

GENERAL FUND CONDITION STATEMENT

	ACTUAL FY2014	ACTUAL FY2015	REVISED FY2016	PROJECTED FY2017
RECEIPTS				
Sales and Use Tax	\$ 823,401,593	\$ 836,587,108	\$ 872,644,580	\$ 904,858,369
Lottery ^{A,B}	6,296,600	6,952,306	109,131,373	111,325,514
Contractor's Excise Tax	90,409,495	100,116,439	104,126,810	108,420,550
Insurance Company Tax	75,110,734	79,976,685	83,809,944	88,901,320
Unclaimed Property Receipts	59,761,191	52,914,188	57,957,560	50,515,127
Tobacco Taxes ^{A,C}	30,000,000	30,000,000	56,318,587 ^C	55,866,280
Bank Franchise Tax	10,782,035	8,583,099	5,418,516	11,424,177
Property Tax Reduction Fund ^B	106,529,196	112,690,797	N/A ^A	N/A
Other ^{A,D,E,F,G,H}	151,506,401	153,564,321	152,093,654	161,267,094 ^H
One-Time Receipts	77,590,390 ^I	26,527,656 ^J	11,832,509 ^K	-
Transfer from Budget Reserves	-	-	27,426,643 ^L	-
Transfer from Property Tax Reserves	19,626,221 ^M	-	-	-
Obligated Cash Carried Forward	25,216,171 ^{T,U}	9,876,349 ^T	21,535,148 ^T	-
TOTAL RECEIPTS	\$ 1,476,230,027	\$ 1,417,788,948	\$ 1,502,295,324	\$ 1,492,578,431
EXPENDITURES				
General Bill Excl. State Aid to Education ^{N,O,P}	\$ 897,015,578	\$ 969,421,953 ^Q	\$ 1,011,098,140	\$ 1,062,486,115
State Aid to Education	388,886,137	391,438,343	410,778,336	426,808,380
Special Appropriations	5,183,800	-	-	-
Emergency Special Appropriations	141,217,725	22,575,311	55,690,586	-
Continuous Appropriations ^R	2,617,916	2,941,844	3,144,305	3,283,936
Expenditure Transfers	7,200,000 ^S	-	-	-
TOTAL EXPENDITURES	\$ 1,442,121,156	\$ 1,386,377,451	\$ 1,480,711,367	\$ 1,492,578,431
TRANSFERS				
Budget Reserve Fund ^T	\$ 24,232,522	\$ 9,876,349	\$ 21,535,148	\$ -
TOTAL TRANSFERS	\$ 24,232,522	\$ 9,876,349	\$ 21,535,148	\$ -
Beginning Unobligated Cash Balance	\$ -	\$ -	\$ -	\$ -
Net (Receipts less Expend./Transfers)	\$ 9,876,349	\$ 21,535,148	\$ 48,809	\$ -
OBLIGATIONS AGAINST CASH				
Budget Reserve Fund ^T	\$ (9,876,349)	\$ (21,535,148)	\$ -	\$ -
Total Obligations Against Cash	(9,876,349)	(21,535,148)	-	-
Ending Unobligated Cash Balance	\$ -	\$ -	\$ 48,809	\$ -

SOURCE: State of South Dakota Bureau of Finance and Management

NOTE: This document was prepared on a cash basis for budgeting purposes and reflects obligations against cash. The totals may not add due to rounding.

NOTES FOR RECEIPTS SECTION

^A HB 1050, passed during the 2015 legislative session, repealed the Property Tax Reduction Fund (PTRF) and deposits the ongoing funds previously dedicated to the PTRF directly into the state general fund beginning in FY2016. In FY2016, the ongoing PTRF receipts are re-categorized on this statement as follows: video lottery receipts is included in the lottery receipts category, 33% of the tobacco tax in excess of \$35 million is included in the tobacco taxes category, and the

telecommunications tax and transfer from the Wind Energy Tax Fund is included in other receipts. This change is revenue neutral to the general fund.

