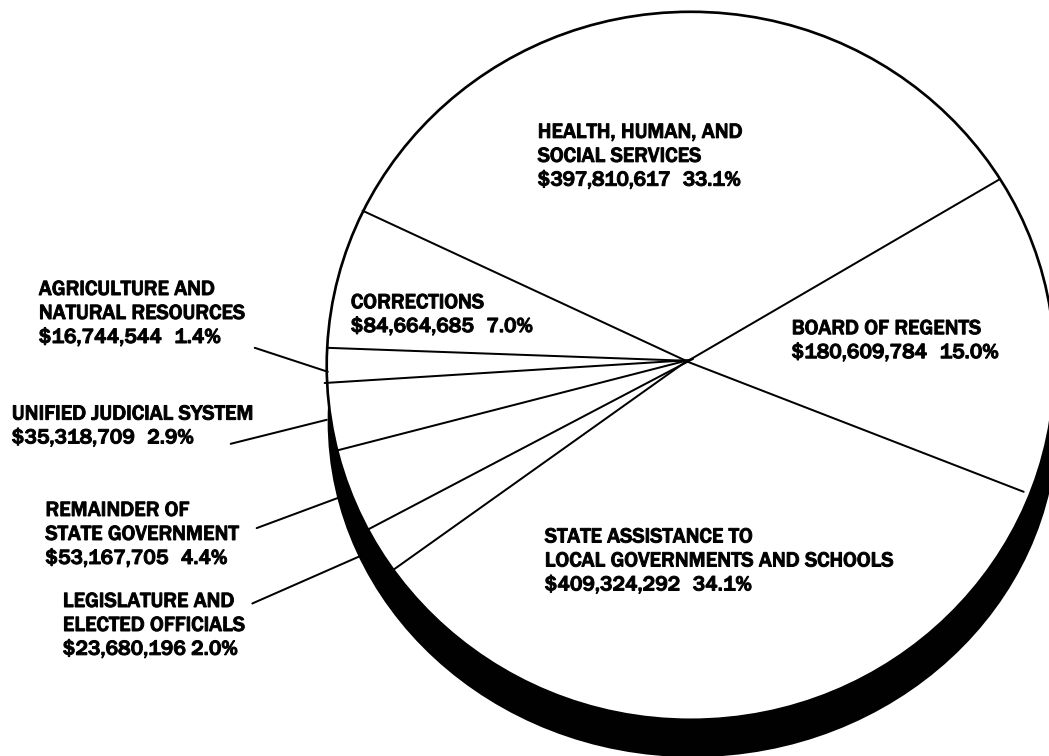


STATE OF SOUTH DAKOTA GOVERNOR'S BUDGET JANUARY REVISED FISCAL YEAR 2010

BEGINNING JULY 1, 2009
ENDING JUNE 30, 2010

OUR 120th YEAR OF A BALANCED BUDGET



M. MICHAEL ROUNDS, GOVERNOR

GENERAL FUND CONDITION STATEMENT

	ACTUAL FY2007	ACTUAL FY2008	BFM REVISED FY2009	BFM PROJECTED FY2010
RECEIPTS				
Sales and Use Tax	\$ 603,185,287	\$ 644,596,998	\$ 668,030,109	\$ 682,359,333
Contractor's Excise Tax	78,790,924	78,978,429	80,611,724	80,259,072
Property Tax Reduction Fund	120,265,382	126,605,981	127,106,485	128,443,869
Bank Franchise Tax	50,473,895	45,433,113	35,515,836	34,632,423
Insurance Company Tax	57,282,670	60,393,960	63,601,264	67,999,860
Other	169,760,821	188,092,570	188,742,849	177,050,399
One-Time Receipts/Reversions	6,550,000	6,508,132	26,475,670	2,275,420
Transfer from Property Tax Reserves	4,913,211	25,650,000	35,322,826	28,300,156
Obligated Cash Carried Forward	317,535	247,214	150,957	0
TOTAL RECEIPTS	\$1,091,539,724	\$1,176,506,396	\$1,225,557,720	\$1,201,320,532
EXPENDITURES				
General Bill Excl. State Aid to Education	\$ 729,081,925	\$ 785,303,535	\$ 821,917,326	\$ 810,737,727
State Aid to Education	328,738,055	360,436,307	387,617,722	387,003,934
Special Appropriations	12,178,439	14,533,043	10,008,647	945,938
Emergency Special Appropriations	18,800,781	13,647,334	3,362,079	0
Continuing Appropriations	2,175,776	2,188,007	2,500,989	2,632,933
TOTAL EXPENDITURES	\$1,090,974,976	\$1,176,108,225	\$1,225,406,763	\$1,201,320,532
TRANSFERS				
Budget Reserve Fund	\$ 317,535	\$ 247,214	\$ 150,957	\$ -
Property Tax Reduction Fund	0	0	0	0
TOTAL TRANSFERS	\$ 317,535	\$ 247,214	\$ 150,957	\$ -
Beginning Unobligated Cash Balance	\$ -	\$ -	\$ -	\$ -
Net (Receipts less Expend./Transfers)	247,214	150,957	0	0
OBLIGATIONS AGAINST CASH				
Budget Reserve Fund	(247,214)	(150,957)	0	0
Property Tax Reduction Fund	0	0	0	0
Total Obligations Against Cash	(247,214)	(150,957)	0	0
Ending Unobligated Cash Balance	\$ -	\$ -	\$ -	\$ -

