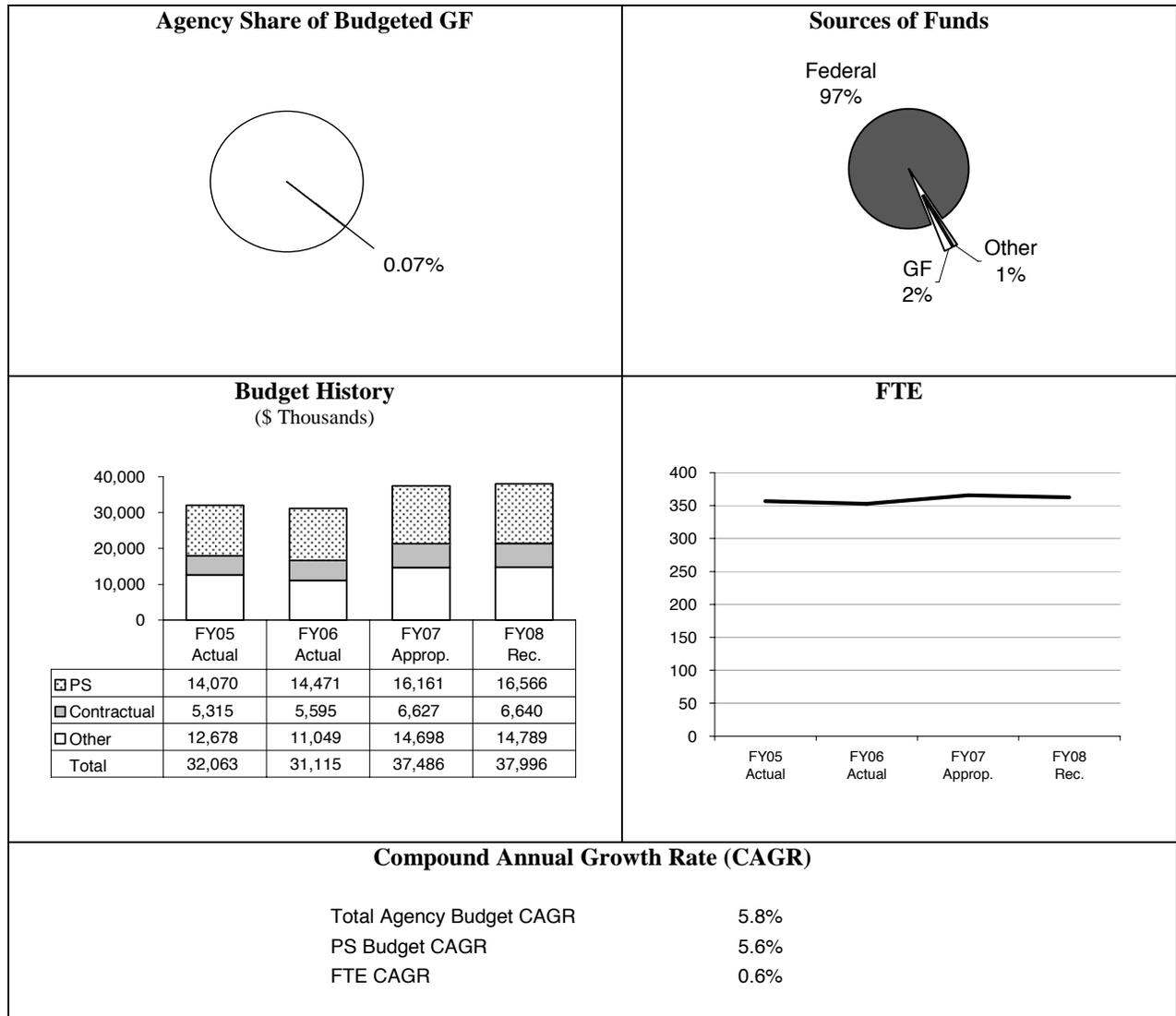


FY08 Budget Briefing

Department of Labor

(Excluding the SD Retirement System)



*Excludes SDRS and Informational Boards and Commissions attached to Department budgetarily.

Key Responsibilities

- To operate a statewide employer/employee labor exchange; to train unskilled youth and adults for entry or reentry into the work force; to provide timely and accurate labor market data; to collect employer's unemployment insurance contributions and pay benefits to those individuals who have lost their jobs through no fault of their own; to advise employers and employees of their rights and responsibilities; to administer state labor laws in a fair and equitable manner; to provide for the safety and well-being of consumers and the general public by regulating six professions; and to investigate reports of human rights violations.

Key Personnel

- Pamela Roberts, Secretary
- Marcia Hultman, Director of Workforce Services
- Dick Flemmer, Administrative Services Director
- Don Kattke, Unemployment Insurance Director
- James Marsh, Director Labor and Management
- Mike Ryan, Director of Field Operations

Department Total (excluding SDRS and Informational Boards)

The Department of Labor's budget includes funding from the State General Fund, but most significantly from federal and other funds. Attached to the Department of Labor are the South Dakota Retirement System and six professional and occupational licensing boards. (The boards appear as informational items.) For FY08, the Governor recommends an appropriation of \$847,448 from general funds, \$36,723,655 in federal fund expenditure authority, \$6,549,178 in other fund expenditure authority, and 431.5 FTEs for the entire Department of Labor. Excluding the South Dakota Retirement System and the six boards and commissions, the Governor recommends for the state administrative portion of the department an appropriation of \$847,448 from general funds, \$36,723,655 in federal fund expenditure authority, \$424,424 in other fund expenditure authority, and 362.5 FTEs

