

87th Legislative Session – 2012

Committee: Joint Appropriations

Tuesday, January 24, 2012

P - Present
E - Excused
A - Absent

Roll Call

P Wismer
P Dennert
P Sutton
P White
P Dryden
P Bolin
P Romkema
E Deelstra
P Peters
P Novstrup (Al)
P Heineman
P Haverly
P Juhnke
P Putnam
P Carson
P Tidemann
P Wink, Vice-Chair
P Brown, Chair

OTHERS PRESENT: See Original Minutes

The meeting was called to order by Chairman Corey Brown.

Department of Education

Dr. Melody Schopp, Secretary of Department of Education (DOE), introduced the staff members present at the meeting – Ms. Janet Ricketts, Director of Educational Services; Mr. Dan Siebersma, State Librarian; Mr. Mark Wilson, Director of the Office of Learning and Instruction; Ms. Tamara Darnall, Director of Finance and Management; Mr. Jim Jacobson, Vice President of

Academic Affairs with Southeast Technical Institute; Mr. Greg Von Wald, President of Mitchell Technical Institute; Ms. Cathy Anderson, Vice President of Western Dakota Technical Institute; and Ms. Deb Sheppard, President of Lake Area Technical Institute.

Distributed to the committee was a PowerPoint presentation of the Department of Education's FY2013 budget recommendation. (**Document #1**)

For FY2013, the Governor recommends a total budget of \$583,413,262; comprised of \$399,268,378 in general funds, \$180,428,752 in federal fund expenditure authority, \$3,716,132 in other fund expenditure authority, and 133.0 FTEs. This request is an increase of \$39,832,085 (11.1%) in general funds, a decrease of \$27,889,628 (13.4%) in federal fund expenditure authority, and a decrease of \$688,568 (15.6%) in other fund expenditure authority for a total budget increase of \$11,253,889 (2.0%) from the FY2012 budget.

Secretary Schopp stated that the Department of Education reorganized the office structure. The Office of Assessment and Technology Systems was eliminated and the work was merged with the Office of Curriculum and Technical Education. The reorganization grouped programs to create better interconnection and efficiency. The vacant director position was used to create a General Counsel position for DOE. Slide 5 of Document #1 outlines the new department structure.

Ms. Tamara Darnall explained that DOE success can be measured directly through participation in programs and indirectly through student success. Some of the direct measurements include:

- Number of students participating in virtual schools – in FY2010, there were 2,900 students and it is estimated to increase to 3,300 students in FY2013;
- Career Cluster Camps Participation – in FY2010, there were 998 students and it is estimated to decrease to 750 in FY2013;
- SDMyLife Usage – in FY2010, 9% of the 9th graders had completed personal learning plans and it is estimated to increase to 55% in FY2013;
- GearUp Participants – in FY2010, there were 3,224 high school students and it is estimated to increase to 4,410 in FY2013; and
- AP Course Participants – in FY2010, there were 2,337 students participating and it is estimated to decrease to 2,000 in FY2013.

Some of the indirect measurements include:

- Dakota Step Assessment Scores – in FY2010, the 8th grade math score and reading score was 74% scoring advanced or proficient and it is estimated to be 80% and 78% respectively in FY2013;
- ACT Scores – in FY2010, the composite score was 22.0 and in FY2013 it is estimated to increase to 22.2;

- AP Courses – in FY2010, there were 2,486 students scoring 3 or higher on the exam and it is estimated to decrease to 2,230 in FY 2013;
- Graduation Rates – in FY2010, 89.23% of the high school students graduated and it is estimated that 85% will graduate in FY2013; and
- Number of students attending postsecondary institutions was 4,153 in FY2010 and is estimated to be 3,246 in FY2013.

Representative Jim Bolin requested the number of students that take the ACT.

Representative Dean Wink asked about the database subscriptions at the state library that were discontinued. Ms. Darnall stated that due to the budget cuts implemented for FY2011, the DOE eliminated the Newsbank database. This database was selected for the cut because of lower usage.

The department's recommended budget consists primarily of funds that flow through the department to local school districts in the form of State Aid or federal grants. For FY2013, \$391,272,528 (67%) is State Aid to K-12 and Technical Institutes, \$166,997,202 (29%) is federal pass through grants, and \$25,143,532 (4%) is the agency's budget.

