

SUMMARY OF RECOMMENDED BUDGET ADJUSTMENTS

STATE AID

This category includes state aid to K-12 education, postsecondary vocational education institutes, and technology in the schools.

In accordance with state statute, the Governor is recommending a 3.0% inflationary increase in the per student allocation for state aid to general education and for state aid to special education for FY2010. This brings the per-student allocation for state aid to general education to \$4,804.60 for FY2010, an increase of \$139.94 over the FY2009 base rate of \$4,664.66.

In addition to the statutory increase to the formula, the Governor is recommending changes to the state aid to general education formula. The first recommendation is to suspend provisions of SDCL 13-13-71, SDCL 13-13-72, and SDCL 13-13-72.1 for FY2010 which will decrease the FY2010 state's portion of local need to an estimated 55.3%, as the general fund school district levies for taxes payable in 2010 will remain at the same level as taxes payable in 2009. This change will not affect total funding for schools. The second recommendation is to amend definitions in statute to eliminate two year averaging of fall enrollment numbers. The third recommendation is to repeal SDCL 13-13-80, which will eliminate the increasing enrollment adjustment in the state aid formula. In addition, the recommended FY2010 budget includes a funding swap to remove the \$1,402,405 other fund expenditure authority for FY2010 and replace with state general funds. The FY2010 fall enrollment estimate of 121,425 was used for calculating the FY2010 budget. The total recommended budgeted amount for state aid to general education is \$333,528,370 in general funds.

The revised FY2010 budgeted amount for state aid to special education is recommended to increase by \$1,668,170 in general funds, bringing the total budget for this program to \$46,795,542 in general funds for FY2010. The formula for FY2010 is based on a 0% inflationary increase to the per student allocation for each disability level.

Also included in the revised FY2010 budget is to eliminate the funding for the National Board of Certified Teachers, the Alternative Education program, and the Teacher Compensation Assistance Program. This results in a reduction of \$543,000 in general funds and \$4,000,000 in other funds for these three programs. The reduction of \$4,000,000 of other fund expenditure authority is considered a general fund reduction within the Department of Education. This other fund

expenditure authority is for the Education Enhancement Tobacco Tax Funds that were previously appropriated to the Department of Education for the Teacher Compensation Assistance Program. The Governor's revised recommendation is to remove the funding for this program and deposit the Education Enhancement Tobacco Tax fund revenues into the general fund.

The Governor is recommending a decrease of \$611,484 in other fund expenditure authority for the technology in schools budget in FY2010. The total recommended budget includes \$6,680,022 in general funds and \$2,609,147 in other fund expenditure authority. The technology in schools budget is used to support ongoing costs of the technology infrastructure for the school districts.

The Governor is recommending an increase of \$280,285 over the FY2009 base budget for the postsecondary technical institutes. This increase provides a 3.0% adjustment in the calculations for funding based on estimated enrollments in FY2010. The total recommended FY2010 budget for postsecondary institutes is \$19,767,425 in general funds.

EDUCATION

The Governor's revised recommended budget for FY2010 for the Department of Education, including the state aid to education formula, reflects a decrease of \$2,989,740 in general funds, an increase of \$171,393,375 in federal fund expenditure authority, and a decrease of \$9,135,435 in other fund expenditure authority. The total revised recommended budget for FY2010 is \$416,439,799 in general funds, \$171,393,375 in federal fund expenditure authority, \$4,007,795 in other fund expenditure authority, and 137.0 FTE. Please note that \$8,602,405 of other fund expenditure authority is recommended to be removed from the Department of Education budget. This other fund expenditure authority is for the Education Enhancement Tobacco Tax Fund revenues that were previously appropriated to the Department of Education for the Teacher Compensation Assistance Program (\$4,000,000), Career and Technical Education grants (\$1,500,000), Education Service Agency contracts (\$1,700,000), and state aid to education (\$1,402,405). The Governor is recommending that the funding for these programs be eliminated and the revenue from the Education Enhancement Tobacco Tax Fund be placed in the state general fund to pay for the technology in schools budget, the assessment budget and state to K-12 schools budget.

GENERAL ADMINISTRATION

The total recommended FY2010 budget for this division is \$1,892,957 in general funds, \$7,800,309 in federal fund expenditure authority, \$13,674 in other fund expenditure authority, and 34.5 FTE. Included in this division is an increase of \$330,000 of federal fund expenditure authority due to a grant received from the U.S. Department of Education to improve college access for Native American students. An increase of \$2,000,000 of federal fund expenditure authority is due to an anticipated grant from the U.S. Department of Education to develop a statewide longitudinal data system within the Department of Education. This will connect K-12 and higher education student data, allowing longitudinal analysis of student/teacher performance.

CAREER AND TECHNICAL EDUCATION

The total recommended FY2010 budget for this division is \$636,851 in general funds, \$5,468,610 in federal fund expenditure authority, \$204,352 in other fund expenditure authority, and 12.0 FTE. Included in the revised recommended budget is a decrease of \$1,500,000 of other fund expenditure authority to eliminate funding for the career and technical education grants.

EDUCATION SERVICES AND RESOURCES

This division includes the Office of Curriculum, Technology, and Assessment; the Office of Accreditation and Teacher Quality; the Office of Education Services and Support; and Office of Curriculum and Instruction. The recommendation for this program includes a decrease of \$1,927,280 in general funds, an increase of \$2,598,095 in federal fund expenditure authority, and an increase of \$78,454 in other fund expenditure authority. The FY2010 Governor's revised recommended budget includes eliminating the funding for the Birth to Three program. This recommendation results in a reduction of \$1,850,099 in general funds, \$2,521,443 in federal fund expenditure authority, and 3.0 FTE. An increase in federal fund expenditure authority totaling \$4,486,173 is recommended for increases in flow through funds for title programs, special education, and Coordinated School Health from the U.S. Department of Education. An increase in federal fund expenditure authority in the amount of \$631,396 is recommended for a new fresh fruit and vegetable grant to provide fresh fruits and vegetable snacks for children during the school day. A funding switch of \$78,425 from general funds to other fund expenditure authority is recommended due to a change in funding for school accreditation. The total recommended FY2010 budget for this division is \$5,046,539 in general funds, \$156,931,944 in federal fund expenditure authority,

\$994,539 in other fund expenditure authority, and 59.0 FTE.

EDUCATION SERVICES AGENCIES

The FY2010 recommended budget includes eliminating the Education Service Agency funding within the Department of Education. This results in a reduction of \$500,000 in general funds and \$1,700,000 in other fund expenditure authority for a total of \$2,200,000.

STATE LIBRARY

The revised FY2010 recommended budget for the State Library consists of \$2,092,093 in general funds, \$1,192,512 in federal fund expenditure authority, \$186,083 in other fund expenditure authority, and 31.5 FTE. The revised recommended budget includes a reduction of \$165,000 in general funds from reduced books and printed materials, reduced database subscriptions, and reduced matching grants within the State Library. In addition, 1.0 FTE and \$53,343 in general funds are recommended to be reduced as a result of the recommendation to remove the Hands on Partnership program from the State Library budget.

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, which is located in Sioux Falls. 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 revised budget for the Board of Regents contains a net increase of \$11,584,132 in total funds and 35.5 FTE over the FY2009 budget. There is a decrease of \$4,609,112 in general funds and increases of \$5,615,000 in federal fund expenditure authority and \$10,578,244 in other fund expenditure authority. The total FY2010 recommended budget for the Board of Regents consists of \$180,609,784 in general funds, \$124,229,566 in federal fund expenditure authority, and \$323,451,251 in other fund expenditure authority, for a total FY2010 budget of \$628,290,601 and 5,601.0 FTE.

The revised FY2010 recommendation includes \$1,152,717 in general funds to cover the rising costs of utilities on the campuses. It also includes the following reductions in general funds:

\$1,632,999 for ongoing maintenance and repair; \$155,359 and 2.0 FTE for data center technical support for the Research, Education, and Economic Development (REED) Network; \$1,000,000 from the Cooperative Extension Service for program restructuring; \$2,000,000 and 25.0 FTE due to restructuring the South Dakota School for the Deaf; and \$500,000 and 1.5 FTE for various institutional cuts.

