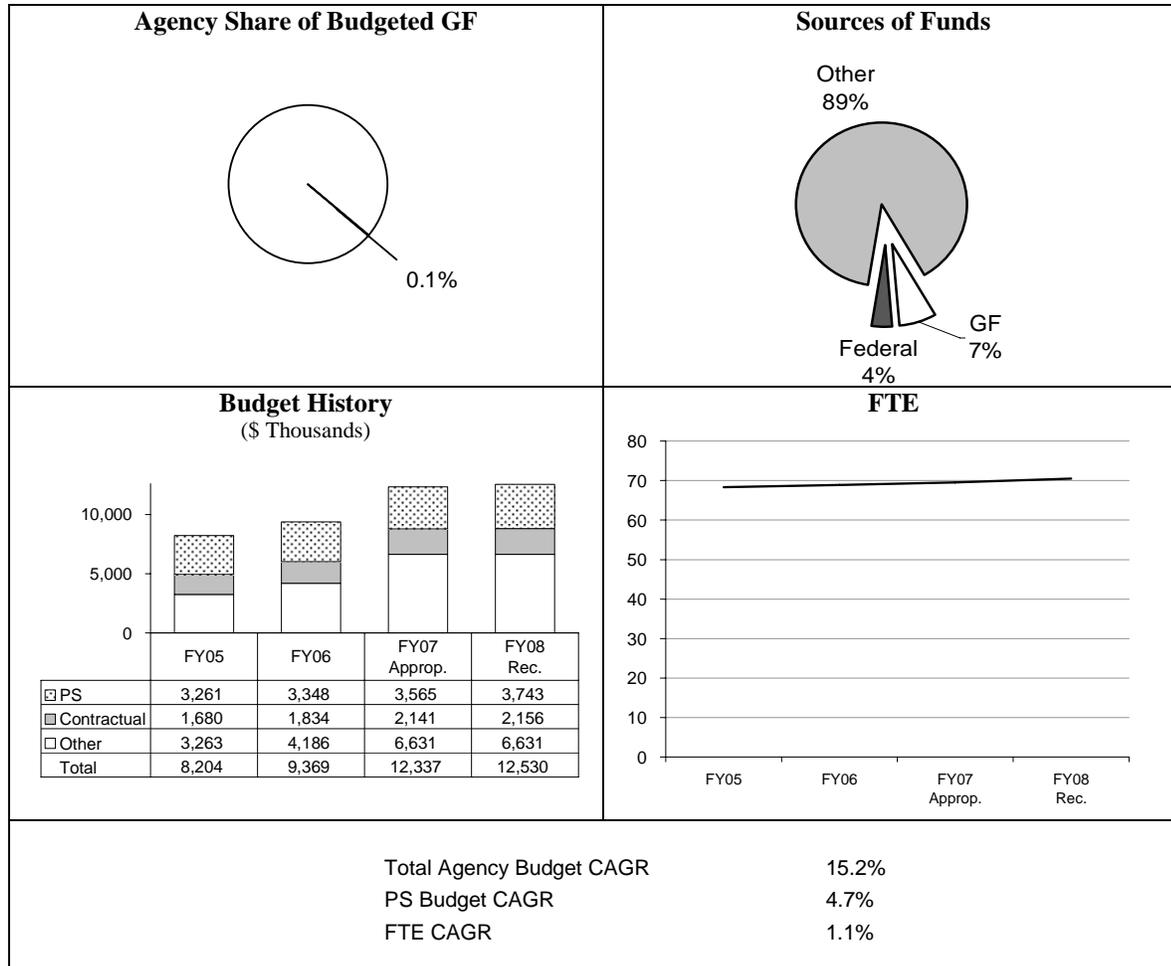


FY2008 Budget Briefing

Bureau of Personnel



Key Responsibilities

The Bureau of Personnel, a part of the Department of Executive Management, manages the human resource programs in combination with the Career Service Commission and the Law Enforcement Civil Service Commission. The bureau establishes compensation levels and benefits. As manager of the civil service system, the bureau classifies positions in the executive branch, announces vacancies, screens applicants, provides training, and investigates labor issues. In the 2003 Special Session, the Legislature authorized the agency to administer a health insurance risk pool for those individuals who cannot otherwise obtain health insurance.

Key Personnel

- Sandra Zinter, Commissioner

Bureau Total

The Bureau of Personnel requests \$12,382,218 (\$848,563 from the State General Fund) and 70.5 FTE. The Governor recommends \$12,530,161 (\$858,583 from the State General Fund). This is an increase of \$193,278 (1.6%) from FY2006 and an increase of \$147,943 from the agency's request. All increases from the agency request recommended by the Governor are related to the agency's share of allocated salary, health insurance, and space allocation costs, as discussed below.

