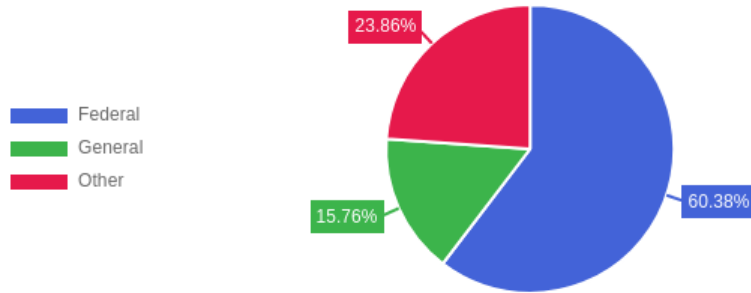


Bureau of Finance and Management (BFM)

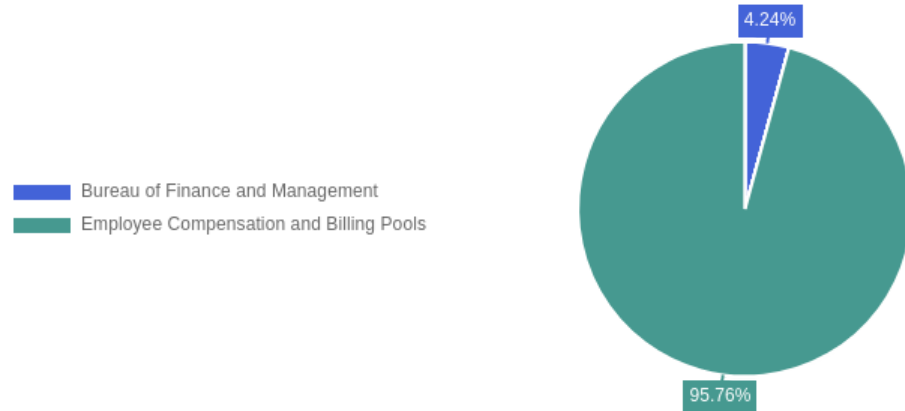
Fiscal Year 2023 Budget Brief Summary

Information contained in this document is based on the Governor's FY2023 Budget and may not correspond with the final budget adopted by the Legislature.

Source of Funds



Distribution of General Funds



Key Personnel

- Jeff Partridge, Interim Commissioner
- Matt Flett, Executive Management Finance Office
- Colin Keeler, Financial Systems
- Morgan Gruebele, Chief Budget Analyst
- Keith Senger, Accounting Analysis and Financial Reporting
- Derek Johnson, State Economist
- Allysén Kerr, Statewide Internal Control Officer

Mission of the Bureau of Finance and Management (BFM)

The mission of the Bureau of Finance and Management (BFM) includes advising the Governor on overall fiscal policy; completing and presenting the annual fiscal plan; promoting the efficient and effective management of the state of South Dakota; preparing the state's annual financial report; implementing a statewide system of internal control; managing internal service rates; and, managing the central accounting and payroll systems for the state.

Bureau of Finance and Management (BFM) Budget Units

- Bureau of Finance and Management (0111)
- Sale/Leaseback (BFM) (0112)
- Computer Services and Development (0113)
- Coronavirus Stimulus Pool (0114)
- Building Authority - Informational (0115)
- Health & Ed Facilities Authority - Info (0116)
- Employee Compensation and Billing Pools (0117)
- Educ. Enhancement Funding Corp - Info (0119)

Major Items Summary - Bureau of Finance and Management (BFM)

Agency Request

Governor's Recommendation

	General	Federal	Other	Total	FTE	General	Federal	Other	Total	FTE
FY 2023 Base Budget	\$1,087,741	\$0	\$10,470,847	\$11,558,588	43.0	\$1,087,741	\$0	\$10,470,847	\$11,558,588	43.0
1. Accountant I FTE	\$0	\$0	\$74,361	\$74,361	0.0	\$0	\$0	\$74,361	\$74,361	0.0
2. BFM Deputy Commissioner FTE	\$0	\$0	\$0	\$0	0.0	\$149,381	\$0	\$0	\$149,381	1.0
3. COVID Pool Funds	\$0	\$100,000,000	\$0	\$100,000,000	0.0	\$0	\$100,000,000	\$0	\$100,000,000	0.0
4. Maintenance/Lease Contract Increase	\$0	\$0	\$85,344	\$85,344	0.0	\$0	\$0	\$85,344	\$85,344	0.0
5. Management Analyst Transfer	\$0	\$0	\$74,583	\$74,583	1.0	\$0	\$0	\$74,583	\$74,583	1.0
6. Market Adjustment for State Employees	\$0	\$0	\$0	\$0	0.0	\$24,746,814	\$11,420,348	\$29,708,269	\$65,875,431	0.0
7. Salary Policy Adjust Artificial Minimums	\$0	\$0	\$0	\$0	0.0	\$46,287	\$14,247	\$180,565	\$241,099	0.0
8. Salary Policy Adjustment to Targeted Job Classes	\$0	\$0	\$0	\$0	0.0	\$3,170,225	\$462,082	\$1,970,355	\$5,602,662	0.0
FY 2023 Total Budget	\$1,087,741	\$100,000,000	\$10,705,135	\$111,792,876	44.0	\$29,200,448	\$111,896,677	\$42,564,324	\$183,661,449	45.0
Change from Base Budget	\$0	\$100,000,000	\$234,288	\$100,234,288	1.0	\$28,112,707	\$111,896,677	\$32,093,477	\$172,102,861	2.0
% Change from Base Budget	0.0%	∞%	2.2%	867.2%	2.3%	2,584.5%	∞%	306.5%	1,489.0%	4.7%

