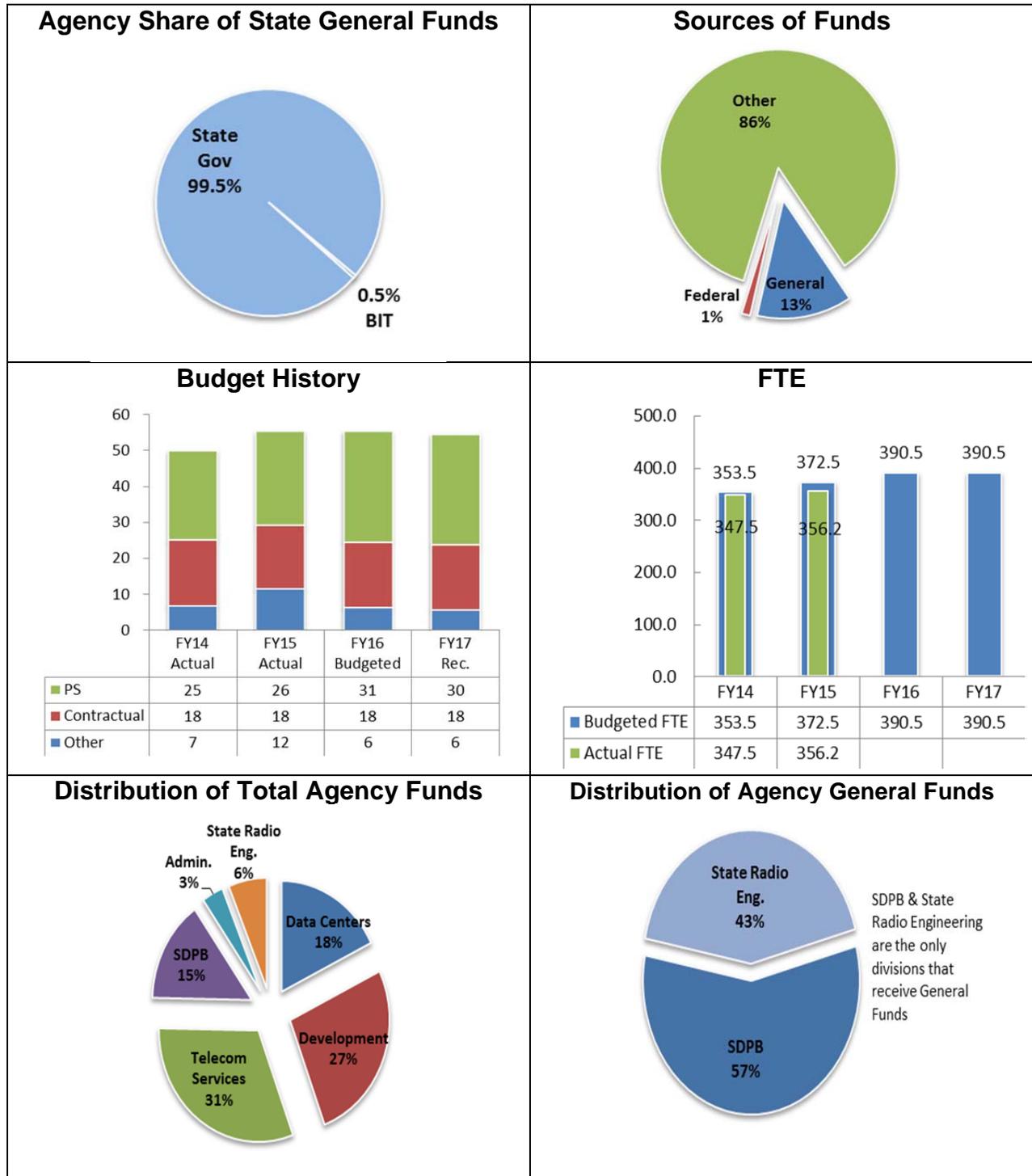


# FY17 Budget Briefing

## Bureau of Information and Telecommunications

Information contained in this document is based on the Governor's original recommended FY17 budget.  
This document may not correspond with the final FY17 budget adopted by the Legislature.



## Key Personnel

- David Zolnowsky, Commissioner
- Jim Edman, Deputy Commissioner & Chief Security Officer
- Deb Larson, Finance Manager
- Pat Snow, Network Manager & Chief Technology Officer
- Wayne Hayden-Moreland, Data Center Director
- Linda Peterson, Development Director
- Dennis Nincehelter, Telecommunications Services Director
- Jeff Pierce, State Radio Communications
- Julie Overgaard, South Dakota Public Broadcasting Director

## Department Total

The Bureau of Information and Telecommunications (BIT) strives to partner and collaborate with clients in support of their missions through innovative information technology consulting, systems, and solutions.

