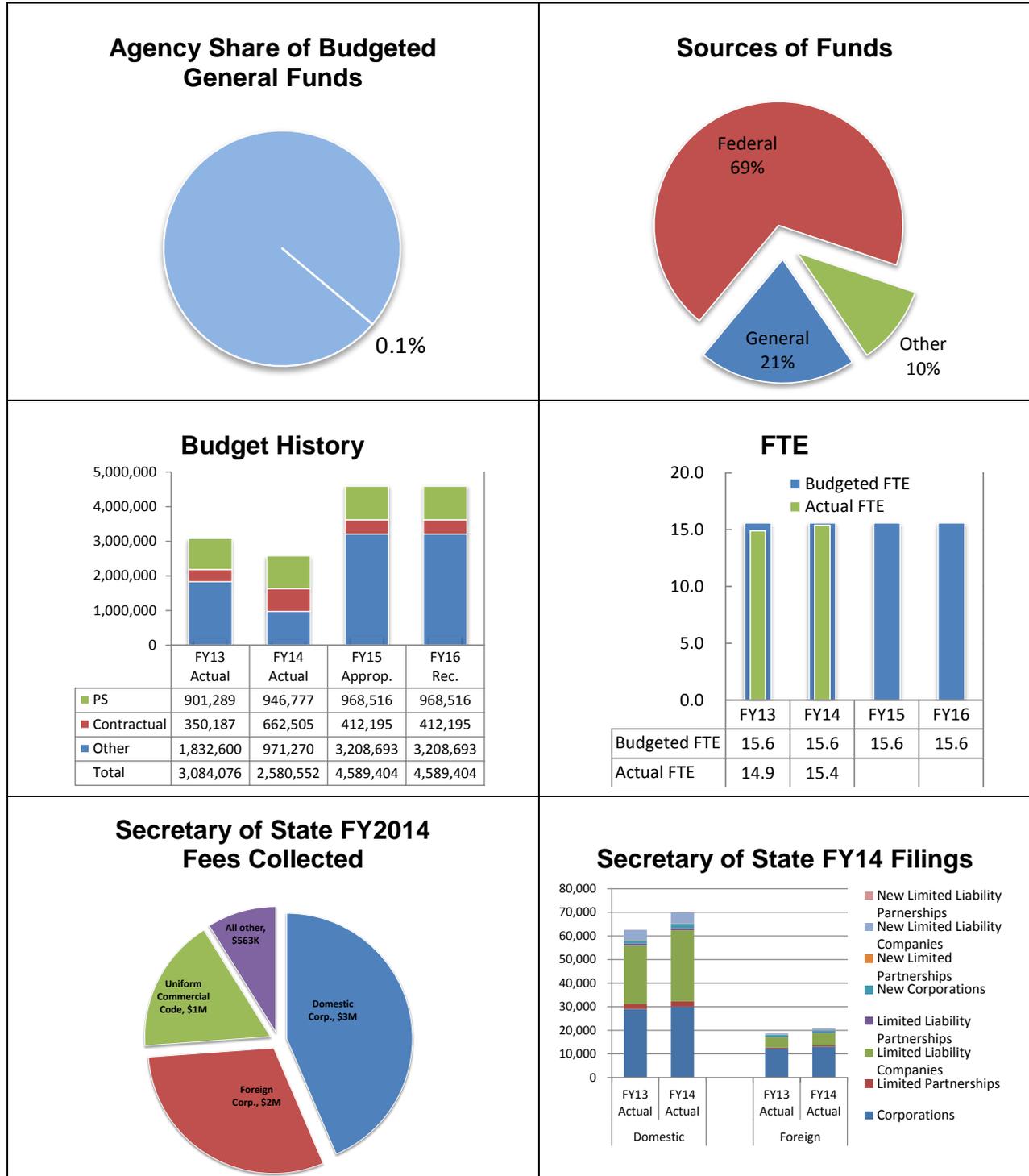


FY16 Budget Briefing

Secretary of State

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.



Key Personnel

- Shantel Krebs, Secretary of State, since January 2, 2015
- Teresa Bray, Administrative Service Division
- Tom Dadrack, Business Service Division
- Kea Warne, Election Division

Mission of the Secretary of State

To provide leadership for the taxpayers of South Dakota in business services, elections, and administrative services through superior customer service and efficiency.