	Actual FY06	Budgeted FY07	Agency Req. FY08	Gov Rec. FY08	Inc/Dec FY08	% Change From FY07
Personal Services	14,471,308	16,161,204	16,161,204	16,656,918	495,714	3.1%
Travel	410,964	563,435	563,435	563,435	-	0.0%
Contractual Services	5,595,292	6,626,917	6,626,917	6,640,496	13,579	0.2%
Supplies & Materials	534,562	566,157	566,157	566,157	-	0.0%
Grants And Subsidies	9,265,920	12,977,591	12,977,591	12,977,591	-	0.0%
Capital Outlay	317,800	574,357	574,357	574,357	-	0.0%
Other	519,629	16,573	16,573	16,573	-	0.0%
Total	31,115,475	37,486,234	37,486,234	37,995,527	509,293	1.4%
Funding Types						
General	804,288	825,293	825,293	847,448	22,155	2.7%
Federal	29,973,908	36,244,897	36,244,897	36,723,655	478,758	1.3%
Other	337,279	416,044	416,044	424,424	8,380	2.0%
Total	31,115,475	37,486,234	37,486,234	37,995,527	509,293	1.4%
FTE	352.7	365.5	365.5	362.5	(3.0)	(0.8%)

The six professional boards are: Board of Accountancy, Board of Barber Examiners, Board of Cosmetology, Plumbing Commission, Board of Technical Professions, and the Electrical Commission. These boards had at one time been under the umbrella of the Department of Commerce and Regulation, but were moved to the Department of Labor by the Governor's Executive Reorganization in 2003. The total informational appropriation for the six boards for FY08 is \$2,735,266 in other fund expenditure authority.

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 for the Department of Labor (excluding the South Dakota Retirement System) are as follows:

	General Funds	Federal Funds	Other Funds	Total
2.5% PACE Movement	4,143	115,775	12,240	132,158
3% Across-the-Board	14,433	404,215	48,119	466,767
Health Insurance	2,219	73,255	7,432	82,906
Total	20,795	593,245	67,791	681,831

Major Expansion and Reduction

Budget Item	Agency Request			Governor's Recommendation		
	State General Fund	All Funds	FTE	State General Fund	All Funds	FTE
Field Operations	-	-	(3.0)	-	(125,586)	(3.0)
Governor's Salary Policy	-	-	-	20,795	681,831	-
Total	-	-	(3.0)	20,795	556,245	(3.0)

Field Operations:

- Personal Services- The Field Operations Division requests a decrease of 3.0 FTE's for FY08. The Governor recommends a decrease of \$125,586 in federal fund expenditure authority and 3.0 FTEs.

Secretariat Administration

The mission of this division is to facilitate the improvement of the administration of the Department of Labor programs; to integrate the services available throughout the department; to improve and expand the labor market through job training services; to provide labor market information; to provide assistance to the professional and occupational licensing boards and the Public Utilities Commission; to provide a centralized office for the financial activities of the department; and to provide centralized support services.

The total recommended budget for Secretariat Administration consists of \$200,000 from general funds, \$21,205,818 in federal fund expenditure authority, and 55.5 FTEs.

	Actual FY06	Budgeted FY07	Agency Req. FY08	Gov Rec. FY08	Inc/Dec FY08	% Change From FY07
Personal Services	2,419,352	2,660,424	2,660,424	2,763,245	102,821	3.9%
Travel	159,087	212,100	212,100	212,100	-	0.0%
Contractual Services	3,700,615	4,382,925	4,382,925	4,382,925	-	0.0%
Supplies & Materials	488,776	495,600	495,600	495,600	-	0.0%
Grants And Subsidies	9,265,920	12,977,591	12,977,591	12,977,591	-	0.0%
Capital Outlay	302,883	574,357	574,357	574,357	-	0.0%
Other	493,171	-	-	-	-	0.0%
Total	16,829,804	21,302,997	21,302,997	21,405,818	102,821	0.5%
Funding Types						
General	200,000	200,000	200,000	200,000	-	0.0%
Federal	16,629,804	21,102,997	21,102,997	21,205,818	102,821	0.5%
Other	-	-	-	-	-	0.0%
Total	16,829,804	21,302,997	21,302,997	21,405,818	102,821	0.5%
FTE	52.1	55.5	55.5	55.5	-	0.0%

- Personal Services- The Governor's recommended appropriation includes an increase of \$102,821 in federal fund expenditure authority for FY08 salary policy.

Selected Performance Indicators

	<u>FY06</u>			<u>FY07</u>			<u>FY08</u>
	Original Estimate	Actual	Difference Over (Under) Estim.	Original Estimate	Current Estimate	Change in Estimate	Estimate
State Labor Force	437,343	432,442	(4,901)	442,324	437,977	(4,347)	443,996
Employed Labor Force	421,343	417,387	(3,956)	426,824	423,277	(3,547)	428,566
Unemployed Labor Force	16,000	15,055	(945)	15,500	14,700	(800)	15,400
Unemployment Rate	3.7%	3.5%	-0.2%	3.5%	3.4%	-0.1%	3.5%
Requests for Labor Market Information	50,105	59,074	8,969	53,205	54,345	1,140	53,345
Labor Market Publications (Copies Disseminated)	118,560	136,096	17,536	119,385	48,810	(70,575)	48,610
Workforce Investment Act (WIA) Participants	4,000	4,027	27	4,000	4,000	0	4,000
WIA Adult Entered Employment Rate	71.0%	75.2%	4.2%	72.0%	72.0%	0.0%	72.0%
WIA Older Youth Entered Employment Rate	61.0%	80.9%	19.9%	62.0%	62.0%	0.0%	62.0%
WIA Dislocated Worker Entered Employ. Rate	75.0%	84.8%	9.8%	76.0%	76.0%	0.0%	76.0%
WIA Adult Retention Rate	76.0%	86.7%	10.7%	77.0%	77.0%	0.0%	77.0%
WIA Older Youth Retention Rate	60.0%	86.1%	26.1%	62.0%	62.0%	0.0%	62.0%
WIA Dislocated Worker Retention Rate	86.0%	93.9%	7.9%	87.0%	87.0%	0.0%	87.0%
Adult Basic Education ABE/GED Participants	5,100	4,964	(136)	5,100	5,100	0	5,000
Purchase orders and requisitions issued	250	594	344	250	400	150	500
Vouchers and checks processed	12,000	12,893	893	12,000	12,500	500	12,500
Mail pieces processed	1,500,000	1,258,374	17,832	1,500,000	1,171,000	(77,479)	1,000,000

Unemployment Insurance Service

The mission of the Division of Unemployment Insurance Service is to identify and register employers subject to the law, collect unemployment taxes in a timely manner, and ensure the accurate and prompt payment of benefits to eligible claimants.