	Actual FY2014	Actual FY2015	Budgeted FY2016	Agency Request FY2017	Gov Rec FY2017	Gov Rec Inc/Dec FY2017	% Change From FY2016
<b>Personal Services</b>							
Employee Salaries	19,012,067	20,252,671	23,992,443	24,140,085	23,907,621	(84,822)	(0.4%)
Employee Benefits	5,741,875	5,748,158	6,571,658	6,609,247	6,571,658	0	0.0%
<b>FTE</b>	347.5	356.2	390.5	392.5	390.5	0.0	0.0%
<b>Funding Types</b>							
General	3,210,337	3,302,741	3,533,656	3,533,656	3,533,656	0	0.0%
Federal	368,717	213,540	130,346	130,346	45,524	(84,822)	(65.1%)
Other	21,174,889	22,484,546	26,900,099	27,085,330	26,900,099	0	0.0%
<b>Total PS</b>	24,753,942	26,000,827	30,564,101	30,749,332	30,479,279	(84,822)	(0.3%)
<b>Operating Expenses</b>							
Travel	594,352	585,147	622,826	622,826	622,826	0	0.0%
Contractual Services	18,208,708	17,613,034	18,172,102	18,454,898	18,182,193	10,091	0.1%
Supplies & Materials	563,403	476,251	640,936	640,936	640,936	0	0.0%
Capital Outlay	5,539,836	3,951,163	4,890,947	6,204,947	4,214,624	(676,323)	(13.8%)
Other	173,064	239,634	248,000	248,000	248,000	0	0.0%
<b>Funding Types</b>							
General	3,362,425	3,365,365	3,286,331	3,550,887	3,550,887	264,556	8.1%
Federal	1,158,656	118,040	1,519,692	1,519,692	588,904	(930,788)	(61.2%)
Other	20,558,282	19,381,825	19,768,788	21,101,028	19,768,788	0	0.0%
<b>Total OE</b>	25,079,363	22,865,229	24,574,811	26,171,607	23,908,579	(666,232)	(2.7%)
<b>Totals</b>							
<b>Funding Types</b>							
General	6,572,762	6,668,106	6,819,987	7,084,543	7,084,543	264,556	3.9%
Federal	1,527,373	331,580	1,650,038	1,650,038	634,428	(1,015,610)	(61.6%)
Other	41,733,170	41,866,371	46,668,887	48,186,358	46,668,887	0	0.0%
<b>Total</b>	49,833,305	48,866,056	55,138,912	56,920,939	54,387,858	(751,054)	(1.4%)

## Department Object Detail

Item	Actual FY2014	Actual FY2015	Budgeted FY2016	Gov. Rec FY2017	Inc/Dec FY2016	% Change FY2016
<b>PERSONAL SERVICES</b>						
General	3,210,337	3,302,741	3,533,656	3,533,656	0	0.0%
Federal	368,717	213,541	130,346	45,524	(84,822)	(65.1%)
Other Funds	21,174,888	22,484,547	26,900,099	26,900,099	0	0.0%
Total Personal Services	24,753,942	26,000,829	30,564,101	30,479,279	(84,822)	(0.3%)
<b>FTE</b>	347.5	356.2	390.5	390.5	0.0	0.0%
<b>TRAVEL</b>						
General	170,418	180,557	203,550	203,550	0	0.0%
Federal	38,630	35,760	18,500	18,500	0	0.0%
Other Funds	385,304	368,830	400,776	400,776	0	0.0%
Total Travel	594,352	585,147	622,826	622,826	0	0.0%
<b>CONTRACTUAL SERVICES</b>						
General	1,792,508	1,898,821	1,813,113	2,077,669	264,556	14.6%
Federal	392,015	34,745	367,385	112,920	(254,465)	(69.3%)
Other Funds	16,024,185	15,679,468	15,991,604	15,991,604	0	0.0%
Total Contractual Services	18,208,708	17,613,034	18,172,102	18,182,193	10,091	0.1%
<b>SUPPLIES AND MATERIALS</b>						
General	301,632	222,963	265,410	265,410	0	0.0%
Federal	39,093	4,820	10,000	10,000	0	0.0%
Other Funds	222,679	248,468	365,526	365,526	0	0.0%
Total Supplies and Materials	563,404	476,251	640,936	640,936	0	0.0%
<b>GRANTS AND SUBSIDIES</b>						
General	0	0	0	0	0	0.0%
Federal	0	0	0	0	0	0.0%
Other Funds	0	0	0	0	0	0.0%
Total Grants and Subsidies	0	0	0	0	0	0.0%
<b>CAPITAL OUTLAY</b>						
General	964,858	865,622	806,258	806,258	0	0.0%
Federal	688,918	42,715	1,123,807	447,484	(676,323)	(60.2%)
Other Funds	3,886,060	3,042,826	2,960,882	2,960,882	0	0.0%
Total Capital Outlay	5,539,836	3,951,163	4,890,947	4,214,624	(676,323)	(13.8%)
<b>OTHER</b>						
General	133,010	197,401	198,000	198,000	0	0.0%
Federal	0	0	0	0	0	0.0%
Other Funds	40,054	42,233	50,000	50,000	0	0.0%
Total Other	173,064	239,634	248,000	248,000	0	0.0%
<b>TOTAL</b>						
<b>General</b>	<b>6,572,763</b>	<b>6,668,105</b>	<b>6,819,987</b>	<b>7,084,543</b>	<b>264,556</b>	<b>3.9%</b>
<b>Federal</b>	<b>1,527,373</b>	<b>331,581</b>	<b>1,650,038</b>	<b>634,428</b>	<b>(1,015,610)</b>	<b>(61.6%)</b>
<b>Other Funds</b>	<b>41,733,170</b>	<b>41,866,372</b>	<b>46,668,887</b>	<b>46,668,887</b>	<b>0</b>	<b>0.0%</b>
<b>Total All Funds</b>	<b>49,833,306</b>	<b>48,866,058</b>	<b>55,138,912</b>	<b>54,387,858</b>	<b>(751,054)</b>	<b>(1.4%)</b>