Items	Actual	Budgeted	Agency Req.	Gov Rec.	Inc/Dec	% Change
	<u>FY06</u>	<u>FY07</u>	<u>FY08</u>	<u>FY08</u>	<u>FY08</u>	<u>From FY07</u>
Personal Services	3,347,712	3,564,590	3,609,925	3,742,653	178,063	5.0%
Travel	95,241	71,500	71,500	71,500	0	0.0%
Contractual Services	1,834,491	2,141,160	2,141,160	2,156,375	15,215	0.7%
Supplies & Materials	208,665	242,723	242,723	242,723	0	0.0%
Capital Outlay	58,014	29,885	29,885	29,885	0	0.0%
Other	3,824,499	6,287,025	6,287,025	6,287,025	0	0.0%
Total	9,368,622	12,336,883	12,382,218	12,530,161	193,278	1.6%
Funding Types						
General	905,438	848,563	848,563	858,583	10,020	1.2%
Federal	0	500,000	500,000	500,000	0	0.0%
Other	8,463,184	10,988,320	11,033,655	11,171,578	183,258	1.7%
Total	9,368,622	12,336,883	12,382,218	12,530,161	193,278	1.6%
FTE	68.9	69.5	70.5	70.5	1.0	1.4%

The Governor's recommendation throughout this analysis also includes funding for Performance And Compensation Equity (PACE) movement of 2.5% for those employees who are paid under the job-worth of their pay range, a 3% across-the-board increase for all permanent employees, and an increase in the employer paid portion of the state health insurance plan. The recommended amounts for each segment of the compensation package are as follows:

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total</u>
2.5% PACE Movement	1,261	-	19,015	20,276
3% Across-the-Board	6,456	-	90,164	96,620
Health Insurance	994	-	14,838	15,832
Total	8,711	-	124,017	132,728

In addition, the Governor's recommendation includes an increase of \$15,215 to offset a recalculation in the method of recovering maintenance and repair funding for the Capitol complex.

Major Expansion and Reductions

Budget Item	Agency Request			Governor's Recommendation		
	State General Fund	All Funds	FTE	State General Fund	All Funds	FTE
A. 1 additional FTE	-	45,335	1.0	-	45,335	1.0
Total	-	45,335	1.0	-	45,335	1.0

- A. The agency requests an increase for a Benefit Analyst position to provide continuous analysis of the state's benefit plans. The agency maintains this is necessary to remain up to date with constant changes in the health industry and higher demands for statistical data.

Personnel Management

The Bureau of Personnel, a part of the Department of Executive Management, establishes and manages the human resource programs in combination with the Career Service Commission and the Law Enforcement Civil Service Commission. The bureau establishes compensation levels and benefits. As manager of the civil service system, the bureau classifies positions in the executive branch, announces vacancies, screens applicants, provides training, and investigates labor issues.

The agency requests \$5,760,985 which includes \$243,685 from the State General Fund and \$5,517,300 from other funds. The agency also requests 70.5 FTEs. The agency requested an increased of \$45,337 (0.8%) from the FY 2007 approved budget for 1 additional FTE as discussed above. The Governor recommends \$5,906,634 which includes \$251,411 from the State General Fund and \$5,655,223 from other funds. This is an increase of \$190,984 (3.3%) from FY2007 and an increase of \$145,650 (2.5%) from the agency's request.

Items	Actual FY2006	Budgeted FY2007	Agency Req. FY2008	Gov Rec. FY2008	Inc/Dec FY2008	% Change From FY07
Personal Services	3,292,359	3,502,712	3,548,047	3,678,481	175,769	5.0%
Travel	92,153	71,500	71,500	71,500	0	0.0%
Contractual Services	1,518,442	1,868,830	1,868,830	1,884,045	15,215	0.8%
Supplies & Materials	208,665	242,723	242,723	242,723	0	0.0%
Capital Outlay	58,014	29,885	29,885	29,885	0	0.0%
Other	4,013	0	0	0	0	0.0%
Total	5,173,646	5,715,650	5,760,985	5,906,634	190,984	3.3%
Funding Types						
General	404,092	243,685	243,685	251,411	7,726	3.2%
Federal	0	0	0	0	0	0.0%
Other	4,769,553	5,471,965	5,517,300	5,655,223	183,258	3.3%
Total	5,173,645	5,715,650	5,760,985	5,906,634	190,984	3.3%
FTE	67.7	69.5	70.5	70.5	1.0	1.4%

