April 8, 2013

Dr. Melody Schopp, Secretary of Education
SD Department of Education
800 Governors Drive
Pierre, SD 57501

Letter of Intent Regarding Legislation Approved in the 2013 Session

Dear Secretary Schopp:

This Letter of Intent sets forth a particular view held by the Joint Committee on Appropriations in approving your appropriation in the 2013 Legislative Session. As such, it supplements that appropriation with a specific policy guideline as approved on March 25, 2013.

While the guideline does not have the direct force of statutory law, it rests solidly on a long-standing tradition of Legislative-Executive relationships in South Dakota and it will be used by the Joint Committee as one basis for the fiscal oversight of your agency and its continued funding.

The 2013 South Dakota Legislature approved a one-time, nonrecurring increase to Providers in SB90 which amended the FY13 General Appropriations Act.

It is the goal of the Joint Committee on Appropriations that these funds provide a 1% one-time, nonrecurring increase to all providers and an additional one-time, nonrecurring 1% to Long-Term Care Providers, Elderly Nutrition Program-Senior Meals, In-Home Services for the Elderly, Child Protection Group Care Providers, Psychiatric Residential Treatment Providers, Substance Abuse Providers, and Community Mental Health Centers in the department of Social Services; as well as the community based services in the departments of Corrections, Human Services, UJS and Health as shown on Attachment 1 to this letter.

It is also the intent of the Joint Committee on Appropriations that only in-state facilities qualify for these one-time funds. Additionally, to reduce administrative burden, no payment less than $100 shall be made.

In addition, it is also expected that you will be prepared to address this guideline in your FY15 budget presentation to the Joint Committee next January.

Thank you for your cooperation.

Representative Fred Romkema
Co-Chair, Interim Joint Appropriations

Senator Deb Peters
Co-Chair, Interim Joint Appropriations

Attachment

cc: Marty Guindon, Auditor General
Jason Dilges, Commissioner, Bureau of Finance and Management

SB90 Provider Inflation

	ONE-TIME 1% - SB90		Additional ONE-TIME 1% - SB90	
	General Funds	Total Funds	General Funds	Total Funds
Hospitals	**759,086**	**1,679,162**		
Critical Access				
Auxilary Placement	**78,050**	**78,060**		
Physicians				
Primary Care/Pediatricians	101,014	228,175		
All Other	187,597	423,753		
Pharmacies	**160,187**	**361,244**		
Durable Medical Equipment	**43,587**	**95,907**		
Emergency Medical Transportation	**23,379**	**51,405**		
Optometrist/ ophthalmologist	**13,064**	**29,622**		
Chiropractors	**3,067**	**6,921**		
Dentist	**75,114**	**171,988**		
Psychiatric Residential Treatment (Medical Services)	**63,375**	**140,972**	**63,375**	**140,972**
Long Term Care	**840,310**	**1,834,710**	**840,310**	**1,834,710**
Assisted Living & Hospice	56,850	124,120	56,850	124,120
Nursing Homes 0-50% Medicaid Occupancy	148,610	324,470	148,610	324,470
Nursing Homes 51-56% Medicaid Occupancy	182,220	397,870	182,220	397,870
Nursing Homes 57-66% Medicaid Occupancy	379,260	828,070	379,260	828,070
Nursing Homes 67% or more Medicaid Occupancy	50,430	110,100	50,430	110,100
9 Critical Access Nursing Homes	22,940	50,080	22,940	50,080
Elderly Nutrition Program - Senior Meals	**47,600**	**47,600**	**47,600**	**47,600**
In-Home Services for the Elderly	**81,710**	**92,260**	**81,710**	**92,260**
Group Care Providers (Child Protection)	**23,840**	**32,030**	**23,840**	**32,030**
Psychiatric Residential Treatment (Child Protection)	**76,820**	**167,720**	**76,820**	**167,720**
Substance Abuse Providers	**124,920**	**157,470**	**124,920**	**157,470**
Community Mental Health Centers	**139,460**	**228,070**	**139,460**	**228,070**
Other Provider Groups (not part of FY12 cut)	**193,450**	**438,190**	**193,450**	**438,190**
DSS Total	**3,035,630**	**6,265,259**	**1,591,485**	**3,139,022**
DOC				
Community Services	115,626	179,639	115,626	179,639
Inmate Services	10,305	10,305	10,305	10,305
DOC Total	**125,931**	**189,944**	**125,931**	**189,944**
DHS				
Community Services	**485,058**	**1,142,166**	**485,058**	**1,142,166**
UJS				
Community Services	**8,251**	**8,951**	**8,251**	**8,951**
DOE				
Community Services	**0**	**12,202**	**0**	**12,202**
DOH				
Community Services	**0**	**6,911**	**0**	**6,911**
Totals	**3,654,870**	**7,625,433**	**2,210,725**	**4,499,196**