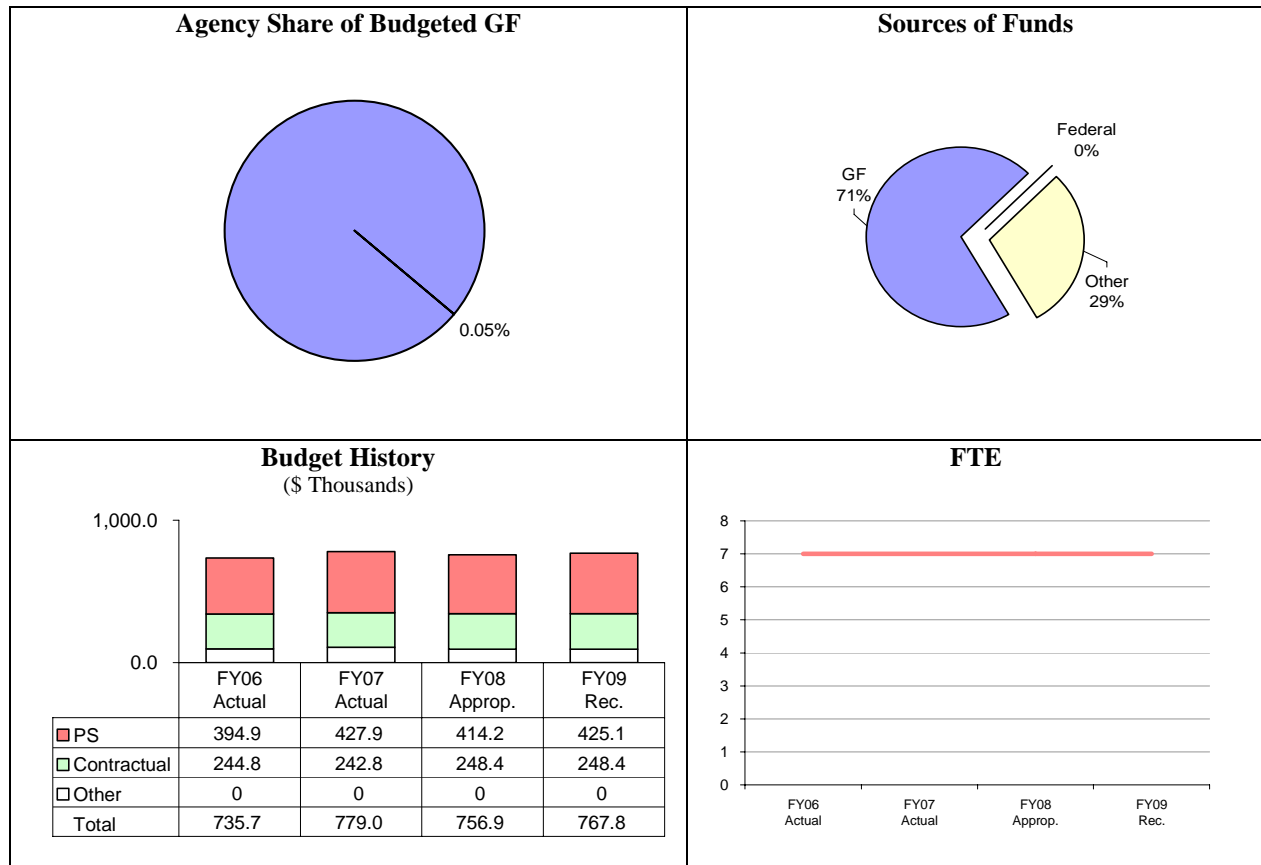


FY09 Budget Briefing

School and Public Lands



Key Responsibilities

- To ensure efficient management of school and endowment lands and trust funds owned and administered by the State of South Dakota for the support and maintenance of the public schools and the various state institutions for which the lands had been granted;
- To lease the optimum acreage of land and maintain all leases on file;
- To maintain all land sale contracts;
- To maintain the mineral ownership records and provide for the leasing of mineral acres;
- To invest the money received from land sales and the leasing of surface and mineral lands at the highest possible rate of return; and
- To apportion the money to the various school districts and endowed institutions in South Dakota.

Key Personnel

- Jarrod Johnson, Commissioner of School and Public Lands
- Jennifer Toscana, Deputy Commissioner

School and Public Lands

The budget for the Office of the Commissioner of School and Public Lands is funded by the general fund and revenue generated from pesticide taxes deposited in the Weed and Pest Control Fund. For FY09, the Governor recommends a total appropriation of \$542,835 from the general fund, \$225,000 from other funds, and 7.0 FTEs.

