

## **APPROPRIATIONS COMMITTEE**

### **Study Assignment**

A continuing review of the appropriations process.

### **Summary of Interim**

The Special Committee on Appropriations, in accordance with chapter 4-8A, approved additional appropriations of \$51.7 million and 75.7 FTE in FY 2003. For FY 2004, the committee approved an additional \$76.4 million and 46.7 FTE.

The committee met on June 25, 2003. The following appropriation adjustments were approved:

1. Department of Social Services: \$4,500,000 (\$1,500,000 from other funds and \$3,000,000 from federal funds), in FY 2003, for intergovernmental transfers conducted by the Division of Adult Services and Aging. This will result in an additional \$1,500,000 of revenue to be deposited in the Health Care Trust Fund.
2. Department of Health: 1.0 FTE, in FY 2003, and \$1,524,591 from federal funds and 3.0 FTE, in FY 2004. The FY 2003 request was to permit an over-utilization of FTE. The FY 2004 request is for bioterrorism hospital preparedness.
3. Department of Transportation: \$5,900,000 from federal funds which includes (A) \$1,900,000, in FY 2003, which will be used for two projects: \$1,000,000 to complete the replacement of transport buses and the reappropriation of \$900,000 for the federal Transportation Enhancement Program which will enable the Department of Game, Fish and Parks to complete improvements to recreation areas along the Missouri River and (B) \$4,000,000 of one-time federal fund expenditure authority for FY2004. The department will serve as a pass-through agency for Federal Rail Administration funds to the City of Pierre for engineering and design of a rail by-pass.
4. Department of Corrections: \$1,911,235 from all funds and 32.0 FTE which is for (A) 7.0 FTE, in FY2003, for the over-utilization of personnel in the Community Service Program and (B): in FY 2004:
  - 1.0 FTE for a building maintenance worker at the Custer Youth Corrections Center to replace the inmates who will no longer be available due to sight and sound separation requirements of the Juvenile Justice and Delinquency Prevention Act.

- 15.0 FTE and other fund expenditure authority of \$922,865 to staff and operate the Rapid City Trusty Unit. (Secretary Reisch noted that the department will be going from 22 full time temporary employees to a total of 15 full time permanent employees.)
  - 5.0 FTE and \$176,370 in other fund expenditure authority in personal services in the Community Service Program to provide temporary supervision for agencies that are requesting inmate work crews in the Black Hills area.
  - \$687,000 in federal fund expenditure authority within Administration for pass-through of Juvenile Justice and Delinquency Prevention Act funds to local units of government.
  - \$125,000 in federal fund expenditure authority within Administration for the Comprehensive Approaches to Sex Offender Management Grant that was received during FY2003 (there is no match requirement).
  - 2.0 FTE at the Custer Youth Corrections Center as a result of the Civil Rights for Institutionalized Persons Act (CRIPA) review, which required the department to add two additional classroom teachers to provide services to juveniles while in intake and disciplinary.
  - 2.0 FTE in Administration for additional staff for the Central Records Area. Secretary Reisch noted that staffing in the records area has not increased despite inmate growth from 1,733 in FY1995 to 2,996 in FY2003. This area was reviewed under a technical assistance grant through the National Institute of Corrections and they actually recommended more FTE in this area--the minimum recommendation was for 2.0 FTE.
5. Commissioner of School and Public Lands: \$125,000 from other funds which is for noxious weed control: \$65,000 in FY2003 and \$60,000 in FY2004.
  6. Secretary of State: \$235,000 from federal funds and 1.5 FTE which is for: (A) 1.5 FTE, in FY 2003, for the over-utilization of personnel and (B) \$235,000 in FY2004. Of this amount, \$135,000 is for reimbursing four county governments for the purchase of voting machines that replaced punch card voting systems. The remaining \$100,000 is for a federal grant received for accessibility improvements at election polling places.
  7. Department of Agriculture: \$1,278,020 from federal funds and 15.0 FTE, in FY 2004, for the Division of Wildland Fire Suppression. This funding will be utilized by four project areas: hazardous fuel reduction, planning and implementation of fuel management, fire-wise fire education and

information, and urban interface.

