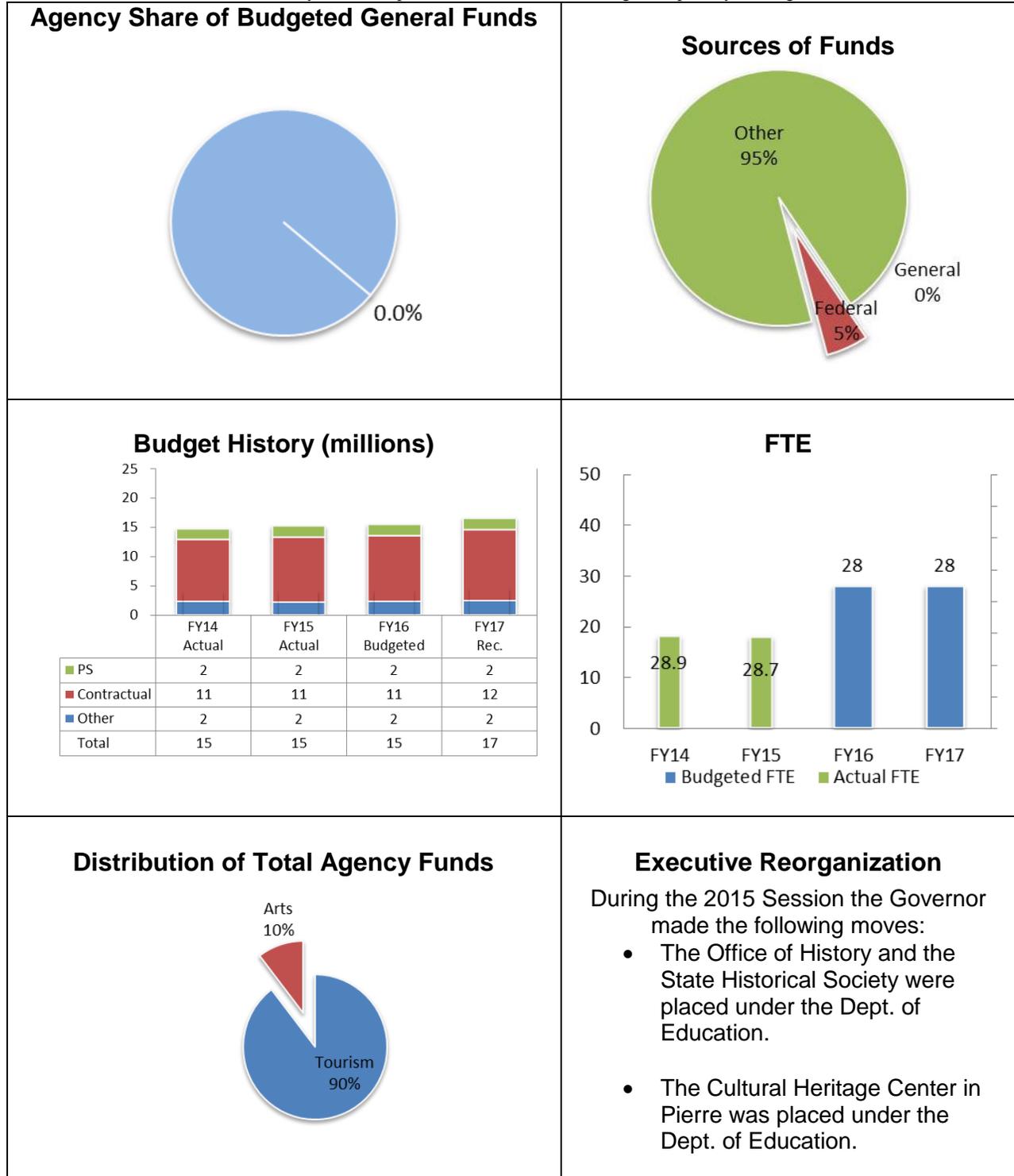


FY17 Budget Briefing

Department of Tourism

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

- Jim Hagen, Secretary
- Travis Dovre, Finance Officer

Department Total

| | <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> |
|---------------------------|--------------------------------|--------------------------------|----------------------------------|--|---------------------------------|---|---|
| Personal Services | | | | | | | |
| Employee Salaries | 1,351,305 | 1,385,939 | 1,491,398 | 1,491,398 | 1,491,398 | 0 | 0.0% |
| Employee Benefits | 445,911 | 442,803 | 445,919 | 445,919 | 445,919 | 0 | 0.0% |
| FTE | 28.9 | 28.7 | 28.0 | 28.0 | 28.0 | 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 | 1,797,217 | 1,828,742 | 1,937,317 | 1,937,317 | 1,937,317 | 0 | 0.0% |
| Total PS | 1,797,217 | 1,828,742 | 1,937,317 | 1,937,317 | 1,937,317 | 0 | 0.0% |
| Operating Expenses | | | | | | | |
| Travel | 221,984 | 240,436 | 236,380 | 236,380 | 236,380 | 0 | 0.0% |
