAL INDUSTRY BOARD

The total recommended budget for the Animal Industry Board is \$3,927,686 and 41.0 FTE. This

budget is comprised of \$1,996,498 in general funds, \$1,660,243 in federal fund expenditure authority, and \$270,945 in other fund expenditure authority. This includes increases of \$5,325 in general funds and \$4,475 in federal fund expenditure authority for food safety programs and telecommunications expenses.

BOARDS AND COMMISSIONS – INFORMATIONAL

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 Medical Examiners, and the Pulse Crops Council. The total recommended budget for the Agricultural Boards and Commissions is \$23,536,486 in other fund expenditure authority and 45.0 FTE. The Governor is recommending increases in other fund expenditure authority of \$221,237 in the American Dairy Association, \$868,759 in the Wheat Commission, and \$61,072 in the Oilseeds Council. The Governor is also recommending decreases in other fund expenditure authority of \$2,751,485 in the Soybean Research and Promotion Council, \$30,239 in the Brand Board, and \$8,544 in the Pulse Crops Council. The total decrease in other fund expenditure authority for the boards and commissions is \$1,639,200.

STATE FAIR

The total recommended budget for the State Fair is \$269,845 in general funds and \$2,791,454 in other fund expenditure authority for a total budget of \$3,061,299 and 19.5 FTE. This includes an increase of \$275,000 in other fund expenditure authority to reflect anticipated expenditures.

ENVIRONMENT AND NATURAL RESOURCES

The total recommended budget for the Department of Environment and Natural Resources totals \$23,300,008 and consists of \$6,171,692 in general funds, \$7,876,965 in federal fund expenditure authority, \$9,251,351 in other fund expenditure authority, and 180.5 FTE.

FINANCIAL AND TECHNICAL ASSISTANCE

The total recommended budget for Financial and Technical Assistance is \$5,497,369 and 56.5 FTE, consisting of \$2,363,458 in general funds, \$2,065,361 in federal fund expenditure authority, and \$1,068,550 in other fund expenditure authority.

ENVIRONMENTAL SERVICES

The total recommended budget for Environmental Services is \$12,732,774 and 119.0 FTE, consisting of \$3,808,234 in general funds, \$5,811,604 in federal fund expenditure authority, and \$3,112,936 in other fund expenditure authority.

REGULATED RESPONSE FUND – INFORMATIONAL

The Regulated Response Fund budget is informational and continuously appropriated with \$1,750,002 in other fund expenditure authority.

LIVESTOCK CLEANUP FUND – INFORMATIONAL

The Livestock Cleanup Fund budget is informational and continuously appropriated with \$765,000 in other fund expenditure authority.

PETROLEUM RELEASE COMPENSATION

The total recommended budget for Petroleum Release Compensation is \$2,554,863 in other fund expenditure authority and 5.0 FTE.

GAME, FISH, AND PARKS

The total recommended budget for the Department of Game, Fish, and Parks totals \$82,296,805, including \$5,076,347 in general funds, \$26,121,681 in federal fund expenditure authority, \$51,098,777 in other fund expenditure authority, and 568.4 FTE. This budget reflects an overall increase of \$2,637,403, including increases of \$135,557 in general funds, \$2,583,093 in federal fund expenditure authority, and 1.0 FTE, and a decrease of \$81,247 in other fund expenditure authority.

ADMINISTRATION

The total recommended budget for Administration includes \$946,064 in general funds, \$2,275,721 in other fund expenditure authority, and 20.1 FTE, for a total budget of \$3,221,785. This includes a decrease of \$2,030 in general funds resulting from changes in bond payments related to the Division of Wildlife's fish hatcheries. This recommendation also includes a decrease of \$1,124,475 of other fund expenditure authority and 5.0 FTE to reflect the movement of the License Office from the Division of Administration to the Division of Wildlife.

WILDLIFE – INFORMATIONAL

The total recommended budget for the Division of Wildlife is \$46,529,960, composed of \$17,286,759 in federal fund expenditure authority, \$29,243,201 in other fund expenditure authority, and 295.0 FTE. Included in this budget is an increase of \$1,205,509 in federal fund expenditure authority and a decrease of \$84,759 in other fund expenditure authority to align the budget with anticipated expenditures that include a Walk-In Area program, program spending for elk, bighorn sheep, and mountain goats, and machinery purchases. This also includes an increase of \$1,124,475 of other fund expenditure authority and 5.0 FTE to reflect the movement of the License Office from the Division of Administration to the Division of Wildlife.

WILDLIFE DEVELOPMENT AND IMPROVEMENT – INFORMATIONAL

The total recommended budget for the Wildlife Development and Improvement Division is \$1,130,000, including \$868,750 in federal fund expenditure authority and \$261,250 in other fund expenditure authority. This includes decreases of \$225,000 in federal fund expenditure authority and \$157,000 in other fund expenditure authority to align the budget with anticipated costs from the capital development project list.

