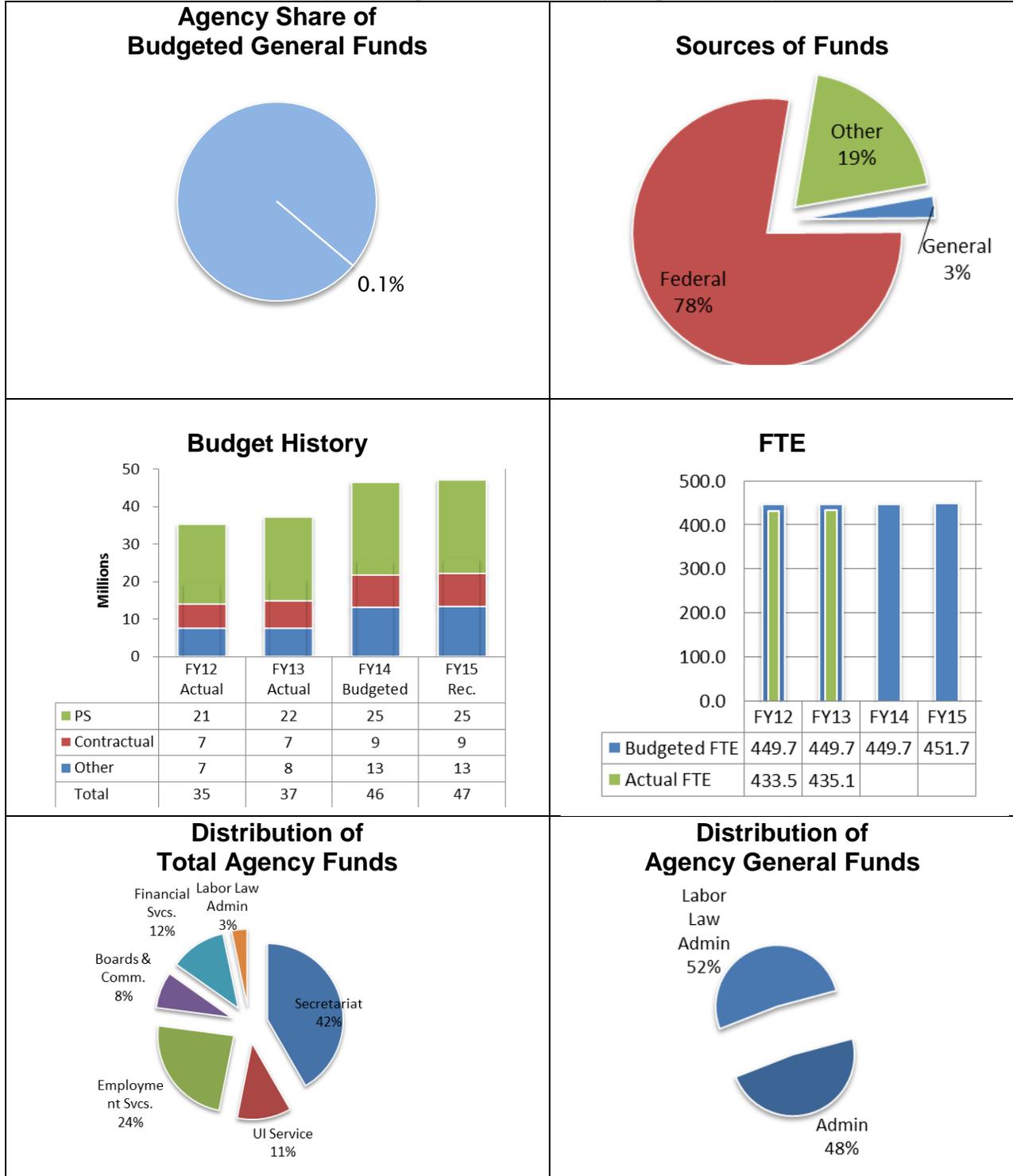


FY15 Budget Briefing

Department of Labor & Regulation

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



Key Personnel

- Marcia Hultman, Secretary and Director of Workforce Services
- Lyle Harter, Administrative Services Director
- Bret Afdahl, Director of the Division of Banking
- Mike Ryan, Director of the Division of Employment Services
- Merle Scheiber, Director of the Division of Insurance
- James Marsh, Director of the Division of Labor and Management
- Dawn Dovre, Director of Public Affairs
- Michael J. Youngberg, Director of the Division of Securities
- Pauline Heier, Director of the Division of Unemployment Insurance

Department Total (Excluding SDRS)

	Actual FY12	Actual FY13	Budgeted FY14	Gov Rec FY15	Rec % Change Inc/Dec FY15	From FY2014
Personal Services						
Employee Salaries	16,437,461	16,662,154	18,936,803	19,089,633	152,830	0.8%
Employee Benefits	4,725,645	5,576,619	5,849,493	5,921,625	72,132	1.2%
FTE	433.5	435.1	449.7	451.7	2.0	0.4%
Funding Types						
General	531,590	540,828	557,302	557,302	0	0.0%
Federal	15,230,065	15,809,894	17,784,957	17,906,106	121,149	0.7%
Other	5,401,451	5,888,050	6,444,037	6,547,850	103,813	1.6%
Total PS	21,163,106	22,238,772	24,786,296	25,011,258	224,962	0.9%
Operating Expenses						
Travel	876,779	959,851	1,220,966	1,256,730	35,764	2.9%
Contractual Services	6,509,358	7,360,651	8,674,781	8,705,098	30,317	0.3%
Supplies & Materials	871,851	736,698	1,091,747	1,091,747	0	0.0%
Grants And Subsidies	5,031,980	5,342,356	10,244,986	10,569,986	325,000	3.2%
Capital Outlay	534,712	377,579	319,761	296,425	(23,336)	(7.3%)
Other	93,734	88,087	83,626	83,626	0	0.0%
Funding Types						
General	516,809	371,074	370,897	696,574	325,677	87.8%
Federal	11,248,729	12,174,797	18,634,243	18,661,438	27,195	0.1%
Other	2,152,873	2,319,352	2,630,727	2,645,600	14,873	0.6%
Total OE	13,918,411	14,865,223	21,635,867	22,003,612	367,745	1.7%
Totals						
Funding Types						
General	1,048,399	911,902	928,199	1,253,876	325,677	35.1%
Federal	26,478,794	27,984,692	36,419,200	36,567,544	148,344	0.4%
Other	7,554,325	8,207,402	9,074,764	9,193,450	118,686	1.3%
Total	35,081,518	37,103,996	46,422,163	47,014,870	592,707	1.3%

