

# Department of Human Services

*Joint Committee on Appropriations  
Fiscal Year 2027 Budget Hearing  
January 20, 2026*



# AGENDA



**DEPARTMENT  
OVERVIEW**



**FY2027 RECOMMENDED  
BUDGET**



**FY2026  
BUDGET  
AMENDMENTS**

# Department Acronyms

**ACL** – Administration for Community Living  
**ADLS** – Assistive Daily Living Services  
**ARSD** – Administrative Rules of South Dakota  
**AWC** – Agency With Choice  
**CHOICES** – Community, Hope, Opportunity, Independence, Careers, Empowerment, Success  
**CLH** – Community Living Home  
**CMS** – Centers for Medicare and Medicaid Services  
**CSP** – Community Support Provider  
**CTS** – Community Transition Services  
**DDD** – Division of Developmental Disabilities  
**DDS** – Disability Determination Services  
**DHS** – Department of Human Services  
**DRS** – Division of Rehabilitation Services  
**FS360** – Family Support 360  
**FTE** – Full-Time Equivalent  
**HCBS** – Home & Community Based Services  
**HOPE** – Home and Community-Based Options and Person Centered Excellence

**I/DD** – Intellectual and Developmental Disabilities  
**ICF/IID** – Intermediate Care Facility for Individuals with Intellectual Disabilities  
**IL** – Independent Living  
**LTSS** – Division of Long Term Services and Supports  
**OIB** – Older Individuals who are Blind  
**RSA** – Rehabilitation Services Administration  
**SFC** – Structured Family Caregiving  
**SBVI** – Division of Service to the Blind and Visually Impaired  
**SHIINE** – Senior Health Information & Insurance Education  
**SSI** – Supplemental Security Income  
**SDDC** – South Dakota Developmental Center  
**SDRC** – South Dakota Rehabilitation Center for the Blind  
**SSA** – Social Security Administration  
**SSDI** – Social Security Disability Insurance  
**TRS** – Telecommunication Relay Services  
**VR** – Vocational Rehabilitation  
**WIOA** – Workforce Innovation and Opportunity Act

# OUR TEAM



**Shawnie  
Rechtenbaugh**  
Cabinet Secretary



**Tom  
Martinec**  
Deputy Secretary



**Tami Darnall**  
Director of Finance



**Jenna Howell**  
Senior Legal Counsel



**Heather Krzmarzick**  
LTSS Director



**Eric Weiss**  
DRS Director



**Kevin Dunn**  
DDD Director



**Ronda Williams**  
SBVI Director



**Barbara Abeln**  
SDDC Director



# **Brief Department Overview**

To enhance the quality of life  
of older adults and people  
with disabilities, in partnership  
with our stakeholders.

Department Mission



# Services Provided

## Developmental Disabilities

Family Support 360

CHOICES

Intermediate Care Facility (Children)

## South Dakota Developmental Center

Residential Services

Healthcare Services

Behavioral Health Services

Vocational Services

## Long Term Services and Supports

Community Supports

In-Home Services

Assisted Living

Nursing Homes

Adult Protection

## Rehabilitation Services

Assistive Daily Living Services (Quadriplegia)