| Contractual Services | 10,609,789 | 11,073,289 | 11,126,647 | 12,110,385 | 12,110,385 | 983,738 | 8.8% |
| Supplies & Materials | 541,613 | 485,305 | 549,960 | 549,960 | 549,960 | 0 | 0.0% |
| Grants And Subsidies | 1,483,321 | 1,505,305 | 1,572,592 | 1,683,592 | 1,683,592 | 111,000 | 7.1% |
| Capital Outlay | 59,846 | 32,055 | 27,000 | 27,000 | 27,000 | 0 | 0.0% |
| Other | 7,579 | 6,285 | 0 | 0 | 0 | 0 | 0.0% |
| Funding Types | | | | | | | |
| General | 0 | 0 | 0 | 0 | 0 | 0 | 0.0% |
| Federal | 748,404 | 751,542 | 878,000 | 878,000 | 878,000 | 0 | 0.0% |
| Other | 12,175,728 | 12,591,133 | 12,634,579 | 13,729,317 | 13,729,317 | 1,094,738 | 8.7% |
| Total OE | 12,924,132 | 13,342,675 | 13,512,579 | 14,607,317 | 14,607,317 | 1,094,738 | 8.1% |
| Totals | | | | | | | |
| Funding Types | | | | | | | |
| General | 0 | 0 | 0 | 0 | 0 | 0 | 0.0% |
| Federal | 748,404 | 751,542 | 878,000 | 878,000 | 878,000 | 0 | 0.0% |
| Other | 13,972,945 | 14,419,875 | 14,571,896 | 15,666,634 | 15,666,634 | 1,094,738 | 7.5% |
| Total | 14,721,349 | 15,171,416 | 15,449,896 | 16,544,634 | 16,544,634 | 1,094,738 | 7.1% |

