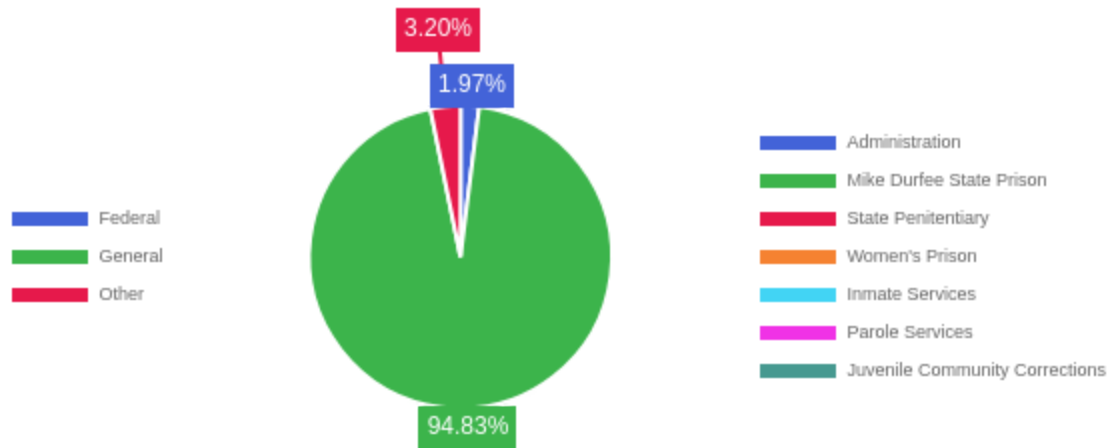


Department of Corrections

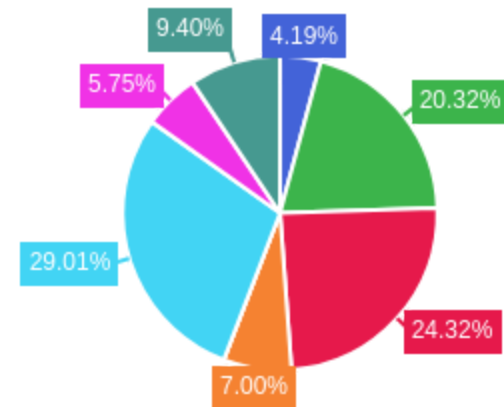
Fiscal Year 2026 Budget Brief Summary

Information contained in this document is based on the Governor's FY2026 Budget and may not correspond with the final budget adopted by the Legislature.

Source of Funds



Distribution of General Funds



Key Personnel

- Kellie Wasko, Secretary
- Brent Fluke, Deputy Secretary
- Kayla Tinker, Director of Clinical and Correctional Services
- Amber Pirraglia, Director of Prisons
- Brittini Skipper, Director of Finance and Administration
- Kristi Bunkers, Director of Juvenile Services
- Brad Lewandowski, Director of Parole
- Gene Redman, Inspector General
- Alissa Goosen, Human Resource Manager
- Mike Meier, Human Resource Manager
- Michael Winder, Public Information Officer

Mission of the Department of Corrections

To support service with purpose in a culture of respect through integrity, humility, and character.

Department of Corrections Budget Units

- Administration (1811)
- Mike Durfee State Prison (1821)
- State Penitentiary (1822)
- Women's Prison (1823)
- Pheasantland Industries (1824)
- Inmate Services (1826)
- Parole Services (1827)
- Juvenile Community Corrections (1831)

Major Items Summary - Department of Corrections (DOC)

