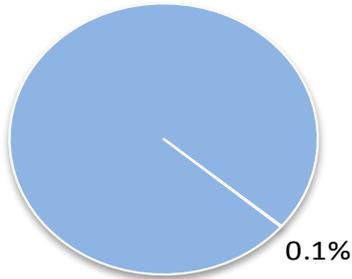


FY16 Budget Briefing

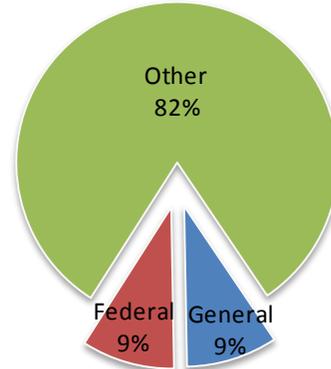
Department of Tourism

Information contained in this document is based on the Governor's original recommended FY16 budget.
This document may not correspond with the final FY16 budget adopted by the Legislature.

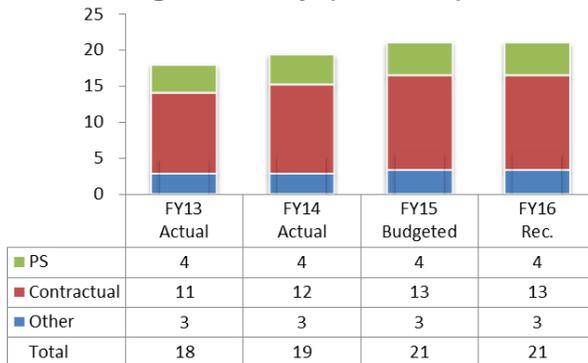
Agency Share of Budgeted General Funds



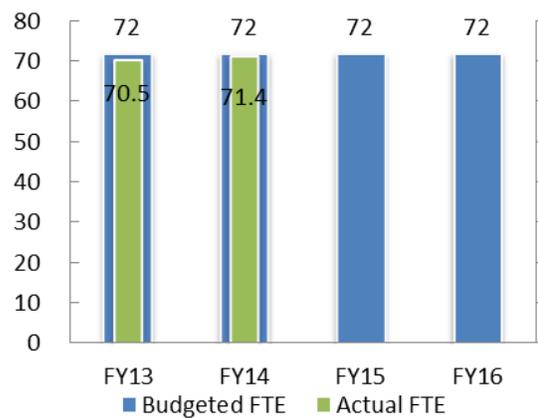
Sources of Funds



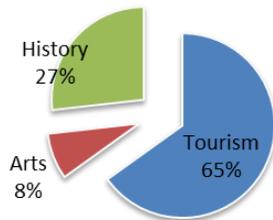
Budget History (millions)



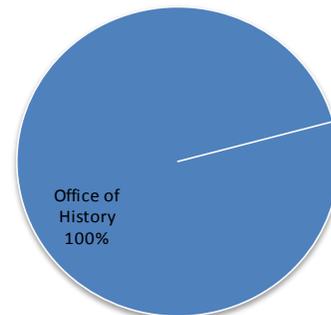
FTE



Distribution of Total Agency Funds



Distribution of Agency General Funds



Key Personnel

- Jim Hagen, Secretary
- Marty Davis, Finance Officer

Department Total

	<u>Actual</u> <u>FY13</u>	<u>Actual</u> <u>FY14</u>	<u>Budgeted</u> <u>FY15</u>	<u>Agency</u> <u>Request</u> <u>FY16</u>	<u>Gov Rec</u> <u>FY16</u>	<u>Gov Rec</u> <u>Inc/Dec for</u> <u>FY16</u>	<u>% Change</u> <u>From</u> <u>FY2015</u>
Personal Services							
Employee Salaries	2,867,725	3,017,285	3,424,194	3,538,813	3,424,194	0	0.0%
Employee Benefits	943,500	1,060,550	1,014,880	1,062,152	1,014,880	0	0.0%
FTE	70.5	71.4	72.0	75.0	72.0	0.0	0.0%
Funding Types							
General	842,722	896,385	920,724	1,082,615	920,724	0	0.0%
Federal	347,124	400,527	387,548	387,548	387,548	0	0.0%
Other	2,621,379	2,780,923	3,130,802	3,130,802	3,130,802	0	0.0%
Total PS	3,811,225	4,077,835	4,439,074	4,600,965	4,439,074	0	0.0%
Operating Expenses							
Travel	331,033	356,140	420,611	430,512	420,611	0	0.0%
Contractual Services	11,199,978	12,317,060	13,138,360	13,199,348	13,138,360	0	0.0%
Supplies & Materials	643,046	706,230	779,593	786,220	779,593	0	0.0%
Grants and Subsidies	1,798,710	1,729,628	2,137,278	2,137,278	2,137,278	0	0.0%
Capital Outlay	123,968	113,300	55,200	119,185	55,200	0	0.0%
Other	3,715	8,562	2,000	2,000	2,000	0	0.0%
Funding Types							
General	985,729	1,003,657	1,018,334	1,229,335	1,018,334	0	0.0%
Federal	1,394,153	1,274,580	1,421,037	1,421,037	1,421,037	0	0.0%
Other	11,720,568	12,952,683	14,093,671	14,024,171	14,093,671	0	0.0%
Total OE	14,100,450	15,230,920	16,533,042	16,674,543	16,533,042	0	0.0%
Totals							
Funding Types							
General	1,828,451	1,900,042	1,939,058	2,311,950	1,939,058	0	0.0%
Federal	1,741,277	1,675,107	1,808,585	1,808,585	1,808,585	0	0.0%
Other	14,341,948	15,733,605	17,224,473	17,154,973	17,224,473	0	0.0%
Total	17,911,676	19,308,754	20,972,116	21,275,508	20,972,116	0	0.0%

