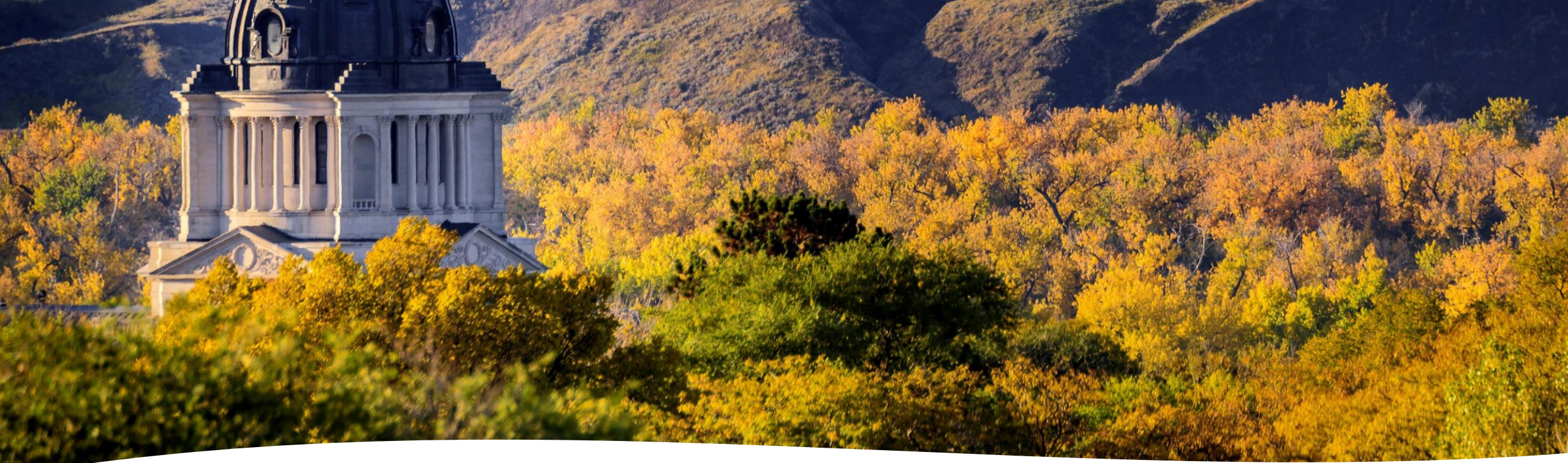


# Governor Kristi Noem's 2023 Budget Address







# Conservative Fiscal Management

No Individual  
Income Tax

No Corporate  
Income Tax

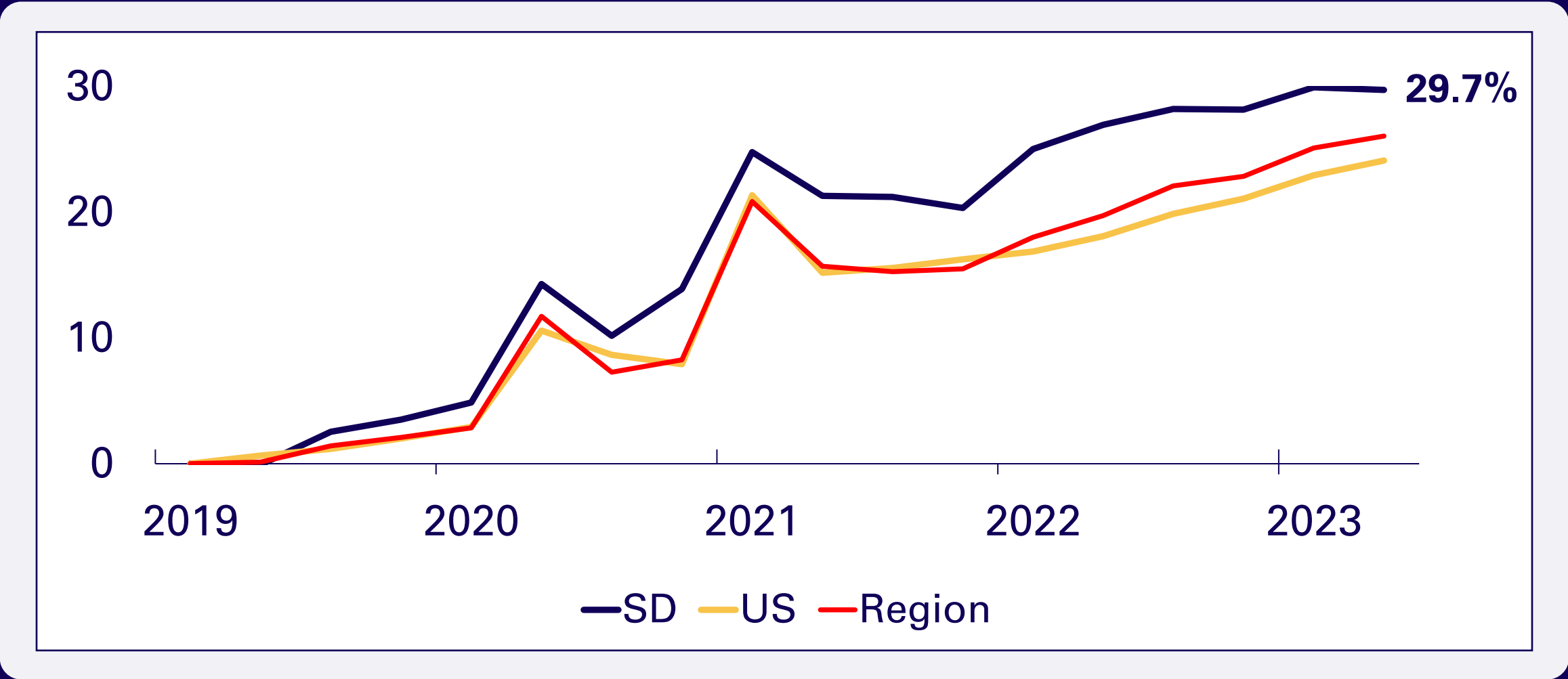
No Personal  
Property Tax

AAA  
Credit Rating

Fully-Funded  
Pension

Structurally  