Department Total

	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	699,842	714,242	725,504	725,504	725,504	0	0.0%
Employee Benefits	201,447	232,534	243,012	243,012	243,012	0	0.0%
FTE	14.9	15.4	15.6	15.6	15.6	0.0	0.0%
Funding Types							
General	652,957	687,723	699,680	699,680	699,680	0	0.0%
Federal	97,429	113,455	107,408	107,408	107,408	0	0.0%
Other	150,903	145,599	161,428	161,428	161,428	0	0.0%
Total PS	901,289	946,777	968,516	968,516	968,516	0	0.0%
Operating Expenses							
Travel	40,368	58,030	48,640	48,640	48,640	0	0.0%
Contractual Services	350,187	662,505	412,195	412,195	412,195	0	0.0%
Supplies & Materials	632,392	202,087	113,000	113,000	113,000	0	0.0%
Grants and Subsidies	460,521	135,260	2,053,400	2,053,400	2,053,400	0	0.0%
Capital Outlay	699,319	575,892	993,653	993,653	993,653	0	0.0%
Funding Types							
General	333,013	258,665	262,911	262,911	262,911	0	0.0%
Federal	1,711,654	1,229,291	3,040,876	3,040,876	3,040,876	0	0.0%
Other	138,121	145,819	317,101	317,101	317,101	0	0.0%
Total OE	2,182,787	1,633,776	3,620,888	3,620,888	3,620,888	0	0.0%
Totals							
Funding Types							
General	985,970	946,388	962,591	962,591	962,591	0	0.0%
Federal	1,809,082	1,342,746	3,148,284	3,148,284	3,148,284	0	0.0%
Other	289,024	291,418	478,529	478,529	478,529	0	0.0%
Total	3,084,076	2,580,552	4,589,404	4,589,404	4,589,404	0	0.0%

Department Object Detail

Item	Actual FY2013	Actual FY2014	Budgeted FY2015	Governor Rec FY2016	Inc/Dec Over FY2014	% Change Over FY2014
PERSONAL SERVICES						
General	652,957	687,723	699,680	699,680	0	0.0%
Federal	97,429	113,455	107,408	107,408	0	0.0%
Other Funds	150,903	145,599	161,428	161,428	0	0.0%
Total Personal Services	901,289	946,777	968,516	968,516	0	0.0%
FTE	14.9	15.4	15.6	15.6	0.0	0.0
TRAVEL						
General	24,086	11,896	19,590	19,590	0	0.0%
Federal	11,149	46,040	21,850	21,850	0	0.0%
Other Funds	5,134	95	7,200	7,200	0	0.0%
Total Travel	40,369	58,031	48,640	48,640	0	0.0%
CONTRACTUAL SERVICES						
General	164,763	107,111	135,244	135,244	0	0.0%
Federal	90,835	459,883	107,300	107,300	0	0.0%
Other Funds	94,588	95,511	169,651	169,651	0	0.0%
Total Contractual Services	350,186	662,505	412,195	412,195	0	0.0%
SUPPLIES AND MATERIALS						
General	89,406	85,759	73,600	73,600	0	0.0%
Federal	509,918	83,138	2,650	2,650	0	0.0%
Other Funds	33,068	33,190	36,750	36,750	0	0.0%
Total Supplies and Materials	632,392	202,087	113,000	113,000	0	0.0%
GRANTS AND SUBSIDIES						
General	0	0	0	0	0	0.0%
Federal	460,521	135,260	2,053,400	2,053,400	0	0.0%
Other Funds	0	0	0	0	0	0.0%
Total Grants and Subsidies	460,521	135,260	2,053,400	2,053,400	0	0.0%
CAPITAL OUTLAY						
General	54,758	53,899	34,477	34,477	0	0.0%
Federal	639,230	504,970	855,676	855,676	0	0.0%
Other Funds	5,332	17,023	103,500	103,500	0	0.0%
Total Capital Outlay	699,320	575,892	993,653	993,653	0	0.0%
TOTAL						
General	985,970	946,388	962,591	962,591	0	0.0%
Federal	1,809,082	1,342,746	3,148,284	3,148,284	0	0.0%
Other Funds	289,025	291,418	478,529	478,529	0	0.0%
Total All Funds	3,084,077	2,580,552	4,589,404	4,589,404	0	0.0%

Major Expansions and Reductions

No requested or recommended changes from the FY15 budget.