1. Accountant I FTE

	General	Federal	Other	Total	FTE
Agency Request	\$0	\$0	\$74,361	\$74,361	0.00
<i>Governor's Recommendation</i>	<i>\$0</i>	<i>\$0</i>	<i>\$74,361</i>	<i>\$74,361</i>	<i>0.00</i>

The agency requests an increase of **\$74,361** in **other fund** expenditure authority and an offsetting adjustment to the FTE for an accountant I position. This position is being transferred from the health and education facilities authority within BFM. BFM currently has 24 accountants, with 6 specifically part of the Executive Management Finance Office(EMFO). The additional accountant would be part of the EMFO. Increased workload among accountants is being driven by COVID related stimulus grants, complexities with the statewide cost allocation plan, comprehensive annual financial report (CAFR), and more technical assistance to agencies. This position would be funded with revenues received by state agencies as an administrative cost.

In FY2015, 3 FTE accountants were added for the CAFR and 1 FTE added as an accountant for the financial systems. In FY2016, 2 FTE accountants were added for a faster CAFR. *Page 4 of the BFM Budget Brief Detail.*

The governor recommends this request.

2. BFM Deputy Commissioner FTE

	General	Federal	Other	Total	FTE
Agency Request	\$0	\$0	\$0	\$0	0.00
<i>Governor's Recommendation</i>	<i>\$149,381</i>	<i>\$0</i>	<i>\$0</i>	<i>\$149,381</i>	<i>1.00</i>

The governor recommends an increase of **\$149,381** in **general funds** and an increase of **1.0** FTE to create a Deputy Commissioner within BFM. This position would take on some of the duties and responsibilities of the Commissioner. *Page 5 of the BFM Budget Brief Detail.*

3. COVID Pool Funds

	General	Federal	Other	Total	FTE
Agency Request	\$0	\$100,000,000	\$0	\$100,000,000	0.00
<i>Governor's Recommendation</i>	<i>\$0</i>	<i>\$100,000,000</i>	<i>\$0</i>	<i>\$100,000,000</i>	<i>0.00</i>

The agency requests an increase of **\$100,000,000** in **federal fund** expenditure authority for American Rescue Plan Act (ARPA) funding. This request would create an on-going pool of federal fund expenditure authority within BFM and would replenish each year at the appropriated amount. An agency would need to request funding and authority from BFM. BFM would then consider the proposal and transfer the needed authority if the project is approved by BFM. *Page 14 of the BFM Budget Brief Detail.*

The governor recommends this request.

4. Maintenance/Lease Contract Increase

	General	Federal	Other	Total	FTE
Agency Request	\$0	\$0	\$85,344	\$85,344	0.00
<i>Governor's Recommendation</i>	<i>\$0</i>	<i>\$0</i>	<i>\$85,344</i>	<i>\$85,344</i>	<i>0.00</i>

The agency requests an increase of **\$85,344** in **other fund** expenditure authority for inflationary increases for software maintenance of the state's financial systems. The state's financial systems include the central accounting system, fixed-assets, inventory, and financial reporting systems. The maintenance contract pays for ongoing development, regulatory updates, bug fixes, and vendor support.

The budgetary accounting fund will be used to pay for this increase. It is expected the bureau billing rate could increase 1.5%. *Page 5 of the BFM Budget Brief Detail.*

The governor recommends this request.

