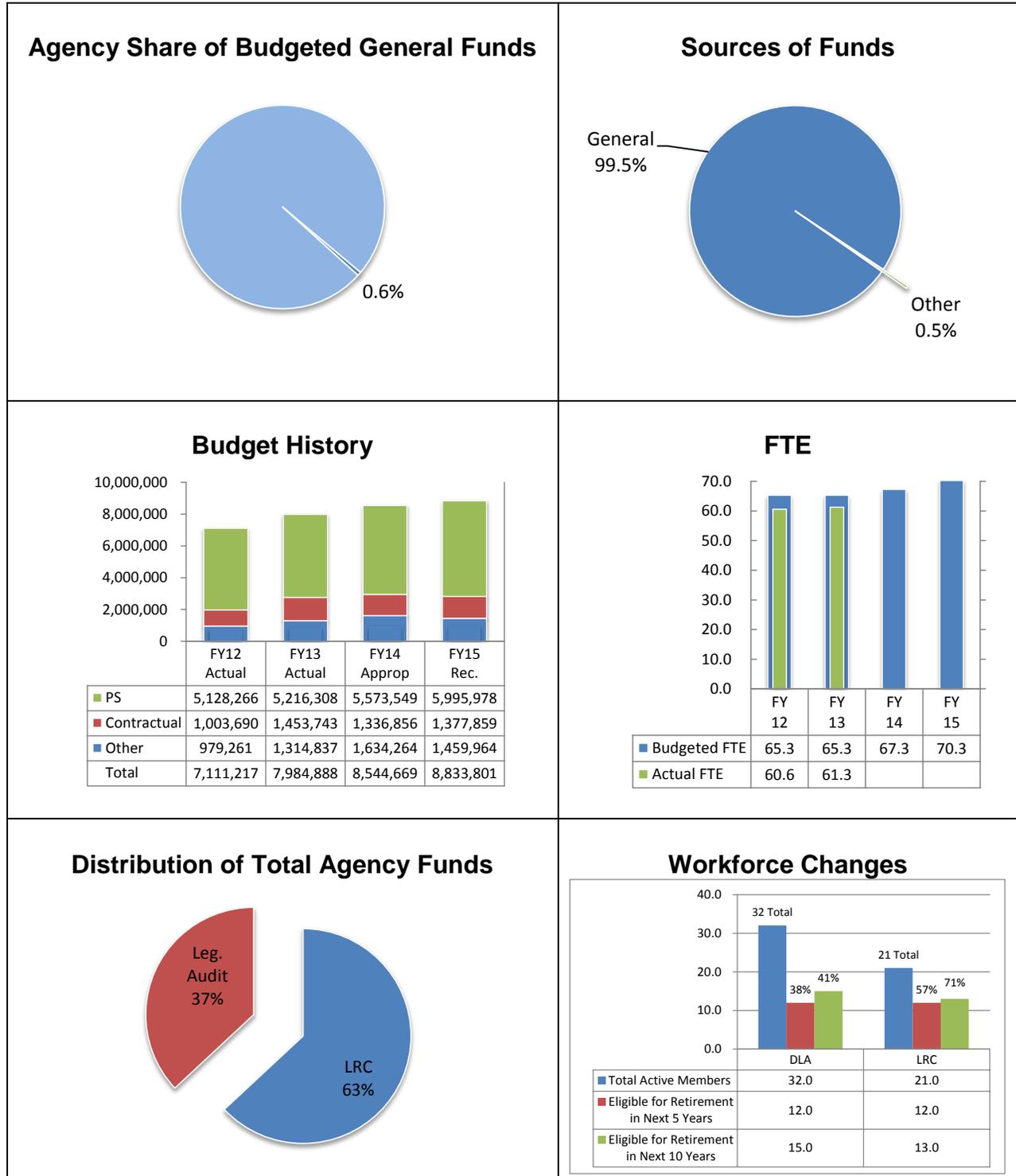


FY15 Budget Briefing

The Legislative Branch

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

Legislative Research Council

- Fred Schoenfeld, Director
- Annie Mehlhaff, Budget Officer

Legislative Audit

- Martin L. Guindon, Auditor General

Departmental Total

Mission of the Agency

To represent the people of South Dakota and protect their general welfare by formulating policies through the adoption and revision of legislation by the state legislature; to perform studies and analyses of state policies through the Legislative Research Council; and, to perform the post-audit functions through the Division of Legislative Audit.