STATE PARKS AND RECREATION

The total recommended budget for the Division of State Parks and Recreation is \$21,841,228 and 244.2 FTE, consisting of \$4,130,283 in general funds, \$3,401,559 in federal fund expenditure authority, and \$14,309,386 in other fund expenditure authority. This includes an increase of \$137,587 in general funds due to changes in bond payments related to the Custer State Park, the Angostura Recreation Area, the Cedar Shore Resort marina, and Good Earth State Park. A like amount of the State Parks and Recreation other funds are transferred into the general fund resulting in a net zero impact to the general fund. Increases of \$99,721 in federal fund expenditure authority, \$302,075 in other fund expenditure authority and 1.0 FTE are for daily operational functions within the statewide park system.

STATE PARKS AND RECREATION DEVELOPMENT AND IMPROVEMENT

The total recommended budget for the State Parks and Recreation Development and Improvement Division is \$8,212,500, composed of \$4,388,613 in federal fund expenditure authority and \$3,823,887 in other fund expenditure authority. This includes an increase of \$1,558,863 in federal fund expenditure authority and a decrease of \$132,563 in other fund

expenditure authority to align the budget with anticipated costs from the capital development project list.

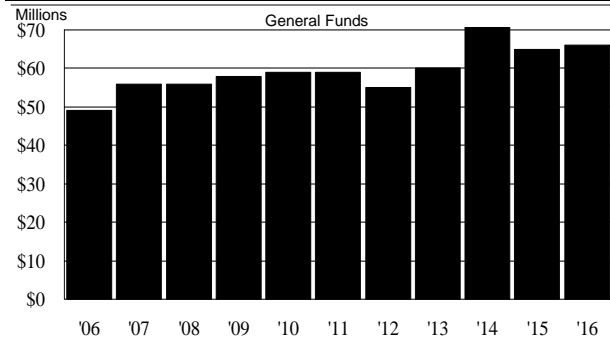
SNOWMOBILE TRAILS – INFORMATIONAL

The total recommended budget for the Snowmobile Trails Program is \$1,361,332, consisting of \$176,000 in federal fund expenditure authority, \$1,185,332 in other fund expenditure authority, and 9.1 FTE. The Governor is recommending decreases of \$56,000 in federal fund expenditure authority and \$9,000 in other fund expenditure authority to reflect changes in the capital asset budget.

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

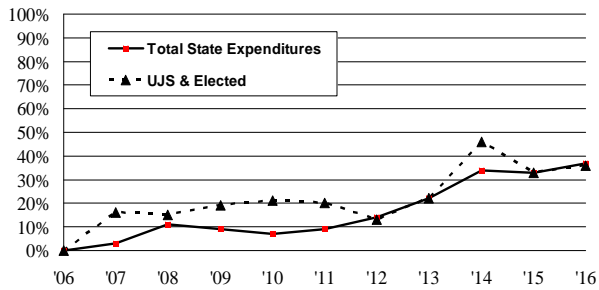
The budgets included in this category are the Legislature, Unified Judicial System, Public Utilities Commission, Office of the Attorney General, Secretary of State, School and Public Lands, Office of the State Auditor, and Office of the State Treasurer. General funds account for an increase of \$1.8 million out of the \$49.2 million in total ongoing increases. This budget represents a \$1.7 million increase out of the \$61.2 million in total ongoing fund increases for FY2016. In terms of the total ongoing state budget, this category is 4.5% of the general funds and 2.7% of the total ongoing funds, which amounts to \$118.1 million in total ongoing funding.

UJS, Legislature and Elected Officials



UJS, Legislature and Elected Officials

General Funds : Indexed Expenditures (FY2006=0)



LEGISLATURE

The FY2016 budget for the Legislature is \$9,184,811 in general funds, \$6,000 in other fund expenditure authority, and 70.3 FTE.

The Legislative Research Council's budget includes a decrease of \$29,000 in other fund expenditure authority. The overall FY2016 budget for the Legislative Research Council is \$5,724,065 in general funds, \$6,000 in other fund expenditure authority, and 31.3 FTE.

A general fund increase of \$82,340 for the Auditor General is recommended to meet the anticipated needs for ongoing costs related to salaries and benefits. The overall FY2016 budget for Legislative Audit is \$3,460,746 in general funds and 39.0 FTE.

UNIFIED JUDICIAL SYSTEM

The Governor's recommended changes for the Unified Judicial System include increases of \$1,101,665 in general funds, \$31,818 in federal fund expenditure authority, and 7.3 FTE, as well as a decrease of \$2,201,483 in other fund expenditure authority.

