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

Chart showing the growth of per capita personal income from 2019 to 2023. The chart compares growth rates for SD, US, and Region. The Region shows a 29.7% growth rate from 2019 to 2023.
South Dakota’s Revenues Are Steady
Sales Tax
Trending Back to Normal Growth

FY2023

FY2024

Year-over-Year
Year-to-Date

<table>
<thead>
<tr>
<th>Month</th>
<th>Jul</th>
<th>Aug</th>
<th>Sep</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
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<tbody>
<tr>
<td>Year-over-Year</td>
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<td>12%</td>
<td>16%</td>
<td>13%</td>
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<td>Year-to-Date</td>
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9.1% 3.3%
Unclaimed Property at Historic Levels in FY24

Millions

<table>
<thead>
<tr>
<th></th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
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<th>FY22</th>
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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
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

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

<table>
<thead>
<tr>
<th>Men’s and Women’s Prison</th>
<th>Millions</th>
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<tbody>
<tr>
<td>2022/2023 Appropriations &amp; Savings</td>
<td>$394.7</td>
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<tr>
<td>Federal ARPA Eligible Uses (FY24)</td>
<td>$12.4</td>
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<tr>
<td>Women’s Prison – Revised FY24 Need</td>
<td>$20.9</td>
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<tr>
<td>Recommended Reserve Transfer to ICF</td>
<td>$95.7</td>
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<tr>
<td>One-Time General Funds</td>
<td>$132.5</td>
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<tr>
<td><strong>Total Proposed Resources</strong></td>
<td><strong>$656.2</strong></td>
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Indigent Legal Defense
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