Department Object Detail

| Item | Actual FY2014 | Actual FY2015 | Budgeted FY2016 | Governor Rec FY2017 | Inc/Dec Over FY2016 | % Change Over FY2016 |
|-------------------------------|-------------------|-------------------|--------------------|------------------------|---------------------------|----------------------------|
| PERSONAL SERVICES | | | | | | |
| General | 0 | 0 | 0 | 0 | 0 | 0.0% |
| Federal | 0 | 0 | 0 | 0 | 0 | 0.0% |
| Other Funds | 1,797,217 | 1,828,742 | 1,937,317 | 1,937,317 | 0 | 0.0% |
| Total Personal Services | 1,797,217 | 1,828,742 | 1,937,317 | 1,937,317 | 0 | 0.0% |
| FTE | 28.9 | 28.7 | 28.0 | 28.0 | 0 | 0.0% |
| TRAVEL | | | | | | |
| General | 0 | 0 | 0 | 0 | 0 | 0.0% |
| Federal | 0 | 0 | 0 | 0 | 0 | 0.0% |
| Other Funds | 221,984 | 240,436 | 236,380 | 236,380 | 0 | 0.0% |
| Total Travel | 221,984 | 240,436 | 236,380 | 236,380 | 0 | 0.0% |
| CONTRACTUAL SERVICES | | | | | | |
| General | 0 | 0 | - | - | 0 | 0.0% |
| Federal | 21,378 | 80,071 | 65,000 | 65,000 | 0 | 0.0% |
| Other Funds | 10,588,411 | 10,993,218 | 11,061,647 | 12,045,385 | 983,738 | 8.9% |
| Total Contractual Services | 10,609,789 | 11,073,289 | 11,126,647 | 12,110,385 | 983,738 | 8.9% |
| SUPPLIES AND MATERIALS | | | | | | |
| General | 0 | 0 | 0 | 0 | 0 | 0.0% |
| Federal | 0 | 0 | 0 | 0 | 0 | 0.0% |
| Other Funds | 541,613 | 485,305 | 549,960 | 549,960 | 0 | 0.0% |
| Total Supplies and Materials | 541,613 | 485,305 | 549,960 | 549,960 | 0 | 0.0% |
| GRANTS AND SUBSIDIES | | | | | | |
| General | 0 | 0 | 0 | 0 | 0 | 0.0% |
| Federal | 727,026 | 671,471 | 813,000 | 813,000 | 0 | 0.0% |
| Other Funds | 756,295 | 833,834 | 759,592 | 870,592 | 111,000 | 13.3% |
| Total Grants and Subsidies | 1,483,321 | 1,505,305 | 1,572,592 | 1,683,592 | 111,000 | 7.4% |
| CAPITAL OUTLAY | | | | | | |
| General | 0 | 0 | 0 | 0 | 0 | 0.0% |
| Federal | 0 | 0 | 0 | 0 | 0 | 0.0% |
| Other Funds | 59,846 | 32,055 | 27,000 | 27,000 | 0 | 0.0% |
| Total Capital Outlay | 59,846 | 32,055 | 27,000 | 27,000 | 0 | 0.0% |
| OTHER | | | | | | |
| General | 0 | 0 | 0 | 0 | 0 | 0.0% |
| Federal | 0 | 0 | 0 | 0 | 0 | 0.0% |
| Other Funds | 7,579 | 6,285 | 0 | 0 | 0 | 0.0% |
| Total Other | 7,579 | 6,285 | 0 | 0 | 0 | 0.0% |
| TOTAL | | | | | | |
| General | 0 | 0 | 0 | 0 | 0 | 0.0% |
| Federal | 748,404 | 751,542 | 878,000 | 878,000 | 0 | 0.0% |
| Other Funds | 13,972,945 | 14,419,875 | 14,571,896 | 15,666,634 | 1,094,738 | 7.6% |
| Total All Funds | 14,721,349 | 15,171,417 | 15,449,896 | 16,544,634 | 1,094,738 | 7.2% |

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.

| | Actual FY2014 | Actual FY2015 | Budgeted FY2016 | Agency Request FY2017 | Gov Rec FY2017 | Gov Rec Inc/Dec FY2017 | % Change From FY2016 |
|---------------------------|------------------|------------------|--------------------|-----------------------------|-------------------|------------------------------|----------------------------|
| Personal Services | | | | | | | |
| Employee Salaries | 1,184,292 | 1,229,910 | 1,286,690 | 1,286,690 | 1,286,690 | 0 | 0.0% |
| Employee Benefits | 397,312 | 396,787 | 392,186 | 392,186 | 392,186 | 0 | 0.0% |
| FTE | 25.9 | 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 | 1,581,605 | 1,626,697 | 1,678,876 | 1,678,876 | 1,678,876 | 0 | 0.0% |
| Total PS | 1,581,605 | 1,626,697 | 1,678,876 | 1,678,876 | 1,678,876 | 0 | 0.0% |
| Operating Expenses | | | | | | | |
| Travel | 206,893 | 217,775 | 214,550 | 214,550 | 214,550 | 0 | 0.0% |
| Contractual Services | 10,540,351 | 10,902,109 | 10,977,451 | 11,961,189 | 11,961,189 | 983,738 | 9.0% |
| Supplies & Materials | 530,947 | 475,544 | 538,960 | 538,960 | 538,960 | 0 | 0.0% |
| Grants And Subsidies | 320,000 | 420,000 | 320,000 | 431,000 | 431,000 | 111,000 | 34.7% |
| Capital Outlay | 59,846 | 13,196 | 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 | 11,658,037 | 12,028,624 | 12,057,961 | 13,152,699 | 13,152,699 | 1,094,738 | 9.1% |
| Total OE | 11,658,037 | 12,028,624 | 12,057,961 | 13,152,699 | 13,152,699 | 1,094,738 | 9.1% |
| Totals | | | | | | | |
| Funding Types | | | | | | | |
| General | 0 | 0 | 0 | 0 | 0 | 0 | 0.0% |
| Federal | 0 | 0 | 0 | 0 | 0 | 0 | 0.0% |
| Other | 13,239,642 | 13,655,321 | 13,736,837 | 14,831,575 | 14,831,575 | 1,094,738 | 8.0% |
| Total | 13,239,642 | 13,655,321 | 13,736,837 | 14,831,575 | 14,831,575 | 1,094,738 | 8.0% |

