

SUMMARY OF RECOMMENDED BUDGET ADJUSTMENTS

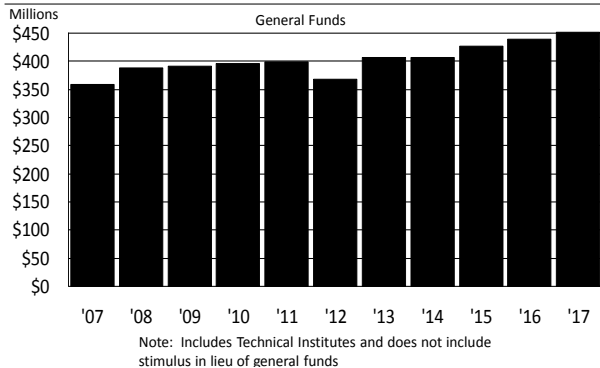
STATE AID, TECHNICAL INSTITUTES, HIGHER EDUCATION, AND EDUCATION

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 \$21.8 million increase out of the \$59.3 million in ongoing increases. This budget comprises of a decrease of \$9.4 million of the \$496.2 million in ongoing total fund increases for FY2017. In terms of the total ongoing budget, the education category is 45.3% of the general funds and 30.4% of the total ongoing funds, which amounts to \$1.5 billion in total ongoing funding for education.

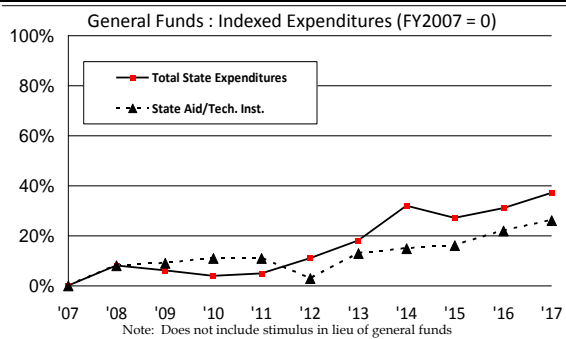
STATE AID TO K-12 EDUCATION AND TECHNICAL INSTITUTES

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 \$12,930,044 in general funds. The total recommended budget for FY2017 is \$426,808,380 in general funds and \$2,279,803 in other fund expenditure authority.

The Governor is recommending a 0.3% inflationary increase to the base per student allocation for FY2017. This brings the per student allocation for general education to \$4,891.39 for FY2017. An estimated FY2017 fall enrollment of 133,850 was used for calculating the FY2017 budget, which is a growth of 1,300 over the budgeted FY2016 level.

The Governor is recommending an increase of \$48,889 in general funds for payments to sparse school districts. An estimated 28 schools will be eligible for sparse payments in FY2017. Also recommended is an increase of \$56,120 in general funds for the Technology in Schools budget, which is used to support ongoing costs of the technology infrastructure and systems for the school districts.

The FY2017 recommendation for State Aid to K-12 Education also includes a funding shift of \$1,642,702 from other fund expenditure authority to general funds, as the Limited English Proficiency adjustment will no longer be funded through the Workforce Education Fund.

The funding for each disability level for State Aid to Special Education is recommended to be rebased in accordance with state law, which is required every three years. The total recommended amount for State Aid to Special Education is \$63,646,856 in general funds for FY2017. This represents an increase \$8,763,479 in state general funds over the FY2016 budget.

STATE AID TO TECHNICAL INSTITUTES

The Governor's recommendation for State Aid to Technical Institutes reflects an increase of \$1,717,837 in general funds and a decrease of \$100,000 in other fund expenditure authority. The total recommended budget for FY2017 is \$24,908,796 in general funds.

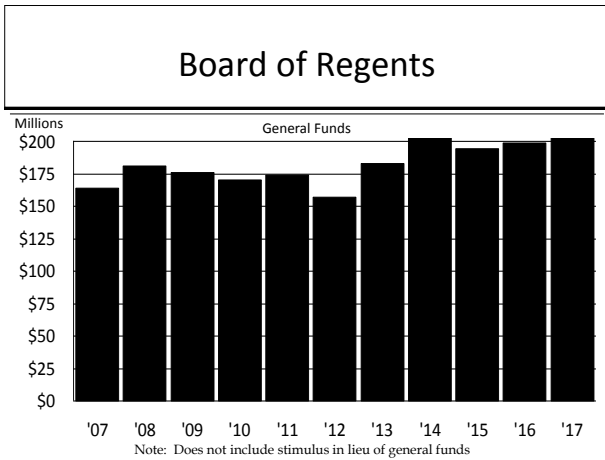
An increase of \$1,026,956 in general funds is based on a per student funding level of \$3,487.39 for FY2017, which is a 2.7% increase from FY2016. The estimated number of students for the FY2017 budget is an increase of 143 for a total of 5,905. The Governor recommends an increase of \$161,088 in general funds in the funding

formula to allow the Technical Institutes to pay for half the tuition for members of the National Guard, which was previously paid by the Department of Military.

The FY2017 recommendation includes an increase of \$529,793 in general funds for a tuition freeze. As a result of the Governor's recommendation to use one-time money to pay off higher interest Technical Institute debt, the funding previously used to make the lease payments would be repurposed to fund the tuition freeze.

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 Black Hills State University-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 \$19,995,491 in total funds and a decrease of 22.0 FTE over the FY2016 budget. The changes consist of an increase of \$5,104,509 in general funds and decreases of \$20,350,000 in federal fund expenditure authority, \$4,750,000 in other fund expenditure authority, and 22.0 FTE. The total FY2017 recommended budget for the Board of Regents consists of \$206,487,775 in general funds, \$134,476,147 in federal fund expenditure authority, and \$464,474,215 in other fund expenditure authority, for a total FY2017 budget of \$805,438,137 and 5,140.4 FTE.

The Governor is proposing to fund the state-support resident tuition portion of the employee compensation package in order to freeze tuition and fees for state-support resident tuition for FY2017, for a cost of \$3,228,711. As a result of the Governor's recommendation to use one-time money to pay off higher interest Board of Regents debt, the funding previously used to make the lease payments would be repurposed to fund the tuition freeze.

The Governor is also recommending \$3,274,464 in general funds for the fourth year of a four year plan to reach an M&R budget which is 2% of the replacement value of the buildings.

The Governor's recommended budget includes \$620,152 in general funds due to rolling the University Support Fee into Tuition. This will leverage additional federal tuition assistance, provide savings to military members, as well as simplify the reimbursement process that was previously conducted by both the Department of Military and the Board of Regents.

The Governor is also recommending increases of \$210,725 in general funds and 1.0 FTE to establish the Center for the Prevention of Child Maltreatment. An increase of \$434,369 in general funds is recommended to support the South Dakota Opportunity Scholarship awards, which include funding the second class of students at \$6,500. Also, decreases of \$20,350,000 in federal fund expenditure authority, \$4,750,000 in other fund expenditure authority, and 22.0 FTE are to align the budget with anticipated utilization.

EDUCATION

The Governor's recommendation for the Department of Education reflects an increase of \$2,028,714 in general funds and decreases of \$3,227,896 in federal fund expenditure authority, \$1,105,429 in other fund expenditure authority, and 1.0 FTE. The total recommended budget for FY2017 is \$15,713,356 in general funds, \$187,559,721 in federal fund expenditure authority, \$3,930,995 in other fund expenditure authority, and 182.0 FTE.

GENERAL ADMINISTRATION

The Governor recommends a decrease of \$2,199,100 in federal fund expenditure authority to align the budget with anticipated utilization. The total recommended FY2017 budget for this division is \$2,716,254 in general funds, \$6,765,277 in federal fund expenditure authority, \$210,791 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 increases of \$2,050,854 in general funds and 3.0 FTE, and decreases of \$1,028,796 in federal fund expenditure authority and \$697,246 in other fund expenditure authority. The total recommended FY2017 budget is \$8,977,149 in general funds, \$178,607,179 in federal fund expenditure authority, \$1,150,220 in other fund expenditure authority, and 74.5 FTE. An increase of \$1,139,900 in general funds and decrease of \$512,949 in federal fund expenditure authority in the birth to three program is for an increase in services, 2.7% inflationary increase, and a funding shift as federal funds have been depleted. An increase of \$345,000 in general funds is to continue providing instructional reading coaches. An increase of \$565,954 in general funds is due to a growth in utilization of the dual credit program. Increases of \$180,552 in federal fund expenditure authority and 3.0 FTE are to assist with the increased workload in the federal child nutrition and food distribution programs. A decrease of \$696,399 in federal fund expenditure authority and \$697,246 in other fund expenditure authority is to align the budget with anticipated utilization.

HISTORY

The total recommended FY2017 History budget consists of \$2,148,180 in general funds, \$954,320 in federal fund expenditure authority, \$2,542,084 in other fund expenditure authority, and 44.0 FTE. This includes a decrease of \$250,000 in other fund expenditure authority to align the budget with anticipated utilization.