8. Department of Game, Fish and Parks: \$935,000 from federal funds, in FY 2004, to be used for: (A) the extension of boat ramps on Lake Oahe (\$635,000) and (B) implementation of a Cultural Resources Program on the Missouri River (\$300,000). This will allow the department to inventory all of the cultural resources on the land along the Missouri River that have been transferred from the U.S. Corps of Engineers to the State of South Dakota.
9. Department of Human Services: \$718,794 from federal funds, in FY2004, to be used for: (A) the Division of Alcohol and Drug Abuse (\$220,794) and (B) the Division of Mental Health (\$498,000) for higher utilization of Title XIX Medicaid services.
10. Unified Judicial System: \$302,600 from other funds, in FY2004, to pay the per diem and travel expenses of the Court Appointed Special Advocate (CASA) Commission (established in 2003 HB 1247) and distribute grant awards to local CASA programs throughout the state.
11. Office of the Governor: \$10,000,000 from federal funds, in FY 2004, to be used for the Homestake Laboratory Conversion Project. A federal grant has been received from the U.S. Housing and Urban Development (HUD) Neighborhood Initiative Grant to maintain the physical integrity of the Homestake Mine in preparation for the potential development of a major research facility on that site.
- 11a. Office of the Governor: \$770,000 (\$350,000 from federal funds and \$420,000 from the State General Fund) and 3.7 FTE, in FY 2004, for the Homestake Project Office. The target date for submission of this plan is January 5, 2004. In order to meet this deadline, a small working group will be assembled to draft the Phase One Proposal.

The planning process will include information being developed in the following five subsections: 1) science requirements; 2) experiments schedule; 3) detail costs; 4) environmental assessment; and 5) management of the facility.

The General Fund portion came from the re-allocation of money from the following sources:

- \$145,000 from the Department of Education from the technology line item as a result of lower ISP charges to the schools which are paid by the state;
- \$110,000 from the Department of Environment and Natural Resources as a result of one-time federal funding freeing general funds;

- \$100,000 from the Department of Commerce from savings realized from the reorganization of the department;
  - \$25,000 from the Department of Human Services available from one-time savings realized from the renegotiation of the state's food services contract;
  - \$20,000 from the Department of Revenue and Regulation (\$8,000 from office supplies,
  - \$7,000 in excess travel funds, and \$5,000 in contractual services training);
  - \$20,000 from the Department of Labor realized from turnover of personnel and the hiring freeze.
12. Board of Regents: \$38,891,637 from all funds and 66.2 FTE, in FY 2003, for the over-utilization of funds for research.
13. Department of Education: \$50,000,000 from federal funds, in FY 2004, due to a one-time grant to the state from the federal Jobs & Growth Reconciliation Act of 2003. The Special Committee on Appropriations gave notice to the agency, via letter of intent, of its plan to introduce legislation to reduce the State General Fund appropriation by the same amount.
14. Medicaid: \$5,100,000 from federal funds, in FY 2003, and \$17,000,000 from federal funds, in FY 2004, due to a one-time grant to the state from the federal Jobs & Growth Reconciliation Act of 2003. The funds were appropriated to the following agencies:

	<b>FY 2003</b>	<b>FY 2004</b>
Department of Social Services	\$4,000,000	\$13,000,000
Department of Human Services	1,000,000	3,500,000
Department of Corrections	<u>100,000</u>	<u>500,000</u>
Total	\$5,100,000	\$17,000,000

The committee also approved letters of intent for FY 2003 and approved the distribution report for investment earnings to be distributed in FY 2003.

On December 1, 2003, the interim Appropriation Committee also approved the following items for the Department of Public Safety and the Board of Regents.

Department of Public Safety: \$4,730,536 from federal funds for the Driver's License Program, Highway Patrol, and Emergency Services Program.