## Major Expansions and Reductions

Budget Item	Governor's Recommendation				FTE
	General Funds	Federal Funds	Other Funds	Total Funds	
<b>SDPB Audio Casting Services</b>	64,556	-	-	64,556	-
<b>SDPB Federal Fund Reduction</b>	-	(676,323)	-	(676,323)	-
<b>State Radio Maintenance</b>	200,000	-	-	200,000	-
<b>State Radio Federal Fund Reduction</b>	-	(339,287)	-	(339,287)	-
<b>Total</b>	<b>264,556</b>	<b>(1,015,610)</b>	<b>-</b>	<b>(751,054)</b>	<b>-</b>

**SDPB Audio Casting Services** – The Governor recommends an increase of \$64,556 from general funds to subscribe to audio casting services for support of Legislative committee meetings and chamber sessions, and hearings and meetings of state agencies and Boards and Commissions. The subscription will provide hardware, streaming and archival services, and equipment lease. The annual subscription to support streaming from nine (9) legislative locations and nine (9) executive branch locations is \$131,400 annually or \$10,950/month. The budget for the SDPB Division currently includes \$66,844 to support limited streaming services.

*NOTE: The Governor also recommends amending the current FY16 General Appropriations Act (HB 1208) which would appropriate \$174,344 from general funds for expenses incurred in this fiscal year. These expenses include one-time costs of: \$80,000 for the development of calendaring and event scheduling software and the development of a mobile application for delivery of streaming services to tablet and smart phone devices; \$87,600 for 8 months of audio casting services from November 1, 2015 through June 30, 2016 at \$10,950/month; and \$53,113 for infrastructure upgrades in various government office meeting rooms. These expenses will be partially offset by \$46,369 that is still available in the FY16 budget.*

**SDPB Federal Fund Reduction** – The Governor recommends a reduction of \$676,323 in federal fund expenditure authority to align the budget with anticipated utilization.

**State Radio Maintenance** - The Governor recommends an increase of \$200,000 from general funds for costs associated with maintaining and supporting the upgraded state radio network. The radio system was updated between 2012 and 2014 at the cost of \$12,391,243 to extend the life of the network to 2025. The cost of the maintenance and support was covered in the first year. Ongoing costs to support the software and system security aspects of the IP-based upgraded network going forward are approximately \$200,000 annually (less than 2% of equipment cost). Support on the old system was previously self-maintained. This recommendation is only for the amount of the ongoing software and security maintenance and support so they can maintain the rest of the network properly.

**State Radio Federal Fund Reduction** – The Governor recommends a reduction of \$339,287 in federal fund expenditure authority to align the budget with anticipated utilization.

## DATA CENTERS

The mission of Data Centers is to promote a cost effective, reliable, survivable and secure computing environment, while enhancing employee knowledge and opportunity.

	<u>Actual</u> <u>FY2014</u>	<u>Actual</u> <u>FY2015</u>	<u>Budgeted</u> <u>FY2016</u>	<u>Agency</u> <u>Request</u> <u>FY2017</u>	<u>Gov Rec</u> <u>FY2017</u>	<u>Gov Rec</u> <u>Inc/Dec</u> <u>FY2017</u>	<u>% Change</u> <u>From</u> <u>FY2016</u>
<b>Personal Services</b>							
Employee Salaries	3,230,811	3,441,872	4,126,000	4,126,000	4,126,000	0	0.0%
Employee Benefits	961,203	950,237	1,116,874	1,116,874	1,116,874	0	0.0%
<b>FTE</b>	56.6	56.6	64.0	64.0	64.0	0.0	0.0%
<b>Funding Types</b>							
General	0	0	0	0	0	0	0.0%
Federal	0	0	0	0	0	0	0.0%
Other	4,192,013	4,392,110	5,242,874	5,242,874	5,242,874	0	0.0%
<b>Total PS</b>	4,192,013	4,392,110	5,242,874	5,242,874	5,242,874	0	0.0%
<b>Operating Expenses</b>							
Travel	37,836	46,028	59,950	59,950	59,950	0	0.0%
Contractual Services	2,936,007	2,489,274	2,676,116	2,676,116	2,676,116	0	0.0%
Supplies & Materials	64,916	60,367	89,350	89,350	89,350	0	0.0%
Capital Outlay	1,157,101	1,523,233	1,525,000	1,525,000	1,525,000	0	0.0%
Other	39,248	36,170	50,000	50,000	50,000	0	0.0%
<b>Funding Types</b>							
General	0	0	0	0	0	0	0.0%
Federal	0	0	0	0	0	0	0.0%
Other	4,235,108	4,155,072	4,400,416	4,400,416	4,400,416	0	0.0%
<b>Total OE</b>	4,235,108	4,155,072	4,400,416	4,400,416	4,400,416	0	0.0%
<b>Totals</b>							
<b>Funding Types</b>							
General	0	0	0	0	0	0	0.0%
Federal	0	0	0	0	0	0	0.0%
Other	8,427,121	8,547,182	9,643,290	9,643,290	9,643,290	0	0.0%
<b>Total</b>	8,427,121	8,547,182	9,643,290	9,643,290	9,643,290	0	0.0%

## Budget Notes

No budget increase or decrease in the Governor's recommendation.

