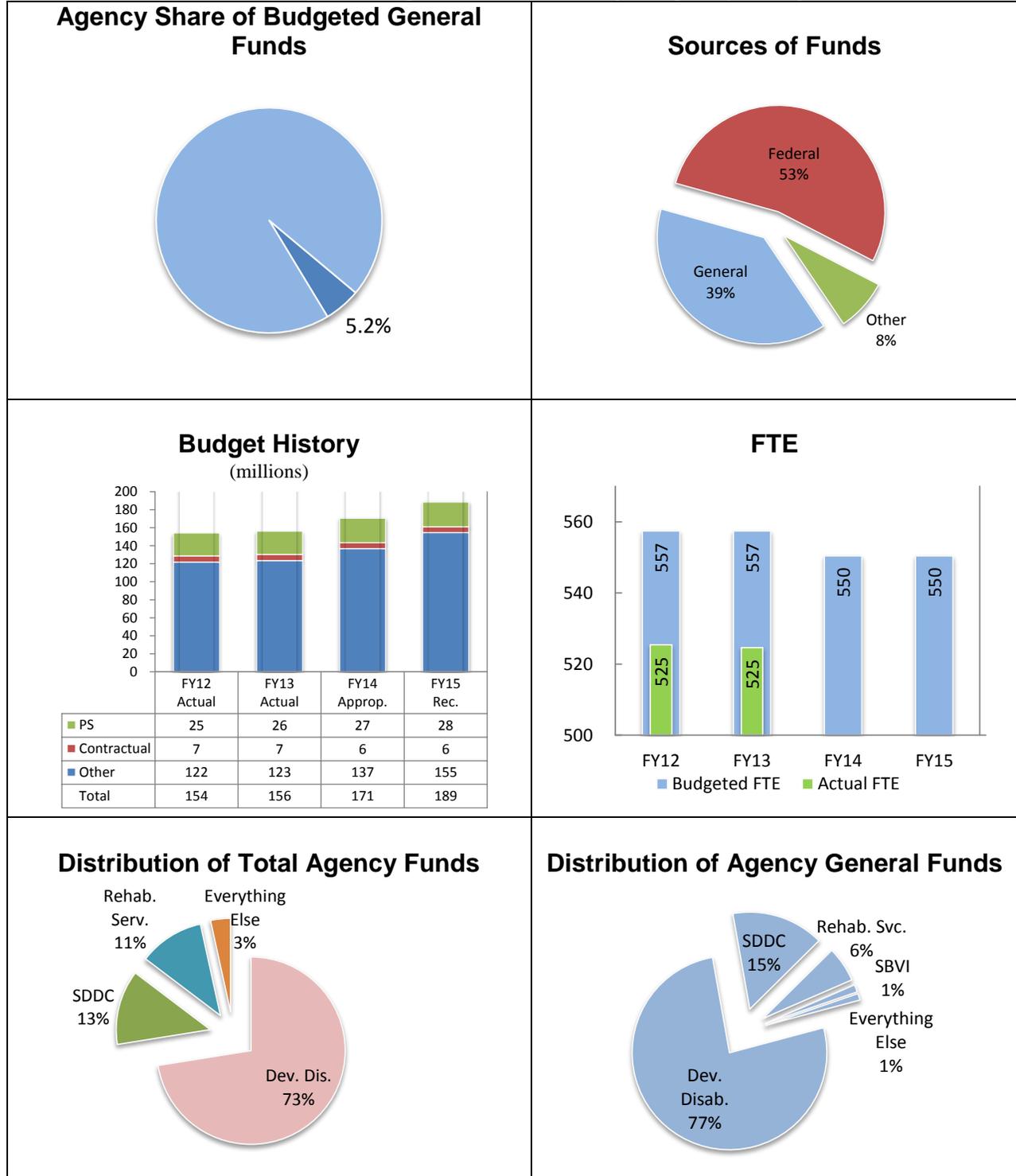


# FY15 Budget Briefing

## Department of Human Services

Information contained in this document is based on Governor's original recommended FY15 budget.  
This document may not correspond with the FY15 budget adopted by the Legislature.



## Key Personnel

- Gloria Pearson, Department Secretary
- Nicholas Cotton, Budget & Finance Director
- Dan Lusk, Developmental Disabilities Director
- Ted Williams, SD Developmental Center Director (Redfield)
- Eric Weiss, Rehabilitation Services Director
- Gaye Mattke, Service to the Blind & Visually Impaired Director

## Department Total

The mission of the Department of Human Services is to promote the highest level of independence for all individuals, regardless of disability or disorder.

