

Memorandum

To: Members of the Interim JCA
From: Fred Schoenfeld
Chief Fiscal Analyst, LRC 
Date: June 4, 2010
Subject: Implementation of Appropriations

Pursuant to the request of Co-Chair Hunhoff, information was requested from most budget units regarding the manner in which they have/will implement budget adjustments enacted in the previous session.

The responses received from the various agencies are attached.

Executive Branch Agencies

Commissioner Dilges of the Bureau of Finance and Management indicates in his response that the Governor asked BFM to coordinate a consolidated response for the Executive Agencies. As noted in Commissioner Dilges' letter, this response was limited to FY11 budget reductions. While these items are likely the ones of most interest to the JCA members, they did not cover everything requested, i.e., adjustments as the result of the Governor's budget, budgetary increases made by the legislature, nor Federal and Other fund adjustments. In the event additional detail is desired concerning these items, it will have to be the subject of a supplemental request.

Board of Regents

Although BOR is technically an Executive Branch Agency, it was not included in the BFM response. They have submitted a separate and detailed response.

Other Agencies

Responses received from the remaining budget units are attached as follows:

- Investment Council
- Unified Judicial System
- Legislative Operations and Research Council
- Legislative Audit
- Attorney General
- Secretary of State
- Public Utilities Commission



**DEPARTMENT OF EXECUTIVE MANAGEMENT
BUREAU OF FINANCE AND MANAGEMENT**

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June 1, 2010

Fred Schoenfeld
Chief Fiscal Analyst
Legislative Research Council
Capitol Building
Pierre, SD 57501

Dear Fred,

Your letter dated May 4 to the agencies of state government requested information "concerning your planned implementation of your FY10 and FY11 budgets pursuant to enactments in the legislative session just completed." The letter went on to request information specifically pertaining to cuts enacted by the legislature to agency budgets and how the agencies would implement those cuts.

Governor Rounds has asked that I coordinate that response as it relates to the Executive Branch of state government. By coordinating the response, we hope to offer you a better understanding of how the executive branch will implement the FY11 budget as directed by Governor Rounds.

The information has been assembled by department and asks the following questions:

1. Did the cuts that were made by the Legislature cause the agency to eliminate or reduce services?
2. If so, what services were eliminated or reduced and what areas or individuals were affected?
3. If services were not eliminated or reduced, what funding sources were used to preserve a similar level of funding present before the Legislative cuts were made?

The information has been assembled by department and deals only with those cuts enacted by the legislature. In departments that received cuts due to right-sizing of budgets such as state aid and Medicaid, the responses highlight that rather than attempt to answer the questions above that do not pertain to that particular cut.

Should you have questions regarding these responses, I would encourage you to contact my office at 773-3411.

Sincerely,

Jason C Dilges, Commissioner
Bureau of Finance and Management

Office of the Governor: (\$95,000) General Funds

The Office of the Governor was cut \$95,000 in general funds corresponding to the Midwestern Higher Education Consortium (MHEC) membership. As a result, the MHEC membership dues for FY2011 will not be paid.

Department of Agriculture: (\$100,000) General Funds

For FY2011, the State Fair has incurred an additional general fund cut of \$100,000. The current \$300,000 budget is less than 40 % of the general fund support just two years ago. In order to manage the Fair in a manner that maintains operational effectiveness and generates revenues, no additional changes are planned for the day-to-day operations of the South Dakota State Fair at this time.

The South Dakota Department of Agriculture (SDDA) believes that any additional cost-cutting measures would have a significant negative impact on the Fair's ability to produce a quality event. Instead, the State Fair will rely on the elimination of SDDA-supported maintenance and repair expenses and use a diminishing level of working capital to temporarily cover the annual shortfall created by the latest \$100,000 cut.

Department of Social Services: (\$10,689,288) General Funds

Major reductions in the Department of Social Services FY2011 budget include \$6,489,288 in the Medicaid Part D Clawback payment and \$4,200,000 in the Medicaid program. These reductions right-size the budget to what expenditures are anticipated to be. No services are being cut, and there will be no impact to providers because of these reductions.

Department of Human Services: (\$238,372) General Funds

The Department of Human Services (DHS) realized a budget decrease of general funds in the amount of \$238,372 for the Human Services Center (HSC) dietary bond payment for FY2011. The Governor's recommended budget included \$394,000 in general funds to make the annual bond payment. After the Governor's budget recommendation was released, the DHS was able to secure a 45% interest refund through Recovery Zone bond authority. Due to the timing in issuing the bonds, the HSC will only make a partial payment in FY2011. In FY2012, the HSC's budget will need to be restored to make the full payment for interest and principal of \$447,405. This cut was a rightsizing of the bond payment needed thus no programs or individuals will be affected.

Department of Education: (\$5,249,029) General Funds

DDN Services (\$300,000)

For Technology in Schools we did not cut services per the Appropriations discussion. The plan to reduce the DDN budget includes:

- Elimination of software maintenance on the video conference systems in the schools. We are doing "self maintenance" by collecting the least-used units in the schools. Those units will be our "spare" pool which will provide us hardware coverage. Should a software bug manifest itself, we would have to deal with the problem at that point in time.
- Bandwidth costs for the schools have been frozen. The state will continue to pay for the bandwidth that is in place today. If a school wishes to add more, the local district would be financially responsible for the increase in costs. Also, any new schools added would be the financial responsibility of the local district.
- Statewide Internet costs will be apportioned by the Department of Education and the Bureau of Information and Telecommunications.

No employees were cut at the state level.

Education Service Agencies (ESA) (\$500,000)

All state funding to the ESA have been eliminated. The net result is a loss in services schools have received for the past 7 years. The DOE is no longer able to meet its statutory obligation to provide for a statewide system of support. Some school districts have contracted with ESA on a fee for service basis. The DOE was able to grant Title II D American Recovery and Reinvestment Act (ARRA) technology grants to ESA which will help maintain some stability of staffing through 2010. However, there is no vehicle to meet the federal requirement of the DOE providing technical assistance under No Child Left Behind (NCLB). The ESA directors estimate a cut of 3 to 4 employees system wide in FY2011.

Reduction to State Aid to General Education (\$3,100,627)

In addition to the increase of \$6,180,264 to state aid to general education budget for the increased students as well as making the Cutler/Gabriel adjustment (amendment 196mag), there was a reduction of \$3,100,627 (amendment 196mar).

This \$3.1 million reduction includes \$2,000,000 that was reduced due to right-sizing of state aid, as leftover state aid from FY2010 will be carried forward for the FY2011 budget. No services nor employees will be cut. The remaining \$1,100,627 reduction is a result of the passage of HB1248. HB1248 eliminates the increasing enrollment supplement, but now will pay state aid based on the fall enrollment in the current year. If the actual fall 2010 enrollment is as projected, no additional cuts will be necessary.

