

SOUTH DAKOTA LEGISLATIVE RESEARCH COUNCIL

2020 South Dakota Legislature

FISCAL NOTE 2020-FN38B

SB 38 revises the General Appropriations Act for fiscal year 2020.

Pursuant to Joint Rule 6C-1.2, this fiscal note seeks to determine the impact of SB 38, as amended, on the FY 2020 General Appropriations Act and FY 2020 General Fund receipts as approved by the 2019 Legislature.

For FY 2020, the enrolled version of SB 38 creates a positive impact of \$1,288,993 on the General Fund, including reduced expenditures totaling \$6,425,830, and increased transfers from the general fund totaling \$5,136,837.

The following tables display the changes in expenditures and revenues pursuant to SB 38.

FY 2020 Expenditures	FTE	GENERAL FUNDS	FEDERAL FUNDS	OTHER FUNDS	TOTAL FUNDS
Original FY 2020 Budget Approved in the 2019 Session	14,013.2	1,692,873,912	1,754,020,405	1,414,745,451	4,861,639,768
SB 38 Increased/(Decreased) Expenditures	(29.2)	(6,425,830)	3,669,903	22,274,471	19,518,544
FY 2020 General Appropriations Act as Impacted by SB 38 (JCA Engrossed)	13,984.0	1,686,448,082	1,757,690,308	1,437,019,922	4,881,158,312

DESCRIPTION	FTE	GENERAL FUNDS	FEDERAL FUNDS	OTHER FUNDS	TOTAL FUNDS	BILL SEC.
Agriculture - Brand Board Investigation Operations - Decrease of (\$47,873) in other funds and (0.5) FTE in the Office of the Attorney General and an increase of \$47,873 and 0.5 FTE in the South Dakota Department of Agriculture because the Brand Board investigators are moving the South Dakota Department of Agriculture.	0.5			47,873	47,873	4 (9)
Attorney General - Attorney General Operations and Grant Expenditure Authority - Increase of \$600,000 other fund expenditure authority for PEN project, n/k/a Project Boundary Fence. The objective is to assist county and city governments to secure their outward facing technology infrastructure via external penetration measures with strict oversight at DSU MadLabs. Consumer settlement funds will be used to fund the project.				600,000	600,000	19 (1)
Attorney General - Attorney General Operations and Grant Expenditure Authority - Increase of \$65,000 in general funds to rewrite the Statewide Automated Victim and Notification (SAVIN) system. This system is a software hub that collects data from local law enforcement, UJS, and DOC. The current contracted agency and BIT		65,000			65,000	19 (2)

DESCRIPTION	FTE	GENERAL FUNDS	FEDERAL FUNDS	OTHER FUNDS	TOTAL FUNDS	BILL SEC.
will not support and maintain the software. An RFP will be released to identify a vendor to write a new SAVIN hub and replace the current system.						
Attorney General - Attorney General Operations and Grant Expenditure Authority - Increase of \$622,120 federal fund expenditure authority for anti-heroin and NIBRS grants.			622,120		622,120	19 (2)
Attorney General - Attorney General Operations and Grant Expenditure Authority - Increase of \$25,878 in general funds for equipment for the Child Abuse Coordinator FTE.		25,878			25,878	19 (2)
Attorney General - Brand Board Investigation Operations - Decrease of (\$47,873) in other funds and (0.5) FTE in the Office of the Attorney General and an increase of \$47,873 and 0.5 FTE in the South Dakota Department of Agriculture to move the Brand Board investigators to the South Dakota Department of Agriculture.	(0.5)			(47,873)	(47,873)	19 (2)
Board of Regents - Ascent Innovation - Increase of \$488,000 in general funds for the Ascent Innovation grant through the Central Office.		488,000			488,000	12 (10)
Board of Regents - Board of Regents Expenditure Authority - Increase of \$907,794 in other fund expenditure authority at USD relating changing the bookstore contract and discovery district employees becoming part of USD budget. This is also FY21 requests. Increase of \$121,00 in other fund expenditure authority at the USD law school due to enrollment growth to pay for instructional activity and bar prep services. This is also an FY21 request. Increase of \$2,160,000 in other fund expenditure authority at DSU relating to student fees, enrollment, and food services. Increase of \$1,450,000 in other fund expenditure authority at the School for the Deaf for renovations to the TCF building.				4,638,794	4,638,794	12 (4-14)
Board of Regents - Board of Regents Opportunity Scholarship - Decrease of (\$150,000) in general funds for the Opportunity Scholarship.		(150,000)			(150,000)	12 (3)
Board of Regents - DSU Madlabs Security Officers - Increase of \$200,000 in general funds for security officers at the DSU Madlabs.	1.0	200,000			200,000	12 (13)
Board of Regents - REED Network - Increase of \$2,250,000 for the upgrade for the east and west REED path to 100G for BHSU, SDSMT, and SURF.		2,250,000			2,250,000	12 (1)
Board of Regents - Statewide Utility Adjustments - Budget adjustments due to utility cost projections.		56,924			56,924	12 (4-15)