Balanced

# Per Capita Personal Income Growth



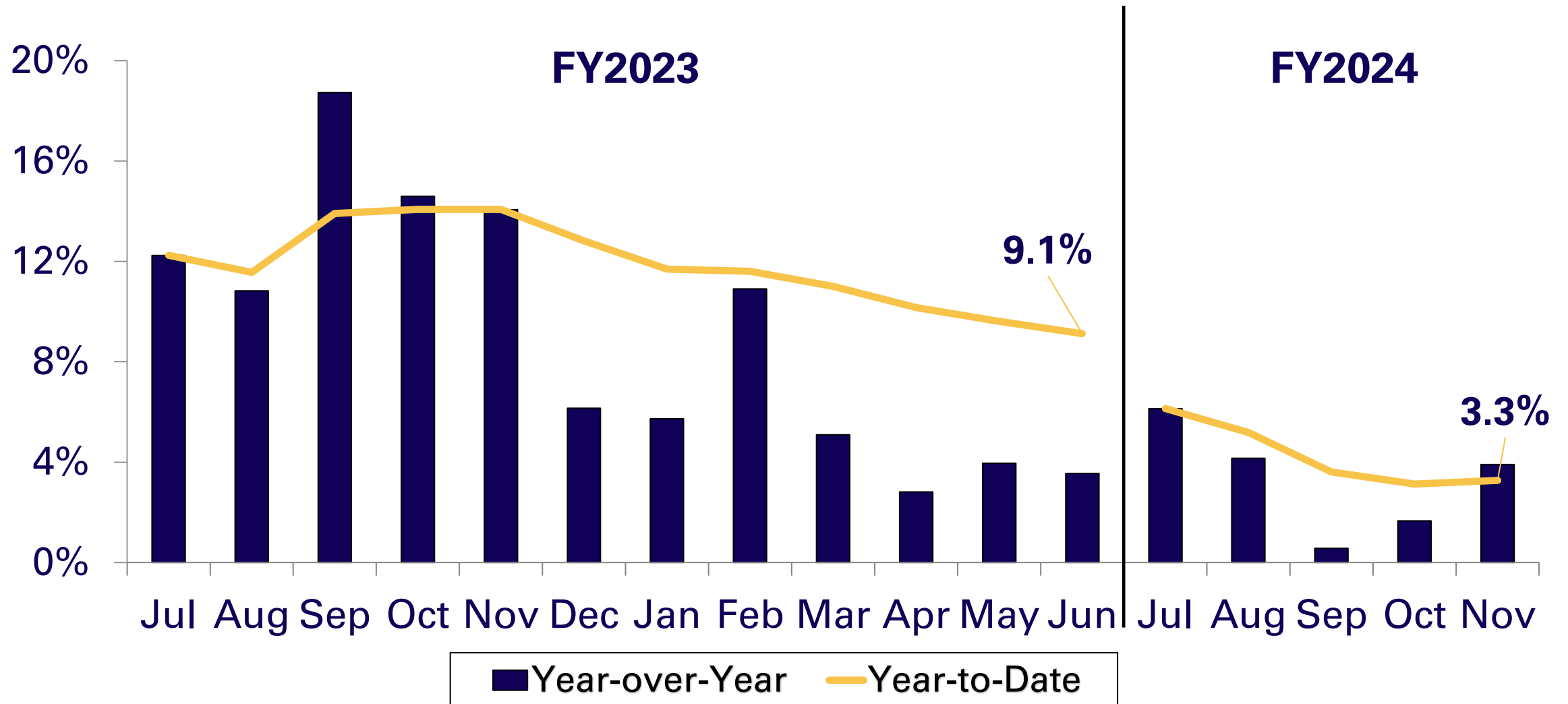




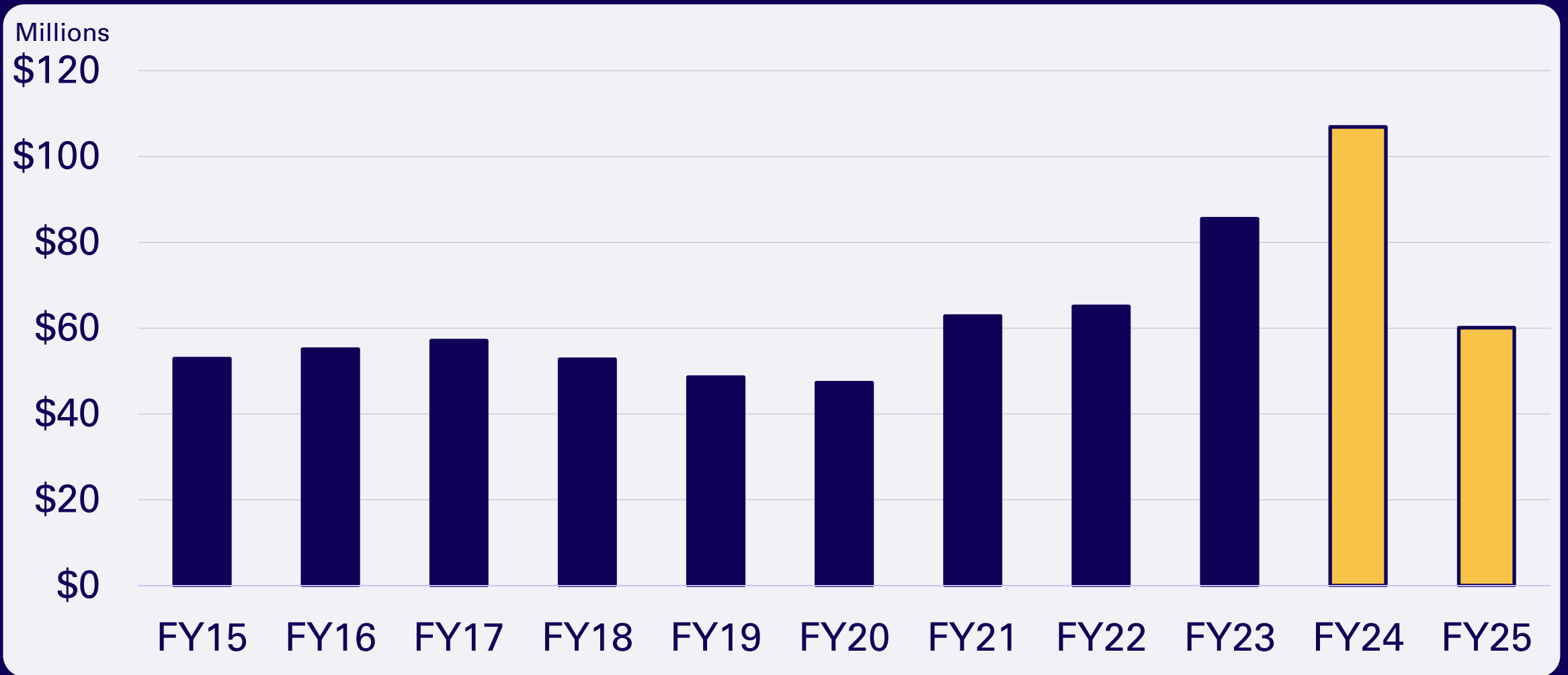
# South Dakota's Revenues Are Steady

# Sales Tax

*Trending Back to Normal Growth*



# Unclaimed Property at Historic Levels in FY24





# Strengthening Education



# 4% for the Big Three

**Investing \$93 million in our future**

**\$46.5 million for our Schools**

**\$20.6 million for our State Workforce**

**\$26.0 million for our Healthcare Providers**



# 4% for Education

## Investing in our Kids

**\$46.5 million for our Schools**

**\$20.6 million for our State Workforce**

**\$26.0 million for our Healthcare Providers**

# Educating our Kids

- **Statewide Literacy Initiative**

- Focusing on the Science of Reading, a research-based approach
- Providing extensive training and resources for teachers and administrators
- \$6 million in general funds