Reduction of the Increase to Postsecondary Vocational Education (\$1,348,402)

No employees were directly eliminated due to the \$1.3 million cut. However, needed equipment purchases for programs have been delayed which limits the capacity of those programs. The student to teacher ratio has increased; there are limited funds available to hire additional instructors, so personnel services have been limited. In addition, the capacity levels for high cost programs have been limited due to the cut.

The cut mainly impacts the students through higher tuition and fee costs and limited student services. State fees will increase 15.8%, and tuition will increase by 6.7% next year. Not all of the increases are due to the cut of \$1.3 million, but the increase in student costs would have been less if this cut had not been made.

Department of Health: (\$1,500,000) Other Funds

Tobacco Prevention & Control Program Counter-Marketing (\$100,000)

- Reduction of funding for public education messaging, primarily advertising.

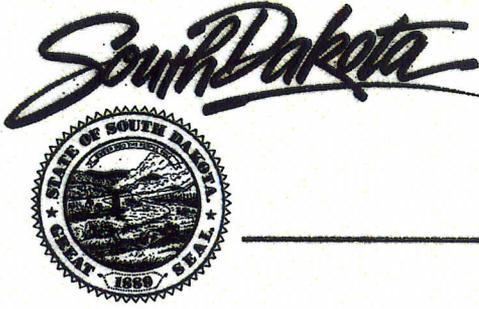
Schools/Communities/Outreach (\$1,000,000)

- Elimination of funding for community-based tobacco prevention efforts at 85 schools and 15 community coalitions. The program will announce a limited funding opportunity for up to 6 blended school/community partnership grants based on revised criteria and with a defined evaluation component. The program will continue to fund K-12 curriculum and provide technical assistance and training to schools, communities, worksites, and the public.
- Reduction of funding for Department of Health chronic disease programs (diabetes, heart disease, and stroke).
- Elimination of funding support for the Delta Dental Care Mobile.
- Elimination of funding support for the Healthy Start program located on select reservations.

Cessation \$400,000

- Reduction of funding for prescription drugs from 12 weeks to 8 weeks.
- Through a competitive RFP process, we centralized the purchase and distribution of nicotine replacement therapy medications to assure the lowest possible rates.

The Tobacco Prevention and Control Program contacted all contractors, vendors, and partners to provide timely information regarding the reduction in tobacco funds. Health care providers were notified via multiple venues. Community coalitions and schools received written notification and communication from tobacco prevention and control staff. Partners such as the American Cancer Society and other state agencies including the Departments of Education and Human Services, as well as the Tobacco Prevention and Control Advisory Committee, were kept abreast of the funding cuts as the process unfolded.



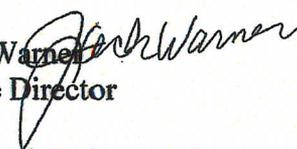
BOARD OF REGENTS

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OFFICE OF THE EXECUTIVE DIRECTOR

June 2, 2010

To: Legislative Research Council
Fred Schoenfeld, Chief Fiscal Analyst

From: Dr. Jack Warner 
Executive Director

RE: FY10 and FY11 Budget Implementation

Thanks for this opportunity to discuss our FY10 and FY11 budget implementation decisions.

Tuition Increase and Across the Board Cuts

The total changes to the Governor's budget recommendations as identified in the Joint Appropriations summary of the FY11 budget, produced a total reduction of \$6,970,000. Looking at only the cuts from the FY10 base budgets, the total dollar cut was actually \$6,512,912 to the university and special schools base budgets. The Board looked at the cuts closely when determining the tuition and fee increase for FY11. Unfortunately, South Dakota already has the lowest appropriation per student FTE in the region, resulting in very high tuition and fee costs. I have attached the two slides from our 2010 budget presentation that depicts our situation (Attachment I). Given our situation, the Board was very concerned about simply passing the cuts onto students. The Board tried to balance the necessity to provide a quality education with commensurate services, focusing on the goal to keep public education accessible.

None of the targeted cuts made by the Legislature will be covered with other funds except for the WICHE dues, a required membership according to statute and the consortium agreement.

You are probably aware that the Board increased tuition and fees by only 4.6% at their special April meeting. This is the lowest tuition and fee increase in over a decade. The increase only allowed for 32.6% of the general fund cuts to be substituted with tuition and fees. Specific line-item cuts made by the Legislature were not replaced with tuition or other funds. A summary of the cuts and the amount replaced are identified in Attachment II.

The campuses identified the cuts necessary to accommodate the balance of the across-the-board cuts, a total of \$2,021,163. Attachment III is a summary of the budget decisions made to implement the FY10 and FY11 budget reductions.

Technology Fellows

The original program was designed as a scholarship program with the rate of pay tied to the cost of tuition and fees. It was my understanding that the committee expected that this be revisited and redesigned. A system taskforce has been created to review the pay structure of the program and establish stronger uniformity in the management and training of program participants. The \$270,000 cut to the program will not be replaced with other funds and resulted in a 35% reduction in the number of slots available, from 193 to 125. Each university was asked to re-evaluate their use of fellows and specify the number of tech fellows they could utilize effectively. This review resulted in a number of the positions being redistributed between campuses. The task force will recommend changes to the payment structure, management structure and training structure of the program.

Physics Ph.D.

The Governor recommended the Physics Ph.D. to establish strong linkages between the universities and the work at the mine, using talent and expertise developed in South Dakota. The program would have cost \$970,000 and 17.0 FTE. The Legislature did not approve funding for the new Ph.D. program. This program is instrumental to promoting and sustaining the research that will take place at SUSEL/DUSEL. Funding is not available to implement the program.

Enrollments

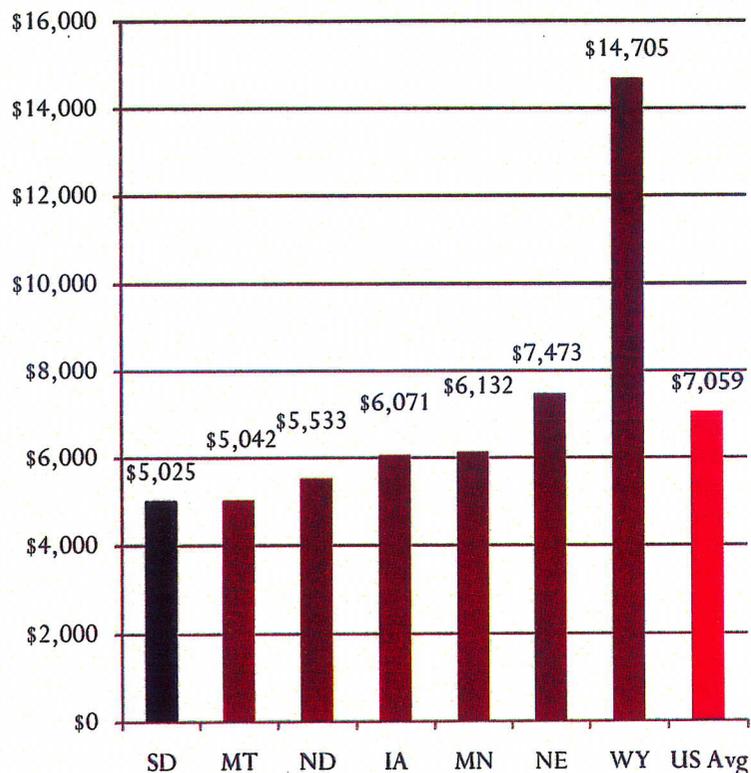
The Board continues to support the goal of serving as many students as possible to meet the future work force needs of the state. With record headcount enrollments at 33,770 and total student FTE at 25,468, it is challenging to meet the needs of a growing student body with fewer general fund dollars. Despite the challenge, the Board believes that continued enrollment growth is the right strategy and is in the best interest of the state long-term.