The total recommended budget for Unemployment Insurance Service consists of \$4,829,828 in federal fund expenditure authority and 94.0 FTEs.

	Actual FY06	Budgeted FY07	Agency Req. FY08	Gov Rec. FY08	Inc/Dec FY08	% Change From FY07
Personal Services	3,596,459	3,998,871	3,998,871	4,154,104	155,233	3.9%
Travel	112,021	157,000	157,000	157,000	-	0.0%
Contractual Services	423,037	516,724	516,724	516,724	-	0.0%
Supplies & Materials	774	2,000	2,000	2,000	-	0.0%
Grants And Subsidies	-	-	-	-	-	0.0%
Capital Outlay	209	-	-	-	-	0.0%
Other	-	-	-	-	-	0.0%
Total	4,132,500	4,674,595	4,674,595	4,829,828	155,233	3.3%
Funding Types						
General	-	-	-	-	-	0.0%
Federal	4,132,500	4,674,595	4,674,595	4,829,828	155,233	3.3%
Other	-	-	-	-	-	0.0%
Total	4,132,500	4,674,595	4,674,595	4,829,828	155,233	3.3%
FTE	90.7	94.0	94.0	94.0	-	0.0%

- Personal Services- The Governor's recommended appropriation includes an increase of \$155,233 in federal fund expenditure authority for FY08 salary policy.

Selected Performance Indicators

	FY06			FY07			FY08
	Original Estimate	Actual	Difference Over (Under) Estim.	Original Estimate	Current Estimate	Change in Estimate	Estimate
Applications for Benefits	22,000	20,502	(1,498)	22,000	22,000	0	22,000
Number of Weekly Payments	120,000	97,872	(22,128)	120,000	110,000	(10,000)	110,000
Average Weekly Payment	\$216	\$215	(\$1)	\$222	\$220	(\$2)	\$225
Average Number of Weekly Payments	12.3	11.9	0.0	12.2	11.9	0.0	11.8
Average Total Payment	\$2,657	\$2,559	(\$98)	\$2,708	\$2,618	(\$90)	\$2,655
Individuals Receiving Payments	9,800	8,192	(1,608)	9,800	9,300	(500)	9,300
% of First Payments Made Within 14 Days	97.0%	97.4%	0.4%	97.0%	97.0%	0.0%	97.0%
Total Dollars Paid*	\$26,000,000	\$20,984,665	(\$5,015,335)	\$26,600,000	\$24,300,000	(\$2,300,000)	\$24,800,000
Federal Claims Reimbursed by Fed Govt.	\$3,000,000	\$3,602,620	\$602,620	\$3,000,000	\$3,600,000	\$600,000	\$3,600,000
State Nonprofit Claims Reimb. by Employer	\$15,000,000	\$1,276,484	(\$13,723,516)	\$1,500,000	\$1,400,000	(\$100,000)	\$1,400,000
Employers Paying UI Tax	24,500	24,459	(41)	25,000	25,000	0	25,500
UI Taxes Paid	\$18,900,000	\$18,915,150	\$15,150	\$20,900,000	\$24,000,000	\$3,100,000	\$28,600,000
Trust Fund Balance	\$13,400,000	\$18,782,855	\$5,382,855	\$6,400,000	\$18,800,000	\$12,400,000	\$23,000,000

Field Operations

The mission of the Field Operations division is to provide basic labor exchange services for applicants and employers, to implement employment and training programs, and to provide work assessment activities for the public through a statewide network of one-stop career centers.

The total recommended budget for Field Operations consists of \$10,301,353 in federal fund expenditure authority and 192.5 FTEs.

	Actual FY06	Budgeted FY07	Agency Req. FY08	Gov Rec. FY08	Inc/Dec FY08	% Change From FY07
Personal Services	7,545,904	8,476,898	8,476,898	8,674,796	197,898	2.3%
Travel	117,532	161,700	161,700	161,700	-	0.0%
Contractual Services	1,261,964	1,429,307	1,429,307	1,434,857	5,550	0.4%
Supplies & Materials	23,798	30,000	30,000	30,000	-	0.0%
Grants And Subsidies	-	-	-	-	-	0.0%
Capital Outlay	-	-	-	-	-	0.0%
Other	-	-	-	-	-	0.0%
Total	8,949,198	10,097,905	10,097,905	10,301,353	203,448	2.0%
Funding Types						
General	-	-	-	-	-	0.0%
Federal	8,949,198	10,097,905	10,097,905	10,301,353	203,448	2.0%
Other	-	-	-	-	-	0.0%
Total	8,949,198	10,097,905	10,097,905	10,301,353	203,448	2.0%
FTE	190.1	195.5	195.5	192.5	(3.0)	(1.5%)

- Personal Services- The Field Operations Division requests a decrease of 3.0 FTE's for FY08. The Governor recommends a decrease of \$125,586 and 3.0 FTEs. The Governor's recommended appropriation includes an increase of \$323,484 for FY08 salary policy which results in a net increase of \$197,898 of federal fund expenditure authority for FY08.