SOURCE: State of South Dakota Bureau of Finance and Management

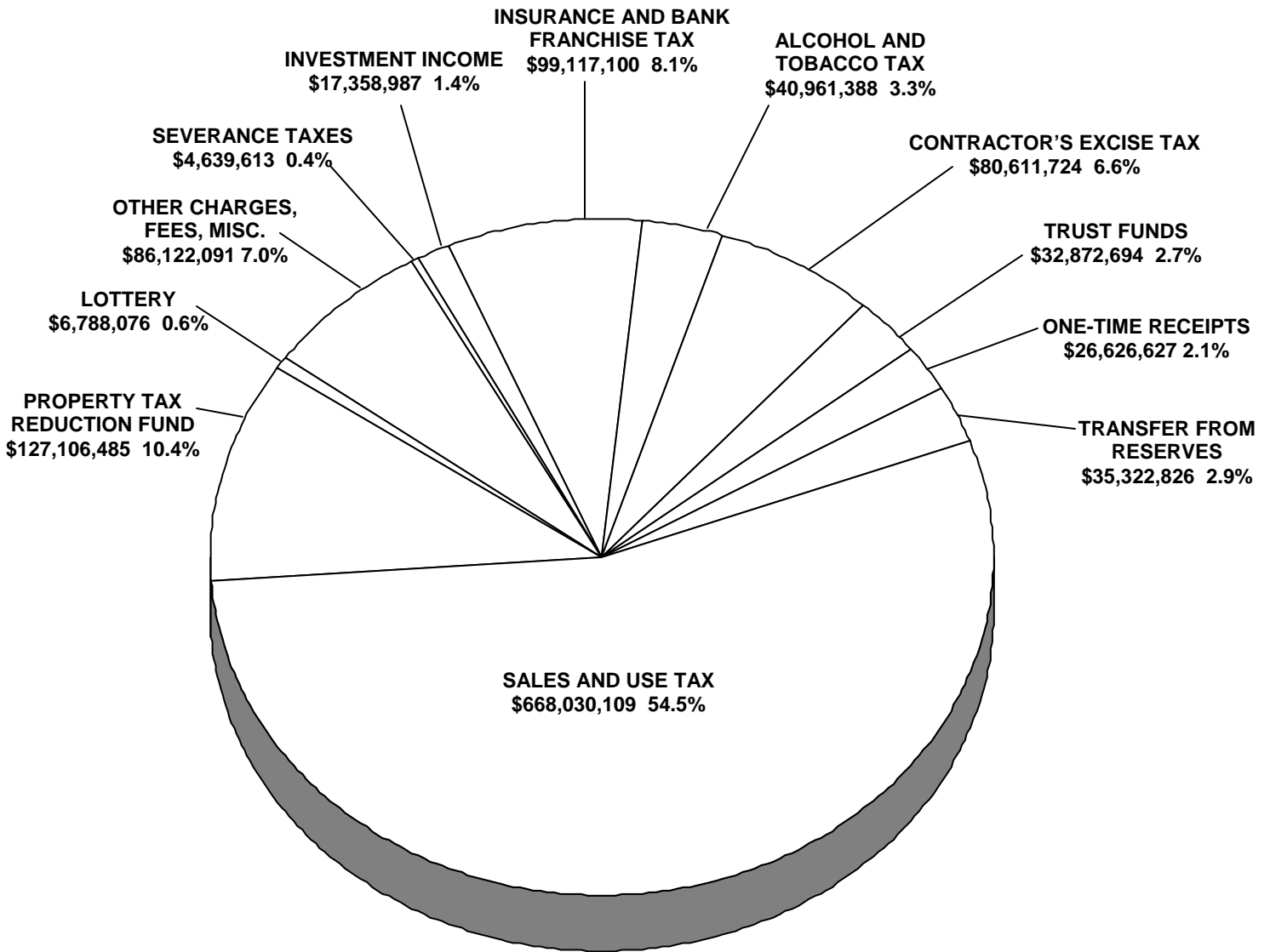
NOTE: This document was prepared on a cash basis for budgeting purposes and reflects obligations against cash. The totals may not add due to rounding.

