

SOUTH DAKOTA LEGISLATIVE RESEARCH COUNCIL

2021 South Dakota Legislature

FISCAL NOTE 2021-FN64A

SB 64 revise the General Appropriations Act for fiscal year 2021.

Pursuant to Joint Rule 6C-1.2, this fiscal note seeks to determine the impact of SB 64 on the FY 2021 General Appropriations Act and FY 2021 General Fund receipts as approved by the 2020 Legislature.

FY 2021 Expenditures	FTE	GENERAL FUNDS	FEDERAL FUNDS	OTHER FUNDS	TOTAL FUNDS
Original FY 2021 Budget Approved in the 2020 Session	14,016.6	1,734,513,310	1,769,897,110	1,419,515,498	4,923,925,918
SB 64 Increased/(Decreased) Expenditures	18.5	(103,988,367)	51,484,603	19,385,985	(33,117,779)
FY 2021 General Appropriations Act as Impacted by SB 64	14,035.1	1,630,524,943	1,821,381,713	1,438,901,483	4,890,808,139

FY 2021 Revenues	General Fund Revenues
Original FY 2021 General Fund Receipts - Adopted in 2020 Session	1,742,576,075
SB 64 (Printed Version) Additional On-Going General Fund Receipts	62,086,848
SB 64 (Printed Version) One-Time General Fund Receipts	57,466,993
FY 2021 General Fund Receipts - as Impacted by SB 64	1,862,129,916

For FY 2021, the printed version of SB 64 reduces overall expenditures by (\$103,988,367), increases transfers from the general fund by \$64,721,582, adds on-going revenues of \$62,086,848, one-time revenues of \$57,466,993, and leaves \$43,614 unobligated.

The following table displays the changes in expenditures and revenues pursuant to SB 64.

DESCRIPTION	FTE	GENERAL FUNDS	FEDERAL FUNDS	OTHER FUNDS	TOTAL FUNDS	BILL SEC.
Agriculture - Agriculture General Operations - Increase of \$69,565 general funds to replace a dozer with a skid steer.		69,565			69,565	6 (2)
Attorney General - Reconstruct the Emergency Vehicle Operations Course (EVOC).		2,434,501			2,434,501	21 (3)
Attorney General - Development of missing persons clearinghouse website.		175,000			175,000	21 (2)
Attorney General - \$160,062 general funds to furnish office space and provide equipment for new DCI special agents.		160,062			160,062	21 (2)
Attorney General - \$100,000 general funds to send all DNA for cold cases out for analysis		100,000			100,000	21 (2)

DESCRIPTION	FTE	GENERAL FUNDS	FEDERAL FUNDS	OTHER FUNDS	TOTAL FUNDS	BILL SEC.
Board of Regents - Board of Regents Expenditure Authority - Increase of \$70,000 in general funds at SDSU and a corresponding decrease of \$70,000 at DSU to transfer the respiratory care program in FY20, with an overall net zero change.		0			0	14 (7)(13)
Board of Regents - Statewide Utility Adjustments - total net decrease of (\$560,092) in general funds for utility adjustments across the board of regents institutions.		(560,092)			(560,092)	14 (4-15)
Board of Regents - Board of Regents Expenditure Authority - Increase of \$355,000 in general funds to USD to upgrade equipment and software in the Animal Resource Center to allow studies of candidate compounds and equipment for the production of vaccines.		355,000			355,000	14 (4)
Board of Regents - Board of Regents Expenditure Authority - Increase of \$329,230 in other fund expenditure authority to the USD Med School to expand the USD graduate nursing program. USD is planning to offer a Master of Science in Nursing (MSN) with a specialization in Nursing Informatics and e-Health as well as a Doctor of Nursing Practice degree. Both tracks will be offered online. The request also includes a librarian and expansion of library subscriptions and digital resources for the Wegner Health Science Library. The expansion is necessary because Avera Health Nursing is being added as a new user of the library. Avera is adding 700 headcount and 539 bed count to the user pool, which will increase the costs to the medical school. Avera is providing funding to cover the increased costs. This is also a FY22 request.	2.0			329,230	329,230	14 (6)
Board of Regents - Board of Regents Expenditure Authority - Increase of \$453,200 in general funds for precision ranching at the Cottonwood Field Station.		453,200			453,200	14 (9)
Board of Regents - Board of Regents Expenditure Authority - Increase of \$90,000 in general funds for the BHSU West River Health Sciences Center for marketing and recruitment.		90,000			90,000	14 (12)
Bureau of Administration - Statewide Utility Adjustments - Increase of \$262,937 in other fund expenditure authority for statewide utility adjustments.				262,937	262,937	3 (2)
Bureau of Information and Telecommunications - Bureau of Information and Telecommunications Expenditure Authority - Increase of \$2,846,386 in other fund expenditure authority for server and infrastructure upgrades. These dollars will replace servers and network equipment that is no longer				2,846,386	2,846,386	4 (1)