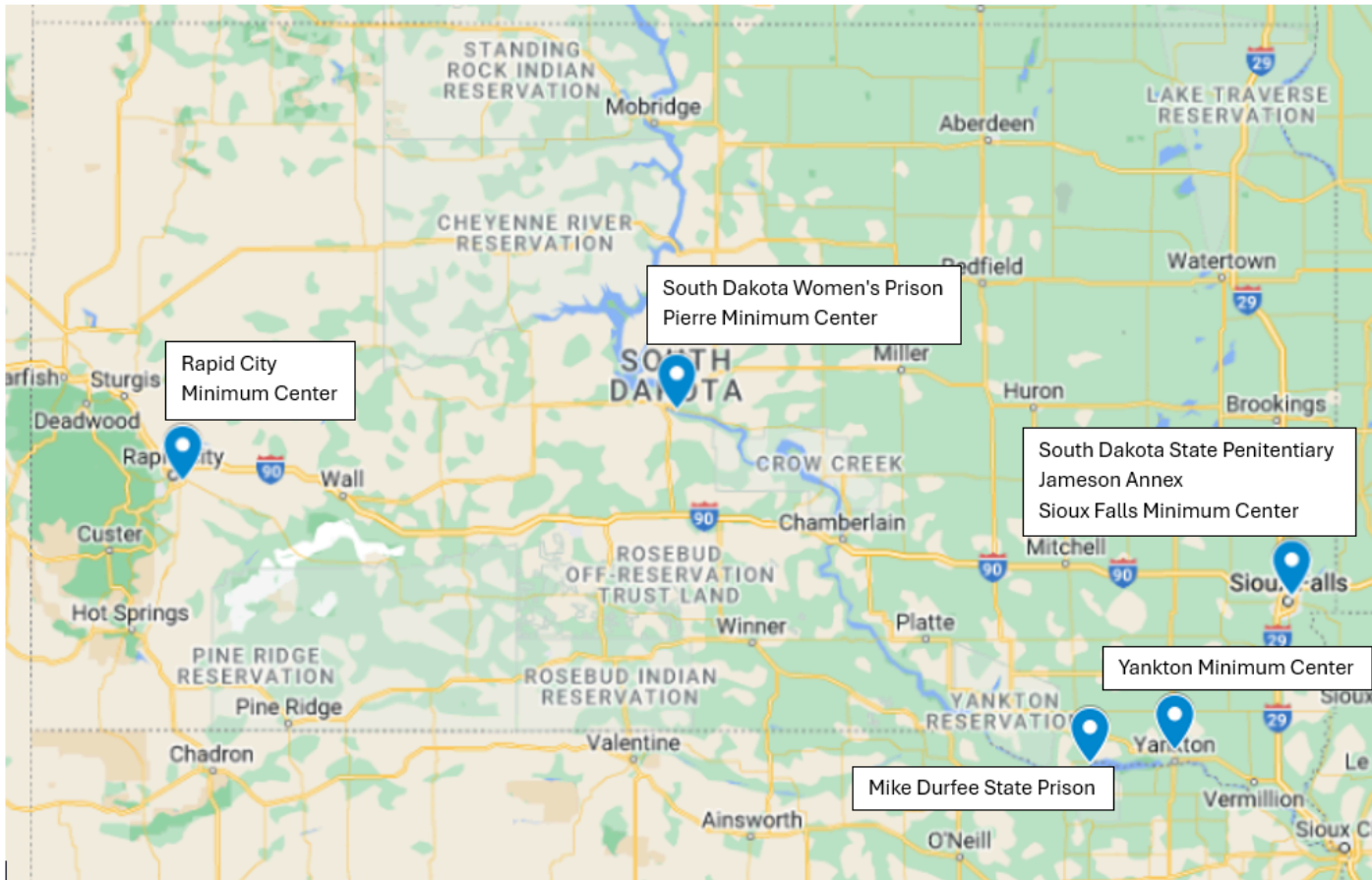
	Agency Request					Governor's Recommendation				
	General	Federal	Other	Total	FTE	General	Federal	Other	Total	FTE
FY 2026 Base Budget	\$151,164,947	\$3,943,447	\$5,143,463	\$160,251,857	974.6	\$151,164,947	\$3,943,447	\$5,143,463	\$160,251,857	974.6
1. Adult Corrections Population Change	\$118,070	\$0	\$0	\$118,070	0.0	\$118,070	\$0	\$0	\$118,070	0.0
2. Discretionary Provider Inflation	\$344,090	\$47,154	\$0	\$391,244	0.0	\$176,057	\$21,203	\$0	\$197,260	0.0
3. FMAP Change	\$77,019	(\$77,019)	\$0	\$0	0.0	\$66,493	(\$66,493)	\$0	\$0	0.0
4. Food Contract Inflation	\$334,422	\$0	\$0	\$334,422	0.0	\$334,422	\$0	\$0	\$334,422	0.0
5. Juvenile Corrections Population Change	\$689,533	(\$181,399)	\$0	\$508,134	0.0	\$375,005	(\$486,479)	\$0	(\$111,474)	0.0
6. Medicaid Expansion 5% FMAP Savings	\$190,640	(\$190,640)	\$0	\$0	0.0	\$164,587	(\$164,587)	\$0	\$0	0.0
7. Medical Contract Inflation and Expansion	\$954,732	\$0	\$0	\$954,732	0.0	\$954,732	\$0	\$0	\$954,732	0.0
8. Sioux Falls One Stop	\$364,077	\$0	\$0	\$364,077	0.0	\$364,077	\$0	\$0	\$364,077	0.0
9. Transfer from DSS for Food Services	\$2,619,700	\$0	\$0	\$2,619,700	0.0	\$2,619,700	\$0	\$0	\$2,619,700	0.0
10. Travel Decrease	\$0	\$0	\$0	\$0	0.0	(\$280,000)	\$0	\$0	(\$280,000)	0.0
11. Utility Cost Adjustment	\$291,229	\$0	\$0	\$291,229	0.0	\$291,229	\$0	\$0	\$291,229	0.0
12. Warden Salary Fund Swap	\$0	\$0	\$0	\$0	0.0	(\$128,400)	\$0	\$128,400	\$0	0.0
FY 2026 Total Budget	\$157,148,459	\$3,541,543	\$5,143,463	\$165,833,465	974.6	\$156,220,919	\$3,247,091	\$5,271,863	\$164,739,873	974.6
Change from Base Budget	\$5,983,512	(\$401,904)	\$0	\$5,581,608	0.0	\$5,055,972	(\$696,356)	\$128,400	\$4,488,016	0.0
% Change from Base Budget	4.0%	(10.2%)	0.0%	3.5%	0.0%	3.3%	(17.7%)	2.5%	2.8%	0.0%

1. Adult Corrections Population Change

	General	Federal	Other	Total	FTE
Agency Request	\$118,070	\$0	\$0	\$118,070	0.00
Governor's Recommendation	\$118,070	\$0	\$0	\$118,070	0.00

The agency requests an increase of **\$118,070** in **general funds** for adjusting food service expenses based on the projected FY26 average daily inmate population (ADP).

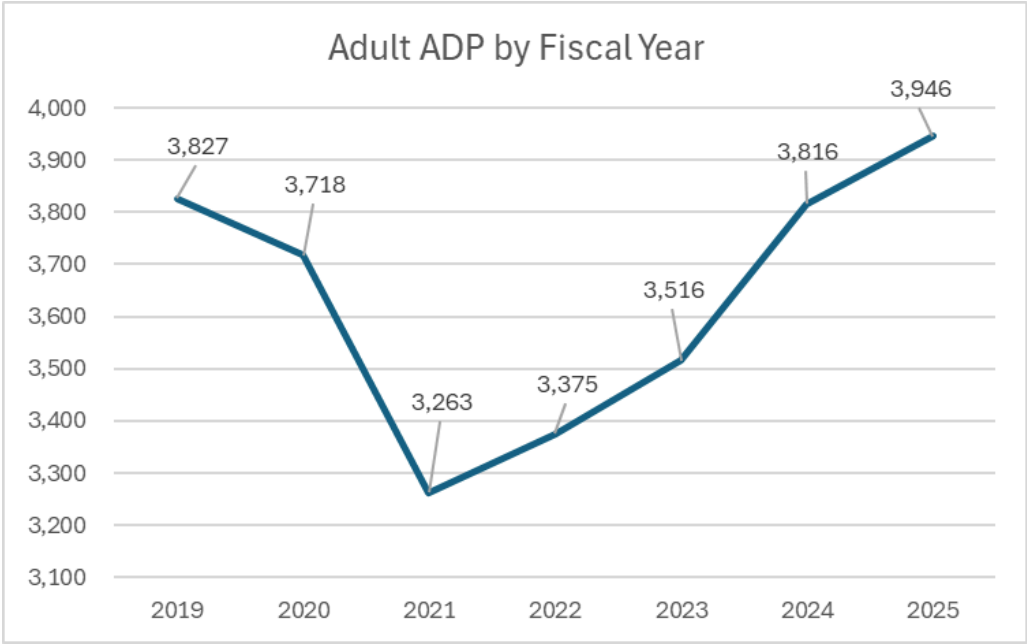
DOC maintains eight correctional facilities, ten parole office locations, seven juvenile field offices, and contracts with two local facilities. Below is a map of the location of the correctional facilities.