Slide 10 of Document #1 shows the FY2013 budget recommended by the Governor compared to the approved FY2012 operating budget. Ms. Darnall stated that the majority of the increase in general funds is for state aid. The decrease in federal funds is a result of the loss of ARRA funds. Federal fund expenditure authority for the School Improvement Grant, in the amount of \$7,125,000, will be carried over to FY2013.

In response to Representative Bolin and **Senator Billie Sutton's** questions, Secretary Schopp stated that there were additional programs and personnel added. Some of the reasons for the increase include the compulsory age to graduate increased from 16 to 18, increased special education requirements, and changes in technology.

Ms. Darnall stated that general funds within the DOE's budget consist mostly of aid to schools and funding required to meet federal program match or maintenance of effort requirements. A chart of the budget increases and decreases for FY2013 is shown on slide 12 of Document #1. The DOE FY2013 budget changes include:

- State aid to general education – \$39,090,660 general fund increase;
- Sparsity - \$38,012 general fund increase;
- Consolidation incentives - \$342,400 general fund decrease;
- Postsecondary technical institutes - \$356,573 general fund increase;
- Technology in Schools - \$200,000 funding swap from federal funds to general funds;
- SDMyLife - \$250,000 general fund increase;
- Laptop in Schools Program - \$502,423 other fund decrease;

- College and career readiness - \$62,500 general fund increase;
- Birth-to-Three - \$400,799 federal fund increase;
- ARRA funding - \$28,470,485 federal fund decrease;
- Bureau billings - \$42,915 increase in all funds; and
- Employee compensation package - \$327,738 increase in all funds.

In response to committee questions, Ms. Darnall stated that the federal fund decrease is comprised of a reduction of \$28.4 million in ARRA fund authority, an increase of \$400,799 for the Birth-to-Three program, and increases for inter-agency bureau billings and employee compensation. The federal fund budget reduction is not related to the general fund increase in state aid. Last year, Stimulus 3 funds were used for state aid and general funds that were not spent for state aid were carried over for FY2012; which reduced the department's general fund request. The \$26 million is replacing the carryover dollars.

Postsecondary Vocational Education

For FY2013, the recommended budget is \$20,896,857 in general funds; which is an increase of \$356,573 (1.7%) in general funds from the FY2012 budget. The recommended FY2013 budget changes include:

- A 2.3% increase in per pupil funding (from \$3,046.82 in FY2012 to \$3,116.90 in FY2013) - increase of \$434,496 in general funds; and
- A decrease in the number of students (from 6,200 in FY2012 to 6,175 for FY2013) – decrease of \$77,923 in general funds.

Senator Jeffrey Haverly requested the department provide the student growth changes, including trend lines and accumulative growth, for each technical institute.

In response to **Senator Deb Peters'** question, Secretary Schopp said that the new initiatives for Mitchell Technical Institute (MTI) are not included in the DOE budget and will be addressed in a separate bill using the Governor's Office of Economic Development (GOED) funds.

Senator Haverly requested information about the bill addressing the new SD WINS initiative proposed by the Governor.

In response to Senator Haverly's questions, **Mr. Mark Wilson** said that funding for the new programs at MTI and Lake Area Technical Institute (LATI) is about \$750,000 comprised of GOED funds. In FY2013, \$570,000 will be appropriated to MTI and the remaining funds will go to LATI for the development of an online course. The majority of the funding will be used for equipment needs at the technical institutes – such as welding equipment and equipment to set up a lab.

In response to Senator Peters' question, **Mr. Deb Sheppard** stated that LATI had an existing lab for the welding program, so all the infrastructure – ventilation, booths, cutting equipment, sheering equipment, etc was already purchased. New welders were purchased through a partnership with a vendor at a cost of about \$100,000. Based on the high need for welders in the state, LATI will not be able to meet the need by itself. It is anticipated that there will be 24 students at MTI, 24 students at Southeast Technical Institute, and 15-20 students in the online program LATI in the welding program next school year in addition to filling the current programs at Western Dakota Technical Institute and LATI.

State Aid

For FY2013, the recommended budget is \$368,575,671. This is an increase of \$39,243,867 (11.9%) in general funds and a decrease of \$702,423 (28.1%) in other fund expenditure authority from the FY2012 budget. The FY2013 recommended budget is a total increase of \$38,541,444 over the FY2012 budget.