The various general fund institutional cuts are as follows: \$14,025 from the Central Office, \$165,692 from the University of South Dakota, \$154,611 from South Dakota State University, \$21,883 from the Agricultural Experiment Station, \$43,349 and 1.0 FTE from the South Dakota School of Mines and Technology, \$36,047 from Northern State University, \$32,754 and 0.5 FTE from Black Hills State University, \$26,204 from Dakota State University, and \$5,435 from the South Dakota School for the Blind and Visually Impaired.

The South Dakota Opportunity Scholarship continues to grow and is projected to have 3,240 students receiving scholarship funds in FY2010. Available cement plant trust fund earnings will be used to help fund this scholarship.

The Board of Regents continues to grow in federal grant and contract activity, along with student support and support staff increases. The recommended budget includes the addition of 64.0 FTE, \$5,615,000 in federal fund expenditure authority, and \$18,578,244 in other fund expenditure authority related to federal grant and contract activity and increased lease payments. The FTE will be distributed among five campuses: Black Hills State University (9.5), Northern State University (4.0), South Dakota State University (38.5), the Agricultural Experiment Station (10.0), and the University of South Dakota (2.0).

HEALTH

The FY2010 Governor's revised recommended budget for the Department of Health, including the informational budgets for the boards and commissions, includes a decrease of \$53,850 in general funds, and an increase of \$154,901 in other fund expenditure authority. This is a total increase of \$101,051 and 2.0 FTE. The total FY2010 recommended budget is \$7,762,876 in general funds, \$34,956,127 in federal fund expenditure authority, and \$31,440,145 in other fund expenditure authority, for a total of \$74,159,148 and 405.2 FTE.

ADMINISTRATION

The revised recommendations for Administration include a decrease of \$125,468 in general funds, and increases of \$386,203 in other fund

expenditure authority and 1.0 FTE. The vital records program is increasing fees effective February 5, 2009, which will generate approximately \$561,545 in additional revenue. The reduction in general funds is to reduce funding for the mosquito control program. The FTE and other fund expenditure authority are to implement Health Information Technology throughout the state. The FY2010 Governor's revised recommended budget is \$1,172,175 in general funds, \$1,072,473 in federal fund expenditure authority, \$1,781,241 in other fund expenditure authority, and 32.0 FTE.

HEALTH SYSTEMS DEVELOPMENT AND REGULATION

The revised recommendations for this division include increases of \$132,835 in general funds and \$125,468 in other fund expenditure authority. An increase in general funds is for inspections of food services, lodging, and campground establishments. Inspection and licensing programs are proposing to increase fees in order to generate approximately \$721,641 in additional general fund revenue to pay for these programs. An increase in other fund expenditure authority is for utilizing lab funds to pay more of the lab building's bond payment. The FY2010 Governor's revised recommended budget is \$2,423,013 in general funds, \$12,569,683 in federal fund expenditure authority, \$181,769 in other fund expenditure authority, and 64.5 FTE.

HEALTH AND MEDICAL SERVICES

The revised recommendations for this division include a decrease of \$61,217 in general funds and an increase of \$500,000 in other fund expenditure authority. The decrease is to eliminate the HPV vaccine funding, and an increase in other fund expenditure authority is to purchase other vaccines for children. The FY2010 Governor's revised recommended budget is \$4,167,688 in general funds, \$18,136,321 in federal fund expenditure authority, \$3,516,930 in other fund expenditure authority, and 178.5 FTE.

LABORATORY SERVICES

The FY2010 Governor's revised recommended budget is \$2,072,835 in federal fund expenditure authority, \$3,217,402 in other fund expenditure authority, and 29.0 FTE. No changes to this division are recommended.

CORRECTIONAL HEALTH

This division has a recommended decrease of \$1,032,357 in other fund expenditure authority and an increase of 1.0 FTE. The additional 1.0 FTE and \$53,730 in other fund expenditure authority are for the Intensive Methamphetamine Treatment program. The recommendation includes elimination

of the catastrophic fund for unanticipated high medical expenses. The FY2010 Governor's revised recommended budget for this division is \$14,577,210 in other fund expenditure authority and 76.0 FTE.

TOBACCO PREVENTION

The FY2010 Governor's revised recommended budget is \$1,104,815 in federal fund expenditure authority, \$5,000,000 in other fund expenditure authority, and 3.0 FTE. No changes to this division are recommended.

PROFESSIONAL AND OCCUPATIONAL LICENSING - INFORMATIONAL

This division is comprised of the informational budgets of the professional and occupational licensing boards. There are eleven 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, and Board of Massage Therapy. The Governor's revised recommended budget for the Boards is \$3,165,593 and 22.2 FTE. This represents an increase of \$175,587 in other fund expenditure authority.

HUMAN SERVICES

The Governor is recommending revised increases of \$655,985 in general funds and \$3,364,946 in federal fund expenditure authority, and a decrease of \$2,974,452 in other fund expenditure authority, for a total increase of \$1,046,479 and 0.5 FTE. The recommendation includes a decrease of \$1,102,032 in general funds and a corresponding increase in federal fund expenditure authority due to the change in the Federal Medical Assistance Percentage (FMAP) for Title XIX and Title XXI programs. For FY2010, a total revised budget of \$247,303,340 is recommended, consisting of \$110,300,380 in general funds, \$130,774,841 in federal fund expenditure authority, \$6,228,119 in other fund expenditure authority, and 1,220.2 FTE.

SECRETARIAT

The Governor's revised recommendation includes no major changes for this division. The total FY2010 revised budget is \$1,042,190 in general funds, \$807,035 in federal fund expenditure authority, and \$1,421 in other fund expenditure authority, for a total of \$1,850,646 and 24.0 FTE.

DEVELOPMENTAL DISABILITIES

The revised recommendation for the division of Developmental Disabilities includes increases in general funds of \$365,173 and \$2,598,621 of federal fund expenditure authority. This includes \$1,152,533 in general funds and \$1,935,712 in federal fund expenditure authority to address consumer expansion for individuals with developmental disabilities. It also includes a \$125,000 general fund decrease for an autism grant.

SOUTH DAKOTA DEVELOPMENTAL CENTER

The Governor's revised recommendation includes a decrease of \$782,392 in general funds, and increases of \$11,744 in federal fund expenditure authority and \$70,667 in other fund expenditure authority, for a total decrease of \$699,981 and 5.5 FTE. Personal services reductions and adjustments account for a \$339,659 decrease in general funds and \$101,025 in federal fund expenditure authority. Prescription drug reductions result in decreases of \$112,284 in general funds and \$125,360 in federal fund expenditure authority. The remaining reductions are for various capital assets, utilities, and food services. The total recommended budget is \$9,063,978 in general funds, \$14,762,511 in federal fund expenditure authority, \$992,145 in other fund expenditure authority, and 407.6 FTE.

ALCOHOL AND DRUG ABUSE

The Governor's revised recommendation includes increases of \$1,557,317 in general funds and \$375,672 in federal fund expenditure authority, a decrease of \$515,223 in other fund expenditure authority, and an additional 5.0 FTE, for a total increase of \$1,417,766 in this division. Additional increases within this division include \$851,922 in general funds and 5.0 FTE due to the Intensive Methamphetamine Treatment program for inmates at the Women's Prison, along with \$203,336 in general funds and \$341,508 in federal fund expenditure authority to meet the increased demand for alcohol dependency treatment for pregnant women and women with dependent children.

REHABILITATION SERVICES

The Governor's revised recommended budget for Rehabilitation Services includes decreases of \$557,373 in general funds and \$93,175 in federal fund expenditure authority, for a total decrease of \$650,548. These reductions include \$86,447 in general funds for the Neuromuscular Program, \$378,130 in general funds for independent living services, and \$59,116 in general funds and \$99,286

in federal fund expenditure authority for the Traumatic Brain Injury Program.