GENERAL FUND RECEIPTS

	ACTUAL FY2007	ACTUAL FY2008	PROJECTED FY2009	PROJECTED FY2010
CONTINUING RECEIPTS				
Sales and Use Tax	\$ 603,185,287	\$ 644,596,998	\$ 668,030,109	\$ 682,359,333
Contractor's Excise Tax	78,790,924	78,978,429	80,611,724	80,259,072
Alcohol Beverage Tax	9,060,024	9,288,562	9,623,452	9,975,003
Alcohol Beverage 2% Wholesale Tax	1,125,604	1,212,155	1,337,936	1,416,385
Cigarette Tax	30,000,000	30,000,000	30,000,000	30,000,000
Bank Franchise Tax	50,473,895	45,433,113	35,515,836	34,632,423
Insurance Company Tax	57,282,670	60,393,960	63,601,264	67,999,860
Inheritance and Estate Tax	402,664	104,711	0	0
Licenses, Permits, and Fees	39,189,490	40,791,607	41,276,046	41,474,271
Investment Income and Interest	13,278,125	16,299,255	17,358,987	11,652,814
Charges for Goods and Services	14,488,998	16,726,952	15,057,887	15,385,181
Net Transfers In	9,237,431	20,119,164	20,305,695	35,158,850
Trust Funds	31,358,732	31,607,343	32,872,694	12,000,000
Severance Taxes	3,123,800	4,074,627	4,639,613	4,439,231
Unexpended Carryovers	959,385	352,827		0
Lottery	5,879,476	6,533,644	6,788,076	7,055,230
Property Tax Reduction Fund	120,265,382	126,605,981	127,106,485	128,443,869
Sale-Leaseback	10,498,875	9,827,175	9,141,450	8,457,825
CRP Program	1,158,220	1,154,547	341,013	35,609
SUBTOTAL (CONTINUING RECEIPTS)	<u>\$1,079,758,979</u>	<u>\$1,144,101,050</u>	<u>\$1,163,608,267</u>	<u>\$1,170,744,956</u>
ONE-TIME RECEIPTS				
Transfer from Telecommunications Relay Service	\$ 0	\$ 1,000,000	\$ 1,000,000	\$ 0
Transfer from Custer State Park Improvement Fund	0	0	6,325,898	2,275,420
Transfer from Private Activity Bond Fee Fund	0	0	1,500,000	0
Transfer from Prison Industries Revolving Fund	0	0	1,000,000	0
Transfer from Tobacco Prev. and Red. Trust Fund	0	0	2,500,000	0
Transfer from Budgetary Accounting Fund	0	4,008,132	0	0
Transfer from Petroleum Release Fund	0	1,000,000	0	0
Other One-time Receipts/Reversions	0	0	13,660,000	0
Refinancing Gains	0	0	489,772	0
Transfer from Video Lottery Fund	0	500,000	0	0
Transfer from Highway Fund	2,750,000	0	0	0
Transfer from Technology Fund	3,800,000	0	0	0
Transfer from Property Tax Reserves	4,913,211	25,650,000	35,322,826	28,300,156
Obligated Cash Carried Forward	317,535	247,214	150,957	0
SUBTOTAL (ONE-TIME RECEIPTS)	<u>\$ 11,780,746</u>	<u>\$ 32,405,346</u>	<u>\$ 61,949,453</u>	<u>\$ 30,575,576</u>
GRAND TOTAL	<u>\$1,091,539,724</u>	<u>\$1,176,506,396</u>	<u>\$1,225,557,720</u>	<u>\$1,201,320,532</u>