Major Expansions and Reductions

The Governor did not recommend any increases or decreases for the Dept. of Tourism in his FY2016 budget.

Department Object Detail

Item	Actual FY2013	Actual FY2014	Budgeted FY2015	Governor Rec FY2016	Inc/Dec Over FY2015	% Change Over FY2015
PERSONAL SERVICES						
General	842,722	896,385	920,724	920,724	0	0.0%
Federal	347,124	400,527	387,548	387,548	0	0.0%
Other Funds	2,621,380	2,780,923	3,130,802	3,130,802	0	0.0%
Total Personal Services	3,811,226	4,077,835	4,439,074	4,439,074	0	0.0%
FTE	70.5	71.4	72.0	72.0	0	0.0%
TRAVEL						
General	28,939	25,402	19,661	19,661	0	0.0%
Federal	28,498	27,718	31,050	31,050	0	0.0%
Other Funds	273,596	303,020	369,900	369,900	0	0.0%
Total Travel	331,033	356,140	420,611	420,611	0	0.0%
CONTRACTUAL SERVICES						
General	880,001	890,075	928,215	928,215	0	0.0%
Federal	345,223	363,985	335,664	335,664	0	0.0%
Other Funds	9,974,755	11,063,000	11,874,481	11,874,481	0	0.0%
Total Contractual Services	11,199,979	12,317,060	13,138,360	13,138,360	0	0.0%
SUPPLIES AND MATERIALS						
General	74,350	80,104	65,458	65,458	0	0.0%
Federal	10,633	5,113	9,012	9,012	0	0.0%
Other Funds	558,063	621,013	705,123	705,123	0	0.0%
Total Supplies and Materials	643,046	706,230	779,593	779,593	0	0.0%
GRANTS AND SUBSIDIES						
General	0	0	-	-	0	0.0%
Federal	966,898	858,832	1,045,311	1,045,311	0	0.0%
Other Funds	831,812	870,796	1,091,967	1,091,967	0	0.0%
Total Grants and Subsidies	1,798,710	1,729,628	2,137,278	2,137,278	0	0.0%
CAPITAL OUTLAY						
General	2,439	7,947	5,000	5,000	0	0.0%
Federal	42,901	18,933	-	-	0	0.0%
Other Funds	78,628	86,421	50,200	50,200	0	0.0%
Total Capital Outlay	123,968	113,300	55,200	55,200	0	0.0%
OTHER						
General	0	130	-	-	0	0.0%
Federal	0	0	-	-	0	0.0%
Other Funds	3,715	8,432	2,000	2,000	0	0.0%
Total Other	3,715	8,562	2,000	2,000	0	0.0%
TOTAL						
General	1,828,451	1,900,042	1,939,058	1,939,058	0	0.0%
Federal	1,741,277	1,675,107	1,808,585	1,808,585	0	0.0%
Other Funds	14,341,949	15,733,606	17,224,473	17,224,473	0	0.0%
Total All Funds	17,911,677	19,308,754	20,972,116	20,972,116	0	0.0%

OFFICE OF TOURISM

The mission of the Office of Tourism is to promote and increase the level of tourism business and related employment by working together with businesses, other areas of government, and regional groups to market and promote the state's natural resources, culture, attractions, history, and its people as an integrated part of economic development.

	<u>Actual</u> <u>FY13</u>	<u>Actual</u> <u>FY14</u>	<u>Budgeted</u> <u>FY15</u>	<u>Agency</u> <u>Request</u> <u>FY16</u>	<u>Gov Rec</u> <u>FY16</u>	<u>Gov Rec</u> <u>Inc/Dec for</u> <u>FY16</u>	<u>% Change</u> <u>From</u> <u>FY2015</u>
Personal Services							
Employee Salaries	1,140,454	1,184,292	1,241,523	1,241,523	1,241,523	0	0.0%
Employee Benefits	360,641	397,312	385,174	385,174	385,174	0	0.0%
FTE	26.0	25.9	25.0	25.0	25.0	0.0	0.0%
Funding Types							
General	0	0	0	0	0	0	0.0%
Federal	0	0	0	0	0	0	0.0%
Other	1,501,095	1,581,605	1,626,697	1,626,697	1,626,697	0	0.0%
Total PS	1,501,095	1,581,605	1,626,697	1,626,697	1,626,697	0	0.0%
Operating Expenses							
Travel	181,330	206,893	199,000	199,000	199,000	0	0.0%
Contractual Services	9,537,447	10,540,351	10,913,774	10,913,774	10,913,774	0	0.0%
Supplies & Materials	462,111	530,947	588,850	588,850	588,850	0	0.0%
Grants and Subsidies	320,000	320,000	320,000	320,000	320,000	0	0.0%
Capital Outlay	44,889	59,846	7,000	7,000	7,000	0	0.0%
Funding Types							
General	0	0	0	0	0	0	0.0%
Federal	0	0	0	0	0	0	0.0%
Other	10,545,777	11,658,037	12,028,624	12,028,624	12,028,624	0	0.0%
Total OE	10,545,777	11,658,037	12,028,624	12,028,624	12,028,624	0	0.0%
Totals							
Funding Types							
General	0	0	0	0	0	0	0.0%
Federal	0	0	0	0	0	0	0.0%
Other	12,046,872	13,239,642	13,655,321	13,655,321	13,655,321	0	0.0%
Total	12,046,872	13,239,642	13,655,321	13,655,321	13,655,321	0	0.0%