This recommendation includes increases of \$676,471 in general funds, \$31,818 in federal fund expenditure authority, \$3,000 in other fund expenditure authority, and 7.0 FTE for Drug/DUI Courts. This consists of 1.0 FTE for a Magistrate Judge, 3.0 FTE for Court Services Officers, 2.0 FTE for Drug/DUI Court Coordinators, and 1.0 FTE for a Drug/DUI Court Specialist. Also recommended is an increase of \$85,805 in general funds and a decrease of a like amount in other fund expenditure authority to move towards structurally balancing the Law Enforcement Officers Training Fund. Increases of \$18,769 in general funds and \$701 in federal fund expenditure authority are for a 2.0% provider inflation increase. Also, a decrease of

\$2,118,678 in other fund expenditure authority is primarily due to reduced contractual services.

The total recommended budget for the Unified Judicial System is \$50,604,595, consisting of \$40,553,814 in general funds, \$785,081 in federal fund expenditure authority, \$9,265,700 in other fund expenditure authority, and 571.7 FTE.

PUBLIC UTILITIES COMMISSION

The total recommended budget for the Public Utilities Commission is \$4,363,184, consisting of \$555,963 in general funds, \$330,588 in federal fund expenditure authority, \$3,476,633 in other fund expenditure authority, and 31.2 FTE. This includes a decrease of 3.0 FTE and \$221,637 in American Recovery and Reinvestment Act (ARRA) federal fund expenditure authority which is no longer needed. Also included is an increase of \$20,419 in other fund expenditure authority for Do Not Call activities.

ATTORNEY GENERAL

The Governor's FY2016 budget recommendation for the Office of the Attorney General consists of \$10,567,088 in general funds, \$4,279,116 in federal fund expenditure authority, and \$9,238,087 in other fund expenditure authority, for a total FY2016 budget of \$24,084,291 and 178.0 FTE. This budget recommendation includes increases of \$645,885 in general funds and 1.0 FTE, as well a decrease of \$521,996 in other fund expenditure authority.

LEGAL SERVICES

The FY2016 recommended budget for the Legal Services Program is \$8,076,353 in total funds and 68.0 FTE. Included in this budget recommendation are increases of \$101,425 in general funds and 1.0 FTE for an attorney to assist county and local jurisdictions with violent crime and drug prosecutions.

CRIMINAL INVESTIGATION

The FY2016 recommended budget for the Department of Criminal Investigation is \$13,385,400 in total funds and 93.5 FTE. Included in this budget is an increase of \$257,041 in general funds and a decrease of a like amount in other fund expenditure authority to move towards structurally balancing the Law Enforcement Officers Training Fund.

LAW ENFORCEMENT TRAINING

The FY2016 recommended budget for the Law Enforcement Training Program is \$2,148,210 in total funds and 11.5 FTE. Included in this budget is an increase of \$264,955 in general funds and a decrease of a like amount in other fund expenditure authority to move towards structurally balancing the Law Enforcement Officers Training Fund.

911 TRAINING

The FY2016 recommended budget for the 911 Training Program is \$220,061 in total funds and 2.0 FTE.

INSURANCE FRAUD UNIT - INFORMATIONAL

The FY2016 budget for the Insurance Fraud Unit is \$254,267 in total funds and 3.0 FTE.

SECRETARY OF STATE

The Governor's recommendation for the Secretary of State's FY2016 budget is \$962,591 in general funds, \$3,148,284 in federal fund expenditure authority, \$478,529 in other fund expenditure authority, and 15.6 FTE.

SCHOOL AND PUBLIC LANDS

The Governor's recommendation for the FY2016 School and Public Lands' budget is \$536,026 in general funds, \$325,000 in other fund expenditure authority, and 6.0 FTE.

STATE AUDITOR

The Governor's recommendation for the State Auditor's FY2016 budget is \$1,213,958 in general funds, \$100,000 in other fund expenditure authority, and 16.0 FTE.

STATE TREASURER

The total recommended FY2016 budget is \$23,133,603, consisting of \$522,864 in general funds, \$22,610,739 in other fund expenditure authority, and 41.3 FTE. This includes a total increase of \$2,817,046 in other fund expenditure authority and 2.3 FTE.

TREASURY MANAGEMENT

The total budget within Treasury Management is \$522,864 in general funds and 5.2 FTE for FY2016.

UNCLAIMED PROPERTY - INFORMATIONAL

The total recommended budget for Unclaimed Property is \$5,797,117 in other fund expenditure authority and 3.8 FTE. This includes an increase of \$1,502,342 in other fund expenditure authority to align the budget with anticipated expenditures for claim payments and capital outlay expenses.

INVESTMENT OF STATE FUNDS

The Governor is recommending an increase of \$517,900 in other fund expenditure authority and 2.3 FTE within Investment of State Funds for the South Dakota Investment Council (SDIC). This includes \$147,454 in other fund expenditure authority and 2.0 FTE for two entry level investment positions. This represents the second step to add six new positions over several years in accordance with the SDIC's long term plan. The remaining expenditure authority and 0.3 FTE is for promotional development and salary adjustments, for a part-time attorney to continue legal services needed by the SDIC, and miscellaneous adjustments to align the budget with anticipated expenses. The total recommended budget for the Investment of State Funds is \$7,670,336 in other fund expenditure authority and 32.3 FTE.