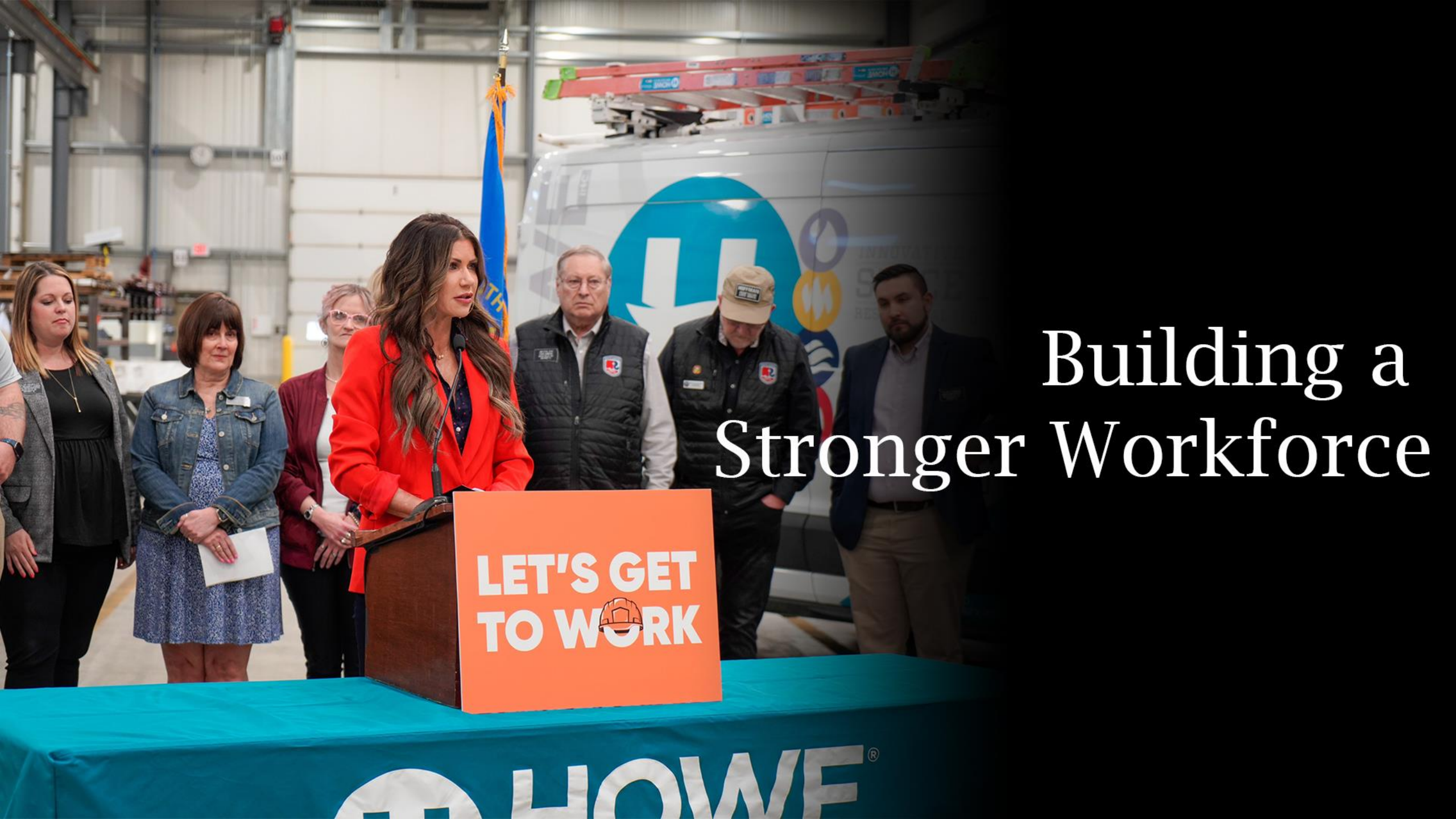
# Educating our Kids

- **Jobs for America's Graduates**

- Proven success with a 94% graduation rate from participants
- Two new FTEs and utilizing \$0.5 million in federal TANF funds to support additional kids
- This is a proven strategy







# Building a Stronger Workforce

LET'S GET TO WORK



HOWE®

# 4% for State Employees

## Investing in our Workers

**\$46.5 million for our Schools**

**\$20.6 million for our State Workforce**

**\$26.0 million for our Healthcare Providers**



# Keeping South Dakota Healthy





# 4% for Healthcare Providers

## Taking Care of People

**\$46.5 million for our Schools**

**\$20.6 million for our State Workforce**

**\$26.0 million for our Healthcare Providers**

# Investing in our Kids

## Bright Start

- Bright Start supports first-time mothers and babies from pregnancy to age two
- We expanded the program statewide in FY2023, serving 1,062 mothers and babies
- In FY2025, recommend adding two FTE and federal funds to support increased demand