Budget Notes

There are no increases or decreases for FY16.

Revenues and Performance Indicators

	ACTUAL FY 2013	ACTUAL FY 2014	ESTIMATED FY 2015	ESTIMATED FY 2016
REVENUES				
Promotion Tax	8,751,384	9,219,315	9,707,417	10,159,019
Gaming	3,297,250	3,175,377	3,175,377	3,175,377
Co-op Revolving	379,332	497,265	500,000	500,000
Investment Council Interest	54,907	39,316	10,000	20,000
Total	12,482,873	12,931,273	13,392,794	13,854,396
PERFORMANCE INDICATORS				
Tourism's Economic and Fiscal Impacts				
Total Impact (Direct & Indirect)	\$1.93B	\$1.98B	\$2.00B	\$2.02B
Total Person Stays	16.43M	16.94M	17.11M	17.28M
Employment (Direct & Indirect)	36,550	36,720	36,904	37,088
Government Revenue Generated	\$290.3M	\$299.0M	\$302.0M	\$305.0M
Tourism Programs				
Giant Step Magazine Advertising	26	26	26	26
Poster Displays	55	39	40	40
Group Tour Ads/Group Tour Planner	18/149	17/0	18/141	18/0
Spring/Fall Great Getaways Newspaper	65/45	65/45	65/45	65/45
Free International Media \$	\$14.6M	\$13.0M	\$13.0M	\$13.0M
International Media Circulation	96.0M	375.4M	375.4M	375.4M
Free Domestic Media	\$2.5M	\$5.1M	\$4.5M	\$5.0M
Media Clips	1,186	1,331	1,200	1,250
Domestic Media Circulation	838,892,713	1,024,452,363	750,000,000	800,000,000
Domestic Travel Trade Press \$	\$67,000	\$175,248	\$175,248	\$175,248
Domestic Trade Press Circulation	85,000	717,987	717,987	717,987
In-State FAM Tours	2	1	2	2
Film/Movie Representatives Hosted	0	0	2	2
Domestic Trade Hosted	33	20	20	20
Domestic Journalists Hosted	72	41	50	50
International Journalists Hosted	39	53	53	53
International Group Tour Counselors Hosted	74	88	88	88
Visitors Served				
Visits to TravelSD.com	1,437,092	1,449,868	1,493,364	1,538,165
Travelsmart Subscribers	642,018	620,164	626,366	632,629
Consumer Inquiries	157,941	141,689	141,831	141,973
STR Hotel Demand	2,067,537	2,119,810	2,141,008	2,162,418
Information Center Visits	274,111	268,630	274,003	276,743

State Programs Included in the Office of Tourism:

- The **Tourism Promotion Fund** was created in 1994 in SDCL 1-52-17. The funding source of the Tourism Promotion Fund is 40% of gaming tax revenues (SDCL 42-7B-48) and a 1.5% tax on the gross receipts from any lodging establishment, campground, motor vehicle rental, visitor attraction, recreational equipment rental, recreational service, spectator event, and visitor-intensive business (SDCL 10-45D-2). The gross receipts tax on the visitor-intensive businesses is imposed only during the months of June, July, August, and September, all of the others collect twelve months out of the year. The gross receipts tax was increased during the 2009 Legislative session from 1% to 1.5% effective on July 1, 2009. This increase was extended during the 2011 Legislative session and would have reverted back to 1% on July 1, 2013. HB 1066 passed in the 2013 legislative session to continue the current rate of 1.5% for the gross receipts tax.

