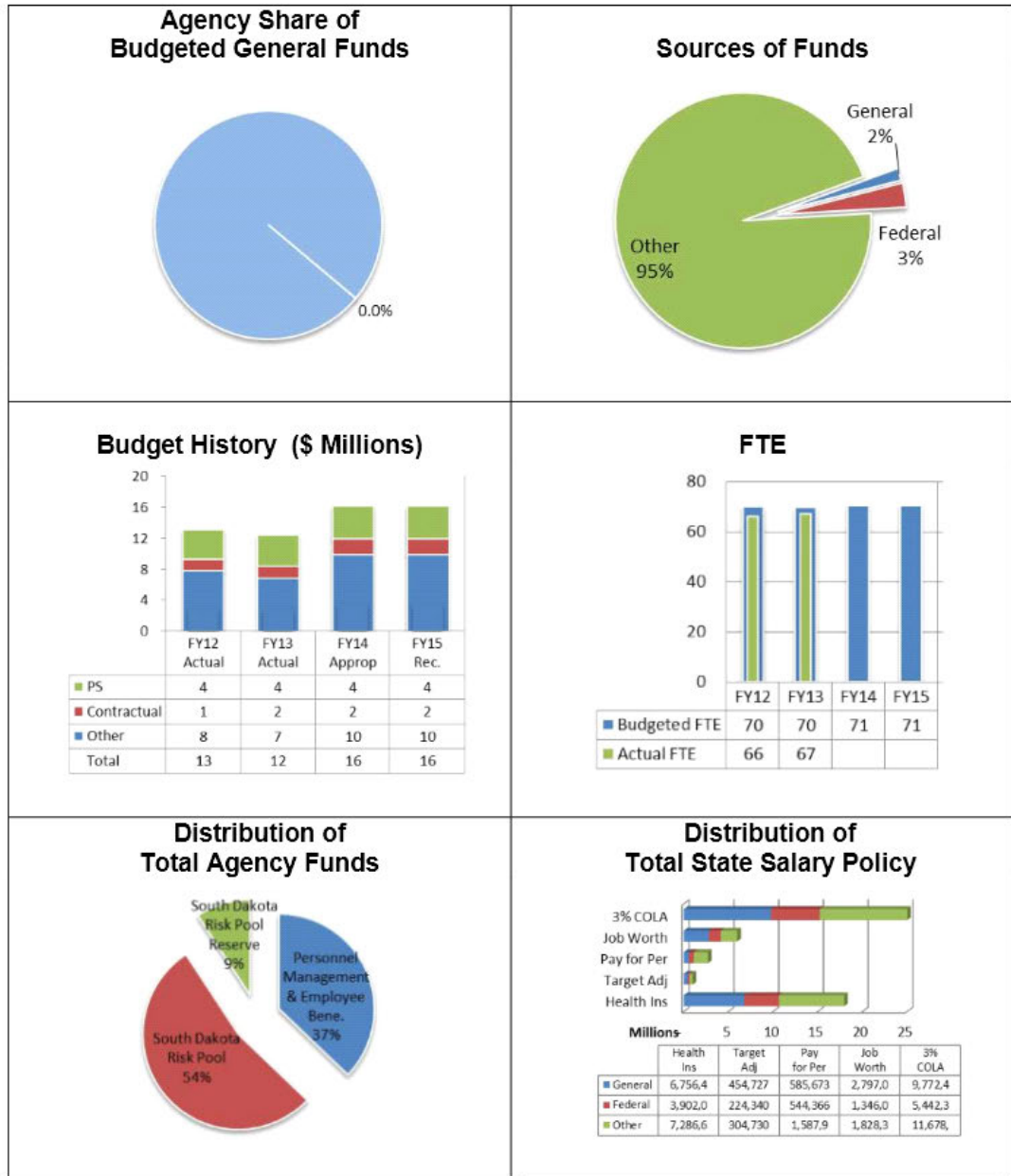


# FY15 Budget Briefing

# Bureau of Human Resources

Information contained in this document is based on the Governor's original recommended FY15 budget.  
This document may not correspond with the FY15 budget adopted by the Legislature.