TELECOMMUNICATION DEVICES FOR THE DEAF

The Governor's revised recommendation includes no change to the Telecommunication Devices for the Deaf budget. The total FY2010 budget is \$1,251,680 in other fund expenditure authority.

BOARD OF COUNSELOR EXAMINERS - INFORMATIONAL

The Governor's revised recommendation includes an increase of \$2,390 in other fund expenditure authority. The total FY2010 budget is \$77,390 in other fund expenditure authority.

BOARD OF PSYCHOLOGY EXAMINERS - INFORMATIONAL

The Governor's revised recommendation includes an increase of \$1,600 in other fund expenditure authority. The total FY2010 budget is \$76,329 in other fund expenditure authority.

BOARD OF SOCIAL WORK EXAMINERS - INFORMATIONAL

The Governor's revised recommendation includes an increase of \$1,600 in other fund expenditure authority. The total FY2010 budget is \$93,260 in other fund expenditure authority.

CERTIFICATION BOARD FOR ALCOHOL AND DRUG PROFESSIONALS - INFORMATIONAL

The Governor's revised recommendation includes an increase of \$4,822 in other fund expenditure authority. The total FY2010 budget is \$144,288 in other fund expenditure authority.

SERVICE TO THE BLIND AND VISUALLY IMPAIRED

The Governor's revised recommendation includes a decrease of \$2,377 in general funds, an increase of \$28,469 in federal fund expenditure authority, and a decrease of \$1,883 in other fund expenditure authority, for a total increase of \$24,209. Decreases include \$10,797 in general funds for the radio news reader program. The total recommended budget is \$887,500 in general funds, \$2,273,906 in federal fund expenditure authority, \$251,446 in other fund expenditure authority, and 29.2 FTE.

HUMAN SERVICES CENTER

The Governor's revised recommendation includes a decrease of \$315,079 in general funds, an increase

of \$71,909 in federal fund expenditure authority, and a decrease of \$2,538,425 in other fund expenditure authority, for a total decrease of \$2,781,595. The changes in the Human Services Center budget reflect decreases in utility expenses, completion of the utility management project, and a \$134,857 decrease in general funds with a \$72,975 increase in other fund expenditure authority for prescription drugs.

COMMUNITY MENTAL HEALTH

The Governor's revised recommendation for the division of Community Mental Health reflects increases of \$392,619 in general funds, \$369,803 in federal fund expenditure authority, and 1.0 FTE, for a total increase of \$762,422. Additional funding is recommended for Mental Health consumer expansion at a total cost of \$409,777 in general funds and \$258,730 in federal fund expenditure authority. The additional FTE is for the Intensive Methamphetamine Treatment program.

SOCIAL SERVICES

The FY2010 Governor's revised recommended budget for the Department of Social Services is \$278,801,423 in general funds, \$541,910,958 in federal fund expenditure authority, and \$10,030,074 in other fund expenditure authority, for a total revised FY2010 budget of \$830,742,455 and 996.5 FTE. This recommendation includes an increase of \$1,103,332 in general funds, \$14,211,090 in federal fund expenditure authority, and \$1,553,526 in other fund expenditure authority, and a decrease of 5.0 FTE.

ADMINISTRATION

The revised recommendations for Administration include an increase of \$33,406 in general funds and \$14,557 in federal fund expenditure authority, and a decrease of 1.0 FTE. The reduction of 1.0 FTE, \$22,861 in general funds, and \$30,303 in federal fund expenditure authority is to shift administration of the Catastrophic County Poor Relief fund to counties. The increase is due to increased costs for computer services. The FY2010 Governor's revised recommended budget is \$6,877,636 in general funds, \$19,146,278 in federal fund expenditure authority, \$219,117 in other fund expenditure authority, and 177.7 FTE.

ECONOMIC ASSISTANCE

The revised recommendations for Economic Assistance include increases of \$91,162 in general funds, \$99,268 in federal fund expenditure authority, and a decrease of 3.0 FTE. Adjustments to this budget include: increases of \$95,215 in general funds and \$95,215 in federal fund

expenditure authority due to increased TANF caseloads, and a decrease of 3.0 FTE due to the elimination of the sales tax on food refund program. The FY2010 Governor's revised recommended budget is \$21,201,421 in general funds, \$43,635,362 in federal fund expenditure authority, \$300,000 in other fund expenditure authority, and 319.5 FTE.

MEDICAL AND ADULT SERVICES

The revised recommendations for Medical and Adult Services include decreases of \$1,810 in general funds and 1.0 FTE, and increases of \$14,256,730 in federal fund expenditure authority and \$1,553,526 in other fund expenditure authority. The FY2010 Governor's revised recommended budget is \$217,351,953 in general funds, \$427,753,763 in federal fund expenditure authority, \$5,044,538 in other fund expenditure authority, and 144.5 FTE. Increases to this budget include: \$3,658,463 in general funds and \$6,396,687 in federal fund expenditure authority for mandatory cost increases within Medical Services; a funding switch of \$3,737,138 from general funds to federal fund expenditure authority due to the change in the Federal Medical Assistance Percentage (FMAP); \$4,073,363 in general funds and \$6,860,525 in federal fund expenditure authority due to the growth in the number of Medicaid and Children's Health Insurance Program (CHIP) clients, and the increased utilization of Medical Services; \$862,396 in general funds and \$1,626,733 in federal fund expenditure authority due to projected increased costs in the Medical Services budget; and a one-time funding switch of \$2,153,526 from general funds to other fund expenditure authority for Medicare Part D. Decreases to this budget include: \$1,485,987 in general funds and \$2,320,818 in federal fund expenditure authority due to eliminating the adult dental program; \$647,360 in general funds, \$1,052,640 in federal fund expenditure authority, and 1.0 FTE due to eliminating provider reimbursement for case management services; \$142,343 in general funds and \$231,457 in federal fund expenditure authority due to elimination of chiropractic services; \$600,000 in other fund expenditure authority due to counties taking over administration of the catastrophic county poor relief fund; and \$429,678 in general funds and \$721,656 in federal fund expenditure authority since client cost sharing for nursing homes is higher than previously anticipated.

CHILDREN'S SERVICES

The revised recommendations for Children's Services include an increase of \$980,574 in general funds and a decrease of \$159,465 in federal fund expenditure authority. Adjustments to this budget include: a funding switch of \$249,135 of general funds to federal fund expenditure authority due to

the change in the FMAP; an increase of \$709,243 in general funds and \$361,695 in federal fund expenditure authority for additional subsidized guardianships and adoptions; an increase of \$720,691 in general funds and a decrease of \$591,270 in federal fund expenditure authority due to increased costs and limited federal funding for child care subsidies; and a decrease of \$210,000 in general funds for court ordered supervision. The FY2010 Governor's revised recommended budget is \$33,370,413 in general funds, \$51,375,555 in federal fund expenditure authority, \$4,466,419 in other fund expenditure authority, and 354.8 FTE.

CORRECTIONS

The Governor's revised recommended budget for the Department of Corrections is \$84,664,685 in general funds, \$11,584,866 in federal fund expenditure authority, and \$9,963,369 in other fund expenditure authority, for a total FY2010 revised budget of \$106,212,920 and 889.0 FTE. This includes an increase of \$1,741,809 in general funds and decreases of \$1,174,409 in federal fund expenditure authority and \$2,270,046 in other fund expenditure authority, for a net decrease of \$1,702,646. A decrease of 12.5 FTE is also recommended.

The Average Daily Count (ADC) of adult inmates is projected to reach 3,585 in FY2010. This represents an increase of 212 inmates over the actual FY2008 ADC of 3,373 inmates, or a 6.3% increase over two years. The average daily population of juveniles in institutional settings within the Department of Corrections is projected at 145 for FY2010, which is a 1.9% increase over two years.