The FY16 estimated revenue is **\$11,603,480** from the 1.5% gross receipts tax. The 1% gross receipts tax goes to the Tourism division and the .5% portion is distributed between Tourism, Arts, and History. In FY16, the estimated 1.5% gross receipts tax would be distributed as follows:

Tourism Division: 1% - **\$7,735,653** and 62.654463% of the .5% is **\$2,423,366 = \$10,159,019.**

Arts: 20.942536% of the .5% is **\$810,021**

Archaeological Research Center: 9.673285% of the .5% is **\$374,146**

Cultural Heritage Center Museum: 6.729716% of the .5% is **\$260,294**

- The **South Dakota Gaming Commission Fund** was created in SDCL 42-7B-48. All proceeds from the gaming tax, license stamp fees, license fees, application fees, the net proceeds generated by the operation of the five-cent slot machines, and the initial fund are continuously appropriated. All funds received by the commission shall be set forth in an informational budget as described in SDCL 4-7-7.2 and be annually reviewed by the Legislature. Any disbursement from the Gaming Commission Fund shall be by authorization of the executive secretary for any of the following purposes:
 - Forty percent of the gaming tax collected shall be transferred to the Tourism Promotion Fund created in SDCL 1-52-17, and ten percent of the gaming tax collected shall be paid to Lawrence county;
 - The expenses of the commission for administration and operation including litigation and enforcement of this chapter, chapter 42.7 and for grants as provided by SDCL 42-7B-48.3; and
 - All funds remaining after the payments provided in subdivision (1) and (2) less one hundred thousand dollars, which shall be transferred to the Historical Preservation Loan and Grant Fund created in SDCL 1-19A-13.1 constitute the net municipal proceeds and shall be disbursed at least quarterly to the City of Deadwood for deposit in the Historic Restoration and Preservation Fund.
- **Co-op Revolving Funding** – The department advertises jointly with the private sector to pool resources, increase circulation, and reach markets that the private sector may not be able to do on their own. Co-ops include: Group Tour, Giant Step Insert, Great Getaways Insert, and many others.

CULTURAL AFFAIRS

The mission of Cultural Affairs is to work together with other areas of government and the private sector so as to improve the quality of life for all South Dakotans and to make South Dakota more attractive to non-South Dakotans by preservation, presentation, and promotion of our history, the fine arts, cultural activities, and cultural tourism.

	<u>Actual</u> <u>FY13</u>	<u>Actual</u> <u>FY14</u>	<u>Budgeted</u> <u>FY15</u>	<u>Agency</u> <u>Request</u> <u>FY16</u>	<u>Gov Rec</u> <u>FY16</u>	<u>Gov Rec</u> <u>Inc/Dec for</u> <u>FY16</u>	<u>% Change</u> <u>From</u> <u>FY2015</u>
Personal Services							
Employee Salaries	1,727,271	1,832,992	2,182,671	2,297,290	2,182,671	0	0.0%
Employee Benefits	582,860	663,238	629,706	676,978	629,706	0	0.0%
FTE	44.6	45.4	47.0	50.0	47.0	0.0	0.0%
Funding Types							
General	842,722	896,385	920,724	1,082,615	920,724	0	0.0%
Federal	347,124	400,527	387,548	387,548	387,548	0	0.0%
Other	1,120,284	1,199,318	1,504,105	1,504,105	1,504,105	0	0.0%
Total PS	2,310,130	2,496,230	2,812,377	2,974,268	2,812,377	0	0.0%
Operating Expenses							
Travel	149,703	149,247	221,611	231,512	221,611	0	0.0%
Contractual Services	1,662,532	1,776,709	2,224,586	2,285,574	2,224,586	0	0.0%
Supplies & Materials	180,935	175,283	190,743	197,370	190,743	0	0.0%
Grants and Subsidies	1,478,710	1,409,628	1,817,278	1,817,278	1,817,278	0	0.0%
Capital Outlay	79,078	53,454	48,200	112,185	48,200	0	0.0%
Other	3,715	8,562	2,000	2,000	2,000	0	0.0%
Funding Types							
General	985,729	1,003,657	1,018,334	1,229,335	1,018,334	0	0.0%
Federal	1,394,153	1,274,580	1,421,037	1,421,037	1,421,037	0	0.0%
Other	1,174,791	1,294,646	2,065,047	1,995,547	2,065,047	0	0.0%
Total OE	3,554,673	3,572,883	4,504,418	4,645,919	4,504,418	0	0.0%
Totals							
Funding Types							
General	1,828,451	1,900,042	1,939,058	2,311,950	1,939,058	0	0.0%
Federal	1,741,277	1,675,107	1,808,585	1,808,585	1,808,585	0	0.0%
Other	2,295,076	2,493,964	3,569,152	3,499,652	3,569,152	0	0.0%
Total	5,864,804	6,069,113	7,316,795	7,620,187	7,316,795	0	0.0%

- ✓ The Cultural Affairs division includes the **Office of the Arts** and the **Office of History** which are included on the following pages.

OFFICE OF THE ARTS

Recognizing the importance of creativity in the lives of South Dakotans, the SD Arts Council makes quality arts accessible throughout the state by providing encouragement, grants, services, and information to artists, arts organizations, schools, and the public.