Ms. Darnall explained the recommended FY2013 budget changes:

- Increase of \$9,834,158 in general funds due to a 2.3% inflationary increase;
- Increase of \$2,964,241 in general funds due to increased enrollments;
- Increase of \$26,292,261 in general funds due to the replacement of Stimulus 3 funding;
- Increase of \$38,012 in general funds due to Sparsity payments;
- Decrease of \$342,400 in general funds due to the reduction of consolidation incentives;
- A funding swap in the amount of \$200,000 for the DDN;
- Increase of \$250,000 in general fund for the SDMyLife/Career Cruisin' program; and
- A decrease of \$502,423 for the laptop in schools program.

Representative Bolin asked about the calculation of the averaging component in the school aid formula. Ms. Darnall responded that it is a two year average based on the prior two years fall enrollment numbers. That number is compared to the current fall enrollment number and the higher count is used for the state aid formula. Due to two year averaging, the number of students state aid is paid on is great than the number of students in the seat. Therefore, for FY2013, the state is funding 1,300 more students than are in the public schools.

In response to Senator Peters' question, Ms. Darnall stated that Sparsity payments are paid over and above the per student state aid calculations.

Slide 19 of Document #1 outlines the calculation for the state aid to general education for FY2013. Ms. Darnall explained the calculation and stated that the total FY2013 increase needed is \$39,090,660.

Ms. Darnall said, in response to **Representative Fred Romkema's** question, that Hill City and Lead/Deadwood are two schools that the local effort exceeds the need. The other schools are Agar-Blunt-Onida, Elk Mountain, and Hoven.

Representative Jim White requested a historical list of the percent of local effort paid by each category (agriculture, owner occupied, and commercial)..

State Aid to Special Education

Ms. Darnall explained the State Aid to Special Education calculation for FY2013. The DOE anticipates having \$5,585,340 remaining in the FY2012 budget that can be rolled over to the FY2013 budget. The department transferred \$197,602 from state aid to general education to state aid to special education to meet the FY2012 maintenance of effort requirement. The total estimated cost for FY2013 is \$49,970,612 for FY2012. Because that state is required to have available \$50,029,623 to meet the maintenance of effort, the DOE will need an increase of \$2,002,625 for FY2012. The additional funds needed to meet the maintenance of effort requirement will be addressed in House Bill 1041.

The Department will be performing a triennial adjustment to the state aid to special education. Funding is allocated to each school district based upon an annual child count of the number of children eligible at six different levels of disability. The average cost per disability level over a three year period is calculated to determine the amount of federal funds that were expended. This allows for a new rebase for each level of disability. The average costs of each disability level are then inflated forward to FY2013 based on the 2.3% index factor.

Ms Darnall explained the different disability levels and the rebasing changes. They include:

- Level 1 – Mild Disabilities; will increase by \$468;
- Level 2 – Cognitive Disabilities or Emotional Disorders; will increase by \$1,653;
- Level 3 – Hearing Impaired, Deafness, Visually Impaired, Blindness, Orthopedic Impairment, or Traumatic Brain Injury; will decrease by \$432
- Level 4 – Autism; will increase by \$40;
- Level 5 – Multiple Disabilities; will increase by \$3,454; and
- Level 6 – Prolonged Assistance; will decrease by \$1,233.

Ms. Darnall stated that since the ARRA funds were removed and the department's budget was cut in FY2012, there were increases in the requests for money from the Extraordinary Cost Fund (ECF). For the first half of FY2012, the total amount of ECF requests was \$1,640,048. Slide 24 on Document #1 lists the schools requesting funds from the Extraordinary Cost Fund. Legislation will be presented next session to limit the use to only extraordinary costs and not excess costs.

Sparsity Payments

In order to be considered a sparse school, districts must meet certain criteria which include:

- Has a fall enrollment per square mile of 0.50 or less;
- Has a fall enrollment of five hundred or less;
- The school district has an area of four hundred square miles or more;
- Has at least fifteen miles to its nearest high school; and
- Levies at the maximum rates allowed pursuant to § 10-12-42 or more.

Ms. Darnall stated that school districts that meet the sparsity payment requirements are eligible for payments up to 75% of the per student allocation (PSA) for each student with a maximum payment of \$123,750. The amount budgeted for FY2013 is \$1,690,708. She noted that with the changes made last session to the general fund cap, sparsity payments now affect 28 districts.