Each offender in the custody of the DOC is classified into one of four custody levels: Close, Medium, Minimum-R, and Minimum. Offender classification levels are predominantly based on prediction of risk including risk of escape, violence, dangerousness, and repeat criminal behavior. Offenders are assigned an appropriate level of supervision based in part on classification and are not kept in a more secure status than the potential identified risk requires. There are five custody levels for state correctional facilities (Level I – Level V). Higher custody

facilities are more secure and may house more classification levels. A Level V facility has double perimeter fencing with razor wire and detection devices or equivalent security architecture and continuously controlled perimeters.

The ADP for DOC facilities by fiscal year is shown in the chart below.



In total, the DOC is expected to care for an additional 96 inmates each day in FY26 compared to FY25 (4,058 total as opposed to 3,962 total, respectively). In August 2022, the DLR Group previously provided a population forecast using a range for 2022, 2026, 2031, 2036, and 2041 to help determine future bedspace needs. The DLR Group’s 2026 projected range for male offenders was 3,258 – 3,425 and for females was 584 – 614. The DOC’s FY26 projected ADP for males falls within the DLR Group’s range, but the projected ADP for females is already 15% above the higher end of DLR Group’s projected range.

The table below shows the original ADP and projected ADP for the remainder of FY25 and the entirety of FY26 organized by custody level and then facility.

Custody Level	FY25 Original ADP			FY25 Adjusted ADP			FY26 Projected ADP			Difference*
	Male	Female	Total	Male	Female	Total	Male	Female	Total	
Level I	0	0	0	0	0	0	0	0	0	0
[None]	0	0	0	0	0	0	0	0	0	0
Level II	785	180	965	830	180	1010	830	200	1030	65
Pierre Minimum C.	0	180	180	0	180	180	0	200	200	20
Rapid City Minimum C.	380	0	380	350	0	350	350	0	350	-30
Sioux Falls Minimum C.	100	0	100	180	0	180	180	0	180	80
Yankton Minimum C.	305	0	305	300	0	300	300	0	300	-5
Level III	1,149	0	1,149	1,100	0	1,100	1,100	0	1,100	-49
Mike Durfee State Prison	1,149	0	1,149	1,100	0	1,100	1,100	0	1,100	-49
Level IV	848	0	848	745	0	745	745	0	745	-103
SD State Pen.	848	0	848	745	0	745	745	0	745	-103
Level V	555	337	892	576	342	918	632	372	1004	112
SD Women's Prison	0	337	337	0	342	342	0	372	372	35
Jameson Prison Annex	555	0	555	576	0	576	632	0	632	77
Other	20	88	108	39	134	173	45	134	179	71
Contract	6	84	90	6	120	126	6	120	126	36
Backlog	0	0	0	20	10	30	25	10	35	35
Temporary Out	14	4	18	13	4	17	14	4	18	0
TOTAL	3,357	605	3,962	3,290	656	3,946	3,352	706	4,058	96

* Between the FY25 Original ADP and the FY26 Projected ADP

The governor recommends this request.

2. Discretionary Provider Inflation

	General	Federal	Other	Total	FTE
Agency Request	\$344,090	\$47,154	\$0	\$391,244	0.00
Governor's Recommendation	\$176,057	\$21,203	\$0	\$197,260	0.00

The agency requests an increase of **\$344,090** in **general funds** and an increase of **\$47,154** in **federal fund expenditure authority** for covering 2.4% discretionary provider inflation.

Within DOC, this additional funding would go to contracted providers of state services, including: clinical service providers, community housing placements, residential treatment facilities, group care facilities, independent living facilities, foster care providers, and outpatient diagnostic services.

*The governor recommends an increase of **\$176,057** in **general funds** and an increase of **\$21,203** in **federal fund expenditure authority** for covering 1.25% discretionary provider inflation.*

3. FMAP Change

	General	Federal	Other	Total	FTE
Agency Request	\$77,019	(\$77,019)	\$0	\$0	0.00
Governor's Recommendation	\$66,493	(\$66,493)	\$0	\$0	0.00

The agency requests an increase of **\$77,019** in **general funds** and a decrease of **(\$77,019)** in **federal fund expenditure authority** for covering changes in the Federal Medical Assistance Percentage (FMAP).

The cost of certain state programs, such as Medicaid and Temporary Aid for Needy Families, is split between the state and the federal government at a rate called the FMAP. The FMAP is governed by 42 U.S.C. § 1396b. The exact percentage varies every year depending on the ratio of the three-year average of the per capita income of South Dakota to the three-year average of the per capita income of the United States as a whole. The data for this calculation comes from the per capita income report produced by the federal Bureau of Economic Analysis. The state share of the FMAP must be between 50% and 17%.

For budgeting purposes, the state uses a blended FMAP, which is a weighted average of the FMAP of the current year and the FMAP of the upcoming year. A weighted FMAP is necessary because the state fiscal year begins in July while the federal fiscal year begins in October.

For FY2026, the blended FMAP state share will be 48.47%, up from 46.45% the previous fiscal year. The primary reason for the increase is stronger than expected income performance for South Dakota in 2022. The unemployment rate in South Dakota has been around 2.0% for the past few years with a labor participation rate of 66 to 68%; whereas, the unemployment rate for the United States is has been around 4.0% with a labor participation rate of 62 to 63%.

DOC bills Medicaid for eligible juvenile placements, specifically in-state psychiatric residential treatment facilities. These facilities include the Canyon Hills Residential Treatment Center in Spearfish and Our Home facilities in Huron and Parkston, along with several out-of-state facilities.

*The governor recommends an increase of **\$66,493** in **general funds** and a decrease of **(\$66,493)** in **federal funds expenditure authority**. This adjustment reflects the Governor’s proposed change in Medicaid juvenile placements.*

4. Food Contract Inflation

	General	Federal	Other	Total	FTE
Agency Request	\$334,422	\$0	\$0	\$334,422	0.00
Governor's Recommendation	\$334,422	\$0	\$0	\$334,422	0.00

The agency requests an increase of **\$334,422** in **general funds** for increasing the meal rate at DOC facilities.