Selected Performance Indicators

	FY2006			FY2007			FY2008
	Original Estimate	Actual	Difference Over (Under) Estm.	Original Estimate	Revised Estimate	Difference in Estimate	Estimate
Commission Days/Rule Hearings	13/1	9/1	(4)/0	13/1	15/1	2/0	15/1
Applications Received/Avg. Per Register	21,450/19.0	17,977/17.23	(3,473)/(1.77)	18,000/19	17,977/17.23	3/1.77	17,977/17.23
Classifications Audits/Actions	200/600	192/680	(8)/80	235/725	195/700	(40)/(25)	195/700
Courses Offered/Participants	380/6,100	395/6,866	15/766	380/6,100	400/7,000	20/900	400/7,000
Insurance Plan Participants:							
Health: Employees, COBRA, Retirees/Dependents	12,639/10,842	13,105/11,713	397/871	12,910/11,159	13,151/12,089	241/930	13,151/12,089
Life: Employees, COBRA, Retirees/Supplemental	12,708/7,169	13,259/7,733	551/564	13,195/7,742	13,350/7,747	155/5	13,350/7,747
Health Plan Participants Screened	5,700	5,310	(390)	5,775	6,207	432	7,104
Number of People in Disease Management Programs	2,240	2,170	(70)	1,794	2,560	766	2,830
Flexible Benefits Participants	10,817	11,162	345	11,102	11,175	73	11,175
Flexible Benefits Salary Sheltered	\$19,452,742	\$20,762,175	\$1,309,433	\$21,425,571	\$21,710,100	\$284,529	\$22,687,000
Workers' Compensation Total Eligible	2,600	27,372	24,772	27,000	27,370	370	27,370
First Reports of Injury	3,000	1,813	(1,187)	1,900	1,800	(100)	1,800

South Dakota Risk Pool

In the 2003 Special Session, the Legislature authorized the creation of a health insurance risk pool for those individuals who cannot otherwise obtain health insurance. The risk pool program, codified at SDCL 58-17-113 to 58-17-141, inclusive, is administered by the agency.

A 7-member board was created by the Legislature to administer the Risk Pool. The Governor appoints the members from the Governor's Office, Department of Social Services, Bureau of Personnel, Department of Health, Division of Insurance, and 2 others. SDCL 58-17-119 requires the board to file a report with the Legislature by January 1 of each year. The report is to include information regarding the operation of the risk pool, assessments, number of enrollees, claims, expenses, and premiums. The source for the Reserve Fund was the release of previously encumbered money from the FY2002 State General Fund appropriation to the Department of Education.

The agency requests \$5,121,233 which includes \$604,878 from the State General Fund, \$500,000 from federal funds, and \$4,016,355 from other funds. The agency requests no FTE. This request is the same amount as what was approved for FY 2007. The Governor recommends \$5,123,527 which includes \$607,172 from the State General Fund, \$500,000 from federal funds, and \$4,016,355 from other funds. This is an increase of \$2,294 (4.5%) from the FY 2007 and the agency's request.

Items	Actual FY2006	Budgeted FY2007	Agency Req. FY2008	Gov Rec. FY2008	Inc/Dec FY2008	% Change From FY 07
Personal Services	55,353	61,878	61,878	64,172	2,294	3.7%
Operating Expenses	0	0	0	0	0	0.0%
Travel	3,088	0	0	0	0	0.0%
Contractual Services	316,050	272,330	272,330	272,330	0	0.0%
Other	3,820,486	4,787,025	4,787,025	4,787,025	0	0.0%
Total	4,194,977	5,121,233	5,121,233	5,123,527	2,294	0.0%
Funding Types						
General	501,346	604,878	604,878	607,172	2,294	0.4%
Federal	0	500,000	500,000	500,000	0	0.0%
Other	3,693,631	4,016,355	4,016,355	4,016,355	0	0.0%
Total	4,194,977	5,121,233	5,121,233	5,123,527	2,294	0.0%
FTE	1.3	0.0	0.0	0.0	0.0	0.0%

In addition, \$1,500,000 from Other Funds is requested for a Risk Pool Reserve.

Revenues

	FY2006			FY2007			FY2008
	Original Estimate	Actual	Difference Over (Under) Estm.	Original Estimate	Revised Estimate	Difference in Estimate	Estimate
Participant Premiums	2,460,000	3,413,278	953,278	3,541,000	3,903,450	362,450	3,903,450
Carrier Assessments	930,000	854,854	(75,146)	852,300	857,092	4,792	857,092
Total	3,390,000	4,268,132	878,132	4,393,300	4,760,542	367,242	4,760,542