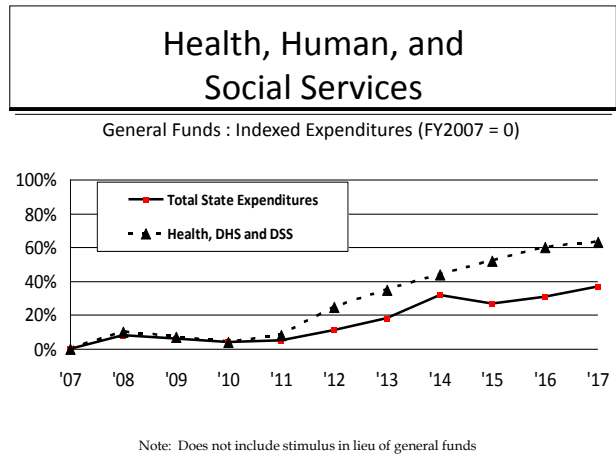
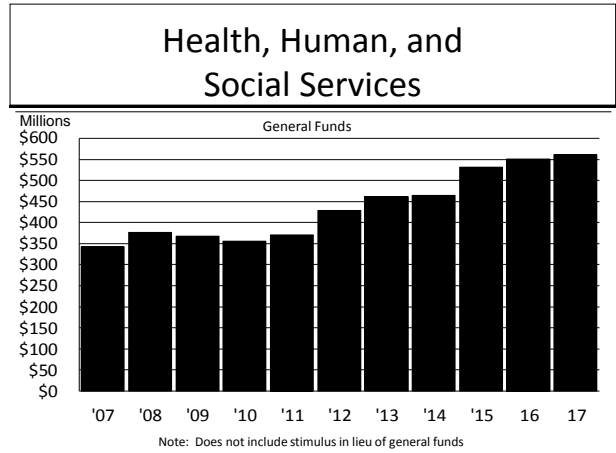
STATE LIBRARY

The Governor’s recommendation for the State Library’s FY2017 budget is \$1,871,773 in general funds, \$1,232,945 in federal fund expenditure authority, \$27,900 in other fund expenditure authority, and 23.5 FTE. This includes decreases of \$22,140 in general funds, \$158,183 in other fund expenditure authority, and 4.0 FTE to align the budget with anticipated utilization.

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 an \$11.6 million increase out of the \$59.3

million in total ongoing general fund increases. This budget comprises of \$409.8 million of the \$496.2 million in total ongoing fund increases for FY2017. In terms of the total ongoing budget, this category is 37.7% of the general funds and 37.3% of the total ongoing funds, which amounts to nearly \$1.8 billion in total ongoing funding.



HEALTH

The total recommended budget is \$9,315,278 in general funds, \$41,079,264 in federal fund expenditure authority, and \$43,870,239 in other fund expenditure authority, for a total of \$94,264,781 and 431.4 FTE. This includes increases of \$881,658 in general funds, \$1,749,426 in other fund expenditure authority, and 2.7 FTE. Also included is a decrease of \$1,855,361 in federal fund expenditure authority.

ADMINISTRATION

The total recommended budget for Administration is \$935,842 in general funds, \$1,683,917 in federal fund expenditure authority, \$1,481,406 in other fund expenditure authority, and 32.0 FTE. This includes a decrease of \$150,000 in federal fund expenditure authority to align budget with anticipated utilization.

HEALTH SYSTEMS DEVELOPMENT AND REGULATION

The total recommended budget for Health Systems Development and Regulation is \$4,299,845 in general funds, \$10,261,273 in federal fund expenditure authority, \$3,149,356 in other fund expenditure authority, and 70.0 FTE. This includes an increase of \$159,645 in general funds and 2.0 FTE to meet the survey requirements of Assisted Living Centers. Also included are increases in general funds of \$796,100 to assist rural communities with healthcare workforce recruitment and \$5,913 for health protection inspections.

FAMILY AND COMMUNITY HEALTH

The total recommended budget for Family and Community Health is \$4,079,591 in general funds, \$24,273,374 in federal fund expenditure authority, \$5,959,261 in other fund expenditure authority, and 188.5 FTE. This includes a decrease of \$80,000 in general funds due to reduced costs for the immunization billing system. Also included is a decrease of \$1,500,000 in federal fund expenditure authority to align budget with anticipated utilization.

LABORATORY SERVICES

The total recommended budget for Laboratory Services is \$3,308,015 in federal fund expenditure authority, \$3,426,286 in other fund expenditure authority, and 28.0 FTE.

CORRECTIONAL HEALTH

The total recommended budget for Correctional Health is \$21,043,239 in other fund expenditure authority and 87.0 FTE. This includes increases in other fund expenditure authority of \$36,352 for a 2.7% provider inflation increase, \$1,086,630 for other inflationary costs, and \$224,000 for costs related to anticipated Hepatitis C treatment.

TOBACCO PREVENTION

The total recommended budget for Tobacco Prevention is \$1,552,685 in federal fund expenditure authority, \$4,500,212 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 a decrease of \$205,361 in federal fund expenditure authority in the Board of Pharmacy. Also included are increases in other fund expenditure authority of \$23,937 in the Board of Dentistry, \$90,500 in the Board of Nursing, \$2,000 in the Board of Nursing Home Administrators, \$12,832 in the Board of Optometry, \$267,184 and 0.7 FTE and in the Board of Pharmacy, and \$5,991 in the Board of Massage Therapy. The total recommended budget for the Boards is \$4,310,479 in other fund expenditure authority, and 22.9 FTE.

HUMAN SERVICES

The Governor is recommending a decrease of \$67,188 in general funds, an increase of \$4,814,096 in federal fund expenditure authority, and a decrease of \$5,969,127 in other fund expenditure authority. This budget includes a funding swap of \$3,571,271 from general funds to federal fund expenditure authority due to the decrease in the state's share in the Federal Medical Assistance Percentage (FMAP). For FY2017, a total budget consisting of \$78,606,606 in general funds, \$110,329,625 in federal fund expenditure authority, \$9,660,538 in other fund expenditure authority, and 545.4 FTE is recommended.

SECRETARIAT

The Governor is recommending an increase of \$4,096 in general funds for a 2.7% provider inflation increase. The total recommended budget is \$918,398 in general funds, \$701,073 in federal fund expenditure authority, \$1,421 in other fund expenditure authority, and 17.0 FTE.

DEVELOPMENTAL DISABILITIES

The recommendation for the Division of Developmental Disabilities includes an increase of \$378,555 in general funds, an increase of \$3,821,284 in federal fund expenditure authority, and a decrease of \$5,971,706 in other fund expenditure authority. Increases of \$1,513,109 in general funds, \$2,017,582 in federal fund expenditure authority, and \$228,468 in other fund expenditure authority are for a 2.7% provider inflation increase. Also, increases of \$1,721,016 in general funds and \$2,029,291 in federal fund expenditure authority are to address growth in individuals needing services who have developmental disabilities. Decreases of \$3,540,295 in federal fund expenditure authority and \$5,741,038 in other fund expenditure authority align

budget with anticipated utilization. The total recommended budget for the Division of Developmental Disabilities is \$60,592,595 in general funds, \$77,021,014 in federal fund expenditure authority, \$5,687,734 in other fund expenditure authority, and 20.5 FTE.

SOUTH DAKOTA DEVELOPMENTAL CENTER

The recommendation for the South Dakota Developmental Center includes a decrease of \$653,582 in general funds, an increase of \$580,313 in federal fund expenditure authority, and an increase of \$2,579 in other fund expenditure authority. Decreases of \$42,697 in general funds and \$50,344 in federal fund expenditure authority are for utility cost adjustments. Increases of \$7,382 in general funds, \$12,390 in federal fund expenditure authority, and \$2,579 in other fund expenditure authority are for food service inflation. The total recommended budget is \$11,499,131 in general funds, \$13,638,720 in federal fund expenditure authority, \$794,724 in other fund expenditure authority, and 377.6 FTE.

REHABILITATION SERVICES

The Governor’s recommended budget for Rehabilitation Services includes increases of \$203,743 in general funds and \$412,499 in federal fund expenditure authority. Increases of \$74,224 in general funds and \$56,642 in federal fund expenditure authority are for a 2.7% provider inflation increase. Increases of \$51,270 in general funds and \$51,270 in federal fund expenditure authority are for Conflict Free Case Management. Also included are increases of \$120,549 in general funds and \$142,143 in federal fund expenditure authority for enhancement of Assistive Daily Living Services waiver supports and \$55,134 in general funds and \$65,010 in federal fund expenditure authority to increase provider reimbursement rates to at least 90% of methodology target over three years. The total recommended budget is \$4,643,075 in general funds, \$16,354,531 in federal fund expenditure authority, \$1,493,424 in other fund expenditure authority, and 101.1 FTE.

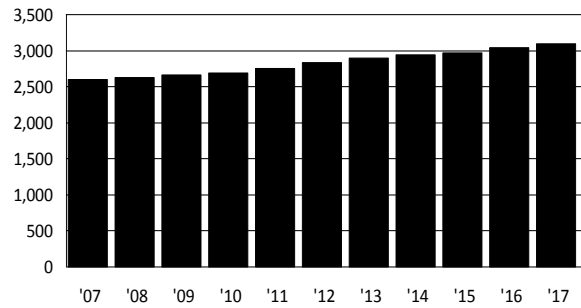
TELECOMMUNICATION DEVICES FOR THE DEAF

The total recommended FY2017 budget is \$1,301,680 in other fund expenditure authority.