	<u>Actual</u> <u>FY13</u>	<u>Actual</u> <u>FY14</u>	<u>Budgeted</u> <u>FY15</u>	<u>Agency</u> <u>Request</u> <u>FY16</u>	<u>Gov Rec</u> <u>FY16</u>	<u>Gov Rec</u> <u>Inc/Dec for</u> <u>FY16</u>	<u>% Change</u> <u>From</u> <u>FY2015</u>
Personal Services							
Employee Salaries	153,320	167,013	196,199	196,199	196,199	0	0.0%
Employee Benefits	45,116	48,599	52,803	52,803	52,803	0	0.0%
FTE	3.0	3.0	3.0	3.0	3.0	0.0	0.0%
Funding Types							
General	0	0	0	0	0	0	0.0%
Federal	0	0	0	0	0	0	0.0%
Other	198,437	215,612	249,002	249,002	249,002	0	0.0%
Total PS	198,437	215,612	249,002	249,002	249,002	0	0.0%
Operating Expenses							
Travel	11,966	15,090	19,584	19,584	19,584	0	0.0%
Contractual Services	60,044	69,438	63,421	63,421	63,421	0	0.0%
Supplies & Materials	35,121	10,666	23,766	23,766	23,766	0	0.0%
Grants and Subsidies	1,140,369	1,163,321	1,324,048	1,324,048	1,324,048	0	0.0%
Capital Outlay	17,065	0	20,000	20,000	20,000	0	0.0%
Other	0	7,579	0	0	0	0	0.0%
Funding Types							
General	0	0	0	0	0	0	0.0%
Federal	764,963	748,404	878,000	878,000	878,000	0	0.0%
Other	499,603	517,691	572,819	572,819	572,819	0	0.0%
Total OE	1,264,566	1,266,095	1,450,819	1,450,819	1,450,819	0	0.0%
Totals							
Funding Types							
General	0	0	0	0	0	0	0.0%
Federal	764,963	748,404	878,000	878,000	878,000	0	0.0%
Other	698,039	733,303	821,821	821,821	821,821	0	0.0%
Total	1,463,002	1,481,707	1,699,821	1,699,821	1,699,821	0	0.0%

Budget Notes

Revenues and Performance Indicators

	ACTUAL FY 2013	ACTUAL FY 2014	ESTIMATED FY 2015	ESTIMATED FY 2016
REVENUES				
Promotion Tax	697,784	735,094	774,013	810,021
Total	697,784	735,094	774,013	810,021
PERFORMANCE INDICATORS				
Co-Sponsored Events	7,992	7,500	7,500	7,500
Attendance at Co-Sponsored Events	1,649,823	1,800,000	1,800,000	1,850,000
Total Grants/Projects	484	525	540	548
Artists Served	9,867	10,000	10,000	11,000
Artists in Schools Residency - Weeks	204	218	220	220
Students Served	47,488	48,000	48,000	48,000
Touring Arts Bookings	218	225	225	230
Touring Arts Attendance	173,650	170,000	170,000	175,000
Funds Granted	1,174,192	1,294,926	1,300,000	1,300,000
Local Matching Funds	\$16,281,943	\$17,000,000	\$17,000,000	\$17,500,000

OFFICE OF HISTORY

The mission of the Office of History is to promote, nurture, and sustain the historical and cultural heritage of South Dakota by collecting, preserving, interpreting and promoting evidence of the state's irreplaceable past and making it available for the life-long education and enrichment of present and future generations. The Office of History includes the **Cultural Heritage Center**, **Historical Preservation Center**, and the **Archaeological Research Center**.

	Actual FY13	Actual FY14	Budgeted FY15	Agency Request FY16	Gov Rec FY16	Gov Rec Inc/Dec for FY16	% Change From FY2015
Personal Services							
Employee Salaries	1,573,950	1,665,979	1,986,472	2,101,091	1,986,472	0	0.0%
Employee Benefits	537,744	614,639	576,903	624,175	576,903	0	0.0%
FTE	41.6	42.5	44.0	47.0	44.0	0.0	0.0%
Funding Types							
General	842,722	896,385	920,724	1,082,615	920,724	0	0.0%
Federal	347,124	400,527	387,548	387,548	387,548	0	0.0%
Other	921,848	983,706	1,255,103	1,255,103	1,255,103	0	0.0%
Total PS	2,111,694	2,280,618	2,563,375	2,725,266	2,563,375	0	0.0%
Operating Expenses							
Travel	137,736	134,156	202,027	211,928	202,027	0	0.0%
Contractual Services	1,602,488	1,707,271	2,161,165	2,222,153	2,161,165	0	0.0%
Supplies & Materials	145,814	164,617	166,977	173,604	166,977	0	0.0%
Grants and Subsidies	338,341	246,307	493,230	493,230	493,230	0	0.0%
Capital Outlay	62,014	53,454	28,200	92,185	28,200	0	0.0%
Other	3,715	983	2,000	2,000	2,000	0	0.0%
Funding Types							
General	985,729	1,003,657	1,018,334	1,229,335	1,018,334	0	0.0%
Federal	629,190	526,176	543,037	543,037	543,037	0	0.0%
Other	675,188	776,955	1,492,228	1,422,728	1,492,228	0	0.0%
Total OE	2,290,107	2,306,788	3,053,599	3,195,100	3,053,599	0	0.0%
Totals							
Funding Types							
General	1,828,451	1,900,042	1,939,058	2,311,950	1,939,058	0	0.0%
Federal	976,314	926,703	930,585	930,585	930,585	0	0.0%
Other	1,597,036	1,760,660	2,747,331	2,677,831	2,747,331	0	0.0%
Total	4,401,801	4,587,406	5,616,974	5,920,366	5,616,974	0	0.0%

Budget Notes

Although not recommended by the Governor, the Office of Tourism requested \$279,592 in general funds for the State Historical Society/Office of History located in the Cultural Heritage Center in Pierre. Below is the breakdown of the request:

- 1.0 FTE for a Curator of Education – funded with **\$65,842 in general funds**. The SD Historical Society does not have the human and financial resources to effectively conduct a meaningful statewide educational program. This position would cover four main areas: Smithsonian Affiliate and Public Programming, Dakota Digital Network, National History Day, and Enhancing Teaching South Dakota History.