5. Management Analyst Transfer

	General	Federal	Other	Total	FTE
Agency Request	\$0	\$0	\$74,583	\$74,583	1.00
<i>Governor's Recommendation</i>	<i>\$0</i>	<i>\$0</i>	<i>\$74,583</i>	<i>\$74,583</i>	<i>1.00</i>

The agency requests an increase of **\$74,583** in **other fund** expenditure authority and an increase of **1.0** FTE to transfer a management analyst from the Bureau of Information and Telecommunications (BIT) to the Bureau of Finance and Management (BFM). BFM in partnership with BIT and other state agencies is undertaking the replacement of the state's Enterprise Resource systems (ERP). ERP refers to the integrated management of an organizations main business processes. This includes software organizations use on a day-to-day basis like accounting, budgeting, payroll, human resources, procurement, asset management, inventory, and others. The transfer will allow BFM to have a dedicated project manager for this multi-year project. *Page 5 of the BFM Budget Brief Detail.*

The governor recommends this request.

6. Market Adjustment for State Employees

	General	Federal	Other	Total	FTE
Agency Request	\$0	\$0	\$0	\$0	0.00
<i>Governor's Recommendation</i>	\$24,746,814	\$11,420,348	\$29,708,269	\$65,875,431	0.00

The governor recommends an increase of **\$24,746,814** in **general funds**, an increase of **\$11,420,348** in **federal fund** expenditure authority and an increase of **\$29,708,269** in **other fund** expenditure authority for a 6% cost of living adjustment. *Page 23 of the BFM Budget Brief Detail.*

7. Salary Policy Adjust Artificial Minimums

	General	Federal	Other	Total	FTE
Agency Request	\$0	\$0	\$0	\$0	0.00
<i>Governor's Recommendation</i>	\$46,287	\$14,247	\$180,565	\$241,099	0.00

The governor recommends an increase of **\$46,287** in **general funds**, an increase of **\$14,247** in **federal fund** expenditure authority and an increase of **\$180,565** in **other fund** expenditure authority for pay adjustments targeted to specific job classes to address market equity concerns. *Page 23 of the BFM Budget Brief Detail.*

8. Salary Policy Adjustment to Targeted Job Classes

	General	Federal	Other	Total	FTE
Agency Request	\$0	\$0	\$0	\$0	0.00
<i>Governor's Recommendation</i>	\$3,170,225	\$462,082	\$1,970,355	\$5,602,662	0.00

The governor recommends an increase of **\$3,170,225** in **general funds**, an increase of **\$462,082** in **federal fund** expenditure authority and an increase of **\$1,970,355** in **other fund** expenditure authority for adjustments to artificially low pay range minimums.

Page 24 of the BFM Budget Brief Detail.

Bureau of Finance and Management (BFM) Budget Request

By Fund Category	FY 2020 Actual	FY 2021 Actual	FY 2021 Budget	FY 2022 Budget	FY 2023 Agency Request	FY 2023 Governors Recommended	Change From FY2022
General	\$855,918	\$1,005,985	\$1,019,882	\$1,087,741	\$1,087,741	\$29,200,448	\$28,112,707
Federal	\$55,549,206	\$1,119,842,935	\$0	\$0	\$100,000,000	\$111,896,677	\$111,896,677
Other	\$7,774,840	\$8,319,792	\$9,480,290	\$10,470,847	\$10,705,135	\$42,564,324	\$32,093,477
Total	\$64,179,964	\$1,129,168,712	\$10,500,172	\$11,558,588	\$111,792,876	\$183,661,449	\$172,102,861
By Program							
Bureau of Finance and Management	\$7,276,756	\$18,694,708	\$7,070,643	\$7,542,035	\$7,776,323	\$7,925,704	\$383,669

