

# ENVIRONMENTAL LIVESTOCK CLEANUP FUND



*South Dakota Legislative Research Council*

## Frequently Asked Questions

The purpose of this FAQ sheet is to provide information to the Joint Committee on Appropriations regarding Informational Budgets in the South Dakota budgetary system. The information was compiled by the Legislative Research Council with assistance from the Department of Legislative Audit and the Government Operations and Audit Committee.

## When and why was this fund created?

The Environmental Livestock Cleanup Fund was created by the 1998 Legislature for the purpose of providing funds for the cleanup of intentional or unintentional discharge which results in the release, spill, leak, escape, or disposal of manure or other materials or wastes associated with livestock operations that have not been contained or managed properly and are a source of harm or a threat of harm to public health, safety, or the environment, and must be corrected. The fund is attached to the Department of Environment and Natural Resources for informational budgeting and administration of the fund.

## Where does the revenue come from?

The revenue for the fund comes from:

- (1) Money, other than criminal fines assessed in criminal actions, recovered by the state from any livestock operation in any action or administrative proceeding based upon violation of the state's environmental statutes in Title 34A or upon damage to the environment, including actions for administrative expense recoveries, civil penalties, compensatory damages, and money paid pursuant to any agreement, stipulation, or settlement in such actions or proceedings;
- (2) Interest due to the fund;
- (3) Money received by the department in the form of gifts, grants, reimbursements, or appropriations from any source intended to be used for the purposes of the environmental livestock cleanup fund;
- (4) Money from licenses, permits, and fees; and
- (5) A one-time contribution of \$750,000 from the general fund when the fund was created.

## What spending restrictions exist on the fund?

Money in the Regulated Substance Response Fund is continuously appropriated. (34A-2B-2)

The Secretary of the Department of Environment and Natural resources may expend money from the environmental livestock cleanup fund to provide for the costs of investigations, emergency remedial efforts, corrective actions, and managerial or administrative activities associated with the activities resulting from a discharge. (34A-2B-3) The Secretary's use of the environmental livestock cleanup fund shall be based upon the following:

(1) In the case of an investigation, when the Secretary determines that a discharge has probably occurred and that the general operating budget of the department for such purposes is not adequate to cover the costs of the necessary investigatory activities;

(2) In the case of an emergency remedial effort, when the Secretary determines that a discharge has occurred and that corrective actions shall be immediately undertaken to protect an imminent threat to the public health or safety or to contain a discharge which, if not immediately contained, will in time pose a significantly greater threat to public health or safety or to the environment of this state than if such action is not immediately taken;

(3) In the case of a discharge not of an emergency nature when the secretary determines that a discharge has occurred, that a responsible party or liability fund capable of performing the corrective actions either cannot be identified or refuses to undertake corrective actions, and that corrective actions shall be undertaken to protect the public health, safety, welfare, or environment of the state; or

(4) In the case of corrective action required at a livestock operation when the secretary determines that the potential for a discharge exists, that an owner, operator, or liability fund capable of performing the corrective actions either cannot be identified, refuses or is unable to undertake corrective actions, and that corrective action must be undertaken to protect against an imminent threat to the public health, safety, welfare, or environment of the state.

## Is the fund on the state accounting system? What is the timing of the Fiscal Year?

The fund is on the state accounting system. The fiscal year runs the same as the State Fiscal Year which is from July 1 to June 30.

## When was the last audit completed on this fund?

The South Dakota Department of Legislative Audit has audited the financial statements of the Environmental Livestock Cleanup Fund as of June 30, 2006. The fund is also reviewed annually by the Joint Appropriation's Committee during the budget hearing process for the Department of Environment and Natural Resources.

2007 Government Operations and Audit Committee "Blue Book"

Prepared by the Department of Legislative Audit

Other Fund Information

**Department of Environment and Natural Resources**  
**State Accounting System - Other Fund Balances**  
**Company 3072 - Environmental Livestock Cleanup Fund**

	FY2004	FY2005	FY2006	FY2007
1 Cash Pooled with State Treasurer	961,777.17	993,383.49	1,028,741.19	1,061,721.08
2 Total Assets	961,777.17	993,383.49	1,028,741.19	1,061,721.08
3				
4 Accounts Payable	-	-	-	-
5 Total Liabilities	-	-	-	-
6				
7 Reserve for Encumbrances	-	-	-	-
8 Unreserved Fund Balance	961,777.17	993,383.49	1,028,741.19	1,061,721.08
9 Total Fund Equity	961,777.17	993,383.49	1,028,741.19	1,061,721.08
10 Total Liabilities and Fund Equity	961,777.17	993,383.49	1,028,741.19	1,061,721.08
11				
12				
13 Licenses, Permits and Fees	-	2,529.00	9,240.00	2,000.00
14 Total Operating Revenue	-	2,529.00	9,240.00	2,000.00
15				
16 Personal Services and Benefits	-	-	-	-
17 Travel	-	-	-	-
18 Contractual Services	-	-	-	-
19 Supplies and Materials	-	-	-	-
20 Grants and Subsidies	-	-	-	-
21 Capital Outlay	-	-	-	-
22 Total Operating Expenditures/Expenses	-	-	-	-
23				
24 Transfers In	42,506.04	29,077.32	26,117.70	30,979.89
25 Transfers Out	-	-	-	-
26 Net Transfers In (Out)	42,506.04	29,077.32	26,117.70	30,979.89
27				
28 Net Change	42,506.04	31,606.32	35,357.70	32,979.89
29				
30 Beginning Fund Equity	919,271.13	961,777.17	993,383.49	1,028,741.19
31 Prior Period Adjustment	-	-	-	-
32 Ending Equity	961,777.17	993,383.49	1,028,741.19	1,061,721.08

**Company:** 3072

**Company Name:** Other Funds - Participating

**Fund Name:** Environmental Livestock Cleanup Fund

**Fund Type:** Special Revenue

**Purpose:** SDCL 34A-2B-2 created the Environmental Livestock Cleanup Fund. Source: Civil actions related to damage to the environment, including actions for administrative expense recoveries, civil penalties, compensatory damages, and money paid pursuant to any agreement, stipulation, or settlement in such actions or proceedings. Interest attributable to investment of the money in the fund. Uses: All money in the environmental livestock cleanup fund is continuously appropriated to provide funds for the cleanup of discharges.

**Budget Information:** Included in the General Appropriations Bill as an informational budget.

Condition Statement Prepared by the Bureau of Finance and Management on 10/15/07

**Department of Environment & Natural Resources  
Livestock Cleanup Fund  
Condition Statement (3074-740-INFO)**

	ACTUAL FY2006	ACTUAL FY2007	BUDGETED FY2008
<b>TOTAL RECEIPTS</b>	<u>\$35,358</u>	<u>\$32,980</u>	<u>\$34,169</u>
<b>TOTAL DISBURSEMENTS</b>	<u>\$0</u>	<u>\$0</u>	<u>\$765,000</u>
NET (Receipts less Disbursements)	<u>\$35,358</u>	<u>\$32,980</u>	<u>(\$730,831)</u>
BEGINNING CASH BALANCE	\$993,383	\$1,028,741	\$1,061,721
<b>ENDING BALANCE</b>	<u><u>\$1,028,741</u></u>	<u><u>\$1,061,721</u></u>	<u><u>\$330,890</u></u>