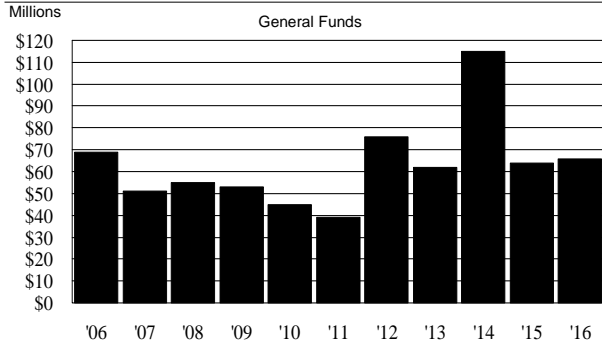
PERFORMANCE BASED COMPENSATION

The Governor is recommending an increase of \$796,804 in other fund expenditure authority within Performance Based Compensation for the SDIC. The total recommended budget for the Performance Based Compensation is \$9,143,286 in other fund expenditure authority.

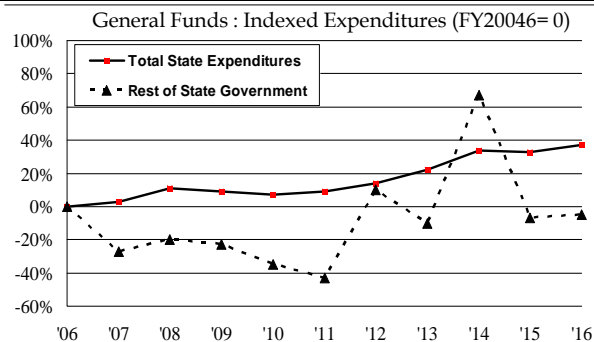
REMAINDER OF STATE GOVERNMENT

The budgets included in this category are the Departments of Executive Management, Military, Veterans' Affairs, Revenue, Tourism, Tribal Relations, Transportation, Labor and Regulation, and Public Safety. General funds account for an increase of \$14.1 million out of the \$49.2 million in total ongoing increases. This budget represents an increase of \$45.9 million out of the \$61.2 million in total ongoing fund increases for FY2016. Included in this category is the Employee Compensation pool budgeted in Executive Management, totaling \$11.1 million in general funds and \$28.8 million in total funds. In terms of the total ongoing state budget, this category is 4.3% of the general funds and 25.0% of the total ongoing funds, which amounts to \$1.1 billion in total ongoing funding.

Remainder of State Government



Remainder of State Government



EXECUTIVE MANAGEMENT

The Governor's recommendation for the Department of Executive Management includes increases of \$14,999,414 in general funds, \$5,396,653 in federal fund expenditure authority, \$9,610,253 in other fund expenditure authority, and 23.0 FTE. The total FY2016 budget includes \$45,883,696 in general funds, \$22,746,425 in federal fund expenditure authority, \$153,658,576 in other fund expenditure authority, and 831.6 FTE.

GOVERNOR'S OFFICE

The total recommended budget for the Governor's Office including the Lt. Governor is \$2,326,105 in general funds, \$278,621 in federal fund expenditure authority, and 22.0 FTE.

OFFICE OF ECONOMIC DEVELOPMENT

The Governor's total recommended FY2016 budget is \$6,363,143 in general funds, \$13,823,659 in federal fund expenditure authority, \$48,651,796 in other fund expenditure authority, and 140.6 FTE. This includes a decrease of \$100,000 in federal fund expenditure authority along with an increase of

\$6,656,520 in other fund expenditure authority. This recommendation includes an increase of \$1,607,971 in other fund expenditure authority due to changes in the Governor's House program. A federal program being decreased, increases in insurance, and increases in the staff workloads result in a net increase of \$270,886 in other fund expenditure authority along with a decrease of \$100,000 in federal fund expenditure authority in the South Dakota Housing Authority budget. Also recommended is an increase of \$2,677,683 in other fund expenditure authority to reflect anticipated expenses for various construction projects for the South Dakota Science and Technology Authority. An increase of \$2,100,000 in other fund expenditure authority is to align the Building South Dakota budget with anticipated disbursements.

BUREAU OF FINANCE AND MANAGEMENT

The total recommended FY2016 budget is \$17,711,651 in general funds, \$6,469,142 in federal fund expenditure authority, \$22,645,494 in other fund expenditure authority, and 42.0 FTE. This includes increases of \$11,799,858 in general funds, \$6,468,401 in federal fund expenditure authority, \$10,984,392 in other fund expenditure authority, and 2.0 FTE. Increases of 2.0 FTE and \$165,707 in other fund expenditure authority are recommended for an aggressive initiative to complete the comprehensive annual financial reports within a required 6-month timeframe. A general fund decrease of \$530,000 is attributable to the Bureau of Finance and Management's sale-leaseback payment schedule.