	Actual FY12	Actual FY13	Budgeted FY14	Gov Rec FY15	Rec Inc/Dec FY15	% Change From FY2014
Personal Services						
Employee Salaries	4,265,969	4,269,918	4,572,488	4,953,148	380,660	8.3%
Employee Benefits	862,297	946,390	1,001,061	1,042,830	41,769	4.2%
FTE	60.6	61.3	67.3	70.3	3.0	4.5%
Funding Types						
General	5,128,266	5,216,308	5,573,549	5,995,978	422,429	7.6%
Federal	0	0	0	0	0	0.0%
Other	0	0	0	0	0	0.0%
Total PS	5,128,266	5,216,308	5,573,549	5,995,978	422,429	7.6%
Operating Expenses						
Travel	762,883	858,409	1,408,786	1,234,486	(174,300)	(12.4%)
Contractual Services	1,003,690	1,453,743	1,336,856	1,377,859	41,003	3.1%
Supplies & Materials	148,365	203,222	212,248	212,248	0	0.0%
Capital Outlay	68,012	253,207	13,230	13,230	0	0.0%
Funding Types						
General	1,977,813	2,541,405	2,936,120	2,802,823	(133,297)	(4.5%)
Federal	0	0	0	0	0	0.0%
Other	5,138	227,175	35,000	35,000	0	0.0%
Total OE	1,982,951	2,768,580	2,971,120	2,837,823	(133,297)	(4.5%)
Totals						
Funding Types						
General	7,106,079	7,757,713	8,509,669	8,798,801	289,132	3.4%
Federal	0	0	0	0	0	0.0%
Other	5,138	227,175	35,000	35,000	0	0.0%
Total	7,111,217	7,984,888	8,544,669	8,833,801	289,132	3.4%

Department Object Detail

Item	Actual FY2012	Actual FY2013	Budgeted FY2014	Governor Rec FY2015	Inc/Dec Over FY2014	% Change Over FY2014
PERSONAL SERVICES						
General	5,128,266	5,216,308	5,573,549	5,995,978	422,429	7.6%
Federal	0	0	0	0	0	0.0%
Other Funds	0	0	0	0	0	0.0%
Total Personal Services	5,128,266	5,216,308	5,573,549	5,995,978	422,429	7.6%
FTE	60.6	61.3	67.3	70.3	3.0	0.0
TRAVEL						
General	762,883	858,409	1,408,786	1,234,486	(174,300)	(12.4%)
Federal	0	0	0	0	0	0.0%
Other Funds	0	0	0	0	0	0.0%
Total Travel	762,883	858,409	1,408,786	1,234,486	(174,300)	(12.4%)
CONTRACTUAL SERVICES						
General	998,634	1,416,994	1,336,856	1,377,859	41,003	3.1%
Federal	0	0	0	0	0	0.0%
Other Funds	5,057	36,749	0	0	0	0.0%
Total Contractual Services	1,003,691	1,453,743	1,336,856	1,377,859	41,003	3.1%
SUPPLIES AND MATERIALS						
General	148,284	199,679	177,248	177,248	0	0.0%
Federal	0	0	0	0	0	0.0%
Other Funds	81	3,543	35,000	35,000	0	0.0%
Total Supplies and Materials	148,365	203,222	212,248	212,248	0	0.0%
CAPITAL OUTLAY						
General	68,012	66,323	13,230	13,230	0	0.0%
Federal	0	0	0	0	0	0.0%
Other Funds	0	186,884	0	0	0	0.0%
Total Capital Outlay	68,012	253,207	13,230	13,230	0	0.0%
TOTAL						
General	7,106,079	7,757,713	8,509,669	8,798,801	289,132	3.4%
Federal	0	0	0	0	0	0.0%
Other Funds	5,138	227,176	35,000	35,000	0	0.0%
Total All Funds	7,111,217	7,984,889	8,544,669	8,833,801	289,132	3.4%

Major Expansions and Reductions

Total Legislative Branch Budget Item	Governor's Recommendation				
	General Funds	Federal Funds	Other Funds	TOTALS	FTE
Legislative Research Council	88,431	-	-	88,431	0.0
Legislative Audit	200,701	-	-	200,701	3.0
TOTALS	289,132	-	-	289,132	3.0

See the individual budgets for the Legislative Research Council and Legislative Audit on the following pages.

Combined LRC and Legislative Audit - Other Fund Balances

Company and Fund Name	Blue Book Page	Ending Cash and Investment Balance		Average Cash Balance	Lowest Monthly Cash Balance in Past Four Yrs	
		FY2012	FY2013		Amount	Month
Company 3024 -Legislative Capitol Renovation Fund	281	\$ 221,534	\$ 221,534	\$ 304,378	\$ 77,156	November 2013
Company 6501 -Postage Administration	282	\$ -	-	\$ 129,533	\$ -	July 2010

Combined LRC and Legislative Audit - Agency Billings

Below are the sources of funds the LRC and DLA used to pay for services provided by central governmental bureaus.