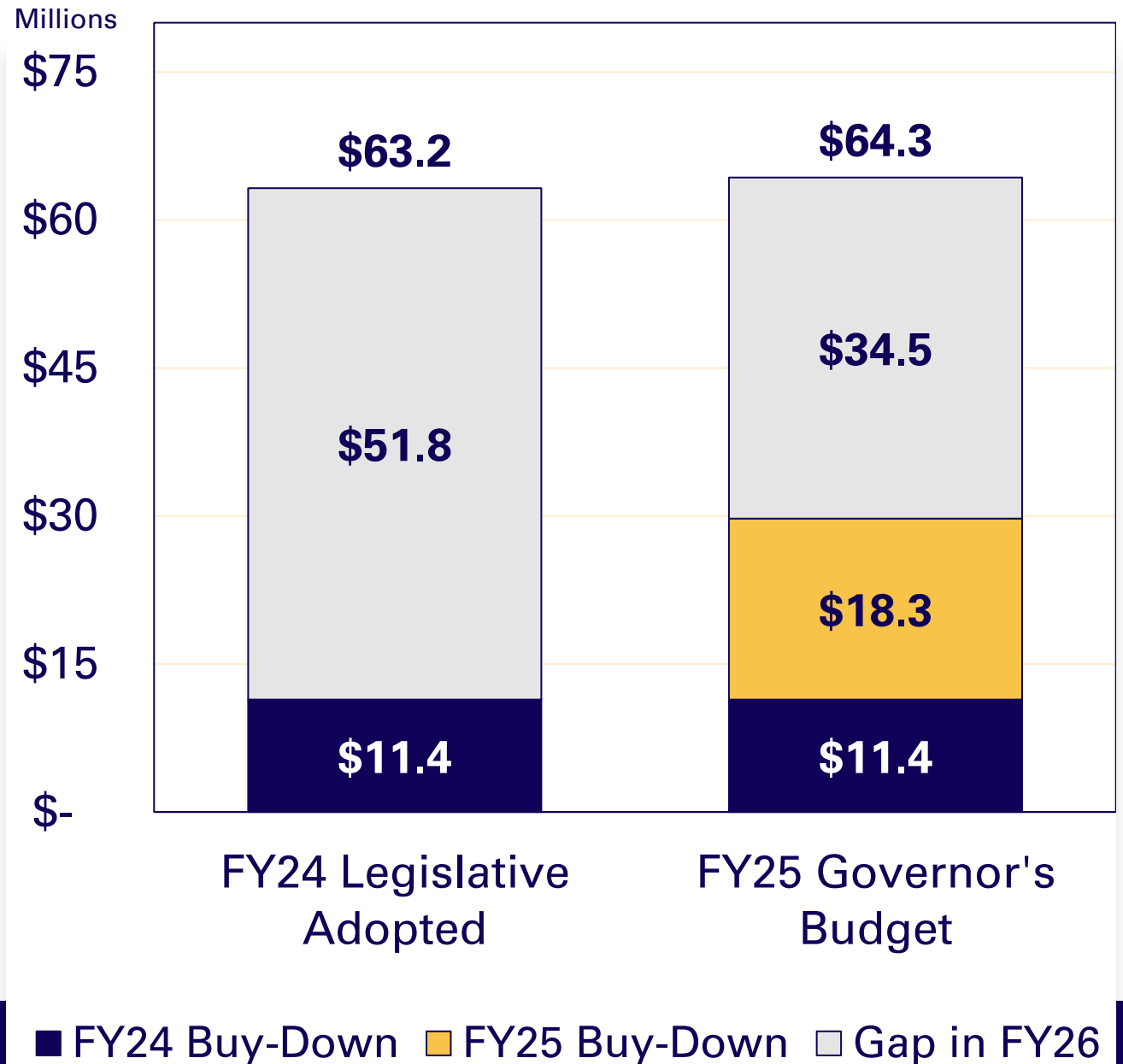
# Keeping South Dakota Healthy





# Planning for Full Cost of Medicaid Expansion

- Replacing 5% FMAP enhancement is estimated at \$64.3 million in FY26
- Legislature funded \$11.4 million towards this effort in FY24
- Recommending an additional \$18.3 million in FY25