DESCRIPTION	FTE	GENERAL FUNDS	FEDERAL FUNDS	OTHER FUNDS	TOTAL FUNDS	BILL SEC.
supported by vendors, which hinders updates to technology and could introduce security vulnerabilities to state infrastructure. The hardware replaced includes servers, firewalls, wireless access points, and ethernet switches.						
<u>Bureau of Information and Telecommunications</u> - Bureau of Information and Telecommunications Expenditure Authority - Increase of \$10,000,000 in other fund expenditure authority for the State Database Brittle Fund.				10,000,000	10,000,000	4 (5)
<u>Bureau of Information and Telecommunications</u> - Bureau of Information and Telecommunications Expenditure Authority - Increase of \$2,400,000 in general funds for three additional towers in the Black Hills to add coverage to areas where there currently isn't coverage.		2,400,000			2,400,000	4 (6)
<u>Bureau of Information and Telecommunications</u> - Bureau of Information and Telecommunications Expenditure Authority - Increase of \$800,000 in general funds for additional electronics and antenna systems at the Hot Springs and Reliance state radio towers to expand coverage.		800,000			800,000	4 (6)
<u>Bureau of Information and Telecommunications</u> - Bureau of Information and Telecommunications Expenditure Authority - Increase of \$4,620,920 in other fund expenditure authority to allow BIT to utilize funding appropriated during the 2019 Legislative Session for the state radio infrastructure upgrade.				4,620,920	4,620,920	4 (6)
<u>Bureau Billings</u> - Increase of \$873,856 in General Funds, \$838,949 in federal fund expenditure authority, and \$1,037,314 in other fund expenditure authority for a total of \$1,037,314 for increased bureau billings.		873,856	838,949	1,037,314	2,750,119	2 (5)
<u>Bureau of Administration</u> - Increase in the Property and Casualty Captive insurance premium.		155,899	8,978	452,083	616,960	
<u>Corrections</u> - Correctional Health - Decrease of (\$2,087,067) in general funds to right-size correctional healthcare based on revised patient counts, previous years' expenditures, and inflation.		(2,087,067)			(2,087,067)	17 (2-8)
<u>Corrections</u> - Correctional Health - Decrease of (\$5,318,659) in general funds due to coding FY2021 payroll for substantially dedicated public health employees at the clinics within the correctional facilities to the Coronavirus Relief Fund.		(5,318,659)			(5,318,659)	17 (2-8)
<u>Corrections</u> - Department of Corrections Operations - Decrease of (\$20,921,979) in general funds due to coding FY2021 payroll		(20,921,979)			(20,921,979)	17 (2-8)