FY13 Actual Expenditures	General Funds	Federal Funds	Other Funds	Total Funds
Bureau of Administration	458,550	-	-	458,550
Bureau of Finance and Management	136	-	-	136
Bureau of Human Resources	151	-	-	151
Bureau of Information and Telecommunications	269,469	-	-	269,469
Total Bureau Billings	728,306	-	-	728,306

LEGISLATIVE RESEARCH COUNCIL

Created by SDCL 2-9-1, the members of the Senate and the House of Representatives comprise the membership of the Legislative Research Council (LRC). The 15 member Executive Board appoints the director who hires all other LRC employees. Through the LRC, legislative policies are analyzed, and legislation is drafted. The Office of Code Counsel is also organized within the LRC. The Code Counsel assists the Code Commission in the revision and publication of the South Dakota Codified Laws; the Counsel also staffs the Rules Review Committee.

	<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>
Personal Services						
Employee Salaries	2,252,042	2,258,720	2,390,498	2,572,669	182,171	7.6%
Employee Benefits	382,472	418,225	443,649	483,241	39,592	8.9%
FTE	27.7	28.9	31.3	31.3	0.0	0.0%
Funding Types						
General	2,634,514	2,676,945	2,834,147	3,055,910	221,763	7.8%
Federal	0	0	0	0	0	0.0%
Other	0	0	0	0	0	0.0%
Total PS	2,634,514	2,676,945	2,834,147	3,055,910	221,763	7.8%
Operating Expenses						
Travel	649,061	751,819	1,272,843	1,098,543	(174,300)	(13.7%)
Contractual Services	848,167	1,297,216	1,175,275	1,216,243	40,968	3.5%
Supplies & Materials	130,229	164,430	185,248	185,248	0	0.0%
Capital Outlay	61,799	245,034	11,588	11,588	0	0.0%
Funding Types						
General	1,684,118	2,231,324	2,609,954	2,476,622	(133,332)	(5.1%)
Federal	0	0	0	0	0	0.0%
Other	5,138	227,175	35,000	35,000	0	0.0%
Total OE	1,689,256	2,458,499	2,644,954	2,511,622	(133,332)	(5.0%)
Totals						
Funding Types						
General	4,318,632	4,908,269	5,444,101	5,532,532	88,431	1.6%
Federal	0	0	0	0	0	0.0%
Other	5,138	227,175	35,000	35,000	0	0.0%
Total	4,323,770	5,135,444	5,479,101	5,567,532	88,431	1.6%

Major Expansions and Reductions

Legislative Research Council Item	Governor's Recommendation				
	General Funds	Federal Funds	Other Funds	TOTALS	FTE
A. Increases due to 40-day vs. 38-day Session					
Legislative Member Travel	23,100			23,100	
Legislative Support Salaries	21,763			21,763	
Legislative Support Travel	2,600			2,600	
B. Insurance Pre-payment	(10,000)			(10,000)	
C. Internal Reorganization as per NCSL Audit	-				
D. Bureau Billings for Space and Computer Services	50,968			50,968	
TOTALS	88,431	-	-	88,431	0.0

- A. Increase in session days from FY14 budget – The recommended budget increase includes payment for two more days than the budgeted FY14 level.
- B. Insurance prepayment – In FY13, the LRC was able to prepay three years of insurance premiums. Budgeted funds for a premium payment will not be needed again until the FY16 budget cycle.
- C. Internal Reorganization – The Legislative Research Council has adjusted, and will continue to adjust, the budget as it relates to the internal organization as per recommendations from a recent audit done by the National Conference of State Legislatures. Last year the legislature approved \$500k to fund the recommendations. The funding was temporarily added to the operating expense/travel budget and is now being distributed to the proper areas as the various recommendations are addressed. The net effect of the reorganization is zero.
- D. Bureau Billings – increase for services provided by central governmental bureaus.

Possible Amendments to the FY15 Budget

Due to changes since the time this budget was constructed, the following items will need to be added through the amendment process.

Legislative Per Diem – The FY15 budget for Legislative Per Diem contains \$123 per day for a 40 day session. SDCL 2-4-2 sets the amount to the greater of \$123 or the United States Internal Revenue Service rate as of October first of each year. The IRS rate, on October 1, 2013, was \$129 -- \$6 more per day for each member of the Legislature.

