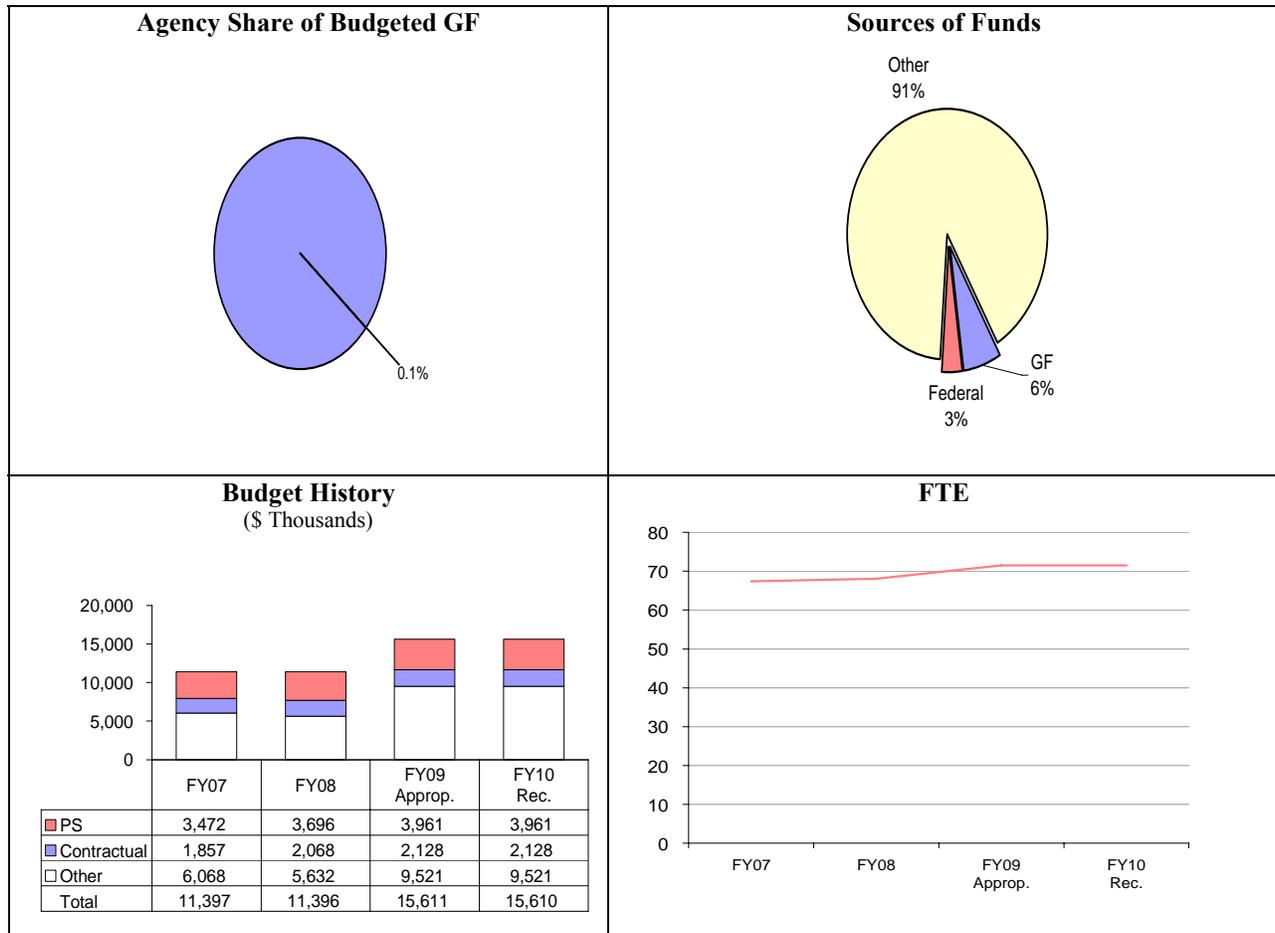


# FY10 Budget Briefing

## Bureau of Personnel



### Key Responsibilities

The Bureau of Personnel, a part of the Department of Executive Management, manages the human resource management system in combination with the Career Service Commission and the Law Enforcement Civil Service Commission. The bureau establishes compensation levels and benefits. As manager of the civil service system, the bureau classifies positions in the executive branch, announces vacancies, screens applicants, provides training, and investigates labor issues. In the 2003 Special Session, the Legislature authorized the agency to administer a health insurance risk pool for those individuals who have involuntarily lost their prior creditable coverage through no fault of their own and who cannot obtain health insurance.