DESCRIPTION	FTE	GENERAL FUNDS	FEDERAL FUNDS	OTHER FUNDS	TOTAL FUNDS	BILL SEC.
for substantially dedicated public safety employees at the correctional facilities to the Coronavirus Relief Fund.						
Corrections - Department of Corrections Operations - Decrease of (\$661,972) in general funds due to meal rate and population changes at state facilities.		(661,972)			(661,972)	17 (2-8)
Corrections - Department of Corrections Operations - Increase of \$1,121,522 in other fund expenditure authority for increased production at Pheasantland Industries and to purchase raw materials for sign production.				1,121,522	1,121,522	17 (5)
Corrections - Community Transition Program - Increase of \$455,885 in general funds for twenty-six additional community housing placements in the Community Transition Program.		455,885			455,885	17 (2-8)
Corrections - Enhanced FMAP and Claims Carryover - Decrease of (\$271,146) in general funds and an increase of \$90,382 in federal fund expenditure authority for the FY2021 enhanced FMAP in juvenile corrections.		(271,146)	90,382		(180,764)	17 (8)
Corrections - Statewide Utility Adjustments - Increase of \$235,927 in general funds across all adult facilities for statewide utility adjustments.		235,927			235,927	17 (2-8)
Economic Development - Increase of \$8,076,969 in federal fund expenditure authority to provide award payments through the Community Development Block Grant (CDBG) program, which was provided as part of the CARES Act			8,076,969		8,076,969	1 (3)
Education - Department of Education Operations - Increase of \$1,531,755 in general funds to update and redesign Department of Education's Educator Certification system.		1,531,755			1,531,755	12 (11)
Education - Department of Education Operations - Increase of \$900,000 in general funds to develop civics and history curriculum.		900,000			900,000	12 (11)
Education - Department of Education Operations - Increase of \$200,000 in general funds to update the South Dakota Virtual School website and registration and reporting system.		200,000			200,000	12 (11)
Education - Department of Education Operations - Increase of \$16,711,083 in federal fund expenditure authority for the National School Lunch Program.			16,711,083		16,711,083	12 (11)
Education - Enhanced FMAP and Claims Carryover - Decrease of (\$14,690) in general fund and an increase of \$4,897 in federal expenditure authority for enhanced FMAP for the birth to three programs.		(14,690)	4,897		(9,793)	12 (11)
Education - Dual Credit - Decrease of (\$525,485) in general funds due to lower than projected dual credit enrollments.		(525,485)			(525,485)	12 (11)

DESCRIPTION	FTE	GENERAL FUNDS	FEDERAL FUNDS	OTHER FUNDS	TOTAL FUNDS	BILL SEC.
Education - Technical Colleges - Increase of \$3,366,196 in general funds for equipment purchases at the technical colleges, which covers 67% of priority one equipment items.		3,366,196			3,366,196	12 (8)
Education - Technical Colleges - Decrease of (\$106,287) in general funds due to updated full-time equivalent student numbers.		(106,287)			(106,287)	12 (8)
Health - Correctional Health – Decrease of (\$2,087,067) in other fund expenditure authority to right-size correctional healthcare based on revised patient counts, previous years' expenditures, and inflation.				(2,087,067)	(2,087,067)	9 (5)
Health – Family & Community Health - Increase of \$262,827 in general funds and 6.5 FTE to cover three additional epidemiologists, two informaticians, three disease intervention specialists, and five public health assistants for half of FY21 due to the increase in reportable diseases in the state.	6.5	262,827			262,827	9 (3)
Health – Enhanced FMAP and Claims Carryover - Decrease of (\$22,590) in general funds and an increase of \$7,530 in federal fund expenditure authority for the FY2021 enhanced FMAP in the rural residency program.		(22,590)	7,530		(15,060)	9 (2)
Human Services - Startup costs for the creation of regional crisis diversion centers operated by community support providers.		8,364,225	11,607,659		19,971,884	18 (2-5)
Human Services - Right sizing at the Developmental Center in Redfield.		(534,425)	(741,662)		(1,276,087)	18 (3)
Human Services - Statewide utility adjustments.		3,208	4,452		7,660	18 (2-5)
Human Services - Enhanced FY20 FMAP and claims carryover due to delayed Medicaid claims.		(13,152,704)			(13,152,704)	18 (2-5)
Human Services - Enhanced 6.2% FY21 FMAP FY21.		(17,566,956)	5,855,652		(11,711,304)	18 (2-5)
Labor and Regulation – Reemployment Assistance - Increase of \$597,566 in federal fund expenditure authority and 10.0 FTE for additional Reemployment Assistance staff to handle the increase in claims and workload.	10.0		597,566		597,566	10 (2)
Labor and Regulation - Field Operations - Increase of \$999,294 in general funds to assist with the Department of Labor and Regulation indirect costs related to COVID-19, including rent, utilities, office supplies, computer, and phone chargers.		999,294			999,294	10 (3)
Legislative Branch - Legislative Research Council Operations - Increase of \$61,114 in general funds for the statutory salary increase for legislators. Legislative salary is equal to 1/5 of the South Dakota median household income reported by the US Census Current Population Survey, which is equal to \$64,255.		61,114			61,114	20 (1)