- 2.0 FTE for Newspaper Digitization Archivists – funded with **\$213,750 in general funds**. As part of preserving history, the Society (archives) microfilms of every newspaper in the state at the Mike Durfee State Prison in Springfield. With the expansion of the internet, demand for online access to the SD newspaper collection grows. The proposed newspaper digitization program involves creating digital copies of the existing microfilm and a fully indexed and searchable database, beginning with the earliest newspapers of 1924.

Although not recommended by the Governor, the Office of Tourism **requested \$93,300 in general funds and a decrease of (\$69,500) in other fund authority** for the Archaeological Research Center.

- This is a **\$23,800 general fund request for human burial calls**. The State Archaeologist is responsible for responding to the unintentional discoveries of human burials. With the development in and around Sioux Falls and along the I-29 corridor, especially between Sioux Falls and Sioux City, construction projects intersect with known burials or other burials are discovered. This is a labor and time intensive process, including field work at the grave sites, consultation with tribal governments, and laboratory work at the ARC. Currently work associated with human burials is billed against and administrative account (promotion tax other funds), is included under the cost allocation plan, and does impact the cost allocation rate charged for archaeological services. Since handling human burials is largely a state law mandate, the Dept. of Tourism believes that the funding for these expenses should come from state general funds.
- In October 2013, the roof collapsed on the southern building of the ARC. The center is moving into the former American University library building in downtown Rapid City. The center is moving out of a 16,800 sq. ft. building with rent of \$4.49/sq. ft. to a new 19,024 facility that has been remodeled for the center's needs and the rent is \$6.95/sq. ft. The request was for **\$69,500 in general funds to cover the rent cost and also requesting a reduction of the same amount in other authority**.

Revenues and Performance Indicators

	ACTUAL FY 2013	ACTUAL FY 2014	ESTIMATED FY 2015	ESTIMATED FY 2016
REVENUES				
Dues and Fees	110,733	153,558	102,200	103,000
ARC Assessments	1,011,452	685,898	1,000,000	1,000,000
Promotion Tax	546,531	575,755	606,237	634,440
Total	1,668,716	1,415,211	1,708,437	1,737,440

PERFORMANCE INDICATORS

Deadwood Fund Grants Issued	13	12	12	12
Visitor Attendance:				
Archives/Museum	1,182/13,526	1,276/13,017	1,200/13,700	1,200/14,000
Adult/School Tours	8,000/3,621	7,690/3,856	8,000/3,700	8,000/3,700
Traveling Exhibits	41,609	14,234	25,000	37,500
Archaeology Exhibits (The Journey)	30,900	33,305	30,000	30,000
Educational Outreach (Per Person Contacts):				
Teacher Training/Kits	138/5,962	156/5,621	140/6,000	140/6,000
Gallery Education/Outreach Programs	392/3,107	296/5,358	375/5,300	400/5,300
Reference Services (Archives):				
Government/South Dakota Citizens	2,568/5,598	3,355/6,434	2,800/5,500	2,800/5,500
Out-of-State/Web Site Visits	3,384/540,647	3,210/432,298	3,000/500,000	3,000/500,000
Publications:				
Manuscripts Solicited/Researched	38/26	39/26	40/25	40/25
Books Published/Journal Issues	10/4	9/3	8/5	7/4
Newsletter Issues/Classroom Projects	3/1	3/1	3/1	3/1
Archives:				
Archival Records Appraisal (Cubic Feet)	1,881	3,677	3,000	3,000
Records Accessioned (Cubic Feet)	1,144	974	900	900
Accessions Documented	209	303	300	300
Records Deaccessioned (Cubic Feet)	60	102	50	50
Library Titles Acquired	138	76	100	100
Titles Catalogued	103	131	100	100
Microfilm Images Filmed	656,538	432,100	500,000	500,000
Rolls Inspected	1,588	880	1,000	1,000
Collections (Archaeology):				
Reports Completed on Collections	61	96	75	75
Surveys Conducted at Field Sites	58	100	75	75
Excavations Conducted	70	12	25	25
Gravel Permits Reviewed	157	142	150	150
Exploration Permits Reviewed	4	3	4	4
NAGPRA Human Remains Inventoried	15	3	10	10
SDCL 1-20 Permits Issued	5	8	7	7
NAGPRA Funerary Objects Inventoried	203	456	300	300
NAGPRA Tribal Consultations	2	1	1	1
Small-Scale Mining Permits Reviewed	4	3	4	4
Large-Scale Mining and Landfill Permits Reviewed	5	1	3	3
Oil and Gas Permits Reviewed	25	18	20	20
Reports Received on Archaeological Sites	540	366	400	400
Sites Recorded/Revisited	612	534	500	500
Record Searches on Archaeological Sites	388	615	600	600
Collections Accessioned/Received	127/85	77/61	85/85	85/85
Museum Artifacts Received	260	206	300	300
Preservation/Restoration:				
Compliance Projects Reviewed	1,269	1,498	1,500	1,500
New National Register Listings:				
Individual Properties	14	10	14	14
District/MPL	1	1	1	1
Total Listings	1,319	1,330	1,345	1,360
Property Tax Moratorium Projects	19	24	24	24
Federal Tax Credit Projects	8	10	10	10
CLG Grants Issued	10	10	11	11
Burial Calls	21	24	20	20

