March 19, 2012

Kim Malsam-Rysdon, Secretary
SD Department of Social Services
700 Governors Drive
Pierre, SD 57501

RE: Letter of Intent Regarding Legislation Approved in the 2012 Session

Dear Secretary Malsam-Rysdon:

This Letter of Intent sets forth a particular view held by the Joint Committee on Appropriations in approving your FY12 appropriation. As such, it supplements that appropriation with a specific policy guideline.

While the guideline does not have the direct force of statutory law, it rests solidly on a long-standing tradition of Legislative-Executive relationships in South Dakota and it will be used by the Joint Committee as one basis for the fiscal oversight of your agency and its continued funding.

Specifically, it is the request of the Joint Committee that:

One-Time Carryover of DSS Funds

The 2012 Legislature approved SB48, revising the General Appropriations Act for FY12. Section 28 of that bill allows the department to carryover up to $20 million dollars in general funds from its FY12 budget to FY13. This will be a one-time carryover. During testimony for SB48, the Committee was told the availability of this additional $20M would provide more transparency, more predictability to the process and that the carryover was a new tool to manage Medicaid claims which would result in closer budgeting.

The Department should provide written quarterly updates beginning July 2012 through July 2013 to the Joint Appropriations Committee and its staff explaining how this carryover has improved the process. The reports should include the amount and disposition of carryover funding and FY13 budget status. The report should include if/how the carryover funds are being used and how those funds impact the FY13 budget and the FY14 budget request. In

the January 2013 report, the department should also identify if it plans to propose a carryover from FY13 to FY14 and if so, how much.

Also, at each interim Joint Appropriations Committee meeting and during the 2013 Legislative Session the Department should be available to discuss these updates and answer questions.

Thank you for your cooperation.

Senator Corey Brown
Co-Chair, Interim Joint Appropriations

Representative Dean Wink
Co-Chair, Interim Joint Appropriations

cc: Marty Guindon, Auditor General
Jason Dilges, Commissioner, Bureau of Finance and Management