## DEVELOPMENT

The mission of Development is to evaluate the value, cost, and risk of computerization possibilities, then apply application development services, technologies, and best practices to help State Agencies meet their goals, improve their performance, and lower their costs.

	<u>Actual</u> <u>FY2014</u>	<u>Actual</u> <u>FY2015</u>	<u>Budgeted</u> <u>FY2016</u>	<u>Agency</u> <u>Request</u> <u>FY2017</u>	<u>Gov Rec</u> <u>FY2017</u>	<u>Gov Rec</u> <u>Inc/Dec</u> <u>FY2017</u>	<u>% Change</u> <u>From</u> <u>FY2016</u>
<b>Personal Services</b>							
Employee Salaries	6,996,138	7,664,799	9,655,000	9,655,000	9,655,000	0	0.0%
Employee Benefits	2,039,509	2,110,683	2,655,247	2,655,247	2,655,247	0	0.0%
<b>FTE</b>	119.0	126.0	153.0	153.0	153.0	0.0	0.0%
<b>Funding Types</b>							
General	0	0	0	0	0	0	0.0%
Federal	0	0	0	0	0	0	0.0%
Other	9,035,647	9,775,483	12,310,247	12,310,247	12,310,247	0	0.0%
<b>Total PS</b>	9,035,647	9,775,483	12,310,247	12,310,247	12,310,247	0	0.0%
<b>Operating Expenses</b>							
Travel	47,974	37,696	37,100	37,100	37,100	0	0.0%
Contractual Services	1,781,582	1,740,011	1,906,730	1,906,730	1,906,730	0	0.0%
Supplies & Materials	10,318	7,416	10,730	10,730	10,730	0	0.0%
Capital Outlay	1,085,181	119,920	228,927	228,927	228,927	0	0.0%
Other	0	5,947	0	0	0	0	0.0%
<b>Funding Types</b>							
General	0	0	0	0	0	0	0.0%
Federal	100,268	0	0	0	0	0	0.0%
Other	2,824,787	1,910,990	2,183,487	2,183,487	2,183,487	0	0.0%
<b>Total OE</b>	2,925,055	1,910,990	2,183,487	2,183,487	2,183,487	0	0.0%
<b>Totals</b>							
<b>Funding Types</b>							
General	0	0	0	0	0	0	0.0%
Federal	100,268	0	0	0	0	0	0.0%
Other	11,860,434	11,686,473	14,493,734	14,493,734	14,493,734	0	0.0%
<b>Total</b>	11,960,702	11,686,473	14,493,734	14,493,734	14,493,734	0	0.0%

## Budget Notes

No budget increase or decrease in the Governor's recommendation.

## TELECOMMUNICATIONS SERVICES

The mission of Telecommunications Services is to provide modern and economical telecommunications services to state government, cities, counties, and schools.

	<u>Actual</u> <u>FY2014</u>	<u>Actual</u> <u>FY2015</u>	<u>Budgeted</u> <u>FY2016</u>	<u>Agency</u> <u>Request</u> <u>FY2017</u>	<u>Gov Rec</u> <u>FY2017</u>	<u>Gov Rec</u> <u>Inc/Dec</u> <u>FY2017</u>	<u>% Change</u> <u>From</u> <u>FY2016</u>
<b>Personal Services</b>							
Employee Salaries	4,656,235	4,707,670	5,388,153	5,535,795	5,388,153	0	0.0%
Employee Benefits	1,434,874	1,371,475	1,452,602	1,490,191	1,452,602	0	0.0%
<b>FTE</b>	88.4	86.8	86.0	88.0	86.0	0.0	0.0%
<b>Funding Types</b>							
General	0	0	0	0	0	0	0.0%
Federal	365,422	151,024	0	0	0	0	0.0%
Other	5,725,686	5,928,122	6,840,755	7,025,986	6,840,755	0	0.0%
<b>Total PS</b>	6,091,108	6,079,146	6,840,755	7,025,986	6,840,755	0	0.0%
<b>Operating Expenses</b>							
Travel	168,434	152,316	150,250	150,250	150,250	0	0.0%
Contractual Services	8,825,531	9,791,826	9,353,507	9,371,747	9,353,507	0	0.0%
Supplies & Materials	116,181	112,963	76,700	76,700	76,700	0	0.0%
Capital Outlay	1,557,459	542,771	407,600	1,721,600	407,600	0	0.0%
Other	790	96	0	0	0	0	0.0%
<b>Funding Types</b>							
General	0	0	0	0	0	0	0.0%
Federal	1,024,146	58,111	0	0	0	0	0.0%
Other	9,644,250	10,541,860	9,988,057	11,320,297	9,988,057	0	0.0%
<b>Total OE</b>	10,668,395	10,599,971	9,988,057	11,320,297	9,988,057	0	0.0%
<b>Totals</b>							
<b>Funding Types</b>							
General	0	0	0	0	0	0	0.0%
Federal	1,389,568	209,135	0	0	0	0	0.0%
Other	15,369,936	16,469,982	16,828,812	18,346,283	16,828,812	0	0.0%
<b>Total</b>	16,759,504	16,679,116	16,828,812	18,346,283	16,828,812	0	0.0%

### Budget Notes

No budget increase or decrease in the Governor's recommendation.