The budgeted meal rate will be \$2.44 at all facilities in FY25, up from \$2.34 in FY24 (a 4.1% increase). This increase is based on the yearly percentage change in the Consumer Price Index, Food Away from Home (CPI-FAH).

DOC [contracted with Aramark in October 2022](#) to provide food services across DOC facilities through September 2025. Per the contract, the meal rate can be increased by the yearly percentage change in the CPI-FAH or the yearly percentage change in the price of the Market Basket of Products which approximate the products served at the facilities covered, whichever is higher. This past year, the change in the price of the Market Basket of Products was 2.2%.

The governor recommends this request.

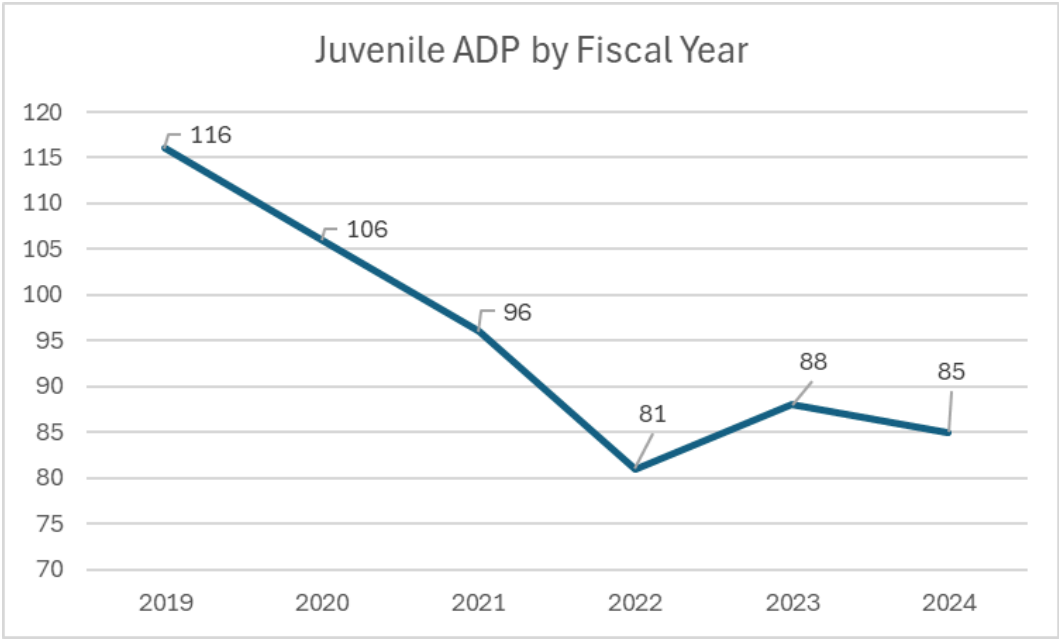
5. Juvenile Corrections Population Change

	General	Federal	Other	Total	FTE
Agency Request	\$689,533	(\$181,399)	\$0	\$508,134	0.00
Governor's Recommendation	\$375,005	(\$486,479)	\$0	(\$111,474)	0.00

The agency requests an increase of **\$689,533** in **general funds** and a decrease of **(\$181,399)** in **federal fund expenditure authority** for adjusting expenses based on DOC juvenile placements.

Upon committal to DOC, juveniles must complete a level of service/case management inventory interview to assess a juvenile's risk factors and responsiveness to interventions, providing a comprehensive picture for developing a tailored case management plan. Each case plan is developed by the youth, a juvenile corrections agent, a parent/caregiver, and community-based treatment providers. Case plans are reviewed monthly, at minimum, and adjusted according to individual needs. Based on these case plans, juveniles may be placed in private placement programs and facilities.

The average daily juvenile population (ADP) by fiscal year is shown in the chart below.



The FY25 ADP, as adjusted, and FY26 projected ADP now total 92.0, with the ADP for each placement type as follows:

- Group care: 52.8
- Medicaid: 20.0
- Detention/jail: 12.3
- Independent living: 6.2

- Foster care: 0.7

Before the adjustment, the FY25 juvenile ADP was projected to be 90.0. The table below shows the FY26 budget changes for each placement type.

Placement Type	General	Federal	TOTAL
Group Care	\$ 571,935	\$ -	\$ 571,935
Medicaid	\$ (128,422)	\$ (181,399)	\$ (309,821)
Detention/Jail	\$ 200,541	\$ -	\$ 200,541
Independent Living	\$ 41,886	\$ -	\$ 41,886
Foster Care	\$ 3,593	\$ -	\$ 3,593
TOTAL	\$ 689,533	\$ (181,399)	\$ 508,134

The governor recommends an increase of **\$375,005** in **general funds** and a decrease of **(\$486,479)** in **federal fund expenditure authority**. The updated FY26 projected ADP is 88.2, which is broken out as follows.

- Group care: 52.8
- Medicaid: 17.2
- Detention/jail: 11.3
- Independent living: 6.2
- Foster care: 0.7

6. Medicaid Expansion 5% FMAP Savings

	General	Federal	Other	Total	FTE
Agency Request	\$190,640	(\$190,640)	\$0	\$0	0.00
Governor's Recommendation	\$164,587	(\$164,587)	\$0	\$0	0.00

The agency requests an increase of **\$190,640** in **general funds** and a decrease of **(\$190,640)** in **federal fund expenditure authority** for removing Medicaid expansion 5% FMAP savings from the ongoing budget.

As part of the American Rescue Plan Act (ARPA) of 2021, states that expanded Medicaid after ARPA’s passage could receive a 5% higher federal FMAP match for two years after expansion.

During the 2022 election, voters adopted Amendment D, providing for the expansion of Medicaid. For FY2024, Medicaid expansion was added to the ongoing budget: per ARPA, all programs receiving the traditional FMAP match received an additional 5% enhanced FMAP match, temporarily reducing the general fund moneys necessary for those programs. This match was included in the budgets of the Department of Social Services (DSS), Department of Human Services, Department of Veteran Affairs, Department of Health, and the Department of Corrections.

