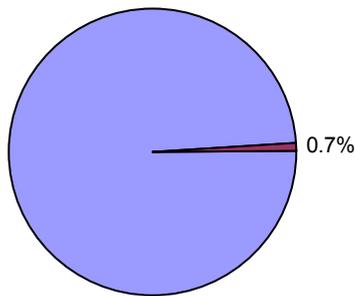


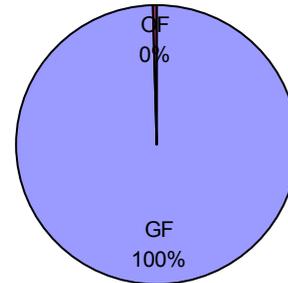
FY2006 Budget Briefing

The Legislature

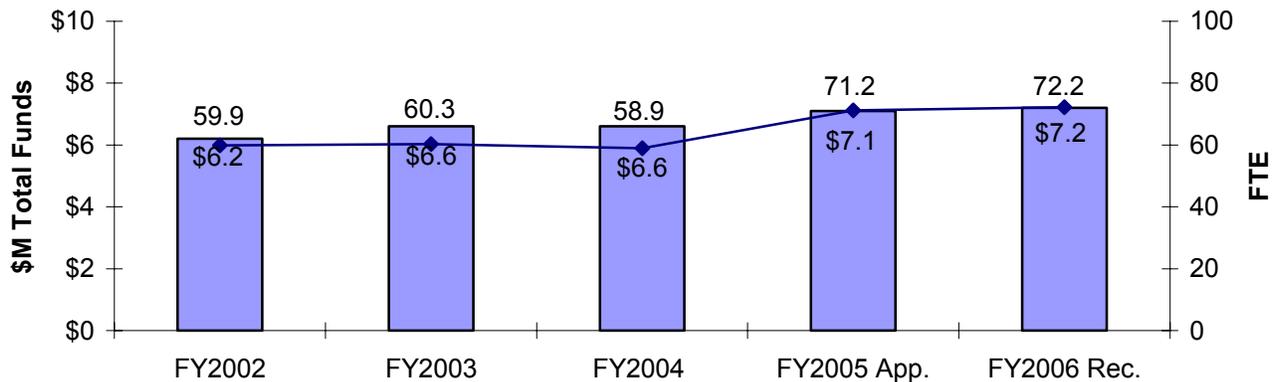
Agency's Share of Total Budgeted State General Fund FY2006



Agency's Funding Source Split FY2006 Budgeted



Budget History



Key Responsibilities

- Established by Article III of the State Constitution, the Legislature represents the people of South Dakota.
- It promotes and protects the general welfare by: (1) establishing state policy through the consideration and passage of legislation, and (2) overseeing the rest of state government.
- The Legislature is staffed by two service agencies, the Legislative Research Council which analyzes state policy and drafts legislation and the Department of Legislative Audit which performs financial post-audits.

Legislative Branch Total

The legislative budget is funded primarily from the State General Fund; less than 0.5% of the recommended budget comes from other funds. For FY2005, the legislative agencies request, as approved by the LRC Executive Board, \$7,097,428 (\$7,062,428 from the State General Fund) and 72.2 FTE. This is a decrease of \$20,170 (0.3%) from FY 2005. The Governor recommends \$7,215,639 (\$7,180,639 from the State General Fund) and 72.2 FTE. This is an increase of \$98,041 (1.4%) from FY 2005 and an increase of \$118,211 (1.7%) from the legislative agencies' request.