### Key Personnel

- Laurie Gill, Commissioner
- Jill Kruger, Assistant Director, Division of Benefits
- Kevin Forsch, Director, Division of Compensation and Department Support
- Ellen Zeller, Director, Division of Classification and Training
- Debra Owen, Senior Staff Attorney
- Terry Miller, Director of Executive Management Finance Office
- Mary Keeler, Accounting Manager

### Department Total

	Actual FY12	Actual FY13	Budgeted FY14	Gov Rec FY15	Inc/Dec FY15	% Change From FY14
<b>Personal Services</b>						
Employee Salaries	3,003,103	3,036,416	3,240,162	3,240,162	0	0.0%
Employee Benefits	827,483	967,661	976,717	976,717	0	0.0%
<b>FTE</b>	65.9	67.4	70.5	70.5	0.0	0.0%
<b>Funding Types</b>						
General	267,223	191,864	193,038	193,038	0	0.0%
Federal	0	0	0	0	0	0.0%
Other	3,563,363	3,812,213	4,023,841	4,023,841	0	0.0%
<b>Total PS</b>	3,830,586	4,004,077	4,216,879	4,216,879	0	0.0%
<b>Operating Expenses</b>						
Travel	67,820	100,479	69,870	69,870	0	0.0%
Contractual Services	1,465,109	1,582,867	2,039,116	2,061,690	22,574	1.1%
Supplies & Materials	148,749	124,754	194,039	194,039	0	0.0%
Capital Outlay	24,606	56,310	49,200	49,200	0	0.0%
Other	7,628,686	6,587,385	9,570,270	9,570,270	0	0.0%
<b>Funding Types</b>						
General	614,814	701,632	58,275	59,071	796	1.4%
Federal	636,320	736,071	500,725	500,965	240	0.0%
Other	8,083,838	7,014,093	11,363,495	11,385,033	21,538	0.2%
<b>Total OE</b>	9,334,971	8,451,796	11,922,495	11,945,069	22,574	0.2%
<b>Totals</b>						
<b>Funding Types</b>						
General	882,037	893,496	251,313	252,109	796	0.3%
Federal	636,320	736,071	500,725	500,965	240	0.0%
Other	11,647,201	10,826,306	15,387,336	15,408,874	21,538	0.1%
<b>Total</b>	13,165,557	12,455,873	16,139,374	16,161,948	22,574	0.1%

### Department Object Detail

Item	Actual FY2012	Actual FY2013	Budgeted FY2014	Governor Rec FY2015	Inc/Dec Over FY2014	% Change Over FY2014
<b>PERSONAL SERVICES</b>						
General Funds	267,223	191,864	193,038	193,038	0	0.0%
Federal Funds	0	0	0	0	0	0.0%
Other Funds	3,563,363	3,812,213	4,023,841	4,023,841	0	0.0%
Total Personal Services	3,830,586	4,004,077	4,216,879	4,216,879	0	0.0%
FTE	65.9	67.4	70.5	70.5	0.0	0.0
<b>TRAVEL</b>						
General Funds	7,027	7,233	8,400	8,400	0	0.0%
Federal Funds	0	0	0	0	0	0.0%
Other Funds	60,793	93,246	61,470	61,470	0	0.0%
Total Travel	67,820	100,479	69,870	69,870	0	0.0%
<b>CONTRACTUAL SERVICES</b>						
General Funds	79,146	43,891	20,727	21,523	796	3.8%
Federal Funds	8,523	225,219	175,725	175,965	240	0.1%
Other Funds	1,377,441	1,313,757	1,842,664	1,864,202	21,538	1.2%
Total Contractual Services	1,465,110	1,582,867	2,039,116	2,061,690	22,574	1.1%
<b>SUPPLIES AND MATERIALS</b>						
General Funds	12,964	15,858	27,148	27,148	0	0.0%
Federal Funds	0	0	0	0	0	0.0%
Other Funds	135,785	108,896	166,891	166,891	0	0.0%
Total Supplies and Materials	148,749	124,754	194,039	194,039	0	0.0%
<b>CAPITAL OUTLAY</b>						
General Funds	454	3,225	2,000	2,000	0	0.0%
Federal Funds	0	0	0	0	0	0.0%
Other Funds	24,153	53,085	47,200	47,200	0	0.0%
Total Capital Outlay	24,607	56,310	49,200	49,200	0	0.0%
<b>OTHER</b>						
General Funds	515,223	631,425	0	0	0	0.0%
Federal Funds	627,797	510,852	325,000	325,000	0	0.0%
Other Funds	6,485,666	5,445,108	9,245,270	9,245,270	0	0.0%
Total Other	7,628,686	6,587,385	9,570,270	9,570,270	0	0.0%
<b>TOTAL</b>						
General Funds	882,037	893,496	251,313	252,109	796	0.3%
Federal Funds	636,320	736,071	500,725	500,965	240	0.0%
Other Funds	11,647,201	10,826,305	15,387,336	15,408,874	21,538	0.1%
Total All Funds	13,165,558	12,455,872	16,139,374	16,161,948	22,574	0.1%