The 5% enhanced FMAP match will end in FY2026, and this request reflects the additional funding the state needs to cover Medicaid programs moving forward. As part of the FY2024 and the FY2025 budgets, the Legislature added \$11,400,000 and \$20,268,300, respectively, in the Medical Services budget within DSS for a total of \$31,668,300 in general funds to offset the general fund cost in the FY2026 budget when the 5% enhanced FMAP match ended.

*The governor recommends an increase of **\$164,587** in **general funds** and a decrease of **(\$164,587)** in **federal funds expenditure authority**. This adjustment reflects the Governor’s proposed change in Medicaid juvenile placements.*

7. Medical Contract Inflation and Expansion

	General	Federal	Other	Total	FTE
Agency Request	\$954,732	\$0	\$0	\$954,732	0.00
Governor's Recommendation	\$954,732	\$0	\$0	\$954,732	0.00

The agency requests an increase of **\$954,732** in **general funds** for covering inflation and expansion of clinical services.

DOC provides healthcare services that maintain basic health and prevent other than normal physical and emotional deterioration. These services include general primary care, acute inpatient hospital care, dental services, and optometric services. While DOC has the capacity to care for offenders at its facilities, it also contracts out for healthcare services from licensed and certified health care providers and professionals.

Starting in FY25, the DOC took on the management of all correctional healthcare services and took on the entire budget for providing those services. Previously, DOC paid the Department of Health in general funds (via intra-agency billing) to provide correctional healthcare. In addition, the Department of Social Services managed all behavioral health services for the DOC, but that agency was funded directly using general funds.

Expansion is calculated based on the average daily population projection for FY26 rather than patient count. The table below shows the requested inflation and expansion for each type of healthcare service in FY26.

Medical Service	Inflation	Expansion	TOTAL
Physicians' Services	\$ 13,765	\$ 145,050	\$ 158,815
Dentists' Services	\$ 553	\$ 5,826	\$ 6,379
In-Patient Hospital Services	\$ 3,468	\$ 36,547	\$ 40,015
Out-Patient Hospital Services	\$ 28,127	\$ 296,389	\$ 324,516
Ambulance Services	\$ 1,458	\$ 15,362	\$ 16,820
Laboratory and X-Ray	\$ 9,634	\$ 101,518	\$ 111,152
Prescription Drugs	\$ 83,001	\$ 214,033	\$ 297,034
TOTAL	\$ 140,006	\$ 814,725	\$ 954,731

The governor recommends this request.

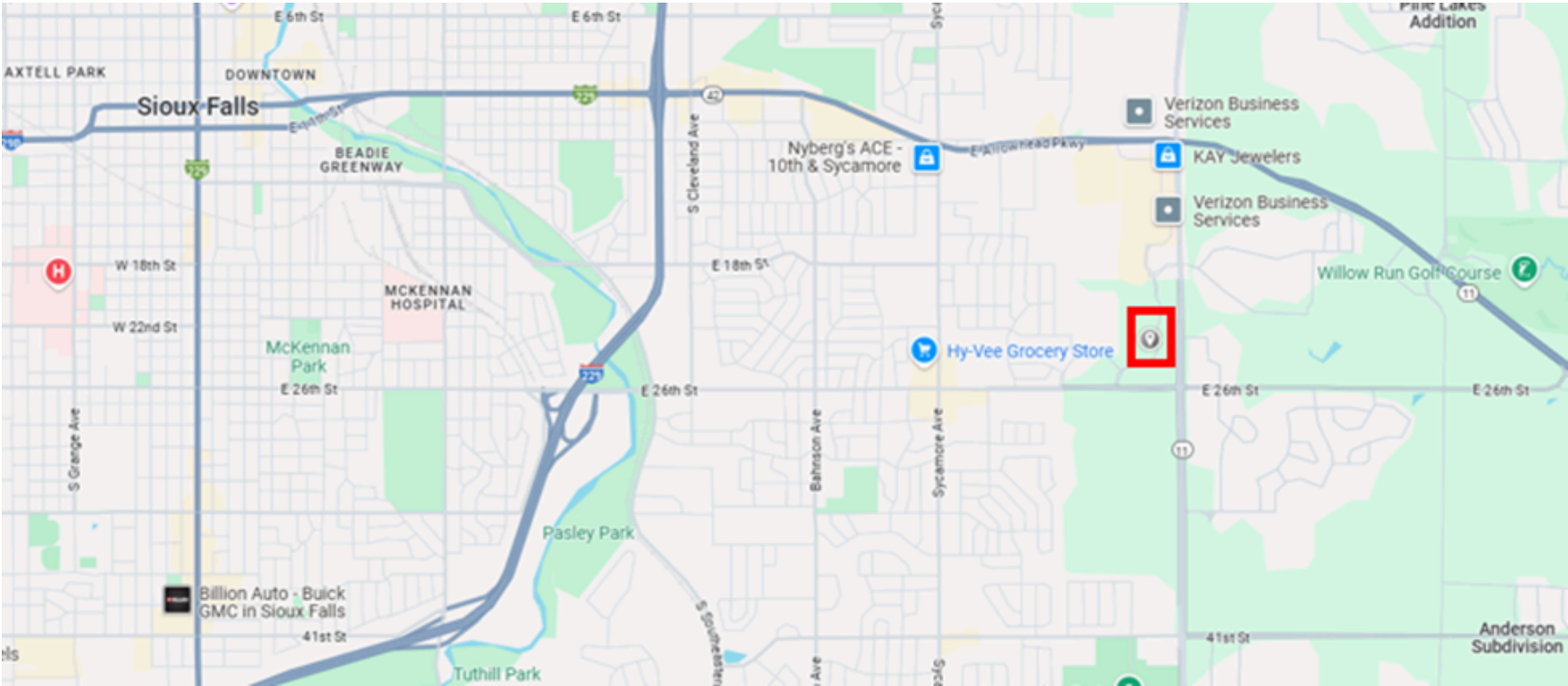
8. Sioux Falls One Stop

	General	Federal	Other	Total	FTE
Agency Request	\$364,077	\$0	\$0	\$364,077	0.00
Governor's Recommendation	\$364,077	\$0	\$0	\$364,077	0.00

The agency requests an increase of **\$364,077** in **general funds** for moving into the Sioux Falls One Stop building.

