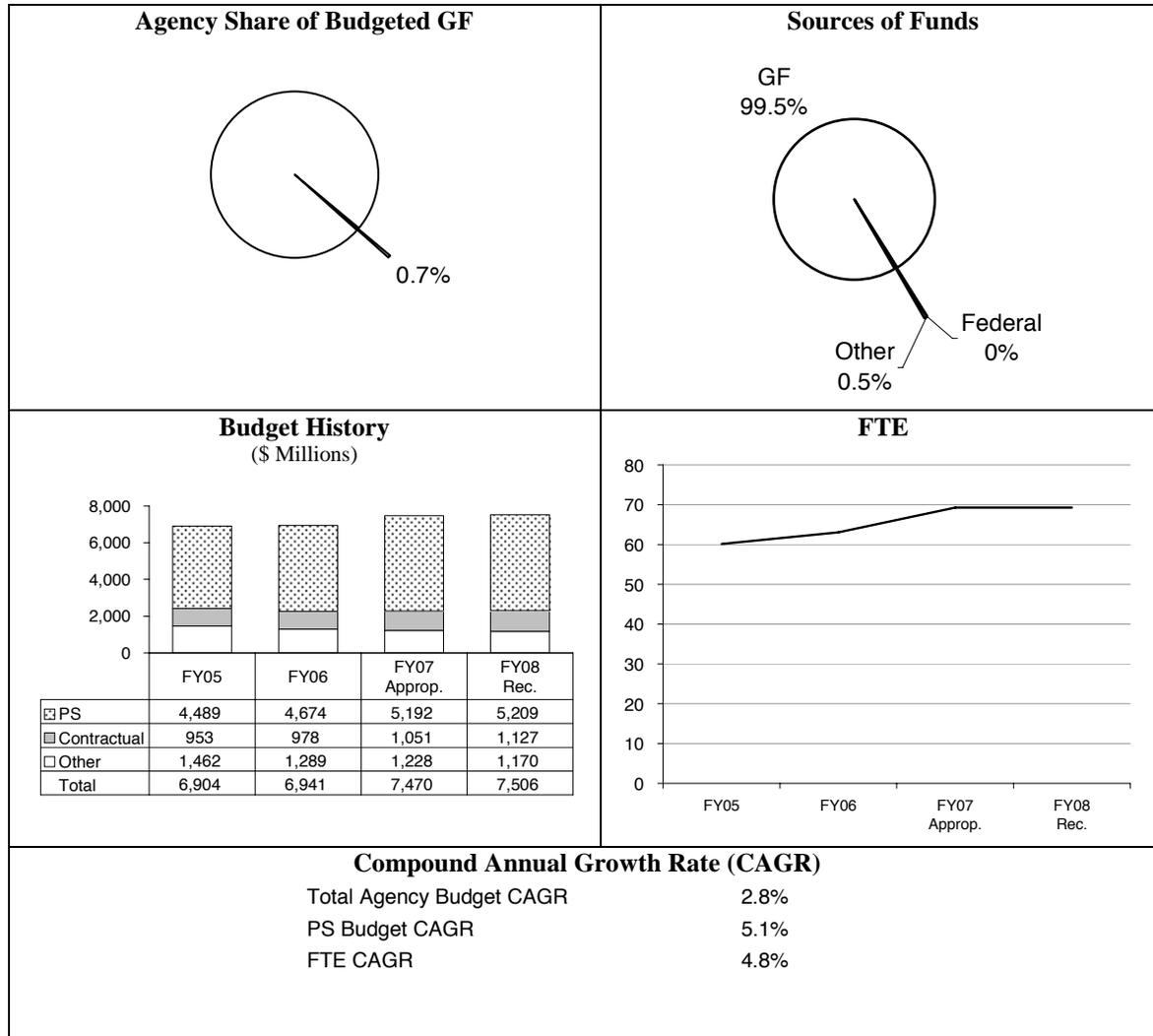


FY2008 Budget Briefing

The Legislature



Key Responsibilities

- Established by Article III of the State Constitution, the Legislature represents the people of South Dakota.
- It promotes and protects the general welfare by: (1) establishing state policy through the consideration and passage of legislation, and (2) overseeing the rest of state government.
- The Legislature is staffed by two service agencies: the Legislative Research Council which analyzes state policy and drafts legislation and the Department of Legislative Audit which performs financial post-audits.