### Key Personnel

- Sandra Zinter, Commissioner
- Jim Neiles, Director of Executive Finance Office
- Mary Keeler, Accounting Manager

**Bureau Total**

The Governor recommends for FY 2010 a total appropriation of \$15,610,214 and 71.5 FTEs for the Bureau of Personnel. This dollar amount consists of \$969,101 from the general fund, \$500,000 from federal sources, and \$14,141,113 from other funds. The Governor's recommendation for FTEs is the same as in FY 2009.

<b>Item</b>	<b>Actual FY08</b>	<b>Budgeted FY09</b>	<b>Agency Req. FY10</b>	<b>Revised Gov Rec. FY10</b>	<b>Inc/Dec FY10</b>	<b>% Change From FY09</b>
Personal Services	3,696,498	3,961,033	3,960,706	3,960,706	(327)	(0.0%)
Travel	112,118	105,000	105,000	105,000	-	0.0%
Contractual Services	2,067,522	2,128,460	2,128,460	2,128,460	-	0.0%
Supplies & Materials	230,755	227,723	227,723	227,723	-	0.0%
Grants And Subsidies	-	-	-	-	-	0.0%
Capital Outlay	64,350	40,300	40,300	40,300	-	0.0%
Other	5,225,010	9,148,025	9,148,025	9,148,025	-	0.0%
<b>Total</b>	<b>11,396,253</b>	<b>15,610,541</b>	<b>15,610,214</b>	<b>15,610,214</b>	<b>(327)</b>	<b>(0.0%)</b>
<b>Funding Types</b>						
General	958,380	969,101	969,101	969,101	-	0.0%
Federal	-	500,042	500,000	500,000	(42)	(0.0%)
Other	10,437,873	14,141,398	14,141,113	14,141,113	(285)	(0.0%)
<b>Total</b>	<b>11,396,253</b>	<b>15,610,541</b>	<b>15,610,214</b>	<b>15,610,214</b>	<b>(327)</b>	<b>(0.0%)</b>
FTE	68.0	71.5	71.5	71.5	-	0.0%

**Salary Policy:**

The Governor recommends no salary policy for FY 2010.

**Major Expansion and Reductions**

<b>Governor's Recommendation</b>			
<b>Budget Item</b>	<b>State General Fund</b>	<b>All Funds</b>	<b>FTE</b>
Undistributed FY09 Salary Policy	-	(327)	
Total	-	(327)	-

- There is undistributed salary policy in the amount of \$327 in federal and other funds for FY 2009.

**Personnel Management and Employee Benefits**

The Bureau of Personnel, a part of the Department of Executive Management, establishes and manages the human resource system in combination with the Career Service Commission and the Law Enforcement Civil Service Commission. The bureau establishes compensation levels and benefits. As manager of the civil service system, the bureau classifies positions in the executive branch, announces vacancies, screens applicants, provides training, and investigates labor issues. The Bureau of Personnel also administers group health, workers' compensation, life and flexible benefit plans for state employees.

The Governor is recommending a total appropriation for FY 2010 of \$6,045,556 which includes \$258,621 from the general fund and \$5,786,935 from other funds. The Governor is also recommending 69.7 FTEs. The recommended budget and FTEs is the same as FY 2009.

Item	Actual FY08	Budgeted FY09	Agency Req. FY10	Revised Gov Rec. FY10	Inc/Dec FY10	% Change From FY09
Personal Services	3,622,419	3,837,403	3,837,403	3,837,403	-	0.0%
Travel	108,814	105,000	105,000	105,000	-	0.0%
Contractual Services	1,756,009	1,835,130	1,835,130	1,835,130	-	0.0%
Supplies & Materials	230,755	227,723	227,723	227,723	-	0.0%
Grants And Subsidies	-	-	-	-	-	0.0%
Capital Outlay	64,350	40,300	40,300	40,300	-	0.0%
Other	-	-	-	-	-	0.0%
<b>Total</b>	<b>5,782,347</b>	<b>6,045,556</b>	<b>6,045,556</b>	<b>6,045,556</b>	-	<b>0.0%</b>
<b>Funding Types</b>						
General	251,212	258,621	258,621	258,621	-	0.0%
Federal	-	-	-	-	-	0.0%
Other	5,531,135	5,786,935	5,786,935	5,786,935	-	0.0%
<b>Total</b>	<b>5,782,347</b>	<b>6,045,556</b>	<b>6,045,556</b>	<b>6,045,556</b>	-	<b>0.0%</b>
FTE	66.7	69.7	69.7	69.7	-	0.0%