Budget Notes

The Governor recommended additional **other fund expenditure authority of \$983,738** for advertising and marketing efforts. This increase is based on estimated increases in promotion tax and gaming tax revenue.

The Governor also recommended additional **other fund expenditure authority of \$111,000** based on estimated increase in promotion tax and gaming tax revenue, to be used to provide the tourism associations with additional funding for regional promotions.

This is a total other fund expenditure authority increase of **\$1,094,738**.

Revenues and Performance Indicators

| | ACTUAL FY 2014 | ACTUAL FY 2015 | ESTIMATED FY 2016 | ESTIMATED FY 2017 |
|---|-------------------|-------------------|----------------------|----------------------|
| REVENUES | | | | |
| Promotion Tax | 9,219,315 | 9,835,052 | 10,482,539 | 11,036,673 |
| Gaming | 3,175,377 | 3,218,189 | 3,218,189 | 3,274,902 |
| Co-op Revolving | 497,265 | 378,638 | 500,000 | 500,000 |
| Investment Council Interest | 39,316 | 29,300 | 32,841 | 29,889 |
| Total | 12,931,273 | 13,461,179 | 14,233,569 | 14,841,464 |
| PERFORMANCE INDICATORS | | | | |
| Tourism's Economic and Fiscal Impacts | | | | |
| Total Impact (Direct & Indirect) | \$1.94B | \$1.99B | \$2.01B | \$2.03B |
| Total Person Stays | 16.50M | 16.67M | 16.84M | 17.01M |
| Employment (Direct & Indirect) | 36,064M | 36,249M | 36,430M | 36,612M |
| Government Revenue Generated | \$292.9M | \$300.5M | \$303.5M | \$306.5 |
| Tourism Programs | | | | |
| Giant Step Magazine Advertising | 26 | 26 | 22 | 22 |
| Group Tour Ads/Group Tour Planner Directory | 17/0 | 13/124 | 13/0 | 13/124 |
| Spring/Fall Great Getaways Newspaper | 65/45 | 65/45 | 65/45 | 65/45 |
| Free International Media \$ | \$13.0M | \$6.6M | \$6.6M | \$6.6M |
| International Media Circulation | 375.4M | 251.7M | 250.0M | 250.0M |
| Free Domestic Media | \$5.1M | \$6.1M | \$6.3M | \$6.5M |
| Media Clips | 1,331 | 540 | 1,000 | 1,000 |
| Domestic Media Circulation | 1.02B | 1.31B | 1.00B | 1.00B |
| Domestic Travel Trade Press \$ | \$175,248 | \$75,556 | \$75,556 | \$75,556 |
| Domestic Trade Press Circulation | 717,987 | 187,500 | 187,500 | 187,500 |
| In-State FAM Tours | 1 | 4 | 2 | 2 |
| Film/Movie Representatives Hosted | 0 | 0 | 2 | 2 |
| Domestic Trade Hosted | 20 | 9 | 10 | 10 |
| Domestic Journalists Hosted | 41 | 48 | 45 | 45 |
| International Journalists Hosted | 53 | 28 | 30 | 30 |
| International Group Tour Counselors Hosted | 88 | 101 | 30 | 30 |
| Visitors Served | | | | |
| Visits to TravelSD.com | 1,449,868 | 1,458,785 | 1,502,549 | 1,547,625 |
| Travelsmart Subscribers | 620,164 | 648,419 | 654,903 | 661,452 |
| Consumer Inquiries | 141,689 | 167,874 | 168,042 | 168,210 |
| STR Hotel Demand | 4,724,766 | 4,928,469 | 4,977,754 | 5,027,531 |
| Information Center Visits | 268,709 | 266,742 | 269,409 | 272,104 |