ADMINISTRATION

The Governor is recommending revised budget decreases of \$1,101,649 in general funds, \$612,378 in federal fund expenditure authority, \$1,350,000 in other fund expenditure authority, and 1.5 FTE. The majority of the general fund decrease is tied to decreased costs of the inmate medical agreements, the elimination of the catastrophic fund with the Department of Health, and the elimination of 1.5 FTE. The federal fund expenditure authority decrease is due to the federal reductions of the Juvenile Accountability Block Grant (JABG) and the Prison Rape Elimination Act (PREA). The other fund expenditure authority decrease is primarily due to smaller payments remaining for the Offender Management System in FY2010. The total revised recommended budget for Administration includes \$17,626,095 in general funds, \$1,999,984 in federal fund expenditure authority, \$1,333,936 in other fund expenditure authority, and 34.5 FTE.

MIKE DURFEE STATE PRISON

The revised recommendation for the Mike Durfee State Prison (MDSP) includes an increase of \$113,639 in general funds, and decreases of \$3,000 in federal fund expenditure authority and \$50,881 in other fund expenditure authority, for a total increase of \$59,758. The revised recommendation includes a reduction of 2.0 FTE. The general fund increase is a result of higher utility costs and is partially offset by the elimination of 2.0 FTE in education and a proposed revision in food service agreements. The other fund expenditure authority reduction is due to the completion of the renovation of the control room. The overall revised budget for MDSP is \$13,082,088 in general funds, \$172,819 in federal fund expenditure authority, \$415,388 in other fund expenditure authority, and 180.5 FTE.

STATE PENITENTIARY

The revised recommendation for the South Dakota State Penitentiary (SDSP) includes an increase of \$16,163 in general funds and a decrease of \$58,896 in federal fund expenditure authority, for a total decrease of \$42,733. The revised recommendation includes a reduction of 2.0 FTE. Major general fund impacts to this program are utilities and educational cost increases and are partially offset by the elimination of 2.0 FTE and a proposed revision in food service agreements. The overall revised budget for the SDSP is \$18,463,248 in general funds, \$501,998 in federal fund expenditure authority, \$228,748 in other fund expenditure authority, and 289.5 FTE.

WOMEN'S PRISON

The revised budget for the South Dakota Women's Prison (SDWP) is recommended to decrease by \$37,954 in general funds and \$98,867 in federal fund expenditure authority. The general fund decrease is partially a result of a reduction in education contractual services and a proposed revision in food service agreements. The revised budget for the SDWP is \$3,184,859 in general funds, \$275,951 in federal fund expenditure authority, \$151,814 in other fund expenditure authority, and 50.0 FTE.

PHEASANTLAND INDUSTRIES

The revised budget for Pheasantland Industries is recommended to increase by \$653,000 in other fund expenditure authority due to the new state license plate production in FY2010. The total budget for Pheasantland Industries is \$3,681,499 in other fund expenditure authority and 15.0 FTE.

COMMUNITY SERVICES

The revised Community Services budget is recommended to increase by \$15,636 in general funds and decrease by \$17,500 in federal fund expenditure authority and \$42,270 in other fund expenditure authority. The Governor also recommends a net decrease of 4.0 FTE. The recommendation includes a decrease of 13.0 FTE and \$641,537 of general funds, \$17,500 of federal fund expenditure authority, and \$29,770 of other fund expenditure authority, resulting from the closure of the Redfield Minimum Unit. Increases of 9.0 FTE and \$638,633 of general funds are recommended due to support operating expenses for the Intensive Methamphetamine Treatment Program participants at the Women's Prison, which was a special appropriation in FY2008 and FY2009. The total budget for Community Services is \$3,731,995 in general funds, \$124,213 in federal fund expenditure authority, \$3,185,621 in other fund expenditure authority, and 76.5 FTE.

PAROLE SERVICES

The Governor's revised recommendation for Parole Services includes a decrease of \$216,516 in general funds and an increase of \$200,750 in other fund expenditure authority. The revised recommendation includes the elimination of 2.0 FTE and a funding switch in the Community Transition Program. The revised budget recommendation is \$3,613,292 in general funds, \$256,404 in other fund expenditure authority, and 58.0 FTE.

JUVENILE COMMUNITY CORRECTIONS

The revised Juvenile Community Corrections budget is recommended to increase by \$2,670,827 in general funds and decrease by \$151,782 in federal fund expenditure authority and \$1,690,645 in other fund authority, for a total increase of \$828,400. The general fund increase represents Community Based Services increasing expenses, the funding switch of \$1,690,645 in one-time other fund expenditure authority used in FY2009 for Group and Residential Placement services for juveniles, and the expansion of juveniles receiving these services. The one-time other fund expenditure authority in FY2009 was used to replace Medicaid funds no longer available to juveniles in private placement due to changes in federal rules. Other funds were budgeted to utilize cash balances for one year to save general funds. The general fund increases are partially offset by the elimination of 1.0 FTE and the reduction of Community Placement beds. The overall budget for Juvenile Community Corrections is \$15,340,689 in general funds, \$7,974,650 in federal fund expenditure authority, \$480,087 in other fund expenditure authority, and 48.5 FTE.

YOUTH CHALLENGE CENTER

The Governor's revised recommendation includes an increase of \$269,871 in general funds and a decrease of \$269,871 in federal fund expenditure authority at the Youth Challenge Center (YCC). The funding swap is due to the expiration of Byrne Grant funding. The total budget for YCC is \$1,457,919 in general funds, \$14,942 in other fund expenditure authority, and 26.0 FTE.

PATRICK HENRY BRADY ACADEMY

The Governor's revised recommendation includes no changes to the Patrick Henry Brady Academy budget. The total budget for the Brady Academy is \$1,430,345 in general funds, \$14,280 in other fund expenditure authority, and 26.0 FTE.

STATE TREATMENT AND REHABILITATION (STAR) ACADEMY

The State Treatment and Rehabilitation (STAR) Academy contains the budget for food services, the physical plant, medical services, education, and administration for the Custer juvenile programs. The revised budget for FY2010 is recommended to increase by \$11,792 in general funds, \$37,885 in federal fund expenditure authority, and \$10,000 in other fund expenditure authority. The increases are due to utility expenses and additional federal education assistance. The total budget for STAR is \$5,198,404 in general funds, \$535,251 in federal fund expenditure authority, \$188,000 in other fund expenditure authority, and 57.5 FTE.

QUEST/EXCEL

The Governor's revised recommendation includes no changes to Quest/ExCel. The total budget for Quest/ExCel is \$1,535,751 in general funds, \$12,650 in other fund expenditure authority, and 27.0 FTE.

AGRICULTURE

The Governor's FY2010 revised recommended budget for the Department of Agriculture is \$36,198,424, and consists of \$5,827,755 in general funds, \$6,555,963 in federal fund expenditure authority, \$23,814,706 in other fund expenditure authority, and 232.5 FTE. This represents an overall increase of \$3,489,528 in the Department of Agriculture's budget.

OFFICE OF THE SECRETARY

The Office of the Secretary's total revised recommended budget is \$821,027 and consists of \$656,568 in general funds, \$52,557 in federal fund expenditure authority, and \$111,902 in other fund

expenditure authority, with 9.5 FTE. The Governor is recommending a 1.0 FTE increase in the division that will be offset by a 1.0 FTE decrease in the Administration division of Game, Fish, and Parks. This movement will make the shared fiscal office more efficient.

AGRICULTURAL SERVICES AND ASSISTANCE

The revised recommended FY2010 budget for Agricultural Services and Assistance includes \$2,107,825 in general funds, \$2,946,427 in federal fund expenditure authority, and \$3,165,740 in other fund expenditure authority, for a total budget of \$8,219,992 and 83.6 FTE. This revised recommendation reflects a total increase of \$117,834 for FY2010.