Legislative Branch Total

The legislative budget is funded primarily from the State General Fund; only about 0.5% of the recommended budget comes from other funds. For FY2008, the legislative agencies request, as approved by the LRC Executive Board, \$7,506,306 (\$7,471,306 from the State General Fund) and 69.3 FTEs. This is an increase of \$384,938 (5.2%) from FY2007. The Governor recommends \$7,506,306 (\$7,471,306 from the State General Fund) and 69.3 FTEs. This is an increase of \$36,403 (0.5%) from FY2007 and a reduction of \$348,535 (4.4%) from the legislative agencies' request.

Items	Actual	Budgeted	Agency Req.	Gov Rec.	Inc/Dec	% Change
	<u>FY06</u>	<u>FY07</u>	<u>FY08</u>	<u>FY08</u>	<u>FY08</u>	<u>From FY07</u>
Personal Services	4,673,572	5,191,683	5,108,424	5,209,491	17,808	0.3%
Travel	1,034,012	909,097	989,102	924,870	15,773	1.7%
Contractual Services	977,521	1,050,559	1,103,909	1,126,639	76,080	7.2%
Supplies & Materials	150,363	250,496	228,553	228,553	(21,943)	(8.8%)
						0.0%
						0.0%
Capital Outlay	105,081	68,068	424,853	16,753	(51,315)	(75.4%)
Total	6,940,549	7,469,903	7,854,841	7,506,306	36,403	0.5%
Funding Types						
General	6,940,143	7,434,903	7,819,841	7,471,306	36,403	0.5%
Federal	0	0	0	0	0	0.0%
Other	405	35,000	35,000	35,000	0	0.0%
Total	6,940,548	7,469,903	7,854,841	7,506,306	36,403	0.5%
FTE	63.1	69.3	69.3	69.3	0.0	0.0%

The Governor's recommendation throughout this analysis also includes funding for Performance and Compensation Equity (PACE) movement of 2.5% for those employees who are paid under the job-worth of their pay range, a 3% across-the-board increase for all permanent employees, and an increase in the employer paid portion of the state health insurance plan. The recommended amounts for each segment of the compensation package, which are shared among the legislative agencies, are as follows:

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total</u>
2.5% PACE Movement	-	-	-	-
3% Across-the-Board	122,979	-	-	122,979
Health Insurance	12,267	-	-	12,267
Total	135,246	-	-	135,246

In addition, the Governor's recommendation includes an increase of \$35,816 to offset a recalculation in the method of recovering maintenance and repair funding for the Capitol complex.

Therefore, the net reduction to the legislative request recommended by the Governor is \$519,597. However, \$408,100 of this amount is recommended as a special appropriation, bringing the net reduction to \$111,497 for all legislative agencies combined. Agency detail will be provided prior to hearing.

Legislative Research Council

Created by chapter 2-9, the members of the Senate and the House of Representatives comprise the membership of the Legislative Research Council (LRC). The 15 member Executive Board appoints the director who hires all other LRC employees. Through the LRC, legislative policies are analyzed, and legislation is drafted. The Office of Code Counsel is also organized within the LRC. The Code Counsel assists the Code Commission in the revision and publication of the South Dakota Codified Laws; the Counsel also staffs the Rules Review Committee.

The agency requests \$5,077,557 which includes \$5,042,557 from the State General Fund and \$35,000 other funds. This is an increase of \$394,320 (8.4%) from FY2007. The agency also requests 33.3 FTEs. The Governor recommends \$4,777,666 (\$4,742,666 from the State General Fund) and 33.3 FTEs. This is an increase of \$94,411 (2.0%) from FY2007 and a decrease of \$299,891 (5.9%) from the agency's request. However, part of the amount recommended by the Governor is absorbed by salary, health insurance, and space allocation costs, effectively magnifying the reduction of the agency's request.