- ^B Video lottery revenue continues to be below its previous peak of \$111.1 million, which was reached in FY2008. The state's share of video lottery revenue was \$91.6 million in FY2014 and \$98.3 million in FY2015, and is estimated to be \$102.2 million and \$104.3 million in FY2016 and FY2017, respectively. Beginning in FY2016, the state's share of video lottery is included in the lottery receipts category.
- ^C HB 1050, passed during the 2015 legislative session, repealed the Property Tax Reduction Fund, the Health Care Tobacco Tax Fund, and the Education Enhancement Tax Fund. Currently, these funds receive a portion of the tobacco taxes collected in excess of \$35 million (SDCL 10-50-52), but are directly deposited into the state general fund each year through the property tax reduction fund and other receipts. This change will allow the tobacco taxes collected in excess of \$35 million to flow directly to the state general fund beginning in FY2016. This change did not represent a net gain of revenue, just a change to how the taxes are receipted into the general fund.
- ^D This includes \$5.8 million in FY2014, \$5.2 million in FY2015, \$4.7 million in FY2016, and \$4.1 million in FY2017 derived from annuity contract payments related to the 1986 sale-leaseback transaction.
- ^E This includes receipts of \$2.1 million in FY2014, \$2.4 million in FY2015, \$3.4 million in FY2016, and \$3.4 million in FY2017 due to legislation allowing the Department of Game, Fish and Parks to make lease payments to the Building Authority. These are used to retire revenue bonds issued for the renovation and modernization of infrastructure at Custer State Park, the renovation and modernization of fish hatchery facilities, the Sioux Falls Outdoor Learning Center, stabilization of the Cedar Shore Resort marina, improvements to the Angostura sanitary sewer system, improvements to Good Earth State Park and a new visitor's center at Custer State Park.
- ^F This includes receipts of \$0.7 million in each fiscal year due to legislation passed in 2007 allowing the Board of Regents to make lease payments to the Building Authority. These are used to retire revenue bonds issued for critical maintenance and repair projects for the Board of Regents.
- ^G This includes \$28.4 million in FY2014, \$30.8 million in FY2015, \$33.2 million in FY2016, and \$35.2 million in FY2017 in interest proceeds from the Education Enhancement Trust Fund, the Health Care Trust Fund, and the Dakota Cement Trust Fund. The market values of the trust funds are calculated using a 16 quarter moving average of the prior 16 quarters as of December 31st.
- ^H Included in the other receipts beginning in FY2017 is \$4.4 million from various charges and receipts from the Department of Corrections. These were previously collected and expended through various internal funds and now will be deposited directly in the general fund to correspond with structural changes in the Department's budget.
- ^I Included in FY2014 one-time receipts is \$54.0 million of one-time unclaimed property receipts. HB 1270, passed by the 2012 Legislature, changed the dormancy period for most unclaimed property from 5 years to 3 years. Also included is a transfer of \$19.4 million of available cash from the large project refund liability account and \$4.2 million from unexpended carryovers and special appropriations.
- ^J In FY2015, the Legislature repealed the \$16.0 million Medicaid contingency reserve, which is reflected as a one-time receipt. Also included for FY2015 is \$5.2 million from refinancing gains, \$2.0 million from a prior period revenue adjustment, a transfer of \$1.4 million from the South Dakota Risk Pool, a transfer of \$1.3 million of available cash from the large project refund liability account and \$0.3 million from unexpended carryovers and special appropriations.
- ^K For FY2016, the Governor is recommending the following one-time receipts to help pay off bonds: a transfer from the Department of Corrections totaling \$5.0 million, a transfer from the Petroleum Release Compensation Fund for \$3.5 million, and a transfer from the South Dakota Risk Pool fund for \$3.4 million.
- ^L In FY2016, the Governor is recommending \$27.4 million be transferred from the Budget Reserve Fund to the general fund to help pay off long term bonds in FY2016. Eliminating the debt service on these bonds will help freeze tuition for postsecondary students at the Board of Regents and the Technical Institutes.