Department Object Detail (Excluding SDRS)

Item	Actual FY2011	Actual FY2012	Actual FY2013	Budgeted FY2014	Governor Rec FY2015	Inc/Dec Over FY2014	% Change Over FY2014
PERSONAL SERVICES							
General Funds	587,487	531,590	540,828	557,302	557,302	0	0.0%
Federal Funds	15,441,003	15,230,065	15,809,894	17,784,957	17,906,106	121,149	0.7%
Other Funds	5,136,339	5,401,451	5,888,050	6,444,037	6,547,850	103,813	1.6%
Total Personal Services	21,164,829	21,163,106	22,238,772	24,786,296	25,011,258	224,962	0.9%
FTE	444.3	433.5	435.1	449.7	451.7	2.0	0.4%
TRAVEL							
General Funds	7,556	7,803	6,883	12,830	12,830	0	0.0%
Federal Funds	260,316	272,319	286,236	498,405	500,405	2,000	0.4%
Other Funds	576,797	596,656	666,732	709,731	743,495	33,764	4.8%
Total Travel	844,669	876,778	959,851	1,220,966	1,256,730	35,764	2.9%
CONTRACTUAL SERVICES							
General Funds	46,255	53,788	153,947	129,216	129,893	677	0.5%
Federal Funds	5,391,274	5,186,535	5,865,639	7,029,917	7,052,398	22,481	0.3%
Other Funds	1,201,898	1,269,035	1,341,067	1,515,648	1,522,807	7,159	0.5%
Total Contractual Services	6,639,427	6,509,358	7,360,653	8,674,781	8,705,098	30,317	0.3%
SUPPLIES AND MATERIALS							
General Funds	2,525	55,159	5,582	25,225	25,225	0	0.0%
Federal Funds	715,834	637,526	570,889	787,577	787,577	0	0.0%
Other Funds	232,756	179,165	160,226	278,945	278,945	0	0.0%
Total Supplies and Materials	951,115	871,850	736,697	1,091,747	1,091,747	0	0.0%
GRANTS AND SUBSIDIES							
General Funds	200,000	375,500	180,000	180,000	505,000	325,000	180.6%
Federal Funds	7,286,575	4,651,327	5,158,184	10,057,986	10,057,986	0	0.0%
Other Funds	10,600	5,153	4,172	7,000	7,000	0	0.0%
Total Grants and Subsidies	7,497,175	5,031,980	5,342,356	10,244,986	10,569,986	325,000	3.2%
CAPITAL OUTLAY							
General Funds	502	0	0	0	0	0	0.0%
Federal Funds	909,885	501,022	293,676	260,358	263,072	2,714	1.0%
Other Funds	120,063	33,689	83,904	59,403	33,353	(26,050)	(43.9%)
Total Capital Outlay	1,030,450	534,711	377,580	319,761	296,425	(23,336)	(7.3%)
OTHER							
General Funds	31,842	24,559	24,662	23,626	23,626	0	0.0%
Federal Funds	11,329	0	174	0	0	0	0.0%
Other Funds	57,811	69,175	63,252	60,000	60,000	0	0.0%
Total Other	100,982	93,734	88,088	83,626	83,626	0	0.0%
TOTAL							
General Funds	876,167	1,048,399	911,902	928,199	1,253,876	325,677	35.1%
Federal Funds	30,016,216	26,478,794	27,984,692	36,419,200	36,567,544	148,344	0.4%
Other Funds	7,336,264	7,554,324	8,207,403	9,074,764	9,193,450	118,686	1.3%
Total All Funds	38,228,647	35,081,517	37,103,997	46,422,163	47,014,870	592,707	1.3%

MAJOR EXPANSIONS AND REDUCTIONS (EXCLUDING SDRS)

Budget Item	Governor's Recommendation				FTE
	General Funds	Federal Funds	Other Funds	Total Funds	
Secretariat -					
Adult Education & Literacy	325,000			325,000	-
Insurance -					
Affordable Care Act - Attorney & Actuary salaries & benefits		121,149	103,813	224,962	2.0
Increased Travel		2,000	5,000	7,000	
Computer Hardware		2,714	2,714	5,428	
Interagency Billing Increase	677	22,481	7,159	30,317	
Total	325,677	148,344	118,686	592,707	2.0

Governor's Proposed Salary Policy (Excluding SDRS) – 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.*

	<u>General</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>
Across the Board Increase and Market Adjustments	\$15,566	\$560,625	\$183,508	\$759,699
Health Insurance	\$11,977	\$404,700	\$185,221	\$601,899
Movement Toward Job Worth (PACE)	\$2,972	\$220,255	\$43,258	\$266,485
Pay for Performance (Career Band Families)	\$0	\$13,206	\$0	\$13,206
Targeted Compensation Adjustments	\$0	\$886	\$0	\$886
Total of all Components	\$30,515	\$1,199,672	\$411,987	\$1,642,175

- Recommended FY15 - 3.0% PACE; 0%-4.5% Pay for Performance for Career Banding; 3% Across-the-Board/Market; 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; up to 7.0% Market Adjustment 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

Interagency Billings

Below are the sources of funds the Department of Labor used to pay for services provided by central governmental bureaus.

FY13 Actual Expenditures	General Funds	Federal Funds	Other Funds	Total Funds
Bureau of Administration	34,427.13	354,509.60	554,753.81	943,690.54
Bureau of Finance and Management	1,917.31	136,127.57	56,277.84	194,322.72
Bureau of Human Resources	3,628.62	150,629.45	53,744.96	208,003.03
Bureau of Information and Telecommunications	23,961.94	2,567,375.29	345,034.03	2,936,371.26
<i>Total Bureau Billings</i>	63,935	3,208,642	1,009,811	4,282,388

SECRETARIAT ADMINISTRATION

The mission is to facilitate the improvement of the administration of the Department of Labor & Regulation programs; to integrate the services available throughout the department; to improve and expand the labor market through job training services; to provide labor market information; to certify, license and register real estate appraisers; to provide assistance to the professional and occupational licensing boards; to provide a centralized office for the financial, legal and public affairs activities of the department; and to provide centralized support services.