Disability Determination Services

Vocational Rehabilitation

## Service to the Blind and Visually Impaired

Rehabilitation Center for the Blind

Vocational Rehabilitation

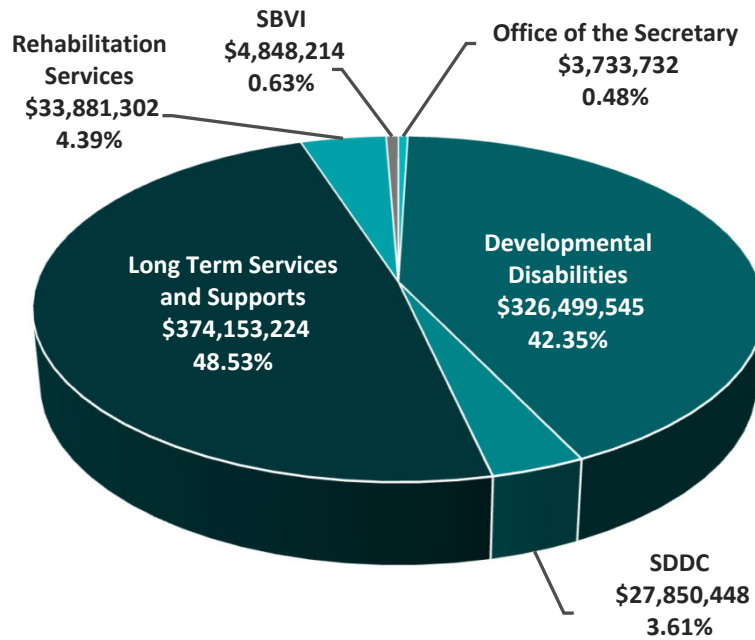
Independent Living



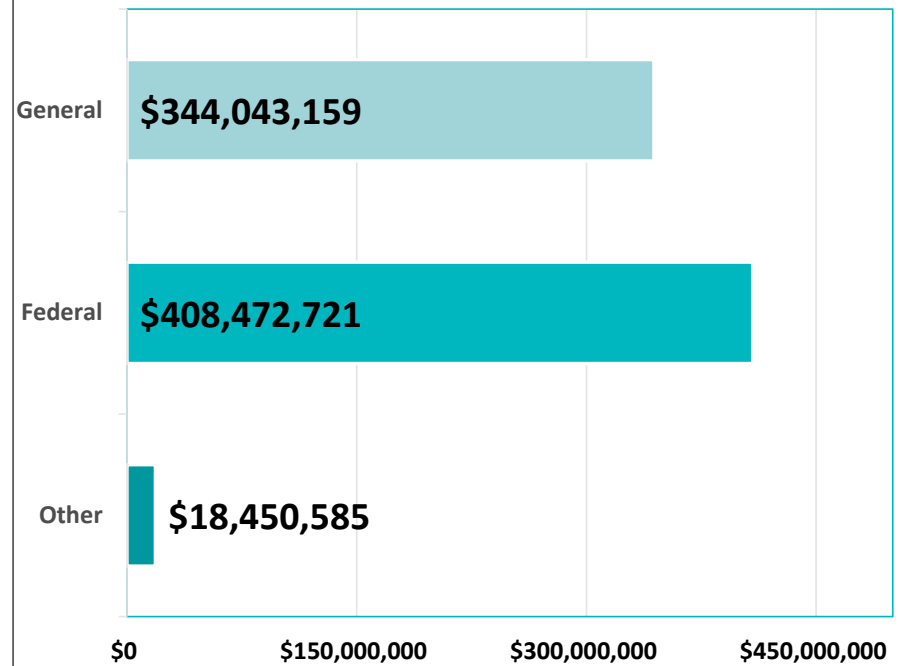
# **FY2027 Budget Recommendation**

# Fiscal Year 2027 Recommended Budget

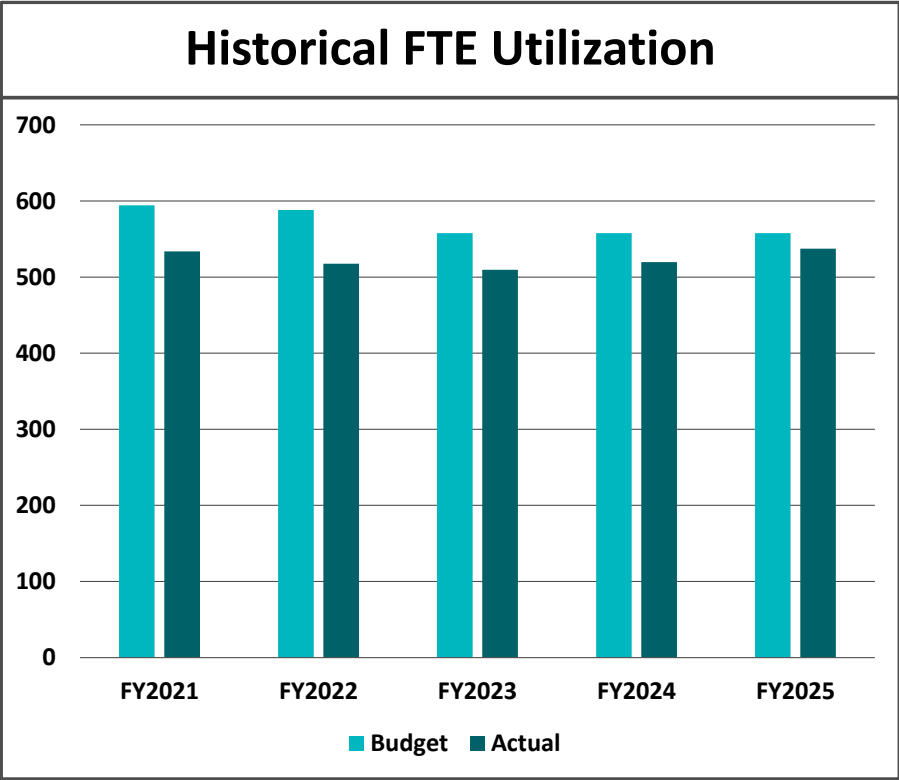
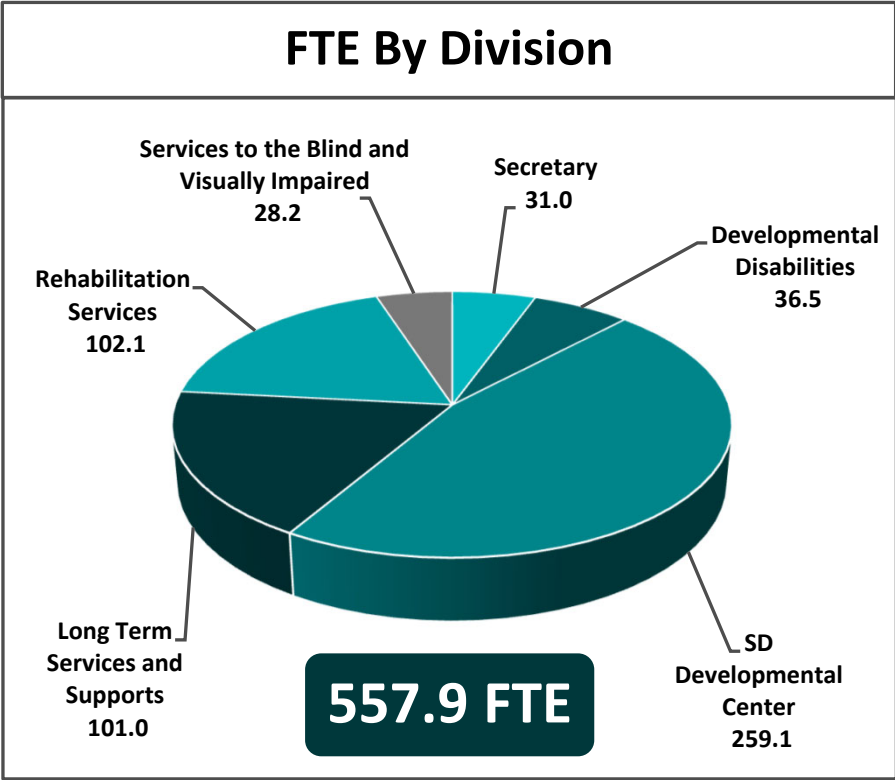
## Total Recommended Budget – \$770,966,465