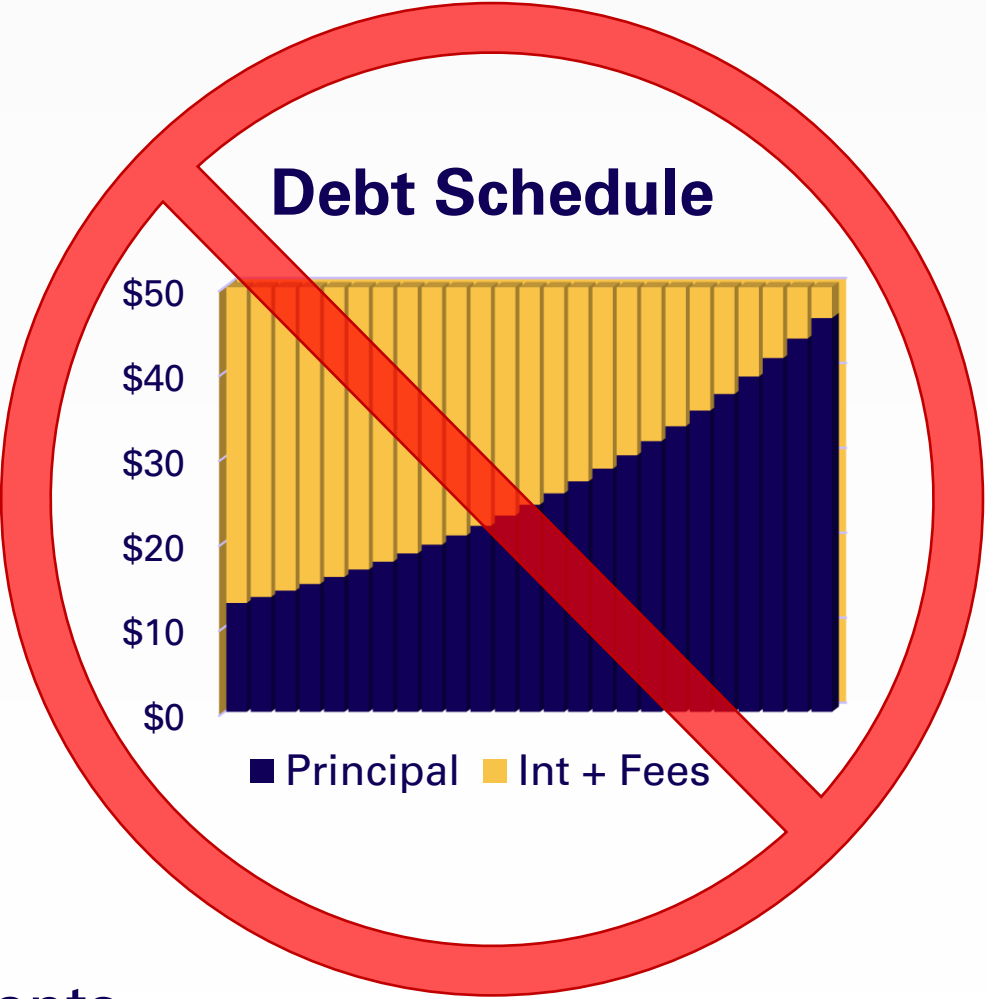
# Infrastructure Investments

- \$120.6 million in additional state and local water/wastewater investments with remaining federal ARPA funds
- \$11.7 million in state-owned dam infrastructure investments
- \$7.0 million in state IT infrastructure investments



# Avoiding Debt

<b>Men's and Women's Prison</b>	<b>Millions</b>
2022/2023 Appropriations & Savings	\$394.7
Federal ARPA Eligible Uses (FY24)	\$12.4
Women's Prison – Revised FY24 Need	\$20.9
Recommended Reserve Transfer to ICF	\$95.7
One-Time General Funds	<u>\$132.5</u>
<b>Total Proposed Resources</b>	<b>\$656.2</b>



- Saves over \$600 million in interest and fees
- Avoids \$50 million in annual debt service payments

# Indigent Legal Defense





# Governor Kristi Noem's 2023 Budget Address