DESCRIPTION	FTE	GENERAL FUNDS	FEDERAL FUNDS	OTHER FUNDS	TOTAL FUNDS	BILL SEC.
Legislative Branch - Legislative Research Council Operations - Decrease of (\$47,565) in general funds related to align the legislator per diem with the 37-day session calendar.		(47,565)			(47,565)	20 (1)
Military - Statewide Utility Adjustments - Decrease of (\$3,433) in general funds and (\$19,051) federal fund expenditure authority for statewide utility adjustments.		(3,433)	(19,051)		(22,484)	15 (2-3)
Public Safety - Legal and Regulatory Services - Increase of \$107,985 in general funds to purchase equipment for the Metrology Lab, including three scales and the standards needed for the Precision Mass lab.		107,985			107,985	13 (4)
Revenue - Property Tax - Increase of \$150,000 in general funds to purchase new sales ratio study software.		150,000			150,000	5 (4)
Revenue - Audits - Increase of \$150,000 in other fund expenditure authority for a two-year lease of a data analytics software to assist in the selection of audits.				150,000	150,000	5 (5)
Revenue - Business Tax - Increase of \$200,000 in other fund expenditure authority for a consulting contract to review the current Cedar tax system, identify requirements for a replacement system, and develop an RFP for replacement of the Cedar tax system.				200,000	200,000	5 (2)
Secretary of State - Implement an online voter registration system.			42,500		42,500	22 (1)
Social Services - Medicare Part D Clawback due to 6.2% enhanced FMAP.		(4,400,000)			(4,400,000)	8 (3-5)
Social Services - Personal service savings due to coding FY2021 payroll for dedicated public safety employees to the Coronavirus Relief Fund (CRF).		(12,331,832)			(12,331,832)	8 (3-5)
Social Services - Statewide utility adjustments		(71,669)	(9,226)		(80,895)	8 (3-5)
Social Services - Enhanced FY20 FMAP and claims carryover due to delayed Medicaid claims.		(26,000,000)			(26,000,000)	8 (3-5)
Social Services - Enhanced 6.2% FY21 FMAP FY21.		(23,656,839)	7,885,613		(15,771,226)	8 (3-5)
State Auditor - Retirement payout of a long-time state employee.		26,500			26,500	23 (1)
Transportation - State Airplane Purchase - Increase of \$5,000,000 in general funds to procure a new state airplane.		5,000,000			5,000,000	11 (1)
Tribal Relations - Tribal Relation's Website - Increase of \$50,000 general funds to modernize the Department of Tribal Relation's website.		50,000			50,000	7 (1)
Unified Judicial System - Align Drug/DUI court with projected expenditures.		(120,419)			(120,419)	19 (2)
Unified Judicial System - Personal service savings due to coding FY2021 payroll for		(5,765,265)			(5,765,265)	19 (2)