	Actual FY12	Actual FY13	Budgeted FY14	Gov Rec FY15	Rec Inc/Dec FY15	% Change From FY2014
Personal Services						
Employee Salaries	2,054,724	2,048,712	2,369,347	2,369,347	0	0.0%
Employee Benefits	581,945	664,294	759,226	759,226	0	0.0%
FTE	49.6	49.4	53.5	53.5	0.0	0.0%
Funding Types						
General	0	0	0	0	0	0.0%
Federal	2,528,377	2,589,422	2,982,540	2,982,540	0	0.0%
Other	108,292	123,584	146,033	146,033	0	0.0%
Total PS	2,636,669	2,713,006	3,128,573	3,128,573	0	0.0%
Operating Expenses						
Travel	104,857	124,214	188,595	188,595	0	0.0%
Contractual Services	3,380,356	4,358,949	4,661,884	4,681,647	19,763	0.4%
Supplies & Materials	665,018	554,965	763,552	763,552	0	0.0%
Grants and Subsidies	5,026,827	5,338,184	10,237,986	10,562,986	325,000	3.2%
Capital Outlay	456,895	281,703	260,358	260,358	0	0.0%
Other	0	174	0	0	0	0.0%
Funding Types						
General	430,000	280,000	280,000	605,033	325,033	116.1%
Federal	9,162,523	10,320,291	15,746,584	15,766,072	19,488	0.1%
Other	41,430	57,898	85,791	86,033	242	0.3%
Total OE	9,633,953	10,658,188	16,112,375	16,457,138	344,763	2.1%
Totals						
Funding Types						
General	430,000	280,000	280,000	605,033	325,033	116.1%
Federal	11,690,899	12,909,713	18,729,124	18,748,612	19,488	0.1%
Other	149,722	181,482	231,824	232,066	242	0.1%
Total	12,270,622	13,371,195	19,240,948	19,585,711	344,763	1.8%

Budget Notes

Interagency Service Billings: \$33 General Fund, \$19,488 Federal Fund Expenditure Authority, and \$242 other fund expenditure authority. The total Interagency Services Billing increases is \$19,763.

Adult Education and Literacy (AEL) and workforce preparation: The Governor is requesting **\$325,000 in general funds** due to a decrease of \$325,000 in support received through the US Department of Education Workforce Investment Act. Funding is no longer available due to sequestration and reduced carry-in. In order to continue to provide education services at the current level throughout the state, the Governor has recommended to maintain this budget with general funds. While student need has increased yearly, funding has decreased.

State general funds are granted out directly to local service providers who give direct instruction to adult learners in communities across the state. \$180,000 is currently budgeted for match.

AEL served 2,434 reportable students during the last program year. In this time, 545 students earned a high school equivalency (GED) certificate. 245 individuals entered the workforce, and another 416 maintained or advanced their employment situation.

In comparison, 545 high school graduated (the number of GED completers) would have cost the state \$2,521,170 per year (545 x \$4,626). The \$4,626 is the approximate amount of per student allocation given to local districts by the state for 2013. The average cost per student in an AEL program is approximately \$600, which illustrates these programs are run very efficiently.

An estimated 64,000 adults in South Dakota lack a high school diploma or its equivalent. The state needs a highly skilled workforce, and a highly skilled workforce needs a foundational mastery of literacy, numeracy, oracy, critical thinking skills and job readiness. AEL programs provide this service to South Dakota citizens.

UNEMPLOYMENT INSURANCE SERVICE

The mission is to provide economic support to workers and protect the interest of workers and businesses by determining UI eligibility and liability, collecting taxes, making payments and ensuring compliance all through exceptional service.

	Actual FY12	Actual FY13	Budgeted FY14	Gov Rec FY15	Rec Inc/Dec FY15	% Change From FY2014
Personal Services						
Employee Salaries	3,242,590	3,113,584	3,554,813	3,554,813	0	0.0%
Employee Benefits	959,143	1,113,354	1,170,285	1,170,285	0	0.0%
FTE	96.8	91.7	92.0	92.0	0.0	0.0%
Funding Types						
General	0	0	0	0	0	0.0%
Federal	4,201,732	4,226,939	4,725,098	4,725,098	0	0.0%
Other	0	0	0	0	0	0.0%
Total PS	4,201,732	4,226,939	4,725,098	4,725,098	0	0.0%
Operating Expenses						
Travel	71,555	69,772	157,000	157,000	0	0.0%
Contractual Services	88,560	135,231	516,724	516,724	0	0.0%
Supplies & Materials	0	456	2,000	2,000	0	0.0%
Capital Outlay	0	99	0	0	0	0.0%
Funding Types						
General	0	0	0	0	0	0.0%
Federal	160,115	205,559	675,724	675,724	0	0.0%
Other	0	0	0	0	0	0.0%
Total OE	160,115	205,559	675,724	675,724	0	0.0%
Totals						
Funding Types						
General	0	0	0	0	0	0.0%
Federal	4,361,847	4,432,498	5,400,822	5,400,822	0	0.0%
Other	0	0	0	0	0	0.0%
Total	4,361,847	4,432,498	5,400,822	5,400,822	0	0.0%

Budget Notes

This division administers the Unemployment Insurance (UI) program. Covered employers pay taxes into the Unemployment Insurance Trust Fund, which in turn, assists individuals who have lost their jobs, through no fault of their own.

EMPLOYMENT SERVICES

The mission is to achieve a skilled workforce contributing to economic development by efficiently and respectfully serving businesses, job seekers, and community partners through innovative workforce development solutions and serving as an information resource.