SERVICE TO THE BLIND AND VISUALLY IMPAIRED

The total recommended budget is \$953,407 in general funds, \$2,614,287 in federal fund expenditure authority, \$381,555 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 \$473,553,357 in general funds, \$1,025,560,426 in federal fund expenditure authority, and \$10,389,553 in other fund expenditure authority for a total FY2017 budget of \$1,509,503,336 and 1,717.3 FTE. This recommendation is an increase of \$10,816,090 in general funds, \$399,243,415 in federal fund expenditure authority, \$155,710 in other fund expenditure authority and 61.0 FTE. This budget includes a funding swap of \$17,486,545 from general funds to federal fund expenditure authority due to the decrease in the state’s share in the Federal Medical Assistance Percentage (FMAP).

ADMINISTRATION

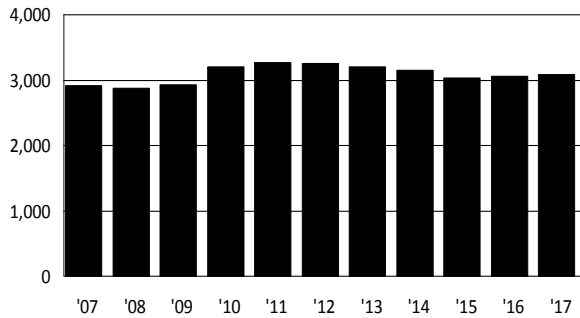
The Governor’s recommended changes within Administration include a decrease of \$50,445 in general funds along with an increase of a like amount in federal fund expenditure authority due to the FMAP change. Also included is a \$5,000,000 reduction in federal fund expenditure authority to align the budget with anticipated utilization and an increase of 7.0 FTE due to the anticipated expansion of the Medicaid program. The total recommended budget is \$8,867,328 in general funds, \$16,390,103 in federal fund expenditure authority, \$19,342 in other fund expenditure authority, and 189.7 FTE.

ECONOMIC ASSISTANCE

The Governor’s recommended budget for Economic Assistance includes an increase of \$399,413 in general funds and 32.0 FTE as well as a decrease of \$758,775 in federal fund expenditure authority. A decrease of \$221,660 in general funds with a matching federal fund expenditure authority increase are due to the FMAP change. Increases of \$606,018 in general funds and \$13,711 in federal fund expenditure authority are for a provider inflation increase of 2.7%. Also included is a

\$1,000,000 decrease in federal fund authority to align the budget with anticipated utilization. The total recommended budget is \$25,849,274 in general funds, \$60,156,118 in federal fund expenditure authority, \$340,815 in other fund expenditure authority, and 352.5 FTE.

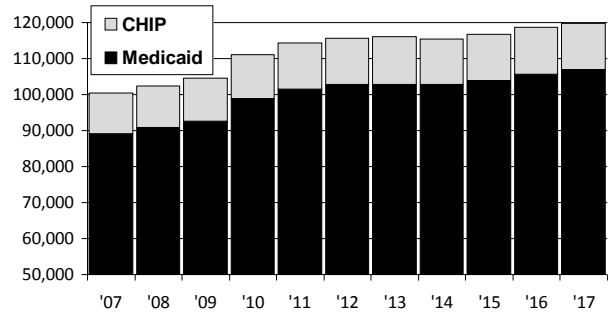
TANF Case Load in South Dakota



MEDICAL AND ADULT SERVICES

The Governor’s recommended budget for Medical and Adult Services includes increases of \$5,066,022 in general funds, \$406,362,639 in federal fund expenditure authority and 15.0 FTE. The FY2017 recommended budget is \$314,544,061 in general funds, \$864,337,547 in federal fund expenditure authority, \$1,795,132 in other fund expenditure authority, and 166.0 FTE. Increases of \$4,202,580 in general funds and \$3,000,104 in federal fund expenditure authority are for inflationary increases required by federal regulations. The Governor’s recommendation also includes \$373,644,565 in federal fund expenditure authority and 15.0 FTE for the anticipated expansion of the Medicaid program which would provide coverage for an additional 49,224 South Dakotans. Increases of \$7,411,881 in general funds and \$8,734,981 in federal fund expenditure authority are recommended for a 2.7% provider inflation increase. Increases of \$6,795,023 in general funds and \$7,323,919 in federal fund expenditure authority are due to changes in utilization and the projected number of participants in the Medicaid program. Also included are increases of \$1,298,981 in general funds and \$1,198,464 in federal fund expenditure authority to increase provider reimbursement rates to at least 90% of methodology target over three years. Also included in the Governor’s recommendation is a decrease of \$7,100,000 in federal fund expenditure authority to align the budget with anticipated utilization.

Medical Assistance Case Loads in South Dakota



CHILDREN’S SERVICES

The Governor’s recommended FY2017 budget for Children’s Services includes increases of \$1,292,627 in general funds and \$13,483 in other fund expenditure authority, along with a decrease of \$269,595 in federal fund expenditure authority. This includes increases of \$617,458 in general funds and \$61,823 in federal fund expenditure authority for additional subsidized adoptions and guardianships. In addition, increases of \$615,985 in general funds, \$311,240 in federal fund expenditure authority, and \$13,483 in other fund expenditure authority are recommended for a provider inflation increase of 2.7%. Additionally, \$858,604 in general funds is recommended for a 5.51% inflationary increase for Child Care Direct Assistance providers. Also included is a \$1,500,000 reduction in federal fund expenditure authority to align the budget with anticipated utilization. The total recommended budget for Children’s Services is \$45,191,548 in general funds, \$47,139,682 in federal fund expenditure authority, \$4,721,045 in other fund expenditure authority, and 353.8 FTE.

BEHAVIORAL HEALTH

The Governor recommends increases of \$4,108,473 in general funds, \$142,227 in other fund expenditure authority and 7.0 FTE and a decrease of \$1,141,299 in federal fund expenditure authority. Increases of \$1,222,442 in general funds, \$345,104 in federal fund expenditure authority, and \$9,180 in other fund expenditure authority are recommended for a 2.7% provider inflation increase. Included is a decrease of \$701,000 in federal fund expenditure authority due to the closure of the Co-occurring State Incentive Plan. Recommended increases at the Human Services Center (HSC) include \$455,332 in general funds for various pay grade changes, \$211,039 in general funds for medical supplies and increased operating expenses, and decreases of \$11,960 in general funds and \$182,530 in federal fund expenditure authority for utility usage and

rate changes. Also, included in the HSC budget is a funding shift of \$326,030 from federal fund expenditure authority to general funds due to a decrease of federal revenue. An increase of \$3,203,509 in general funds and 4.0 FTE is also recommended for the Juvenile Justice Reinvestment Initiative. An increase of \$133,047 in other fund expenditure authority and 2.0 FTE is recommended for Correctional Behavioral Health. Also a reduction of \$1,400,000 in federal fund expenditure authority is recommended to align the budget with anticipated expenditures. The total recommended FY2017 budget is \$79,101,146 in general funds, \$37,536,976 in federal fund expenditure authority, and \$3,075,300 in other fund expenditure authority for a total of \$119,713,422 and 654.0 FTE.

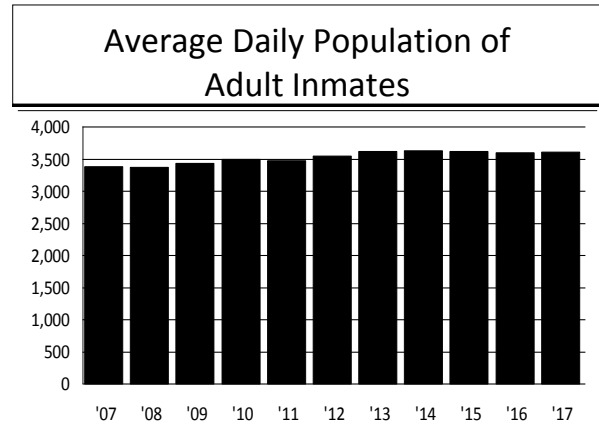
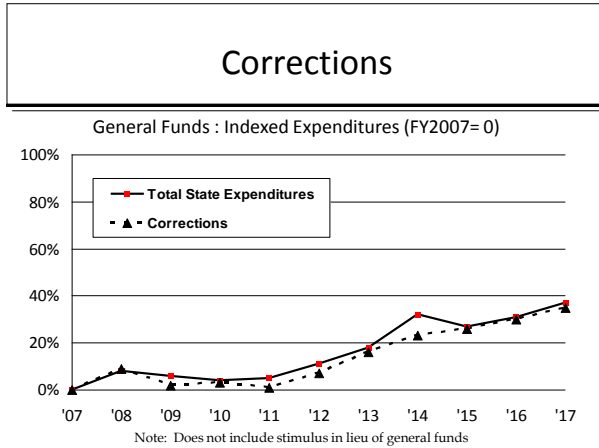
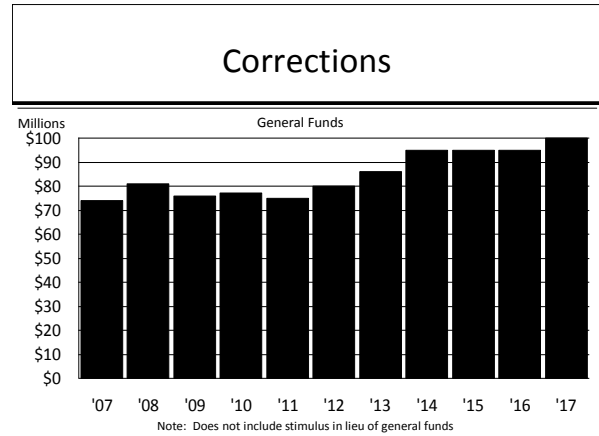
BOARDS – INFORMATIONAL

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 FY2017 for the boards is \$437,919 in other fund expenditure authority and 1.3 FTE.