Item	Actual FY2004	Approved FY2005	Agency Req. FY2006	Gov. Rec. FY2006	Change from FY2005	% Change from FY2005
Personal Services	4,416,498	4,879,249	4,884,714	5,002,925	123,676	2.5%
Travel	1,019,372	922,642	864,903	864,903	(57,739)	-6.3%
Contractual Services	1,002,485	1,040,443	1,066,377	1,066,377	25,934	2.5%
Supplies and Materials	146,235	259,896	252,996	252,996	(6,900)	-2.7%
Capital Outlay	56,152	15,368	28,438	28,438	13,070	85.0%
TOTAL	6,640,742	7,117,598	7,097,428	7,215,639	98,041	1.4%
Funding Sources:						
General Funds	6,630,658	7,082,598	7,062,428	7,180,639	98,041	1.4%
Other Funds	10,084	35,000	35,000	35,000	-	0.0%
TOTAL	6,640,742	7,117,598	7,097,428	7,215,639	98,041	1.4%
FTE	58.8	71.2	72.2	72.2	1.0	1.4%

Major Expansion and Reduction

Budget Item	Agency Request			Governor's Recommendation		
	State General Fund	All Funds	FTE	State General Fund	All Funds	FTE
A. Auditor II	48,339	48,339	1.0	48,339	48,339	1.0
B. Salary Package	-	-	0.0	118,211	118,211	0.0
Total Change	48,339	48,339	1.0	166,550	166,550	1.0

- A. The Auditor General requests \$48,339 from the State General Fund for 1.0 Auditor II position (\$47,163 salary plus benefits) and related operational expenditures. Due to new accounting standards and auditing requirements and increased staff support to legislative committees, the Department of Legislative Audit has missed the March 31 deadline for completing the statewide audit by 77 days for FY 2002 and 42 days for FY 2003. **The Governor concurs.**
- B. Salary Package: **The Governor recommends \$118,211** from the State General Fund for a salary package which consists of 2.5% step movement, a 3% across-the-board increase.

Legislative Research Council

Created by chapter 2-9, members of the Senate and the House of Representatives are the members of the Legislative Research Council. The 15 member Executive Board appoints the director who hires all other LRC employees. Through the LRC, legislative policies are analyzed, and legislation is drafted. The Office of Code Counsel is also organized within the LRC. The agency requests \$4,504,875 which includes \$4,469,875 from the State General Fund and \$35,000 other funds. This is a decrease of \$86,463 (1.9%) from FY 2005. The agency also requests 36.2 FTE. The Governor concurs with this request.

Item	Agency Req.				Change from FY2005	% Change from FY2005
	Actual FY2004	Approved FY2005	FY2006	Gov. Rec. FY2006		
Personal Services	2,342,441	2,675,978	2,645,885	2,645,885	(30,093)	-1.1%
Travel	926,396	815,013	755,364	755,364	(59,649)	-7.3%
Contractual Services	834,594	866,363	877,542	877,542	11,179	1.3%
Supplies and Materials	110,269	222,396	214,496	214,496	(7,900)	-3.6%
Capital Outlay	47,752	11,588	11,588	11,588	-	0.0%
TOTAL	4,261,452	4,591,338	4,504,875	4,504,875	(86,463)	-1.9%
Funding Sources:						
General Funds	4,251,368	4,556,338	4,469,875	4,469,875	(86,463)	-1.9%
Other Funds	10,084	35,000	35,000	35,000	-	0.0%
TOTAL	4,261,452	4,591,338	4,504,875	4,504,875	(86,463)	-1.9%
FTE	25.4	36.2	36.2	36.2	-	0.0%

Revenues

Other Fund Revenue Sources

	Actual FY2003	Actual FY2004	FY2005 Estm.	FY2006 Estm.	% Change From FY2003
Document Room Revenue	\$ 12,104	\$ 10,028	\$ 10,028	\$ 10,028	-17.2%
Room & Computer Charges	7,400	6,550	6,550	6,550	-11.5%
Subscription to SD Register	880	760	760	760	-13.6%
Total	\$ 20,384	\$ 17,338	\$ 17,338	\$ 17,338	-14.9%

- The decrease in personal services and operating expenses is primarily due to the next 35-day legislative session.

Legislative Employee Compensation and Health Insurance

The Governor recommends \$118,211 from the State General Fund for a FY 2006 salary package of 2.5% step movement, a 3% across-the-board increase.