I, along with office staff, would be happy to address any specific questions about our FY11 budget implementation plans. Please contact Monte Kramer, Janelle Toman or me to address any questions or to provide any additional information.

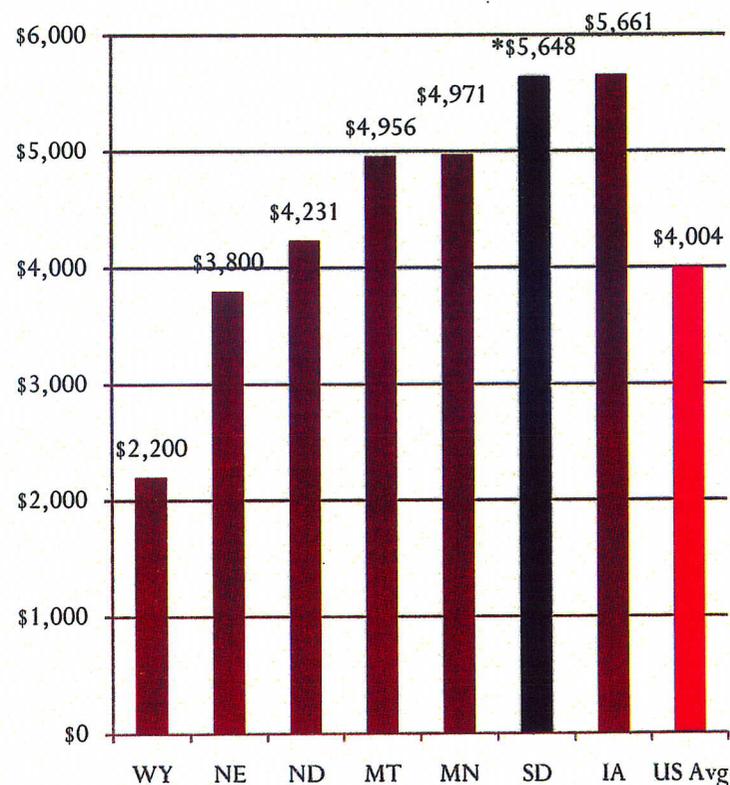
Cc: Board of Regents Members

Limited State Support Puts Pressure on Tuition to Fill Funding Gaps

**Appropriations Per FTE
FY08 Public Postsecondary
Education**



**Net Tuition Revenue Per FTE
FY08 Public Postsecondary
Education**

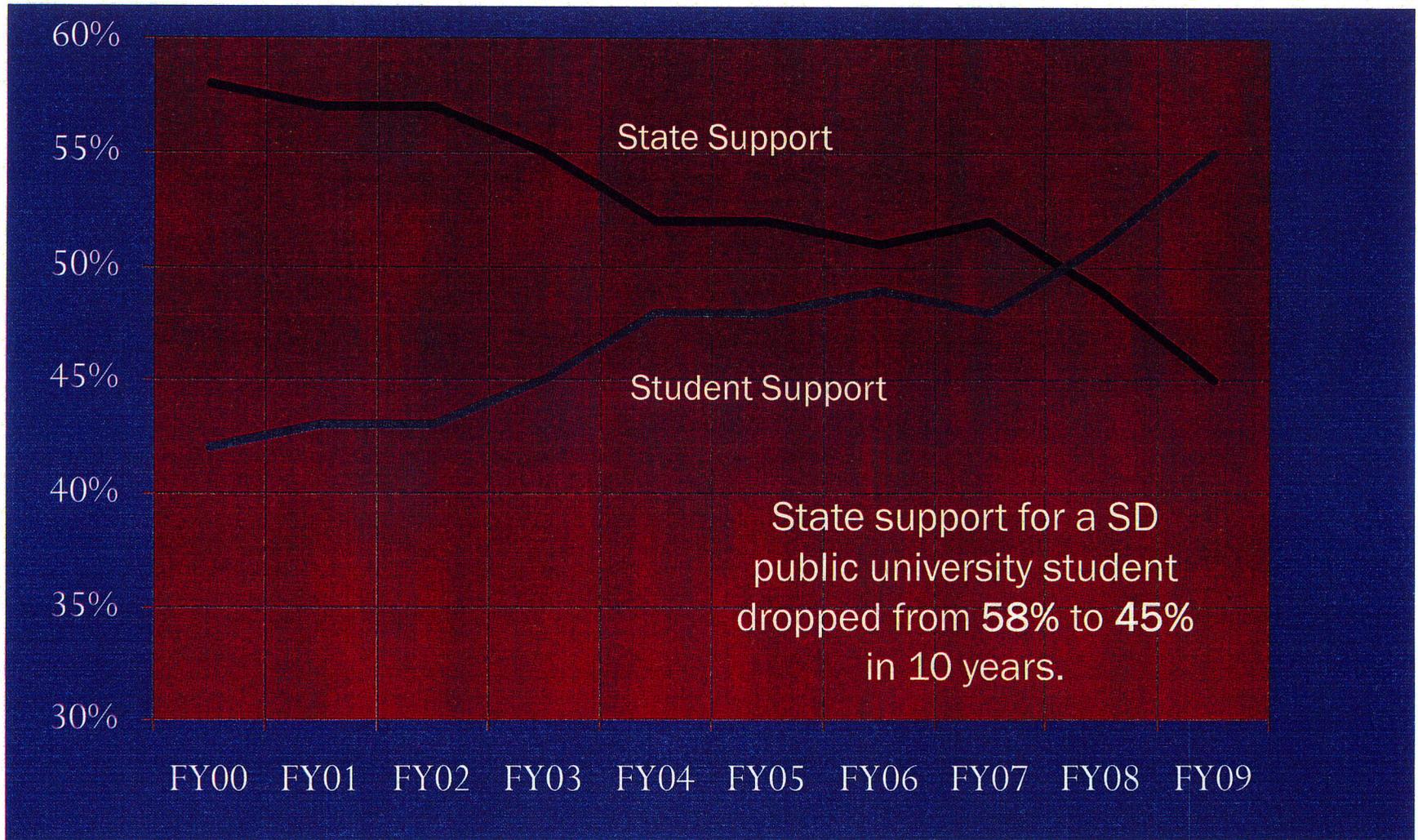


* Includes \$491 per FTE for debt service; only SD uses tuition for capital debt.