DESCRIPTION	FTE	GENERAL FUNDS	FEDERAL FUNDS	OTHER FUNDS	TOTAL FUNDS	BILL SEC.
Board of Regents - Statewide Utility Adjustments - A budget movement of \$871,820 in general funds from the institutions to the central office, which amounts to 10% of each utility budget, to create a utility pool. Net impact is \$0.						12 (1-15)
Bureau of Finance and Management (BFM) - BFM State Employee Health Insurance Pool - Additional increase to structurally balance state employee health insurance and build up a reserve.		11,448,080	4,266,002	9,086,387	24,800,469	1 (5)
Bureau of Finance and Management (BFM) - State Employee Health Insurance Pool - Increase of \$1,458,450 in general funds and \$3,149,365 in total funds to fund the state employee health insurance plan based on the December projections		1,458,450	540,237	1,150,678	3,149,365	1 (5)
Bureau of Information and Telecommunications (BIT) - Bureau of Information Technology Telecommunications Services - Increase of \$648,074 in other funds to upgrade the current firewall software.				684,074	684,074	2 (3)
Bureau of Information and Telecommunications (BIT) - REED Network - Increase of \$2,250,000 for the upgrade for the east and west REED path to 100G for BHSU, SDSMT, and SURF.				2,250,000	2,250,000	2 (3)
Bureau of Information and Telecommunications (BIT) - State Radio - Increase of \$90,559 in other funds for the State Radio test site.				90,559	90,559	2 (6)
Corrections - Correctional Health - 340B Program - Decrease of (\$1,152,445) in other fund expenditure authority in Department of Corrections (DOC) due to savings from the 340B program, which is a federal prescription assistance program. The 340B Drug Discount Program (340B Program) requires drug manufacturers to provide covered outpatient drugs to certain eligible health care entities at or below statutorily defined discount prices. Savings must be reinvested in the correctional health program.		(1,152,445)			(1,152,445)	15 (6)
Corrections - Correctional Healthcare - 340B Program - Additional decrease of (\$1,000,000) in general funds as a result of 340B Program.		(1,000,000)			(1,000,000)	15 (6)
Corrections - Department of Corrections Operations - Increase in \$201,000 general funds in personal services, \$300,000 general funds in operating expenses, and 1.5 FTE in Administration for maintenance at the Custer campus (formerly STAR Academy) that was reobtained by the state last Fall.	1.5	501,000			501,000	15 (1)