	Actual FY12	Actual FY13	Budgeted FY14	Gov Rec FY15	Rec % Change Inc/Dec FY15	From FY2014
Personal Services						
Employee Salaries	6,263,203	6,303,583	7,342,751	7,342,751	0	0.0%
Employee Benefits	1,885,119	2,234,019	2,350,151	2,350,151	0	0.0%
FTE	178.0	178.7	184.0	184.0	0.0	0.0%
Funding Types						
General	0	0	0	0	0	0.0%
Federal	8,148,322	8,537,602	9,692,902	9,692,902	0	0.0%
Other	0	0	0	0	0	0.0%
Total PS	8,148,322	8,537,602	9,692,902	9,692,902	0	0.0%
Operating Expenses						
Travel	96,817	94,121	156,700	156,700	0	0.0%
Contractual Services	1,221,835	1,230,863	1,362,121	1,364,645	2,524	0.2%
Supplies & Materials	18,628	12,368	35,000	35,000	0	0.0%
Funding Types						
General	0	0	0	0	0	0.0%
Federal	1,337,280	1,337,352	1,553,821	1,556,345	2,524	0.2%
Other	0	0	0	0	0	0.0%
Total OE	1,337,280	1,337,352	1,553,821	1,556,345	2,524	0.2%
Totals						
Funding Types						
General	0	0	0	0	0	0.0%
Federal	9,485,602	9,874,954	11,246,723	11,249,247	2,524	0.0%
Other	0	0	0	0	0	0.0%
Total	9,485,602	9,874,954	11,246,723	11,249,247	2,524	0.0%

Budget Notes

Budgetary increases were for Interagency Service Billings (\$2,524 in federal fund authority).

STATE LABOR LAW ADMINISTRATION

The mission is to responsively provide dispute resolution and help people through investigations, enforcement, compliance, and education of workforce and discrimination law.

	<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 % Change</u> <u>Inc/Dec</u> <u>FY15</u>	<u>From</u> <u>FY2014</u>
Personal Services						
Employee Salaries	792,424	813,844	892,264	892,264	0	0.0%
Employee Benefits	219,516	257,630	253,689	253,689	0	0.0%
FTE	19.3	18.4	19.0	19.0	0.0	0.0%
Funding Types						
General	531,590	540,828	557,302	557,302	0	0.0%
Federal	342,648	383,256	363,652	363,652	0	0.0%
Other	137,702	147,389	224,999	224,999	0	0.0%
Total PS	1,011,941	1,071,473	1,145,953	1,145,953	0	0.0%
Operating Expenses						
Travel	10,449	8,486	21,635	21,635	0	0.0%
Contractual Services	198,338	186,195	249,734	251,353	1,619	0.6%
Supplies & Materials	18,833	21,770	40,240	40,240	0	0.0%
Grants and Subsidies	5,153	4,172	7,000	7,000	0	0.0%
Capital Outlay	147	5,250	0	0	0	0.0%
Other	92,571	83,278	83,626	83,626	0	0.0%
Funding Types						
General	86,809	91,074	90,897	91,541	644	0.7%
Federal	61,155	61,942	72,867	73,336	469	0.6%
Other	177,527	156,136	238,471	238,977	506	0.2%
Total OE	325,491	309,152	402,235	403,854	1,619	0.4%
Totals						
Funding Types						
General	618,399	631,902	648,199	648,843	644	0.1%
Federal	403,803	445,198	436,519	436,988	469	0.1%
Other	315,229	303,525	463,470	463,976	506	0.1%
Total	1,337,432	1,380,625	1,548,188	1,549,807	1,619	0.1%

Budget Notes

Budgetary increases were for Interagency Service Billings (\$644 general, \$469 federal and \$506 other).

BANKING

The mission of the Division of Banking is to charter, license, regulate, supervise and provide guidance to South Dakota financial entities in order to instill consumer confidence, protect consumer interests and promote economic stability through a common sense, efficient and risk-focused approach.

	Actual FY12	Actual FY13	Budgeted FY14	Gov Rec FY15	Rec % Change Inc/Dec FY15	From FY2014
Personal Services						
Employee Salaries	1,154,137	1,320,516	1,388,475	1,388,475	0	0.0%
Employee Benefits	281,503	364,283	367,589	367,589	0	0.0%
FTE	19.6	22.9	24.5	24.5	0.0	0.0%
Funding Types						
General	0	0	0	0	0	0.0%
Federal	0	0	0	0	0	0.0%
Other	1,435,639	1,684,799	1,756,064	1,756,064	0	0.0%
Total PS	1,435,639	1,684,799	1,756,064	1,756,064	0	0.0%
Operating Expenses						
Travel	141,769	180,283	155,018	183,782	28,764	18.6%
Contractual Services	214,641	351,241	351,431	352,130	699	0.2%
Supplies & Materials	20,250	21,591	18,407	18,407	0	0.0%
Capital Outlay	4,767	32,609	34,364	5,600	(28,764)	(83.7%)
Other	0	800	0	0	0	0.0%
Funding Types						
General	0	0	0	0	0	0.0%
Federal	0	0	0	0	0	0.0%
Other	381,427	586,524	559,220	559,919	699	0.1%
Total OE	381,427	586,524	559,220	559,919	699	0.1%
Totals						
Funding Types						
General	0	0	0	0	0	0.0%
Federal	0	0	0	0	0	0.0%
Other	1,817,067	2,271,323	2,315,284	2,315,983	699	0.0%
Total	1,817,067	2,271,323	2,315,284	2,315,983	699	0.0%

Budget Notes

Budgetary increase of \$699 in other fund expenditure authority was for Interagency Service Billings.

A number of other small adjustments were made in this budget, but the net effect is zero. No FTEs were moved.

SECURITIES

The mission of the Division of Securities is to protect investors of securities products, franchises and business opportunities by investigating complaints, conducting examinations, enforcing anti-fraud provisions, ensuring investments sold meet standards of full disclosure and providing investor education.