## SOUTH DAKOTA PUBLIC BROADCASTING

The mission of South Dakota Public Broadcasting is to use the power of public media to connect South Dakotans with education, information, culture and the arts.

	Actual FY2014	Actual FY2015	Budgeted FY2016	Agency Request FY2017	Gov Rec FY2017	Gov Rec Inc/Dec FY2017	% Change From FY2016
<b>Personal Services</b>							
Employee Salaries	2,534,973	2,690,910	2,857,019	2,857,019	2,857,019	0	0.0%
Employee Benefits	847,778	835,462	851,228	851,228	851,228	0	0.0%
<b>FTE</b>	56.5	57.6	59.5	59.5	59.5	0.0	0.0%
<b>Funding Types</b>							
General	2,564,168	2,646,119	2,794,243	2,794,243	2,794,243	0	0.0%
Federal	0	0	0	0	0	0	0.0%
Other	818,583	880,251	914,004	914,004	914,004	0	0.0%
<b>Total PS</b>	3,382,751	3,526,371	3,708,247	3,708,247	3,708,247	0	0.0%
<b>Operating Expenses</b>							
Travel	225,516	218,135	232,526	232,526	232,526	0	0.0%
Contractual Services	2,787,048	2,424,459	2,596,707	2,661,263	2,661,263	64,556	2.5%
Supplies & Materials	262,573	168,738	281,156	281,156	281,156	0	0.0%
Capital Outlay	860,290	929,067	1,913,665	1,913,665	1,237,342	(676,323)	(35.3%)
Other	86	70	0	0	0	0	0.0%
<b>Funding Types</b>							
General	1,228,560	1,226,722	1,194,007	1,258,563	1,258,563	64,556	5.4%
Federal	31,664	44,118	1,098,807	1,098,807	422,484	(676,323)	(61.6%)
Other	2,875,289	2,469,630	2,731,240	2,731,240	2,731,240	0	0.0%
<b>Total OE</b>	4,135,513	3,740,470	5,024,054	5,088,610	4,412,287	(611,767)	(12.2%)
<b>Totals</b>							
<b>Funding Types</b>							
General	3,792,728	3,872,842	3,988,250	4,052,806	4,052,806	64,556	1.6%
Federal	31,664	44,118	1,098,807	1,098,807	422,484	(676,323)	(61.6%)
Other	3,693,872	3,349,881	3,645,244	3,645,244	3,645,244	0	0.0%
<b>Total</b>	7,518,264	7,266,841	8,732,301	8,796,857	8,120,534	(611,767)	(7.0%)

### Budget Notes

**SDPB Audio Casting Services** – The Governor recommends an increase of \$64,556 from general funds to subscribe to audio casting services for support of Legislative committee meetings and chamber sessions, and hearings and meetings of state agencies and Boards and Commissions. The subscription will provide hardware, streaming and archival services, and equipment lease. The annual subscription to support streaming from nine (9) legislative locations and nine (9) executive branch locations is \$131,400 annually or \$10,950/month. The budget for the SDPB Division currently includes \$66,844 to support limited streaming services.

*NOTE: The Governor also recommends amending the current FY16 General Appropriations Act (HB 1208) which would appropriate \$174,344 from general funds for expenses incurred in this fiscal year. These expenses include one-time costs of: \$80,000 for the development of calendaring and event scheduling software and the development of a mobile application for delivery of streaming services to tablet and smart phone devices; \$87,600 for 8 months of audio casting services from November 1, 2015 through June 30, 2016 at \$10,950/month;*

*and \$53,113 for infrastructure upgrades in various government office meeting rooms. These expenses will be partially offset by \$46,369 that is still available in the FY16 budget.*

**Federal Fund Reduction** – The Governor recommends a reduction of \$676,323 in federal fund expenditure authority to align the budget with anticipated utilization.

## BIT ADMINISTRATION

The mission of BIT Administration is to support BIT management through financial management; and to standardize the state's use of information technology to leverage state funds and manpower, while ensuring a secure interoperable environment.

	<u>Actual</u> <u>FY2014</u>	<u>Actual</u> <u>FY2015</u>	<u>Budgeted</u> <u>FY2016</u>	<u>Agency</u> <u>Request</u> <u>FY2017</u>	<u>Gov Rec</u> <u>FY2017</u>	<u>Gov Rec</u> <u>Inc/Dec</u> <u>FY2017</u>	<u>% Change</u> <u>From</u> <u>FY2016</u>
<b>Personal Services</b>							
Employee Salaries	1,094,118	1,189,661	1,266,260	1,266,260	1,266,260	0	0.0%
Employee Benefits	299,828	315,695	314,342	314,342	314,342	0	0.0%
<b>FTE</b>	16.8	18.7	17.0	17.0	17.0	0.0	0.0%
<b>Funding Types</b>							
General	0	0	0	0	0	0	0.0%
Federal	0	0	0	0	0	0	0.0%
Other	1,393,947	1,505,355	1,580,602	1,580,602	1,580,602	0	0.0%
<b>Total PS</b>	1,393,947	1,505,355	1,580,602	1,580,602	1,580,602	0	0.0%
<b>Operating Expenses</b>							
Travel	17,581	16,612	23,000	23,000	23,000	0	0.0%
Contractual Services	174,825	169,588	235,733	235,733	235,733	0	0.0%
Supplies & Materials	22,919	21,532	21,100	21,100	21,100	0	0.0%
Capital Outlay	21,473	14,728	41,828	41,828	41,828	0	0.0%
<b>Funding Types</b>							
General	0	0	0	0	0	0	0.0%
Federal	0	0	0	0	0	0	0.0%
Other	236,798	222,460	321,661	321,661	321,661	0	0.0%
<b>Total OE</b>	236,798	222,460	321,661	321,661	321,661	0	0.0%
<b>Totals</b>							
<b>Funding Types</b>							
General	0	0	0	0	0	0	0.0%
Federal	0	0	0	0	0	0	0.0%
Other	1,630,745	1,727,816	1,902,263	1,902,263	1,902,263	0	0.0%
<b>Total</b>	1,630,745	1,727,816	1,902,263	1,902,263	1,902,263	0	0.0%