CORRECTIONS

The Governor’s FY2017 budget recommendation for the Department of Corrections includes \$100,099,175 in general funds, \$5,971,517 in federal fund expenditure authority, and \$3,665,614 in other fund expenditure authority for a total FY2017 budget of \$109,736,306 and 812.0 FTE. This budget recommendation consists of an increase of \$3,661,260 in general funds, as well as decreases of \$2,400,067 in federal fund expenditure authority, \$9,172,791 in other fund expenditure authority, and 57.2 FTE.

The average daily population (ADP) of adult inmates is projected to be 3,607 in FY2017. This represents an increase of 19 inmates over the actual FY2015 ADP of 3,588 inmates and an increase of 13 inmates over the budgeted FY2016 ADP of 3,594. The ADP of juveniles is projected to be 505 in FY2016 and 420 in FY2017. This represents a decrease of 221 juveniles when compared to the actual FY2015 ADP of 641.



ADMINISTRATION

The Governor is recommending a net increase of \$163,585 in total funds. This is attributed to an increase of \$517,691 in general funds relating to computer replacement and funding changes. This budget also includes a decrease in other fund expenditure authority of \$354,106. The FY2017 recommended budget for Administration is \$2,758,028 in general funds, \$963,901 in federal fund expenditure authority, and 22.0 FTE.

MIKE DURFEE STATE PRISON

The Governor is recommending a net decrease of \$72,895 in total funds. Included in this budget are increases of \$1,380,903 in general funds for clothing, bedding, food services, and funding changes; as well as a decrease in general funds for utilities. Also included are decreases of \$40,022 in federal fund expenditure authority and \$1,413,776 in other fund expenditure authority. The FY2017 recommended budget for Mike Durfee State Prison is \$17,591,254 in general funds, \$81,010 in federal fund expenditure authority, and 210.0 FTE.

STATE PENITENTIARY

The Governor is recommending a net increase of \$731,465 in total funds. Included in this budget is an increase of \$2,483,962 in general funds associated with clothing, bedding, food services, Correctional Officer pay, funding changes, and an additional 1.0 FTE for a Senior Secretary. This budget also includes decreases of \$482,973 in federal fund expenditure authority and \$1,269,524 in other fund expenditure authority. The FY2017 recommended budget for the State Penitentiary is \$23,733,253 in general funds, \$186,611 in federal fund expenditure authority, and 312.0 FTE.

WOMEN'S PRISON

The Governor is recommending a net increase of \$7,556 in total funds. Included in this budget is an increase of \$337,757 in general funds for clothing, bedding, food services, and funding changes, as well as a decrease in general funds for utilities. Also included are decreases of \$11,512 in federal fund expenditure authority and \$318,689 in other fund expenditure authority. The FY2017 recommended budget for the Women's Prison is \$5,421,704 in general funds, \$67,254 in federal fund expenditure authority, and 70.0 FTE.

PHEASANTLAND INDUSTRIES

The Governor is recommending a net decrease of \$2,412,104 in other fund expenditure authority. This includes an increase of \$87,896 and 2.0 FTE for shop foremen, and a decrease of \$2,500,000 due to license plate production. The FY2017 recommended budget for Pheasantland Industries is \$3,665,614 in other fund expenditure authority and 16.0 FTE.

INMATE SERVICES

The Governor is recommending a net increase of \$1,189,572 in total funds. Included in this budget is an increase of \$2,820,975 in general funds due to treating inmates with Hepatitis C, funding for Mental Health

Professionals, and funding changes. Also included are decreases of \$768 in federal fund expenditure authority and \$1,630,635 in other fund expenditure authority. The FY2017 recommended budget for Inmate Services is \$25,098,605 in general funds, \$373,820 in federal fund expenditure authority, and 24.0 FTE.

PAROLE SERVICES

The Governor is recommending a net decrease of \$60,088 in total funds. Included in this budget are increases of \$937,885 in general funds for the Community Transition Program, Tribal Parole Program, and funding changes. Also included is a decrease of \$997,973 in other fund expenditure authority. The FY2017 recommended budget for Parole Services is \$5,380,313 in general funds and 57.0 FTE.

JUVENILE COMMUNITY CORRECTIONS

The Governor is recommending a net decrease of \$4,343,210 in total funds. Included in this budget are decreases of \$2,098,620 in general funds, \$1,677,221 in federal fund expenditure authority, \$567,369 in other fund expenditure authority, and 4.5 FTE due to decreases in the juvenile average daily population. The federal fund expenditure authority increase includes \$205,202 due to the change in the Federal Medical Assistance Percentage (FMAP). The FY2017 recommended budget for Juvenile Community Corrections is \$13,387,721 in general funds, \$3,898,978 in federal fund expenditure authority, and 40.0 FTE.

YOUTH CHALLENGE CENTER

The Governor is recommending a net decrease of \$545,084 in total funds. This budget includes decreases of \$530,142 in general funds and \$14,942 in other fund expenditure authority due to decreases in the juvenile average daily population. The FY2017 recommended budget for the Youth Challenge Center is \$972,838 in general funds and 11.0 FTE.

PATRICK HENRY BRADY ACADEMY

The Governor is recommending a net decrease of \$550,699 in total funds. This budget includes decreases of \$536,419 in general funds and \$14,280 in other fund expenditure authority due to decreases in the juvenile average daily population. The FY2017 recommended budget for Patrick Henry Brady Academy is \$959,619 in general funds and 11.0 FTE.

STATE TREATMENT AND REHABILITATION ACADEMY

The Governor is recommending a net decrease of \$1,482,707 in total funds. Included in this budget are decreases of \$1,129,086 in general funds, \$187,571 in federal fund expenditure authority, \$166,050 in other fund expenditure authority, and 17.7 FTE due to decreases in the juvenile average daily population. The FY2017 recommended budget for the State Treatment and Rehabilitation Academy is \$3,986,086 in general funds, \$467,943 in federal fund expenditure authority, and 28.0 FTE.

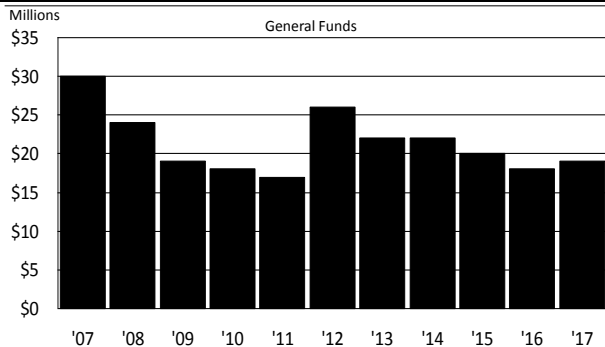
QUEST

The Governor is recommending a net decrease of \$536,989 in total funds. This includes decreases of \$523,646 in general funds, \$13,343 in other fund expenditure authority, and 10.0 FTE due to decreases in the juvenile average daily population. The FY2017 recommended budget for QUEST is \$809,754 in general funds and 11.0 FTE.

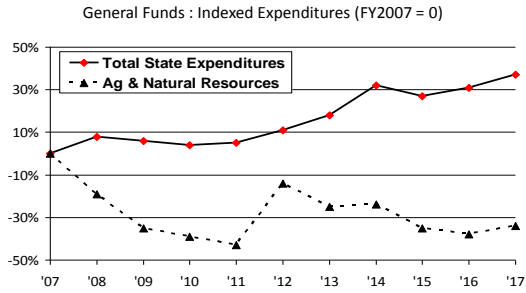
AGRICULTURE; ENVIRONMENT AND NATURAL RESOURCES; AND, GAME, FISH, AND PARKS

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 \$1.1 million out of the \$59.3 million in total ongoing general fund increases. This budget represents an increase of \$4.5 million out of the \$496.2 million in ongoing total fund increases for FY2017. In terms of the total ongoing state budget, this category is 1.3% of the general funds and 3.3% of the total ongoing funds, which amounts to \$157.4 million in total ongoing funding.

Agriculture, Natural Resources and Game, Fish, and Parks



Agriculture, Natural Resources and Game, Fish, and Parks



AGRICULTURE

The total recommended budget for the Department of Agriculture is \$45,888,374, consisting of \$6,995,141 in general funds, \$7,198,390 in federal fund expenditure authority, \$31,694,843 in other fund expenditure authority, and 225.9 FTE. The Governor is recommending total increases of \$120,945 in general funds and \$717,169 in other fund expenditure authority, along with a decrease of \$192,945 in federal fund expenditure authority.