Other Fund Balances

Company and Fund Name	Blue Book Page	Ending Cash and Investment Balance		60-Month Average Cash Balance	Lowest Monthly Cash Balance in Past Five Years	
		June 30 FY2013	June 30 FY2014		Amount	Month
Company 3006 - Tourism Promotion Fund	119	1,097,343	997,647	2,186,755	(642,330)	July 2010
Company 3139 - Archeological Research Center	120	396,794	309,607	44,999	(249,091)	August 2009
Company 3139 - Historical Society Special Revenue Fund	121	165,412	162,024	183,324	113,713	November 2013
Company 3143 - Arts - Donations and Receipts	122	297,627	308,885	272,533	(28,696)	August 2009
Company 3145 - Historical Preservation Loan and Grant Fund	123	373,909	365,979	418,327	333,212	July 2009

Major Budget Change History

The gross receipts tax on visitor intensive businesses is imposed during the months of June, July, August, and September. The gross receipts tax was increased during the 2009 Legislative session from 1% to 1.5% effective on July 1, 2009. This increase was extended during the 2011 Legislative session and was to revert back to 1% on July 1, 2013. HB 1066 passed in the 2013 legislative session making the 1.5% gross receipts tax the permanent rate.

In a letter of intent from the JCA, the .5% tax increase is to fund the Tourism Challenge Program, Office of the Arts, Cultural Heritage Center, and Archeological Research Center in FY 2012.

Letter of Intent

It is the intent of the Joint Committee on Appropriations regarding Tourism Challenge Grants, Office of the Arts, Archeological Research Center, and Cultural Heritage Center that funds be administered as follows – The Department of Tourism shall provide funding for the Tourism Challenge Grants, Office of the Arts, Archeological Research Center, and Cultural Heritage Center from the proceeds generated from one-third of the gross receipts tax imposed on visitor-related businesses. Funding shall be provided in FY2012 based on a pro rata share until the Tourism Challenge Grants are funded at \$2,000,000, the Office of the Arts receives \$668,509, the Archeological Research Center receives \$308,782, and the Cultural Heritage Center receives \$214,820 from the gross receipts tax. If revenues from one-third of the gross receipts tax is less than these amounts in total, then the difference shall be shared by each program based a percent to the total using the amounts above. The Department of Tourism shall also provide a report on a quarterly basis to the Joint Committee on Appropriations regarding the gross receipts tax collections and the status of funding the Tourism Challenge Grants, Office of the Arts, Archeological Research Center and Cultural Heritage Center as stated above.

Governor's Recommended Compensation Plan and Billings Pool (page 01-23 of the Governor's FY16 Budget Book)

For FY16, the Governor recommended the 1) state employee compensation plan, 2) bureau billings, and 3) that captive insurance be placed in a pool in BFM to be distributed to each agency. *Therefore, individual agency personal services and contractual services budgets do not reflect budget increases for the compensation plan, bureau billings, or captive insurance.*

- Below are the estimated distributions for employee compensation for FY16. BFM will distribute dollars from the Pool after employees are placed in the new General Pay Structure and career band pay-for-performance scores and percentages are calculated. The distributed amount to the agency will be in addition to the agency's appropriated personal services budget.

Est. FY16 Expenditures	General Funds	Federal Funds	Other Funds	Total Funds
Market Adjustments	18,977	6,793	54,879	80,649
Movement Toward Market Value	24,284	8,761	59,788	92,833
<i>Total Comp Pkg</i>	43,261	15,554	114,667	173,482

- ✓ Recommended FY16 – 2% market adjustment for all permanent employees (except Career Bands); 0%-6.6% market adjustments for Career Bands; 2.5% movement toward market value for General Pay Structure and PACE; 0% to 4.5% pay for performance for Career Bands; 0% health insurance.
- ✓ FY15 – 3% across-the-board/market adjustment for all permanent employees (including Career Bands); 3% adjustment toward job worth for PACE; 0%-4.5% pay for performance for Career Bands; targeted compensation adjustments for a small number of hard-to-fill, below market vocational jobs; 18.6% health insurance.
- ✓ FY14 – 3% across-the-board for all permanent employees (except Career Bands); 3.5% to 4% market adjustment for Career Bands; 3.5% adjustment toward job worth for PACE; 0%-4.5% pay for performance for Career Bands; 14.7% health insurance.
- ✓ FY13 – 3% across-the-board for all permanent employees (including Career Bands); 2.5% adjustment toward job worth for PACE; 0%-7% adjustment toward market value for Career Bands; 3.3% health insurance.

