

GENERAL FUND CONDITION STATEMENT

	ACTUAL FY2016	ACTUAL FY2017	REVISED FY2018	PROJECTED FY2019
RECEIPTS				
Sales and Use Tax ^A	\$ 860,905,705	\$ 951,223,081	\$ 979,294,904	\$ 1,016,906,602
Lottery	110,057,269	111,827,256	115,444,817	118,558,981
Contractor's Excise Tax ^B	101,496,551	106,828,537	102,736,361	108,849,223 ^B
Insurance Company Tax ^C	84,795,304	83,271,532	86,870,686	90,097,000
Unclaimed Property Receipts	55,107,516	44,386,220	48,617,609	46,779,257
Tobacco Taxes	57,967,713	56,809,149	55,423,609	55,352,621
Bank Franchise Tax	10,512,754	14,688,771	11,567,064	11,872,042
Other ^{D, E, F, G, H}	157,544,009	171,759,428	169,834,023	174,073,859 ^B
One-Time Receipts	9,592,032 ^I	15,447,515 ^J	10,454,868 ^K	-
Transfer from Budget Reserves	27,426,643 ^L	-	7,210,593 ^M	-
Obligated Cash Carried Forward	21,535,148	14,069,144	7,943,412	-
TOTAL RECEIPTS	\$ 1,496,940,642	\$ 1,570,310,632	\$ 1,595,397,946	\$ 1,622,489,585
EXPENDITURES				
General Bill Excl. State Aid to Education ^{N, O, P}	\$ 995,436,422	\$ 1,031,879,138	\$ 1,043,471,461	\$ 1,072,306,583 ^B
State Aid to Education	410,926,937	506,575,608	536,040,257	543,365,660
Special Appropriations	-	-	-	-
Emergency Special Appropriations	51,828,686	6,553,563	2,977,727	-
Continuous Appropriations ^Q	3,144,305	3,289,767	4,965,089 ^Q	6,817,342 ^Q
TOTAL EXPENDITURES	\$ 1,461,336,350	\$ 1,548,298,076	\$ 1,587,454,534	\$ 1,622,489,585
TRANSFERS				
Budget Reserve Fund ^R	\$ 21,535,148	\$ 14,069,144	\$ 7,943,412	\$ -
TOTAL TRANSFERS	\$ 21,535,148	\$ 14,069,144	\$ 7,943,412	\$ -
Beginning Unobligated Cash Balance	\$ -	\$ -	\$ -	\$ -
Net (Receipts less Expend./Transfers)	\$ 14,069,144	\$ 7,943,412	\$ -	\$ -
OBLIGATIONS AGAINST CASH				
Budget Reserve Fund	\$ (14,069,144)	\$ (7,943,412)	\$ -	\$ -
Total Obligations Against Cash	(14,069,144)	(7,943,412)	-	-
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 and 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 In FY2019, the Governor is recommending changes to the Building South Dakota program to provide a consistent funding mechanism directly in the FY2019 budget. The recommended changes include repealing the dedication of contractor's excise tax to the building South Dakota fund. This proposal is estimated to increase contractor's excise tax by \$3.0 million in FY2019. Also included in other receipts is a transfer totaling \$1.9 million from the South Dakota Housing Development Authority for five years and the private activities bond fee fund on an ongoing basis to support the Building South Dakota program. These changes allow \$4.9 million of general fund expenditures to be budgeted in FY2019 directly to the funds in the Building South Dakota program.
- ^C SB 159, passed during the 2016 legislative session, provides up to \$2.0 million in insurance company tax credits to be dedicated to scholarships for students attending private schools.
- ^D This includes \$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.
- ^E This includes receipts of \$3.4 million in FY2016, \$3.4 million in FY2017, \$3.4 million in FY2018, and \$3.3 million in FY2019 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 \$33.1 million in FY2016, \$35.2 million in FY2017, \$37.0 million in FY2018, and \$38.5 million 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 are the following changes: an additional \$5.1 million from various charges and receipts from the Department of Corrections that are 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.
- ^I 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.
- ^J In FY2017, one-time receipts include \$12.7 million for the sale of stocks and other interests that are currently held as unclaimed property, transfers from various funds totaling \$3.0 million, and \$1.4 million from unexpended carryovers and special appropriations. This was offset by a one-time prior period reduction of \$1.7 million from an overpayment of bank franchise tax from prior years.
- ^K In FY2018, the Governor is recommending one-time transfers from various funds to the general fund totaling \$10.4 million to help balance the budget.
- ^L 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.
- ^M In FY2018, the Governor is recommending a transfer from the Budget Reserve Fund of \$7.2 million to help balance the budget. This \$7.2 million represents the amount of funds in excess of 10% of the combined reserve fund balances based on the revised FY2018 budget recommendations.

NOTES FOR EXPENDITURES, TRANSFERS, AND OBLIGATIONS AGAINST CASH SECTIONS

- ^N This includes \$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 the lease payments.
- ^O This includes expenditures of \$3.4 million in each year for FY2016, FY2017, and FY2018 and \$3.3 million in FY2019 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) and beginning in FY2018, a transfer from the general fund to the animal disease research and diagnostic laboratory (ADRDL) bond redemption and operations fund. Included is \$2.9 million in FY2016, \$3.2 million in FY2017, \$3.4 million in FY2018, and \$3.5 million in FY2019 for fire premium tax refunds. The amount dedicated to the ADRDL bond redemption and operations fund is \$1.6 million in FY2018 and \$3.4 million in FY2019.
- ^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 FY2015, FY2016, and FY2017, \$21.5 million, \$14.1 million, and \$7.9 million of unobligated general fund cash was obligated to the Budget Reserve Fund and transferred at the beginning of FY2016, FY2017, and FY2018.