DESCRIPTION	FTE	GENERAL FUNDS	FEDERAL FUNDS	OTHER FUNDS	TOTAL FUNDS	BILL SEC.
dedicated public safety employees to the Coronavirus Relief Fund (CRF).						
Unified Judicial System - Virtual Crisis Care Pilot extension through FY2022.		285,000			285,000	19 (2)
Unified Judicial System - Virtual Crisis Care grant expansion to six additional counties.		75,000			75,000	19 (2)
Veterans' Affairs - Department of Veterans' Affairs Operations - Increase of \$54,845 in other fund expenditure authority for a food services inflation adjustment.				54,845	54,845	16 (2)
Veterans' Affairs - Department of Veterans' Affairs Operations - Increase of \$150,000 in general funds for the State Veterans' Home security system. This request is to replace the out-of-date security system that was transferred over from the original building.		150,000			150,000	16 (2)
Veterans' Affairs - Department of Veterans' Affairs Operations - Increase of \$88,534 in general funds and \$164,420 in federal fund expenditure authority to accommodate for the State Veterans' Home nursing capacity.		88,534	164,420		252,954	16 (2)
Veterans' Affairs - Department of Veterans' Affairs Operations - Increase of \$60,000 in general funds for the State Veterans' Cemetery sprinkler system.		60,000			60,000	16 (3)
Veterans' Affairs - Department of Veterans' Affairs Operations - Increase of \$163,800 in federal fund expenditure authority and \$88,200 in other fund expenditure authority for the State Veterans' Home Pergola/Balcony Enclosure.			163,800	88,200	252,000	16 (2)
Veterans' Affairs - Department of Veterans' Affairs Operations - Increase of \$98,150 in federal fund expenditure authority and \$52,850 in other fund expenditure authority to accommodate for employee housing options in Hot Springs.			98,150	52,850	151,000	16 (2)
Veterans' Affairs - Department of Veterans' Affairs Operations - Increase of \$269,190 in other fund expenditure authority for a solar panel field at the State Veterans' Home.				269,190	269,190	16 (2)
Veterans' Affairs - Statewide Utility Adjustments - Decrease of (\$12,425) in other fund expenditure authority for utility adjustments in the State Veterans' Home.				(12,425)	(12,425)	16 (2)
Veterans' Affairs - Enhanced FMAP - Decrease of (\$287,826) in general funds and increase of \$95,942 federal fund expenditure authority for the FY2021 enhanced FMAP in State Veterans' Home.		(287,826)	95,942		(191,884)	16 (2)
Total Change to Expenditures in FY 2021 General Appropriations Act	18.5	(103,988,367)	51,484,603	19,385,985	(33,117,779)	
Increased One-Time Revenues						

DESCRIPTION	FTE	GENERAL FUNDS	FEDERAL FUNDS	OTHER FUNDS	TOTAL FUNDS	BILL SEC.
Refinancing Gains/ Transfer from SDBA		6,744,667			6,744,667	
Closeout of SDRC Inc. Contract		3,381,726			3,381,726	
Bank Franchise Tax Prior Year Revenue		9,720,271			9,720,271	
One-Time Sales and Use Tax		20,915,582			20,915,582	
One-Time Unclaimed Property Receipts		16,704,747			16,704,747	
Total Changes to Revenues in FY 2021 General Appropriations Act		57,466,993			57,466,993	
<u>Transfers from the General Fund</u>						
Health Care Trust Fund		50,000,000			50,000,000	25 (42)
State Database Brittle Fund		10,000,000			10,000,000	25 (43)
Aeronautics Fund		4,000,000			4,000,000	25 (44)
State Fair Fund		721,582			721,582	25 (45)
Total Transfers from the General Fund in FY 2021 General Appropriations Act		64,721,582			64,721,582	

APPROVED BY: /s/ Reed Holwegner
 Director, Legislative Research Council

DATE: 3/8/2021