## Budget Notes

No budget increase or decrease in the Governor's recommendation.

## STATE RADIO ENGINEERING

The mission of State Radio Engineering is to provide technical support to communication services, infrastructure, and other support services.

	Actual FY2014	Actual FY2015	Budgeted FY2016	Agency Request FY2017	Gov Rec FY2017	Gov Rec Inc/Dec FY2017	% Change From FY2016
<b>Personal Services</b>							
Employee Salaries	499,792	557,758	700,011	700,011	615,189	(84,822)	(12.1%)
Employee Benefits	158,684	164,605	181,365	181,365	181,365	0	0.0%
<b>FTE</b>	10.3	10.5	11.0	11.0	11.0	0.0	0.0%
<b>Funding Types</b>							
General	646,169	656,621	739,413	739,413	739,413	0	0.0%
Federal	3,295	62,516	130,346	130,346	45,524	(84,822)	(65.1%)
Other	9,013	3,226	11,617	11,617	11,617	0	0.0%
<b>Total PS</b>	658,477	722,364	881,376	881,376	796,554	(84,822)	(9.6%)
<b>Operating Expenses</b>							
Travel	97,010	114,359	120,000	120,000	120,000	0	0.0%
Contractual Services	1,703,715	997,877	1,403,309	1,603,309	1,348,844	(54,465)	(3.9%)
Supplies & Materials	86,496	105,235	161,900	161,900	161,900	0	0.0%
Capital Outlay	858,332	821,444	773,927	773,927	773,927	0	0.0%
Other	132,941	197,350	198,000	198,000	198,000	0	0.0%
<b>Funding Types</b>							
General	2,133,865	2,138,642	2,092,324	2,292,324	2,292,324	200,000	9.6%
Federal	2,579	15,811	420,885	420,885	166,420	(254,465)	(60.5%)
Other	742,050	81,812	143,927	143,927	143,927	0	0.0%
<b>Total OE</b>	2,878,494	2,236,266	2,657,136	2,857,136	2,602,671	(54,465)	(2.0%)
<b>Totals</b>							
<b>Funding Types</b>							
General	2,780,034	2,795,264	2,831,737	3,031,737	3,031,737	200,000	7.1%
Federal	5,874	78,328	551,231	551,231	211,944	(339,287)	(61.6%)
Other	751,064	85,038	155,544	155,544	155,544	0	0.0%
<b>Total</b>	3,536,971	2,958,629	3,538,512	3,738,512	3,399,225	(139,287)	(3.9%)

### Budget Notes

**State Radio Maintenance** - The Governor recommends an increase of \$200,000 from general funds for costs associated with maintaining and supporting the upgraded state radio network. The radio system was updated between 2012 and 2014 at the cost of \$12,391,243 to extend the life of the network to 2025. The cost of the maintenance and support was covered in the first year. Ongoing costs to support the software and system security aspects of the IP-based upgraded network going forward are approximately \$200,000 annually (less than 2% of equipment cost). Support on the old system was previously self-maintained. This recommendation is only for the amount of the ongoing software and security maintenance and support so they can maintain the rest of the network properly.

**Federal Fund Reduction** – The Governor recommends a reduction of \$339,287 in federal fund expenditure authority to align the budget with anticipated utilization.

**Governor's Recommended Employee Compensation and Billings Pool – (page 21 of the Governor's FY17 budget book)**

For FY17, the Governor recommended the funding for the state employee compensation plan and bureau billings 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 the decrease for health insurance.*

- Below are the estimated distributions for employee compensation for FY17. BFM will distribute dollars from the Pool after calculating the increase for salary policy and the decrease for employee health insurance. The distributed amount to the agency will be in addition to the agency's appropriated personal services budget.

FY17 Salary Policy Component	Object	General	Federal	Other	Total
Health Insurance	PS	(\$11,880)	(\$153)	(\$87,792)	(\$99,825)
Market Adjustment	PS	\$77,116	\$0	\$120,074	\$197,191
Movement Towards Market Value	PS	\$65,024	\$286	\$475,040	\$540,350
Health Insurance	OE	(\$468)	(\$95)	(\$4,810)	(\$5,373)
Market Adjustment	OE	\$1,300	\$118	\$37,988	\$39,406
Movement Towards Market Value	OE	\$1,056	\$105	\$31,118	\$32,279
	<b>Total</b>	<b>\$132,148</b>	<b>\$261</b>	<b>\$571,618</b>	<b>\$704,028</b>

- Recommended FY17 - 2.7% market adjustment for all permanent employees (except Career Bands); 0%-2.7% 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; decrease of \$275 per benefitted employee for the employer-paid portion of the health insurance plan.
  - 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.
- Below are the estimated increases to the bureau billings for FY17. The amount distributed from the BFM pool to the agency will be in addition to the agency's appropriated contractual services budget.