- \$181,206 from federal funds for the Driver's Licensing Program. In FY03 the Driver Licensing Program received \$400,000 in federal funds to expand computerized knowledge testing. The agency spent \$273,794 (\$218,794 Federal; \$54,698 General) when they expanded the Aberdeen, Rapid City, and Sioux Falls sites and had \$181,206 left over. The Federal Motor Carrier Safety Administration allowed the remaining \$181,206 to be available this year. They plan to expand the Pierre, Mitchell, Watertown, Huron, and Brookings sites.
- \$276,330 from a federal grant that will be used to purchase automated external defibrillators for rural school districts in SD. The program started last year with the funds going to local law enforcement and emergency response teams. The agency has been told this program will run through 2006. Authority is built into the agency's FY05 budget request.
- \$638,000 from federal funds obtained by DSS from the STOP Violence Against Women Grant and awarded the Highway Patrol \$638,000 to fund the purchase of mobile data terminals (MDT's) or in car computers for 110 Highway Patrol vehicles which was approved by the US Department of Justice. The grant requires that 25% of each year's grant be used toward law enforcement in some capacity to address domestic violence. The grant funds expire June 30, 2004.
- \$3,635,000 from federal funds for emergency services. The agency requested additional federal funding due to an increase in FFY03 and FFY04 Performance Grant funds from FEMA (\$630,000). The agency also requested additional federal funding for Community Emergency Response Program. The Office of Emergency Management received new grants for Community Response Teams, Local Emergency Plans, and Citizens Corps (\$435,000). In FFY03, South Dakota received an increase in Homeland Security which resulted in a need for additional federal funding by the agency (\$2,570,000).

Board of Regents: \$500,000 from federal funds and \$1,475,000 from other funds for the following items in the Board of Regents FY2004 budget:

- Federal funds of \$500,000 and \$1,000,000 in other funds from user fees to upgrade the South Dakota Library Network (SDLN) System;
- \$397,000 from other funds for the Higher Education Facilities Fund (HEFF) to cover the additional bond issued by South Dakota Building Authority for the Lee Medicine Center replacement, South Dakota School of Mines and Technology (SDSM&T) Library remodel, SDSM&T Mineral Industries Building A/C project, and SDSM&T Primary Electrical Distribution upgrade; and
- \$78,000 from other funds for the HEFF for increased insurance costs billed to the Board of Regents from the South Dakota Building Authority.

## **Listing of Legislation Adopted**

None.

## **Summary of Meeting Dates & Places and Listing of Committee Members**

The committee met on June 25 and 27. The committee conducted two tours of the state. The East River Tour, held during August 18-20, met in Aberdeen (School for the Blind, Northern State University), Huron (State Fair, Our Home, Inc.), Volga (SD Soybean Processors, Inc.), Brookings (South Dakota State University), and Sioux Falls (State Penitentiary and One-Stop Office Building). The West River Tour, held on October 7-8, met in Spearfish (Northern Hills Training Center and Black Hills State University), Rapid City (Joint Dispatch Fire Suppression Facility and Camp Rapid), and Custer (Custer Youth Corrections—Main and East Campuses, and Custer State Park).

Committee members included: Senators Jerry Apa (Co-Chair), H. Paul Dennert, Robert N. Duxbury, William F. Earley, Brock L. Greenfield, Mike Jaspers, Marguerite Kleven, William M. Napoli, and Duane Sutton (Vice-Chair); and Representatives J.E. “Jim” Putnam (Co-Chair), Stanford M. Adelstein (Vice-Chair), Julie Bartling, Quinten L. Burg, Rebekah Craddock, Mary Glenski, Ted A. Klaudt, Orville B. Smidt, and Ron Williamson.

Staff members included: Reed Holwegner, Chief Fiscal Analyst; Mark Zickrick, Principal Fiscal Analyst; Anne Mehlhaff, Principal Fiscal Analyst; Sue Cichos, Senior Fiscal Analyst; Aaron Olson, Fiscal Analyst; and Rhonda Purkapile, Senior Legislative Secretary.