	Actual FY12	Actual FY13	Budgeted FY14	Gov Rec FY15	Rec Inc/Dec FY15	% Change From FY2014
<b>Personal Services</b>						
Employee Salaries	19,145,005	18,916,033	20,187,866	20,187,866	0	0.0%
Employee Benefits	6,256,936	6,847,140	7,193,948	7,332,128	138,180	1.9%
<b>FTE</b>	525.4	524.6	550.4	550.4	0.0	0.0%
<b>Funding Types</b>						
General	9,126,986	9,895,538	10,875,893	11,293,487	417,594	3.8%
Federal	16,137,083	15,729,479	16,342,070	16,062,656	(279,414)	(1.7%)
Other	137,871	138,156	163,851	163,851	0	0.0%
<b>Total PS</b>	25,401,941	25,763,172	27,381,814	27,519,994	138,180	0.5%
<b>Operating Expenses</b>						
Travel	304,322	393,622	421,134	421,134	0	0.0%
Contractual Services	6,715,854	6,908,368	6,372,165	6,415,458	43,293	0.7%
Supplies & Materials	1,140,535	1,119,176	1,073,275	1,226,639	153,364	14.3%
Grants and Subsidies	119,857,808	121,224,431	134,906,071	152,522,046	17,615,975	13.1%
Capital Outlay	638,453	653,027	484,512	484,512	0	0.0%
Other	38,078	74,347	0	0	0	0.0%
<b>Funding Types</b>						
General	46,818,712	51,223,655	55,975,278	61,813,989	5,838,711	10.4%
Federal	79,654,400	76,704,686	83,610,984	84,323,895	712,911	0.9%
Other	2,221,938	2,444,630	3,670,895	14,931,905	11,261,010	306.8%
<b>Total OE</b>	128,695,050	130,372,970	143,257,157	161,069,789	17,812,632	12.4%
<b>Totals</b>						
<b>Funding Types</b>						
General	55,945,699	61,119,193	66,851,171	73,107,476	6,256,305	9.4%
Federal	95,791,483	92,434,165	99,953,054	100,386,551	433,497	0.4%
Other	2,359,809	2,582,785	3,834,746	15,095,756	11,261,010	293.7%
<b>Total</b>	154,096,991	156,136,142	170,638,971	188,589,783	17,950,812	10.5%

## Department Object Detail

Item	Actual FY2012	Actual FY2013	Budgeted FY2014	Governor Rec FY2015	Inc/Dec Over FY2014	% Change Over FY2014
<b>PERSONAL SERVICES</b>						
General Funds	9,126,986	9,895,538	10,875,893	11,293,487	417,594	3.8%
Federal Funds	16,137,084	15,729,479	16,342,070	16,062,656	(279,414)	(1.7%)
Other Funds	137,871	138,156	163,851	163,851	0	0.0%
Total Personal Services	25,401,941	25,763,173	27,381,814	27,519,994	138,180	0.5%
<b>FTE</b>	525.4	524.6	550.4	550.4	0.0	0.0%
<b>TRAVEL</b>						
General Funds	107,016	175,213	156,626	158,262	1,636	1.0%
Federal Funds	194,406	218,109	262,369	260,733	(1,636)	(0.6%)
Other Funds	2,900	300	2,139	2,139	0	0.0%
Total Travel	304,322	393,622	421,134	421,134	0	0.0%
<b>CONTRACTUAL SERVICES</b>						
General Funds	1,995,324	2,395,236	2,197,445	2,269,864	72,419	3.3%
Federal Funds	4,015,683	3,694,043	4,006,766	3,977,415	(29,351)	(0.7%)
Other Funds	704,847	819,088	167,954	168,179	225	0.1%
Total Contractual Services	6,715,854	6,908,367	6,372,165	6,415,458	43,293	0.7%
<b>SUPPLIES AND MATERIALS</b>						
General Funds	418,539	458,211	418,328	508,258	89,930	21.5%
Federal Funds	709,158	656,142	653,904	717,338	63,434	9.7%
Other Funds	12,838	4,823	1,043	1,043	0	0.0%
Total Supplies and Materials	1,140,535	1,119,176	1,073,275	1,226,639	153,364	14.3%
<b>GRANTS AND SUBSIDIES</b>						
General Funds	44,000,351	47,857,079	53,057,379	58,727,743	5,670,364	10.7%
Federal Funds	74,457,908	71,905,115	78,474,357	79,159,183	684,826	0.9%
Other Funds	1,399,549	1,462,236	3,374,335	14,635,120	11,260,785	333.7%
Total Grants and Subsidies	119,857,808	121,224,430	134,906,071	152,522,046	17,615,975	13.1%
<b>CAPITAL OUTLAY</b>						
General Funds	259,407	263,569	145,500	149,862	4,362	3.0%
Federal Funds	277,243	231,275	213,588	209,226	(4,362)	(2.0%)
Other Funds	101,804	158,182	125,424	125,424	0	0.0%
Total Capital Outlay	638,454	653,026	484,512	484,512	0	0.0%
<b>OTHER EXPENSES</b>						
General Funds	38,074	74,347	0	0	0	0.0%
Federal Funds	3	0	0	0	0	0.0%
Other Funds	0	0	0	0	0	0.0%
Total Other	38,077	74,347	0	0	0	0.0%
<b>TOTAL</b>						
<b>General Funds</b>	<b>55,945,697</b>	<b>61,119,193</b>	<b>66,851,171</b>	<b>73,107,476</b>	<b>6,256,305</b>	<b>9.4%</b>
<b>Federal Funds</b>	<b>95,791,485</b>	<b>92,434,163</b>	<b>99,953,054</b>	<b>100,386,551</b>	<b>433,497</b>	<b>0.4%</b>
<b>Other Funds</b>	<b>2,359,809</b>	<b>2,582,785</b>	<b>3,834,746</b>	<b>15,095,756</b>	<b>11,261,010</b>	<b>293.7%</b>
<b>Total All Funds</b>	<b>154,096,991</b>	<b>156,136,141</b>	<b>170,638,971</b>	<b>188,589,783</b>	<b>17,950,812</b>	<b>10.5%</b>

