

# State of South Dakota

NINETIETH SESSION  
LEGISLATIVE ASSEMBLY, 2015

400W0248

## HOUSE BILL NO. 1046

Introduced by: The Committee on Appropriations at the request of the Bureau of Finance and Management

1 FOR AN ACT ENTITLED, An Act to repeal certain provisions regarding zero based budgets  
2 and the coordination of federally aided programs.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 Section 1. That § 4-7A-1 be repealed.

5 ~~4-7A-1. Terms as used in this chapter, unless the context otherwise requires, mean:~~

6 ~~(1) "Agency," a department, division, or office as defined in chapter 1-32;~~

7 ~~(2) "Current year," the fiscal year prior to the year for which the budget is being~~  
8 ~~prepared;~~

9 ~~(3) "Decision package," a documented program funding level identified and described~~  
10 ~~in a manner that can be evaluated and ranked against other funding levels and~~  
11 ~~functions on a priority basis. It identifies a discrete function at one funding level for~~  
12 ~~evaluation and comparison by purpose, goals, objectives, consequences of not~~  
13 ~~performing the function, measures of performance, alternative courses of action,~~  
14 ~~costs and benefits;~~

15 ~~(4) "Expansion levels," each of which shall contain only one specific phase of expansion.~~



1           ~~The first of these will probably be the funding level necessary to provide current~~  
2           ~~service levels;~~

3     ~~—(5)—"Joint committee on appropriations," a joint committee formed by the members who~~  
4           ~~serve on the Senate and House of Representatives standing committees on~~  
5           ~~appropriations;~~

6     ~~—(6)—"Program," major services rendered by a department for a single identifiable purpose~~  
7           ~~as appropriated within a department budget or any part of a major service as~~  
8           ~~determined by the joint committee on appropriations;~~

9     ~~—(7)—"The minimum level," the lowest level of operation by which a program can maintain~~  
10          ~~the ability to pursue its phase of the division goal. This level shall be less than~~  
11          ~~ninety-one percent of the current year's funding level unless otherwise specified by~~  
12          ~~the joint committee on appropriations;~~

13     ~~—(8)—"Zero based budget," a process of identifying agency operations by analyzing~~  
14          ~~programs by decision packages and allowing for the evaluation of these programs by~~  
15          ~~a ranking process.~~

16       Section 2. That § 4-7A-2 be repealed.

17     ~~—4-7A-2. During each legislative session, the joint committee on appropriations may choose~~  
18     ~~and direct a maximum of six departments, or divisions or offices therein, to use the zero based~~  
19     ~~budget format in preparing their next fiscal year budget request submitted pursuant to § 4-7-7.~~  
20     ~~The committee may further limit the number of programs selected in each agency. Decision~~  
21     ~~packages shall include justifications and level of service for each funding level requested by the~~  
22     ~~agency.~~

23       Section 3. That § 4-7A-3 be repealed.

24     ~~—4-7A-3. Any agency chosen and directed to undertake zero based budgeting by the joint~~

1 ~~committee on appropriations shall prepare decision packages for each of its programs not~~  
2 ~~exempted by the joint committee on appropriations. Each program shall delineate a decision~~  
3 ~~package for the minimum level, current year, and expansion level. If no funding is requested~~  
4 ~~beyond the minimum level, the current year and expansion decision packages need not be~~  
5 ~~prepared.~~

6 Section 4. That § 4-7A-4 be repealed.

7 ~~— 4-7A-4. Each agency head shall rank the decision packages of all programs under his~~  
8 ~~supervision in one consecutive ranking form. This form shall include, but not be limited to, cost~~  
9 ~~of each decision package, a cumulative total of funding for each level and a cumulative total of~~  
10 ~~FTE's to be authorized at each funding level.~~

11 Section 5. That § 4-7A-5 be repealed.

12 ~~— 4-7A-5. The Bureau of Finance and Management shall prepare the necessary forms, to be~~  
13 ~~approved by the joint committee on appropriations, used in presenting zero based budgets. The~~  
14 ~~Bureau of Finance and Management shall establish procedures to be used in preparing zero~~  
15 ~~based budget requests and provide assistance in the completion of the forms to be provided to~~  
16 ~~the agencies.~~

17 Section 6. That § 4-8B-1 be repealed.

18 ~~— 4-8B-1. The purpose of this chapter is to coordinate federally aided state agency programs~~  
19 ~~with other state programs.~~

20 Section 7. That § 4-8B-3 be repealed.

21 ~~— 4-8B-3. State agencies shall not make application for or expend federal grants-in-aid for any~~  
22 ~~purpose except in accordance with the provisions of this chapter.~~

23 Section 8. That § 4-8B-10 be repealed.

24 ~~— 4-8B-10. Notwithstanding § 4-8-17, moneys and grants received from the United States or~~

1 ~~other grants or gifts of other funds in excess of the amounts appropriated in the general~~  
2 ~~appropriations act, shall not be deemed appropriated until after review by the special committee~~  
3 ~~created by chapter 4-8A and then only with an affirmative vote on acceptance of such funds by~~  
4 ~~a majority of the full membership of the special committee. Subsequent to an affirmative action~~  
5 ~~on the part of the special committee, the Bureau of Finance and Management shall make the~~  
6 ~~appropriate changes in the budgetary accounting system. The two houses of the Legislature may~~  
7 ~~establish rules for the interpretation of this section through adoption of joint rules.~~

8 Section 9. That § 4-8B-10.1 be repealed.

9 ~~— 4-8B-10.1. The review, pursuant to § 4-8B-10, of moneys received shall include the number~~  
10 ~~of full-time equivalent positions to be hired as a result of the acceptance of additional moneys.~~  
11 ~~The special committee created by chapter 4-8A shall approve the number of full-time equivalent~~  
12 ~~positions to be hired. No budget unit shall exceed the full-time equivalent position level~~  
13 ~~established without specific approval of the special committee.~~

14 Section 10. That § 4-8B-11 be repealed.

15 ~~— 4-8B-11. All expenditures of federal grant funds by state agencies shall be recorded,~~  
16 ~~accounted for, reported and audited in a manner similar to the general funds of the state. The~~  
17 ~~provisions of this section shall not be construed as a requirement for state agencies accounting~~  
18 ~~for federal grant funds in a manner accepted by the state auditor-general to alter the state~~  
19 ~~agencies' methods of administering and accounting for the expenditures of such federal grant~~  
20 ~~funds.~~

21 Section 11. That § 4-8B-12 be repealed.

22 ~~— 4-8B-12. This chapter may be cited as the Coordination of Federally Aided State Programs~~  
23 ~~Act.~~