The Sioux Falls One Stop is a building set to house multiple agencies designed to centralize public service in the Sioux Falls area. The campus is set to be located along Highline Avenue just north of 26th Street. It is south of Dawley Farms Village in the eastern part of the city.

Below is a map of the location of the One Stop within Sioux Falls.



The One Stop is being developed by Dream Design International, which has teamed up with CO-OP Architecture and McGough Construction for completing the project. Dream Design was selected via [a bidding process started on September 12, 2022](#). The company has taken on the full cost of constructing the building.

The landlord for the building will be SF One Stop LLC, a company managed by the owner of Dream Design International, Hani Shafai. The One Stop is expected to be completed and ready for move-in around June 2025. Agencies may move into the One Stop before the lease begins but must pay rent for the time that they occupy the building. The One Stop will consist of three connected structures at the same location, housing thirteen separate agencies.

The lease is set to be for a period of 30 years, from September 1, 2025, to August 31, 2055. Each agency will be charged is \$22.95 per sq. ft. for the lease plus \$3.97 per sq. ft. for the operating costs of the building for a total of \$26.92 per sq. ft. Along with their own square footage, agencies are responsible for the rent on a portion of the common area shared across the entire One Stop.

The state has agreed to pay, in total, \$543,387 per month for rent and \$93,998 per month for operating costs. The state is also responsible for covering the cost of electricity, gas, water, sewer, telephone, cable, janitorial services, garbage pickup, and internet. The landlord has agreed to cover landscaping, lawn mowing, and snow removal. In the event the Legislature does not provide expenditure authority for renting space in the One-Stop, the lease becomes null and void.

The table below shows the cost per agency for renting space in the Sioux Falls One Stop as opposed to renting space in the previous locations being used by these agencies.

SIOUX FALLS			Prior to One Stop			One Stop			Difference		
Agency	Address	City	SqFt	Price per SqFt	Annual Cost	SqFt	Price per SqFt	Annual Cost	SqFt	Price per SqFt	Annual Cost
DOH	4101 West 38th St	Sioux Falls	23,575	\$ 13.50	\$ 318,264	43,355	\$ 26.92	\$ 1,167,124	13,862	\$ 13.15	\$ 760,977
DOH	2900 West 11th St	Sioux Falls	5,918	\$ 14.85	\$ 87,882						
DHS	2900 West 11th St	Sioux Falls	7,640	\$ 14.85	\$ 113,454	28,985	\$ 26.92	\$ 780,284	13,811	\$ 12.62	\$ 563,265
DHS	811 East 10th St	Sioux Falls	7,534	\$ 13.75	\$ 103,565						
DPS	2501 West Russell St	Sioux Falls	4,758	\$ 14.68	\$ 69,847	12,172	\$ 26.92	\$ 327,659	7,414	\$ 12.24	\$ 257,811
DOR	300 S Sycamore Ave Ste 102	Sioux Falls	9,578	\$ 18.45	\$ 176,666	14,597	\$ 26.92	\$ 392,959	5,019	\$ 8.47	\$ 216,293
DLR	301 East 14th Suite 200	Sioux Falls	1,260	\$ 13.86	\$ 17,462						
DLR	1500 W 51st St Suite 102	Sioux Falls	4,703	\$ 13.00	\$ 61,139	38,882	\$ 26.92	\$ 1,046,710	15,120	\$ 13.35	\$ 724,279
DLR	1500 W 51st St Suite 106	Sioux Falls	3,563	\$ 13.50	\$ 48,101						
DLR	811 East 10th St	Sioux Falls	14,236	\$ 13.75	\$ 195,730						
DSS	811 East 10th St	Sioux Falls	42,018	\$ 13.75	\$ 577,631	96,552	\$ 26.92	\$ 2,599,180	45,048	\$ 12.76	\$ 1,869,773
DSS	3900 West Technology Circle, S	Sioux Falls	9,486	\$ 16.00	\$ 151,776						
GOED	4901 South Isabel Place Suite 2	Sioux Falls	3,755	\$ 21.57	\$ 81,002	5,834	\$ 26.92	\$ 157,057	2,079	\$ 5.35	\$ 76,055
BIT	1701 North Terin Circle	Sioux Falls	2,500	\$ 6.25	\$ 15,625	10,124	\$ 26.92	\$ 272,545	7,624	\$ 20.67	\$ 256,920
DANR	4305 S Louise Ave Suite 107	Sioux Falls	700	\$ 12.52	\$ 8,764	7,477	\$ 26.92	\$ 201,275	5,142	\$ 13.42	\$ 169,763
DANR	4305 S Louise Ave Suite 104 &	Sioux Falls	1,635	\$ 13.91	\$ 22,748						
DOC	NA	NA	-	\$ -	\$ -	13,524	\$ 26.92	\$ 364,078	13,524	\$ 26.92	\$ 364,078
BHRA	4305 S Louise Ave	Sioux Falls	288	\$ 12.50	\$ 3,600	6,129	\$ 26.92	\$ 165,005	5,841	\$ 14.42	\$ 161,405
DOE	4001 West Valhalla Boulevard S	Sioux Falls	220	\$ 25.91	\$ 5,700	525	\$ 26.92	\$ 14,142	305	\$ 1.01	\$ 8,442
UJS	4101 West 38th St	Sioux Falls	534	\$ 13.50	\$ 7,212	5,966	\$ 26.92	\$ 160,602	5,432	\$ 13.42	\$ 153,390
			143,901	\$ 14.36	\$ 2,066,167	284,124	\$ 26.92	\$ 7,648,618	140,223	\$ 12.56	\$ 5,582,451

A total of 41 DOC employees are set to move to the Sioux Falls One Stop, including 33 employees currently working out of the Warden's House on the campus of the State Penitentiary. Moving these employees to the One Stop allows for separation from the State Penitentiary, as they are not employees at the facility itself; nonetheless, they still have to go through the facility's security to reach the Warden's House. Further, the Warden's House is slated to be decommissioned along with the rest of the State Penitentiary, as the building is around 100 years old and cannot be efficiently maintained.

Another eight employees, specifically clinical staff currently working out of the DOC parole and juvenile offices in Sioux Falls, will also move to the Sioux Falls One Stop.

The governor recommends this request.