- Below are the estimated distributions for bureau billings for FY16. The amount distributed to the agency will be in addition to the agency's appropriated contractual services budget.

Est. FY16 Expenditures	General Funds	Federal Funds	Other Funds	Total Funds
Bureau Billings for Expansion	9,314	2,282	27,005	38,601
Bureau Billings for Comp Pkg	12,646	925	16,497	30,068
<i>Total</i>	21,960	3,207	43,502	68,669

- The estimated distribution for Captive Insurance is not available at this time.

Interagency Billings

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

FY14 Actual Expenditures	General Funds	Federal Funds	Other Funds	Total Funds
Bureau of Administration	821,451	52,064	268,785	1,142,300
Bureau of Finance and Management	4,929	-	30,627	35,557
Bureau of Human Resources	6,069	28	11,148	17,245
Bureau of Information and Telecommunications	63,957	24,644	143,175	231,776
<i>Total Bureau Billings</i>	896,407	76,736	453,734	1,426,877

Federal Funds Project

The 2015 Joint Committee on Appropriations Budget Call Letter to agencies requested information on the amount of federal funds the agency expects in FY2016 and a contingency plan if the expected funds were to decrease. In FY13 (the most recent audited material), the Dept. of Tourism received 13 federal grants and expended \$1,741,276 in federal funds.

STATE OF SOUTH DAKOTA									
Schedule of Expenditures of Federal Awards by Federal Department									
Fiscal Year Ended June 30, 2013									
CFDA	FY	Number	Federal Agency	Program	FY13 Expenditures/ Disbursements/ Issuances	Mandatory (M) / Discretionary (D)	Match Rate State Share%/Fed Share %	Funding Available in FY16? If "No/Unknown", provide your contingency plan. If "Yes", provide dollar amount	Difference
Tourism	45.025		National Endowment for the Arts	Promotion of the Arts-Partnership Agreements	764,963	D	50% State & 50% Federal Share	Unknown amount at this time. Anticipate receiving same level of \$749,400 for 2016. Contingency - State funds could be used but on very limited basis.	(15,563)
Tourism	15.904		National Park Service	Historic Preservation Fund Grants-In-Aid	758,379	D	40% State & 60% Federal Share	Yes. Estimate \$25K remaining of 2-Year award that goes through Sept 2015. Anticipate funding at same level of \$704,600 for 2016	(53,779)
Tourism	15.224		Bureau of Land Management	Archaeological Resource Management-Data Sharing	6,512	D		No funding anticipated in 2016	(6,512)
Tourism	15.904		U.S. Army Corps of Engineers - flow through	Cultural Resources Management Plans	79,460	D		One-time award completed	(79,460)
Tourism	15.929		National Park Service	Save America's Treasures - Preserve America Grant Program	75,000	D		One-time award completed	(75,000)
Tourism	89.003		National Historical Publications and Records Commission	State and National Archival Partnership (SNAP) - SD State Archives Government Records Backlog Project	19,849	D	50% state & 50% federal share	One-time award completed	(19,849)
Tourism	15.929		National Park Service	Save America's Treasures - Preserve America Online GIS Web Application & Digitization Project	18,544	D		One-time award completed	(18,544)
Tourism	15.904		U.S. Army Corps of Engineers - flow through	Cultural Resources Management Plans	15,113	D		One-time award completed	(15,113)
Tourism	89.003		National Historical Publications and Records Commission	State and National Archival Partnership (SNAP)	3,328	D	57% state & 43% Federal Share	One-time award completed	(3,328)
Tourism	89.003		National Historical Publications and Records Commission	State and National Archival Partnership (SNAP)	126	D		One-time award completed	(126)
Tourism	42.UNKNOWN		US Congress to Preserve America's Film Heritage	National Film Preservation Foundation	2	D		One-time award completed	(2)
Tourism	89.003		National Historical Publications and Records Commission	State and National Archival Partnership (SNAP) - SD State Archives Government Records Backlog Project		D	47% State & 53% Federal Share	Yes. \$46,800	46,800
Tourism	89.003		National Historical Publications and Records Commission	State and National Archival Partnership (SNAP)		D		One-time award to be completed in FY15	-
					1,741,276			1,500,800	-240,476

NOTE: The FY13 total displayed above will differ from the actual federal funds expended as displayed in the budget materials because some of the grants are expended from multiple agencies.

Dept. of Tourism	Number of Programs	FY16 Estm
FY16 Discretionary Programs	13	\$1,500,800

Grants Ending or Decreasing	Discretionary
FY13 Grant Amounts	(\$240,476)

Below are definitions provided by the Federal Funds Information for States (FFIS):

Mandatory Grant: program's funding level is determined by its authorizing legislation, which provides a specific funding level or adjusts the level based on factors such as caseloads and costs. For some mandatory programs, the funding level is set by authorizing legislation, but the program is funded through the appropriations process.

Discretionary Grant: program's funding level is determined by the annual appropriations process