Budget Notes

This office has a high level of federal authority, which is rarely needed; however, it is necessary. Federal funds are available from the Help America Vote Act of 2002, which awarded funds for the replacement of voting machines, voter registration reform, better access to voting for the disabled and poll worker training. The balance of the federal funds remaining for South Dakota is \$2.6 million that the counties can access when needed.

Governor's Proposed Salary Policy – BFM POOL

For FY16, the Governor recommended the 1) state employee compensation plan, 2) bureau billings, and 3) 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.*

1. 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	11,926	1,831	2,751	16,508
Movement Toward Market Value	0	0	0	-
Bureau Billings for Comp Pkg	681	43	183	907
<i>Total Comp Pkg</i>	12,607	1,874	2,934	17,415

- 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.
2. 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	205	90	142	437
Bureau Billings for Comp Pkg	681	43	183	907
<i>Total</i>	886	133	325	1,344

3. The estimated distribution to each agency for Captive Insurance is not available at this time.

• Other Fund Balances

Company and Fund Name	Blue Book Page	Ending Cash and Investment Balance			60-Month Average	Lowest Monthly Cash Balance in Past Five Years	
		FY2012	FY2013	FY14	Cash Balance	Amount	Month
Company 3013 - Financing Statement and Annual Report Filing Fee Fund	301	\$ 18,702	\$ 15,397	\$ 23,945	\$ 50,545	(4,071)	July 2013

Interagency Billings

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

	General	Federal	Other	Total
FY14 Actual Expenditures	Funds	Funds	Funds	Funds
Bureau of Administration	91,320	68,618	43,484	203,423
Bureau of Finance and Management	-	2,064	2,348	4,412
Bureau of Human Resources	42	-	-	42
Bureau of Information and Telecommunications	64,461	30,286	23,839	118,586
<i>Total Bureau Billings</i>	155,823	100,969	69,671	326,463

REVENUES

	FY 2013	FY 2014	FY 2015	FY 2016
	Actual	Actual	Estimated	Estimated
Notaries Public	92,270	86,790	89,394	92,076
Voter Registration Lists	18,045	47,278	48,696	50,157
Pistol Permits	193,235	125,720	129,492	133,376
Domestic Corporations	2,698,906	2,597,626	2,675,555	2,755,821
Foreign Corporations	1,838,951	1,806,226	1,860,413	1,916,225
Business Name Registration (online only)	26,580	25,950	26,729	27,530
Trademark Registrations	63,310	53,624	55,233	56,890
Uniform Commercial Code	925,535	1,029,962	1,060,861	1,092,687
Expedited / Photocopy Fees	169,345	152,406	156,978	161,688
Miscellaneous	31,432	38,735	39,897	41,094
Total	6,057,609	5,964,317	6,143,248	6,327,544

PERFORMANCE INDICATORS

	FY 2013	FY 2014	FY 2015	FY 2016
	Actual	Actual	Estimated	Estimated
DOMESTIC/FOREIGN:				
Corporations in File	28,777/12,168	29,981/13,017	30,880/13,408	31,807/13,810
Limited Partnerships in File	2,158/530	2,276/542	2,344/558	2,415/575
Limited Liability Companies in File	24,745/4,388	30,113/5,206	31,016/5,362	31,947/5,523
Limited Liability Partnerships in File	965/98	998/107	1,028/110	1,059/114
New Corporations	1,260/844	1,707/1,022	1,758/1,053	1,811/1,084
New Limited Partnerships	204/21	132/34	136/35	140/36
New Limited Liability Companies	4,241/563	4,812/793	4,956/817	5,105/841
New Limited Liability Partnerships	73/9	64/11	66/11	69/12
Corporations Annual Reports	59,132	62,382	64,253	66,181
Dakota Fast File Registrants	602	653	673	693
UCC & EFS	60,178	68,624	70,683	72,803
Trademark Registration	488	427	440	453
Pistol Permits	27,605	17,964	18,503	19,058
Notary Commissions	3,075	3,384	3,486	3,590
Voter Registration List	52	271	279	287
PAC and Ballot Question Finance Report	445	275	283	291
Candidate Campaign Finance Report	497	49	50	52
Statewide Initiative and Referendum Petitions	0	2	2	2