DESCRIPTION	FTE	GENERAL FUNDS	FEDERAL FUNDS	OTHER FUNDS	TOTAL FUNDS	BILL SEC.
Corrections - Department of Corrections Operations - Increase of \$714,913 in general funds and a decrease of (\$76,330) in federal fund expenditure authority for new meal rates in place due to a new contract.		714,913	(76,330)		638,583	15 (2-4)
Corrections - Department of Corrections Operations - This request includes a transfer of \$57,435 general funds from operating expenses to personal services in Inmate Services for salary/benefits for an Inmate Services Corrections Analyst. An increase of \$2,845 in general funds for operating expenses for the Corrections Analyst and a decrease of (\$397,000) in general funds in Inmate Services due to a one-time reduction for medical equipment service contracts/leases (outside of the correctional health care budget) that will be paid for with 340B savings.		(336,720)			(336,720)	15 (6)
Corrections - Department of Corrections Operations - Increase of \$196,971 general funds for 3 Parole Agents. This is comprised of \$179,426 personal services and \$17,545 operating expenses. This request is also a part of the Governor's recommended FY2021 budget.		196,971			196,971	15 (7)
Corrections - Department of Corrections Operations - Increase of \$156,155 in general funds personal services for 3 correctional officers at the Pierre Community Work Center. This request is also a part of the Governor's recommended FY2021 budget.		156,155			156,155	15 (4)
Corrections - Statewide Utility Adjustments - Budget adjustments due to utility cost projections.		(25,388)			(25,388)	15 (2-4)
Education - Deaf Education and Dyslexia Professional Development				250,000	250,000	10 (11)
Education - Department of Education National Board Certified Teacher - Reduction of (\$97,125) to bring the budget in line with anticipated expenditures.		(97,125)			(97,125)	10 (6)
Education - Department of Education Operations - Increase of \$300,000 in other funds for the Perkins Report Card, which is a system to publish Perkins accountability data.				300,000	300,000	10 (11)
Education - Department of Education Operations - Increase of \$200,000 in other funds for the Dual Credit Management System, which is a system for dual credit data such as enrollment, performance, and billing data.				200,000	200,000	10 (11)
Education - Department of Education Operations - Decrease of (\$53,337) in general funds for the State Assessment budget due to underutilized budget.		(53,337)			(53,337)	10 (11)

DESCRIPTION	FTE	GENERAL FUNDS	FEDERAL FUNDS	OTHER FUNDS	TOTAL FUNDS	BILL SEC.
Education - Dual Credit - Decrease of (\$764,164) in general funds due to lower than anticipated students participating in the dual credit program. Initial estimate for FY2020 was 43,663 credit hours, while the revised estimate is 36,806 credit hours (reduction of 6,857 credits).		(764,164)			(764,164)	10 (11)
Education - State Aid Revisions - Decrease of (\$2,949,356) in general fund for State Aid to Education due to 393 few students and higher property valuations.		(2,949,356)			(2,949,356)	10 (3)
Education - State Aid Revisions - Decrease of (\$74,997) in general funds for sparsity payments due to change in fall enrollment and Bennett County School District no longer qualifying for the Sparsity Payment.		(74,997)			(74,997)	10 (5)
Education - Technical Colleges Equipment - Increase of \$1,500,000 for Technical Colleges Equipment.		1,500,000			1,500,000	10 (8)
Education - Technical Institutes - Decrease of (\$21,180) in general funds to aligning the personal services budget with expenditures		(21,180)			(21,180)	10 (8)
Education - Technical Institutes - Decrease of (\$440,979) in general funds due to reduced full-time equivalent student counts		(440,979)			(440,979)	10 (8)
Education - Technical Institutes - Increase of \$39,894 in general funds due to a shortfall for National Guard Tuition Payment.		39,894			39,894	10 (8)
Education - Technical Institutes - Increase of \$100,000 in other funds due to a quality assurance grant received from the Lumina Foundation.				100,000	100,000	10 (8)
Health - Correctional Health - 340B Program - Decrease of (\$1,152,445) in other fund expenditure authority in Department of Corrections (DOC) due to savings from the 340B program, which is a federal prescription assistance program. The 340B Drug Discount Program (340B Program) requires drug manufacturers to provide covered outpatient drugs to certain eligible health care entities at or below statutorily defined discount prices. Savings must be reinvested in the correctional health program.				(1,152,445)	(1,152,445)	7 (5)
Health - Correctional Healthcare - 340B Program - Additional decrease of (\$1,000,000) in other fund expenditure authority as a result of the 340B Program				(1,000,000)	(1,000,000)	7 (5)
Health - Department of Health COVID 19 Federal Grant - Increase of \$4,568,000 in federal fund expenditure authority as a result of federal legislation appropriating money to states to handle the coronavirus.			4,568,000		4,568,000	7 (2-4)