Consolidation Incentives

In 2001, the Legislature approved the Consolidated Incentive Payment Program for school districts that voluntarily consolidated. This program was eliminated, and according to SDCL 13-6-92 and 13-6-92.1, incentive payments will be paid to school districts that consolidated prior to July 1, 2010, for a period of three years after the consolidation.

Ms. Darnall stated that the FY2013 need is \$134,400. The need in FY2014 will be \$56,400, which is the last year of the consolidation incentives.

Technology in Schools

Slide 28 of Document #1 shows the FY2013 K-12 technology budget summary. The DOE is requesting a decrease of \$200,000 in federal funds and a corresponding increase in general funds for the projected E-Rate revenue decrease. The funding swap is a result of efficiencies in the program and fewer expenditures that are able to be submitted for federal reimbursement.

In response to **Representative Susan Wismer's** question, Ms. Darnall stated that the funding swap is occurring because of budget cuts to the technology in school district's budgets. They are no longer paying for services, such as increases to bandwidth.

Ms. Darnall stated that in addition to the DOE funding in the general bill, the Governor is recommending three special appropriations for DOE. They are:

- \$8.43 million for teacher and school administrator training for work related to implementation of the Common Core Standards, and other critical pieces;
- \$3.9 million for a one-time temporary state aid increase; and
- \$413,849 for a one-time temporary increase to postsecondary technical institutes.

Ms. Darnall explained that an amendment in the amount of \$37,000 will be made to the FY2012 budget for the Office of Curriculum, Career, and Technical education for SDMyLife training for school counselors.

New Initiatives

Secretary Schopp informed the committee that the Governor is recommending three new initiatives for investing in South Dakota teachers in FY2013. They are the Math and Science Teacher Incentive Program, Top Teacher Reward Program, and State Support Through Training, Professional Development Program.

The DOE's response to questions posed by the Joint Committee on Appropriations was distributed to the committee. (**Document #2**)

Math and Science Teacher Incentive Program – The program will reward full-time public school teachers who teach middle and high school math and science courses. These teachers were selected based on a market driven need in that the state is not preparing enough math and science teachers. The \$3,500 annual award will be given to math and science teachers in public schools that teach math or science courses at least 50% of their time. This bonus is in addition to the existing salary and will begin in the 2013-2014 school year. It is estimated that the annual cost will be \$5 million.

In response to **Senator Corey Brown's** question, Secretary Schopp stated that the funds for the Math and Science Teacher Incentive Program are in addition to the school funding formula. It is the Governor's intent that this program be ongoing and not limited to a couple years.

Secretary Schopp said, in response to Senator Al Novstrup and Senator Billie Sutton's questions, that the goal of the initiative is to attract young people to be math and science teachers in the South Dakota public school system.

Representative H. Paul Dennert stated that if the \$5 million annual cost of the initiative was included in the education formula, it would be about \$70 per student to the state after leveraging local effort.

Top Teacher Reward Program – The program provides a \$5,000 award for up to 20% of each public school district's certified, full-time teachers in South Dakota. The award would go to the top 20% of teachers in the district based on evaluations and criteria that are still to be determined. The DOE is proposing to have both quantitative and qualitative data to measure student growth to ensure all different types of teachers are eligible to receive the award. The program will begin in the 2014-2015 school year and has an estimated cost of \$10 million annually. The amount funded will be based on FTEs at the beginning of each school year. Additional unused funds would revert back.

Senator Larry Tidemann asked about evaluating teachers for music, debate, and other non-test courses. Secretary Schopp said that the DOE still needs to determine an assessment method to

obtain valid and reliable data measuring student growth throughout a school year. Improvement can be seen, but the department is working on methods to evaluate the growth.

In response to Representative White's question, Secretary Schopp stated that the assessment is based on common core standards, which allows for testing at the beginning of the school year, intermittently throughout the year, and at the end of the year.

Representative Wismer asked about an incentive for teachers that know they will not make the top 20% to improve. Secretary Schopp said that part of the program will include a new evaluation system which will provide more feedback for how to improve in areas of instruction. The evaluation will be evidence based and focused on how to tell teachers how they are doing and methods to improve. The goals are to build a strong system for the administration and to reward and recognize great teachers in the state.