## Funding Breakout



# Fiscal Year 2027 Recommended Full-Time Equivalent (FTE)



# Workforce Statistics

## Turnover Rate

FY24: 11.5%  
FY25: 9.7%

## Eligible to Retire

Current: 13.6%  
In 5 Years: 25%  
In 10 Years: 37.9%

**557.9**  
Full-Time  
Equivalents

## Overtime Usage

FY24: \$1,186,562  
FY25: \$979,199

## Vacant Positions

Current: 19  
Over 180 Days: 6

# Fiscal Year 2027 Governor Recommended Budget

Budget	FTE	General	Federal	Other	Total
FY2026 Base Budget	557.9	322,750,816	394,761,261	16,232,437	733,744,514
FY2027 Recommended Budget	<u>557.9</u>	<u>344,043,159</u>	<u>408,472,721</u>	<u>18,450,585</u>	<u>770,966,465</u>
<b>Total Budget Change</b>	<b>0.0</b>	<b>\$21,292,343</b>	<b>\$13,711,460</b>	<b>\$2,218,148</b>	<b>\$37,221,951</b>
Recommended Budget Changes	FTE	General	Federal	Other	Total
Federal Medical Assistance Percentage		5,205,293	(5,383,386)	178,093	0
SD Developmental Center Utilities		8,184	8,408	0	16,592
Homemaker Fees		(284,467)	0	284,467	0
Title III Meals		476,186	935,937	0	1,412,123
DDS Medical Consultants		0	480,000	0	480,000
Utilization Adjustments		15,887,147	17,670,501	1,755,588	35,313,236
Transfer vacant FTE between Divisions	0.0	0	0	0	0
<b>Total Recommended Budget Changes</b>	<b>0.0</b>	<b>\$21,292,343</b>	<b>\$13,711,460</b>	<b>\$2,218,148</b>	<b>\$37,221,951</b>

## Federal Medical Assistance Percentage (FMAP)

- The FMAP determines how much the state and federal government pay for their share of Medicaid expenditures
- FMAP is calculated by the federal government each year and is based on the median income for each state
- FMAP: \$0 in total funds
  - ✓ \$5,205,293 in general funds
  - ✓ (\$5,383,386) in federal funds
  - ✓ \$178,093 in other funds

Fiscal Year	State	Federal
2020	42.61%	57.39%
2021	41.88%	58.12%
2022	41.41%	58.59%
2023	42.77%	57.23%
2024	39.58%	60.42%
2025	41.45%	58.55%
2026	48.47%	51.53%
<b>2027</b>	<b>49.33%</b>	<b>50.67%</b>

# South Dakota Developmental Center

## Utilities

- Based on EnergyCap projections

Budget  
Impact:  
\$16,592

- General: \$8,184
- Federal: \$8,408

# Homemaker Fees

## Adjust Portion Paid from Homemaker Fees

- Homemaker Fees are collected as a cost share for Homemaker Services
- Request to increase other fund authority and reduce general funds to utilize Homemaker Fees collected
- **This does not change the cost share that is paid by participants**

## Budget Impact: \$0

- General: (\$284,467)
- Federal: \$284,467

# Title III Meals Program

## Title III Meals

- Program supports older adults with nutritious meals
- Request allows for same number of meals as provided in FY2025

Budget Impact:  
\$1,412,123

- General: \$476,186
- Federal: \$935,937

# DDS Medical Consultants

## Federal Program Constraints

- DDS is a partnership between the federal SSA and states
- SSA previously provided external medical consultant resources to assist states' administration of DDS
- States are now being asked to cover more of the costs for their medical consultant needs

Budget  
Impact:  
\$480,000

- 100% Federal

# Transfer Vacant FTE Between Divisions

## Internal Control Officer

- Created pursuant to SB61
- Allows the department to align resources to the current priority within our existing budget