Item	Actual FY2004	Approved FY2005	Agency Req. FY2006	Gov. Rec. FY2006	Change from FY2005	% Change from FY2005
Personal Services	-	-	-	118,211	118,211	0.0%
Funding Sources:						
General Funds	-	-	-	118,211	118,211	0.0%

➤ The Legislature approved \$120,255 for a salary package in FY 2005.

Department of Legislative Audit

The Department of Legislative Audit, headed by the Auditor General, serves the Legislature and the people of this state by providing independent audits and assistance to enhance public accountability by improving the capability of reports and strengthening the operational controls of state and local government. In addition to its main office in Pierre, Legislative Audit has field staff in Aberdeen, Huron, Lead, Mitchell, Parker, Rapid City, Sioux Falls, Wallace, and Wentworth; the field staff manager is located in Brookings.

The agency requests \$2,592,553 from the State General Fund. This is an increase of \$66,293 (2.6%) from FY 2005. The agency also requests 36.0 FTE, an increase of 1.0 position compared to the current FY 2005. The Governor concurs.

Item	Agency Req.				Change from FY2005	% Change from FY2005
	Actual FY2004	Approved FY2005	FY2006	Gov. Rec. FY2006		
Personal Services	2,074,057	2,203,271	2,238,829	2,238,829	35,558	1.6%
Travel	92,976	107,629	109,539	109,539	1,910	1.8%
Contractual Services	167,891	174,080	188,835	188,835	14,755	8.5%
Supplies and Materials	35,966	37,500	38,500	38,500	1,000	2.7%
Capital Outlay	8,400	3,780	16,850	16,850	13,070	345.8%
TOTAL	2,379,290	2,526,260	2,592,553	2,592,553	66,293	2.6%
Funding Sources:						
General Funds	2,379,290	2,526,260	2,592,553	2,592,553	66,293	2.6%
FTE	33.5	35.0	36.0	36.0	1.0	2.9%

Revenues

Other Fund Revenue Sources

	Actual FY2003	Actual FY2004	FY2005 Estm.	FY2006 Estm.	% Change From FY2003
Audit Service Charges	\$ 1,111,302	\$ 1,104,357	\$ 1,166,000	\$ 1,231,000	10.8%
Other	-	11,368	8,500	8,500	100.0%
Total	\$ 1,111,302	\$ 1,115,725	\$ 1,174,500	\$ 1,239,500	11.5%

Selected Performance Indicators

	Actual FY2003	Actual FY2004	FY2005 Estm.	FY2006 Estm.
Fiscal and Compliance Audits:				
State Agencies	9	9	9	9
Political Subdivisions	60	53	49	49
Nonrecurring Audits or Reviews	2	8	5	5
Internal Control Reviews	26	13	15	15
Independent Public Accountant Reports Reviewed	275	308	300	300

The Auditor General requests \$48,339 from the State General Fund for 1.0 Auditor II position (\$47,163 salary plus benefits) and related operational expenditures. Due to new accounting standards and auditing requirements and increased staff support to legislative committees, the Department of Legislative Audit has missed the March 31 deadline for completing the statewide audit by 77 days for FY 2002 and 42 days for FY 2003. The Governor concurs.

Other operational enhancements items included in the request are: \$10,000 for the scheduled peer review and \$13,070 for the replacement of 12 desktop computers that are 6 years old, printers and office furniture. With this addition, Legislative Audits' capital outlay budget will increase from \$3,780 to \$16,850, an increase of 345.8 percent. The Governor concurs.

Other Departmental Issues

A. Interim Appropriation Actions

	Approved FY2005 Budget	Interim Action	Revised FY 2005 Budget
Funding Sources:			
General Funds	\$ 7,082,598	\$ -	\$ 7,082,598
Federal Funds	\$ -	\$ -	\$ -
Other Funds	\$ 35,000	\$ -	\$ 35,000
Total	<u>\$ 7,117,598</u>	<u>\$ -</u>	<u>\$ 7,117,598</u>
F.T.E.	71.2	-	71.2

There have been no interim adjustments.