## MAJOR EXPANSIONS AND REDUCTIONS

Budget Item	Governor's Recommendation				FTE
	General Funds	Federal Funds	Other Funds	Total Funds	
<b>All Department</b>					
A. FMAP	2,593,154	(2,593,154)		0	
B. Provider Inflation 3%	1,604,565	2,013,193		3,617,758	
C. Bureau Billings	6,726	19,913	225	26,864	
<b>Developmental Disabilities</b>					
D. Family Support 360 Growth	84,042	55,010		139,052	
E. Growth in Eligibles	1,606,756	1,749,042		3,355,798	
F. CHOICES Waiver Cost Share Change	214,874	233,902		448,776	
G. Decreased federal authority		(1,203,543)		(1,203,543)	
H. Non-Federal Match for Medicaid Waiver Services			11,260,785	11,260,785	
<b>SDDC - Redfield</b>					
I. Workers Comp Rate Increase	66,161	72,019		138,180	
J. Utility Costs	80,027	87,115		167,142	
<b>TOTAL</b>	<b>6,256,305</b>	<b>433,497</b>	<b>11,261,010</b>	<b>17,950,812</b>	<b>0.0</b>

### All Department:

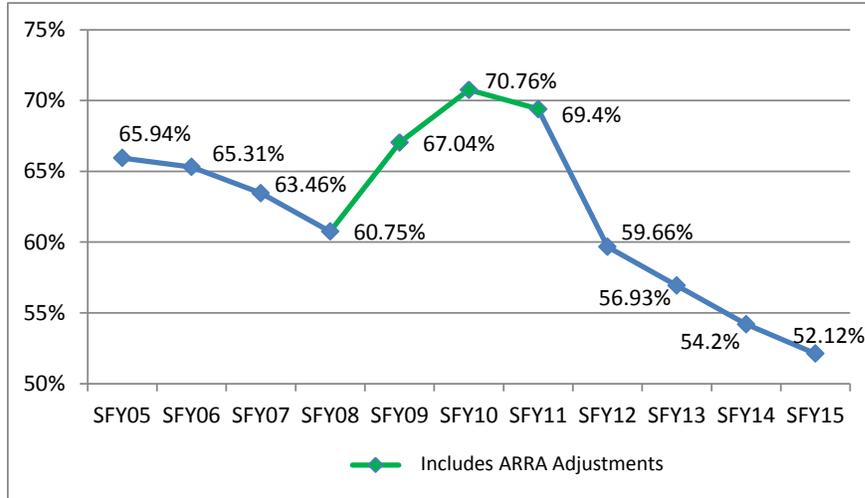
- A. FMAP (Federal Medical Assistance Percentage):** The Governor recommends an increase of **\$2,593,154 from the general fund** with a **corresponding decrease** in federal fund expenditure authority due to changes in the FMAP rate (net change of zero).

The FMAP is the share of state Medicaid benefit costs paid for by the federal government. The rate is determined annually by the federal government using a formula based on a three-year average of state per capita personal income in relation to the national average. The FY15 rate compares years 2010, 2011 and 2012. States with higher per capita income levels are reimbursed a smaller share of their costs. In State Fiscal Year 2015, the budgeted FMAP rate will be **52.12%** and the state share will be 47.88%. This is a decrease of the federal share by 2.08%. (NOTE: This is only a portion of the statewide impact of the FMAP. Other departments across state government also are impacted.)

#### FMAP by Division:

	General Funds	Federal Funds	Other Funds	Total Funds
Developmental Disabilities Division	2,074,270	(2,074,270)	0	0
SDDC-Redfield	439,684	(439,684)	0	0
Rehabilitation Services Division	79,200	(79,200)	0	0
Total	2,593,154	(2,593,154)	0	0

### South Dakota SFY\*\* FMAP



\*\*The FMAP rate changes annually on October 1, the beginning of the Federal Fiscal Year. Because the State Fiscal Year (SFY) begins July 1, for budgeting purposes, the state’s budgeted FMAP rate uses the last quarter of the previous federal fiscal year and the first three quarters of the next federal fiscal year. The department refers to this as the “blended rate” and uses that average when calculating its budget request.

**B. 3% Provider Inflation Increase:** The Governor recommends a 3% increase to provider rates. This is an increase of **\$1,604,565** from general funds and **\$2,013,193** in federal fund authority for a total increase of **\$3,617,758**. The chart below shows the breakdown by division. *From the Bureau of Finance & Management (BFM): Several factors are taken into consideration when the Governor recommends the discretionary inflationary increase for providers. No statutes exist for determining this inflationary increase. As a starting point, the Bureau of Finance and Management uses the projected increase in the Consumer Price Index for All Urban Consumers (CPI-U) forecast by IHS Global Insight for the coming fiscal year (FY14) when compared to the current fiscal year (FY13). The Governor must also consider the funding available in the budget after mandatory costs are paid for.*

**3% Provider Inflation by Division:**

	General Funds	Federal Funds	Other Funds	Total Funds
Developmental Disabilities Division	1,522,817	1,954,219	0	3,477,036
Rehabilitation Services Division	81,748	58,974	0	140,722
<b>Total</b>	<b>1,604,565</b>	<b>2,013,193</b>	<b>0</b>	<b>3,617,758</b>

**C. Bureau Billings:** The Governor recommends an increase of **\$26,864** (\$6,726 general funds, \$19,913 federal funds, and \$225 other funds) for the proposed increase to the bureau billings. (For services provided by central governmental bureaus - Bureau of Administration, Bureau of Finance & Management and the Bureau of Information & Telecommunications.)