Selected Performance Indicators

	FY06			FY07			FY08
	Original Estimate	Actual	Difference Over (Under) Estim.	Original Estimate	Current Estimate	Change in Estimate	Estimate
New and Renewed Job Applicants	75,000	70,959	(4,041)	75,000	70,000	(5,000)	70,000
Employer Job Orders Received	70,000	89,487	19,487	70,000	90,000	20,000	90,000
Entered Employment (Unduplicated)	32,000	31,651	(349)	32,000	31,000	(1,000)	31,000
Employment Retention Rate	70%	81%	11%	70%	73%	3%	73%
Entered Employment Rate	70%	73%	3%	70%	72%	2%	72%
Job Training Clients Served	4,000	4,027	27	4,000	4,000	0	4,000

State Labor Law Administration

The mission of this division is to investigate, adjudicate and/or settle disputes between employers, their employees and/or the Unemployment Insurance Division; to educate employers and employees as to their rights and duties; to collect illegally withheld wages on behalf of employees; to assure that all work-related injury reports filed with the division are processed and workers' compensation benefits due are paid to claimants; to process applications for status as a self-insured employer, certified medical case management plan, owner-operator of a truck as an independent contractor, or employer permitted to provide sub-minimum wages; to provide legal services to the Labor Department's boards and commissions; and to investigate, adjudicate and/or settle claims of housing and public accommodation discrimination, as well as educating citizens about such discrimination.

The total recommended budget for the State Labor Law Administration consists of \$647,448 from general funds, \$386,656 in federal fund expenditure authority, and \$424,424 in other fund expenditure authority, for a total budget of \$1,458,528 and 20.5 FTEs.

	Actual FY06	Budgeted FY07	Agency Req. FY08	Gov Rec. FY08	Inc/Dec FY08	% Change From FY07
Personal Services	909,593	1,025,011	1,025,011	1,064,773	39,762	3.9%
Travel	22,324	32,635	32,635	32,635	-	0.0%
Contractual Services	209,676	297,961	297,961	305,990	8,029	2.7%
Supplies & Materials	21,215	38,557	38,557	38,557	-	0.0%
Grants And Subsidies	-	-	-	-	-	0.0%
Capital Outlay	14,707	-	-	-	-	0.0%
Other	26,458	16,573	16,573	16,573	-	0.0%
Total	1,203,973	1,410,737	1,410,737	1,458,528	47,791	3.4%
Funding Types						
General	604,288	625,293	625,293	647,448	22,155	3.5%
Federal	262,406	369,400	369,400	386,656	17,256	4.7%
Other	337,279	416,044	416,044	424,424	8,380	2.0%
Total	1,203,973	1,410,737	1,410,737	1,458,528	47,791	3.4%
FTE	19.8	20.5	20.5	20.5	-	0.0%

Revenues

	FY06		Difference Over (Under) Estim.	FY07			FY08
	Original Estimate	Actual		Original Estimate	Current Estimate	Change in Estimate	Estimate
Workers' Compensation (WC) Self-Insurance							
Application Fees	50,000	48,000	(2,000)	50,000	50,000	0	50,000
WC Insurance Policy Fees	250,000	265,434	15,434	250,000	265,000	15,000	265,000
WC Managed Care Plan Fees	6,000	7,000	1,000	6,000	6,500	500	6,500
First Report Late Filing Fines	10,000	25,939	15,939	5,000	10,000	5,000	10,000
Total	316,000	346,373	30,373	311,000	331,500	20,500	331,500

- Personal Services- The Governor's recommended appropriation includes an increase of \$39,762 (\$20,795 general, \$11,707 federal, \$7,260 other) for FY08 salary policy.

Selected Performance Indicators

	FY06			FY07			FY08
	Original Estimate	Actual	Difference Over (Under) Estim.	Original Estimate	Current Estimate	Change in Estimate	Estimate
Collective Bargaining Filings of Petitions for Hearing	30	54	24	30	40	10	40
Collective Bargaining Petitions Settled or Dismissed Prior to Hearing	20	7	(13)	20	15	(5)	15
Hearings Held to Arbitrate, Mediate, or Conduct Collective Bargaining Matters and Render Decisions	10	20	10	10	20	10	20
Wage Inquiries/Wage Law Complaints Filed	7,000/400	7,270/425	n/a	7,000/400	7,300/400	n/a	7,300/400
Private Industry Employees Affected by WC	310,000	314,700	4,700	312,000	320,000	8,000	325,000
Private Industry WC First Reports of Injury	20,800	21,344	544	21,000	21,500	500	21,600
New Filings of Private Industry WC Petitions	240	203	(37)	240	220	(20)	220
Private Industry WC Claims Settled or Dismissed Prior to Hearing	180	217	37	180	220	40	220
Private Industry WC Hrng Petitions Pending	513	454	(59)	513	410	(103)	410
Private Industry WC Claims Resulting in a Formal Hearing	50	45	(5)	50	45	(5)	45
Hearings Held to Mediate WC Matters	65	53	(12)	65	50	(15)	50
Prehearing Telephone Conferences in Workers' Compensation Matters	275	252	(23)	275	250	(25)	250
UI Appeals Filings of Petitions for Hearing	1,700	1,361	(339)	1,600	1,500	(100)	1,500
UI Appeals Resulting in Final Order of Decision		1,390	1,390	1,600	1,500	(100)	1,500
UI Appeals Pending	100	103	3	100	100	0	100
Human Rights Charges Received/Conciliated	115/6	106/19	n/a	115/6	110/10	n/a	110/10
Human Rights Case Closures	100	86	(14)	100	90	(10)	90
Human Rights Unsuccessful Conciliations	10	3	(7)	10	5	(5)	5
Human Rights Potential Charges	450	425	(25)	450	425	(25)	425
Human Rights Presentations/Education	6	12	6	6	15	9	15
Requests for Human Rights Information	125	176	51	125	150	25	150
Human Rights Negotiated Settlements	3	0	(3)	3	3	0	3
Wages Cases Assigned for Litigation	88	88	0	100	100	0	100

Board of Accountancy - Informational

The mission of this board is to protect the citizens of South Dakota from receiving inadequate accounting services by licensing qualified accountant applicants and monitoring continuing professional education and annual reporting requirements, as well as overseeing board enforcement of updated statutes and rules promulgated to regulate the practice of public accountancy.