	Actual FY12	Actual FY13	Budgeted FY14	Gov Rec FY15	Rec % Change Inc/Dec FY15	From FY2014
Personal Services						
Employee Salaries	299,266	292,947	306,981	306,981	0	0.0%
Employee Benefits	73,326	86,193	83,665	83,665	0	0.0%
FTE	5.5	5.5	5.7	5.7	0.0	0.0%
Funding Types						
General	0	0	0	0	0	0.0%
Federal	0	0	0	0	0	0.0%
Other	372,591	379,140	390,646	390,646	0	0.0%
Total PS	372,591	379,140	390,646	390,646	0	0.0%
Operating Expenses						
Travel	1,868	1,606	2,700	2,700	0	0.0%
Contractual Services	43,658	57,687	65,870	66,414	544	0.8%
Supplies & Materials	5,031	5,124	7,500	7,500	0	0.0%
Capital Outlay	3,522	2,566	4,000	4,000	0	0.0%
Other	0	1,900	0	0	0	0.0%
Funding Types						
General	0	0	0	0	0	0.0%
Federal	0	0	0	0	0	0.0%
Other	54,079	68,882	80,070	80,614	544	0.7%
Total OE	54,079	68,882	80,070	80,614	544	0.7%
Totals						
Funding Types						
General	0	0	0	0	0	0.0%
Federal	0	0	0	0	0	0.0%
Other	426,671	448,022	470,716	471,260	544	0.1%
Total	426,671	448,022	470,716	471,260	544	0.1%

Budget Notes

Budgetary increases were for Interagency Service Billings - \$544 other fund.

INSURANCE

The mission of the Division of Insurance is to protect the public and make insurance available and affordable by efficiently providing quality assistance, providing fair regulation for industry, and promoting a healthy, competitive insurance market.

	Actual FY12	Actual FY13	Budgeted FY14	Gov Rec FY15	Rec % Change Inc/Dec FY15	From FY2014
Personal Services						
Employee Salaries	1,145,671	1,276,969	1,341,913	1,494,743	152,830	11.4%
Employee Benefits	324,207	402,490	373,342	445,474	72,132	19.3%
FTE	26.8	29.1	28.0	30.0	2.0	7.1%
Funding Types						
General	0	0	0	0	0	0.0%
Federal	8,986	72,675	20,765	141,914	121,149	583.4%
Other	1,460,891	1,606,783	1,694,490	1,798,303	103,813	6.1%
Total PS	1,469,877	1,679,459	1,715,255	1,940,217	224,962	13.1%
Operating Expenses						
Travel	13,260	20,046	22,500	29,500	7,000	31.1%
Contractual Services	731,160	446,848	792,457	795,064	2,607	0.3%
Supplies & Materials	36,383	31,886	41,467	41,467	0	0.0%
Capital Outlay	55,832	20,446	11,039	16,467	5,428	49.2%
Other	0	450	0	0	0	0.0%
Funding Types						
General	0	0	0	0	0	0.0%
Federal	527,656	249,654	585,247	589,961	4,714	0.8%
Other	308,977	270,022	282,216	292,537	10,321	3.7%
Total OE	836,634	519,676	867,463	882,498	15,035	1.7%
Totals						
Funding Types						
General	0	0	0	0	0	0.0%
Federal	536,642	322,329	606,012	731,875	125,863	20.8%
Other	1,769,869	1,876,805	1,976,706	2,090,840	114,134	5.8%
Total	2,306,511	2,199,134	2,582,718	2,822,715	239,997	9.3%

Budget Notes

Budgetary increases were for Interagency Service Billings (**\$2,607** in other fund authority).

Affordable Care Act - An increase in Personal Services budgeted authority and FTE is requested to fulfill the requirements of the Affordable Care Act (ACA) which is now part of the division's regulatory responsibilities. This increase includes an increase of 2 FTE – an attorney and an actuary. DLR has already hired three additional staff in the Life & Health Program. ACA has generated an enormous amount of additional insurance requirements. **Federal Funds: \$121,149 and 1.0 FTE; Other Funds: \$103,813 and 1.0 FTE**

Travel - In-state travel increase is requested due to the increased number of requests to attend meetings for existing staff as well as travel for the two additional staff. **Federal funds: \$2,000, Other funds: \$5,000**

Computer Hardware – Computer hardware is requested for replacement of 4 additional PCs and monitors at \$1,357 each = \$5,428 for the two new staff. **Federal funds: \$2,714, Other Funds: \$2,714.**

BOARD OF ACCOUNTANCY - INFORMATIONAL

The mission is to protect the citizens of South Dakota from receiving inadequate accounting services by licensing qualified accountant applicants, monitoring continuing professional education and annual reporting requirements, and enforcing statutes and rules promulgated to regulate the practice of public accountancy.

Nicole Kasin, Executive Director

	Actual FY12	Actual FY13	Budgeted FY14	Gov Rec FY15	Rec Inc/Dec FY15	% Change From FY2014
Personal Services						
Employee Salaries	92,842	86,227	95,910	95,910	0	0.0%
Employee Benefits	30,658	33,863	35,206	35,206	0	0.0%
FTE	2.6	2.5	2.5	2.5	0.0	0.0%
Funding Types						
General	0	0	0	0	0	0.0%
Federal	0	0	0	0	0	0.0%
Other	123,500	120,090	131,116	131,116	0	0.0%
Total PS	123,500	120,090	131,116	131,116	0	0.0%
Operating Expenses						
Travel	13,094	16,766	15,900	15,900	0	0.0%
Contractual Services	131,692	132,467	89,395	89,723	328	0.4%
Supplies & Materials	2,763	5,869	5,100	5,100	0	0.0%
Capital Outlay	0	2,325	2,000	2,000	0	0.0%
Funding Types						
General	0	0	0	0	0	0.0%
Federal	0	0	0	0	0	0.0%
Other	147,549	157,427	112,395	112,723	328	0.3%
Total OE	147,549	157,427	112,395	112,723	328	0.3%
Totals						
Funding Types						
General	0	0	0	0	0	0.0%
Federal	0	0	0	0	0	0.0%
Other	271,049	277,516	243,511	243,839	328	0.1%
Total	271,049	277,516	243,511	243,839	328	0.1%

Budget Notes

Budgetary increases were for Interagency Service Billings.

BOARD OF BARBER EXAMINERS - INFORMATIONAL

The mission is to protect the public consumers of barbershop facilities from unsafe and unsanitary conditions by regulating the licensing of barbers, enforcing sanitary operating procedures, and updating governing statutes and regulations.