Source: SHEEO State Higher Education Finance (SHEF) Report, 2009
(SHEF data adjusted for enrollment mix and cost of living, so numbers will differ from SD's Fact Book)

Declining State Support Drives Up Tuition & Fees

... and Limits Access to Lower-Income Students



Note: Excluded from state support are ADRDL, AES, CES, School of Medicine, and the special schools.

Source: Fact Book Fiscal Year 2010

**South Dakota Board of Regents
FY11 Budget Cuts**

Program	Cut Amount	Replace	Explanation
Performance Funding	(\$500,000)	\$0	We will no longer have an incentive based performance program.
Electronic University Consortium	(\$169,314)	\$0	The EUC director recently resigned and her position will not be filled. This vacancy will allow us an opportunity to change the management structure and capture the amount cut.
WICHE Funding	(\$105,000)	\$105,000	Current statute and the consortium agreement will require that we remain a member for at least two years. A long-term decision about our membership will need to be made. This will be paid with tuition and fees.
Technology Fellows	(\$270,000)	\$0	The program will be down-sized from 192 tech fellow slots to 125, a reduction of 67. We will also review the structure of the program to address concerns about the cost per student.
AES	(\$300,000)	\$0	This was a targeted cut by the legislature equaling a 2.9% cut.
CES	(\$200,000)	\$0	This was a targeted cut by the legislature equaling a 2.4% cut.
SDSD	(\$660,000)	\$0	This cut was related to the restructuring of the delivery model.
Utility Decrease	(\$12,912)	\$0	This amount relates to the reduction in rates.
Across the Board Cuts			Across the board cuts allocated based on the campus tuition, general fund and salary competitiveness fund base.
BHSU	(\$316,508)	(\$158,254)	The tuition and fee increase for FY11 will replace only one-half of the university across-the-board cuts. The cuts represent a 2.04% decrease to the base.
DSU	(\$243,587)	(\$121,794)	
NSU	(\$347,916)	(\$173,958)	
SDSM&T	(\$413,166)	(\$206,583)	
SDSU	(\$1,479,597)	(\$739,799)	
USD	(\$1,009,973)	(\$504,987)	
MED	(\$441,578)	(\$220,789)	
Subtotal	(\$4,252,325)	(\$2,126,163)	
SDSBVI	(\$43,361)	\$0	Cannot replace the dollars with tuition - a 1.61% cut.
Total Across-the-Board	(\$4,295,686)	(\$2,021,163)	

	Cut Amount	Replace	Portion Replaced
Total University System Cuts	(\$5,809,551)	(\$2,126,163)	36.6%
Total Special Schools Cuts	(\$703,361)	\$0	0.0%
	(\$6,512,912)	(\$2,126,163)	32.6%

**South Dakota Board of Regents
FY10 Budget Changes
June 2, 2010**

FY10 Budget Changes

Utilities – Utility amounts were reduced in SB49 for FY10 by \$694,471. Legislature approved an amendment to use \$677,836 cut from the School for the Deaf budget to backfill the cut made to the utility budget for FY10. The campuses will share equally in the net cut of \$16,635.

Federal / Other Increases – The only other changes made to the FY10 budgets in the 2010 session were increases to spending authority levels at SDSU and AES. These needs were primarily the result of growth in grants and contracts and increasing enrollments and revenues.

**South Dakota Board of Regents
FY10 Budget Changes
June 2, 2010**

FY11 Budget Changes

In summary, the total change to the Governor's recommended budget was a reduction of \$6,970,000. The actual cuts to the FY10 base budget were \$6,512,912 (excluding \$970,000 for the Ph.D. request, including the \$500,000 cut to Performance Funding, and a utility cut of \$12,912). Of this amount, \$2,126,163, or about 30%, was replaced through a tuition and fee increase of 4.6%.

Following are the specific line-item cuts made by the Legislature.

WICHE funding - The \$105,000 cut that funded WICHE dues will be funded with tuition and fees. The current consortium agreement requires membership for at least two more years.

School for the Deaf Restructure – The program delivery model for the School for the Deaf was revised resulting in savings of \$660,000. Brandon Valley has been contracted to deliver the Auditory Oral Program and Harrisburg has been contracted to deliver the Bilingual Program. The outreach program has been expanded to support all deaf students across the state.

Electronic University Consortium – The EUC director position was recently vacated and will not be filled. The program will be restructured to utilize the distance education accreditation afforded the universities through EUC and eliminating unnecessary duplication of costs. The restructure will allow the capture of the \$169,314 cut from the budget.

Tech Fellow Program – The \$270,000 cut to the Tech Fellows program will require a full review of the structure of the program. A system taskforce has been created to address the technology fellow funding model and establish stronger uniformity in the management and training of program participants. The total number of technology fellows has been reduced by 35% (from 192 to 125) and the remaining fellows have been redistributed based on technology support needs. The taskforce is charged with establishing a set of updated guidelines for managing the program into the future. The dollars will not be replaced and the program will operate on the remaining funding.

Coop Extension Program - As a result of the \$200,000 cut, The Cooperative Extension Service will reduce 2.0 FTE as follows: 1.0 FTE soil science extension specialist dealing with soil fertility and 1.0 associate director position. The duties of the associate director will need to be absorbed by the CES director. The cuts will not be replaced by other funds.

Ag Experiment Station – As a result of the \$300,000 cut, the Agriculture Experiment Station will reduce 6.5 FTE as follows: 1.0 FTE soil scientist faculty in the department of Plant Science; 4.3 ag research technicians that work in the Plant Science, Animal Science, and Dairy Science

departments in support of projects; and 1.2 FTE information assistant/word processor positions assigned to Dairy Science and Ag & Biosystems Engineering. The soil scientist research area has been closed out and the research assistants will be funded by sponsored program grant funds, not state general funds. Funding will not be replaced for AES.

Various Institutions and Central Office – An across the board cut resulted in a funding reduction of \$4,295,686. Tuition and fees have been raised to cover one-half of those cuts or \$2,126,163. The School for the Blind cut of \$43,361 will not be covered with tuition and fee increases. The universities have outlined plans to deal with budget reductions that will not be recaptured by raising tuition and fees. Those plans, by campus, are as follows:

BHSU **\$158,254**

Outreach Program Coordinator **\$51,741**
Eliminate 1 FTE outreach position which develops non credit workshops and seminars for professionals throughout the region. The loss of this position will reduce interaction with the campus. Professional development experiences for business and industry will require fees for participants.

Center for the Advancement of Math & Science Education **\$64,189**
The reduction of 1.25 FTE in the Center for the Advancement of Math and Science Education will reduce professional development opportunities for science and math educators throughout the state and negatively impact the state/national imperative to increase the STEM workforce. External grant funds are being sought to offset the cut.

Reduce Associate Director of CAMSE	\$29,705
Reduce Science Education Specialist	\$19,893
Reduce Materials Coordinator	\$14,591

Cashier **\$8,298**
The loss of .3 FTE in the cashier's office may negatively impact students for bill payment and other functions by requiring longer lines and wait times for service.