**Major Expansions and Reductions**

Budget Item	Governor's Recommendation				
	General Funds	Federal Funds	Other Funds	Total Funds	FTE
<b>Personnel Management/Employee Benefits</b>					
A. Interagency Billings	796	-	21,538	22,334	
<b>South Dakota Risk Pool</b>					
B. Interagency Billings		240		240	
Total	796	240	21,538	22,574	-

**Interagency Billings:** Increase of \$796 from general funds, increase of \$240 in federal fund expenditure authority, and an increase of \$21,538 in other fund expenditure authority due to changes in internal service rates charged by the bureaus.

## PERSONNEL MANAGEMENT AND EMPLOYEE BENEFITS

The Mission of Personnel Management and Employee Benefits is to support state agencies in accomplishing their missions and goals by administering an effective and efficient human resource management system for the state of South Dakota and its employees.

	<u>Actual</u> <u>FY12</u>	<u>Actual</u> <u>FY13</u>	<u>Budgeted</u> <u>FY14</u>	<u>Gov Rec</u> <u>FY15</u>	<u>Inc/Dec</u> <u>FY15</u>	<u>% Change</u> <u>From</u> <u>FY14</u>
<b>Personal Services</b>						
Employee Salaries	2,938,339	2,962,519	3,158,319	3,158,319	0	0.0%
Employee Benefits	810,774	945,964	959,487	959,487	0	0.0%
<b>FTE</b>	64.9	66.2	68.7	68.7	0.0	0.0%
<b>Funding Types</b>						
General	185,750	190,167	193,038	193,038	0	0.0%
Federal	0	0	0	0	0	0.0%
Other	3,563,363	3,718,316	3,924,768	3,924,768	0	0.0%
<b>Total PS</b>	3,749,113	3,908,483	4,117,806	4,117,806	0	0.0%
<b>Operating Expenses</b>						
Travel	67,820	100,479	67,650	67,650	0	0.0%
Contractual Services	1,114,085	1,006,041	1,554,075	1,576,409	22,334	1.4%
Supplies & Materials	146,986	123,853	190,489	190,489	0	0.0%
Capital Outlay	24,606	56,310	49,200	49,200	0	0.0%
Other	0	67	0	0	0	0.0%
<b>Funding Types</b>						
General	53,916	58,796	58,275	59,071	796	1.4%
Federal	0	0	0	0	0	0.0%
Other	1,299,582	1,227,955	1,803,139	1,824,677	21,538	1.2%
<b>Total OE</b>	1,353,498	1,286,750	1,861,414	1,883,748	22,334	1.2%
<b>Totals</b>						
<b>Funding Types</b>						
General	239,666	248,963	251,313	252,109	796	0.3%
Federal	0	0	0	0	0	0.0%
Other	4,862,945	4,946,271	5,727,907	5,749,445	21,538	0.4%
<b>Total</b>	5,102,611	5,195,234	5,979,220	6,001,554	22,334	0.4%

### Budget Notes

**Interagency Billings** - Increase of \$796 from general funds and an increase of \$21,538 in other fund expenditure authority due to changes in internal service rates charged by the bureaus.

## SOUTH DAKOTA RISK POOL

The South Dakota Risk Pool is a health insurance program for those individuals who have involuntarily lost their prior creditable coverage through no fault of their own and who cannot obtain health insurance. The risk pool program, codified at SDCL 58-17-113 to 58-17-143, inclusive, is administered by this agency.

A 7-member board was created by the Legislature to administer the Risk Pool. The Governor appoints the members from the Governor's Office, Department of Social Services, Bureau of Human Resources, Department of Health, Division of Insurance, and 2 others. SDCL 58-17-119 requires the board to file a report with the Legislature by January 1 of each year. The report is to include information regarding the operation of the risk pool, assessments, number of enrollees, claims, expenses, and premiums.