The total recommended budget for the Board of Accountancy consists of \$224,493 in other fund expenditure authority and 2.5 FTEs.

	Actual FY06	Budgeted FY07	Agency Req. FY08	Gov Rec. FY08	Inc/Dec FY08	% Change From FY07
Personal Services	99,464	114,429	108,313	112,418	(2,011)	(1.8%)
Travel	17,260	18,404	18,900	18,900	496	2.7%
Contractual Services	82,113	62,093	57,775	57,775	(4,318)	(7.0%)
Supplies & Materials	5,561	10,100	8,100	8,100	(2,000)	(19.8%)
Grants And Subsidies	-	-	-	-	-	0.0%
Capital Outlay	2,297	9,800	27,300	27,300	17,500	178.6%
Other	-	-	-	-	-	0.0%
Total	206,695	214,826	220,388	224,493	9,667	4.5%
Funding Types						
General	-	-	-	-	-	0.0%
Federal	-	-	-	-	-	0.0%
Other	206,695	214,826	220,388	224,493	9,667	4.5%
Total	206,695	214,826	220,388	224,493	9,667	4.5%
FTE	2.6	2.5	2.5	2.5	-	0.0%

Revenues

	FY06			FY07			FY08
	Original Estimate	Actual	Difference Over (Under) Estim.	Original Estimate	Current Estimate	Change in Estimate	Estimate
Examination Fees	7,960	12,808	4,848	3,300	3,300	0	3,420
Reexamination Fees	16,668	23,294	6,626	5,180	5,180	0	5,200
New License Fees	6,100	3,020	(3,080)	8,800	8,800	0	4,550
Renewal Fees	148,000	159,420	11,420	151,550	151,550	0	156,250
Interest Income	7,200	7,222	22	7,000	7,000	0	7,200
Peer Review	6,050	6,375	325	5,000	5,000	0	6,100
Mailing Lists, Misc., O/S Proctoring Fee	1,000	0	(1,000)	1,000	0	(1,000)	0
Board Exam Fee	6,240	7,860	1,620	7,300	7,300	0	7,300
Name Changes	0	1,020	1,020	875	875	0	900
Late Fees	0	5,900	5,900	7,450	7,450	0	7,450
Notification	0	9,380	9,380	0	0	0	7,500
Total	199,218	236,299	37,081	197,455	196,455	(1,000)	205,870

- The Board of Accountancy requests a decrease of \$6,116 in personal services, \$4,318 in contractual services, and \$2,000 in supplies and materials, due to excess expenditure authority and an increase of \$17,500 in capital outlay for computer software to implement a new on-line CPA license renewal system. The Governor recommends this request. The Governor also recommends an increase of \$4,105 in other fund expenditure authority for FY08 salary policy.

Selected Performance Indicators

	<u>FY06</u>			<u>FY07</u>			<u>FY08</u>
	Original Estimate	Actual	Difference Over (Under) Estim.	Original Estimate	Current Estimate	Change in Estimate	Estimate
Licenses Renewed	1,902	1,938	36	2,092	2,092	0	2,092
New Licenses	129	78	(51)	139	139	0	100
Practitioners	1,557	1,525	(32)	1,624	1,624	0	1,690
Examinations:			0			0	
Nationally Prepared (Times Given)	4	4	0	4	4	0	4
Total Applicants Examined	0	88	88	0	88	88	91
Applicants Passed (Includes Reexams)	55	55	0	60	60	0	60
Percentage Required for Passing	75%	75%	0%	75%	75%	0%	75%
Complaints:							
Received/Investigated/Resolved	21/21/16	21/21/16	n/a	22/22/16	22/22/16	n/a	18/18/15
Hearings Held/Pending	1/5	0/5	n/a	1/6	1/6	n/a	1/5
Licenses Reprimanded/Probationed	0	0	0	0	0	0	0
Licenses Suspended/Revoked	0	0	0	1	1	0	5
No Action Taken Against Licensee	2	2	0	2	2	0	2
Prosecutions	0	0	0	1	1	0	0
Miscellaneous:			0			0	
Peer Review	65	65	0	70	70	0	70
Inquiries Received and Answered	7,200	7,100	(100)	7,200	7,200	0	7,200
Applicants Denied Licensure	0	0	0	0	0	0	0
Board Meetings Held	8	8	0	10	10	0	10
CPE Audits	113	113	0	124	124	0	116

Selected Performance Indicators

	<u>FY06</u>			<u>FY07</u>			<u>FY08</u>
	Original Estimate	Actual	Difference Over (Under) Estim.	Original Estimate	Current Estimate	Change in Estimate	Estimate
Licenses Renewed/New Practitioners	654/10 259	456/15 274	n/a 15	500/8 285	475/9 270	n/a (15)	475/9 270
Examinations:							
Nationally Prepared (Times Given)	2	2	0	3	2	(1)	2
Applicants Examined	2	2	0	3	2	(1)	2
Applicants Passed (Includes Reexams)	2	2	0	3	2	(1)	2
Inspections	180	150	(30)	175	154	(21)	155
Inquiries Received and Answered	500	500	0	500	500	0	510
Board Meetings Held	2	2	0	2	2	0	2

Cosmetology Commission - Informational

The mission of the Cosmetology Commission is to ensure the health, welfare, and safety of consumers of cosmetology, esthetics, and nail technology services by examining and licensing qualified practitioners; to conduct inspections of salons, booths, and schools; to enforce statutes, rules, and regulations governing the practice of cosmetology, esthetics, and nail technology; to investigate and resolve complaints; and to improve the curriculum of schools and the examination procedures.