Senator Phyllis Heineman asked if there will be a change in the higher education system to counsel teacher education students to look at math and science. Secretary Schopp responded that the DOE and Board of Regents will have partnership areas. Three areas that need to be addressed include:

- Train all administration to create a solid base for the common core leadership;
- Creating a strong set of standards and principle system for evaluating that will be used in preparation for principals; and
- Collaboration with the Bush Foundation to create common core training for teachers as they prepare for work in smart assessment.

In response to Representative Wink's question, Secretary Schopp stated that the common core training will teach teachers to teach students to problem-base learn and not just regurgitate information. The tests will not only be multiple choice, but will also include problem solving with short answer questions.

Representative Wink and Representative Dennert stated their concerns about creating competition among teachers and destroying the team-teaching environment in districts.

Representative Dennert requested information about how the incentive pay would work.

Training/Professional Development – The program will support teachers and school administrators in the important work related to implementation of the Common Core Standards and other critical pieces including leadership. This involves a one-time investment of \$8.4 million over the next three years to pay \$100 per day to all teachers and administrators who participate.

Secretary Schopp informed the committee that DOE is proposing a week long science and math academy to bring teachers and administrators up-to-date with new ideas in the math and science areas. The DOE will work with the school districts to ensure that teachers will be given the best training available.

Workforce Initiative

Secretary Schopp stated that the Governor's proposed Workforce Initiative includes:

- SDMyLife expansion – the web-based computer system is a porthole of information that will better help students to see and understand the various opportunities available in the working field;
- Career cluster camps – DOE wants to expand the camp areas, especially those in higher need, and have hands-on activities to provide a better experience;
- Pay incentives for math and science teachers;
- Expanded AP and dual credit courses;
- Remedial course work – after obtaining the ACT information, DOE will be able to address remedial course work, online courses, summer courses, internship, or dual credit courses with postsecondary education.

Secretary Schopp said that K-12 needs to take responsibility to better inform students on how they can better perform in postsecondary education. The goal is to have students ready for college courses and have decreased remedial work.

Next Generation Accountability Model

Secretary Schopp stated that based on statute, the DOE operates under the No Child Left Behind (NCLB) standards for accountability and one-time assessment data. South Dakota pays \$2.1 million for this assessment. The DOE wants to have a new accountability system that will be based on the school performance index. The NCLB assessments were solely based on student achievement. The new assessments will have factors for student achievement, academic growth, college and career readiness, effective teacher and principals, and school climate (delayed until 2014-2015 school year).

Secretary Schopp stated that the DOE will be submitting a request to the federal government asking for a waiver out of the NCLB standards. Senate Bill 25 has been introduced this legislative session to allow the DOE to proceed at the state level with the new accountability system. The legislation is needed, otherwise the DOE will be bound to the current NCLB regulations.

Representative Wismer asked about the Birth-to-Three budget adjustments. Ms. Darnall responded that last year, there was reduction in ARRA authority. Those funds were used for service coordinators to increase activities, to purchase hearing screeners, and to train entities on how to properly identify the children that need to be served. Some funds were kept internally to

build an online ISFP program for people to track billings. The reduction to Birth-to-Three last year was ARRA funds and some reduction related to a zero basing budget.

For FY2013, DOE is budgeting for provider inflation of 1.8% and growth in number of services provided of 7.5%. These two increases total \$400,000. The DOE does have enough funds in federal grants between carry-over federal fund expenditure authority and therefore general funds are not needed.

Representative Dennert distributed a letter Mr. Lawrence Diggs, citizen of Roslyn, stating his concerns about the state library. **(Document #3)**

Attorney General

Attorney General Marty Jackley appeared before the Committee to discuss the proposed FY13 budget request. Also in attendance were Charles McGuigan, Chief Deputy Attorney General, Kay McLain, Business Manager, Bryan Gortmaker, DCI Director, Brian Zeeb and John Burn. Document #4 was distributed.

The FY13 proposed budget totals \$21,492,046 involving \$9,208,986 in general funds, \$4,403,756 in federal funds and \$7,879,304 in other funds. This budget represents a \$510,536 or 2.4% increase over FY12.

Attorney General Jackley said the Attorney General's Office has three divisions: the criminal division which handles the training of officers, investigations, evidence work and prosecutions; the civil division which represents all of state government, the Legislature, Judiciary, as well as the Governor and all state boards; and finally the consumer division and Medicaid fraud.