	Actual FY12	Actual FY13	Budgeted FY14	Gov Rec FY15	Inc/Dec FY15	% Change From FY14
<b>Personal Services</b>						
Employee Salaries	64,764	73,897	81,843	81,843	0	0.0%
Employee Benefits	16,709	21,697	17,230	17,230	0	0.0%
<b>FTE</b>	1.0	1.2	1.8	1.8	0.0	0.0%
<b>Funding Types</b>						
General	81,473	1,697	0	0	0	0.0%
Federal	0	0	0	0	0	0.0%
Other	0	93,897	99,073	99,073	0	0.0%
<b>Total PS</b>	81,473	95,594	99,073	99,073	0	0.0%
<b>Operating Expenses</b>						
Travel	0	0	2,220	2,220	0	0.0%
Contractual Services	351,024	576,826	485,041	485,281	240	0.0%
Supplies & Materials	1,763	901	3,550	3,550	0	0.0%
Other	7,628,686	6,587,318	8,070,270	8,070,270	0	0.0%
<b>Funding Types</b>						
General	560,898	642,836	0	0	0	0.0%
Federal	636,320	736,071	500,725	500,965	240	0.0%
Other	6,784,255	5,786,138	8,060,356	8,060,356	0	0.0%
<b>Total OE</b>	7,981,473	7,165,045	8,561,081	8,561,321	240	0.0%
<b>Totals</b>						
<b>Funding Types</b>						
General	642,371	644,533	0	0	0	0.0%
Federal	636,320	736,071	500,725	500,965	240	0.0%
Other	6,784,255	5,880,035	8,159,429	8,159,429	0	0.0%
<b>Total</b>	8,062,946	7,260,639	8,660,154	8,660,394	240	0.0%

### Budget Notes

**Interagency Billings** - Increase of \$240 in federal fund expenditure authority due to changes in internal service rates charged by the bureaus.

## Other Fund Balances

Company and Fund Name	Blue Book Page	Ending Cash and Investment Balance on June 30		Five Year Average Cash Balance	Lowest Monthly Cash Balance in Past Five Years	
		FY2012	FY2013		Amount	Month
Company 3035 - State Employees Benefits Plan Fund	63	\$ 14,458,393	\$ 20,791,006	\$ 22,708,598	\$ 11,123,877	March 2013
Company 3035 - State Employees Workers' Compensation Program Fund	64	\$ 7,078,043	\$ 5,741,182	\$ 5,374,835	\$ 2,642,515	July 2008
Company 3035 - Dakota Cement Life and Workers' Compensation	65	\$ 299,697	\$ 278,158	\$ 186,246	\$ -	N/A
Company 6009 - Human Resources - Labor & Mgmt.	66	\$ 873,839	\$ 903,313	\$ 806,630	\$ 497,126	January 2009
Company 6521 - South Dakota Risk Pool Fund	67	\$ 6,780,197	\$ 7,107,025	\$ 7,216,250	\$ 6,204,244	March 2012
Company 8000 - Agency Fund	68	\$ 6,958	\$ 7,259	N/A	N/A	N/A
Company 8301 - State Workers Unemployment Compensation	69	\$ 234,145	\$ 316,933	\$ 145,095	\$ 1,839	July 2010

#Average cash balance and lowest cash balance are actually less than five years due to age of fund.

## Governor's Recommended Compensation Plan for BHR Employees

For FY15, the Governor recommends the state employee compensation plan be distributed from a pool in the BFM. *Therefore, individual agency budgets do not reflect the increase for the compensation plan.*

	<u>General</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>
Across the Board Increase and Market Adjustments	\$5,735	\$0	\$126,464	\$132,199
Health Insurance	\$4,761	\$0	\$101,197	\$105,958
Movement Toward Job Worth (PACE)	\$0	\$494	\$42,724	\$43,219
Pay for Performance (Career Band Families)	\$0	\$0	\$0	\$0
Targeted Compensation Adjustments	\$0	\$0	\$0	\$0

- ✓ Recommended FY15 - 3.0% PACE; 0%-4.5% Pay for Performance for Career Banding; 3% Across-the-Board/Market; 18.6% Health Insurance; Targeted compensation adjustments for a small number of hard-to-fill, below market vocational jobs.
- ✓ FY14 – 3.5% PACE; 0%-4.5% Pay for Performance for Career Banding; 3% Across-the-Board; 3.5%-4% Market Adjustment for Career Banding; 14.7% Health Insurance
- ✓ FY13 – 2.5% PACE; up to 7.0% Market Adjustment for Career Banding; 3% Across-the-Board; 3.3% Health Insurance.
- ✓ FY12 – 0% PACE; 0% Across-the-Board; 0% Health Insurance. One-time payment to permanent, non-probationary state employees equaling 5%, 3.4%, or 1.7% of the individual's annual salary depending on their longevity. (No increase to base in FY12.)
- ✓ FY11 – 0% PACE; 0% Across-the-Board; 6.3% Health Insurance
- ✓ FY10 – 0% PACE; 0% Across-the-Board; 0% Health Insurance