Instructional Improvement **\$17,025**
These funds have been provided to faculty through a competitive process to enhance instructional delivery. Loss of funding may negatively impact integration of technology into the classroom.

Faculty Research **\$17,000**
Funding to encourage grant writing and research endeavors will be eliminated. The loss of funding may result in less grant activity and fewer research projects.

DSU **\$121,794**

DSU proposes the following cuts. The total of the two is more than the amount required, but these two figures are estimates and we would perhaps have some expenses in FY11 as we phase these out.

Respiratory Care Program – 2.0 FTE **\$74,000**

The elimination of the delivery of the Respiratory Care programs (A.S. and B.S.) in Rapid City would save DSU approximately \$74,000 annually. Program graduates are in high demand and have been very successful in finding employment in South Dakota. However, student enrollments are low, especially in Rapid City, and the program is very expensive to deliver. DSU would eliminate the Respiratory Care Program in Rapid City, but would still maintain the program in Sioux Falls.

Scientific Forensic Technology Program –1.0 FTE **\$47,794**

DSU will discontinue the Scientific Forensic Technology Program. This would save approximately \$50,000 and 1.0 FTE faculty position.

NSU **\$173,958****Director position for the SD International Business Institute** **\$92,154**

This position assists State and Federal agencies in enhancing international trade and investment. This was to be accomplished by developing and implementing international trade services for South Dakota in a manner that optimizes return on investment.

Economic Development **\$81,804**

These funds are being used to support faculty members or teams of faculty to work directly with business and industry in new business start-up or other commercial and economic development activities. For example, some faculty members have been involved with the start-up of IKORlife.com and others were involved with the new wind turbine blade manufacturer. While a research agenda tied to commercial and economic development will continue to be pursued, a more focused plan will be used. We'll explore grant opportunities for Entrepreneurship Education and work with Absolutely Aberdeen regarding jointly funded projects that could bring small businesses to the Aberdeen area and, in turn to the campus. Although these reduced funds will impact our outreach to the business community, if grant dollars are secured, that impact could be minimized.

SDSMT **\$206,583****Reduce Assist Prof. - General Engineering - 0.26 FTE** **\$28,000**

SDSM&T is changing its freshman engineering curriculum and discontinuing a general engineering class.

Reduce Assist Prof. - General Engineering - 0.52 FTE **\$32,240**

SDSM&T is changing its freshman engineering curriculum and discontinuing a general engineering class.

Assist. Prof. Metallurgical Engineering – 0.31 FTE **\$20,343**

Shifting professor's duties to EPSCoR resulting in less effort being devoted to general funded teaching duties.

Eliminate Program Coordinator-Ph. D in Biomedical Engineering – 1 FTE \$126,000

The School of Mines is recommending termination of the M.S. and Ph.D. programs in Biomedical Engineering. No new students will be admitted and the current students are working with the faculty to develop completion plans. The termination will be effective at the end of the spring semester in 2012. This date will allow current students sufficient time to complete their programs of study. SDSM&T will continue collaboration with USD. That collaboration involves offering courses for USD and SDSM&T students on some of the engineering topics that USD faculty cannot teach. The recommended termination plan has the following fiscal implications: For FY11, SDSM&T will not fill the program coordinator vacancy. The \$126,000 was part of the FY11 budget reductions approved by the BOR in May. The remaining money allocated to the BME program, \$232,000, is used for supporting the 20 students in the program through graduate assistantships, support for student research, and to cover instructional costs for faculty to teach the courses needed by USD and SDSM&T. These funds need to remain through FY12 so that the students can complete their degrees. Beyond FY12, funds will need to be reallocated to support USD delivery of the program and to fund any partner needed to delivery engineering courses.

SDSU**\$739,799****Executive Vice President and Associated Support Functions \$261,680**

This is the elimination of the Vice President for Administration office. The identified dollars includes the operating expenses for the office, 2.6 FTE and associated salary/fringe benefit dollars which includes the VP position and one full time and one part-time support staff positions. The duties and responsibilities for this position have been reassigned to others.

Office of Academic Affairs Re-organization of Support Services \$85,883

To maximize efficiencies, the Provost has re-organized and streamlined support services offered by this office. What was previously offered through three distinct positions (Coordinator for Service Learning, Coordinator for Faculty Development, and Coordinator for AL Cloud/Faculty Development) is being consolidated into one FTE renamed to the Director of a Teaching and Learning Center. The Director for the Teaching and Learning Center will assume responsibilities for these three areas and be housed in a newly created Teaching and Learning Center located in Briggs Library. This is more in line with peer institutions, many of whom have created comprehensive resource centers for faculty. This amount represents the savings by moving from 3 full or part-time FTE to 1 FTE.

Assistant to the Dean, College of General Studies \$98,715

The Assistant to the Dean of the College of General Studies position has been eliminated. With this downsizing, degree-granting functions of this College are being moved to other colleges. The mission for this College is to serve non-declared students, provide leadership to academic advising and serve as the Career Planning center for the campus.

Associate Registrar **\$65,688**

The Associate Registrar position is being eliminated equal to 1 FTE. The functions of this position will be distributed to others in the Registrar's office.

Summer Term **\$78,000**

The popularity of on-line courses is particularly strong during summer term when students often live off campus but desire to continue to take courses. Because of the recent change in offering all on-line courses on self support tuition, it is possible to down-size our summer school state support budget without impacting the number of courses offered.

Acquisitions Library Assistant **\$36,472**

One career-service position at Briggs Library is being eliminated a 1 FTE. The responsibilities of this position will be reassigned to other support staff in Briggs Library and some of the duties can be assumed by student labor.

Manage Extra Sections for General Education **\$34,343**

As enrollment at SDSU has grown, demand for general education courses has grown proportionately. SDSU has been conservative about adding additional full-time faculty positions but we have pooled resources into an extra section fund to add adjuncts and graduate assistants as needed to meet demands for general education courses. Because of this cut, our ability to add additional sections will be more limited.

College of Education and Human Sciences Restructure **\$49,018**

A major restructuring effort at SDSU has resulted in the merger of two Colleges into a new College of Education and Human Sciences. Beyond going from two Deans to one, the College is also re-organizing from seven departments to four. This savings results from reducing three department head salaries (note, these three department heads will return to faculty positions) and gleaning some savings in departmental operations.

Instructional program O&E and Capital Assets in Computer Labs **\$30,000**

We are downsizing the budget for computer labs by \$30,000 as two computer labs will come off line next year as we fully implement AL Cloud on campus. Wireless availability and lap top computers are relieving pressure to maintain the number of open computer labs.

Agriculture Experiment Station (AES) **\$300,000**

The Agriculture Experiment Station will reduce 6.5 FTE as follows: 1.0 FTE soil scientist faculty in the department of Plant Science; 4.3 ag research technicians that work in the Plant Science, Animal Science, and Dairy Science departments in support of projects; and 1.2 FTE information assistant/word processor positions assigned to Dairy Science and Ag & Biosystems Engineering. The soil scientist research area has been closed out and the research assistants will be funded by sponsored program grant funds, not state general funds. The two clerical positions have been eliminated and the duties assigned to the central agriculture communications office.