Estimated FY17	General	Federal	Other	Total
Bureau Billing Adjustments	282	25	4,309	4,616

## **Interagency Billings**

Below are the sources of funds BIT 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) in FY15.

<b>Bureau Name</b>	<b>General</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>
Bureau of Finance and Management	10,431	3,094	152,462	165,987
Bureau of Administration	210,467	26,075	750,529	987,071
Bureau of Information and Telecommunication	67,095	3,995	1,029,399	1,100,489
Bureau of Human Resources	33,905	1,762	143,678	179,345
<b>Total FY15 Interagency Payments</b>	<b>321,897</b>	<b>34,926</b>	<b>2,076,068</b>	<b>2,432,892</b>

## **BIT Billings Summary**

### **FY2015 Interagency Actual Expenditures**

### **Bureau of Information and Telecommunications**

<b>Agency Name</b>	<b>General</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>
Governor's Office	\$153,470	\$1,812	\$21,667	\$176,949
Finance & Management	\$15,533	\$0	\$766,995	\$782,528
Administration	\$12,202	\$0	\$222,385	\$234,587
Information & Telecommunications	\$67,095	\$3,995	\$1,029,399	\$1,100,489
Human Resources	\$5,125	\$0	\$619,707	\$624,832
Revenue	\$35,998	\$0	\$1,981,176	\$2,017,174
Agriculture	\$174,611	\$80,161	\$109,401	\$364,173
Tourism	\$72,128	\$22,011	\$169,174	\$263,313
Game, Fish & Parks	\$0	\$7,385	\$1,261,128	\$1,268,513
Tribal Affairs	\$9,475	\$0	\$0	\$9,475
Social Services	\$4,356,779	\$5,460,146	\$9,721	\$9,826,646
Health	\$224,827	\$703,569	\$398,273	\$1,326,669
Labor and Regulation	\$15,262	\$2,626,270	\$357,829	\$2,999,360
Retirement System	\$0	\$0	\$407,592	\$407,592
Transportation	\$0	\$0	\$3,517,932	\$3,517,932
Education	\$822,986	\$233,187	\$256,069	\$1,312,242
Public Safety	\$83,141	\$481,367	\$1,153,886	\$1,718,394
Board of Regents	\$2,089,137	\$1,135	\$2,419,111	\$4,509,383
Military	\$22,290	\$38,381	\$259	\$60,930
Veterans' Affairs	\$143,635	\$6,111	\$80,504	\$230,250
Corrections	\$969,826	\$41,702	\$290,153	\$1,301,681
Human Services	\$247,504	\$735,006	\$4,020	\$986,530
Environment & Natural Resources	\$205,988	\$244,010	\$147,637	\$597,635
Public Utilities Commission	\$7,259	\$2,379	\$53,988	\$63,626
Unified Judicial System	\$893	\$0	\$806,134	\$807,026
Legislature	\$291,014	\$0	\$0	\$291,014
Attorney General	\$264,563	\$30,856	\$177,550	\$472,970
School and Public Lands	\$12,431	\$0	\$0	\$12,431
Secretary of State	\$50,816	\$26,362	\$34,458	\$111,636
State Treasurer	\$10,233	\$0	\$65,449	\$75,682
State Auditor	\$29,684	\$0	\$0	\$29,684
	<b>\$10,393,907</b>	<b>\$10,745,844</b>	<b>\$16,361,596</b>	<b>\$37,501,347</b>

