



Bond Payoff

Various Departments

Overview

Governor Noem's recommended budget includes \$53.7 million in one-time funding to pay off bonds and reduce debt. This debt reduction includes bonds issued for the construction of the Animal Disease Research and Diagnostic Laboratory within the Department of Agriculture and Natural Resources, the Precision Agriculture Building within the Board of Regents, and Fish Hatcheries within the Department of Game, Fish & Parks.

Paying off debt is crucial for financial health and stability. It reduces the burden of significant interest payments, strengthens our credit rating, and frees ongoing money to fund our core responsibilities.

Background

Senate Bill 172 of the 2017 Legislative Session authorized a bond issuance for the Animal Disease Research and Diagnostic Laboratory. By using one-time funds to pay off the remaining debt of \$36.6 million, the state will save almost \$12 million in interest and fees, while also freeing up ongoing funding of \$3.4 million in general funds.

House Bill 1264 of the 2018 Legislative Session authorized a bond issuance for the Precision Agriculture Building. By using one-time funds to pay off the remaining debt of \$15.5 million, the state will save over \$4.3 million in interest and fees, while also freeing up ongoing funding of \$900,000 in general funds.

House Bill 1051 of the 2005 Legislative Session authorized a bond issuance for Fish Hatcheries within the Department of Game, Fish & Parks. Using one-time funds to pay off the remaining debt of \$1.6 million will free up ongoing funding of \$800,000 in general funds.

Funding

The one-time investment of \$53,713,826 will save the state \$16,243,041 in interest and fees, while also freeing up \$5,043,655 in ongoing general funds that can be reinvested to improve services in other key areas of state government.