Carol Tellinghuisen, Executive Director

	<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 % Change</u> <u>Inc/Dec</u> <u>FY15</u>	<u>From</u> <u>FY2014</u>
Personal Services						
Employee Salaries	1,020	1,140	2,166	2,166	0	0.0%
Employee Benefits	95	97	166	166	0	0.0%
FTE	0.0	0.0	0.0	0.0	0.0	0.0%
Funding Types						
General	0	0	0	0	0	0.0%
Federal	0	0	0	0	0	0.0%
Other	1,115	1,237	2,332	2,332	0	0.0%
Total PS	1,115	1,237	2,332	2,332	0	0.0%
Operating Expenses						
Travel	1,903	2,210	2,455	2,455	0	0.0%
Contractual Services	19,426	18,656	23,968	24,006	38	0.2%
Supplies & Materials	0	0	0	0	0	0.0%
Funding Types						
General	0	0	0	0	0	0.0%
Federal	0	0	0	0	0	0.0%
Other	21,329	20,866	26,423	26,461	38	0.1%
Total OE	21,329	20,866	26,423	26,461	38	0.1%
Totals						
Funding Types						
General	0	0	0	0	0	0.0%
Federal	0	0	0	0	0	0.0%
Other	22,444	22,103	28,755	28,793	38	0.1%
Total	22,444	22,103	28,755	28,793	38	0.1%

Budget Notes

Budgetary increases were for Interagency Service Billings.

COSMETOLOGY COMMISSION - INFORMATIONAL

The mission is to ensure the health and safety of our citizens as they use cosmetology, esthetics, and nail technology services.

Kate Boyd, Executive Director

	Actual FY12	Actual FY13	Budgeted FY14	Gov Rec FY15	Rec % Change Inc/Dec FY15	From FY2014
Personal Services						
Employee Salaries	96,792	100,828	118,568	118,568	0	0.0%
Employee Benefits	23,363	27,749	28,261	28,261	0	0.0%
FTE	2.9	3.0	3.0	3.0	0.0	0.0%
Funding Types						
General	0	0	0	0	0	0.0%
Federal	0	0	0	0	0	0.0%
Other	120,155	128,577	146,829	146,829	0	0.0%
Total PS	120,155	128,577	146,829	146,829	0	0.0%
Operating Expenses						
Travel	32,304	33,685	40,074	40,074	0	0.0%
Contractual Services	41,004	39,956	45,506	45,739	233	0.5%
Supplies & Materials	10,026	12,591	10,481	10,481	0	0.0%
Capital Outlay	0	0	0	0	0	0.0%
Funding Types						
General	0	0	0	0	0	0.0%
Federal	0	0	0	0	0	0.0%
Other	83,334	86,232	96,061	96,294	233	0.2%
Total OE	83,334	86,232	96,061	96,294	233	0.2%
Totals						
Funding Types						
General	0	0	0	0	0	0.0%
Federal	0	0	0	0	0	0.0%
Other	203,489	214,809	242,890	243,123	233	0.1%
Total	203,489	214,809	242,890	243,123	233	0.1%

Budget Notes

Budgetary increases were for Interagency Service Billings.

PLUMBING COMMISSION - INFORMATIONAL

The mission is to keep the citizens of our state and their property safe from hazards associated with unsafe drinking water and unsafe waste disposal facilities.

Michael Richards, Executive Director

	Actual FY12	Actual FY13	Budgeted FY14	Gov Rec FY15	Rec % Change Inc/Dec FY15	From FY2014
Personal Services						
Employee Salaries	268,208	260,347	271,806	271,806	0	0.0%
Employee Benefits	80,394	91,544	88,850	88,850	0	0.0%
FTE	7.0	7.0	7.0	7.0	0.0	0.0%
Funding Types						
General	0	0	0	0	0	0.0%
Federal	0	0	0	0	0	0.0%
Other	348,602	351,891	360,656	360,656	0	0.0%
Total PS	348,602	351,891	360,656	360,656	0	0.0%
Operating Expenses						
Travel	77,383	82,788	94,000	94,000	0	0.0%
Contractual Services	45,985	39,206	47,883	48,196	313	0.7%
Supplies & Materials	21,350	22,794	58,700	58,700	0	0.0%
Capital Outlay	2,640	1,917	0	0	0	0.0%
Other	816	1,025	0	0	0	0.0%
Funding Types						
General	0	0	0	0	0	0.0%
Federal	0	0	0	0	0	0.0%
Other	148,174	147,731	200,583	200,896	313	0.2%
Total OE	148,174	147,731	200,583	200,896	313	0.2%
Totals						
Funding Types						
General	0	0	0	0	0	0.0%
Federal	0	0	0	0	0	0.0%
Other	496,776	499,622	561,239	561,552	313	0.1%
Total	496,776	499,622	561,239	561,552	313	0.1%

Budget Notes

Budgetary increases were for Interagency Service Billings.

BOARD OF TECHNICAL PROFESSIONALS - INFORMATIONAL

The mission is to protect the consumer from using the services of unqualified professional engineers, land surveyors, architects, landscape architects, and petroleum release assessors and remediators by the administration of examinations and registrations of qualified people; to promote high levels of professionalism through communication of board activities with registrants and the public; and, to conduct disciplinary actions.

Mark Humphreys, Executive Director

	<u>Actual FY12</u>	<u>Actual FY13</u>	<u>Budgeted FY14</u>	<u>Gov Rec FY15</u>	<u>Rec % Change Inc/Dec FY15</u>	<u>From FY2014</u>
Personal Services						
Employee Salaries	92,354	98,685	125,654	125,654	0	0.0%
Employee Benefits	26,427	34,415	40,301	40,301	0	0.0%
FTE	2.5	2.7	3.5	3.5	0.0	0.0%
Funding Types						
General	0	0	0	0	0	0.0%
Federal	0	0	0	0	0	0.0%
Other	118,781	133,100	165,955	165,955	0	0.0%
Total PS	118,781	133,100	165,955	165,955	0	0.0%
Operating Expenses						
Travel	26,700	24,637	33,900	33,900	0	0.0%
Contractual Services	83,303	81,988	121,233	121,535	302	0.2%
Supplies & Materials	8,146	13,754	27,200	27,200	0	0.0%
Capital Outlay	250	5,661	0	0	0	0.0%
Other	100	360	0	0	0	0.0%
Funding Types						
General	0	0	0	0	0	0.0%
Federal	0	0	0	0	0	0.0%
Other	118,499	126,401	182,333	182,635	302	0.2%
Total OE	118,499	126,401	182,333	182,635	302	0.2%
Totals						
Funding Types						
General	0	0	0	0	0	0.0%
Federal	0	0	0	0	0	0.0%
Other	237,280	259,500	348,288	348,590	302	0.1%
Total	237,280	259,500	348,288	348,590	302	0.1%

Budget Notes

Budgetary increases were for Interagency Service Billings.