By Program	FY 2020 Actual	FY 2021 Actual	FY 2021 Budget	FY 2022 Budget	FY 2023 Agency Request	Governors Recommended	Change From FY2022	
Accounting Analysis/Financial Reporting	\$1,032,605	\$1,196,163	\$1,369,785	\$1,363,178	\$1,363,178	\$1,363,178	\$0	
Statewide Internal Control	\$830,248	\$345,509	\$126,900	\$298,532	\$298,532	\$298,532	\$0	
Sale/Leaseback (BFM)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Computer Services and Development	\$55,388,460	\$216,483,576	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$0	
Coronavirus Stimulus Pool	\$0	\$892,341,218	\$0	\$0	\$100,000,000	\$100,000,000	\$100,000,000	
Building Authority - Informational	\$593,127	\$757,406	\$565,230	\$1,003,167	\$1,003,167	\$1,003,167	\$0	
Health & Ed Facilities Authority - Info	\$804,990	\$780,864	\$724,344	\$873,431	\$873,431	\$873,431	\$0	
Employee Compensation and Billing Pools	\$0	\$0	\$0	\$0	\$0	\$71,719,192	\$71,719,192	
Increase for Meals and Lodging	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Health Insurance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Unused	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Bureau Billings for Expansion	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Pool for Captive Insurance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Educ. Enhancement Funding Corp - Info	\$116,631	\$110,939	\$139,955	\$139,955	\$139,955	\$139,955	\$0	
Total	\$66,042,817	\$1,130,710,384	\$11,996,857	\$13,220,298	\$113,454,586	\$185,323,159	\$172,102,861	
By Object Expenditure Personnel Costs	\$3,729,266	\$3,971,632	\$4,019,974	\$4,181,007	\$4,319,951	\$73,029,273	\$68,848,266	
Salaries	\$2,848,592	\$3,094,503	\$3,165,050	\$3,314,068	\$3,418,538	\$63,332,684	\$60,018,616	
Benefits	\$880,674	\$877,129	\$854,924	\$866,939	\$901,413	\$9,696,589	\$8,829,650	
Operating Expenditures	\$14,801,161	\$369,464,091	\$6,480,198	\$7,377,581	\$107,472,925	\$110,632,176	\$103,254,595	
Travel	\$68,614	\$43,148	\$104,945	\$124,267	\$125,667	\$126,367	\$2,100	
Contractual Services	\$14,359,976	\$368,090,361	\$5,635,540	\$6,508,924	\$106,599,868	\$109,756,919	\$103,247,995	
Supplies	\$99,895	\$105,996	\$127,551	\$131,223	\$131,623	\$131,823	\$600	
Capital Outlay	\$272,677	\$1,224,586	\$612,162	\$613,167	\$615,767	\$617,067	\$3,900	
Total	\$18,530,427	\$373,435,723	\$10,500,172	\$11,558,588	\$111,792,876	\$183,661,449	\$172,102,861	
Full-Time Equivalent (FTE)	35.48	38.18	43.0	43.0	44.0	45.0	2.0	
Funding Sources (Governor's Recommended)								
			General	Federal	Other	General%	Federal%	Other%

	General	Federal	Other	General%	Federal%	Other%
STATE GENERAL FUND	\$29,200,448	\$0	\$0	100.0%	0.0%	0.0%
BOA CENTRAL OFFICE	\$0	\$0	\$953,614	0.0%	0.0%	2.2%
BUDGETARY ACCOUNTING FUND	\$0	\$0	\$7,734,968	0.0%	0.0%	18.2%
FEDERAL STIMULUS FUNDS (COVID-19)	\$0	\$100,000,000	\$0	0.0%	89.4%	0.0%
SDBA PUBLIC BUILDING FUND	\$0	\$0	\$1,003,167	0.0%	0.0%	2.4%
HEALTH & EDUCATIONAL FACILITIES AUTH	\$0	\$0	\$873,431	0.0%	0.0%	2.1%
GOVERNOR'S OFFICE FEDERAL FUNDS	\$0	\$11,896,677	\$0	0.0%	10.6%	0.0%
ATTORNEY GENERAL-OTHER	\$0	\$0	\$31,859,189	0.0%	0.0%	74.8%
TOBACCO SECURITIZATION	\$0	\$0	\$139,955	0.0%	0.0%	0.3%

Governor's Recommend FY22 Supplemental Bill Changes - Bureau of Finance and Management (BFM)

Executive Management Finance Office Accountant

Increase of **\$74,361 in other fund expenditure authority** and an increase of **1.0 in FTE** for an accountant I position. This position is being transferred from the health and education facilities authority within BFM. BFM currently has 24 accountants, with 6 specifically part of the Executive Management Finance Office(EMFO). The additional accountant would be part of the EMFO. Increased workload among accountants is being driven by COVID related stimulus grants, complexities with the statewide cost allocation plan, comprehensive annual financial report (CAFR), and more technical assistance to agencies. This position would be funded with revenues received by state agencies as an administrative cost. This is also a FY2023 budget request.

In FY2015, 3 FTE accountants were added for the CAFR and 1 FTE added as an accountant for the financial systems. In FY2016, 2 FTE accountants were added for a faster CAFR.

Health and Educational Facilities Authority Realignment

Decrease of **(1.0) in FTE** to transfer the position is from the health and education facilities authority within BFM.

Management Analyst

Increase of **\$74,583 in other fund expenditure authority** and an increase of **1.0 in FTE** to transfer a management analyst from the Bureau of Information and Telecommunications (BIT) to the Bureau of Finance and Management (BFM). BFM in partnership with BIT and other state agencies is undertaking the replacement of the state's Enterprise Resource systems (ERP). ERP refers to the integrated management of an organizations main business processes. This includes software organizations use on a day-to-day basis like accounting, budgeting, payroll, human resources, procurement, asset management, inventory, and others. The transfer will allow BFM to have a dedicated project manager for this multi-year project. This is also a FY2023 budget request.