## Budget Impact: \$0

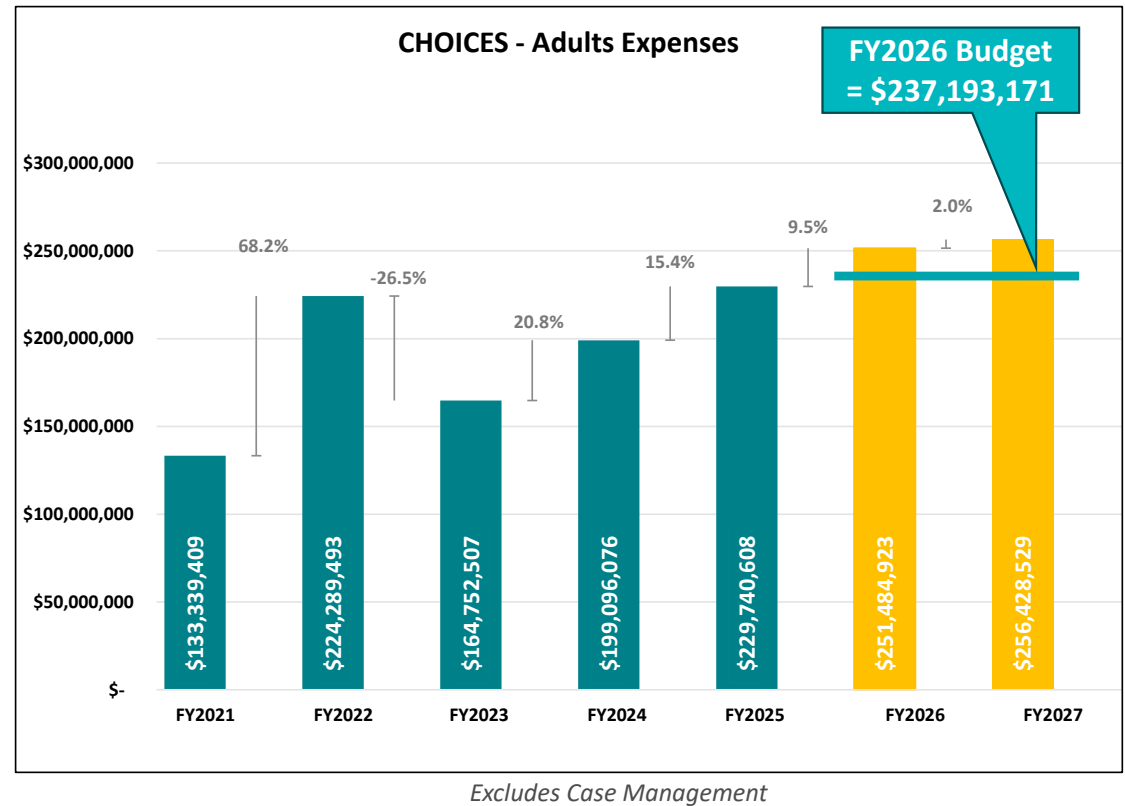
- 50/50 General-Federal Split
- No net impact to the budget

## Fiscal Year 2027 Utilization Adjustments

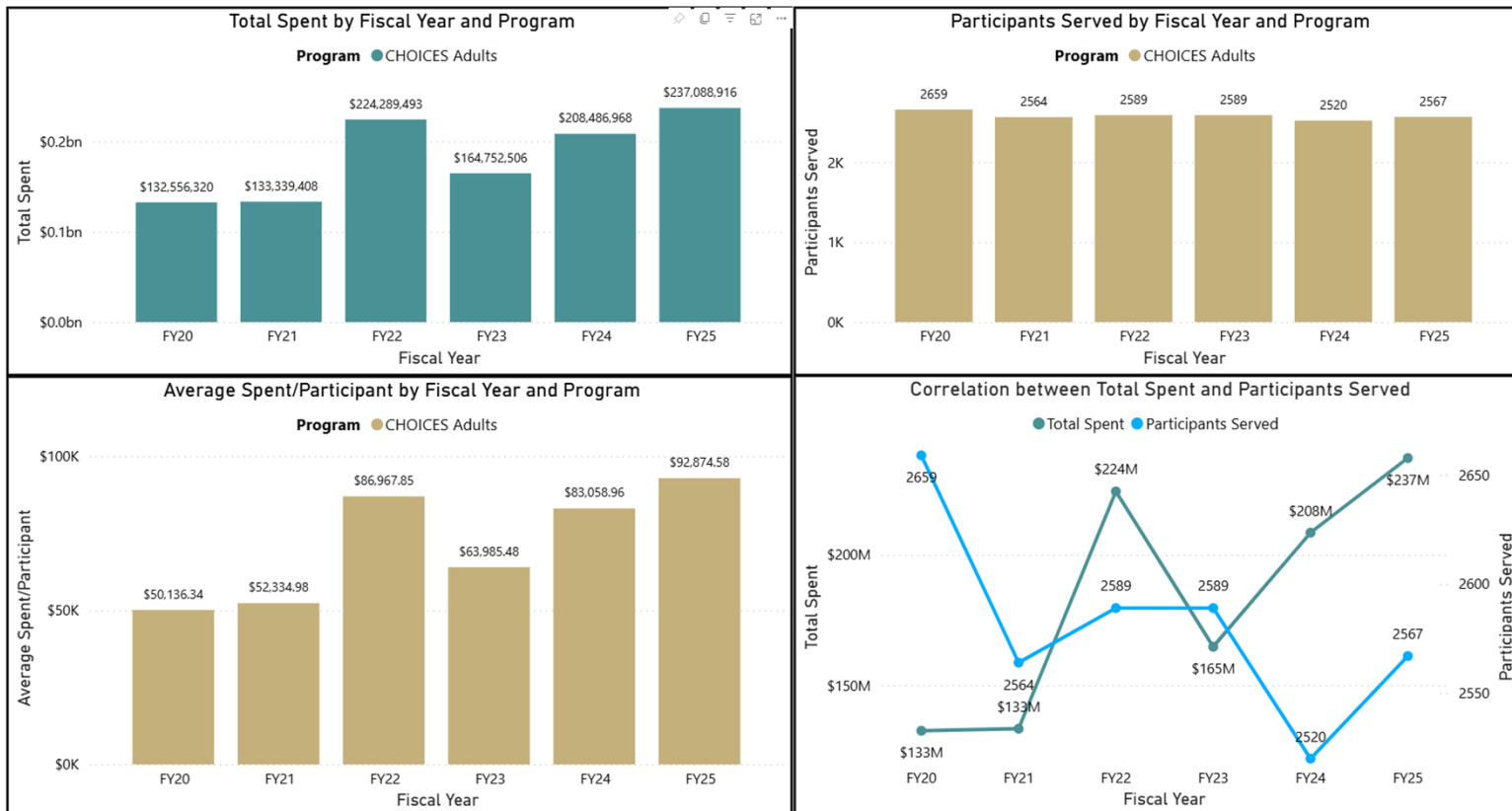
Recommendation	FTE	General	Federal	Other	Total
CHOICES		9,474,909	9,760,449		19,235,358
Intermediate Care Facilities		685,814	2,323,035	1,639,839	4,648,688
Family Support 360		612,985	556,579		1,169,564
In Home		3,087,405	2,526,997	115,749	5,730,151
Assisted Living		2,026,034	2,503,441		4,529,475
<b>Total Adjustments</b>	<b>0.0</b>	<b>15,887,147</b>	<b>17,670,501</b>	<b>1,755,588</b>	<b>35,313,236</b>