**Bureau Billing Increase by Division:**

	General Funds	Federal Funds	Other Funds	Total Funds
Secretary Division	276	263	0	539
Developmental Disabilities Division	258	1,086	0	1,344
SDDC-Redfield	2,718	3,695	0	6,413
Rehabilitation Services Division	2,838	13,499	0	16,337
Services to the Blind & Visually Impaired	636	1,370	225	2,231
Total	6,726	19,913	225	26,864

**Developmental Disabilities:**

- D. Family Support 360 Program Growth:** Increase of **\$139,052** (\$84,042 general funds, \$55,010 federal funds) for expansion of the Family Support 360 to assist up to 40 children and adults with intellectual and developmental disabilities. The department states that there continues to be an unmet demand and requests for Family Support services for people with developmental disabilities most specifically in the east central part of the state. Those waiting to access waiver services have been on a planning list for varying time periods. The result of not expanding the program would mean people continue to wait for Family Support services or they may apply for more costly services offered by community support providers. Family Support allows a person to remain in their community and their home. The average cost of providing services through a community support provider in FY13 was \$38,282 while the average cost to provide Family Support 360 service was \$4,464.
- E. Growth in Title XIX HCBS Adult Eligibles:** Increase of **\$3,355,798** (\$1,606,756 general funds, \$1,749,042 federal funds) for growth in the Adult Title XIX (Medicaid) Home and Community Based Services. These services are provided by the nineteen (19) Community Support Providers (CSPs). The department estimates a net growth of 81 people as predicted by historical trend analysis data.
- F. Reduction of CHOICES Waiver Cost Share:** Increase of **\$448,776** (\$214,874 general funds, \$233,902 federal funds) due to the CHOICES waiver cost share. Research data and feedback regarding the CHOICES waiver's post eligibility treatment of income (cost share) currently required in the CHOICES waiver indicates a disincentive for self-advocates to be gainfully employed. As of November 1, 2012, there were 2,466 participants on the CHOICES waiver. Eighty nine (89) people were employed and paid monthly cost share due to earned income from their employment. This data, along with the feedback from stakeholders, indicates that participants are choosing to earn less than \$400 per month in order to avoid the cost share. The department indicates it is imperative that South Dakota take steps to create incentives for participants of the CHOICES waiver to obtain gainful employment opportunities and removing the cost share, will create an incentive for employment. The department has also begun work to restructure the CHOICES waiver reimbursement model. The revised reimbursement model will incentivize employment. When this waiver was originally written it was not expected that people would be gainfully employed. The governor's recommended budget eliminates this disincentive.
- G. Decreased Federal Authority:** Reduction of **\$1,203,543** in federal expenditure authority to more closely reflect actual expenditures.

**H. Non-Federal Match for Medicaid Waiver Services:** Increase other fund expenditure authority **\$11,260,785**. Other fund authority is being requested to provide non-federal match for Medicaid waiver services for children receiving comprehensive and residential services on the CHOICES waiver. Previous to FY15, local school districts have provided the non-federal match for Medicaid funding directly to Community Support Providers. CMS has recently mandated that the non-federal match must be either a direct appropriation of general funds or an intergovernmental transfer from the local school district to the state so all expenses flow through the Medicaid Management Information System. Local school districts will continue to provide the non-federal match for youth placed by the school district. The funding will flow through an other fund company and be paid to the provider in a revenue neutral process to the State meeting the CMS requirements. There will be no additional cost to the school district, they will submit payment to DHS rather than the CSP and all claims/funding will be made through the Medicaid system.

**SD Developmental Center (SDDC) - Redfield:**

- I. Increased Worker’s Compensation Rate:** Increase of **\$138,180** (\$66,161 general funds and \$72,019 federal funds) due to an increase in the worker’s compensation rate from .0177 to .0280.
- J. Increased Utility Costs:** Increase of **\$167,142** (\$80,027 general funds and \$87,115 federal funds) due to increased utility expenses. Projected electricity and natural gas charges are based on projected usage, EnergyCap analysis, projected heat days, and weather sensitivity.

**Governor's Recommended Compensation Plan – BFM Pool**

For FY15, the Governor recommends the state employee compensation plan be distributed from a pool in the BFM. *Therefore, individual agency budgets do not reflect the changes for the compensation plan.*

<b>Estimated Agency Distribution:</b>	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total</u>
Across the Board Increase and Market Adjustments	\$294,363	\$425,310	\$4,161	\$723,834
Health Insurance	\$290,476	\$415,534	\$4,176	\$710,186
Movement Toward Job Worth (PACE)	\$122,360	\$249,846	\$1,195	\$373,402
Pay for Performance (Career Band Families)	\$16,274	\$21,344	\$0	\$37,618
Targeted Compensation Adjustments	\$154,002	\$118,544	\$0	\$272,546
Total of all Components	\$877,475	\$1,230,578	\$9,532	\$2,117,586

- ✓ Recommended FY15 – 3.0% PACE; 0%-4.5% Pay for Performance for Career Banding; 3% Across-the-Board/Market Adjust.; 18.6% Health Insurance; Targeted compensation adjustments for a small number of hard-to-fill, below market vocational jobs.
- ✓ FY14 - 3.5% PACE; 0%-4.5% Pay for Performance for Career Banding; 3% Across-the-Board; 3.5%-4% Market Adjustment for Career Banding; 14.7% Health Insurance.
- ✓ FY13 – 2.5% PACE; Adjustments for Career Banding; 3% Across-the-Board; 3.3% Health Insurance.