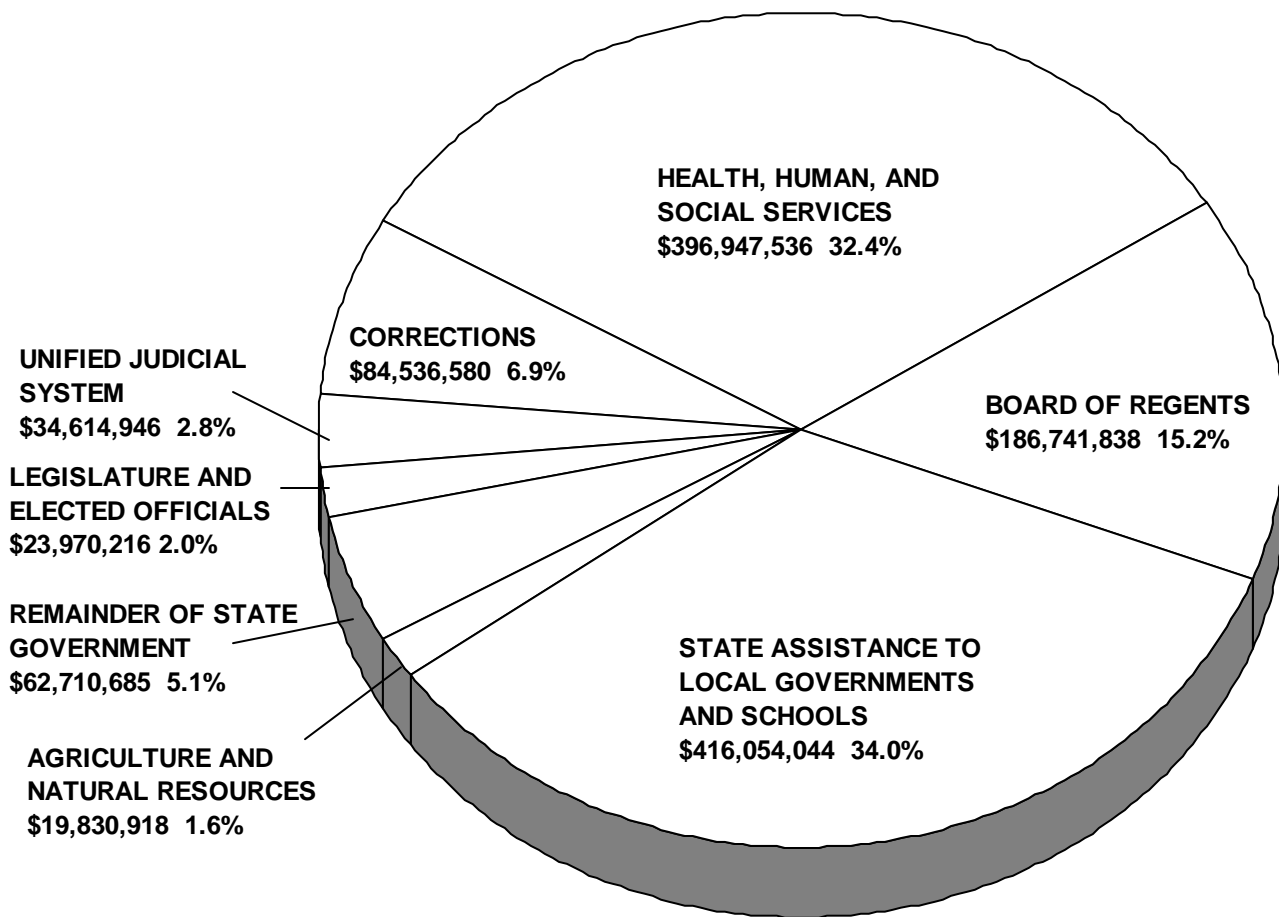
NOTE: The totals may not add due to rounding.