Cooperative Extension Service (CES) **\$200,000**
 The Cooperative Extension Service will reduce 2.0 FTE as follows: 1.0 FTE soil Science extension specialist dealing with soil fertility and 1.0 Associate CES Director which position has been eliminated due to the consolidation of administrative duties to the Extension Director.

SDSBVI **\$43,361**

The School for the Blind and Visually Impaired proposes the following budget cuts for FY11.

Cook **\$21,163**

This position will not be filled in FY11.

Not filling the cook position has required the other kitchen staff to alter schedules to cover both weekdays and weekends. It has reduced our flexibility and causes scheduling difficulties when someone is ill or takes vacation days.

Houseparent **\$23,501**

This position will not be filled in FY11.

House parent positions are filled each year based on the specific students in the residential program. Not filling this position could impact our ability to admit students, as we need to maintain appropriate ratios of staff based on student's handicapping conditions.

USD – Sanford School of Medicine **\$220,790**

MD/PhD **\$220,790**

Reduce the MD/PhD program annual class size from 4 to 2, and redirect the 2 admissions per year to expand the current MD program from 50 to 52 per year. The reduction will result in elimination of a .1 FTE MD/PhD Academic Coordinator, .5 FTE assistant professor, .5 FTE associate professor, two .5 FTE graduate assistants, and reduction of operating expenses (primarily mission based management contractual services).

The national average ratio of MD/PhD students to MD students is 1:23. The SSOM MD/PhD program ratio is currently 1:12. The reduction proposed will align the size of the SSOM MD/PhD program to national norms. The MD/PhD program is important to the SSOM and South Dakota. It attracts the best and brightest and those students raise the academic standards and expectations of the entire class. The SSOM national accrediting body, the Liaison Committee on Medical Education viewed the MD/PhD program as a new strength in improving the research and scholarly environment in which medical students are educated. MD teaching faculty report medical students are more inquisitive during their clinical rotations than prior to the advent of the MD/PhD students.

USD**\$504,987****Computational Science and Statistics PhD program****\$231,647**

USD will terminate the Computational Science and Statistics PhD program. Termination of the program results in elimination of two faculty positions, two graduate assistants, and operating expenses.

The PhD Program in Computational Science and Statistics program is not sustainable with the current resources available. Recruiting and sustaining a faculty capable of delivering a quality PhD in Computational Sciences and Statistics and developing a research program in the area requires a substantial investment due to high faculty costs (which is due, in part, to the very high salaries available in this area in the commercial and academic sectors). Without a truly effective faculty and a substantial body of students enrolling in the PhD, MS, and BS programs, the university cannot sustain such a program. At present, we have 2 extramural grants in this department: one for Information Technology education at tribal college partners (GAIN-IT) and a bioinformatics subcontract. Both can be continued without the PhD program. We have 2 students enrolled in the PhD program, both of whom can complete the program with remaining faculty positions. We had 2 applicants this year; both have found other programs at USD that meet their needs. The MS and BS Computer Science programs will continue to be offered.

Library Services**\$101,729**

Reorganization of the ID Weeks library will result in elimination of one position and downward reclassification of three positions.

Technology Fellows**\$32,000**

The FY2011 legislative process resulted in a 35% cut to the technology fellows program. USD's commitment will also be reduced by \$32,000.

Information Technology Services**\$139,611**

Information Technology Services is eliminating one help desk employee position, reducing labor and cutting technology equipment funding.

South Dakota Investment Council
FY 2010 and FY 2011 Budgets – Planned Implementation

FY 2010: There were no adjustments contained in SB49 for the Investment Council's FY 2010 budget. The Investment Council's budget is funded entirely by Other Funds.

FY 2011: There are no planned implementation changes in the FY 2011 budget from the budget presentation made to the Appropriations Committee during legislative session. The Governor's proposed changes included an increase of \$644,845. There were no legislative amendments to the Governor's proposed budget. The Investment Council's budget is funded entirely by Other Funds.



State of South Dakota
Unified Judicial System
Office of the State Court Administrator

Telephone: (605) 773-3474
FAX: (605) 773-5627

500 East Capitol Avenue
Pierre, SD 57501-5070

June 3, 2010

Fred Schoenfeld
Chief Fiscal Analyst
Legislative Research Council
500 East Capitol Avenue
Pierre, SD 57501-5070

Dear Mr. Schoenfeld,

Thank you for the opportunity to discuss the adjustments made to the FY11 UJS Budget as a result of the passage of SB49 and the final version of SB196. Please see the summaries below:

FY10 Budget Adjustments

The UJS received \$155,000 of Other Fund authority through SB 49. The additional authority has been added to the Child Support Referee program. This program pays for court appointed referees to perform child support modification hearings. For the fiscal year 2010, the Department of Social Services is projecting that 3,170 cases will be eligible for reimbursement. The UJS only had Other Fund authority for 2,550 cases. Therefore, the \$155,000 of authority was requested to allow reimbursement of the additional 620 cases.

FY11 Budget Adjustments

Numerous changes were made to the UJS FY10 budget to arrive at the final FY11 Budget. The UJS requested increases to Other Funds in the amount of \$2,156,004 for training purposes, child support modification hearings, and for the purchase of a new case management system. The UJS requested an increase of \$179,615 to general funds for various remodeling projects throughout the state. In addition, the Governor's office also recommended increases to General Funds of \$362,504, Federal Funds of \$770, and Other Funds of \$8,549 for state employee health insurance. Legislative action reduced the UJS General Fund budget by \$400,000. To absorb this reduction, each program was asked to evaluate previous and current spending patterns in order to determine areas which could be reduced without affecting services or cutting programs. In addition to removing the capital asset request for the Meade County remodel project, various operating budgets were impacted to absorb the \$400,000 reduction.

We would be happy to answer any additional questions.

Sincerely,

A handwritten signature in blue ink that reads "Patricia Duggan".

Patricia Duggan
State Court Administrator

The mission of the State Court Administrator's Office is to improve the Unified Judicial System through leadership and service to the courts and other justice system stakeholders.