- ✓ FY12 – 0% PACE; 0% Across-the-Board; 0% Health Insurance. One-time payment to permanent, non-probationary state employees equaling 5%, 3.4%, or 1.7% of the individual's annual salary depending on their longevity. (No increase to base in FY12.)
- ✓ FY11 – 0% PACE; 0% Across-the-Board; 6.3% Health Insurance
- ✓ FY10 – 0% PACE; 0% Across-the-Board; 0% Health Insurance
- ✓

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**ACRONYMS:**

**ADLS** – Assistive Daily Living Services  
**CMS** – Centers for Medicare and Medicaid Services  
**COLA** – Cost of Living Adjustment  
**CSP** – Community Support Provider  
**CTS** – Community Training Services  
**DDS** – Disability Determination Services  
**FMAP** – Federal Medical Assistance Percentage  
**HCBS** – Home & Community Based Services  
**ICF/ID** – Intermediate Care Facility for the Intellectually Disabled  
**RS** – Rehabilitation Services  
**SDDC** – South Dakota Developmental Center (Redfield Facility)  
**SSA** – Social Security Administration  
**TRS** – Telecommunication Relay Services

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## SECRETARY

The mission is to monitor and review the programs and services of the department; to ensure efficient & effective delivery of services within each division; and, to coordinate the administrative and financial services for the department through policy and budgetary management.

	<u>Actual</u> <u>FY12</u>	<u>Actual</u> <u>FY13</u>	<u>Budgeted</u> <u>FY14</u>	<u>Gov Rec</u> <u>FY15</u>	<u>Rec</u> <u>Inc/Dec</u> <u>FY15</u>	<u>% Change</u> <u>From</u> <u>FY2014</u>
<b>Personal Services</b>						
Employee Salaries	635,700	737,495	790,475	790,475	0	0.0%
Employee Benefits	172,727	217,234	234,567	234,567	0	0.0%
<b>Total PS</b>	<b>808,427</b>	<b>954,729</b>	<b>1,025,042</b>	<b>1,025,042</b>	<b>0</b>	<b>0.0%</b>
<b>FTE</b>	<b>13.4</b>	<b>15.5</b>	<b>16.0</b>	<b>16.0</b>	<b>0.0</b>	<b>0.0%</b>
<b>Operating Expenses</b>						
Travel	23,707	33,563	36,004	36,004	0	0.0%
Contractual Services	176,311	178,380	186,638	187,177	539	0.3%
Supplies & Materials	17,985	19,054	25,490	25,490	0	0.0%
Grants and Subsidies	125,097	132,980	151,715	151,715	0	0.0%
Capital Outlay	15,824	19,690	9,659	9,659	0	0.0%
<b>Total OE</b>	<b>358,924</b>	<b>383,667</b>	<b>409,506</b>	<b>410,045</b>	<b>539</b>	<b>0.1%</b>
<b>Funding Types</b>						
General	747,174	802,450	822,693	822,969	276	0.0%
Federal	420,178	535,946	610,434	610,697	263	0.0%
Other	0	0	1,421	1,421	0	0.0%
<b>Total</b>	<b>1,167,352</b>	<b>1,338,396</b>	<b>1,434,548</b>	<b>1,435,087</b>	<b>539</b>	<b>0.0%</b>

## Budget Notes

Bureau billing increase of **\$539**.

## DEVELOPMENTAL DISABILITIES

The mission is to ensure that people with developmental disabilities have equal opportunities and receive the services and supports they need to live and work in South Dakota communities.

	Actual FY12	Actual FY13	Budgeted FY14	Gov Rec FY15	Rec Inc/Dec FY15	% Change From FY2014
<b>Personal Services</b>						
Employee Salaries	826,365	839,399	991,357	991,357	0	0.0%
Employee Benefits	223,445	255,420	276,159	276,159	0	0.0%
<b>Total PS</b>	<b>1,049,811</b>	<b>1,094,818</b>	<b>1,267,516</b>	<b>1,267,516</b>	<b>0</b>	<b>0.0%</b>
<b>FTE</b>	<b>17.5</b>	<b>17.7</b>	<b>20.5</b>	<b>20.5</b>	<b>0.0</b>	<b>0.0%</b>
<b>Operating Expenses</b>						
Travel	68,719	78,963	101,524	101,524	0	0.0%
Contractual Services	606,002	577,401	693,565	697,560	3,995	0.6%
Supplies & Materials	33,230	24,469	25,198	25,198	0	0.0%
Grants and Subsidies	104,696,146	107,930,035	117,079,923	134,555,176	17,475,253	14.9%
Capital Outlay	11,839	11,105	6,570	6,570	0	0.0%
Other	18,074	53,337	0	0	0	0.0%
<b>Total OE</b>	<b>105,434,009</b>	<b>108,675,309</b>	<b>117,906,780</b>	<b>135,386,028</b>	<b>17,479,248</b>	<b>14.8%</b>
<b>Funding Types</b>						
General	41,478,009	45,876,694	50,329,727	55,832,744	5,503,017	10.9%
Federal	65,004,071	63,893,434	68,844,569	69,560,015	715,446	1.0%
Other	1,739	0	0	11,260,785	11,260,785	0.0%
<b>Total</b>	<b>106,483,820</b>	<b>109,770,128</b>	<b>119,174,296</b>	<b>136,653,544</b>	<b>17,479,248</b>	<b>14.7%</b>