The Governor recommends net increases to the employee compensation pool for state employees of \$11,134,753 in general funds, \$5,569,406 in federal fund expenditure authority, and \$12,084,389 in other fund expenditure authority. Also recommended are increases to the bureau billings pool of \$603,058 in general funds, \$513,792 in federal fund expenditure authority, and \$1,544,347 in other fund expenditure authority to be distributed to agency budgets. Also, increases to the captive insurance pool of \$592,982 in general funds, \$385,944 in federal fund expenditure authority, and \$751,224 in other fund expenditure authority are due to the implementation of a captive insurance plan and will also be distributed to agencies.

An increase of \$169,329 in other fund expenditure authority is recommended for financial systems software maintenance. Decreases in other fund expenditure authority of \$88,958 for the South Dakota Building Authority and \$47,537 for the Health and Educational Facilities Authority are to align the budget with anticipated expenditures.

BUREAU OF ADMINISTRATION

The Governor recommends an increase of \$3,199,556 in general funds and a decrease of \$1,518,172 in other fund expenditure authority. This recommendation includes an increase of \$3,239,806 in general funds for the maintenance and repair (M&R) of state buildings. This is the third year of a four year plan to reach an M&R budget which is 2% of the replacement value of the buildings. A decrease of \$1,600,000 in other fund expenditure authority is due to the end of the Statewide M&R fund. A decrease of \$40,250 in general funds are for the Bureau of Administration's sale-leaseback payments. An increase of \$81,828 in other fund expenditure authority is recommended for increased utility costs based on estimates for the Capital Complex. The FY2016 recommended budget is \$12,551,140 in general funds, \$500,000 in federal fund expenditure authority, \$30,016,452 in other fund expenditure authority, and 163.0 FTE.

BUREAU OF INFORMATION AND TELECOMMUNICATIONS

The Governor recommends increases of \$2,380,750 in other fund expenditure authority and 18.0 FTE, along with a decrease of \$520,783 in federal fund expenditure authority. An increase of \$575,000 in other fund expenditure authority is recommended to allow BIT to purchase Microsoft Core and Remote Desktop Client Access Licenses for all state government users. Increases of \$1,444,600 in other fund expenditure authority and 16.0 FTE are for additional specialty application developers. An additional 4.0 FTE and \$361,150 in other fund expenditure authority are for data center staff to support the work being completed by the additional development staff. A decrease of \$520,783 in federal fund expenditure authority and 2.0 FTE is related to the completion of the American Recovery and Reinvestment Act Broadband Mapping grant. The Governor's total recommended FY2016 budget for the Bureau of Information and Telecommunications is \$6,668,898 in general funds, \$1,625,003 in federal fund expenditure authority, \$45,555,492 in other fund expenditure authority, and 390.5 FTE.

BUREAU OF HUMAN RESOURCES

The Governor recommends an increase of 3.0 FTE along with decreases of \$450,965 in federal fund expenditure authority and \$8,893,237 in other fund expenditure authority. Increases of \$167,119 in other fund expenditure authority and 3.0 FTE is for a compensation specialist, trainer, and management analyst to assist in the conversion and ongoing support of the new state compensation system. Decreases of \$450,965 in federal fund expenditure authority and \$9,060,356 in other fund

expenditure authority are due to the end of the Risk Pool. The total FY2016 budget consists of \$262,759 in general funds, \$50,000 in federal fund expenditure authority, \$6,789,342 in other fund expenditure authority, and 73.5 FTE.

MILITARY

The Governor's FY2016 budget recommendation for the Department of Military includes \$4,014,748 in general funds, \$19,109,162 in federal fund expenditure authority, \$28,602 in other fund expenditure authority, and 104.4 FTE. The budget reflects increases of \$255,127 in general funds and \$996,531 in federal fund expenditure authority.

OFFICE OF THE ADJUTANT GENERAL

The Governor's FY2016 budget recommendation for the Office of the Adjutant General includes \$919,493 in general funds, \$10,306 in federal fund expenditure authority, \$28,544 in other fund expenditure authority, and 5.3 FTE.

ARMY GUARD

The Governor's recommendation for the Army Guard includes increases of \$246,297 in general funds and \$970,042 in federal fund expenditure authority. The Governor is recommending increases of \$209,800 in general funds and \$839,196 in federal fund expenditure authority for statewide maintenance and repair (M&R) on South Dakota National Guard armories. This is the third year of a four year plan to reach an M&R budget which is 2% of the replacement value of the buildings. The remainder of the increases due to utilities costs. The overall FY2016 budget for the Army Guard division is \$16,480,302 in total funds and 52.1 FTE.

