



South Dakota Legislature

State Capitol, 500 East Capitol, Pierre, South Dakota 57501-5070

Interim Joint Committee on Appropriations

Representative Justin Cronin, Chair
Senator Deb Peters, Vice Chair

March 31, 2015

Commissioner Paul Kinsman
Bureau of Administration
500 East Capitol Avenue
Pierre, SD 57501

Letter of Intent Regarding Legislation Approved in the 2015 Session

Dear Commissioner Kinsman:

This Letter of Intent sets forth a particular view held by the Joint Committee on Appropriations in approving your appropriation in the 2015 Legislative Session. As such, it supplements that appropriation with a specific policy guideline as approved on March 30, 2015.

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.

The 2015 South Dakota Legislature approved \$4,000,000 in general funds for the creation of a property and casualty insurance cell, and \$2,000,000 in general funds to establish a captive insurance cell to fund liability and directors and officers insurance. The Legislature also approved the set aside of \$2,500,000 within the Science and Technology Authority indemnification fund to create a captive insurance company for the SD Science and Technology Authority.

In addition, the General Appropriations Act for FY 2016 provided \$592,982 in general funds, \$385,944 in federal fund authority, and \$751,224 in other fund authority to the BFM Captive Insurance Pool to be distributed to agencies for captive insurance premiums.

It is the intent of the Interim Joint Committee on Appropriations that the Bureau of Administration and the Bureau of Finance and Management be available to report on the status of the captive insurance cells at 2015 interim meetings (dates to be determined).

Thank you for your cooperation.

/ S / Representative Justin Cronin

Representative Justin Cronin
Chair, Interim Joint Appropriations

/ S / Senator Deb Peters

Senator Deb Peters
Vice Chair, Interim Joint Appropriations

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