DESCRIPTION	FTE	GENERAL FUNDS	FEDERAL FUNDS	OTHER FUNDS	TOTAL FUNDS	BILL SEC.
Health - Helmsley AED Project – Law Enforcement - Increase of \$3,670,341 in other funds due to a grant received from the Helmsley Charitable Trust to equip and train law enforcement to use automatic external defibrillators.				3,670,341	3,670,341	7 (2)
Health - Suicide Prevention - The Department of Health and Department of Social Services have launched a new Suicide Prevention State Plan for 2020-2025. \$135,000 in DSS and \$75,000 in DOH increase for suicide prevention program and awareness campaign		75,000			75,000	7 (3)
Human Services - CSP Direct Care One-Time Payment - Increase of \$1,000,000 in general funds and \$1,346,867 in federal fund expenditure authority for one-time payments to direct service providers.		1,000,000	1,346,867		2,346,867	16 (2)
Human Services - Department of Human Service Operations - Decrease of (\$631,057) in general fund, (\$849,950) in federal funds and 30 FTE for SDDC Rightsizing. The position includes 28 Direct Support Professionals and two support staff.	(30.0)	(631,057)	(849,950)		(1,481,007)	16 (3)
Human Services - Department of Human Service Operations - Decrease of (\$2,151,601) in general fund and (\$2,315,245) in federal funds due to decrease of Medicaid Individual served in nursing homes and a projected decline in the number of days those individuals are served in the nursing homes.		(2,151,601)	(2,315,245)		(4,466,846)	16 (4)
Human Services - Department of Human Services Nursing Home Operations – Additional decrease of (\$628,840) in general funds and (\$1,429,639) in federal funds.		(628,840)	(1,429,639)		(2,058,479)	16 (4)
Human Services - Statewide Utility Adjustments - Budget adjustments due to utility cost projections.		(13,592)	(18,305)		(31,897)	16 (3)
Labor and Regulation - Board of Technical Professionals - Informational - Decrease of (\$61,858) in other funds and (1.0) FTE for an investigator position located in Rapid City that is no longer needed.	(1.0)			(61,858)	(61,858)	8 (9)
Labor and Regulation - Department of Labor and Regulation Field Operations Reduction - Decrease of (\$213,134) in federal funds and (3.0) FTE to reduce field staff in North Sioux City, Vermillion, and Spearfish. Federal funding from the Workforce Innovation and Opportunity Act (WIOA) is not increasing, so reductions of positions are needed to cover increasing wage and health insurance costs.	(3.0)		(213,134)		(213,134)	8 (3)
Legislative Branch - Legislative Research Council Operations - Increase of \$105,190 in general funds and 1 FTE for the Lead Software Engineer	1.0	105,190			105,190	18 (1)

DESCRIPTION	FTE	GENERAL FUNDS	FEDERAL FUNDS	OTHER FUNDS	TOTAL FUNDS	BILL SEC.
approved by the Executive Board for the rewrite of the bill drafting system and other updates to the LawMaker system.						
Legislative Branch - Legislative Research Council Operations - Increase of \$19,533 in general funds to align budget with projected legislator salary of \$11,893 for FY2020.		19,533			19,533	18 (1)
Legislative Branch - Legislative Research Council Operations - Increase of \$10,790 in general funds to align the budget with projected legislator per diem of \$151 per day. This is offset by a decrease of \$47,565 in general funds in the legislator per diem budget due to a 37-day session instead of 40 days.		(36,775)			(36,775)	18 (1)
Legislative Branch - Redistricting Software - Funding for the Legislative Research Council to purchase mapping software for the FY2021 redistricting project.		75,000			75,000	18 (1)
Military - Department of Military Budget Realignment - Overall decrease of (\$35,000) in other fund expenditure authority to align the budget with actual expenditures.			(35,000)		(35,000)	13 (1-3)
Military - Statewide Utility Adjustments - Budget adjustments due to utility cost projections.		16,283	56,683		72,966	13 (2-3)
Public Safety - Department of Public Safety Operations - Increase of \$1,334,400 in other funds to purchase P25 compliant radios.				1,334,400	1,334,400	11 (2)
Public Safety - Department of Public Safety Operations - Decrease of (\$50,000) in general funds in Victim's Services to align the budget with expenditures and an increase of \$2,750,000 in federal funds in Victim's Services to utilize the full grant awards for subrecipients.		(50,000)	2,750,000		2,700,000	11 (4)
Public Safety - Department of Public Safety Operations - Increase of \$1,000,000 in federal funds for upgrades to the Next Generation 9-1-1 system.			1,000,000		1,000,000	11 (5)
Revenue - Department of Revenue Agent Adjustment - Adjusting Revenue Agents to align with FY21	0.8			41,332	41,332	3 (2)
Revenue - Motor Fuel Explore Consortium Upgrade Project - Increase of \$646,786 in federal fund expenditure authority provided as a grant to upgrade the Motor Fuel Explore System. The new system supports valuable functions not supported by South Dakota's current system including better financial accounting, interaction with other systems, improved data security, better report functionality, as well as other improvements.			646,786		646,786	3 (3)