AIR GUARD

The Governor's FY2016 budget recommendation is \$424,178 in general funds and \$5,289,689 in federal fund expenditure authority. The increases of \$8,830 in general funds and \$26,489 in federal fund expenditure authority are for increased utility rates. The overall FY2016 budget for the Air Guard division is \$5,713,867 in total funds and 47.0 FTE.

VETERANS' AFFAIRS

The Governor's FY2016 budget recommendation for the Department of Veterans' Affairs includes \$2,402,868 in general funds, \$1,315,630 in federal fund expenditure authority, and \$5,943,245 in other fund expenditure authority, for a total of \$9,661,743 and 105.7 FTE. This budget recommendation consists of a decrease of \$1,451,277 in general

funds and increases of \$174,986 in federal fund expenditure authority and \$186,920 in other fund expenditure authority.

VETERANS' BENEFITS AND SERVICES

The recommended FY2016 budget for Veterans' Benefits and Services is \$1,418,701 in general funds, \$265,553 in federal fund expenditure authority, and \$61,000 in other fund expenditure authority. Included in this budget recommendation is an increase of \$3,750 in general funds related to the County Veterans Service Officers program. The overall FY2016 budget for Veterans' Benefits and Services is \$1,745,254 in total funds and 20.0 FTE.

STATE VETERANS' HOME

The Governor's recommendation for the State Veterans' Home includes a decrease of \$1,455,027 in general funds and increases of \$174,986 in federal fund expenditure authority and \$186,920 in other fund expenditure authority. The Governor is recommending a decrease of \$1,589,069 in general funds which was related to the bond payment for the new State Veterans' Home construction in Hot Springs. The overall FY2016 budget for the State Veterans' Home is \$7,916,489 in total funds and 85.7 FTE.

REVENUE

The Governor's recommended FY2016 budget for the Department of Revenue totals \$73,638,880, consisting of \$1,228,995 in general funds, \$72,409,885 in other fund expenditure authority, and 248.5 FTE. The Governor is recommending total increases of \$60,594 in general funds, \$1,307,125 in other fund expenditure authority, and 1.0 FTE for the Department.

SECRETARIAT

The total FY2016 Governor's recommended budget for the Secretariat division consists of \$3,558,148 in other fund expenditure authority and 28.0 FTE.

BUSINESS TAX

The total FY2016 Governor's recommended budget for Business Tax consists of \$4,319,774 in other fund expenditure authority and 57.5 FTE.

MOTOR VEHICLES

The total FY2016 Governor's recommended budget for Motor Vehicles consists of \$8,642,597 in other fund expenditure authority and 46.0 FTE. An increase of \$1,017,000 in other fund expenditure

authority will pay for costs related to the new license plate production. An increase of \$268,000 in other fund expenditure authority is recommended for postage and mailing service costs for the Plate on Demand system, which allows direct shipment of license plates to citizens without having to drive to county courthouses. The total recommended increase for Motor Vehicles is \$1,285,000 in other fund expenditure authority.

PROPERTY AND SPECIAL TAXES

The total FY2016 Governor's recommended budget for Property and Special Taxes consists of \$1,228,995 in general funds and 15.0 FTE. Increases of \$49,229 and 1.0 FTE are for an additional revenue agent in the special taxes area to address the increase in current licenses and anticipated new licenses related to direct wine shipments. An increase of \$11,365 in general funds is due to the reclassification of a position within the division. The total recommended increase for FY2016 is \$60,594 in general funds and 1.0 FTE.

AUDITS

The total FY2016 Governor's recommended budget consists of \$4,424,253 in other fund expenditure authority and 55.0 FTE. An increase of \$22,125 in other fund expenditure authority is to align the travel budget with anticipated expenses for FY2016 including new lodging rates.

LOTTERY

The total FY2016 Governor's recommended budget for Lottery is \$40,855,689 of other fund expenditure authority and 31.0 FTE.

COMMISSION ON GAMING – INFORMATIONAL

The total FY2016 Governor's recommended budget for the Commission on Gaming is \$10,609,424 in other fund expenditure authority and 16.0 FTE.

TOURISM

The Governor's recommended budget for the Department of Tourism consists of \$1,939,058 in general funds, \$1,808,585 in federal fund expenditure authority, \$17,224,473 in other fund expenditure authority, and 72.0 FTE.

TOURISM

The Tourism budget is funded by revenues generated from Deadwood Gaming, a gross

receipts tax on hotel rooms and other tourist activities, and the Co-op Revolving Fund. The total FY2016 recommended budget consists of \$13,655,321 in other fund expenditure authority and 25.0 FTE.

ARTS

The total recommended FY2016 Arts budget consists of \$878,000 in federal fund expenditure authority, \$821,821 in other fund expenditure authority, and 3.0 FTE.

HISTORY

The total recommended FY2016 History budget consists of \$1,939,058 in general funds, \$930,585 in federal fund expenditure authority, \$2,747,331 in other fund expenditure authority, and 44.0 FTE.