# Developmental Disabilities - CHOICES

- FY2027 = \$19,235,358 in total funds
  - ✓ \$9,474,909 in general funds
  - ✓ \$9,760,449 in federal funds
  
- FY2026 = \$14,291,752 in total funds
  - ✓ \$6,916,456 in general funds
  - ✓ \$7,375,296 in federal funds



# CHOICES Expenditures and Participants Served



*Includes Case Management*

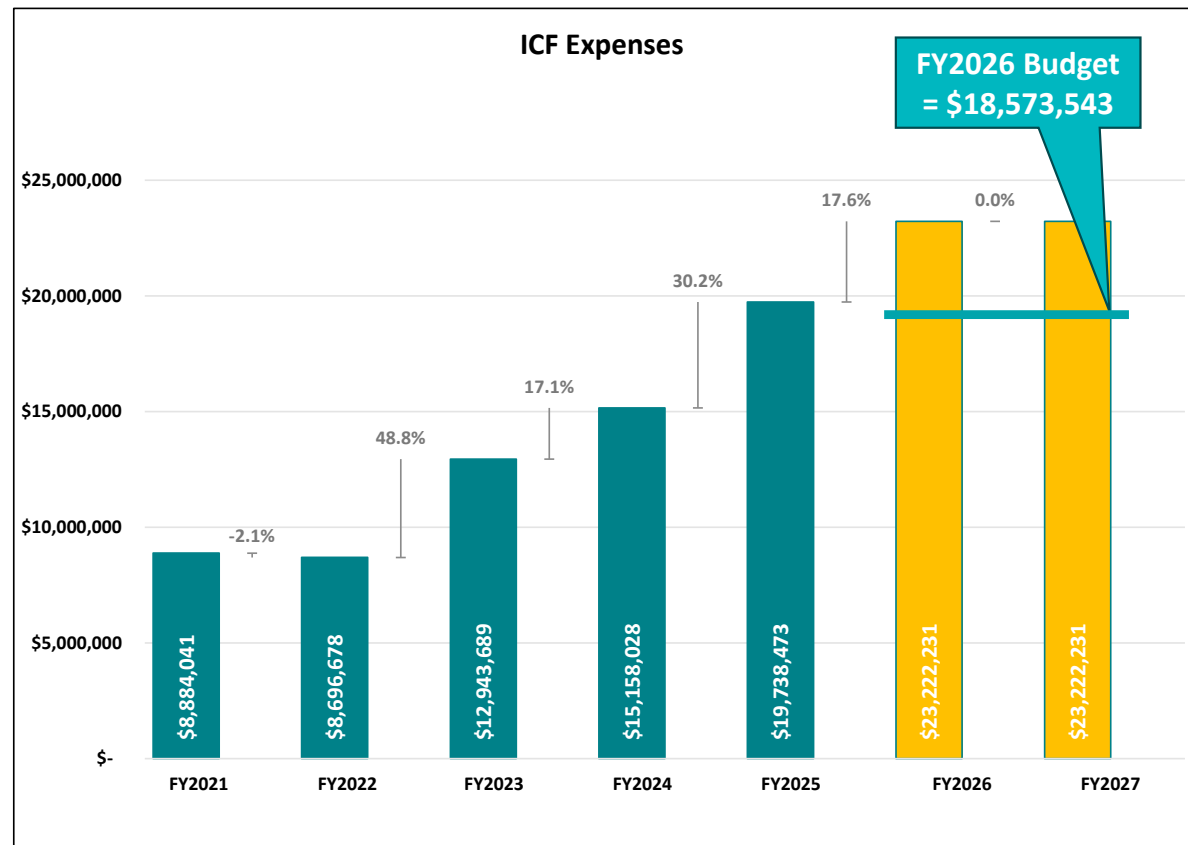
# Developmental Disabilities – ICFs

➤ FY2026 = \$4,648,688 in total funds

- ✓ \$685,814 in general funds
- ✓ \$2,323,035 in federal funds
- ✓ \$1,639,839 in other funds