Legislative Budget

FY 11 Budget	Budgeted FY 10	Inflation	Exp./Red.	FY 11 Request	% Change
Legislative Operations					
Legislative Members					
Salary	\$ 630,000			\$ 630,000	0.0%
Benefits	\$ 48,210			\$ 48,210	0.0%
Total	\$ 678,210	\$ -	\$ -	\$ 678,210	0.0%
Per Diem	\$ 462,000			\$ 462,000	0.0%
Travel	\$ 128,322			\$ 128,322	0.0%
Total	\$ 590,322	\$ -	\$ -	\$ 590,322	0.0%
Contractual	\$ 10,302			\$ 10,302	0.0%
Legislative Member Total	\$ 1,278,834	\$ -	\$ -	\$ 1,278,834	0.0%
Legislative Support					
Salary (part-time)	\$ 136,403			\$ 136,403	0.0%
Interns	\$ 99,000			\$ 99,000	0.0%
Pages	\$ 41,400			\$ 41,400	0.0%
Benefits	\$ 21,097			\$ 21,097	0.0%
Total	\$ 297,900	\$ -	\$ -	\$ 297,900	0.0%
Travel (out of state)	\$ 3,000			\$ 3,000	0.0%
Contractual Services					
Equipment	\$ 11,432			\$ 11,432	0.0%
Space Billing	\$ 258,486	\$ 7,280		\$ 265,766	2.8%
Telephone	\$ 15,341			\$ 15,341	0.0%
Liability Coverage	\$ 2,633			\$ 2,633	0.0%
Photographic Services	\$ 5,950			\$ 5,950	0.0%
Advertising	\$ 950			\$ 950	0.0%
Registration Fees	\$ 900			\$ 900	0.0%
Computer Services (private)	\$ 79,049			\$ 79,049	0.0%
Computer Services (state)	\$ 75,331			\$ 75,331	0.0%
Other	\$ 6,729			\$ 6,729	0.0%
Total	\$ 456,801	\$ 7,280	\$ -	\$ 464,081	1.6%
Supplies & Materials					
Supplies	\$ 18,293			\$ 18,293	0.0%
Printing (state)	\$ 14,560			\$ 14,560	0.0%
Printing (commercial)	\$ 52,514			\$ 52,514	0.0%
Total	\$ 85,367	\$ -	\$ -	\$ 85,367	0.0%
Legislative Support Total	\$ 843,068	\$ 7,280	\$ -	\$ 850,348	0.9%

Legislative Budget

Legislative Operations Total	\$ 2,121,902	\$ 7,280	\$ -	\$ 2,129,182	0.3%
Legislative Research Council					
Research & Analysis					
General Administration					
Salaries	\$ 201,945			\$ 201,945	0.0%
Benefits	\$ 46,079	\$ 1,085		\$ 47,164	2.4%
Total	\$ 248,024	\$ 1,085	\$ -	\$ 249,109	0.4%
Travel (In -state)	\$ 831			\$ 831	0.0%
Travel (Out-of -state)	\$ 6,741			\$ 6,741	0.0%
Total	\$ 7,572	\$ -	\$ -	\$ 7,572	0.0%
Contractual Services					
Registration Fees	\$ 1,251			\$ 1,251	0.0%
Space Billing	\$ 5,248	\$ 148		\$ 5,396	2.8%
Telephone	\$ 4,655			\$ 4,655	0.0%
Equipment Rental	\$ 2,898			\$ 2,898	0.0%
Liability Coverage	\$ 675			\$ 675	0.0%
Total	\$ 14,727	\$ 148	\$ -	\$ 14,875	1.0%
Supplies & Materials					
Office Supplies	\$ 1,709			\$ 1,709	0.0%
Printing (State)	\$ 2,000			\$ 2,000	0.0%
Postage	\$ 5,848			\$ 5,848	0.0%
Total	\$ 9,557	\$ -	\$ -	\$ 9,557	0.0%
Capital Assets	\$ 585			\$ 585	0.0%
General Administration Total	\$ 280,465	\$ 1,233	\$ -	\$ 281,698	0.4%
Legal Research					
Salaries	\$ 713,517		\$ (11,426)	\$ 702,091	-1.6%
Benefits	\$ 170,026	\$ 4,342	\$ (5,250)	\$ 169,118	-0.5%
Total	\$ 883,543	\$ 4,342	\$ (16,676)	\$ 871,209	-1.4%
Travel (In -state)	\$ 1,649			\$ 1,649	0.0%
Travel (Out-of -state)	\$ 24,588			\$ 24,588	0.0%
Total	\$ 26,237	\$ -	\$ -	\$ 26,237	0.0%
Contractual Services					
Registration Fees	\$ 7,427			\$ 7,427	0.0%
Space Billing	\$ 48,068	\$ 1,340		\$ 49,408	2.8%
Telephone	\$ 13,763			\$ 13,763	0.0%
Central Services	\$ 3,748			\$ 3,748	0.0%
Equipment Rental	\$ 2,818			\$ 2,818	0.0%
Liability Coverage	\$ 3,504			\$ 3,504	0.0%
Dues & Subscriptions	\$ 6,598			\$ 6,598	0.0%
Equipment Maintenance	\$ 4,059			\$ 4,059	0.0%
Other	\$ 4,079			\$ 4,079	0.0%
Total	\$ 94,064	\$ 1,340	\$ -	\$ 95,404	1.4%

Legislative Budget

Supplies & Materials						
Office Supplies	\$	9,801		\$	9,801	0.0%
Printing (State)	\$	14,835		\$	14,835	0.0%
Printing (Commercial)	\$	800		\$	800	0.0%
Postage	\$	5,783		\$	5,783	0.0%
Other	\$	35,000		\$	35,000	0.0%
Total	\$	66,219	\$ -	\$ -	\$ 66,219	0.0%
Capital Assets						
	\$	9,540		\$	9,540	0.0%
<u>Legal Research Total</u>	\$	1,079,603	\$ 5,682	\$ (16,676)	\$ 1,068,609	-1.0%
<u>Fiscal Analysis</u>						
Salaries	\$	336,659		\$ 16,676	\$ 353,335	5.0%
Benefits	\$	82,013	\$ 2,171		\$ 84,184	2.6%
Total	\$	418,672	\$ 2,171	\$ 16,676	\$ 437,519	4.5%
Travel (In -state)						
	\$	2,831		\$	2,831	0.0%
Travel (Out-of -state)						
	\$	7,777		\$	7,777	0.0%
Total	\$	10,608	\$ -	\$ -	\$ 10,608	0.0%
Contractual Services						
Registration Fees	\$	3,469		\$	3,469	0.0%
Space Billing	\$	6,567	\$ 185		\$ 6,752	2.8%
Telephone	\$	7,338		\$	7,338	0.0%
Equipment Rental	\$	1,912		\$	1,912	0.0%
Liability Coverage	\$	1,314		\$	1,314	0.0%
Total	\$	20,600	\$ 185	\$ -	\$ 20,785	0.9%
Supplies & Materials						
Office Supplies	\$	1,495		\$	1,495	0.0%
Printing (State)	\$	1,311		\$	1,311	0.0%
Postage	\$	2,949		\$	2,949	0.0%
Total	\$	5,755	\$ -	\$ -	\$ 5,755	0.0%
Capital Assets						
	\$	1,463		\$	1,463	0.0%
<u>Fiscal Analysis Total</u>	\$	457,098	\$ 2,171	\$ 16,676	\$ 475,945	4.1%
<u>Interim Committee</u>						
Salaries	\$	78,650		\$	78,650	0.0%
Benefits	\$	6,017		\$	6,017	0.0%
Total	\$	84,667	\$ -	\$ -	\$ 84,667	0.0%
Travel						
	\$	95,619		\$	95,619	0.0%
<u>Interim Committee Total</u>	\$	180,286	\$ -	\$ -	\$ 180,286	0.0%
<u>Code Counsel & Commission</u>						
Salaries	\$	91,218		\$	91,218	0.0%
Benefits	\$	19,378	\$ 362		\$ 19,740	1.9%