TRIBAL RELATIONS

The Governor's recommended change to the FY2016 budget consists of an increase of \$5,000 in general funds along with decreases of \$100,000 in federal fund expenditure authority and \$80,000 in other fund expenditure authority. This includes an increase of \$5,000 in general funds related to the Juvenile Justice Reinvestment Initiative. The decreases in federal and other fund expenditure authority are recommended as this budgeted expenditure authority is not needed. The total recommended FY2016 budget for the Department of Tribal Relations budget is \$442,451 in general funds, \$20,000 in other fund expenditure authority, and 5.0 FTE.

TRANSPORTATION

The recommended FY2016 budget for the Department of Transportation is \$615,715,814 consisting of \$524,954 in general funds, \$389,390,750 in federal fund expenditure authority, \$225,800,110 in other fund expenditure authority, and 1,026.3 FTE. The FY2016 budget includes increases of \$8,686,089 in federal fund expenditure authority and \$5,600,000 in other fund expenditure authority.

GENERAL OPERATIONS

The Governor's total FY2016 recommended budget for General Operations includes \$524,954 in general funds, \$42,321,877 in federal fund expenditure authority, \$149,705,825 in other fund expenditure authority, and 1,026.3 FTE. This includes increases of \$8,686,089 in federal fund expenditure authority and \$5,600,000 in other fund expenditure authority for railroad projects.

CONSTRUCTION CONTRACTS - INFORMATIONAL

The total budget for Construction Contracts is \$423,163,158, consisting of \$347,068,873 in federal fund expenditure authority and \$76,094,285 in other fund expenditure authority. The Construction Contracts division makes up 69% of the Department of Transportation's budget.

LABOR & REGULATION

The Governor's FY2016 recommendation for the Department of Labor and Regulation is \$1,451,741 in general funds, \$37,698,661 in federal fund expenditure authority, and \$13,952,438 in other fund expenditure authority, for \$53,102,840 in total funds and 484.7 FTE. This includes increases of \$166,391 in general funds and \$73,000 in other expenditure authority.

ADMINISTRATION

The recommended budget is \$605,033 in general funds, \$18,943,818 in federal fund expenditure authority, and \$239,157 in other fund expenditure authority. The FY2016 budget for Administration is \$19,788,008 in total funds and 53.5 FTE.

UNEMPLOYMENT INSURANCE

The recommended FY2016 budget is \$5,698,124 in federal fund expenditure authority and 92.0 FTE.

EMPLOYMENT SERVICES

The recommended budget is \$166,391 in general funds, \$11,856,569 in federal fund expenditure authority, and 184.0 FTE. This includes an increase of \$166,391 in general funds for the Dakota Roots program.

STATE LABOR LAW ADMINISTRATION

The total recommended budget is \$680,317 in general funds, \$460,951 in federal fund expenditure authority, \$481,471 in other fund expenditure authority, and 19.0 FTE.

PROFESSIONAL AND OCCUPATIONAL LICENSING - INFORMATIONAL

This division is comprised of the informational budgets of nine professional and occupational licensing boards including: Board of Accountancy, Board of Barber Examiners, Cosmetology Commission, Plumbing Commission, Board of Technical Professions, the Electrical Commission, the Abstractors Board of Examiners, the Real

Estate Commission, and the South Dakota Athletic Commission. The Governor's FY2016 recommendation for the Boards and Commissions include other fund expenditure authority increases to match projected expenditures within the Board of Accountancy for \$50,000, the Cosmetology Commission for \$13,000, and the Plumbing Commission for \$10,000. The recommended FY2016 budget is \$3,823,001 in other fund expenditure authority and 43.0 FTE.

BANKING

The recommended FY2016 budget is \$2,502,619 in other fund expenditure authority and 24.5 FTE.

SECURITIES

The FY2016 recommended budget consists of \$494,897 in other fund expenditure authority and 5.7 FTE.

INSURANCE

The Governor's FY2016 recommended budget consists of \$739,199 in federal fund expenditure authority and \$2,208,125 in other fund expenditure authority, for \$2,947,324 in total funds and 30.0 FTE.

SOUTH DAKOTA RETIREMENT SYSTEM

The Governor's FY2016 recommended budget for the South Dakota Retirement System is \$4,203,168 in other fund expenditure authority and 33.0 FTE. Included in this recommendation is an increase of \$31,000 in other fund expenditure authority to reflect anticipated expenditures for travel, contractual services, and capital assets.

PUBLIC SAFETY

The Governor's FY2016 budget recommendation for the Department of Public Safety includes \$3,864,634 in general funds, \$23,055,134 in federal fund expenditure authority, and \$36,557,452 in other fund expenditure authority, for \$63,477,220 in total funds and 419.0 FTE. This includes an increase of \$21,380 in general funds.