The total recommended budget for the Cosmetology Commission consists of \$222,573 in other fund expenditure authority and 3.0 FTEs.

	Actual FY06	Budgeted FY07	Agency Req. FY08	Gov Rec. FY08	Inc/Dec FY08	% Change From FY07
Personal Services	115,119	123,030	123,030	127,440	4,410	3.6%
Travel	32,989	32,273	32,273	32,273	-	0.0%
Contractual Services	57,379	48,634	52,134	52,134	3,500	7.2%
Supplies & Materials	9,086	10,058	10,058	10,058	-	0.0%
Grants And Subsidies	-	-	-	-	-	0.0%
Capital Outlay	45	668	668	668	-	0.0%
Other	-	-	-	-	-	0.0%
Total	214,618	214,663	218,163	222,573	7,910	3.7%
Funding Types						
General	-	-	-	-	-	0.0%
Federal	-	-	-	-	-	0.0%
Other	214,618	214,663	218,163	222,573	7,910	3.7%
Total	214,618	214,663	218,163	222,573	7,910	3.7%
FTE	2.9	3.0	3.0	3.0	-	0.0%

Revenues

	<u>FY06</u>		Difference Over (Under) Estim.	<u>FY07</u>			<u>FY08</u>
	Original Estimate	Actual		Original Estimate	Current Estimate	Change in Estimate	Estimate
Examination Fees	11,000	11,880	880	11,500	11,500	0	12,500
Reexamination Fees	3,300	3,720	420	3,300	3,300	0	3,300
New License Fees	26,000	24,647	(1,353)	24,000	24,000	0	25,000
Renewal Fees*	124,000	74,755	(49,245)	124,000	124,000	0	124,000
Materials Sold/Miscellaneous	3,000	4,486	1,486	3,000	3,000	0	4,500
Interest Income	3,500	3,207	(293)	3,500	3,500	0	3,500
Temporary Licenses	1,500	1,440	(60)	1,800	1,800	0	1,500
Certifications	2,000	2,220	220	2,000	2,000	0	2,000
Reciprocity	7,800	7,900	100	8,000	8,000	0	8,000
Penalty Fees	10,900	8,775	(2,125)	10,900	10,900	0	10,000
Instructor Seminars	3,900	3,420	(480)	3,900	3,900	0	3,900
Total	196,900	146,450	(50,450)	195,900	195,900	0	198,200

- The Cosmetology Commission requests an increase of \$3,500 in contractual services due to an increase in educational instructor fees, audit services for a scheduled audit in FY08, and fees to the national testing company for testing an additional 40 students. The Governor recommends this request. The Governor also recommends an increase of \$4,410 in other fund expenditure authority for FY08 salary policy.

Selected Performance Indicators

	<u>FY06</u>			Difference Over (Under) Estim.	<u>FY07</u>			<u>FY08</u>
	Original Estimate	Actual			Original Estimate	Current Estimate	Change in Estimate	Estimate
Licenses Renewed/New Practitioners	6,400/1,000 7,350	3,749/1,246 4,992	n/a (2,358)	6,500/1,500 7,900	6,500/1,500 7,900	n/a 0	6,500/1,500 7,900	
Examinations:								
Nationally Prepared (Times Given)	16	13	(3)	16	16	0	16	
Applicants Examined/Passed	260/250	195/169	n/a	260/250	260/250	n/a	260/250	
State Prepared (Times Given)	16	13	(3)	16	16	0	16	
Applicants Examined/Passed	296/250	274/255	n/a	296/250	296/250	n/a	290/260	
Applicants Reexamined/Passed	35/34	36/30	n/a	35/34	35/34	n/a	35/34	
Complaints:								
Received/Investigated/Resolved	6/6/6	15/15/6	n/a	8/8/8	8/8/8	n/a	10/10/10	
Hearings Held/Pending	1/0	1/2	2,193	0/0	0/0	n/a	2/2	
Licenses Reprimanded/Probationed	0	4	4	0	0	0	5	
Licenses Suspended/Revoked	2	1	(1)	0	0	0	1	
Inspections/Audits	1,500/1	1,576/0	n/a	1,500/0	1,500/0	n/a	1,600/0	
Inquiries Received and Answered	11,500	10,297	(1,203)	11,500	11,500	0	11,500	
Applicants Denied Licensure	0	0	0	0	0	0	0	
Board Meetings Held	6	6	0	6	6	0	6	

Plumbing Commission - Informational

The mission of the Plumbing Commission is to protect the public from unsafe drinking water and unsafe waste disposal facilities by licensing qualified plumbers; to inspect plumbing installations and ensure that the state plumbing code is updated and distributed; to inform plumbers, inspection departments, and the public of code requirements, new products, and methods of installation; and to utilize seminars and the media to provide information of the board's activities, recommendations, and requirements.

The total recommended budget for the Plumbing Commission consists of \$509,934 in other fund expenditure authority and 7.0 FTEs.