9. Transfer from DSS for Food Services

	General	Federal	Other	Total	FTE
Agency Request	\$2,619,700	\$0	\$0	\$2,619,700	0.00
Governor's Recommendation	\$2,619,700	\$0	\$0	\$2,619,700	0.00

The agency requests an increase of **\$2,619,700** in **general funds** for transferring moneys from the Department of Social Services (DSS) to DOC to cover food services at the Yankton Minimum Center.

The Yankton Minimum Center is located on the campus of the Human Services Center, a licensed specialty hospital managed by DSS. Previously, DSS covered the cost of food services for the entire campus, including the Yankton Minimum Center. This transfer is one-for-one, giving DOC the moneys currently within DSS to pay the contract at the Human Services Center for food services there.

The governor recommends this request.

10. Travel Decrease

	General	Federal	Other	Total	FTE
Agency Request	\$0	\$0	\$0	\$0	0.00
Governor's Recommendation	(\$280,000)	\$0	\$0	(\$280,000)	0.00

*The governor recommends a decrease of **(\$280,000)** in **general funds** for decreasing travel funding across DOC.*

This change reflects actual travel expenditures in FY24. Only employee travel to conferences, meetings, and to other facilities is being reduced across several budget units.

11. Utility Cost Adjustment

	General	Federal	Other	Total	FTE
Agency Request	\$291,229	\$0	\$0	\$291,229	0.00
Governor's Recommendation	\$291,229	\$0	\$0	\$291,229	0.00

The agency requests an increase of **\$291,229** in **general funds** for adjusting utility costs across DOC facilities.

The state uses a software called EnergyCAP (also referred to as ENCAP) to track and analyze agencies' energy usage throughout the fiscal year. To calculate the budget adjustments needed for utilities, agencies multiply their utilization by energy source from the previous year ended (FY24 for the current adjustments) by the Statewide Energy Manager's projected future price rates for each energy source, which are based on data from utility suppliers and industry resources. Additionally, the Statewide Energy Manager provides projections on weather sensitivity for each energy source and adjustments for heating and cooling days.

Combining the most recent fiscal year of data on their actual energy utilization with the Energy Manager's projections, agencies request adjustments to their utility budgets they are forecasted to need the next fiscal year. Utility cost adjustments for the current fiscal year (which appear in the supplemental to the current year's general appropriation bill) are calculated in the same way as adjustments for the next fiscal year, except the percentage change is typically different. This process is used for natural gas, propane, electricity, and fuel oil. Other utility adjustments are requested outside of this process and evaluated separately.

Changes to DOC's budget include \$94,744 for electricity, \$94,965 for natural gas, (\$108,127) for fuel oil, (\$3,354) for propane, \$198,630 for water, and \$14,371 for garbage/sewer. The below table shows the requested FY26 utility changes for each facility.

Facility	Electricity	Natural Gas	Fuel Oil	Propane	Water	Garbage/ Sewer	TOTAL
Mike Durfee State Prison	\$ 31,063	\$ -	\$ (108,127)	\$ (3,354)	\$ 198,630	\$ 14,371	\$ 132,583
Yankton Minimum Center	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Rapid City Minimum Center	\$ 9,139	\$ 1,238	\$ -	\$ -	\$ -	\$ -	\$ 10,377
SD State Penitentiary	\$ 51,414	\$ 34,640	\$ -	\$ -	\$ -	\$ -	\$ 86,054
SD Women's Prison	\$ 546	\$ 61,117	\$ -	\$ -	\$ -	\$ -	\$ 61,663
Pierre Minimum Center	\$ 2,582	\$ (2,030)	\$ -	\$ -	\$ -	\$ -	\$ 552
TOTAL	\$ 94,744	\$ 94,965	\$ (108,127)	\$ (3,354)	\$ 198,630	\$ 14,371	\$ 291,229

The governor recommends this request.

12. Warden Salary Fund Swap

	General	Federal	Other	Total	FTE
Agency Request	\$0	\$0	\$0	\$0	0.00
Governor's Recommendation	(\$128,400)	\$0	\$128,400	\$0	0.00

The governor recommends a decrease of **(\$128,400)** in **general funds** and an increase of **\$128,400** in **other fund expenditure authority** for replacing the salary of the Warden at the State Penitentiary with other fund moneys. The other fund being used here is the Prison Industries Revolving Fund, which may be used to support the Warden’s salary per SDCL 24-1-8.

This fund swap is necessary due to Pheastantland Industries (PI) recently taking over the management of warehouse operations for commissary services. With this arrangement, PI now receives a lease payment and commission on sales. Previously, the commission on sales was deposited to the general fund, as all DOC revenues are required to be per SDCL 1-15-10.2, aside from PI operations. The commission is estimated at around \$135,000 annually.

Having PI retain commission on sales would decrease revenue to the general fund. Per SDCL 24-7-9, at the end of the fiscal year, the state treasurer must transfer any cash balance in excess of \$500,000 from the Prison Industries Revolving Fund to the general fund, but there is no guarantee the balance will be greater than that amount. Instead of the general fund losing around \$135,000 in revenue and potentially getting it back from PI at year end if the cash in the fund exceeds \$500,000, this fund swap ensures the general fund reduces expenses by the same amount revenues are reduced.

The below table shows the moneys transferred out of the Prison Industries Revolving Fund to the general fund by fiscal year.

Fiscal Year	Transfer Out
2019	\$ 492,294
2020	\$ 453,275
2021	\$ 436,001
2022	\$ -
2023	\$ 515,751
2024	\$ 557,826

Department of Corrections Budget Request							
By Fund Category	FY 2023 Actual	FY 2024 Actual	FY 2024 Budget Revised	FY 2025 Budget	FY 2026 Agency Request	FY 2026 Governors Recommended	Change From FY2025
General	\$124,726,277	\$139,478,061	\$139,489,087	\$151,164,947	\$157,148,459	\$156,220,919	\$5,055,972
Federal	\$2,981,055	\$12,412,214	\$14,067,174	\$3,943,447	\$3,541,543	\$3,247,091	(\$696,356)
Other	\$4,094,958	\$4,471,339	\$5,087,990	\$5,143,463	\$5,143,463	\$5,271,863	\$128,400