FY 2009 GENERAL FUND REVISED RECEIPTS



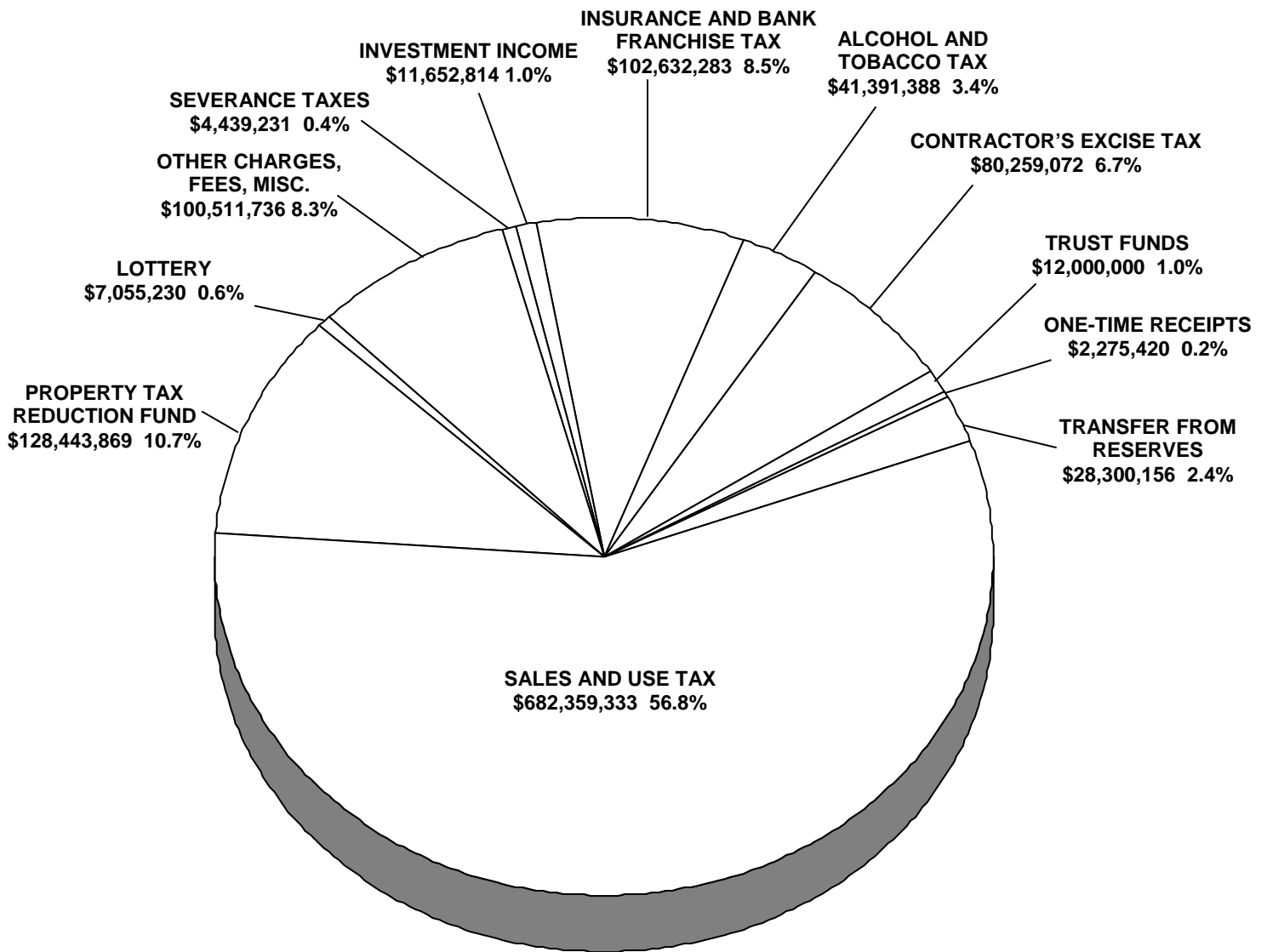
GENERAL FUND TOTAL: \$1,225,557,720

FY 2009 GENERAL FUND REVISED EXPENDITURES



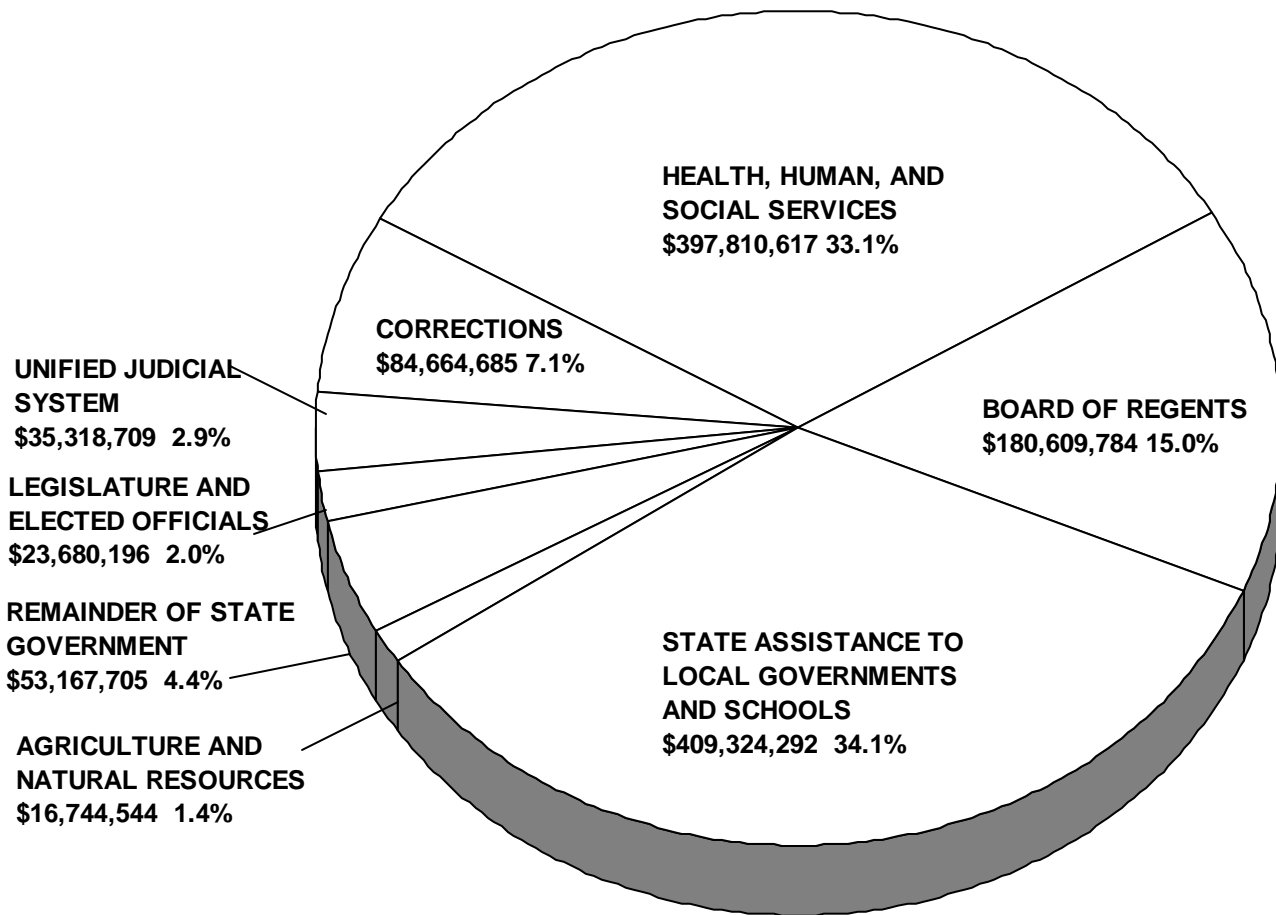
GENERAL FUND TOTAL: \$1,225,406,763

FY 2010 GENERAL FUND REVISED RECEIPTS



GENERAL FUND TOTAL: \$1,201,320,532

FY 2010 GENERAL FUND REVISED EXPENDITURES



GENERAL FUND TOTAL: \$1,201,320,532

SPECIAL APPROPRIATION RECOMMENDATIONS

FY2010 SPECIAL APPROPRIATIONS	GENERAL FUNDS	FEDERAL FUNDS	OTHER FUNDS	TOTAL
Tax Refunds for Elderly and Disabled	\$ 800,000	\$ -	\$ -	\$ 800,000
Physician Tuition Reimbursement	\$ 145,938	\$ -	\$ -	\$ 145,938
Conservation Grant	\$ -	\$ -	\$ 300,000	\$ 300,000
TOTAL FY2010 SPECIAL APPROPRIATIONS	\$ 945,938	\$ -	\$ 300,000	\$ 1,245,938

NOTE: FY2010 special appropriations become available for expenditure on July 1, 2009, and are included in the FY2010 column of the General Fund Condition Statement.

Governor Rounds is recommending total special appropriations of \$945,938 in general funds and \$300,000 in other fund expenditure authority. The following paragraphs highlight each recommended special appropriation.

- ◆ **Tax Refunds for the Elderly and Disabled:** The Governor is recommending \$800,000 in general funds for tax refunds for elderly and disabled individuals who meet income guidelines.