ADMINISTRATION

The Governor's FY2016 budget recommendation for Administration is \$133,725 in general funds, \$141,657 in federal fund expenditure authority, and \$712,278 in other fund expenditure authority, for \$987,660 in total funds 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 FY2016 recommendation includes \$1,352,978 in general funds, \$7,802,916 in federal fund expenditure authority, and \$22,870,162 in other fund expenditure authority. The overall FY2016 budget for Highway Patrol is \$32,026,056 in total funds and 278.0 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 FY2016 budget recommendation for the Division of Emergency Services and Homeland Security includes \$1,659,899 in general funds, \$15,014,942 in federal fund expenditure authority, and \$344,310 in other fund expenditure authority, for \$17,019,151 in total funds and 36.0 FTE.

LEGAL AND REGULATORY SERVICES

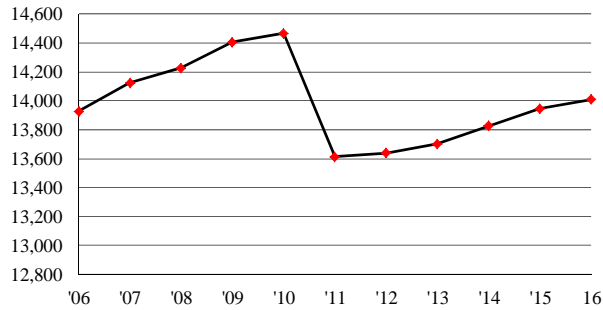
The Division of Legal and Regulatory Services includes Weights and Measures, Driver Licensing, and Inspections. The FY2016 recommended budget includes \$718,032 in general funds, \$95,619 in federal fund expenditure authority, and \$7,727,791 in other fund expenditure authority. The Governor is recommending increases of \$21,380 in general funds due to increased fees in Weights and Measures. The overall FY2016 budget for Legal and Regulatory Services is \$8,541,442 in total funds and 95.5 FTE.

911 COORDINATION BOARD - INFORMATIONAL

The FY2016 budget for the 911 Coordination Board is \$4,902,911 in other fund expenditure authority and 1.0 FTE.

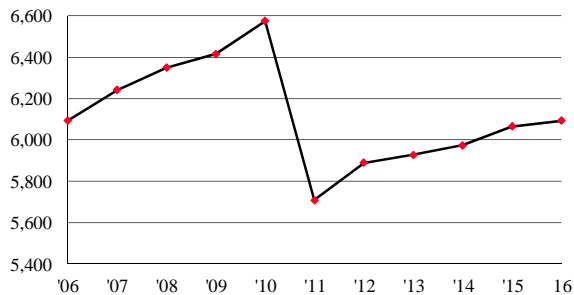
FTE CHANGE

FTE History All of State Government



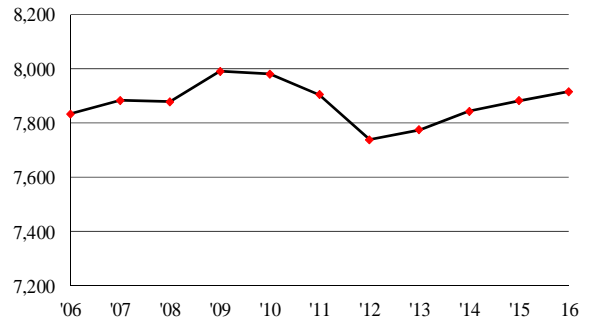
The total appropriated FTE increased from 13,861.6 in FY2006 to a recommended level of 14,008.6 for FY2016. This is an increase of 147.0 FTE, or 1.1%, over the decade. The recommended change in FTE for FY2016 is an increase of 61.6 across state government.

FTE History for Offices Outside Control of Governor



For offices outside the control of the Governor, total appropriated FTE changed from 6,092.8 in FY2006 to a recommended level of 6,092.5 for FY2016 for a net decrease of 0.3 FTE. The recommended changes for these offices in the FY2016 budget are a net increase of 27.6 FTE. This includes increases of 20.0 FTE for the Board of Regents, 7.3 FTE within the Unified Judicial System, 2.3 FTE in the Investment Council, and 1.0 FTE in the Office of the Attorney General. Also included is a decrease of 3.0 FTE in the Public Utilities Commission.

FTE History for Offices Under Control of Governor



The agencies under direct control of the Governor had total appropriated FTE of 7,768.8 in FY2006. The FY2016 budget recommendation brings the FTE to a level of 7,916.1. This is an increase of 147.3 FTE, or 1.9%, over the decade. The recommended increase of 34.0 FTE in the FY2016 budget includes increases of 18.0 FTE in the Bureau of Information and Telecommunications, 4.0 FTE in the Department of Health, 3.0 FTE in the Department of Corrections, 3.0 FTE in the Bureau of Human Resources, 2.0 FTE in the Bureau of Finance and Management, 2.0 FTE in the Department of Education, 1.0 FTE in the Department of Game, Fish and Parks, and 1.0 FTE in the Department of Revenue.