By Fund Category	FY 2023 Actual	FY 2024 Actual	FY 2024 Budget Revised	FY 2025 Budget	FY 2026 Agency Request	FY 2026 Governors Recommended	Change From FY2025
Total	\$131,802,290	\$156,361,614	\$158,644,251	\$160,251,857	\$165,833,465	\$164,739,873	\$4,488,016
By Program	FY 2023 Actual	FY 2024 Actual	FY 2024 Budget Revised	FY 2025 Budget	FY 2026 Agency Request	FY 2026 Governors Recommended	Change From FY2025
Administration	\$4,715,594	\$6,302,994	\$6,280,361	\$7,461,323	\$7,576,762	\$7,543,914	\$82,591
Mike Durfee State Prison	\$23,984,206	\$29,853,250	\$29,918,105	\$29,301,467	\$32,026,882	\$31,941,023	\$2,639,556
State Penitentiary	\$31,927,843	\$33,701,742	\$33,706,909	\$37,952,339	\$38,301,949	\$38,215,437	\$263,098
Women's Prison	\$10,088,442	\$14,639,046	\$14,694,638	\$10,736,907	\$11,025,303	\$11,001,540	\$264,633
Pheasantland Industries	\$4,094,958	\$4,471,339	\$5,087,990	\$5,143,463	\$5,143,463	\$5,143,463	\$0
Inmate Services	\$38,108,003	\$45,145,624	\$45,449,609	\$44,290,913	\$45,574,095	\$45,455,050	\$1,164,137
Parole Services	\$7,227,028	\$8,542,538	\$8,542,739	\$8,927,374	\$8,989,534	\$8,989,534	\$62,160
Juvenile Community Corrections	\$11,656,215	\$13,705,081	\$14,963,900	\$16,438,071	\$17,195,477	\$16,449,912	\$11,841
Total	\$131,802,290	\$156,361,614	\$158,644,251	\$160,251,857	\$165,833,465	\$164,739,873	\$4,488,016
By Object Expenditure Personnel Costs	FY 2023 Actual	FY 2024 Actual	FY 2024 Budget Revised	FY 2025 Budget	FY 2026 Agency Request	FY 2026 Governors Recommended	Change From FY2025
	\$60,007,188	\$77,186,993	\$77,885,378	\$91,061,626	\$91,061,626	\$91,061,626	\$0
Salaries	\$45,918,577	\$59,250,691	\$60,825,576	\$70,329,922	\$70,329,922	\$70,329,922	\$0
Benefits	\$14,088,610	\$17,936,302	\$17,059,802	\$20,731,704	\$20,731,704	\$20,731,704	\$0
Operating Expenditures	FY 2023 Actual	FY 2024 Actual	FY 2024 Budget Revised	FY 2025 Budget	FY 2026 Agency Request	FY 2026 Governors Recommended	Change From FY2025
	\$71,795,102	\$79,174,621	\$80,758,873	\$69,190,231	\$74,771,839	\$73,678,247	\$4,488,016
Travel	\$1,332,136	\$1,208,637	\$1,169,059	\$1,464,125	\$1,464,125	\$1,184,125	(\$280,000)
Contractual Services	\$57,083,414	\$42,290,570	\$55,973,456	\$34,081,127	\$38,942,832	\$38,700,660	\$4,619,533
Supplies	\$8,028,067	\$11,089,562	\$10,175,149	\$9,765,653	\$9,749,137	\$9,749,137	(\$16,516)
Grants	\$4,832,411	\$20,295,612	\$9,771,216	\$21,893,371	\$22,629,790	\$22,058,370	\$164,999
Capital Outlay	\$518,748	\$4,290,200	\$3,669,993	\$1,985,955	\$1,985,955	\$1,985,955	\$0
Other Expenses and Budgeted Operating Transfers Out	\$326	\$40	\$0	\$0	\$0	\$0	\$0
Total	\$131,802,290	\$156,361,614	\$158,644,251	\$160,251,857	\$165,833,465	\$164,739,873	\$4,488,016
Full-Time Equivalent (FTE)	623.44	765.68	966.1	974.6	974.6	974.6	0.00

Funding Sources (Governor's Recommended)

	General	Federal	Other	General%	Federal%	Other%
FEDERAL STIMULUS FUNDS (COVID-19)	\$0	\$86,798	\$0	0.0%	2.7%	0.0%
STATE GENERAL FUND	\$154,605,311	\$0	\$0	99.0%	0.0%	0.0%
EDWARD BYRNE GRANT	\$0	\$21,272	\$0	0.0%	0.7%	0.0%
STATE CRIMINAL ALIEN ASSISTANC	\$0	\$613	\$0	0.0%	0.0%	0.0%
ADULT BASIC EDUCATION	\$0	\$298,581	\$0	0.0%	9.2%	0.0%
JUV. JUSTICE DELNQ. PREVENT. A	\$0	\$686,482	\$0	0.0%	21.1%	0.0%
NO DESC (PRIOR)	\$0	\$304,356	\$0	0.0%	9.4%	0.0%
PHEASANTLAND INDUSTRIES	\$0	\$0	\$5,271,863	0.0%	0.0%	100.0%
COMMUNITY SERVICE	\$0	\$131,385	\$0	0.0%	4.0%	0.0%
TITLE XIX-PROVIDER	\$1,615,608	\$1,717,604	\$0	1.0%	52.9%	0.0%

Governor's Recommend FY25 Supplemental Bill Changes - Department of Corrections

Food Services

- Increase of **\$210,818 in general funds** for adjusting food service costs at state correctional facilities. The average daily population for FY25 has been adjusted from 3,962 to 3,946, a difference of 16 inmates.

Juvenile Community Corrections Placements

- Increase of **\$375,005 in general funds** and decrease of **(\$486,479) in federal fund expenditure authority** for adjusting expenses based on the number of DOC juvenile placements. The average number of juvenile placements is projected to stay at 90.0 in FY25. The general fund increase is due to inflation in daily rates at facilities and more juveniles being placed in group care, while the federal fund expenditure authority decrease is due to fewer juveniles being placed in Medicaid-funded facilities.

Offender Healthcare

- Increase of **\$424,959 in general funds** for adjusting clinical service costs for inmates at state correctional facilities.

Utilities

- Increase of **\$223,480 in general funds** for adjusting utility costs at state correctional facilities.