Last year the Division of Criminal Investigation conducted field investigations regarding 842 felonies including 5 homicides, 4 officer shootings and 25 other death investigations. The Division safely executed 362 search warrants; 103 officers participated in the basic training and 90 were certified. An additional 1,440 officers went through advanced training. The Lab tested 5,698 items of evidence resolving 672 cases. An additional \$123,000 in federal funds was obtained to do the work of the FBI that is no longer sent to Quantico. South Dakota has a DNA data base of 39,495 samples. Last year alone the DCI took 5,420 added samples resulting in 70 hits. One dealt with an individual in Maine wanted for murder and another dealt with an individual in Sioux Falls related to a string of casino robberies.

South Dakota has an Internet Crimes Against Children Task Force that deals with 355 separate investigations involving 9 million files of pornography matters. South Dakota's sex offender registry was 4th in nation to gain federal certification. Currently there are 2,894 registered sex offenders with only 39 sex offenders out of compliance.

The ID section processed over 27,000 arrests and conducted over 20,000 criminal backgrounds. The 24/7 program is now a self-sustaining offender pay program. The program has had over 20,000 participants. Currently over 2000 are on the PBT and over 520 on the scam bracelet. The Office is in the process of piloting the ignition lock program in Lincoln County.

Attorney General Jackley said prescription drug issues are on the rise; the office dealt with 118,000 cases last year.

Attorneys in criminal division have had some large cases that have taken a lot of resources, especially as related to the murder of a corrections officer. That case involved 4 separate proceedings.

The controlled substance division is also very busy, typically with 300 cases. Attorney General Jackley said the Highway Patrol works jointly with the AG's office on this issue and it takes considerable resources to balance over 300 cases.

The Appellant Division is extremely busy because they handle every appeal and have recently been bogged down with death penalty appeals.

Attorney General Jackley briefed the Committee on civil litigation issues and more importantly, final litigation on cases with potential financial obligations to the state. The education lawsuit, seeking an award of \$133-\$405 million per year, was settled in favor of the state. South Dakota was one of 12 states recently released from the tobacco litigation lawsuit. It was pointed out that many of the cases deal with more funds than the entire budget for the AG's office.

The abortion litigation of 2005 required a lot of resources. All major disclosures were upheld by the 8th Circuit Court except for the suicide disclosure that remains in litigation.

With regard to pending litigation exposure Attorney General Jackley said previous requests for attorney fees for the 2005 abortion disclosure litigation total \$750,000 and pending further litigation will likely be over \$1 million. The 2011 additional disclosures and physician risk legislation that is currently under litigation has an attorney fee component. The 2004 tobacco litigation is \$23 million/year if the state does not prevail. The office is currently litigating the retirement system challenge complaint which asks for \$96 million-\$178 million and will likely have a \$300,000 attorney fee component. The Sturgis adult business litigation will likely be \$250,000 in attorney fees if the state does not prevail.

The Medicaid Fraud Division has a \$400,000 budget, involving \$300,000 in federal funds and \$100,000 in state funds. \$1.6 million was recovered last year. The Consumer Division, which was made self sufficient last year due to budget cuts, handled 22,000 calls last year and recovered \$3.2 million for South Dakota consumers.

Attorney General Jackley spoke to the Committee regarding salaries for the attorneys on his staff. Statistics show the attorneys in the AG's office are not the highest paid attorneys in state government. The Assistant Attorney General's starting salary is \$55,000, while a similar position in Meade County starts at \$59,000 and in Sioux Falls the starting salary is over \$60,000. In addition South Dakota's DCI agents starting salary is \$18.35/hour compared to \$29.96 in Wyoming, \$27.04 in Minnesota and \$19.88 in North Dakota. Law enforcement agents in Brookings and Pennington County start at a higher salary. Attorney General Jackley expects and receives a lot from his employees and would like to see some consideration for better compensation. Attorney General Jackley said he is looking for more than an hourly increase; he would like a way to reward his people. Even with the proposed salary increase, South Dakota will continue to play catch up. Senator Haverly suggested the Attorney General meet with the Joint Committee chairs to give them more information on their salary issue.