### Budget Notes

- D. Family Support 360 Program Growth:** Increase of **\$139,052** (\$84,042 general funds, \$55,010 federal funds) for expansion of the Family Support 360 to assist up to 40 children and adults with intellectual and developmental disabilities. The department states that there continues to be an unmet demand and requests for Family Support services for people with developmental disabilities most specifically in the east central part of the state. Those waiting to access waiver services have been on a planning list for varying time periods. The result of not expanding the program would mean people continue to wait for Family Support services or they may apply for more costly services offered by community support providers. Family Support allows a person to remain in their community and their home. The average cost of providing services through a community support provider in FY13 was \$38,282 while the average cost to provide Family Support 360 service was \$4,464.
- E. Growth in Title XIX HCBS Adult Eligibles:** Increase of **\$3,355,798** (\$1,606,756 general funds, \$1,749,042 federal funds) for growth in the Adult Title XIX (Medicaid) Home and Community Based Services. These services are provided by the nineteen (19) Community Support Providers (CSPs). The department estimates a net growth of 81 people as predicted by historical trend analysis data.

- K. Reduction of CHOICES Waiver Cost Share:** Increase of **\$448,776** (\$214,874 general funds, \$233,902 federal funds) due to the CHOICES waiver cost share. Research data and feedback regarding the CHOICES waiver's post eligibility treatment of income (cost share) currently required in the CHOICES waiver indicates a disincentive for self-advocates to be gainfully employed. As of November 1, 2012, there were 2,466 participants on the CHOICES waiver. Eighty nine (89) people were employed and paid monthly cost share due to earned income from their employment. This data, along with the feedback from stakeholders, indicates that participants are choosing to earn less than \$400 per month in order to avoid the cost share. The department indicates it is imperative that South Dakota take steps to create incentives for participants of the CHOICES waiver to obtain gainful employment opportunities and removing the cost share, will create an incentive for employment. The department has also begun work to restructure the CHOICES waiver reimbursement model. The revised reimbursement model will incentivize employment. When this waiver was originally written it was not expected that people would be gainfully employed. The governor's recommended budget eliminates this disincentive.
- F. Decreased Federal Authority.** Reduction of **\$1,203,543** in federal expenditure authority to more closely reflect actual expenditures.
- G. Non-Federal Match for Medicaid Waiver Services.** Increase other fund expenditure authority **\$11,260,785**. Other fund authority is being requested to provide non-federal match for Medicaid waiver services for children receiving comprehensive and residential services on the CHOICES waiver. Previous to FY15, local school districts have provided the non-federal match for Medicaid funding directly to Community Support Providers. CMS has recently mandated that the non-federal match must be either a direct appropriation of general funds or an intergovernmental transfer from the local school district to the state so all expenses flow through the Medicaid Management Information System. Local school districts will continue to provide the non-federal match for youth placed by the school district. The funding will flow through an other fund company and be paid to the provider in a revenue neutral process to the State meeting the CMS requirements. There will be no additional cost to the school district, they will submit payment to DHS rather than the CSP and all claims/funding will be made through the Medicaid system.

**FMAP:** Increase general funds **\$2,074,270** with a **corresponding decrease** of federal funds.

**Provider Inflation:** Increase of **\$1,522,817** general funds and **\$1,954,219** federal funds for a total of **\$3,477,036**.

**Bureau Billings:** Increase of **\$258** general funds and **\$1,086** federal funds for increased bureau billing rates.

## SD DEVELOPMENTAL CENTER (SDDC) - REDFIELD

The mission of the South Dakota Developmental Center is to provide individualized treatment services and supports to people with developmental disabilities and challenging behaviors only when needed services are not available in a community setting.