DESCRIPTION	FTE	GENERAL FUNDS	FEDERAL FUNDS	OTHER FUNDS	TOTAL FUNDS	BILL SEC.
Revenue - State Property Tax Administration System - Increase of \$225,000 in general funds to upgrade the state property tax system. The updated system will create efficiencies between the State and counties regarding data transfer, reporting, notifications, as well as reduce errors and save staff time.		225,000			225,000	3 (4)
Secretary of State - Secretary of State HAVA Grant Match - Increase of \$300,000 in general funds for half of the 20% match rate and an increase of \$3,000,000 in federal funds.		300,000	3,000,000		3,300,000	20 (1)
Secretary of State - Secretary of State Online Voter Registration System - Request is for \$25,000 for online voter registration system and \$35,000 to implement circulator badge program.		60,000			60,000	20 (1)
Secretary of State - Secretary of State Online Voter Registration System - Decrease of (\$25,000) in general funds because HB1050 failed.		(25,000)			(25,000)	20 (1)
Social Services - Department of Social Services Behavioral Health Operations - Additional decrease of (\$1,000,000) in general funds.		(1,000,000)			(1,000,000)	6 (5)
Social Services - Department of Social Services Medical Services Operations - Additional decrease of (\$8,159,713) in general funds and (\$10,990,048) in federal funds.		(8,159,713)	(10,990,048)		(19,149,761)	6 (3)
Social Services - Department of Social Services Operations - Decrease of (\$150,000) in general funds due to savings in the EBT program as a result of a new contract.		(150,000)			(150,000)	6 (1)
Social Services - Department of Social Services Operations - Decrease of (\$500,000) in general funds due to reduced utilization in the auxiliary placement program.		(500,000)			(500,000)	6 (2)
Social Services - Department of Social Services Operations - Decrease of (\$4,117,703) in general funds and (\$4,069,973) in federal funds due to change in the anticipated Medicaid and CHIP eligibles, cost, and utilization.		(4,117,703)	(4,069,973)		(8,187,676)	6 (3)
Social Services - Department of Social Services Operations - Decrease of (\$1,200,000) in general funds and increase of \$3,920,832 in federal funds for the Child Care Assistance Program.		(1,200,000)	3,920,832		2,720,832	6 (4)
Social Services - Department of Social Services Operations - Decrease of (\$950,000) in general funds and an increase of \$950,000 in federal fund expenditure authority to replace the general funds with TANF federal funds in the Family Foster Care program.		(950,000)	950,000			6 (4)
Social Services - Department of Social Services Operations - Decrease of (\$880,000) in general funds based		(880,000)			(880,000)	6 (5)