- ^M The 2014 Legislature appropriated FY2014 one-time funds to pay off higher interest bonds to reduce future ongoing expenses. Included in the FY2014 budget as part of the bond reduction plan was a transfer of \$19.6 million from the Property Tax Reduction cash balance to the general fund.

NOTES FOR EXPENDITURES, TRANSFERS, AND OBLIGATIONS AGAINST CASH SECTIONS

- ^N This includes \$5.8 million in FY2014, \$5.4 million in FY2015, \$4.8 million in FY2016, and \$4.3 million in FY2017 as appropriated to the Bureau of Administration and to the Bureau of Finance and Management to make lease payments pursuant to the leases entered into with the South Dakota Building Authority dated December 1, 1986.
- ^O This includes expenditures of \$2.1 million in FY2014, \$2.4 million in FY2015, \$3.4 million in FY2016, and \$3.4 million in FY2017 due to legislation allowing the Department of Game, Fish and Parks to make lease payments to the Building Authority. These are used to retire revenue bonds issued for the renovation and modernization of infrastructure at Custer State Park, the renovation and modernization of fish hatchery facilities, for the Sioux Falls Outdoor Learning Center, stabilization of the Cedar Shore Resort marina, improvements to the Angostura sanitary sewer system, improvements to Good Earth State Park and a new visitor's center at Custer State Park.
- ^P Includes expenditures of \$0.7 million in each fiscal year due to legislation passed in 2007 allowing the Board of Regents to make lease payments to the Building Authority. These are used to retire revenue bonds issued for critical maintenance and repair projects for the Board of Regents.
- ^Q As part of the debt reduction plan, which was adopted by the 2014 Legislature, a savings of \$6.3 million has been incorporated in the FY2015 budget. Reducing long-term debt with one-time funds allowed the state to eliminate South Dakota Building Authority generally funded bond payments beginning in FY2015.
- ^R This category includes continuous appropriations for fire premium tax refunds (SDCL 10-44-9.1), the payment of special assessments (SDCL 5-14-20), and allocations to the critical teaching needs scholarship program and needs-based matching program (SDCL 4-5-29.2). Included is \$2.5 million in FY2014, \$2.8 million in FY2015, \$2.9 million in FY2016 and \$3.1 million in FY2017 fire premium tax refunds and \$80,000 each fiscal year for payment of special assessments. Also included are \$109,652 in FY2015, \$118,700 in FY2016 and \$127,009 in FY2017 for the critical teaching needs scholarship program and needs-based matching program.
- ^S HB 1185, which is the General Appropriations Act for FY2014, transferred \$7.0 million from the general fund for the following purposes: \$2.0 million to the Cement Plant Retirement Fund to reduce the liability shortfall, \$2.0 million to the SD Science and Technology Authority to rehabilitate the Ross shaft at the Homestake mine, \$2.0 million to the Future Fund for economic development projects, and \$1.0 million to the Railroad Trust Fund for railroad projects. SB 237, passed by the 2013 Legislature, authorized \$0.2 million to be transferred to the Board of Regents for the needs-based matching program.
- ^T SDCL 4-7-31 provides for a Budget Reserve Fund of which the maximum level of cash in the Budget Reserve Fund is limited to 10% of the general funds appropriated for the prior year in the General Appropriations Act (SDCL 4-7-32). At the end of FY2013, FY2014 and FY2015 \$24.2 million, \$9.9 million, and \$21.5 million of unobligated general fund cash was obligated to the Budget Reserve Fund and transferred at the beginning of FY2014, FY2015, and FY2016.
- ^U SB 90, passed during the 2013 legislative session, obligated \$1.0 million of FY2013 cash and carried it forward to FY2014. This obligated cash is reflected as a one-time receipt in FY2014.