- ◆ **Physician Tuition Reimbursement Program:** The Governor is recommending \$145,938 in general funds to reimburse two participants who have complied with the requirements of the South Dakota Physician, Midlevel, or Dentist Tuition Reimbursement program per SDCL 1-16A-71.1, SDCL 1-16A-73.6, or SDCL 1-16A-73.2.

- ◆ **Conservation Grant:** The Governor is recommending \$300,000 in other fund expenditure authority to be used to fund the conservation districts and address soil and water conservation in South Dakota.

<u>FY2009 EMERGENCY SPECIAL APPROPRIATIONS</u>	<u>GENERAL FUNDS</u>	<u>FEDERAL FUNDS</u>	<u>OTHER FUNDS</u>	<u>TOTAL</u>
Fire Suppression Fund	\$ 641,065	\$ -	\$ -	\$ 641,065
Emergency and Disaster Fund	\$ 1,916,721	\$ -	\$ -	\$ 1,916,721
K-12 School District Consolidation Incentives	\$ 1,154,293	\$ -	\$ -	\$ 1,154,293
Sales Tax on Food Refund Program	\$ -	\$ -	\$ -	\$ -
Water Omnibus Bill		\$ 160,000	\$ 13,375,000	\$ 13,535,000
TOTAL FY2009 EMERGENCY SPECIAL APPROPRIATIONS	\$ 3,712,079	\$ 160,000	\$ 13,375,000	\$ 17,247,079

NOTE: FY2009 emergency special appropriations become available for expenditure upon passage of the bill and are included in the FY2009 column of the General Fund Condition Statement.