The total FY2010 revised recommended budget for Agriculture Services is \$4,569,976 and 34.0 FTE. This budget is comprised of \$1,048,300 in general funds, \$810,459 in federal fund expenditure authority, and \$2,711,217 in other fund expenditure authority. The division is proposing to increase fees within the Dairy Services program to generate approximately \$39,975 in new general fund revenue. Included in this budget is an increase of \$597,572 of other fund expenditure authority due to fee increases within the Dairy, Seed, Nursery, and Fertilizer programs. These proposed fee increases will offset general funds within the division.

The total revised recommended budget for Fire Suppression includes \$1,059,525 in general funds, \$2,135,968 in federal fund expenditure authority, \$454,523 in other fund expenditure authority, and 49.6 FTE for a total budget of \$3,650,016. Included in this budget is an increase of \$59,555 in general funds for a Fire Aviation Officer.

AGRICULTURAL DEVELOPMENT AND PROMOTION

The Governor's revised recommendation includes a decrease of \$78,357 for Agricultural Development and Promotion. The total recommended FY2010 budget consists of \$1,151,667 in general funds, \$1,630,001 in federal fund expenditure authority, and \$1,866,648 in other fund expenditure authority, for a total of \$4,648,316 and 28.0 FTE.

The total FY2010 revised recommended budget for Agriculture Development is \$1,517,353 and 9.0 FTE. The Governor is recommending no changes for this division's budget.

The total FY2010 revised recommended budget for Resource Conservation and Forestry is \$3,130,963 and 19.0 FTE. The Governor is recommending a general fund decrease of \$78,357 in grants and capital assets within this division.

ANIMAL INDUSTRY BOARD

The total FY2010 revised recommended budget for the Animal Industry Board is \$4,095,640 and 44.9 FTE. This budget is comprised of \$1,911,695 in general funds, \$1,926,978 in federal fund expenditure authority, and \$256,967 in other fund expenditure authority.

STATE FAIR

The State Fair's revised recommended budget is \$2,006,087 in other fund expenditure authority and 19.5 FTE.

ENVIRONMENT AND NATURAL RESOURCES

The Governor's FY2010 revised recommended budget for the Department of Environment and Natural Resources totals \$18,322,196 and consists of \$5,802,661 in general funds, \$6,681,926 in federal fund expenditure authority, \$5,837,609 in other fund expenditure authority, and 176.5 FTE. This recommendation includes a decrease of \$643,465 in general funds, and increases of \$230,000 in federal fund expenditure authority and \$413,465 in other fund expenditure authority.

FINANCIAL AND TECHNICAL ASSISTANCE

The Financial and Technical Assistance budget consists of \$2,187,181 in general funds, \$1,816,527 in federal fund expenditure authority, and \$815,446 in other fund expenditure authority, for a total budget of \$4,819,154 and 58.0 FTE. Included is a \$100,000 funding switch from general funds to other fund expenditure authority. The department is proposing to amend the amount that is annually transferred from the Water and Environment fund to the Environment and Natural Resources fee fund in SDCL 1-40-32 from \$400,000 to \$500,000. Also included is a decrease of \$16,100 in general funds and a subsequent increase of \$16,100 in federal fund expenditure authority due to anticipated additional grant money from the Environmental Protection Agency.

ENVIRONMENTAL SERVICES

The Governor's revised recommendation for the FY2010 budget for Environmental Services totals \$10,988,042 and 118.5 FTE. Environmental Services consists of \$3,615,480 in general funds, \$4,865,399 in federal fund expenditure authority, and \$2,507,163 in other fund expenditure authority. The Governor is recommending a decrease of \$527,365 in general funds and increases of \$213,900 in federal fund expenditure authority and \$313,465 in other fund expenditure authority. General funds of \$213,900 are being offset in this

budget due to anticipated additional grant money from the Environmental Protection Agency, resulting in a subsequent increase of \$213,900 in federal fund expenditure authority. General funds of \$313,465 are also being offset in this division due to fee increases, which will result in a corresponding increase of \$313,465 in other fund expenditure authority.

REGULATED RESPONSE FUND – INFORMATIONAL

The Governor is recommending no change in the Regulated Response Fund budget. This budget is informational and continuously appropriated with \$1,750,000 in other fund expenditure authority.

LIVESTOCK CLEANUP FUND – INFORMATIONAL

The Governor is recommending no change in the Livestock Cleanup Fund budget. This budget is informational and continuously appropriated with \$765,000 in other fund expenditure authority.

GAME, FISH, AND PARKS

The FY2010 revised recommended budget for the Department of Game, Fish, and Parks totals \$70,216,668 including \$5,114,128 in general funds, \$18,870,164 in federal fund expenditure authority, \$46,232,376 in other fund expenditure authority, and 565.6 FTE. This budget reflects an overall increase of \$3,140,725.

CONSERVATION RESERVE ENHANCEMENT PROGRAM

The Governor is recommending a decrease of \$239,360 in general funds in the Conservation Reserve Enhancement Program due to a decrease in the bond payment as per the schedule. The total recommended budget for FY2010 is \$106,975 in general funds. These funds are dedicated for the retirement of bonds issued to lease land from farmers and ranchers in the Conservation Reserve Program.

ADMINISTRATION

The Governor's revised recommendation includes a decrease of \$250 in general funds, a decrease of \$65,000 in other fund expenditure authority, and a decrease of 1.0 FTE. This will be offset by an increase of 1.0 FTE within the Department of Agriculture. The total budget for Administration is \$4,266,374 and 25.1 FTE.

WILDLIFE – INFORMATIONAL

The Governor's revised recommended budget for the Division of Wildlife is \$37,975,449. This budget is composed of \$11,444,035 in federal fund expenditure authority and \$26,531,414 in other fund expenditure authority. Included in this budget is an increase of \$1,500,000 in other fund expenditure authority for payments to private landowners for habitat and hunting access projects through the Wildlife Partners Program and the Conservation Reserve Enhancement Program. The Governor is recommending an increase of \$400,000 in federal fund expenditure authority and \$485,000 in other fund expenditure authority for the support of new and existing partnership and habitat development activities on public and private lands.

The Governor is recommending an overall decrease of \$641,609 in the Wildlife Development and Improvement Program. The total budget for the Wildlife Development and Improvement Program is \$1,906,875, of which \$1,058,719 is federal fund expenditure authority and \$848,156 is other fund expenditure authority.

STATE PARKS AND RECREATION

The Division of State Parks and Recreation's revised recommended total FY2010 budget is \$16,789,270 and 238.9 FTE. The Governor is recommending a decrease of \$91,074 in general funds, and increases of \$107,008 in federal fund expenditure authority and \$383,353 in other fund expenditure authority. This budget includes an increase of \$33,000 of other fund expenditure authority for advertising, and increases of \$107,008 in federal fund expenditure authority and \$75,578 in other fund expenditure authority for utility increases in the State Park system. General funds of \$274,775 are being offset in this division due to fee increases, which results in a corresponding increase of \$274,775 in other fund expenditure authority.

The Division of State Parks and Recreation's Development and Improvement Program has a total recommended increase of \$356,645. The total recommended budget includes decreases of \$202,175 in general funds and \$457,405 in federal fund expenditure authority, and increases of \$1,016,225 in other fund expenditure authority and 1.3 FTE, for a total budget of \$7,779,266. Due to proposed fee increases within the Division of State Parks and Recreation, \$202,175 of general funds have been offset within this budget. This will result in a subsequent increase of \$202,175 in other fund expenditure authority. The Governor is recommending an increase of \$814,050 of other fund expenditure authority for road projects within the State Park system, the majority of which will be made possible with proposed fee increases.

SNOWMOBILE TRAILS – INFORMATIONAL

The total revised recommended budget for the Snowmobile Trails Program is \$100,000 in federal fund expenditure authority, \$1,292,459 in other fund expenditure authority, and 9.1 FTE. Included in this budget is an increase of \$126,000 in other fund expenditure authority for a trail groomer in the Black Hills.