OFFICE OF THE SECRETARY

The total recommended budget for the Office of the Secretary is \$1,099,966, consisting of \$868,616 in general funds, \$60,967 in federal fund expenditure authority, \$170,383 in other fund expenditure authority, and 9.5 FTE.

AGRICULTURAL SERVICES AND ASSISTANCE

The Governor is recommending a net decrease of \$62,000 in total funds. An increase of \$120,945 in general funds is for training and capital assets in Fire Management. Decreases of \$82,945 in federal fund expenditure authority and \$100,000 in other fund expenditure authority are to align the budget with anticipated utilization. The total recommended budget for Agricultural Services and Assistance includes \$2,071,984 in general funds, \$3,836,524 in federal fund expenditure authority, and \$3,040,244 in other fund expenditure authority, for a total budget of \$8,948,752 and 81.9 FTE.

AGRICULTURAL DEVELOPMENT AND PROMOTION

The Governor is recommending a net decrease of \$210,000 in total funds. Decreases of \$110,000 in federal fund expenditure authority and \$100,000 in other fund expenditure authority are to align the budget with anticipated utilization. The total recommended budget for Agricultural Development and Promotion is

\$4,163,070, consisting of \$1,724,129 in general funds, \$1,605,661 in federal fund expenditure authority, \$833,280 in other fund expenditure authority, and 29.0 FTE.

ANIMAL INDUSTRY BOARD

The total recommended budget for the Animal Industry Board is \$4,027,495 and 41.0 FTE. This budget is comprised of \$2,057,845 in general funds, \$1,695,238 in federal fund expenditure authority, and \$274,412 in other fund expenditure authority.

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 \$24,184,708 in other fund expenditure authority and 45.0 FTE. The Governor is recommending increases in other fund expenditure authority of \$329,146 for the American Dairy Association, \$156,521 for the Brand Board, \$62,936 for the Wheat Commission, \$28,748 for the Corn Utilization Council, and \$5,740 for the Pulse Crops. The Governor is also recommending a decrease in other fund expenditure authority of \$5,922 for the Oilseeds Council. The total increase in other fund expenditure authority for the boards and commissions is \$577,169.

STATE FAIR

The total recommended budget for the State Fair is \$272,567 in general funds and \$3,191,816 in other fund expenditure authority for a total budget of \$3,464,383 and 19.5 FTE. This includes an increase of \$340,000 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 \$24,084,654 and consists of \$6,445,415 in general funds, \$8,302,621 in federal fund expenditure authority, \$9,336,618 in other fund expenditure authority, and 180.5 FTE. This budget recommendation consists of an increase of \$100,000 in federal fund expenditure authority and a decrease of a like amount in other fund expenditure authority.

FINANCIAL AND TECHNICAL ASSISTANCE

The Governor is recommending an increase of \$100,000 in federal fund expenditure authority and a decrease of a like amount in other fund expenditure authority for administration of the Clean Water State Revolving Fund. The total recommended budget for Financial and Technical Assistance is \$5,746,384 and 56.5 FTE, consisting of \$2,484,667 in general funds, \$2,254,295 in federal fund expenditure authority, and \$1,007,422 in other fund expenditure authority.

ENVIRONMENTAL SERVICES

The total recommended budget for Environmental Services is \$13,250,848 and 119.0 FTE, consisting of \$3,960,748 in general funds, \$6,048,326 in federal fund expenditure authority, and \$3,241,774 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 \$2,572,420 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 \$87,398,711, including \$6,177,838 in general funds, \$24,962,102 in federal fund expenditure authority, \$56,258,771 in other fund expenditure authority, and 578.9 FTE. This budget reflects an overall increase of \$3,844,260, including increases of \$1,000,746 in general funds, \$4,156,769 in other fund expenditure authority, and 10.5 FTE, and a decrease of \$1,313,255 in federal fund expenditure authority.

ADMINISTRATION

The total recommended budget for Administration includes \$952,367 in general funds, \$3,196,331 in other fund expenditure authority, and 27.6 FTE, for a total

budget of \$4,148,698. This includes a decrease of \$1,256 in general funds resulting from changes in bond payments related to the Division of Wildlife's fish hatcheries. This recommendation also includes an increase of \$822,161 in other fund expenditure authority and 7.5 FTE to reflect the movement of the communications office from the Division of Wildlife to the Division of Administration and to expand communications.

WILDLIFE – INFORMATIONAL

The Governor is recommending an increase in federal fund expenditure authority of \$169,762 and decreases of \$54,234 in other fund expenditure and 1.0 FTE. Included in this budget are decreases of \$671,161 in other fund expenditure authority and 5.0 FTE to move the communications office from the Division of Wildlife to the Division of Administration. This budget also includes increases of \$169,762 in federal fund expenditure authority, \$616,927 in other fund expenditure authority, and 4.0 FTE to establish regional terrestrial supervisor positions within each wildlife region. The total recommended budget for the Division of Wildlife is \$47,355,146, composed of \$17,582,621 in federal fund expenditure authority, \$29,772,525 in other fund expenditure authority, and 294.0 FTE.

WILDLIFE DEVELOPMENT AND IMPROVEMENT – INFORMATIONAL

The total recommended budget for the Wildlife Development and Improvement Division is \$1,772,585, including \$1,078,250 in federal fund expenditure authority and \$694,335 in other fund expenditure authority. This includes increases of \$209,500 in federal fund expenditure authority and \$433,085 in other fund expenditure authority to align the budget with the capital development project list.

STATE PARKS AND RECREATION

The total recommended budget for the Division of State Parks and Recreation is \$24,077,496 and 248.2 FTE, consisting of \$5,225,471 in general funds, \$3,606,281 in federal fund expenditure authority, and \$15,245,744 in other fund expenditure authority. This includes an increase of \$1,002,002 in general funds due to changes in bond payments related to the State Parks. 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 \$174,078 in other fund expenditure authority and 4.0 FTE are for Assistant Park Manager and Naturalist positions. Increases of \$177,146 in federal fund expenditure authority and \$450,909 in other fund expenditure authority are for operating expenses.

STATE PARKS AND RECREATION DEVELOPMENT AND IMPROVEMENT

The total recommended budget for the State Parks and Recreation Development and Improvement Division is \$8,748,607, composed of \$2,694,950 in federal fund expenditure authority and \$6,053,657 in other fund expenditure authority. This includes a decrease of \$1,693,663 in federal fund expenditure authority and an increase of \$2,229,770 in other fund expenditure authority to align the budget with anticipated costs from the capital development project list.

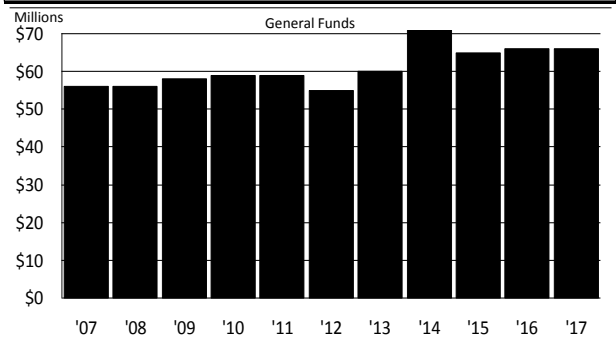
SNOWMOBILE TRAILS – INFORMATIONAL

The Governor is recommending a decrease of \$176,000 in federal fund expenditure authority and an increase of \$101,000 in other fund expenditure authority to reflect changes in the capital asset budget. The total recommended budget for the Snowmobile Trails Program is \$1,296,179 in other fund expenditure authority and 9.1 FTE.

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

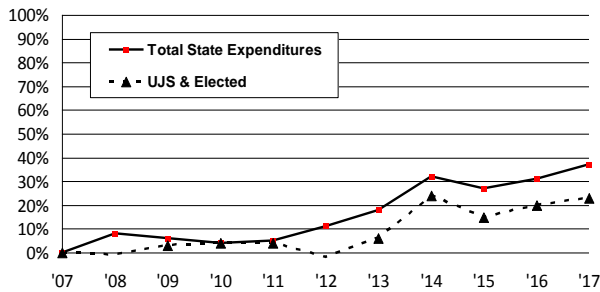
The budgets included in this category are the Legislature, Unified Judicial System, Public Utilities Commission, Office of the Attorney General, Secretary of State, School and Public Lands, Office of the State Auditor, and Office of the State Treasurer. General funds account for an increase of \$1.3 million out of the \$59.3 million in total ongoing increases. This budget represents a \$12.7 million increase out of the \$496.2 million in total ongoing fund increases for FY2017. In terms of the total ongoing state budget, this category is 4.5% of the general funds and 2.8% of the total ongoing funds, which amounts to \$134.5 million in total ongoing funding.

UJS, Legislature and Elected Officials



UJS, Legislature and Elected Officials

General Funds : Indexed Expenditures (FY2007= 0)



LEGISLATURE

The FY2017 budget for the Legislature is \$9,376,646 in general funds, \$1,006,000 in other fund expenditure authority, and 70.6 FTE.

The Legislative Research Council's budget includes a decrease of \$83,938 in general funds. The overall FY2017 budget for the Legislative Research Council is \$5,817,795 in general funds, \$1,006,000 in other fund expenditure authority, and 31.6 FTE.