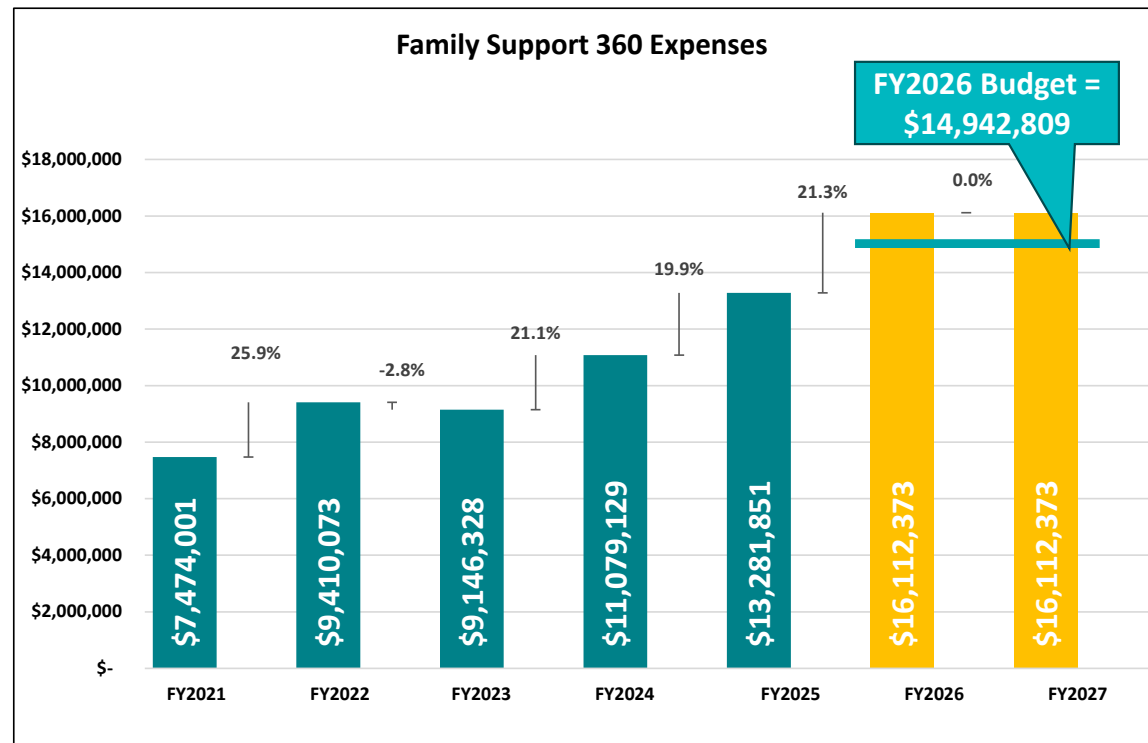
➤ FY2026 = \$4,648,688 in total funds

- ✓ \$674,973 in general funds
- ✓ \$2,362,461 in federal funds
- ✓ \$1,611,249 in other funds