Governor Rounds is recommending total emergency special appropriations of \$3,712,079 in general funds, \$160,000 in federal fund expenditure authority, and \$13,375,000 in other fund expenditure authority. The following paragraphs highlight each recommended emergency special appropriation.

- ◆ **Fire Suppression Fund:** The Governor is recommending \$641,065 in general funds to be deposited into the Fire Suppression Fund for costs related to the suppression of wildfires in South Dakota.
- ◆ **Emergency and Disaster Fund:** The Governor is recommending \$1,916,721 in general funds to be deposited into the Emergency and Disaster Special Revenue Fund for costs related to disasters in South Dakota.
- ◆ **K-12 School District Consolidation Incentives:** The Governor is recommending \$1,154,293 in general funds to reimburse certain school districts for consolidation incentives per SDCL 13-6-92.
- ◆ **Sales Tax on Food Refund Program:** This funding is not recommended.
- ◆ **Water Omnibus Bill:** The Governor is recommending \$160,000 in federal fund expenditure authority and \$13,375,000 in other fund expenditure authority for water development, solid waste, and water quality improvement projects throughout the state. The portion of the Governor's omnibus bill that will go to the Lewis & Clark Rural Water System is \$6,300,000 in other fund expenditure authority.

<u>FY2009 GENERAL BILL AMENDMENTS</u>	<u>GENERAL FUNDS</u>	<u>FEDERAL FUNDS</u>	<u>OTHER FUNDS</u>	<u>TOTAL</u>
Custer State Park Bond Payment Shortfall	\$ 156,382	\$ -	\$ -	\$ 156,382
State Veterans' Home Utilities	\$ 70,464	\$ -	\$ -	\$ 70,464
DSS Medicaid Budget Shortfall	\$ -	\$ -	\$ -	\$ -
Cement Plant Earnings for Education	\$ 1,522,942			\$ 1,522,942
TOTAL FY2009 GENERAL BILL AMENDMENTS	\$ 1,749,788	\$ -	\$ -	\$ 1,749,788

NOTE: FY2009 general bill amendments are changes that need to be made to the FY2009 general appropriations act and are included in the FY2009 column of the General Fund Condition Statement.

Governor Rounds is recommending total general bill amendments of \$1,749,788 in general funds. The following paragraphs highlight each recommended FY2009 general bill amendment.

- ◆ ***Custer State Park Bond Payment Shortfall:*** The Governor is recommending \$156,382 in general funds to make the bond payment on the second issuance of bonds for Custer State Park improvements due to the passage of SB218 during the 2007 Legislative Session.
- ◆ ***State Veterans' Home Utilities:*** The Governor is recommending \$70,464 in general funds to cover utility expenses at the State Veterans' Home.
- ◆ ***DSS Medicaid Budget Shortfall:*** This funding is not recommended.
- ◆ ***Cement Plant Earnings for Education:*** Due to the extra earnings from the Dakota Cement Trust fund, \$1,522,942 in earnings will be available to be spent for education enhancement. The Governor is recommending that these funds be used to help in funding the South Dakota Opportunity Scholarship.