A general fund increase of \$38,197 for the Auditor General is recommended to meet the anticipated needs for ongoing costs related to salaries, benefits, and operating expenses. The overall FY2017 budget for Legislative Audit is \$3,558,851 in general funds and 39.0 FTE.

UNIFIED JUDICIAL SYSTEM

The Governor's recommended changes for the Unified Judicial System include increases of \$1,205,926 in general funds and 4.0 FTE, as well as decreases of \$127,123 in federal fund expenditure authority and \$11,509 in other fund expenditure authority.

This recommendation includes increases of \$933,544 in general funds and 3.0 FTE, as well as a decrease of \$127,493 in federal fund expenditure authority for Drug/DUI Courts. This consists of 2.0 FTE for a Coordinator and Court Services Officer for the Brookings County Drug Court, 1.0 FTE for a Court Services Officer for the Minnehaha County Drug Court, \$80,484 in general funds and a decrease of a like amount in federal fund expenditure authority to allow the DUI Court in Hughes County to transition into a Drug Court, \$189,529 in general funds to allow for increased client capacity, and \$267,675 in general funds for evidence-based treatment.

The Governor's recommended budget also includes increases of \$66,387 in general funds and 1.0 FTE for a Court Services Officer in Pennington County, as well as an increase of \$122,922 in general funds for Court Reporters in Minnehaha and Pennington counties. Increase of \$34,320 in general funds is for juvenile electronic monitoring. Increases of \$48,753 in general funds and \$1,664 in federal fund expenditure authority is for a 2.7% provider inflation increase.

The total recommended budget for the Unified Judicial System is \$52,921,383, consisting of \$42,707,786 in general funds, \$777,605 in federal fund expenditure authority, \$9,435,992 in other fund expenditure authority, and 579.4 FTE.

PUBLIC UTILITIES COMMISSION

The Governor's total recommended budget for the Public Utilities Commission is \$565,686 in general funds, \$295,304 in federal fund expenditure authority, \$3,706,931 in other fund expenditure authority, and 31.2 FTE. This includes a decrease of \$39,985 in federal fund expenditure authority due to receiving fewer federal funds. Also included is an increase of \$48,853 in other fund expenditure authority for the One Call contract and to align the budget with anticipated expenditures.

ATTORNEY GENERAL

The Governor's FY2017 budget recommendation for the Office of the Attorney General consists of \$11,013,380 in general funds, \$4,131,000 in federal fund expenditure authority, and \$9,895,902 in other fund expenditure authority for a total FY2017 budget of \$25,040,282 and 179.0 FTE. This budget recommendation includes increases of \$446,464 in general funds and 1.0 FTE, as well as a decrease of \$195,577 in federal fund expenditure authority.

LEGAL SERVICES

The FY2017 recommended budget for the Legal Services Program is \$8,186,016 in total funds and 68.0 FTE. Included in this budget recommendation is a decrease of \$105,000 in federal fund expenditure authority to align the budget with anticipated utilization.

CRIMINAL INVESTIGATION

The FY2017 recommended budget for the Department of Criminal Investigation is \$14,090,900 in total funds and 94.5 FTE. Included in this budget is an increase of \$444,464 in general funds and a decrease of \$90,577 in

federal fund expenditure authority to move towards structurally balancing the Division.

LAW ENFORCEMENT TRAINING

The FY2017 recommended budget for the Law Enforcement Training Program is \$2,280,648 in total funds and 11.5 FTE.

911 TRAINING

The FY2017 recommended budget for the 911 Training Program is \$223,956 in total funds and 2.0 FTE.

INSURANCE FRAUD UNIT - INFORMATIONAL

The FY2017 budget for the Insurance Fraud Unit is \$258,762 in total funds and 3.0 FTE.

SECRETARY OF STATE

The Governor's recommendation for the Secretary of State is for decreases of \$297,964 in general funds and \$1,142,001 in federal fund expenditure authority and increases of \$579,382 in other fund expenditure authority and 0.3 FTE. The overall funding structure of the Secretary of State's office is recommended to be adjusted to additional other fund expenditure authority and lower general funds. This recommendation includes a fee package and split of current fees collected, which will fund all business filing and uniform commercial code related activities with other fund expenditure authority. The remaining general funds in the FY2017 budget recommendation are primarily for election related activities. A total personal service expense increase of \$108,712 and 0.3 FTE includes a decrease of \$193,332 in general funds and \$12,917 in federal fund expenditure authority which is offset by an increase of \$314,961 in other fund expenditure authority. The 0.3 FTE is for a part-time position to finish redaction of corporate documents. The overall personal service expense increase will align the budget with anticipated expenses for FY2017. Recommended operating expense increases include a \$120,000 increase in other fund expenditure authority for increased credit card charges and a \$100,000 increase in other fund expenditure authority for software maintenance for the UCC and online filing systems. A reduction of \$1,142,001 in federal fund expenditure authority will align the budget with anticipated expenses. The total recommended budget for FY2017 is \$686,525 in general funds, \$2,008,249 in federal fund expenditure authority, \$1,062,723 in other fund expenditure authority, and 15.9 FTE.

SCHOOL AND PUBLIC LANDS

The Governor's recommendation for the FY2017 School and Public Lands' budget is \$548,596 in general funds, \$272,950 in other fund expenditure authority, and 6.0 FTE. This includes a decrease of \$52,050 in other fund expenditure authority to align the budget with anticipated utilization.

STATE AUDITOR

The Governor's recommendation for the State Auditor's FY2017 budget is \$1,251,048 in general funds, \$100,000 in other fund expenditure authority, and 16.0 FTE.

STATE TREASURER

The total recommended FY2017 budget is \$35,617,742, consisting of \$532,895 in general funds, \$35,084,847 in other fund expenditure authority, and 41.3 FTE. This includes a total increase of \$12,346,338 in other fund expenditure authority.

TREASURY MANAGEMENT

The total recommended budget within Treasury Management is \$532,895 in general funds and 5.2 FTE for FY2017.

UNCLAIMED PROPERTY - INFORMATIONAL

The total recommended budget for Unclaimed Property is \$16,914,595 in other fund expenditure authority and 3.8 FTE. This includes an increase of \$11,109,700 in other fund expenditure authority to align the budget with anticipated expenditures for claim payments, third party audits expense, and personal service expenses.

INVESTMENT OF STATE FUNDS

The Governor is recommending an increase of \$235,930 in other fund expenditure authority for the Investment of State Funds for the South Dakota Investment Council (SDIC). This includes increases of \$187,818 in other fund expenditure authority for promotional development and salary adjustments for Investment Council staff. Also included is an increase of \$48,112 for investment research and miscellaneous adjustments to contractual services and the capital asset budget. The total recommended budget for the Investment of State Funds is \$8,017,528 in other fund expenditure authority and 32.3 FTE.

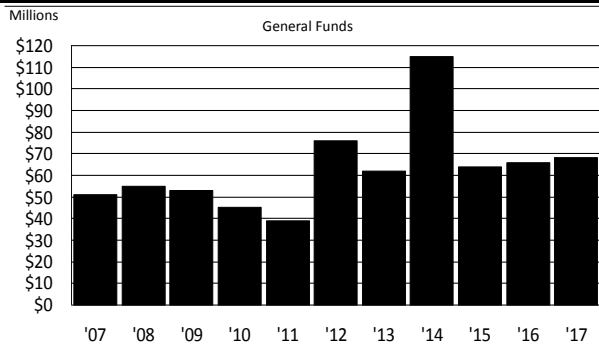
PERFORMANCE BASED COMPENSATION

The Governor is recommending an increase of \$1,000,708 in other fund expenditure authority within Performance Based Compensation for the SDIC. The total recommended budget for the Performance Based Compensation is \$10,152,724 in other fund expenditure authority.

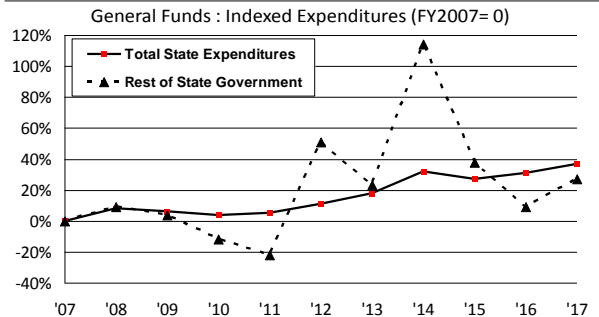
REMAINDER OF STATE GOVERNMENT

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 \$19.8 million out of the \$59.3 million in total ongoing increases. This budget represents an increase of \$86.5 million out of the \$496.2 million in total ongoing fund increases for FY2017. Included in this category is the Employee Compensation pool budgeted in Executive Management, totaling \$12.1 million in general funds and \$30.4 million in total funds. In terms of the total ongoing state budget, this category is 4.5% of the general funds and 24.0% of the total ongoing funds, which amounts to \$1.2 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 \$19,212,643 in general funds, \$2,198,970 in federal fund expenditure authority, and \$7,471,932 in other fund expenditure authority, along with a decrease of 35.3 FTE. The total FY2017 budget includes \$52,957,771 in general funds, \$18,859,711 in federal fund expenditure authority, \$166,249,506 in other fund expenditure authority, and 798.3 FTE.