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 FY17 estimated revenue is **\$12,605,923** 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 FY17, the estimated 1.5% gross receipts tax would be distributed as follows:

Tourism Division: 1% - **\$8,403,949** and 62.654463% of the .5% is **\$2,632,724 = \$11,036,673.**

Arts: 20.942536% of the .5% is **\$880,000**

Archaeological Research Center: 9.673285% of the .5% is **\$406,469**.

Cultural Heritage Center Museum: 6.729716% of the .5% is **\$282,781**.

- 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.

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.

| | Actual FY2014 | Actual FY2015 | Budgeted FY2016 | Agency Request FY2017 | Gov Rec FY2017 | Gov Rec Inc/Dec FY2017 | % Change From FY2016 |
|---------------------------|------------------|------------------|--------------------|-----------------------------|-------------------|------------------------------|----------------------------|
| Personal Services | | | | | | | |
| Employee Salaries | 167,013 | 156,028 | 204,708 | 204,708 | 204,708 | 0 | 0.0% |
| Employee Benefits | 48,599 | 46,016 | 53,733 | 53,733 | 53,733 | 0 | 0.0% |
| FTE | 3.0 | 2.9 | 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 | 215,612 | 202,045 | 258,441 | 258,441 | 258,441 | 0 | 0.0% |
| Total PS | 215,612 | 202,045 | 258,441 | 258,441 | 258,441 | 0 | 0.0% |
| Operating Expenses | | | | | | | |
| Travel | 15,090 | 22,661 | 21,830 | 21,830 | 21,830 | 0 | 0.0% |
| Contractual Services | 69,438 | 171,180 | 149,196 | 149,196 | 149,196 | 0 | 0.0% |
| Supplies & Materials | 10,666 | 9,761 | 11,000 | 11,000 | 11,000 | 0 | 0.0% |
| Grants And Subsidies | 1,163,321 | 1,085,305 | 1,252,592 | 1,252,592 | 1,252,592 | 0 | 0.0% |
| Capital Outlay | 0 | 18,859 | 20,000 | 20,000 | 20,000 | 0 | 0.0% |
| Other | 7,579 | 6,285 | 0 | 0 | 0 | 0 | 0.0% |
| Funding Types | | | | | | | |
| General | 0 | 0 | 0 | 0 | 0 | 0 | 0.0% |
| Federal | 748,404 | 751,542 | 878,000 | 878,000 | 878,000 | 0 | 0.0% |
| Other | 517,691 | 562,509 | 576,618 | 576,618 | 576,618 | 0 | 0.0% |
| Total OE | 1,266,095 | 1,314,051 | 1,454,618 | 1,454,618 | 1,454,618 | 0 | 0.0% |
| Totals | | | | | | | |
| Funding Types | | | | | | | |
| General | 0 | 0 | 0 | 0 | 0 | 0 | 0.0% |
| Federal | 748,404 | 751,542 | 878,000 | 878,000 | 878,000 | 0 | 0.0% |
| Other | 733,303 | 764,554 | 835,059 | 835,059 | 835,059 | 0 | 0.0% |
| Total | 1,481,707 | 1,516,095 | 1,713,059 | 1,713,059 | 1,713,059 | 0 | 0.0% |

Budget Notes

There are no recommended increases or decreases.