## BIT Billing Rates

Cost Center	Bill Basis	Actual Jun-13 FY14	Actual Sept/Oct FY14	Actual Jan FY14	Actual Jul/Aug FY15	Actual Oct FY15	Actual Mar FY15	Actual Jul FY16
<b>Development</b>								
Development	Hour	\$ 58.50	\$ 60.00	\$ 58.00	\$ 64.50	\$ 67.00	\$ 67.00	\$ 71.00
<b>Data Center</b>								
Processor Usage	Second	\$ 0.69	\$ 0.69	\$ 0.69	\$ 0.67	\$ 0.67	\$ 0.67	\$ 0.67
I/O Access	1,000 I/Os	\$ 0.05	\$ 0.05	\$ 0.04	\$ 0.05	\$ 0.05	\$ 0.05	\$ 0.05
Print Output (Hardcopy)	Page	\$ 0.0030	\$ 0.0030	\$ 0.0030	\$ 0.0020	\$ 0.0020	\$ 0.0030	\$ 0.0030
Print Output (Online)	Kilobyte	\$ 0.0030	\$ 0.0030	\$ 0.0030	\$ 0.0020	\$ 0.0020	\$ 0.0030	\$ 0.0030
UNIX Subscription	Clients/Month	\$ 8,025.00	\$ 8,025.00	\$ 8,025.00	\$ 4,400.00	\$ 4,400.00	\$ 4,400.00	\$ 4,450.00
AS/400 Subscription (Lottery)	Clients/Month	\$ 5,825.00	\$ 5,825.00	\$ 5,825.00	\$ 6,800.00	\$ 6,800.00	\$ 6,800.00	\$ 7,725.00
File Director Subscription	User/Month	\$ 3.30	\$ 3.30	\$ 3.30	\$ 3.25	\$ 3.25	\$ 3.25	\$ 3.35
GIS Subscription	User/Month	\$ 5.35	\$ 5.35	\$ 4.35	\$ 7.30	\$ 7.30	\$ 7.30	\$ 7.45
<b>Infrastructure</b>								
User Fee	User/Month	\$ 36.00	\$ 36.00	\$ 36.00	\$ 39.50	\$ 42.75	\$ 42.75	\$ 46.75
Access Fee	User/Month	\$ 20.00	\$ 19.00	\$ 19.00	\$ 21.00	\$ 21.00	\$ 24.00	\$ 24.00
Information Management Fee	User/Month	\$ 44.75	\$ 47.25	\$ 47.25	\$ 48.00	\$ 48.00	\$ 45.00	\$ 47.00
Enterprise Integration Fee	User/Month	\$ 13.00	\$ 13.00	\$ 13.00	\$ -	\$ -	\$ -	\$ -
<b>Voice Networking</b>								
Telephone Line	Line/Month	\$ 22.00	\$ 20.00	\$ 20.00	\$ 19.00	\$ 19.00	\$ 19.00	\$ 19.00
Long Distance In-State	Minute	\$ 0.06	\$ 0.06	\$ 0.05	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.06
Long Distance Out-of-State	Minute	\$ 0.07	\$ 0.07	\$ 0.06	\$ 0.07	\$ 0.07	\$ 0.07	\$ 0.07
Megacom 800 Incoming	Minute	\$ 0.07	\$ 0.07	\$ 0.06	\$ 0.07	\$ 0.07	\$ 0.07	\$ 0.07
Voice Mail	Line/Month	\$ 6.00	\$ 6.00	\$ 6.00	\$ 6.00	\$ 6.00	\$ 6.00	\$ 6.00

## Other Fund Balances

Company and Fund Name	Blue Book Page	Ending Cash and Investment Balance June 30		60-Month Average Cash Balance	Lowest Monthly Cash Balance in Past Five Years	
		FY2014	FY2015		Amount	Month
Company 3008 - SDPB/Tower Rent	57	58,136	167,685	69,275	(8,844)	August 2012
Company 3026 - SD Public Broadcasting - Other	58	127,667	131,922	225,194	7,023	October 2014
Company 3027 - SDPB - PBC	59	605,880	445,991	593,033	(14,741)	October 2014
Company 6001 - Data Processing Internal Service Fund	60	2,473,469	3,091,614	2,671,621	936,172	August 2014
Company 6002 - Telecommunications Fund	61	2,473,183	1,817,395	1,515,820	788,828	September 2011
Company 6011 - Dakota Digital Network	62	466,315	506,664	424,671	221,971	February 2014
Company 6502 - Radio Communications Fund	63	292,273	400,639	280,053	28,626	December 2010

Refer to the *Supplemental Information* Section for more information on these and other funds.

## BIT FTE History by Division

BIT FTE History							
	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
<b>0131 - Data Centers</b>							
Gov's Recommendation	59.0	56.0	57.0	57.0	60.0	64.0	64.0
Appropriated	59.0	56.0	57.0	57.0	60.0	64.0	
Actual	58.4	54.4	54.4	56.6	56.6		
<b>0132 - Development</b>							
Gov's Recommendation	132.0	127.5	127.5	123.0	138.0	153.0	153.0
Appropriated	132.0	127.5	127.5	123.0	137.0	153.0	
Actual	126.9	113.4	110.9	119.0	126.0		
<b>0133 - Telecommunications</b>							
Gov's Recommendation	85.0	79.0	87.0	90.0	90.0	87.0	86.0
Appropriated	85.0	79.0	87.0	90.0	90.0	87.0	
Actual	82.0	86.7	89.4	88.4	86.8		
<b>0134 - SDPB</b>							
Gov's Recommendation	67.8	57.5	57.5	57.5	59.5	59.5	59.5
Appropriated	67.8	57.5	57.5	57.5	59.5	59.5	
Actual	64.3	55.5	56.0	56.5	57.6		
<b>0135 - BIT Administration</b>							
Gov's Recommendation	22.5	18.5	9.5	16.0	16.0	16.0	17.0
Appropriated	22.5	18.5	9.5	16.0	16.0	16.0	
Actual	20.4	11.1	15.0	16.8	18.7		
<b>0136 - State Radio</b>							
Gov's Recommendation	10.0	10.0	10.0	10.0	10.0	11.0	11.0
Appropriated	10.0	10.0	10.0	10.0	10.0	11.0	
Actual	10.0	10.3	10.3	10.3	10.5		
<b>Total</b>							
Gov's Recommendation	376.3	348.5	348.5	353.5	373.5	390.5	390.5
Appropriated	376.3	348.5	348.5	353.5	372.5	390.5	
Actual	362.0	331.4	336.0	347.6	356.2		
% FTE Utilization	96.2%	95.1%	96.4%	98.3%	95.6%		