

House Stimulus Plan Ad Hoc Committee

LRC Preliminary Comments – 2/23/09

Possible Objectives

1. What are the amounts (by program) of the federal stimulus funds South Dakota is eligible to receive?
2. What amounts of general funds can be freed for other uses by substituting federal stimulus funds?
3. What continuing obligations do we incur by using the stimulus funds?
4. When can we receive the federal funds and detailed guidance concerning their use? (What will we know before the end of the current session as presently scheduled?)

Possible Issues to Consider

1. How to reconcile differing estimates of available federal funds.
2. How to convert federal fiscal year estimates into state fiscal year estimates.
3. Include all federal-eligible programs or just those affecting the South Dakota general fund, e.g., include road fund, direct water project funding, etc.?
4. What is the role of the legislature? Federal legislation directs much of the funding through the Governor and existing formulas. What latitude does the legislature have?
5. How are the Governor's previously recommended budget cuts to be impacted?

Possible Way Forward

1. Schedule hearing(s) with BFM to respond to questions based on:
 - a. Information developed by Committee members.
 - b. Questions prepared by the staff for Committee member use.
2. Determine what – if any – additional steps need be taken prior to reporting back to the House and/or the JCA.

Schedule Consideration

The JCA will receive BFM/LRC revenue estimates on March 5th. It would be helpful for the findings of this Committee to be available to the JCA in that time frame.