Major Expansions and Reductions

Legal Service:

- Personal Services – an increase of \$138,418 in general funds, \$23,148 in federal funds and \$39,991 in other funds for the proposed salary policy.
- Interagency Billings – an increase of \$7,517 in general funds, \$1,785 in federal funds and \$568 in other funds due to changes in space billing and computer services.
- The Governor is recommending a decrease in general funds of \$297,563 and an increase in other funds of \$297,563 for personal services. This is a funding swap in order to adjust FY12 general fund budget cut fund that reduced the funds available for the Mickelson building bond payment. The general funds are being moved to the bond payment budget within the Division of Criminal Investigation. There is a corresponding increase in other funds in the same amount. The Attorney General's office will charge for non-traditional agency work in order to recover these costs in the amount of \$213,352. The remaining \$84,211 reflects the Consumer Affairs Attorney's salary and will be paid out of the consumer affairs settlement fund.
- The Governor recommends an increase of 1.0 FTE for a High Intensity Drug Trafficking Area Attorney. This position will be paid using existing federal funds from the High Intensity Drug Trafficking Area Grant.
- The Governor recommends a decrease of \$481,122 in federal funds. This is for the Byrne ARRA grant that will come to an end on February 28, 2013, therefore; the federal fund expenditure authority is no longer needed. This includes:
 - A decrease of \$79,067 for personal services;
 - A decrease of \$25,000 for in state travel expenses;
 - A decrease of \$15,000 for contractual services regarding state computer services and other contractual;
 - A decrease of \$7,000 for supplies and materials regarding printing, postage, and police security supplies; and,

- A decrease of \$355,055 for capital outlay regarding lab equipment, police security equipment, computer hardware, and software.
- Currently this funding is used for:
 - 2.5 FTEs for LEOT Instructors. Future plans are 2 FTEs will no longer exist and the Attorney General's Office wants to try and keep 0.5 FTE as a field trainer if LEOT funds are available.
 - FTE for Compliance Sex Offender Registry. Future plan is the FTE will be eliminated.
 - 2.0 FTEs for ID section. Future plan is to maintain the FTEs and use Record Check Funds.
 - FTE for Internet Crimes Against Children. Future plan is that the Attorney General's Office is attempting to obtain Federal funds for the FTE, if not the FTE will be eliminated.

Criminal Investigation:

- Personal Services – an increase of \$83,058 from general funds, \$34,376 in federal funds, and \$58,025 in other funds for the proposed salary policy.
- Interagency Billings – an increase of \$4,812 from general funds, \$314 in federal funds, and \$9,960 in other funds due to changes in space billing and computer services.
- The Governor recommends a decrease in general funds of \$30,000 and an increase in other funds of \$30,000 for personal services. This is a funding swap in order to adjust the FY12 general fund budget cut that reduced the funds available for the Mickelson building bond payment. The general funds are being moved to the bond payment budget within contractual services. There is also a corresponding increase to other funds in the same amount. The Attorney General's office plans to pay the 24/7 position's salary totally from the 24/7 fund.
- The Governor also recommends an increase of \$327,563 from general funds, \$9,720 in federal funds, and \$200,664 in other funds for contractual services. This includes:
 - An increase of \$327,563 in general funds, \$9,720 in federal funds, and \$71,918 in other funds for the Mickelson building bond payment. The FY12 general fund budget for bond payment was cut by \$413,437. This increase will bring the budget back to the level it needs to be for the FY13 bond payment on the Mickelson building. The general fund amount is a swap from personal services.
 - An increase of \$128,746 in other funds for increased maintenance fees on equipment.

Law Enforcement Training:

- Personal Services – an increase of \$23,816 in other funds for the proposed salary policy.
- Interagency Billings – an increase of \$11,850 from general funds and \$6,763 in other funds due to changes in space billing and computer services.

911 Training:

- Personal Services – an increase of \$3,690 in other funds for the proposed salary policy.
- Interagency Billings – an increase of \$138 in other funds due to changes in space billing and computer services.

Insurance Fraud Unit

- Personal Services – an increase of \$5,342 in other funds for the proposed salary policy.
- Interagency Billings – an increase of \$140 in other funds due to changes in space billing and computer services.

MOTION: ADJOURN

Moved by: Tidemann
Second by: Carson
Action: Prevailed by voice vote.

Barb Bjorneberg and Lisa Shafer
Committee Secretary

Corey Brown, Chair