

GENERAL FUND CONDITION STATEMENT

	ACTUAL FY2015	ACTUAL FY2016	REVISED FY2017	PROJECTED FY2018
RECEIPTS				
Sales and Use Tax	\$ 836,587,108	\$ 860,905,705	\$ 974,733,819 ^A	\$ 1,013,126,355
Lottery ^{B, C}	6,952,306	110,057,269	113,069,133	116,372,407
Contractor's Excise Tax	100,116,439	101,496,551	109,439,189	110,521,183
Insurance Company Tax ^D	79,976,685	84,795,304	88,416,992 ^D	91,664,940 ^D
Unclaimed Property Receipts	52,914,188	55,107,516	52,983,383	52,844,258
Tobacco Taxes ^C	30,000,000	57,967,713 ^C	55,278,581 ^C	54,975,501 ^C
Bank Franchise Tax	8,583,099	10,512,754	11,430,506	11,756,140
Property Tax Reduction Fund	112,690,797	N/A	N/A	N/A
Other ^{E, F, G, H, I}	153,564,321	157,544,009	166,718,513	166,600,258
One-Time Receipts	26,527,656 ^J	9,592,032 ^K	14,056,423 ^L	-
Transfer from Budget Reserves	-	27,426,643 ^M	-	-
Transfer from Property Tax Reserves	-	-	-	-
Obligated Cash Carried Forward	9,876,349	21,535,148	14,069,144	2,434,132
TOTAL RECEIPTS	\$ 1,417,788,948	\$ 1,496,940,642	\$ 1,600,195,683	\$ 1,620,295,174
EXPENDITURES				
General Bill Excl. State Aid to Education ^{N, O, P}	\$ 969,421,953	\$ 995,436,422	\$ 1,058,849,559	\$ 1,080,153,548
State Aid to Education	391,438,343	410,926,937	507,142,018	534,337,239
Special Appropriations	-	-	-	-
Emergency Special Appropriations	22,575,311	51,828,686	14,411,063	-
Continuous Appropriations ^Q	2,941,844	3,144,305	3,289,767	3,370,255
TOTAL EXPENDITURES	\$ 1,386,377,451	\$ 1,461,336,350	\$ 1,583,692,407	\$ 1,617,861,042
TRANSFERS				
Budget Reserve Fund ^R	\$ 9,876,349	\$ 21,535,148	\$ 14,069,144	\$ 2,434,132
TOTAL TRANSFERS	\$ 9,876,349	\$ 21,535,148	\$ 14,069,144	\$ 2,434,132
Beginning Unobligated Cash Balance	\$ -	\$ -	\$ -	\$ -
Net (Receipts less Expend./Transfers)	\$ 21,535,148	\$ 14,069,144	\$ 2,434,132	\$ -
OBLIGATIONS AGAINST CASH				
Budget Reserve Fund	\$ (21,535,148)	\$ (14,069,144)	\$ (2,434,132)	\$ -
Total Obligations Against Cash	(21,535,148)	(14,069,144)	(2,434,132)	-
Ending Unobligated Cash Balance	\$ -	\$ -	\$ -	\$ -

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 1182, passed during the 2016 legislative session, increased the state sales and use tax from 4.0% to 4.5%. This increased funding dedicated \$67 million for K-12 education teacher salaries, \$37 million for property tax relief, and \$3 million for the state's postsecondary technical institutes beginning in FY2017.

- ^B 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 was revenue neutral to the general fund.
- ^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. Previous to FY2016, these funds received a portion of the tobacco taxes collected in excess of \$35 million (SDCL 10-50-52), but were directly deposited into the state general fund each year through the property tax reduction fund and other receipts. This change allowed 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 SB 159, passed during the 2016 legislative session, provides up to \$2 million in insurance company tax credits to be dedicated to scholarships for students attending private schools. Included in the FY2017 and FY2018 estimates are \$0.4 million and \$1.0 million of credits that have been reduced from the insurance company tax estimate.
- ^E This includes \$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. FY2017 represents the final year of annuity payments due to the completion of the sale-leaseback transaction.
- ^F This includes receipts of \$2.4 million in FY2015, \$3.4 million in FY2016, \$3.4 million in FY2017, and \$3.4 million in FY2018 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.
- ^G 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.
- ^H This includes \$30.8 million in FY2015, \$33.1 million in FY2016, \$35.2 million in FY2017, and \$36.9 million in FY2018 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.
- ^I Included in the other receipts beginning in FY2017 are the following changes: an additional \$5.1 million from various charges and receipts from the Department of Corrections that will now be directly receipted into the general fund; an additional \$7.1 million due to the passage of SB 46, which restructured various security registration fees; and a reduction of \$3.8 million due to the passage of SB 2, which allocated 25% of the alcohol beverage tax from the state to the counties.
- ^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 In FY2016, the following were receipted into the general fund on a one-time basis: a transfer from the Department of Corrections totaling \$6.6 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. These one-time receipts were off-set by a one-time prior period reduction of \$4.2 million from an overpayment of bank franchise tax from prior years.
- ^L In FY2017, a one-time receipt of \$13.0 million is for the sale of stocks and other interests that are currently held as unclaimed property and an additional \$1.0 million as a result of previous special appropriations that are unspent and will revert to the general fund at the end of FY2017.

- ^M HB 1203, passed during the 2016 legislative session, transferred \$27.4 million from the Budget Reserve Fund to the general fund to pre-pay long term bonds in FY2016. Funds previously dedicated to debt service for these bonds were repurposed to freeze tuition for postsecondary students at the Board of Regents and the Technical Institutes in FY2017.

NOTES FOR EXPENDITURES, TRANSFERS, AND OBLIGATIONS AGAINST CASH SECTIONS

- ^N This includes \$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. FY2017 represents the final year of lease payments.
- ^O This includes expenditures of \$2.4 million in FY2015 and \$3.4 million in each year for FY2016, FY2017, and FY2018 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.
- ^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 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 \$2.8 million in FY2015, \$2.9 million in FY2016, \$3.1 million in FY2017, and \$3.4 million in FY2018 for fire premium tax refunds. Also included are \$109,652 in FY2015, and \$118,700 in FY2016 for the critical teaching needs scholarship program and needs-based matching program. Beginning in FY2017, the funding for post-secondary scholarships (formerly critical teaching needs and needs-based matching scholarships) was included in the General Appropriations Act. Beginning in FY2018, the payment of special assessments is recommended to be included in the General Appropriations Act.
- ^R 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 FY2014, FY2015, and FY2016, \$9.9million, \$21.5 million, and \$14.1 million of unobligated general fund cash was obligated to the Budget Reserve Fund and transferred at the beginning of FY2015, FY2016, and FY2017. In FY2017, the Governor is recommending \$2.4 million of FY2017 cash be obligated to the Budget Reserve Fund to replenish the reserve balance to a 10% level.