Session calculation (expense): \$6 increase x 105 members x 40 days = \$ 25,200

Interim calculation (salary): \$6 increase x 715 members days x .0765 S.S. = \$ 4,618

TOTAL = \$29,818

Governor's Recommended State Employee Compensation Plan – LRC

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.*

	General Funds	Federal Funds	Other Funds	Total
Across the Board Increase and Market Adjustments	\$86,676	\$0	\$0	\$86,676
Health Insurance	\$32,972	\$0	\$0	\$32,972
Movement Toward Job Worth (PACE)	\$0	\$0	\$0	\$0
Pay for Performance (Career Band Families)	\$0	\$0	\$0	\$0
Targeted Compensation Adjustments	\$0	\$0	\$0	\$0
Total of all Components	\$119,648	\$0	\$0	\$119,648

- ✓ Recommended FY15 - 3.0% PACE; 0%-4.5% Adjustments for Career Banding; 3% Across-the-Board; 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% Adjustments for Career Banding; 3% Across-the-Board; 14.7% Health Insurance
- ✓ FY13 – 2.5% PACE; 0%-7.0% 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

AUDITOR GENERAL

The Department of Legislative Audit, headed by the Auditor General, serves the Legislature and the people of the state by providing independent audits and assistance to enhance public accountability by improving the capability of reports and strengthening the operational controls of the state and local governments. In addition to its main office in Pierre, Legislative Audit has field staff in Aberdeen, Huron, Lead, Mitchell, Parker, Rapid City, Sioux Falls, Wallace, and Wentworth; the field staff manager is located in Brookings.

	<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>
Personal Services						
Employee Salaries	2,013,927	2,011,198	2,181,990	2,380,479	198,489	9.1%
Employee Benefits	479,825	528,165	557,412	559,589	2,177	0.4%
FTE	32.9	32.4	36.0	39.0	3.0	8.3%
Funding Types						
General	2,493,753	2,539,363	2,739,402	2,940,068	200,666	7.3%
Federal	0	0	0	0	0	0.0%
Other	0	0	0	0	0	0.0%
Total PS	2,493,753	2,539,363	2,739,402	2,940,068	200,666	7.3%
Operating Expenses						
Travel	113,822	106,590	135,943	135,943	0	0.0%
Contractual Services	155,523	156,526	161,581	161,616	35	0.0%
Supplies & Materials	18,136	38,792	27,000	27,000	0	0.0%
Capital Outlay	6,213	8,173	1,642	1,642	0	0.0%
Funding Types						
General	293,694	310,081	326,166	326,201	35	0.0%
Federal	0	0	0	0	0	0.0%
Other	0	0	0	0	0	0.0%
Total OE	293,694	310,081	326,166	326,201	35	0.0%
Totals						
Funding Types						
General	2,787,447	2,849,444	3,065,568	3,266,269	200,701	6.5%
Federal	0	0	0	0	0	0.0%
Other	0	0	0	0	0	0.0%
Total	2,787,447	2,849,444	3,065,568	3,266,269	200,701	6.5%

Major Expansions and Reductions

Legisliative Audit Item	Governor's Recommendation				
	General Funds	Federal Funds	Other Funds	TOTALS	FTE
A. Approved Compensation Program	28,391			28,391	
B. CAFR Reporting Initiative	172,275			172,275	3.0
C. Bureau Billings	35			35	
TOTALS	200,701	-	-	200,701	3.0

- A. Funds were recommended by the Executive Board of the Legislative Research Council for the different components of the Legislative Audit compensation program. The program components include movement to midpoint, promotions, and certification pay.
- B. Faster CAFR Initiative – 3.0 FTE and \$172,275 in general funds for personal services and operating expenses
- C. Bureau billings – increase for services provided by central governmental bureaus

Governor's Recommended State Employee Compensation Plan – DLA

For FY15, the Governor recommends the state employee compensation plan be distributed from a pool in the BFM. DLA has a separate compensation plan (see Item A. above). The amounts in the following table represent only that which will be distributed from the BFM Pool.

	General Funds	Federal Funds	Other Funds	Total
Across the Board Increase and Market Adjustments	\$72,090	\$0	\$0	\$72,090
Health Insurance	\$45,030	\$0	\$0	\$45,030
Movement Toward Job Worth (PACE)	\$0	\$0	\$0	\$0
Pay for Performance (Career Band Families)	\$0	\$0	\$0	\$0
Targeted Compensation Adjustments	\$0	\$0	\$0	\$0
Total of all Components	\$117,120	\$0	\$0	\$117,120