	Actual FY12	Actual FY13	Budgeted FY14	Gov Rec FY15	Rec Inc/Dec FY15	% Change From FY2014
<b>Personal Services</b>						
Employee Salaries	13,061,201	12,888,058	13,415,608	13,415,608	0	0.0%
Employee Benefits	4,427,543	4,784,118	5,031,358	5,169,538	138,180	2.7%
<b>Total PS</b>	<b>17,488,745</b>	<b>17,672,176</b>	<b>18,446,966</b>	<b>18,585,146</b>	<b>138,180</b>	<b>0.7%</b>
<b>FTE</b>	<b>372.9</b>	<b>371.1</b>	<b>385.6</b>	<b>385.6</b>	<b>0.0</b>	<b>0.0%</b>
<b>Operating Expenses</b>						
Travel	56,499	72,714	79,793	79,793	0	0.0%
Contractual Services	3,110,570	3,242,543	3,343,094	3,363,285	20,191	0.6%
Supplies & Materials	899,193	892,166	806,665	960,029	153,364	19.0%
Grants and Subsidies	651,202	473,793	1,085,667	1,085,667	0	0.0%
Capital Outlay	449,827	278,545	224,580	224,580	0	0.0%
Other	6	0	0	0	0	0.0%
<b>Total OE</b>	<b>5,167,297</b>	<b>4,959,761</b>	<b>5,539,799</b>	<b>5,713,354</b>	<b>173,555</b>	<b>3.1%</b>
<b>Funding Types</b>						
General	8,871,048	9,611,435	10,632,518	11,221,108	588,590	5.5%
Federal	13,369,982	12,806,236	12,562,102	12,285,247	(276,855)	(2.2%)
Other	415,011	214,266	792,145	792,145	0	0.0%
<b>Total</b>	<b>22,656,042</b>	<b>22,631,937</b>	<b>23,986,765</b>	<b>24,298,500</b>	<b>311,735</b>	<b>1.3%</b>

### Budget Notes

**H. Increased Worker's Compensation Rate.** Increase of **\$138,180** (\$66,161 general funds and \$72,019 federal funds) due to an increase in the worker's compensation rate from .0177 to .0280.

**I. Increased Utility Costs.** Increase of **\$167,142** (\$80,027 general funds and \$87,115 federal funds) due to increased utility expenses. Projected electricity and natural gas charges are based on projected usage, EnergyCap analysis, projected heat days, and weather sensitivity.

**FMAP:** Increase of **\$439,684** general funds with a **corresponding decrease** of federal funds.

**Bureau Billings:** Increase of **\$2,718** general funds and **\$3,695** federal funds for increase bureau billing rates.

## REHABILITATION SERVICES

The mission is to assist individuals with disabilities to obtain employment, economic self-sufficiency, personal independence, and full inclusion into society.

	Actual FY12	Actual FY13	Budgeted FY14	Gov Rec FY15	Rec Inc/Dec FY15	% Change From FY2014
<b>Personal Services</b>						
Employee Salaries	3,407,736	3,250,158	3,679,952	3,679,952	0	0.0%
Employee Benefits	1,087,867	1,191,326	1,249,890	1,249,890	0	0.0%
<b>Total PS</b>	<b>4,495,603</b>	<b>4,441,485</b>	<b>4,929,842</b>	<b>4,929,842</b>	<b>0</b>	<b>0.0%</b>
<b>FTE</b>	<b>92.8</b>	<b>91.9</b>	<b>99.1</b>	<b>99.1</b>	<b>0.0</b>	<b>0.0%</b>
<b>Operating Expenses</b>						
Travel	82,149	102,743	118,205	118,205	0	0.0%
Contractual Services	1,765,893	1,919,732	1,776,539	1,792,876	16,337	0.9%
Supplies & Materials	146,690	141,598	171,184	171,184	0	0.0%
Grants and Subsidies	12,953,240	11,441,271	13,934,621	14,075,343	140,722	1.0%
Capital Outlay	47,712	127,242	92,289	92,289	0	0.0%
Other	19,278	18,524	0	0	0	0.0%
<b>Total OE</b>	<b>15,014,963</b>	<b>13,751,110</b>	<b>16,092,838</b>	<b>16,249,897</b>	<b>157,059</b>	<b>1.0%</b>
<b>Funding Types</b>						
General	3,754,361	3,940,444	4,153,817	4,317,603	163,786	3.9%
Federal	15,074,918	13,123,360	15,445,439	15,438,712	(6,727)	(0.0%)
Other	681,287	1,128,791	1,423,424	1,423,424	0	0.0%
<b>Total</b>	<b>19,510,566</b>	<b>18,192,595</b>	<b>21,022,680</b>	<b>21,179,739</b>	<b>157,059</b>	<b>0.7%</b>

### Budget Notes

**FMAP:** Increase general funds \$79,200 with a corresponding decrease of federal funds.

**Provider Inflation:** Increase general funds \$81,748 and federal funds \$58,974 for a total of \$140,722.

**Bureau Billings:** Increase of \$2,838 general funds and \$13,499 federal funds for increased bureau billing rates.

## TELECOMMUNICATION DEVICES FOR THE DEAF

The mission is to establish and maintain a Telecommunication Service Program that affords equal access to telephone service to individuals in South Dakota who are deaf, hearing impaired, speech impaired, or have physical or mental impairments that affect a person's ability to utilize a phone.

	<b>Actual FY12</b>	<b>Actual FY13</b>	<b>Budgeted FY14</b>	<b>Gov Rec FY15</b>	<b>Rec Inc/Dec FY15</b>	<b>% Change From FY2014</b>
<b>Operating Expenses</b>						
Travel	994	0	0	0	0	0.0%
Contractual Services	644,226	616,046	0	0	0	0.0%
Supplies & Materials	248	460	0	0	0	0.0%
Grants and Subsidies	169,788	267,510	1,126,680	1,126,680	0	0.0%
Capital Outlay	94,474	126,423	125,000	125,000	0	0.0%
<b>Total OE</b>	<b>909,729</b>	<b>1,010,439</b>	<b>1,251,680</b>	<b>1,251,680</b>	<b>0</b>	<b>0.0%</b>
<b>Funding Types</b>						
General	0	0	0	0	0	0.0%
Federal	0	0	0	0	0	0.0%
Other	909,729	1,010,439	1,251,680	1,251,680	0	0.0%
<b>Total</b>	<b>909,729</b>	<b>1,010,439</b>	<b>1,251,680</b>	<b>1,251,680</b>	<b>0</b>	<b>0.0%</b>

### Budget Notes

No changes recommended.