Items	Actual FY07	Budgeted FY08	Agency Req. FY09	Gov Rec. FY09	Inc/Dec FY09	% Change From FY08
Personal Services	427,899	414,204	414,204	425,142	10,938	2.6%
Travel	20,903	23,600	23,600	23,600	-	0.0%
Contractual Services	242,838	248,433	248,433	248,433	-	0.0%
Supplies & Materials	85,425	68,660	68,660	68,660	-	0.0%
Grants And Subsidies	0	0	0	0	-	0.0%
Capital Outlay	1,913	2,000	2,000	2,000	-	0.0%
Other	0	0	0	0	-	0.0%
Total	778,978	756,897	756,897	767,835	10,938	1.4%
Funding Types						
General	536,875	531,897	531,897	542,835	10,938	2.1%
Federal	0	0	0	0	-	0.0%
Other	242,103	225,000	225,000	225,000	-	0.0%
Total	778,978	756,897	756,897	767,835	10,938	1.4%
FTE	7.0	7.0	7.0	7.0	-	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 2.5% 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 are as follows:

	General Funds	Federal Funds	Other Funds	Total
2.5% PACE Movement	-	-	-	-
2.5% Across-the-Board	9,438	-	-	9,438
Health Insurance	1,500	-	-	1,500
Total	10,938	-	-	10,938

Major Expansions and Reductions

Budget Item	Agency Request			Governor's Recommendation		
	State General Fund	All Funds	FTE	State General Fund	All Funds	FTE
Personal Services	-	-	0.0	10,938	10,938	0.0
	-	-			-	
Total	0	-	0.0	10,938	10,938	0.0

- The Governor's recommended increase in Personal Services is the amount necessary for the FY09 Salary Policy.
- During the 2007 Session the Legislature passed HB1251 which continuously appropriated any federal money which may come to this Office for the sale of federal land held for the Blunt Reservoir and Pierre Canal project. The money is to be set forth in an informational budget, however, no money has been received and therefore, this budget does not contain a separate informational budget page.

Revenues

	FY07			FY08			FY09
	Original Estimate	Actual	Difference Over (Under) Estm.	Original Estimate	Revised Estimate	Change in Estimate	Estimate
Principal On Land Contract Payments	20,000	13,749	(6,251)	5,000	10,000	5,000	10,000
Mineral Monies (Permanent Trust Fund)	775,000	1,234,435	459,435	1,200,000	1,500,000	300,000	1,500,000
Escheats & Interest on Escheated Investments	12,000	30,642	18,642	14,000	31,000	17,000	32,000
Interest on Land Contract Payment	5,000	3,500	(1,500)	2,500	3,500	1,000	3,500
Surface Leasing	3,350,000	3,627,592	277,592	3,500,000	3,700,000	200,000	3,700,000
Mineral Monies (School Distribution Funds)	775,000	1,234,435	459,435	1,200,000	1,500,000	300,000	1,500,000
Investment Income	12,000,000	24,142,460	12,142,460	11,000,000	20,000,000	9,000,000	20,000,000
Service Fees, Copies, Assignment of Leases and Easements	40,000	92,542	52,542	70,000	92,500	22,500	92,500
Total	16,977,000	30,379,355	13,402,355	16,991,500	26,837,000	9,845,500	26,838,000

ID No. 100-300 are revenues deposited to Permanent Trust Fund.

ID No. 400-700 are revenues deposited to Common Schools and Endowed Institutions.

ID No. 800 are miscellaneous fees deposited to Common School Funds.

Selected Performance Indicators

	FY07			FY08			FY09
	Original Estimate	Actual	Difference Over (Under) Estm.	Original Estimate	Revised Estimate	Change in Estimate	Estimate
Apportion Common School Interest Fund and Income to School Districts	\$9,000,000	\$8,452,748	(\$547,252)	\$8,000,000	\$8,500,000	\$500,000	\$8,500,000
Apportion Endowed Income and Interest Fund to Ten Endowed Institutions	\$2,000,000	\$2,025,621	\$25,621	\$1,500,000	\$2,200,000	\$700,000	\$2,200,000
Manage and Maintain Surface Leases on 768,000 Acres	2,700	2,877	177	2,600	2,900	300	2,900
Grazing Land Lease Holders	1,400	1,204	(196)	1,260	1,250	(10)	1,250
Grazing Acres Leased	772,475	752,656	(19,819)	758,000	752,656	(5,344)	752,656
Annual Delay Rental (ADR) Oil and Gas	400	445	45	500	550	50	550
Held By Production (HBP) Oil and Gas	77	75	(2)	76	76	0	76
Mining Leases	1	138	137	8	175	167	175
Management of Land Sale Contracts	40	7	(33)	50	7	(43)	6
Patents (Deeds) Processed	70	7	(63)	100	12	(88)	15
Maintain List and Inventory of State	110	110	0	110	110	0	110
Conduct Inspection and Maintain Records	100	110	10	100	115	15	120
Dam Repair Schedule	5	2	(3)	5	3	(2)	3
Dam Inspections	30	35	5	30	36	6	37

Apportion Common School Interest and Income Fund to School Districts.