ELECTRICAL COMMISSION - INFORMATIONAL

The mission is to keep the citizens of our state and their property safe from the hazards associated with using electricity. The Commission administers the state laws and regulations concerning electrical wiring, inspects wiring installations, investigates complaints related to electrical wiring, and licenses all electricians within the state.

John J. Linn Jr., Executive Director

	<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 % Change</u> <u>Inc/Dec</u> <u>FY15</u>	<u>From</u> <u>FY2014</u>
Personal Services						
Employee Salaries	700,504	710,853	861,637	861,637	0	0.0%
Employee Benefits	179,447	196,948	227,066	227,066	0	0.0%
FTE	18.0	19.1	22.0	22.0	0.0	0.0%
Funding Types						
General	0	0	0	0	0	0.0%
Federal	0	0	0	0	0	0.0%
Other	879,951	907,800	1,088,703	1,088,703	0	0.0%
Total PS	879,951	907,800	1,088,703	1,088,703	0	0.0%
Operating Expenses						
Travel	245,900	274,433	288,159	288,159	0	0.0%
Contractual Services	142,687	140,348	138,456	139,420	964	0.7%
Supplies & Materials	25,725	18,504	48,100	48,100	0	0.0%
Capital Outlay	9,043	17,932	6,000	6,000	0	0.0%
Other	247	100	0	0	0	0.0%
Funding Types						
General	0	0	0	0	0	0.0%
Federal	0	0	0	0	0	0.0%
Other	423,602	451,317	480,715	481,679	964	0.2%
Total OE	423,602	451,317	480,715	481,679	964	0.2%
Totals						
Funding Types						
General	0	0	0	0	0	0.0%
Federal	0	0	0	0	0	0.0%
Other	1,303,553	1,359,118	1,569,418	1,570,382	964	0.1%
Total	1,303,553	1,359,118	1,569,418	1,570,382	964	0.1%

Budget Notes

Budgetary increases were for Interagency Service Billings.

REAL ESTATE COMMISSION - INFORMATIONAL

The mission of the Real Estate Commission is to protect the interest of the public when engaged in a real estate transaction; to enforce standards for education, licensing, practice of real estate brokers, salespersons, auctioneers, property managers, residential rental agents, home inspectors, property managers, timeshare agents, and the registration of condominium, timeshare, and subdivision projects.

Melissa Miller, Executive Director

	<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 % Change</u> <u>Inc/Dec</u> <u>FY15</u>	<u>From</u> <u>FY2014</u>
Personal Services						
Employee Salaries	219,268	218,230	243,012	243,012	0	0.0%
Employee Benefits	59,396	68,311	69,025	69,025	0	0.0%
FTE	5.0	5.0	5.0	5.0	0.0	0.0%
Funding Types						
General	0	0	0	0	0	0.0%
Federal	0	0	0	0	0	0.0%
Other	278,664	286,541	312,037	312,037	0	0.0%
Total PS	278,664	286,541	312,037	312,037	0	0.0%
Operating Expenses						
Travel	36,012	23,663	34,730	34,730	0	0.0%
Contractual Services	163,405	136,792	163,275	163,625	350	0.2%
Supplies & Materials	38,302	13,856	29,700	29,700	0	0.0%
Capital Outlay	1,617	7,072	2,000	2,000	0	0.0%
Funding Types						
General	0	0	0	0	0	0.0%
Federal	0	0	0	0	0	0.0%
Other	239,336	181,383	229,705	230,055	350	0.2%
Total OE	239,336	181,383	229,705	230,055	350	0.2%
Totals						
Funding Types						
General	0	0	0	0	0	0.0%
Federal	0	0	0	0	0	0.0%
Other	518,000	467,924	541,742	542,092	350	0.1%
Total	518,000	467,924	541,742	542,092	350	0.1%

Budget Notes

Budgetary increases were for Interagency Service Billings.

ABSTRACTERS BOARD OF EXAMINERS - INFORMATIONAL

The mission of the Abstracters Board of Examiners is to issue abstracter's licenses to qualified applicants; to examine and license new title plants and those changing ownership to maintain quality and compliance; to monitor and ensure the quality of services provided by licensees; and to promote continuing education for licensees.

Greg Wick, Abstracters Board of Examiners Board President

	<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 % Change</u> <u>Inc/Dec</u> <u>FY15</u>	<u>From</u> <u>FY2014</u>
Personal Services						
Employee Salaries	14,460	15,689	15,306	15,306	0	0.0%
Employee Benefits	1,108	1,430	1,171	1,171	0	0.0%
FTE	0.0	0.0	0.0	0.0	0.0	0.0%
Funding Types						
General	0	0	0	0	0	0.0%
Federal	0	0	0	0	0	0.0%
Other	15,568	17,120	16,477	16,477	0	0.0%
Total PS	15,568	17,120	16,477	16,477	0	0.0%
Operating Expenses						
Travel	2,907	3,139	3,100	3,100	0	0.0%
Contractual Services	3,307	4,225	4,844	4,877	33	0.7%
Supplies & Materials	1,396	1,170	1,500	1,500	0	0.0%
Funding Types						
General	0	0	0	0	0	0.0%
Federal	0	0	0	0	0	0.0%
Other	7,610	8,533	9,444	9,477	33	0.3%
Total OE	7,610	8,533	9,444	9,477	33	0.3%
Totals						
Funding Types						
General	0	0	0	0	0	0.0%
Federal	0	0	0	0	0	0.0%
Other	23,178	25,653	25,921	25,954	33	0.1%
Total	23,178	25,653	25,921	25,954	33	0.1%

Budget Notes

Budgetary increases were for Interagency Service Billings.