GOVERNOR'S OFFICE

The total recommended budget for the Governor's Office including the Lt. Governor is \$2,425,460 in general funds and 22.0 FTE. This includes a decrease of \$282,843 in federal fund expenditure authority to align the budget with anticipated utilization.

OFFICE OF ECONOMIC DEVELOPMENT

The Governor's total recommended FY2017 budget is \$6,705,461 in general funds, \$11,630,059 in federal fund expenditure authority, \$55,672,335 in other fund expenditure authority, and 108.3 FTE. This includes an increase of \$250,000 in general funds to continue the proof of concept loan program. A decrease of \$2,235,621 in federal fund expenditure authority will align the budget with anticipated utilization. This recommendation also includes a net decrease of \$6,035,402 in other fund expenditure authority and 32.3 FTE. Other fund expenditure authority increases consist of \$44,046 for anticipated health insurance increases in the South Dakota Housing Development Authority, \$652,748 due to changes in the Governor's House program, and \$17,240 for increases in insurance and contract costs in the South Dakota Ellsworth Development Authority. Also recommended are decreases of \$6,749,436 in other fund expenditure authority and 32.3 FTE to reflect anticipated expenses for various construction projects for the South Dakota Science and Technology Authority.

BUREAU OF FINANCE AND MANAGEMENT

The total recommended FY2017 budget is \$17,227,885 in general funds, \$6,095,224 in federal fund expenditure authority, \$21,429,754 in other fund expenditure authority, and 42.0 FTE. This includes increases of \$11,814,831 in general funds, \$5,783,044 in federal fund expenditure authority, and \$12,555,650 in other fund expenditure authority. A general fund decrease of \$500,000 is attributable to the Bureau of Finance and Management's sale-leaseback payment schedule. An increase of \$36,707 in other fund expenditure authority

is recommended for financial systems software maintenance.

The Governor recommends net increases of \$12,314,831 in general funds, \$5,783,044 in federal fund expenditure authority, and \$12,455,305 in other fund expenditure authority to the employee compensation and billing pools which includes market adjustments, movement toward market value, health insurance, and bureau billings for expansion.

Increases in other fund expenditure authority of \$61,950 for the South Dakota Building Authority, \$393 for the Health and Educational Facilities Authority, and \$2,768 for the Education Enhancement Funding Corporation are to align the budget with anticipated expenditures.

BUREAU OF ADMINISTRATION

The Governor recommends increases of \$6,883,256 in general funds and \$1,451,684 in other fund expenditure authority. This recommendation includes an increase of \$6,912,494 in general funds for the maintenance and repair (M&R) of state buildings. This is the fourth 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 \$29,238 in general funds is for the Bureau of Administration's sale-leaseback payments. An increase of \$1,451,684 in other fund expenditure authority is recommended to replace older vehicles in the State fleet. The FY2017 recommended budget is \$19,241,366 in general funds, \$500,000 in federal fund expenditure authority, \$35,958,328 in other fund expenditure authority, and 162.0 FTE.

BUREAU OF INFORMATION AND TELECOMMUNICATIONS

The Governor recommends an increase of \$264,556 in general funds, along with a decrease of \$1,015,610 in federal fund expenditure authority. An increase of \$200,000 in general funds is recommended to maintain and support the State Radio Network. An increase of \$64,556 in general funds is to continue providing audio casting support of Legislative committee meetings and chamber sessions, as well as to expand streaming services to cover state agency, board, and commission meetings and hearings. A decrease of \$1,015,610 in federal fund expenditure authority is to align the budget with anticipated utilization. The Governor's total recommended FY2017 budget for the Bureau of Information and Telecommunications is \$7,084,543 in general funds, \$634,428 in federal fund expenditure authority, \$46,668,887 in other fund expenditure authority, and 390.5 FTE.

BUREAU OF HUMAN RESOURCES

The total FY2017 budget consists of \$273,056 in general funds, \$6,520,202 in other fund expenditure authority, and 73.5 FTE. The Governor recommends decreases of \$50,000 in federal fund expenditure authority and \$500,000 in other fund expenditure authority due to the repeal of the Risk Pool during the 2015 Legislative Session.

MILITARY

The Governor's FY2017 budget recommendation for the Department of Military includes \$3,968,786 in general funds, \$20,572,860 in federal fund expenditure authority, \$28,877 in other fund expenditure authority, and 105.4 FTE. The budget reflects a decrease of \$134,471 in general funds and increases of \$1,093,648 in federal fund expenditure authority and 1.0 FTE.

OFFICE OF THE ADJUTANT GENERAL

The Governor's FY2017 budget recommendation for the Office of the Adjutant General includes \$549,106 in general funds, \$10,306 in federal fund expenditure authority, \$28,877 in other fund expenditure authority, and 5.3 FTE.

ARMY GUARD

The Governor's recommendation for the Army Guard includes increases of \$253,283 in general funds and \$1,042,585 in federal fund expenditure authority for statewide maintenance and repair (M&R) on South Dakota National Guard armories. This is the fourth year of a four year plan to reach an M&R budget which is 2% of the replacement value of the buildings. The overall FY2017 budget for the Army Guard division is \$18,123,960 in total funds and 52.1 FTE.

AIR GUARD

The Governor's FY2017 budget recommendation is \$434,669 in general funds and \$5,423,605 in federal fund expenditure authority. The increases of \$3,429 in general funds and \$10,289 in federal fund expenditure authority are for increased utility rates. Also included is an increase of \$40,774 in federal fund expenditure authority and 1.0 FTE for a Maintenance Specialist. The overall FY2017 budget for the Air Guard division is \$5,858,274 in total funds and 48.0 FTE.

VETERANS' AFFAIRS

The Governor's FY2017 budget recommendation for the Department of Veterans' Affairs includes \$2,605,541 in general funds, \$1,549,602 in federal fund expenditure authority, and \$6,168,016 in other fund expenditure authority for a total of \$10,323,159 and 105.7 FTE. This budget recommendation consists of an increase of \$78,078 in general funds, \$196,264 in federal fund expenditure authority, and \$101,722 in other fund expenditure authority.

VETERANS' BENEFITS AND SERVICES

The recommended FY2017 budget for Veterans' Benefits and Services is \$1,475,028 in general funds, \$275,523 in federal fund expenditure authority, and \$106,000 in other fund expenditure authority. The overall FY2017 budget for Veterans' Benefits and Services is \$1,856,551 in total funds and 20.0 FTE.

STATE VETERANS' HOME

The Governor's recommendation for the State Veterans' Home includes an increase of \$78,078 in general funds, \$196,264 in federal fund expenditure authority, and \$101,722 in other fund expenditure authority. The increases are related to the number of Medicaid eligible beds at the new State Veterans' Home in Hot Springs, food services, and utility costs. The overall FY2017 budget for the State Veterans' Home is \$8,466,608 in total funds and 85.7 FTE.

REVENUE

The Governor's recommended FY2017 budget for the Department of Revenue totals \$74,360,163, consisting of \$1,263,453 in general funds, \$73,096,710 in other fund expenditure authority, and 248.5 FTE. The Governor is recommending no major changes for FY2017.

SECRETARIAT

The total FY2017 Governor's recommended budget for the Secretariat division consists of \$3,714,327 in other fund expenditure authority and 28.0 FTE.

BUSINESS TAX

The total FY2017 Governor's recommended budget for Business Tax consists of \$4,447,092 in other fund expenditure authority and 57.5 FTE.

MOTOR VEHICLES

The total FY2017 Governor's recommended budget for Motor Vehicles consists of \$6,439,668 in other fund expenditure authority and 46.0 FTE.

PROPERTY AND SPECIAL TAXES

The total FY2017 Governor's recommended budget for Property and Special Taxes consists of \$1,263,453 in general funds and 15.0 FTE.

AUDITS

The total FY2017 Governor's recommended budget consists of \$4,539,213 in other fund expenditure authority and 55.0 FTE

LOTTERY

The total FY2016 Governor's recommended budget for Lottery is \$40,960,261 of other fund expenditure authority and 31.0 FTE.

COMMISSION ON GAMING – INFORMATIONAL

The total FY2017 Governor's recommended budget for the Commission on Gaming is \$10,643,302 in other fund expenditure authority and 16.0 FTE.

TOURISM

The Governor's recommended budget for the Department of Tourism consists of \$878,000 in federal fund expenditure authority, \$15,666,634 in other fund expenditure authority, and 28.0 FTE. This includes an increase of \$1,094,738 in other fund expenditure authority.

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 FY2017 recommended budget consists of \$14,831,575 in other fund expenditure authority and 25.0 FTE. Included in this budget is an increase of \$1,094,738 in other fund expenditure authority due to revenue increases from promotion and gaming taxes.

ARTS

The total recommended FY2017 Arts budget consists of \$878,000 in federal fund expenditure authority, \$835,059 in other fund expenditure authority, and 3.0 FTE.