Revenues and Performance Indicators

| | ACTUAL FY 2014 | ACTUAL FY 2015 | ESTIMATED FY 2016 | ESTIMATED FY 2017 |
|--------------------------------------|-------------------|-------------------|----------------------|----------------------|
| REVENUES | | | | |
| Promotion Tax | 735,094 | 784,190 | 835,817 | 880,000 |
| Total | 735,094 | 784,190 | 835,817 | 880,000 |
| PERFORMANCE INDICATORS | | | | |
| Co-Sponsored Events | 8,337 | 8,330 | 8,300 | 8,300 |
| Attendance at Co-Sponsored Events | 1,605,287 | 1,700,000 | 1,800,000 | 1,800,000 |
| Total Grants/Projects | 486 | 500 | 520 | 525 |
| Artists Served | 11,643 | 11,000 | 11,000 | 11,000 |
| Artists in Schools Residency - Weeks | 221 | 220 | 225 | 225 |
| Students Served | 36,549 | 40,000 | 42,000 | 45,000 |
| Touring Arts Bookings | 201 | 225 | 230 | 230 |
| Touring Arts Attendance | 126,441 | 130,000 | 140,000 | 150,000 |
| Fund for Grants & Special Projects | 1,208,481 | 1,300,000 | 1,300,000 | 1,350,000 |
| Local Matching Funds | \$16,523,652 | \$17,000,000 | \$17,000,000 | \$17,500,000 |

FY16 General Bill Amendment

Tourism Promotion and Gaming: The Governor is recommending \$483,000 in other fund expenditure authority due to an increase in promotion and gaming revenues.

Other Fund Balances

| Company and Fund Name | Blue Book Page | Ending Cash and Investment June 30 | | 60-Month Average Cash Balance | Lowest Monthly Cash Balance in Past Five Years | |
|--|----------------|---------------------------------------|---------|-------------------------------------|---|---------------|
| | | FY2014 | FY2015 | | Amount | Month |
| Company 3006 - Tourism Promotion Fund | 119 | 997,647 | 865,627 | 2,334,743 | (642,330) | July 2010 |
| Company 3139 - Archeological Research Center | 120 | 309,607 | 307,762 | 130,173 | (131,073) | July 2010 |
| Company 3139 - Historical Society Special Revenue Fund | 121 | 162,024 | 135,823 | 183,433 | 113,713 | November 2013 |
| Company 3143 - Arts - Donations and Receipts | 122 | 308,885 | 342,303 | 319,737 | 16,643 | July 2010 |
| Company 3145 - Historical Preservation Loan and Grant Fund | 123 | 365,979 | 305,958 | 417,307 | 305,958 | June 2015 |

Note: - the Funds shaded above are now under the Dept. of Education but are still included under the Tourism section of the 2015 GOAC Blue Book.

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.

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).

| Bureau Name | General | Federal | Other | Total |
|---|------------------|-----------------|------------------|--------------------|
| Bureau of Finance and Management | \$4,579 | \$0 | \$38,568 | \$43,147 |
| Bureau of Administration | \$885,238 | \$48,859 | \$275,916 | \$1,210,013 |
| Bureau of Information and Telecommunication | \$72,128 | \$22,011 | \$169,174 | \$263,313 |
| Bureau of Human Resources | \$5,605 | \$93 | \$14,915 | \$20,612 |
| Total FY15 Interagency Payments | \$967,549 | \$70,963 | \$498,572 | \$1,537,085 |

Governor's Recommended Compensation Plan and Billings Pool

(page 01-24 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 | \$0 | \$0 | (\$7,975) | (\$7,975) |
| Market Adjustment | PS | \$0 | \$0 | \$45,813 | \$45,813 |
| Movement Towards Market Value | PS | \$1,456 | \$0 | \$30,956 | \$32,412 |
| Health Insurance | OE | \$0 | \$0 | (\$587) | (\$587) |
| Market Adjustment | OE | \$29 | \$0 | \$1,512 | \$1,541 |
| Movement Towards Market Value | OE | \$0 | \$0 | \$2,383 | \$2,383 |
| Total | | \$1,485 | \$0 | \$72,101 | \$73,586 |

- 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 | - | - | 237 | 237 |