SOUTH DAKOTA ATHLETIC COMMISSION – INFORMATIONAL

The mission of the South Dakota Athletic Commission is to regulate boxing, kickboxing, and mixed martial arts competitions through the enforcement of statutes and rules.

Jennifer Stalley, Consultant

	Actual <u>FY12</u>	Actual <u>FY13</u>	Budgeted <u>FY14</u>	Gov Rec <u>FY15</u>	Rec % Change Inc/Dec <u>FY15</u>	From <u>FY2014</u>
Personal Services						
Employee Salaries	0	0	6,200	6,200	0	0.0%
Employee Benefits	0	0	1,500	1,500	0	0.0%
FTE	0.0	0.0	0.0	0.0	0.0	0.0%
Funding Types						
General	0	0	0	0	0	0.0%
Federal	0	0	0	0	0	0.0%
Other	0	0	7,700	7,700	0	0.0%
Total PS	0	0	7,700	7,700	0	0.0%
Operating Expenses						
Travel	0	0	4,500	4,500	0	0.0%
Contractual Services	0	0	40,000	40,000	0	0.0%
Supplies & Materials	0	0	2,800	2,800	0	0.0%
Funding Types						
General	0	0	0	0	0	0.0%
Federal	0	0	0	0	0	0.0%
Other	0	0	47,300	47,300	0	0.0%
Total OE	0	0	47,300	47,300	0	0.0%
Totals						
Funding Types						
General	0	0	0	0	0	0.0%
Federal	0	0	0	0	0	0.0%
Other	0	0	55,000	55,000	0	0.0%
Total	0	0	55,000	55,000	0	0.0%

Budget Notes

There were no increases/decreases in this informational budget.

Other Fund Balances

Company and Fund Name	Blue Book Page	Ending Cash and Investment Balance on June 30		60-Month Average Cash Balance	Lowest Monthly Cash Balance in Past Five Years	
		FY2012	FY2013		Amount	Month
Company 3030 - Employment Security Contingency Fund	165	\$ 1,416,743	\$ 1,408,791	\$ 517,698	\$ -	September 2009
Company 3181 - Banking Special Revenue Fund	166	\$ 56,678	\$ 7,500	\$ 20,123	\$ 744	March 2010
Company 3183 - Insurance Operating Fund	167	\$ 175,000	\$ 175,000	\$ 1,044,221	\$ 125,229	October 2009
Company 3183 - Investor Education	168	\$ 40	\$ (30)	\$ 14,142	\$ (164)	April 2009
Company 3183 - SD Insurance Producers Continuing Education	169	\$ 41,303	\$ 75,192	\$ 44,188	\$ (8,019)	February 2010
Company 3183 - SD Real Estate Appraiser Fund	170	\$ 173,190	\$ 132,066	\$ 241,345	\$ 132,066	June 2013
Company 3183 - South Dakota Appraisal Management Companies Fund	171	\$ 87,000	\$ 165,134	\$ 39,387	\$ -	July 2011
Company 3183 - Securities Operating Fund	172	\$ 15,000	\$ 15,000	\$ 4,569,813	\$ 15,000	June 2009
Company 6503 - Board of Abstractors	173	\$ 123,448	\$ 157,613	\$ 91,378	\$ 6,276	July 2008
Company 6503 - Board of Accountancy	174	\$ 296,408	\$ 269,320	\$ 342,201	\$ 263,474	June 2009
Company 6503 - Board of Barber Examiners	175	\$ 49,961	\$ 56,187	\$ 38,412	\$ 16,215	May 2009
Company 6503 - Boxing Commission	176	\$ -	\$ 95,000	\$ 1,583	\$ 95,000	June 2013
Company 6503 - Cosmetology Commission	176	\$ 297,110	\$ 365,230	\$ 188,417	\$ 60,211	October 2008
Company 6503 - Electrical Commission	178	\$ 879,915	\$ 967,213	\$ 945,506	\$ 757,953	March 2012
Company 6503 - Plumbing Commission	179	\$ 128,159	\$ 107,459	\$ 168,445	\$ 69,003	September 2010
Company 6503 - SD Board of Technical Professions	180	\$ 487,380	\$ 632,154	\$ 396,276	\$ 184,177	September 2008
Company 6503 - SD Real Estate Commission	181	\$ 470,788	\$ 405,863	\$ 696,778	\$ 405,863	June 2013
Company 6525 - Subsequent Injury Fund	182	\$ 2,944,822	\$ 1,342,265	\$ 1,837,269	\$ 151,013	March 2011
Company 6526 - Banking Special Revenue Fund	183	\$ 1,438,231	\$ 2,941,049	\$ 979,631	\$ (48,535)	January 2010
Company 6525 - Insurance Examination Fund	184	\$ 1,161,302	\$ 2,097,038	\$ 343,764	\$ -	December 2011
Company 8304 - Private Workers Compensation Fund not on Accounting System - Unemployment Compensation	187	\$ 41,848,423	\$ -	\$ N/A	\$ N/A	\$ N/A

#Average cash balance and lowest cash balance are actually less than five years due to age of fund.

Major Budget Change History

FY2014: The South Dakota Athletic Commission was initiated by SB84 during the 2013 legislative session.

FY2013: Dakota Roots campaign, which was created in 2006, received \$100,000 in general funds.

FY2012:

- ✓ Cut General Funds by 11.9% (0.8 FTE and \$82K in the Human Rights area; \$20K adult education literacy grant matching funds)
- ✓ The Department of Labor was part of the Governor Dugaard reorganization filed in January of 2011. The department name was changed to the Department of Labor and Regulation and the following divisions and programs were moved from the Department of Revenue: Division of Banking, Division of Securities, Division of Insurance, Real Estate Commission, Abstractors Board of Examiners, and Appraiser Certificate Program.

FY2011:

- ✓ FTE: reduction of 1.0 FTE and \$20,253 federal funds