	Actual FY06	Budgeted FY07	Agency Req. FY08	Gov Rec. FY08	Inc/Dec FY08	% Change From FY07
Personal Services	269,701	298,027	298,027	309,834	11,807	4.0%
Travel	90,847	94,000	94,000	94,000	-	0.0%
Contractual Services	39,754	37,900	37,900	37,900	-	0.0%
Supplies & Materials	37,758	68,200	68,200	68,200	-	0.0%
Grants And Subsidies	-	-	-	-	-	0.0%
Capital Outlay	6,753	-	-	-	-	0.0%
Other	1,298	-	-	-	-	0.0%
Total	446,111	498,127	498,127	509,934	11,807	2.4%
Funding Types						
General	-	-	-	-	-	0.0%
Federal	-	-	-	-	-	0.0%
Other	446,111	498,127	498,127	509,934	11,807	2.4%
Total	446,111	498,127	498,127	509,934	11,807	2.4%
FTE	6.8	7.0	7.0	7.0	-	0.0%

Revenues

	FY06		Difference Over (Under) Estim.	FY07			FY08
	Original Estimate	Actual		Original Estimate	Current Estimate	Change in Estimate	Estimate
Examination Fees	8,000	12,200	4,200	8,000	8,000	0	12,000
Reexamination Fees	1,000	1,000	0	1,000	1,000	0	1,000
New License Fees	25,000	22,095	(2,905)	25,000	25,000	0	23,000
Renewal Fees	235,000	243,480	8,480	235,000	235,000	0	245,000
Materials Sold	15,000	31,833	16,833	15,000	15,000	0	15,000
Interest Income	6,000	5,360	(640)	6,000	6,000	0	6,000
Temporary Licenses	600	500	(100)	600	600	0	500
License Directories/Seminar Registrations	500	734	234	500	500	0	500
Reciprocity Fees	1,000	2,935	1,935	1,000	1,000	0	2,500
Inspection Certificates	6,600	8,930	2,330	6,600	6,600	0	9,000
Inspection Fees	165,000	174,830	9,830	165,000	165,000	0	175,000
Total	463,700	503,897	40,197	463,700	463,700	0	489,500

- Personal Services- The Governor's recommended appropriation includes an increase of \$11,807 in other fund expenditure authority for FY08 salary policy.

Selected Performance Indicators

	<u>FY06</u>			<u>FY07</u>			<u>FY08</u>
	Original Estimate	Actual	Difference Over (Under) Estim.	Original Estimate	Current Estimate	Change in Estimate	Estimate
Licenses Renewed	2,100	2,207	107	2,100	2,100	0	2,200
New Licenses	334	435	101	334	334	0	400
Practitioners	2,434	2,642	208	2,434	2,434	0	2,600
Examinations:							
State Prepared (Times Given)	35	34	(1)	35	35	0	35
Applicants Examined/Passed	150/130	213/173	n/a	150/130	150/130	n/a	150/130
Applicants Reexamined/Passed	15/10	12/10	n/a	15/10	15/10	n/a	15/10
Complaints:							
Received/Investigated/Resolved	30/30/30	83/83/81	n/a	30/30/30	30/30/30	n/a	70/70/68
Prosecutions	7	4	(3)	7	7	0	5
Miscellaneous:							
Inspections	5,000	8,417	3,417	5,000	5,000	0	8,500
Inquiries Received and Answered	1,600	3,841	2,241	1,600	1,600	0	3,800
Applicants Denied SD Licensure	4	4	0	4	5	1	5
Board Meetings Held	5	5	0	4	4	0	4

Board of Technical Professions - Informational

The mission of the Board is to protect the consumer from using the services of unqualified professional engineers, land surveyors, architects, landscape architects, and petroleum release assessors and remediators by the administration of examinations and registrations of qualified people; to promote high levels of professionalism through communication of board activities with registrants and the public; and to conduct disciplinary actions.

The total recommended budget for the Board of Technical Professions consists of \$325,383 in other fund expenditure authority and 3.0 FTEs.

	Actual FY06	Budgeted FY07	Agency Req. FY08	Gov Rec. FY08	Inc/Dec FY08	% Change From FY07
Personal Services	122,319	138,836	138,836	144,242	5,406	3.9%
Travel	23,029	28,900	28,900	28,900	-	0.0%
Contractual Services	75,387	120,041	120,041	120,041	-	0.0%
Supplies & Materials	8,376	27,200	27,200	27,200	-	0.0%
Grants And Subsidies	-	-	-	-	-	0.0%
Capital Outlay	4,398	5,000	5,000	5,000	-	0.0%
Other	-	-	-	-	-	0.0%
Total	233,509	319,977	319,977	325,383	5,406	1.7%
Funding Types						
General	-	-	-	-	-	0.0%
Federal	-	-	-	-	-	0.0%
Other	233,509	319,977	319,977	325,383	5,406	1.7%
Total	233,509	319,977	319,977	325,383	5,406	1.7%
FTE	3.0	3.0	3.0	3.0	-	0.0%

Revenues

	FY06		Difference Over (Under) Estim.	FY07			FY08
	Original Estimate	Actual		Original Estimate	Current Estimate	Change in Estimate	Estimate
Application Fees	40,000	52,800	12,800	50,000	50,000	0	50,000
Examination Fees	100	590	490	100	100	0	400
Reexamination Fees	0	0	0	0	0	0	0
Renewal Fees	115,000	132,670	17,670	225,000	225,000	0	120,000
Materials Sold	0	1,078	1,078	0	0	0	100
Interest Income	6,000	3,595	(2,405)	6,000	6,000	0	3,000
Late Renewal Penalties	2,000	3,620	1,620	5,000	5,000	0	3,000
Penalties	1,000	8,000	7,000	2,000	2,000	0	3,000
Total	164,100	202,353	38,253	288,100	288,100	0	179,500

- Personal Services- The Governor's recommended appropriation includes an increase of \$5,406 in other fund expenditure authority for FY08 salary policy.