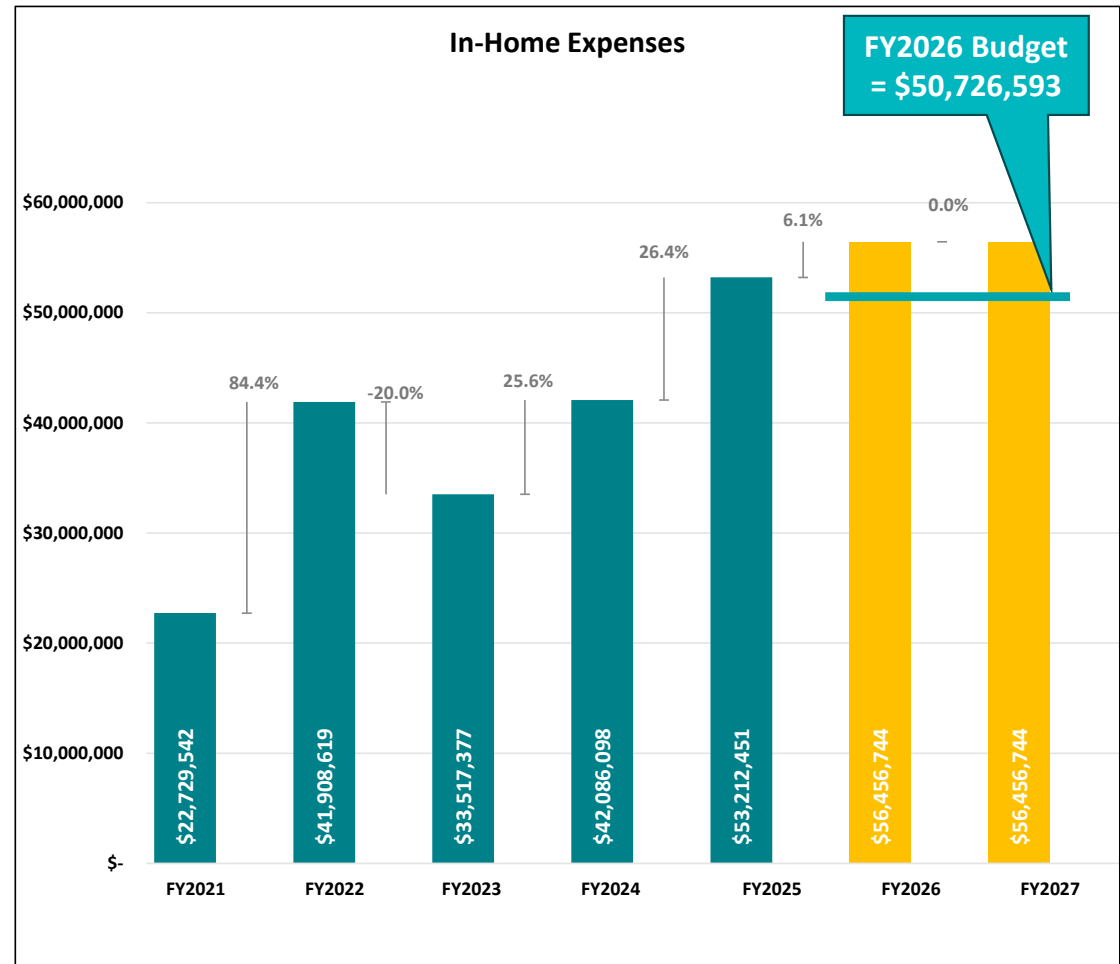
# Developmental Disabilities – FS360

- FY2027 = \$1,169,564 in total funds
  - ✓ \$612,985 in general funds
  - ✓ \$556,579 in federal funds
  
- FY2026 = \$1,169,564 in total funds
  - ✓ \$604,579 in general funds
  - ✓ \$564,985 in federal funds



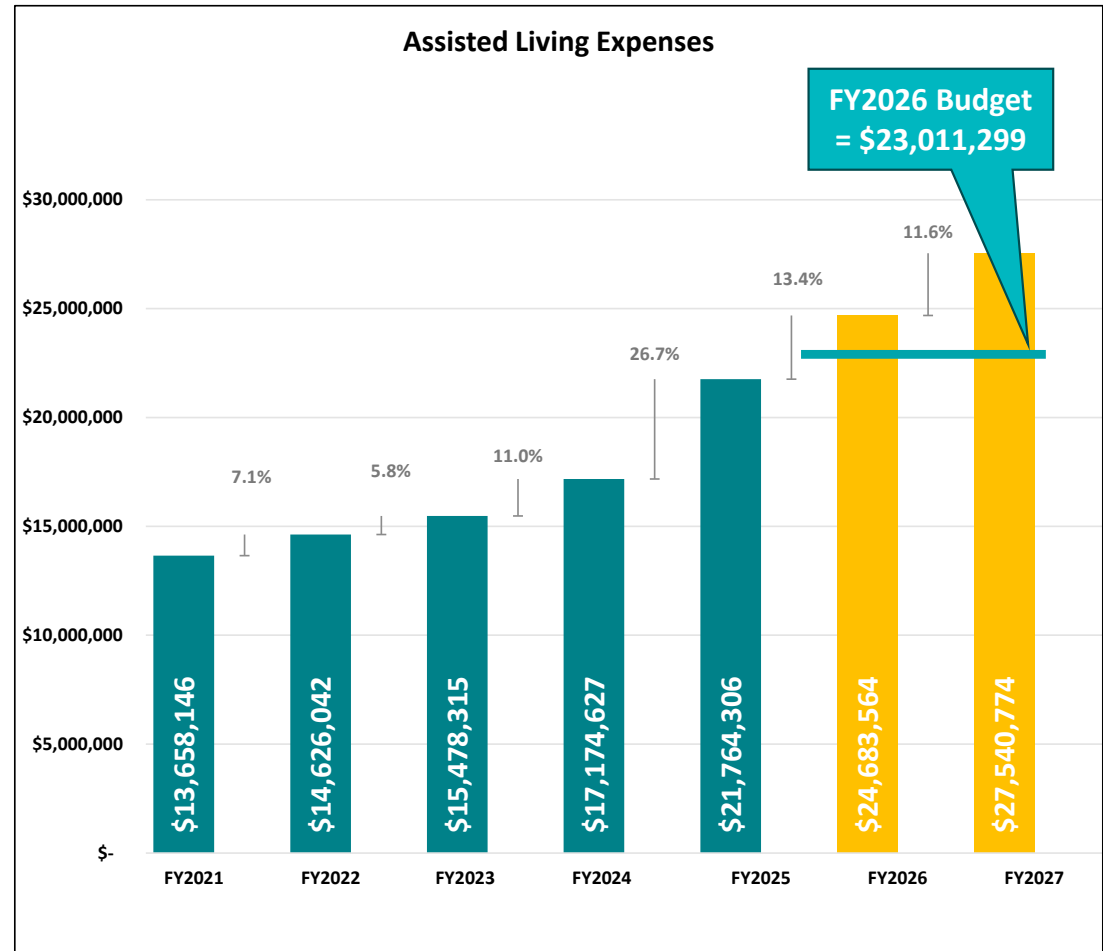
# LTSS In Home Services

- FY2027 = \$5,730,151 in total funds
  - ✓ \$3,087,405 in general funds
  - ✓ \$2,526,997 in federal funds
  - ✓ \$ 115,749 in other funds
  
- FY2026 = \$5,730,151 in total funds
  - ✓ \$3,042,979 in general funds
  - ✓ \$2,583,467 in federal funds
  - ✓ \$ 103,705 in other funds



# Long Term Care – Assisted Living

- FY2027 = \$4,529,475 in total funds
  - ✓ \$2,026,034 in general funds
  - ✓ \$2,503,441 in federal funds
  
- FY2026 = \$1,672,265 in total funds
  - ✓ \$732,954 in general funds
  - ✓ \$939,311 in federal funds