### Interagency Billings

Below are the sources of funds the BHR used to pay for services provided by central governmental bureaus in FY2013.

<b>FY13 Actual Expenditures</b>	<b>General Funds</b>	<b>Federal Funds</b>	<b>Other Funds</b>	<b>Total Funds</b>
Bureau of Administration	22,625	1,703	230,608	254,936
Bureau of Finance and Management	5	3,802	35,720	39,527
Bureau of Human Resources	-	-	4,877	4,877
Bureau of Information and Telecommunications	13,348	6,276	472,793	492,417
<i>Total Bureau Billings</i>	35,978	11,780	743,999	791,757

### BHR Billing Summary

#### FY2013 BHR Revenue Billings Summary

<b>Department</b>	<b>General</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>
Governor's Office	9,802.94	919.12	1,999.24	12,721.30
Bureau of Finance and Mgmt.	3,070.21	-	10,390.34	13,460.55
Bureau of Administration	2,486.42	-	65,930.82	68,417.24
Bureau of Information & Telecomm.	31,422.85	2,315.00	120,100.88	153,838.73
Bureau of Human Resources	-	-	4,877.00	4,877.00
Revenue	2,783.89	-	106,064.41	108,848.30
Agriculture	38,187.07	28,320.20	74,503.80	141,011.07
Tourism	4,752.43	-	8,701.89	13,454.32
Game, Fish, & Parks	-	-	296,354.28	296,354.28
Tribal Relations	671.42	-	-	671.42
Social Services	376,229.61	350,519.64	12,080.61	738,829.86
Health	21,595.93	99,871.26	77,431.59	198,898.78
Labor	3,628.62	150,629.45	53,744.96	208,003.03
Retirement	-	-	5,821.11	5,821.11
Transportation	-	-	668,313.81	668,313.81
Education	25,820.38	37,800.53	-	63,620.91
Public Safety	19,186.06	23,776.10	134,614.72	177,576.88
Board of Regents	708.00	-	1,795.50	2,503.50
Military	8,565.89	36,123.46	1,078.14	45,767.49
Veterans Affairs	33,550.94	926.87	10,773.70	45,251.51
Corrections	335,211.10	20,684.79	17,224.61	373,120.50
Human Services	100,367.09	219,095.93	-	319,463.02
Environment & Natural Resources	28,445.03	33,391.02	18,872.70	80,708.75
Public Utilities Commission	300.98	480.12	5,415.71	6,196.81
Unified Judicial System	100.00	-	2,904.00	3,004.00
Legislature	150.50	-	-	150.50
Attorney General	708.75	577.75	205.00	1,491.50
School & Public Lands	-	-	-	-
Secretary of State	126.00	-	-	126.00
State Treasurer	-	-	-	-
State Auditor	-	-	-	-
<b>Total</b>	<b>1,047,872.11</b>	<b>1,005,431.24</b>	<b>1,699,198.82</b>	<b>3,752,502.17</b>



#### **FY15 Recommended Salary Policy Details**

- A 3.0% **cost of living** adjustment across the board for permanent state employees;
- An enhanced movement toward **job worth** of 3.0% for FY2015 for PACE employees;
- A **performance-based** increase of 0% to 4.5% for employees in the **career band** families established in FY2010;
- **Targeted compensation adjustments** for a small number of mostly vocational jobs that are below market, experiencing high turnover, a decline in applicants, or are difficult to fill because of the nature of the work;
- An 18.6% increase in employer paid **health insurance** costs - \$1,353/benefitted employee.

#### **Health Insurance Per Benefitted Employee History:**

- FY 2011 - \$6,135
- FY 2012 - \$6,135
- FY 2013 -\$7,950
- FY 2014 - \$7,269 (revised to \$9,304 with the recommended one-time appropriation, an increase of \$2,035 over budgeted)
- FY 2015 - recommended \$8,622