**GOVERNOR'S REVISED FY2010 GENERAL FUND
BASE BUDGET RECOMMENDATIONS**

GENERAL BILL	FTE EXPANSION/ (REDUCTION)	GENERAL FUND EXPANSION/ (REDUCTION)	TOTAL GENERAL FUND RECOMMENDATION
Administration	(1.0)	(2,557,261)	4,584,214
Agriculture	(0.3)	(294,599)	5,827,755
Attorney General	1.0	300,469	10,045,712
Corrections	(12.5)	1,741,809	84,664,685
Education (Excluding State Aid and Postsecondary Education)	(4.0)	(2,656,237)	9,668,440
State Aid to Education		(613,788)	387,003,934
Postsecondary Vocational Education		280,285	19,767,425
Environment and Natural Resources	0.0	(643,465)	5,802,661
Finance and Management	0.0	(633,952)	8,761,533
Game, Fish, and Parks	(1.0)	(532,859)	5,114,128
Gubernatorial Division	0.0	(82,465)	2,400,234
Health	2.0	(53,850)	7,762,876
Human Services	0.5	655,985	110,300,380
Information and Telecommunications	1.0	(81,844)	5,850,254
Labor and Regulation (Includes SD Retirement System)	0.0	0	872,003
Legislature	(2.0)	(329,672)	7,481,022
Military and Veteran's Affairs	0.0	(34,441)	6,314,503
Personnel	0.0	0	969,101
Public Safety	3.0	(357,858)	3,654,598
Public Utilities Commission	0.0	(46,355)	512,356
Regents	35.5	(4,609,112)	180,609,784
Revenue	(1.0)	(192,974)	1,136,728
School and Public Lands	0.0	(125,000)	544,722
Secretary of State	0.0	0	977,219
Social Services	(5.0)	1,103,332	278,801,423
State Auditor	0.0	(1,997)	1,212,072
State Treasurer (Including Investment Council)	0.0	0	506,859
Tourism & State Development	(19.0)	(1,041,228)	10,756,506
Transportation	0.0	0	519,825
Unified Judicial System	9.0	763,478	35,318,709
TOTAL FY2010 GENERAL BILL RECOMMENDATIONS	6.2	(10,043,599)	1,197,741,661
BREAKDOWN			
Executive Branch	(37.3)	(5,579,442)	551,361,613
Unified Judicial System and Other Elected Officials	8.0	478,458	58,998,905
State Aid		(613,788)	387,003,934
Postsecondary Vocational Education		280,285	19,767,425
Board of Regents	35.5	(4,609,112)	180,609,784
TOTAL FY2010 GENERAL BILL RECOMMENDATIONS	6.2	(10,043,599)	1,197,741,661

TOTAL STATE GOVERNMENT BUDGET
(Including Information Budgets)

	Actual FY 2008	Budgeted FY 2009	Original Recommended FY 2010	Revised Recommended FY2010	Change From FY2009	Change From Original Recommended
FUNDING SOURCE:						
General Funds	\$ 1,145,739,840	\$ 1,207,785,260	\$ 1,232,570,083	\$ 1,197,741,661	\$ (10,043,599)	\$ (34,828,422)
Federal Funds	1,181,463,616	1,431,755,432	1,476,847,352	1,458,021,380	26,265,948	(18,825,972)
Other Funds	806,175,621	926,423,459	952,962,032	935,194,247	8,770,788	(17,767,785)
Total	\$ 3,133,379,077	\$ 3,565,964,151	\$ 3,662,379,467	\$ 3,590,957,288	\$ 24,993,137	\$ (71,422,179)

EXPENDITURE DETAIL:						
Personal Services	\$ 740,952,929	\$ 814,954,879	\$ 840,134,125	\$ 818,142,770	\$ 3,187,891	\$ (21,991,355)
Operating Expenses	2,392,426,148	2,751,009,272	2,822,245,342	2,772,814,518	21,805,246	(49,430,824)
Total	\$ 3,133,379,077	\$ 3,565,964,151	\$ 3,662,379,467	\$ 3,590,957,288	\$ 24,993,137	\$ (71,422,179)

Staffing Level FTE: 13,702.7 14,405.9 14,488.6 14,412.1 6.2 (76.5)

SPECIAL APPROPRIATIONS AND GENERAL FUND CONTINUING APPROPRIATIONS

FUNDING SOURCE:	Revised Budgeted FY2009	Governor's Recommended FY2010	Change From Original Recommended
General Funds	\$ 17,621,503	\$ 3,578,871	\$ (14,042,632)
Federal Funds	3,436,596	3,100,000	(336,596)
Other Funds	21,973,298	1,583,270	(20,390,028)
Total	\$ 43,031,397	\$ 8,262,141	\$ (34,769,256)
 Staffing Level	 19.0	 0.0	 (19.0)

TOTAL STATE GOVERNMENT BUDGET

FUNDING SOURCE:	Revised Budgeted FY2009	Original Recommended FY2010	Revised Recommended FY2010	Change From FY2009	Change From Original Recommended
General Funds	\$ 1,225,406,763	\$ 1,236,148,954	\$ 1,201,320,532	\$ (24,086,231)	\$ (34,828,422)
Federal Funds	1,435,192,028	1,479,947,352	1,461,121,380	25,929,352	(18,825,972)
Other Funds	948,396,757	954,545,302	936,777,517	(11,619,240)	(17,767,785)
Total	\$ 3,608,995,548	\$ 3,670,641,608	\$ 3,599,219,429	\$ (9,776,119)	\$ (71,422,179)
 Staffing Level	 14,424.9	 14,488.6	 14,412.1	 (12.8)	 (76.5)