# **Fiscal Year 2026 Budget Amendments**

## Fiscal Year 2026 Budget Amendments

Recommendation	FTE	General	Federal	Other	Total
SDDC Utilities		1,955	2,078		4,033
SDDC Security Camera Upgrade				260,264	260,264
Homemaker Fees		(284,467)		284,467	0
Utilization Adj. – CHOICES		6,916,456	7,375,296		14,291,752
Utilization Adj. – ICFs		674,973	2,362,461	1,611,249	4,648,683
Utilization Adj. – FS360		604,579	564,985		1,169,564
Utilization Adj. - In Home		3,042,979	2,583,467	103,705	5,730,151
Utilization Adj. - Nursing Homes		(1,120,949)	(1,413,988)		(2,534,937)
Utilization Adj. - Assisted Living		732,954	939,311		1,672,265
Transfer vacant FTE between Divisions	0	0	0		0
<b>Total Amendments</b>	<b>0.0</b>	<b>10,568,480</b>	<b>12,413,610</b>	<b>2,259,685</b>	<b>25,241,775</b>

# SDDC Security Camera Upgrade

## Security Camera Upgrade

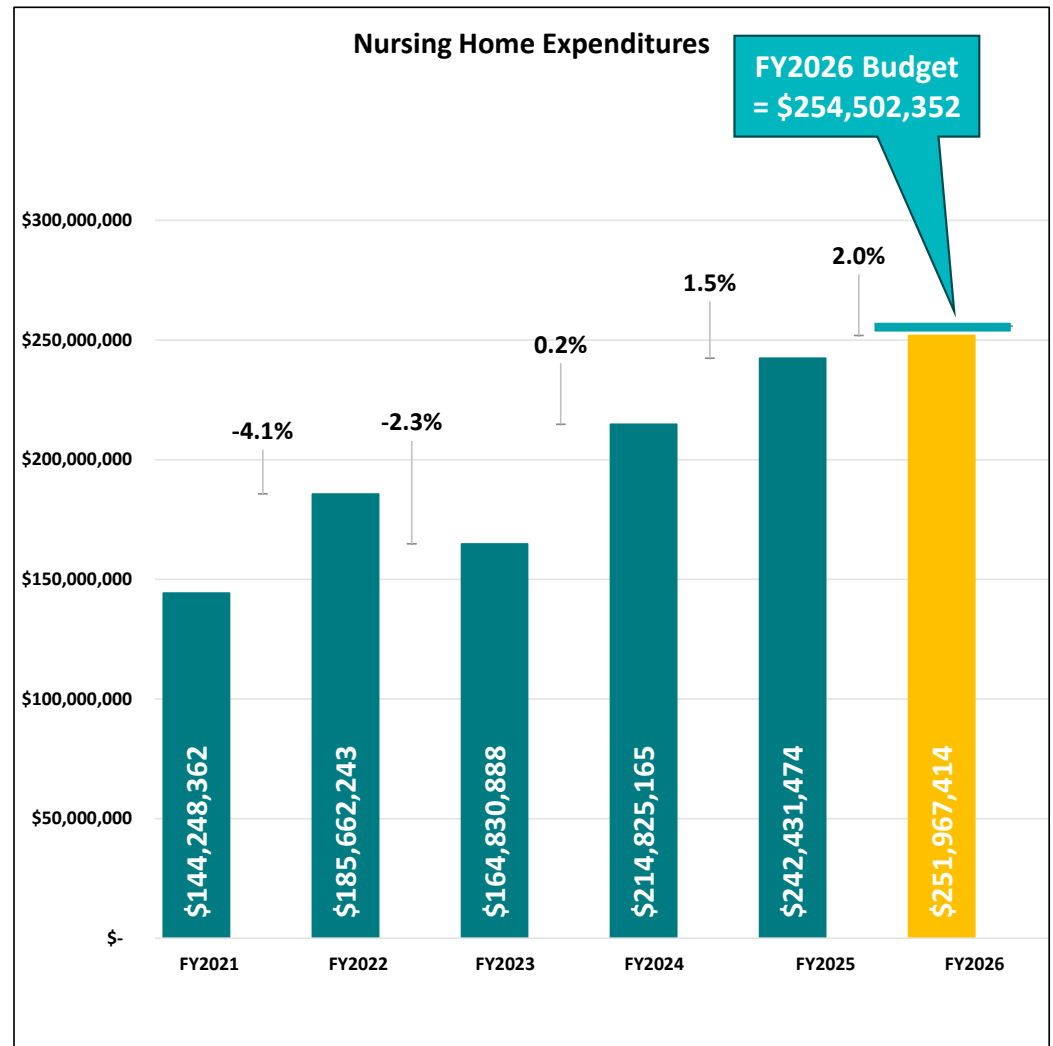
- Original system installed in 2017
- System reached operational end of life

Budget  
Impact:  
\$260,264

- 100% other funds

# Long Term Care – Nursing Homes

- FY2026 = \$(2,534,937) in total funds
  - ✓ \$(1,120,949) in general funds
  - ✓ \$(1,413,988) in federal funds
- No change recommended in the FY2027 budget





# Operational Initiatives



## IT Projects

- Teams Voice
- Concord Fax



## Internal Efficiencies

- Internal Controls Officer
- Guardianship Specialists

# Department of Human Services

*Joint Committee on Appropriations  
Fiscal Year 2027 Budget Hearing  
January 20, 2026*