Items	Actual	Budgeted	Agency Req.	Gov rec.	Inc/Dec	% Change
	FY2006	FY2007	FY2008	FY2008	FY2008	From FY07
Personal Services	2,448,643	2,790,884	2,674,639	2,809,885	19,001	0.7%
Travel	925,539	792,308	861,983	808,081	15,773	2.0%
Contractual Services	807,354	873,979	924,694	951,559	77,580	8.9%
Supplies & Materials	130,524	214,496	196,553	196,553	(17,943)	(8.4%)
Capital Outlay	69,654	11,588	419,688	11,588	0	0.0%
Total	4,381,714	4,683,255	5,077,557	4,777,666	94,411	2.0%
Funding Types						
General	4,381,310	4,648,255	5,042,557	4,742,666	94,411	2.0%
Federal	0	0	0	0	0	0.0%
Other	405	35,000	35,000	35,000	0	0.0%
Total	4,381,715	4,683,255	5,077,557	4,777,666	94,411	2.0%
FTE	28.2	33.3	33.3	33.3	0.0	0.0%

Revenues

	FY06			FY07			FY08
	Original Estimate	Actual	Difference Over (Under) Estm.	Original Estimate	Revised Estimate	Change in Estimate	Estimate
Document Room Receipts and Copies	10,028	9,064	(964)	9,064	7,415	(1,649)	7,415
Room and Computer Charges	6,550	7,350	800	7,350	7,400	50	7,400
Subscriptions to South Dakota Register	760	660	(100)	660	720	60	720
Total	17,338	17,074	(264)	17,074	15,535	(1,539)	15,535

Department of Legislative Audit

The Department of Legislative Audit, headed by the Auditor General, serves the Legislature and the people of the state by providing independent audits and assistance to enhance public accountability by improving the capability of reports and strengthening the operational controls of the state and local governments. In addition to its main office in Pierre, Legislative Audit has field staff in Aberdeen, Huron, Lead, Mitchell, Parker, Rapid City, Sioux Falls, Wallace, and Wentworth; the field staff manager is located in Brookings.

The agency requests \$2,777,284 from the State General Fund. This is a decrease of \$9,364 (0.3%) from FY2007. The agency also requests 36.0 FTEs. The Governor recommends \$2,728,640 from the State General Fund. This is a decrease of \$58,008 (2.1%) from FY 2007 and a decrease of \$48,644 (1.8%) from the agency's request.

Items	Actual	Budgeted	Agency Req.	Gov Rec.	Inc/Dec	% Change
	FY2006	FY2007	FY2008	FY2008	FY2008	From FY07
Personal Services	2,224,928	2,400,799	2,433,785	2,399,606	(1,193)	(0.0%)
Travel	108,473	116,789	127,119	116,789	0	0.0%
Contractual Services	170,167	176,580	179,215	175,080	(1,500)	(0.8%)
Supplies & Materials	19,839	36,000	32,000	32,000	(4,000)	(11.1%)
Capital Outlay	35,427	56,480	5,165	5,165	(51,315)	(90.9%)
Total	2,558,834	2,786,648	2,777,284	2,728,640	(58,008)	(2.1%)
Funding Types						
General	2,558,833	2,786,648	2,777,284	2,728,640	(58,008)	(2.1%)
Federal	0	0	0	0	0	0.0%
Other	0	0	0	0	0	0.0%
Total	2,558,833	2,786,648	2,777,284	2,728,640	(58,008)	(2.1%)
FTE	34.9	36.0	36.0	36.0	0.0	0.0%

Revenues

	FY06			FY07			FY08
	Original Estimate	Actual	Difference Over (Under) Estm.	Original Estimate	Revised Estimate	Change in Estimate	Estimate
Audit Service Charges	1,231,000	1,152,729	(78,271)	1,308,000	1,212,500	(95,500)	1,322,000
Other (Refunds, Interest on Delinquent Accounts, and IPA Workshop Fees)	8,500	9,017	517	10,000	8,500	(1,500)	8,500
Total	1,239,500	1,161,746	(77,754)	1,318,000	1,221,000	(97,000)	1,330,500

Estimated amounts are based on 100% staffing and are dependent upon the date payments are received from the audited entities.

Selected Performance Indicators

	FY06			FY07			FY08
	Original Estimate	Actual	Difference Over (Under) Estm.	Original Estimate	Revised Estimate	Change in Estimate	Estimate
Fiscal and Compliance Audits:							
State Agencies	9	9	0	9	9	0	9
Political Subdivisions	49	49	0	49	49	0	49
Nonrecurring Audits or Reviews	5	8	3	5	5	0	5
Internal Control Reviews	15	3	(12)	15	15	0	10
Independent Public Accountant Reports Reviewed	300	293	(7)	300	300	0	285