Legislative Budget

Total	\$ 110,596	\$ 362	\$ -	\$ 110,958	0.3%
Travel (In State)	\$ 2,680			\$ 2,680	0.0%
Travel (Out of State)	\$ 4,185			\$ 4,185	0.0%
Total	\$ 6,865	\$ -	\$ -	\$ 6,865	0.0%
Contractual Services					
Registration Fees	\$ 1,305			\$ 1,305	0.0%
Space Billing	\$ 5,078	\$ 143		\$ 5,221	2.8%
Telephone	\$ 1,734			\$ 1,734	0.0%
Equipment Rental	\$ 1,459			\$ 1,459	0.0%
Liability Coverage	\$ 420			\$ 420	0.0%
Computer Services (state)	\$ 47,835			\$ 47,835	0.0%
Computer Services (private)	\$ 17,500			\$ 17,500	0.0%
Total	\$ 75,331	\$ 143	\$ -	\$ 75,474	0.2%
Supplies & Materials					
Supplies	\$ 1,709			\$ 1,709	0.0%
Postage	\$ 1,398			\$ 1,398	0.0%
Printing (State)	\$ 278			\$ 278	0.0%
Printing (Commercial)	\$ 34,176			\$ 34,176	0.0%
Total	\$ 37,561	\$ -	\$ -	\$ 37,561	0.0%
Code Counsel & Commission Total	\$ 230,353	\$ 505	\$ -	\$ 230,858	0.2%
Intergovernmental Cooperation					
Travel (Out of State)	\$ 155,644		\$ (150,000)	\$ 5,644	-96.4%
Contractual Services					
Registration Fees & Dues	\$ 234,025	\$ 9,636		\$ 243,661	4.1%
Intergovernmental Cooperation Total	\$ 389,669	\$ 9,636	\$ (150,000)	\$ 249,305	-36.0%
Contract Research					
Contractual Services	\$ 29,000			\$ 29,000	0.0%
Legislative Research Council	\$ 2,646,474	\$ 19,412	\$ (150,000)	\$ 2,515,886	-4.9%
Legislative Operations	\$ 2,121,902	\$ 7,280	\$ -	\$ 2,129,182	0.3%
Legislative Budget Total	\$ 4,768,376	\$ 26,692	\$ (150,000)	\$ 4,645,068	-2.6%
Blue=Governor recommended					
Red=Cut by Legislature					

Department of Legislative Audit

The budgets adopted for FY10 and FY11 will not result in any reductions or increases in services provided by the Department of Legislative Audit. No changes in staffing levels will occur during the remainder of FY10 or for FY11. The following paragraphs provide details on two matters for the JCA's information.

An amendment to the Governor's Recommended Budget for FY11 for the Department of Legislative Audit (DLA) was considered which would have added two FTE to enable DLA to complete the State's Single Audit within the required nine month timeframe. This amendment was not adopted by the Joint Appropriations Committee. With present staffing, we do not expect to be able to complete the State's Single Audit for the year ended June 30, 2010 by March 31, 2011 as required by federal law. At the present time, the only known consequence of not completing the Single Audit on time will be that the State cannot be considered a low risk auditee for the purposes of the Single Audit. However, this will not have any real impact as the State is not considered a low risk auditee for other reasons. It is possible that federal agencies will impose other sanctions on the State for late submission of the Single Audit, the most serious of which would be the withholding of funds. However, we do not consider the withholding of funds as a likely sanction. We will continue to update the JCA regarding this matter as information becomes available.

The budget for DLA for FY11 as adopted by the Executive Board in August of 2009 contained funds to purchase new notebook computers. The Governor removed these funds from his recommended budget believing that DLA's reversion history suggested that sufficient funds were available to purchase the computers. We will continue to monitor the expected useful life of our existing notebook computers and may purchase new computers from within the existing budget if funds are available and the need to replace the computers becomes the highest priority for using the funds.

Attorney General

In response to the letter dated May 4, 2010-

The Office of Attorney General had one major reduction in general funds. General funds in the amount of \$298,365 were reduced in the Consumer Division and replaced by Other funds generated from consumer settlements. This funding switch is meant to be temporary and will return to being generally funded after two years of using settlement funds. Settlement funds are being used while they are available to take some pressure off general funds for a short period of time. Settlements are not consistent enough to support this division for the long term.

Schoenfeld, Fred

From: Bray, Teresa
Sent: Thursday, June 03, 2010 3:48 PM
To: Schoenfeld, Fred
Cc: Bray, Teresa
Subject: Implementation of the FY 2011 Budget

Fred:

This email is in response to your letter requesting information regarding the planned implementation of the FY 2010 and FY 2011 budgets for the Secretary of State's Office.

No changes were made to the FY 2010 budget for our office during this Legislative Session. We have continued the management of this year's budget with no changes.

During the 2010 Legislative Session, the Secretary of State's Office requested a reduction of our General Fund budget. With regards to General Fund Personnel Services, the overall budget was reduced by \$5,272. This was attributable to a partial reallocation of the FTE expenditures for the Election Supervisor and Fiscal Manager to Federal Funds. An increase of 0.3 FTE was added to this office for a part-time Election Clerk. The net result of these is the stated reduction. Further reductions were requested to the General Fund Operating Expenses budget, totaling \$33,030. This included a reduction to Contractual Services in the amount of \$27,030, which was a reduction for the Computer Services expenditure from the Bureau of Information and Telecommunications (BIT) for our office. In addition, the Supplies and Materials budget was reduced by \$6,000 as a result of the passage of HB 1010. The change resulting from this bill decreased the projected expenditure for printing the 2011 Legislative Manual.

The Federal Fund budget had a net zero increase. The increase to Federal Fund Personnel Services was offset by an equal reduction to Federal Fund Operating Expenses. The Other Fund budget had a \$33 reduction, which was the result of the decrease in square footage charge for office space.

All changes reflected above were entered into the budget system the beginning of May when the FY 2011 budget was loaded. The Secretary of State's Office will proceed with implementation and management of the FY 2011 budget accordingly.

Should you have any questions, please let me know.

Teresa

Teresa J. Bray

Deputy Secretary of State
Office of South Dakota Secretary of State
500 E. Capitol Ave. Pierre, SD 57501
Phone (605) 773-3537 Fax (605) 773-6580
Email: Teresa.Bray@state.sd.us Web Page: <http://www.sdsos.gov>

PUC

Major Change:

Increase \$256,833 Federal Stimulus Funds
 3 FTE

This new funding will create new staff positions, each limited to a three year employment period, to engage in electricity system projects and dockets in coordination with other staff and agencies in the State of South Dakota, and with other states in the region. This funding will also support on-going training of new and current staff. Once the grant funding is consumed, the positions will be eliminated.