TRIBAL RELATIONS

The Governor's recommended change to the FY2017 budget consists of increases of \$55,281 in general funds and 1.0 FTE for a policy/data analyst to assist with department projects and tribal outreach. The total recommended budget for the Department of Tribal Relations is \$510,950 in general funds, \$20,000 in other fund expenditure authority, and 6.0 FTE.

TRANSPORTATION

The recommended FY2017 budget for the Department of Transportation is \$686,801,578 consisting of \$535,256 in general funds, \$388,246,629 in federal fund expenditure authority, \$298,019,693 in other fund expenditure authority, and 1,026.3 FTE. The budget includes an increase of \$68,475,837 in other fund expenditure authority.

GENERAL OPERATIONS

The Governor's total FY2017 recommended budget for General Operations includes \$535,256 in general funds, \$41,777,756 in federal fund expenditure authority, \$153,475,408 in other fund expenditure authority, and 1,026.3 FTE. This includes an increase of \$25,837 in other fund expenditure authority for utilities.

CONSTRUCTION CONTRACTS - INFORMATIONAL

The total budget for Construction Contracts is \$491,613,158, consisting of \$347,068,873 in federal fund expenditure authority and \$144,544,285 in other fund expenditure authority. Included is an increase of \$68,450,000 in other fund expenditure authority in accordance with Senate Bill 1 of the 2015 Legislative Session. The Construction Contracts division makes up 72% of the Department of Transportation's budget.

LABOR & REGULATION

The Governor's FY2017 recommendation for the Department of Labor and Regulation is \$2,002,317 in general funds, \$31,451,076 in federal fund expenditure authority, and \$10,886,340 in other fund expenditure authority for \$48,661,725 in total funds and 457.3 FTE. This includes increases of \$524,742 in general funds, \$498,960 in other fund expenditure authority, as well as a decrease of \$6,550,032 in federal fund expenditure authority.

ADMINISTRATION

The recommended budget is \$657,434 in general funds, \$15,110,272 in federal fund expenditure authority, and \$383,589 in other fund expenditure authority. This budget includes an increase of \$52,401 in general funds, a decrease of \$3,858,310 in federal fund expenditure authority, an increase of \$113,152 in other fund expenditure authority, and a decrease of 1.0 FTE. The FY2017 budget for Administration is \$16,151,565 in total funds and 52.5 FTE.

UNEMPLOYMENT INSURANCE

The recommended budget is \$4,712,065 in federal fund expenditure authority, \$343,108 in other fund expenditure authority, and 79.0 FTE. This budget includes a decrease of \$1,150,333 in federal fund expenditure authority and 13.0 FTE to align the budget with anticipated utilization.

EMPLOYMENT SERVICES

The recommended budget is \$641,790 in general funds, \$10,607,747 in federal fund expenditure authority, and 166.0 FTE. This includes an increase of \$472,071 in general funds due to decreased grant awards. Also included is a decrease of \$1,341,389 in federal fund expenditure authority and 14.0 FTE to align the budget with anticipated utilization.

STATE LABOR LAW ADMINISTRATION

The total recommended budget is \$703,093 in general funds, \$476,363 in federal fund expenditure authority, \$491,749 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 FY2017 recommendation for the Boards and Commissions include other fund expenditure authority increases to match projected expenditures within the Board of Accountancy for \$10,000 and the Cosmetology Commission for \$32,700. The recommended FY2017 budget is \$3,937,984 in other fund expenditure authority and 43.6 FTE.

BANKING

The recommended FY2017 budget is \$2,888,546 in other fund expenditure authority and 28.5 FTE.

SECURITIES

The FY2017 recommended budget consists of \$509,975 in other fund expenditure authority and 5.7 FTE.

INSURANCE

The Governor's FY2017 recommended budget consists of \$544,629 in federal fund expenditure authority and \$2,331,119 in other fund expenditure authority for \$2,875,748 in total funds and 30.0 FTE.

SOUTH DAKOTA RETIREMENT SYSTEM

The Governor's FY2017 recommended budget for the South Dakota Retirement System is \$4,321,992 in other fund expenditure authority, and 33.0 FTE. Included in this recommendation is an increase of \$45,000 in other fund expenditure authority.

PUBLIC SAFETY

The Governor's FY2017 budget recommendation for the Department of Public Safety includes \$3,656,742 in general funds, \$17,531,980 in federal fund expenditure authority, and \$35,449,579 in other fund expenditure authority for \$56,638,301 in total funds and 411.5 FTE. This includes an increase of \$64,736 in general funds, and decreases of \$5,458,000 in federal fund expenditure authority, \$2,029,000 in other fund expenditure authority, and 2.0 FTE.

ADMINISTRATION

The Governor's FY2017 budget recommendation for Administration is \$140,321 in general funds, \$89,702 in federal fund expenditure authority, and \$609,118 in other fund expenditure authority for \$839,141 in total funds and 8.5 FTE. This budget includes decreases of \$56,000 in federal fund expenditure authority and \$130,000 in other fund expenditure authority to align budget with anticipated utilization.

HIGHWAY PATROL

The Division of Highway Patrol includes the South Dakota Highway Patrol, Accident Records, Highway Safety, and State Radio. The FY2017 recommendation includes \$1,390,844 in general funds, \$6,891,896 in federal fund expenditure authority, and \$23,055,636 in other fund expenditure authority. The overall FY2017 budget for Highway Patrol is \$31,338,376 in total funds

and 276.0 FTE. This budget includes decreases of \$980,000 in federal fund expenditure authority and \$414,000 in other fund expenditure authority to align budget with anticipated utilization.

EMERGENCY SERVICES AND HOMELAND SECURITY

The Division of Emergency Services and Homeland Security includes: Emergency Management, the State Fire Marshal, and the Office of Homeland Security. The FY2017 budget recommendation for the Division of Emergency Services and Homeland Security includes \$1,338,393 in general funds, \$10,219,529 in federal fund expenditure authority, and \$267,766 in other fund expenditure authority for \$11,825,688 in total funds and 30.5 FTE. This budget includes decreases of \$4,422,000 in federal fund expenditure authority and \$85,000 in other fund expenditure authority to align budget with anticipated utilization.

LEGAL AND REGULATORY SERVICES

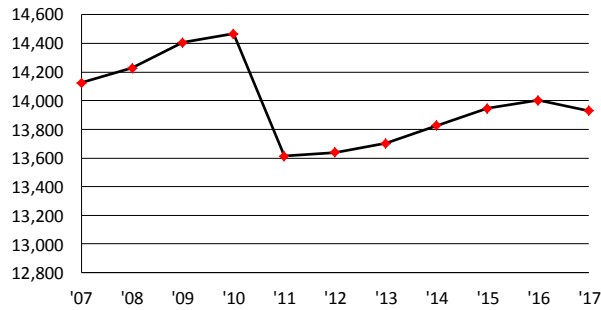
The Division of Legal and Regulatory Services includes Weights and Measures, Driver Licensing, and Inspections. The FY2017 recommended budget includes \$787,184 in general funds, \$330,853 in federal fund expenditure authority, and \$7,611,247 in other fund expenditure authority. The Governor is recommending increases of \$64,736 in general funds due to increased fees in Weights and Measures. Also included is a decrease of \$400,000 in other fund expenditure authority. The overall FY2017 budget for Legal and Regulatory Services is \$8,729,284 in total funds and 95.5 FTE.

911 COORDINATION BOARD - INFORMATIONAL

The FY2017 budget for the 911 Coordination Board is \$3,905,812 in other fund expenditure authority and 1.0 FTE. The Governor recommends a decrease of \$1,000,000 in other fund expenditure authority to align budget with anticipated utilization.

FTE CHANGE

FTE History All of State Government



The total appropriated FTE decreased from 14,113.7 in FY2007 to a recommended level of 13,930.2 for FY2017. This is a decrease of 173.5 FTE, or 1.2%, over the decade. The recommended change in FTE for FY2017 is a decrease of 63.4 across state government.

FTE History for Offices Outside Control of Governor



For offices outside the control of the Governor, total appropriated FTE changed from 6,240.1 in FY2007 to a recommended level of 6,079.8 for FY2017 for a net decrease of 160.3 FTE. The recommended changes for these offices in the FY2017 budget are a net decrease of 16.7 FTE. This includes increases of 4.0 FTE within the Unified Judicial System, 1.0 FTE in the Office of the Attorney General, and 0.3 FTE in the Secretary of State's office. Also included is a decrease of 22.0 FTE in the Board of Regents.

FTE History for Offices Under Control of Governor



The agencies under direct control of the Governor had total appropriated FTE of 7,873.6 in FY2007. The FY2017 budget recommendation brings the FTE to a level of 7,860.4. This is a decrease of 13.2 FTE, or 0.2%, over the decade. The recommended decrease of 46.7 FTE in the FY2017 budget includes increases of 61.0 FTE in the Department of Social Services, 10.5 FTE in the Department of Game, Fish and Parks, 1.0 FTE in the Department of the Military, and 1.0 FTE in the Department of Tribal Relations, along with decreases of 1.0 FTE in the Department of Education, 2.0 FTE in the Department of Public Safety, 3.0 FTE in the Bureau of Administration, 27.4 FTE in the Department of Labor and Regulation, 32.3 FTE in the Governor's Office, and 57.2 FTE in the Department of Corrections.