**SELECTED STATISTICAL DATA - 12/2/08**

	Actual FY07	Actual FY08	Estimated FY09	Estimated FY10
Commission Days/Rule Hearings	8/1	7/0	15/1	15/1
Applications Received/Positions Announced	18,897/1,027	18,116/1,068	18,116/1,068	18,116/1,068
Classifications Audits/Actions	157/601	239/612	200/600	200/600
Courses Offered/Participants	363/6,341	372/5,859	360/5,800	360/5,800
Insurance Plan Participants:				
Health: Employees, COBRA, Retirees/Dependents	13,133/11,846	13,171/11,696	13,172/11,536	13,172/11,536
Life: Employees, COBRA, Retirees/Supplemental	13,475/7,694	13,571/7,617	13,659/7,653	13,659/7,653
Health Plan Participants Screened	5,685	5,389	5,400	5,400
Number of People in Health and Lifestyle Management Programs	3,486	2,947	2,457	2,132
Flexible Benefits Participants	11,212	11,610	10,820	10,820
Flexible Benefits Salary Sheltered	\$21,849,737	\$22,777,526	\$23,824,693	\$24,777,681
Workers' Compensation Total Eligible	27,480	26,906	26,906	26,906
First Reports of Injury	1,736	1,691	1,675	1,675

**South Dakota Risk Pool**

In the 2003 Special Session, the Legislature authorized the creation of a health insurance risk pool 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 58-17-141, inclusive, is administered by the 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 Personnel, 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.

For FY 2010, the Governor recommends a total appropriation of \$8,064,658, which includes \$710,480 from the general fund, \$500,000 from federal funds, and \$6,854,178 from other funds. The Governor's recommendation also includes 1.8 FTEs for FY 2010. The recommended budget and FTEs is the same as FY 2009.

Item	Actual FY08	Budgeted FY09	Agency Req. FY10	Revised Gov Rec. FY10	Inc/Dec FY10	% Change From FY09
Personal Services	74,079	123,303	123,303	123,303	-	0.0%
Travel	3,304	-	-	-	-	0.0%
Contractual Services	311,513	293,330	293,330	293,330	-	0.0%
Supplies & Materials	-	-	-	-	-	0.0%
Grants And Subsidies	-	-	-	-	-	0.0%
Capital Outlay	-	-	-	-	-	0.0%
Other	5,225,010	7,648,025	7,648,025	7,648,025	-	0.0%
<b>Total</b>	<b>5,613,906</b>	<b>8,064,658</b>	<b>8,064,658</b>	<b>8,064,658</b>	-	<b>0.0%</b>
<b>Funding Types</b>						
General	707,168	710,480	710,480	710,480	-	0.0%
Federal	-	500,000	500,000	500,000	-	0.0%
Other	4,906,738	6,854,178	6,854,178	6,854,178	-	0.0%
<b>Total</b>	<b>5,613,906</b>	<b>8,064,658</b>	<b>8,064,658</b>	<b>8,064,658</b>	-	<b>0.0%</b>
FTE	1.3	1.8	1.8	1.8	-	0.0%

The Governor is also recommending an appropriation of \$1,500,000 from other funds in FY 2010 for a Risk Pool Reserve. This is the same as budgeted in FY 2009.

**REVENUES - 12/2/08**

	Actual FY07	Actual FY08	Estimated FY09	Estimated FY10
Member Premiums	3,884,550	4,170,836	4,761,193	5,237,312

**SELECTED STATISTICAL DATA - 12/2/08**

	Actual FY07	Actual FY08	Estimated FY09	Estimated FY10
Risk Pool Members	699	670	686	698
SB 200-Closed Block Members	38	56	72	84

## **Other Departmental Issues**

### **A. Budget Transfers (FY08 and FY09 year-to-date)**

There were no material budget transfers in FY 2008 or FY 2009 year-to-date.

### **B. Letters of Intent**

The Joint Committee on Appropriations requests that the Bureau of Personnel shall communicate with the South Dakota State Employees Organization information regarding the calculation of rates for the employee paid portion of the state employee's health insurance plan, prior to setting them for FY 2010 and in future years.

The Joint Committee on Appropriations requests that the Bureau of Personnel shall also communicate with the South Dakota State Employees Organization regarding any other proposed changes to the state employee's health insurance plan, which includes but is not limited to, plan deductibles, co-pay amounts, etc., for FY 2010 and in future years.

The communication regarding the above items should take place prior to the Governor's budget address for the FY 2010 budget, and in future years.

### **C. General Fund Reversions**

The Bureau of Personnel reverted \$203 in general funds at the end of FY 2008. Of this amount, \$202 was for personal services and \$1 was for operating expenditures.