South Dakota Legislative Research Council

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March 17, 2008

Rick Melmer, Secretary
Department of Education
700 Governors Drive
Pierre, SD 57501

RE: Joint Committee on Appropriations Regarding FY2009 Appropriation

Dear Secretary Melmer

This Letter of Intent sets forth a particular view held by the Joint Committee on Appropriations in approving your FY09 appropriation. As such, it supplements that appropriation with a specific policy guideline.

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.

Specifically, it is the request of the Joint Committee that the Post Secondary Institutes provide the following information to the Department of Education no later than August 15, 2008:

1. The chart of accounts and an explanation of the structure used to track financial information;
2. A list of all funds (including enterprise funds) including an explanation of the sources of revenues of each fund and any restrictions on the use of the funds;
3. a condition statement for each fund. The condition statements should identify the fund's beginning cash balances, receipts, disbursements, and ending cash balance for each of the last two concluded fiscal year and the next fiscal year. Also, list any obligations that are outstanding and the unobligated balance for each fund;
4. Summary statements of expenditures for each of the past twp fiscal years last concluded, itemized by fund classification, budgets units, programs, and classifications of expenditures;
5. Detailed comparative statements of expenditures ad projected budget by fund classification, budget units, programs, and classification of expenditures, showing the expenditures for each of the two fiscal years last concluded, the budget of the current fiscal year, and the projected budget for each budget unit for the next fiscal year;

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6. A brief explanation of the function of the unit and comments on its policies and plans along with any descriptive, quantitative, comparative, and other data as to the work done, unit costs, and like information as may b e considered desirable;
7. A description of the revenues related to each program including the actual amount received for the preceding two fiscal years and projections of receipts for the current and next fiscal year;
8. An estimation of full-time equivalent positions for the current and next fiscal year by program as well as the actual utilization for the two prior fiscal years;
9. A list of all positions, the length of contracts, and the associated salaries for each position;
10. Copies of all salary schedules or pay step or pay grade tables;
11. The standard policy used for pay increases and the level of pay increases given for the past five years; and
12. A prioritized long-term maintenance and repair plan.

In addition to the interim reports, it is also expected that you will be prepared to address this guideline in your FY10 budget presentation to the Joint Committee next January.

Thank you for your consideration.

Senator Gerald F. Apa
Co-Chair

Representative Larry Tidemann
Co-Chair

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