DESCRIPTION	FTE	GENERAL FUNDS	FEDERAL FUNDS	OTHER FUNDS	TOTAL FUNDS	BILL SEC.
on utilization of outpatient treatment for substance use disorder.						
Social Services - Department of Social Services Operations - Decrease of (\$500,000) in general funds in meth prevention.		(500,000)			(500,000)	6 (5)
Social Services - Department of Social Services Operations - Decrease of (\$200,000) in general funds based on utilization of Juvenile Justice Reinvestment Initiative (JJRI).		(200,000)			(200,000)	6 (5)
Social Services - Pennington County Equipment - Pennington County Care Campus Equipment		94,000			94,000	6 (5)
Social Services - SF Community Mental Health Equipment - SF Community Mental Health Triage Center Equipment		200,000			200,000	6 (5)
Social Services - Statewide Utility Adjustments - Budget adjustments due to utility cost projections.		(24,684)			(24,684)	6 (5)
Social Services - Suicide Prevention - The Department of Health and Department of Social Services have launched a new Suicide Prevention State Plan for 2020-2025. \$135,000 in DSS and \$75,000 in DOH increase for suicide prevention program and awareness campaign		135,000			135,000	6 (5)
State Auditor - State Auditor Operations - Increase of \$7,456 in general funds to convert the office to Voice over Internet Protocol telephones.		7,456			7,456	22 (1)
State Treasurer - State Treasurer Claims Processing Operations - Increase of \$16,751 and 0.3 FTE.	0.3			37,286	37,286	21 (2)
State Treasurer - State Treasurer Operations - Increase of \$37,286 and 0.3 FTE in other funds to fund a fraud prevention analyst for 3 months. The analyst work to develop comprehensive threat matrix, monitor domestic and foreign unclaimed property accounts, claims and communications to mitigate against fraudulent threats. This is also a request for FY21.	0.3			37,286	37,286	21 (2)
Transportation - Statewide Utility Adjustments - Budget adjustments due to utility cost projections.				(5,800)	(5,800)	9 (1)
Tribal Relations - Office of Tribal Relations Operations - Increase of \$150,000 in other funds to accommodate a Bush Grant.				150,000	150,000	5 (1)
Unified Judicial System - Unified Judicial System Drug/DUI Court Treatment - Increase of \$445,099 in general funds for Drug/DUI courts. Treatment cost projections are higher than originally calculated. The projected costs for FY20 are \$3,260 per client and \$3,325 for FY21. Clients served is expected to be 587 in FY20 and 612 in FY21.		445,099			445,099	17 (2)

DESCRIPTION	FTE	GENERAL FUNDS	FEDERAL FUNDS	OTHER FUNDS	TOTAL FUNDS	BILL SEC.
Veterans' Affairs - Department of Veterans' Affairs Operations - Decrease of (\$19,764) in other funds due to a decrease in the food contract.				(19,764)	(19,764)	14 (2)
Veterans' Affairs - Statewide Utility Adjustments - Budget adjustments due to utility cost projections.				(106,799)	(106,799)	14 (2)
Total SB 38 Increased/(Decreased) Expenditures	(29.2)	(6,425,830)	3,669,903	22,274,471	19,518,544	

FY2020 Transfer Detail						
Transfers Between Funds						
From the Telecommunications Relay Fund				(250,000)	(250,000)	24
To the Department of Education Finance and Management Fund for deaf education and dyslexia.				250,000	250,000	24
Total Changes to Revenues in FY 2020 General Appropriations Act				0	0	
Increased Transfers from the General Fund						
Transfer to the Postsecondary Scholarship Grant Fund for Critical Teaching Needs Scholarships		(1,125,000)		1,125,000	0	24
Transfer to the Highway Fund for County and Township Roads and Bridges		(4,011,837)		4,011,837	0	24
Total Changes to Transfers from the General Fund in FY 2020 General Appropriations Act		(5,136,837)		5,136,837	0	

FY 2020 Revenues	General Fund Revenues
Original FY 2020 General Fund Receipts - Adopted in 2019 Session	1,701,244,640
SB 38 (JCA Engrossed) Version One-Time General Fund Receipts	0
SB 38 (JCA Engrossed) Version One-Time General Fund Transfers	(5,136,837)
FY 2020 General Fund Receipts - as Impacted by SB 38	1,696,107,803

APPROVED BY: /s/ Jason Hancock
 Director, Legislative Research Council

DATE: 3/30/2020