LEGISLATURE

The total FY2010 Governor's revised recommended budget for the South Dakota Legislature is \$7,481,022 in general funds, \$35,000 in other fund expenditure authority, and 67.3 FTE. Changes to the budget for the Legislative Research Council include a decrease of \$104,852 due to a 35-day session, a decrease of \$40,000 in general funds for Legislator's out-of-state travel, and a reduction of 2.0 FTE. The Governor is also recommending a decrease of \$58,432 for Legislative Audit's compensation program. The net change for the South Dakota Legislature is a decrease of \$329,672 in general funds.

UNIFIED JUDICIAL SYSTEM

The Governor's revised FY2010 budget recommendation for the Unified Judicial System includes increases of \$763,478 in general funds and \$1,302,870 in other fund expenditure authority, for a total increase of \$2,066,348. This recommendation also contains 9.0 additional FTE.

The revised expansion in personal services amounts to \$655,353 for nine new FTE. The additional FTE needed include: one Circuit Judge in Minnehaha County; one Circuit Judge in Pennington County; one Court Reporter in Minnehaha County; one Court Reporter in Pennington County; one Circuit Court Law Clerk in Pennington County; and one Court Services Officer in Minnehaha County. Three FTE are recommended to continue the Fourth Circuit Drug Court program. The Drug Court FTE include: one Drug Court Coordinator; one Drug Court Services Officer; and one Drug Court Secretary.

The operating expenses budget of the Unified Judicial System is increasing by \$108,125 in general funds and \$1,302,545 in other fund expenditure authority. Operating expenses such as training, research consulting, and travel account for the majority of the general fund increase. The revised other fund expenditure authority is recommended to advance the information and technology progress of the courts.

The total revised FY2010 recommended budget totals \$42,875,558 and consists of \$35,318,709 in general funds, \$392,769 in federal fund expenditure authority, \$7,164,080 in other fund expenditure authority, and 527.4 FTE.

PUBLIC UTILITIES COMMISSION

For FY2010, the Governor recommends a decrease of \$46,355 in general funds, and increases of \$9,109 in federal fund expenditure authority and \$32,398 in other fund expenditure authority. This includes a one-time funding switch of \$40,575 from general funds to other funds to spend Grain and Warehouse funds. The FY2010 Governor's revised recommended budget is \$512,356 in general funds, \$96,396 in federal fund expenditure authority, \$3,273,560 in other fund expenditure authority, and 30.2 FTE.

ATTORNEY GENERAL

The Governor's revised recommendation for the Office of the Attorney General is an overall budget increase of \$253,534. The revised FY2010 budget recommendation consists of an increase of \$300,469 in general funds, a decrease of \$472,140 in federal fund expenditure authority, and an increase of \$425,205 in other fund expenditure authority, with an additional 1.0 FTE. The total revised recommended FY2010 budget for the Office of the Attorney General is \$10,045,712 in general funds, \$3,533,901 in federal fund expenditure authority, and \$5,054,925 in other fund expenditure authority, for a total budget of \$18,634,538 and 156.0 FTE.

LEGAL SERVICES

The revised FY2010 budget represents an increase of \$334,754 in general funds, a decrease of \$319,962 in federal fund expenditure authority, an increase of \$60,730 in other fund expenditure authority, and an additional 1.0 FTE. The FTE increase is for a Consumer Protection Investigator, which will be funded by the Consumer Settlement Fund. The Edward Byrne grant amount has decreased, resulting in a recommended funding switch from federal fund expenditure authority to general funds. The revised recommended budget for the Legal Services program is \$5,480,258 in general funds, \$1,141,813 in federal fund expenditure authority, and \$1,072,957 in other fund expenditure authority, for a total of \$7,695,028 and 76.0 FTE.

CRIMINAL INVESTIGATION

The revised FY2010 budget recommendation includes an increase of \$65,715 in general funds, a

decrease of \$152,178 in federal fund expenditure authority, and an increase of \$239,665 in other fund expenditure authority. The general fund increase is primarily due to policy alignment for the Division of Criminal Investigation (DCI) agent overtime compensation. Increased other fund expenditure authority is recommended to support necessary Criminal Lab staff positions, which will be funded by revenues from record checks and by the law enforcement officer training fund. The overall revised recommended budget for the Division of Criminal Investigation is \$4,183,052 in general funds, \$2,392,088 in federal fund expenditure authority, and \$2,118,919 in other fund expenditure authority, for a total of \$8,694,059 and 67.5 FTE.

LAW ENFORCEMENT TRAINING

The Governor's revised budget recommendation for Law Enforcement Training is a decrease of \$100,000 of general funds and an increase of \$124,743 in other fund expenditure authority. The total revised budget for this division is \$382,402 in general funds and \$1,658,745 in other fund expenditure authority, for a total of \$2,041,147 and 10.5 FTE

911 TRAINING

The Governor is recommending a revised increase of \$67 in other fund expenditure authority. The total revised budget for this division is \$204,304 in other fund expenditure authority and 2.0 FTE.

SECRETARY OF STATE

The Governor's revised recommendation for the Secretary of State's FY2010 budget is \$977,219 in general funds, \$3,130,575 in federal fund expenditure authority, \$453,973 in other fund expenditure authority, and 15.3 FTE. This budget includes an increase of \$179,279 in other fund expenditure authority for software to develop an online corporate annual reports filing system. This recommendation includes proposed fee increases in business services in order to generate approximately \$1,070,277 in additional general fund revenue.

SCHOOL AND PUBLIC LANDS

The Governor's revised recommendation for the FY2010 School and Public Lands' budget is \$544,722 in general funds and \$225,000 in other fund expenditure authority, for a total budget of \$769,722 and 7.0 FTE. Included in this budget are decreases of \$125,000 of general funds and \$75,000 in other fund expenditure authority which were put into the budget during the 2008 Legislative Session to pay for a needs assessment for dam

maintenance and repair on state owned dams, which will be completed in FY2009.

STATE AUDITOR

The Governor's revised recommendation includes a decrease of \$1,997 in general funds. The total revised FY2010 recommended budget is \$1,212,072 in general funds and 18.0 FTE.

STATE TREASURER

The Governor's revised recommended budget includes an increase of \$671,335 in other fund expenditure authority. The total revised FY2010 recommended budget consists of \$506,859 in general funds, \$11,797,500 in other fund expenditure authority, and 37.0 FTE.

TREASURY MANAGEMENT

The Governor's revised budget recommendation includes no change from the previous fiscal year. The total revised recommended FY2010 budget consists of \$506,859 in general funds and 5.5 FTE.

UNCLAIMED PROPERTY - INFORMATIONAL

The Governor's revised recommendation includes no change from the previous fiscal year. The total revised recommended FY2010 budget consists of \$2,894,352 in other fund expenditure authority and 3.5 FTE.

INVESTMENT COUNCIL

The Governor's revised recommendation includes an increase of \$671,335 in other fund expenditure authority for the Investment Council. Included is an increase of \$630,111 for personal services for the Investment Council's potential salary budget increase and \$41,224 in operating expenses. The total revised recommended FY2010 budget is \$8,903,148 in other fund expenditure authority and 28.0 FTE.

EXECUTIVE MANAGEMENT

The Governor's revised recommendation for the Department of Executive Management includes decreases of \$3,355,522 in general funds, \$42 in federal fund expenditure authority, and \$9,094,391 in other fund expenditure authority. The total revised FY2010 budget includes \$22,565,336 in general funds, \$3,420,866 in federal fund expenditure authority, and \$96,584,151 in other fund expenditure authority, for a total of \$122,570,353 and 689.3 FTE.

GUBERNATORIAL DIVISION

The total recommended budget for this division is \$2,400,234 in general funds, \$260,050 in federal fund expenditure authority, and 23.0 FTE, for a total of \$2,660,284. This revised recommendation includes a \$95,000 general fund reduction for the Midwestern Higher Education Compact.