## SERVICE TO THE BLIND & VISUALLY IMPAIRED

The mission is to provide individualized rehabilitation services that result in optimal employment & independent living outcomes for citizens who are blind or visually impaired.

	Actual FY12	Actual FY13	Budgeted FY14	Gov Rec FY15	Rec Inc/Dec FY15	% Change From FY2014
<b>Personal Services</b>						
Employee Salaries	1,214,002	1,200,923	1,310,474	1,310,474	0	0.0%
Employee Benefits	345,353	399,041	401,974	401,974	0	0.0%
<b>Total PS</b>	1,559,355	1,599,964	1,712,448	1,712,448	0	0.0%
<b>FTE</b>	28.8	28.6	29.2	29.2	0.0	0.0%
<b>Operating Expenses</b>						
Travel	72,255	105,639	85,608	85,608	0	0.0%
Contractual Services	412,852	374,265	372,329	374,560	2,231	0.6%
Supplies & Materials	43,189	41,430	44,738	44,738	0	0.0%
Grants and Subsidies	1,262,336	978,841	1,527,465	1,527,465	0	0.0%
Capital Outlay	18,777	90,022	26,414	26,414	0	0.0%
Other	720	2,486	0	0	0	0.0%
<b>Total OE</b>	1,810,129	1,592,683	2,056,554	2,058,785	2,231	0.1%
<b>Funding Types</b>						
General	1,095,106	888,170	912,416	913,052	636	0.1%
Federal	1,922,334	2,075,188	2,490,510	2,491,880	1,370	0.1%
Other	352,044	229,289	366,076	366,301	225	0.1%
<b>Total</b>	3,369,483	3,192,647	3,769,002	3,771,233	2,231	0.1%

### Budget Notes

Bureau billing increase of **\$2,231**.

## Other Fund Balances

Company and Fund Name	Blue Book Page	Ending Balance - June 30		60-Month Average	Lowest Monthly Cash Balance in Past Five Years	
		FY2012	FY2013	Cash Balance	Amount	Month
Co 3046 - Fund for Registration of Interpreters for the Deaf	239	\$ 9,688	\$ 4,927	\$ 11,824	\$ 4,072	May 2013
Co 3046 - DHS - Other Fees	240	\$ 1,449,120	\$ 1,425,417	\$ 1,212,038	\$ 322,456	Nov 2008
Co 3046 - Prescription Drug Plan Fund	241	\$ 265,133	\$ 420,516	\$ 1,098,029	\$ 8,349	Feb 2011
Co 3091 - Telecommunication Fund for Other Disabilities	242	\$ 195,843	\$ 225,832	\$ 86,780	\$ 4,560	Sept 2008
Co 3091 - Telecommunication Fund for the Deaf	243	\$ 2,066,701	\$ 2,523,708	\$ 1,609,532	\$ 671,453	Sept 2008
Co 3091 - Other	244		\$ (20,628)	\$ (767)	\$ (20,628)	June 2013
Co 5016 - Redfield Resident Investment	245	\$ 80,312	\$ 79,874	\$ 60,093	\$ 26,390	Dec 2008
Co 6508 - DHS Canteen Fund	246	\$ 76,663	\$ 77,888	\$ 75,206	\$ 71,615	Sept 2008
Co 8314 - DHS/SBVI Business Enterprise Prog.	247	\$ 123,468	\$ 118,573	\$ 114,353	\$ 77,091	April 2010

Refer to the **Supplemental Information and Blue Book Sections** for more information on these and other funds.

## Major Budget Change History

### FY14:

- ✓ There was a **new Communications Officer Position added (1.0 FTE)**: This position would be responsible for developing and managing a pro-active communications strategy to promote the department's programs, inform the public of available services, and educate consumers, legislators, and the general public on the department's mission and efforts toward executing that mission.
- ✓ There was a **new Office of Community Living added (2.0 FTE)**: **Program Specialist II** position will manage a coordinated effort to assist people with disabilities with transitions from life in institutional settings as well as to provide ongoing community supports for people to fully access life in home and community based settings. **Program Specialist II** position will research and develop options to address community capacity and infrastructure needs for supporting people with complex challenges, crisis/behavior supports and interventions in home and community based settings.

## Interagency Billings

Below are the sources of funds this agency used to pay for services provided by central governmental bureaus (Bureau of Finance & Management, Bureau of Information & Telecommunications, Bureau of Administration, and the Bureau of Human Resources).

FY13 Actual Expenditures	General Funds	Federal Funds	Other Funds	Total Funds
Bureau of Administration	106,303	253,629	2,120	362,053
Bureau of Finance and Management	70,882	233,025	3,525	307,431
Bureau of Human Resources	100,367	219,096	-	319,463
Bureau of Information and Telecommunications	255,710	575,315	224	831,249
<i>Total Bureau Billings</i>	533,262	1,281,065	5,869	1,820,196