Apportion Endowed Income and Interest Fund to 10 Endowed Institutions.

Grazing Land Lease Holders/Acres Leased (at March lease auctions) per year.

Annual Delay Rental (ADR) Oil & Gas Leases Monitored & Maintained.

Held By Production (HBP) Oil & Gas Leases Monitored & Maintained.

Patents (Deeds) Processed Upon Satisfaction of Contracts.

Maintain List and Inventory of State Controlled Dams.

Conduct Inspections and Maintain Records on School and Public Dams.

Other Departmental Issues

A. Budget Transfers (FY07 and FY08 Year-To-Date)

No budget transfers were done in FY07, nor in FY08 as of this writing. The Agency did, however, request an additional appropriation during the 2007 Session for the FY07 budget year. HB1256 contained \$26,349 from the general fund for personal services. The Office testified that amount was needed to cover lump sum annual and sick leave payouts to long-time employees who left when the new commissioner started.

The bill also contained \$40,000 in other fund expenditure authority to spend money in the Public Lands Weed and Pest fund on noxious weed control. When the new commissioner started in January 2007, the remaining other fund authority was very low (4% remaining), and the spring weed control season hadn't even begun. The \$40,000 was needed to spend existing money in the Public Lands Weed and Pest fund. (Condition Statement on Page 6.)

B. Audit Findings

No audit findings were reported in the most recent audit report.

C. General Fund Reversions

FY2003 - \$295
FY2004 - \$531
FY2005 - \$141
FY2006 - \$462
FY2007 - \$13,832

D. Letters of Intent

No Letters of Intent for FY08

E. Committee Questions

There were no committee questions specific to this agency.

School and Public Lands
State Accounting System - Other Fund Balances
Company 3001 - Public Lands Weed and Pest Fund

	FY2004	FY2005	FY2006	FY2007
1 Cash Pooled with State Treasurer	271,795.20	236,311.68	274,488.98	263,532.16
2 Total Assets	271,795.20	236,311.68	274,488.98	263,532.16
3				
4 Accounts Payable	-	-	-	-
5 Total Liabilities	-	-	-	-
6				
7 Unreserved Fund Balance	271,795.20	236,311.68	274,488.98	263,532.16
8 Total Fund Equity	271,795.20	236,311.68	274,488.98	263,532.16
9 Total Liabilities and Fund Equity	271,795.20	236,311.68	274,488.98	263,532.16
10				
11				
12 Licenses, Permits and Fees	256,438.16	185,237.92	258,549.54	226,064.25
13 Use of Money and Property	9,975.09	4,243.68	4,586.47	5,081.90
14 Other Revenue	105.08	-	-	-
15 Total Operating Revenue	266,518.33	189,481.60	263,136.01	231,146.15
16				
17 Travel	7,781.37	5,729.95	10,556.68	1,877.56
18 Contractual Services	171,902.54	200,575.15	174,129.47	170,685.50
19 Supplies and Materials	45,307.12	18,660.02	40,272.56	69,539.91
20 Total Operating Expenditures/Expenses	224,991.03	224,965.12	224,958.71	242,102.97
21				
22 Transfers In	-	-	-	1,902.39
23 Transfers Out	-	-	-	(1,902.39)
24 Net Transfers In (Out)	-	-	-	-
25				
26 Net Change	41,527.30	(35,483.52)	38,177.30	(10,956.82)
27				
28 Beginning Fund Equity	230,267.90	271,795.20	236,311.68	274,488.98
29 Ending Equity	271,795.20	236,311.68	274,488.98	263,532.16

Company: 3001

Company Name: School and Public Lands - Other

Fund Name: Public Lands Weed and Pest Fund

Fund Type: Special Revenue

Purpose: SDCL 38-20A-58 created the Public Lands Weed and Pest Fund. Source: portion (\$42.50) of pesticide registration fees per 38-20A-59; interest accruing on money. Uses: Weed and pest control on public lands. Unappropriated cash at end of year over \$300,000 reverts to the Department of Agriculture's weed and pest control fund created by 38-22-35.

Budget Information: Included in the General Appropriations Bill.

From Page 258 in the 2007 Government Operations and Audit Committee Other Fund Information by Agency report ("The Blue Book") prepared by Legislative Audit.