BUREAU OF FINANCE AND MANAGEMENT

The Governor's revised recommendation includes a general fund decrease of \$633,952 and an other fund expenditure authority increase of \$322,653. The general fund decrease is attributable to the Bureau of Finance and Management sale/leaseback agreement schedule. The revised recommended FY2010 budget is \$8,761,533 in general funds and \$7,109,198 in other fund expenditure authority, for a total of \$15,870,731 and 37.0 FTE.

BUREAU OF ADMINISTRATION

The Governor's revised recommendation includes a decrease of \$2,557,261 in general funds, an increase of \$100,582 in other fund expenditure authority, and a decrease of 1.0 FTE. The FTE reduction is within the Office of Hearing Examiners. General fund decreases also include \$2,451,444 that was added to the base budget in FY2009 for maintenance and repair. The FY2010 revised recommended budget for this division is \$4,584,214 in general funds, \$500,000 in federal fund expenditure authority, and \$31,953,358 in other fund expenditure authority, for a total of \$37,037,572 and 177.5 FTE.

BUREAU OF INFORMATION AND TELECOMMUNICATIONS

The Governor's revised recommendation includes decreases of \$81,844 in general funds, \$9,517,341 in other fund expenditure authority, and an additional 1.0 FTE. The FTE and \$56,699 in other fund expenditure authority is recommended to provide support to the state's growing databases. General funds are recommended to replace a \$273,056 federal grant for State Radio that has been discontinued. A \$9,153,156 reduction in other fund expenditure authority for the Research, Education, and Economic Development (REED) network project is recommended. General fund decreases also include \$230,000 that was added to the South Dakota Public Broadcasting's base budget in FY2009 for digital conversion. The Governor's total FY2010 revised recommended budget for the Bureau of Information and Telecommunications is \$5,850,254 in general funds, \$2,160,816 in federal fund expenditure authority, and \$43,380,482 in other fund

expenditure authority, for a total of \$51,391,552 and 380.3 FTE.

BUREAU OF PERSONNEL

The Governor's revised recommendation includes no major changes for this Bureau. The total FY2010 revised budget is \$969,101 in general funds, \$500,000 in federal fund expenditure authority, and \$14,141,113 in other fund expenditure authority, for a total of \$15,610,214 and 71.5 FTE.

MILITARY AND VETERANS' AFFAIRS

The Governor's revised recommendation for the Department of Military and Veterans' Affairs includes a decrease of \$34,441 in general funds, an increase of \$475,721 in federal fund expenditure authority, and an increase of \$81,682 in other fund expenditure authority. The total recommended FY2010 budget is \$6,314,503 in general funds, \$20,367,702 in federal fund expenditure authority, and \$4,744,930 in other fund expenditure authority, for a total budget of \$31,427,135 and 196.1 FTE.

OFFICE OF THE ADJUTANT GENERAL

The Governor's revised FY2010 total budget recommendation for the Office of the Adjutant General is \$677,364 in general funds, \$11,300 in federal fund expenditure authority, \$26,103 in other fund expenditure authority, and 4.3 FTE.

ARMY AND AIR GUARD

The Governor's revised recommendation for the Guard includes a decrease of \$43,579 in general funds and an increase of \$475,721 in federal fund expenditure authority. The recommended increases are for utilities, and the addition of a fourth STARBASE program. The total FY2010 recommended budget for the Army Guard is \$16,893,965 and 50.1 FTE. The total FY2010 recommendation for the Air Guard is \$4,924,064 and 41.0 FTE.

VETERANS' BENEFITS AND SERVICES

The total revised recommended FY2010 budget for Veterans' Benefits and Services is \$1,109,870 in general funds and \$273,520 in federal fund expenditure authority, for a total of \$1,383,390 and 18.0 FTE.

STATE VETERANS' HOME

The Governor's revised recommendation for the State Veterans' Home includes increases of \$29,138 in general funds and \$81,682 in other fund expenditure authority. The recommended increases are for utilities. The total recommended

FY2010 budget is \$2,304,622 in general funds, \$487,500 in federal fund expenditure authority, and \$4,718,827 in other fund expenditure authority, for a total budget of \$7,510,949 and 82.7 FTE.

REVENUE AND REGULATION

The Governor's revised recommended budget for the Department of Revenue and Regulation totals \$71,324,866, and consists of \$1,136,728 in general funds, \$70,188,138 in other fund expenditure authority, and 326.1 FTE. The Governor is recommending decreases of \$192,974 in general funds, \$546,000 in federal fund expenditure authority, \$311,246 in other fund expenditure authority, and 1.0 FTE.

SECRETARIAT

The Governor's recommendation includes no changes to the Secretariat budget. The total FY2010 recommended budget consists of \$164,650 in general funds, \$3,643,647 in other fund expenditure authority, and 39.5 FTE.

BUSINESS TAX

The Governor's recommendation includes an increase of \$47,830 in other fund expenditure authority for the 7% increase in postage rates, the 9% increase of active licensees, and the 29% increase in billing notices experienced over the past three years. The total FY2010 recommended budget consists of \$3,643,944 in other fund expenditure authority and 51.0 FTE.

MOTOR VEHICLES

The Governor's recommendation includes a decrease of \$546,000 in federal fund expenditure authority and an increase of \$1,469,685 in other fund expenditure authority. This includes decreases of \$546,000 of federal fund expenditure authority and \$909,000 of other fund expenditure authority which reflects the completion of the new system for the International Fuel Tax Agreement and International Registration Plan. This is expected to be completed in FY2009. This recommendation also includes an increase of \$2,205,540 in other fund expenditure authority for the FY2010 costs associated with the 2011 new license plate production, of which 60% of the total costs are anticipated in FY2010. Also included is an increase of \$173,145 in other fund expenditure authority as the division is now responsible for mailing motor vehicle registration notices. The total FY2010 recommended budget consists of \$8,042,915 in other fund expenditure authority and 49.1 FTE.

PROPERTY AND SPECIAL TAXES

The Governor's recommendation includes no major changes to this budget. The recommended FY2010 budget consists of \$972,078 in general funds and 14.0 FTE.

AUDITS

The recommended FY2010 budget consists of a decrease of \$192,974 in general funds and a decrease of 2.0 FTE as the division was unable to hire qualified bank tax auditors and therefore these positions are no longer needed. The total FY2010 budget consists of \$3,624,135 in other fund expenditure authority and 56.0 FTE.

BANKING

The Governor's revised recommendation is increases of \$59,844 in other fund expenditure authority and 1.0 FTE. The additional FTE will be classified as a financial institution examiner to address the increase in state-chartered bank and trust assets. The recommended FY2010 budget is \$1,916,024 in other fund expenditure authority and 21.5 FTE.

SECURITIES

The Governor's revised recommendation includes an increase of \$11,395 in other fund expenditure authority to increase salaries due to additional knowledge and duty requirements within the division. The total FY2010 recommended budget consists of \$408,923 in other fund expenditure authority and 5.0 FTE.

INSURANCE

The Governor's revised recommendation includes no major changes. The total recommended FY2010 budget consists of \$1,816,586 in other fund expenditure authority and 28.0 FTE.

INSURANCE FRAUD UNIT - INFORMATIONAL

The Governor's revised recommendation includes no major changes. The total recommended FY2010 budget is \$322,226 in other fund expenditure authority and 4.0 FTE.

PETROLEUM RELEASE COMPENSATION

The Governor's revised recommendation includes no changes. The total recommended FY2010 budget for the Petroleum Release Compensation is \$2,551,360 in other fund expenditure authority and 5.0 FTE.

LOTTERY

The Governor's revised recommendation includes a decrease of \$1,900,000 in other fund expenditure authority that reflects the replacement of the video lottery central system that will be partially completed in FY2009 and is expected to be fully completed in FY2010. The total recommended FY2010 budget for Lottery is \$33,160,274 of other fund expenditure authority and 31.0 FTE.