Selected Performance Indicators

	FY06			FY07			FY08
	Original Estimate	Actual	Difference Over (Under) Estim.	Original Estimate	Current Estimate	Change in Estimate	Estimate
Licenses Renewed/New Practitioners	1,000/300	1,658/375	n/a	3,000/400	3,000/400	n/a	2,000/300
Examinations:							
Nationally Prepared (Times Given)	10	10	0	0	0	0	10
Applicants Examined/Passed (Includes Reexams)	300/200	362/249	n/a	300/200	300/200	n/a	300/200
State Prepared (Times Given)	5	7	2	5	5	0	5
Applicants Examined/Passed	5/5	7/7	n/a	5/5	5/5	n/a	5/5
Applicants Reexamined/Passed	5/5	1/1	n/a	5/5	5/5	n/a	5/5
Complaints:							
Received/Investigated/Resolved	15/15/15	34/33/30	n/a	25/25/25	25/25/25	n/a	29/29/25
Hearings Held/Pending	0/0	4/0	n/a	0/0	0/0	n/a	0/0
Licensees Reprimanded/Probationed	10	4/0	n/a	20	20	0	10
Licenses Suspended/Revoked	0	1	1	0	0	0	0
No Action Taken Against Licensee	0	3	3	0	0	0	0
Total Prosecutions	0	11	11	0	0	0	0
Inquiries Received and Answered	600	633	33	600	600	0	500
Audits	50	27	(23)	50	50	0	15
Applicants Denied SD Licensure	0	2	2	0	0	0	0
Board Meetings Held	6	6	0	6	6	0	6

Electrical Commission - Informational

The mission of the Electrical Commission is to safeguard persons and property from hazards arising from the use of electricity through the use and enforcement of the National Electrical Code (NEC); to inspect electrical installations and ensure compliance throughout the state; to ensure the state electrical code is updated and distributed; to inform electricians, inspection departments, and the general public of code requirements, new products required by the NEC, and standardized methods of installation; and to utilize seminars and the media to provide information of the commission's activities, recommendations, and requirements.

The total recommended budget for the Electrical Commission consists of \$1,424,324 in other fund expenditure authority and 22.5 FTEs.

	Actual FY06	Budgeted FY07	Agency Req. FY08	Gov Rec. FY08	Inc/Dec FY08	% Change From FY07
Personal Services	882,285	919,128	919,128	953,865	34,737	3.8%
Travel	300,214	310,934	322,859	322,859	11,925	3.8%
Contractual Services	86,328	98,800	95,000	95,000	(3,800)	(3.8%)
Supplies & Materials	51,372	47,600	46,600	46,600	(1,000)	(2.1%)
Grants And Subsidies	-	-	-	-	-	0.0%
Capital Outlay	5,929	8,000	6,000	6,000	(2,000)	(25.0%)
Other	150	-	-	-	-	0.0%
Total	1,326,278	1,384,462	1,389,587	1,424,324	39,862	2.9%
Funding Types						
General	-	-	-	-	-	0.0%
Federal	-	-	-	-	-	0.0%
Other	1,326,278	1,384,462	1,389,587	1,424,324	39,862	2.9%
Total	1,326,278	1,384,462	1,389,587	1,424,324	39,862	2.9%
FTE	22.0	22.5	22.5	22.5	-	0.0%

Revenues

	FY06		Difference Over (Under) Estim.	FY07			FY08 Estimate
	Original Estimate	Actual		Original Estimate	Current Estimate	Change in Estimate	
Examination Fees	8,000	7,560	(440)	8,000	8,000	0	7,000
Re-examination Fees	800	840	40	1,000	1,000	0	800
New License Fees	40,000	50,090	10,090	50,000	50,000	0	40,000
Renewal Fees	90,000	140,040	50,040	20,000	20,000	0	140,000
Materials Sold	1,000	3,460	2,460	1,000	1,000	0	2,000
Interest Income	55,000	27,012	(27,988)	30,000	30,000	0	30,000
Inspection Fees	800,000	1,092,508	292,508	1,050,000	1,050,000	0	1,050,000
Wiring Permits	32,000	75,841	43,841	40,000	40,000	0	75,000
Reciprocity Fees	4,000	8,450	4,450	5,000	5,000	0	6,000
Re-instatement Fees	4,000	300	(3,700)	4,000	4,000	0	1,000
Undertaking Fees	6,000	4,717	(1,283)	5,000	5,000	0	5,000
Total	1,040,800	1,410,818	370,018	1,214,000	1,214,000	0	1,356,800

- The Electrical Commission requests an increase of \$11,925 in travel for fleet vehicle mileage rate increase from 29 cents per mile in FY06 to 31 cents per mile in FY08. The Governor recommends this request. The Governor also recommends an increase of \$34,737 in other fund expenditure authority for FY08 salary policy.

Selected Performance Indicators

	<u>FY06</u>			<u>FY07</u>			<u>FY08</u>
	Original Estimate	Actual	Difference Over (Under) Estim.	Original Estimate	Current Estimate	Change in Estimate	Estimate
Licenses Renewed/New Practitioners	2,500/1,000 6,300	4,290/950 6,000	n/a -300	1,000/1,500 6,500	1,000/1,500 6,500	n/a 0	3,000/1,500 6,500
Examinations:							
State Prepared (Times Given)	12	12	0	12	12	0	12
Applicants Examined/Passed	300/250	325/250	n/a	350/300	350/300	n/a	300/250
Applicants Reexamined/Passed	40/40	162/113	n/a	45/45	45/45	n/a	135/95
Complaints:							
Received/Investigated/Resolved	5/5/5	6/6/6	n/a	5/5/5	5/5/5	n/a	5/5/5
Hearings Held	1	1	0	1	1	0	1
Inspections	18,000	18,000	0	18,000	18,000	0	18,000
Audits	1	0	-1	1	1	0	0
Applicants Denied SD Licensure	20	25	5	20	20	0	20
Board Meetings Held	6	6	0	6	6	0	6

Other Departmental Issues

A. Interim Appropriation Actions

No interim appropriation actions were taken.

B. Letters of Intent- FY07

No Letters of Intent items for FY07.

C. Department of Labor

General Fund Reversions FY02-FY06

FY02- \$39,004

FY03- \$18,426

FY04- \$47,852

FY05- \$31

FY06- \$0