REVENUE BOARDS AND COMMISSIONS – INFORMATIONAL

This includes the informational budgets of the Real Estate Commission, the Abstracters Board of Examiners, and the Commission on Gaming. The Governor is recommending no major changes for FY2010. The total FY2010 revised recommended budget for the Boards and Commissions is \$11,058,104 in other fund expenditure authority and 22.0 FTE.

TOURISM AND STATE DEVELOPMENT

The Governor's revised recommended budget for the Department of Tourism and State Development totals \$83,445,499, and consists of \$10,756,506 in general funds, \$13,685,088 in federal fund expenditure authority, \$59,003,905 in other fund expenditure authority, and 232.6 FTE. The Governor is recommending decreases of \$1,041,228 in general funds and \$859,905 in federal fund expenditure authority, and an increase of \$7,085,536 in other fund expenditure authority.

ECONOMIC DEVELOPMENT

The total recommended budget for Economic Development consists of \$2,438,473 in general funds, \$11,266,979 in federal fund expenditure authority, and \$11,621,729 in other fund expenditure authority, for a total budget of \$25,327,181 and 40.8 FTE. This includes general fund decreases of \$56,688 for the South Dakota Energy Infrastructure Authority and \$50,000 for Made in South Dakota advertising.

TOURISM

The Tourism budget is funded by revenues generated from Deadwood Gaming, a 1% gross receipts tax on hotel rooms and other tourist activities, and the Co-op Revolving Fund. For FY2010, the Governor's revised recommendation includes an increase of \$876,738 in other fund expenditure authority for additional advertising, promotions, and industry co-ops. This number is based on a projected 7.3% growth in gaming revenues, 7.0% growth in promotion tax revenues, and an additional \$450,000 available for industry

co-ops. The total FY2010 revised recommended budget consists of \$2,000,000 in general funds, \$10,539,087 in other fund expenditure authority, and 23.8 FTE.

RESEARCH COMMERCE

The Governor's revised recommendation includes \$4,042,323 in general funds and 2.0 FTE for the Division of Research Commerce.

TRIBAL GOVERNMENT RELATIONS

The Governor's revised recommendation for the FY2010 Tribal Government Relations budget is \$224,922 in general funds and 3.0 FTE.

CULTURAL AFFAIRS

The total revised recommended FY2010 Cultural Affairs budget consists of \$2,050,788 in general funds, \$752,763 in federal fund expenditure authority, and \$551,676 in other fund expenditure authority, for a total budget of \$3,355,227 and 28.0 FTE. This includes eliminating the Archeological Research Center and the Arts Division.

SOUTH DAKOTA HOUSING DEVELOPMENT AUTHORITY - INFORMATIONAL

The total revised recommended FY2010 South Dakota Housing Development Authority budget is \$10,278,213, and consists of \$1,665,346 in federal fund expenditure authority, \$8,612,867 in other fund expenditure authority, and 65.0 FTE. An additional FTE is recommended to administer South Dakota's portion of the Housing Recovery Act of 2008.

SOUTH DAKOTA SCIENCE AND TECHNOLOGY AUTHORITY - INFORMATIONAL

The total revised recommended FY2010 budget for the South Dakota Science and Technology Authority is \$27,621,858 in other fund expenditure authority and 70.0 FTE. An increase of \$7,587,660 in other fund expenditure authority is being recommended for FY2010 due to the approval of additional expenditures by the South Dakota Science and Technology Authority Board of Directors.

TRANSPORTATION

The Department of Transportation's revised recommended FY2010 budget contains \$519,825 in general funds, \$310,154,202 in federal fund expenditure authority, \$182,605,504 in other fund expenditure authority, and 1,040.3 FTE, for a total budget of \$493,279,531. The FY2010 budget reflects an increase of \$4,530,306 in federal fund expenditure authority, and a decrease of \$1,194,803 in other fund expenditure authority.

GENERAL OPERATIONS

The Governor's total FY2010 revised recommended budget for General Operations includes \$519,825 in general funds, \$32,117,099 in federal fund expenditure authority, and \$134,178,056 in other fund expenditure authority, for a total budget of \$166,814,980 and 1,040.3 FTE. This budget includes: an increase of \$3,924,814 in federal fund expenditure authority for transit and metropolitan grants; an increase of \$6,496,698 in other fund expenditure authority due to the rising costs of motor fuels, road oil, asphalt, road salt, utilities, cutting edges, and paint; and an increase of \$1,969,523 in other fund expenditure authority for heavy fleet equipment and the repair and replacement of statewide infrastructure.

CONSTRUCTION CONTRACTS - INFORMATIONAL

The recommended budget for Construction Contracts includes a decrease of \$10,000,000 in other fund expenditure authority due to the department no longer participating in the 90/10 SWAP program. The total budget for Construction Contracts is \$326,464,551 and makes up 66% of the Department of Transportation's budget. The \$326,464,551 budgeted for Construction Contracts is informational.

LABOR

The FY2010 Governor's revised recommended budget for the Department of Labor is \$872,003 in general funds, \$34,730,688 in federal fund expenditure authority, \$6,934,158 in other fund expenditure authority, and 428.5 FTE. There are no recommended changes to the Department of Labor budget except for the Boards and Commissions and the Retirement System.

PROFESSIONAL AND OCCUPATIONAL LICENSING

This division is comprised of the informational budgets of the professional and occupational licensing boards. There are six boards with a FY2010 Governor's revised recommended budget of \$2,801,528, which is a total increase of \$1,000 in other fund expenditure authority. The boards include: Board of Accountancy, Board of Barber Examiners, Cosmetology Commission, Plumbing Commission, Board of Technical Professions, and the Electrical Commission.

SOUTH DAKOTA RETIREMENT SYSTEM

The FY2010 Governor's revised recommended budget for the South Dakota Retirement System is \$3,700,254 in other fund expenditure authority and

33.0 FTE. The recommendation includes an increase of \$78,010 in other fund expenditure authority. This increase includes \$90,000 for utilizing a full-time BIT developer.

PUBLIC SAFETY

The Department of Public Safety has a total FY2010 revised recommended budget of \$51,329,984 including \$3,654,598 in general funds, \$21,551,407 in federal fund expenditure authority, \$26,123,979 in other fund expenditure authority, and 417.5 FTE.

ADMINISTRATION

The Governor's revised recommendation reflects no funding changes. The division of Administration's total recommended budget is \$854,772, including \$105,641 in general funds, \$123,044 in federal fund expenditure authority, \$626,087 in other fund expenditure authority, and 8.5 FTE.

HIGHWAY PATROL

The division of Highway Patrol includes the Highway Patrol, Accident Records, Highway Safety, and State Radio. The Governor's revised recommendation includes a decrease of \$451,512 in general funds and an increase of \$1,483,768 in other fund expenditure authority. Proposed fee increases in the Driver Licensing program within the Department of Public Safety and vehicle registration fees within the Department of Revenue and Regulation will contribute to the operational costs of the Highway Patrol. The total FY2010 revised recommendation consists of \$1,380,551 in general funds, \$5,534,361 in federal fund expenditure authority, \$19,056,896 in other fund expenditure authority, and 282.0 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 Governor's revised recommendation includes an increase of \$3,259 in general funds and a decrease of \$2,500,000 in federal fund expenditure authority. Since the availability of federal funds in Homeland Security has decreased, a reduction in federal fund expenditure authority is recommended. The total recommended budget for the Emergency Services and Homeland Security division is \$17,706,143, including \$1,503,375 in general funds, \$15,894,002 in federal fund expenditure authority, \$308,766 in other fund expenditure authority, and 36.5 FTE.

INSPECTION AND LICENSING

This division includes Weights and Measures, Driver Licensing, and Inspections. The Governor recommends a revised budget reflecting increases of \$90,395 in general funds, \$756,729 in other fund expenditure authority, and 3.0 FTE. This includes an increase in other fund expenditure authority for driver licensing production and issuance, which will be funded with a proposed increase in fees. The total recommended FY2010 budget includes \$665,031 in general funds, \$6,132,230 in other fund expenditure authority, and 90.5 FTE.