

GENERAL FUND CONDITION STATEMENT

	ACTUAL FY2017	ACTUAL FY2018	REVISED FY2019	PROJECTED FY2020
RECEIPTS				
Sales and Use Tax	\$ 951,223,081	\$ 988,823,603	\$ 1,033,401,095 ^A	\$ 1,073,277,798 ^A
Lottery	111,827,256	116,675,440	121,203,732	124,148,607
Contractor's Excise Tax ^B	106,828,537	107,626,628	113,131,293 ^B	117,838,671
Insurance Company Tax ^C	83,271,532	91,021,843	91,115,128	94,895,490
Unclaimed Property Receipts	44,386,220	52,766,031	42,954,878	42,954,878
Tobacco Taxes	56,809,149	54,157,663	52,444,178	51,988,082
Bank Franchise Tax	14,688,771	13,494,940	14,036,446	14,471,640
Other ^{D, E, F, G}	171,759,428	168,839,713	170,962,712	175,092,085
One-Time Receipts	15,447,515 ^H	8,721,183 ^I	705,101 ^J	-
Transfer from Budget Reserves	-	5,855,710	7,279,931 ^K	-
Obligated Cash Carried Forward	14,069,144	7,943,412	16,898,828	-
TOTAL RECEIPTS	\$ 1,570,310,632	\$ 1,615,926,166	\$ 1,664,133,322	\$ 1,694,667,251
EXPENDITURES				
General Bill Excl. State Aid to Education ^{L, M, N}	\$ 1,031,879,138	\$ 1,039,017,280	\$ 1,074,723,553	\$ 1,127,703,357
State Aid to Education	506,575,608	541,473,830	543,424,605	558,911,158
Special Appropriations	-	-	-	-
Emergency Special Appropriations	6,553,563	5,627,727	18,645,626	-
Continuous Appropriations/Transfers ^O	3,289,767	4,965,089 ^O	7,743,183 ^{O,P}	7,865,444 ^P
TOTAL EXPENDITURES	\$ 1,548,298,076	\$ 1,591,083,926	\$ 1,644,536,967	\$ 1,694,479,959
TRANSFERS				
Budget Reserve Fund ^Q	\$ 14,069,144	\$ 7,943,412	\$ 16,898,828	\$ -
TOTAL TRANSFERS	\$ 14,069,144	\$ 7,943,412	\$ 16,898,828	\$ -
Beginning Unobligated Cash Balance	\$ -	\$ -	\$ -	\$ -
Net (Receipts less Expend./Transfers)	\$ 7,943,412	\$ 16,898,828	\$ 2,697,527	\$ 187,292
OBLIGATIONS AGAINST CASH				
Budget Reserve Fund	\$ (7,943,412)	\$ (16,898,828)	\$ -	\$ -
Total Obligations Against Cash	(7,943,412)	(16,898,828)	-	-
Ending Unobligated Cash Balance	\$ -	\$ -	\$ 2,697,527	\$ 187,292

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 Beginning in November of 2018, South Dakota is able to enforce its remote seller law that was passed during the 2016 legislative session (SB 106). In addition, marketplace providers will be required to become licensed to collect and remit sales tax in March of 2019 due to the passage of SB 2 from the 2018 special session. The amount of sales tax receipts pursuant to this legislation is unknown and has not been incorporated into any sales tax forecasts for FY2019 or FY2020.

^B In FY2019, the Legislature adopted changes to the Building South Dakota program to provide a consistent funding mechanism directly in the FY2019 budget. These changes included repealing the dedication of certain contractor's excise

taxes to the building South Dakota fund. This was estimated to increase contractor's excise tax by approximately \$3.0 million in FY2019 and was budgeted directly to specific programs in the general appropriations act.

- ^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 FY2017, \$3.4 million in FY2018, \$3.3 million in FY2019, and \$3.3 million in FY2020 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 \$35.2 million in FY2017, \$37.0 million in FY2018, \$38.6 million in FY2019, and \$40.0 million in FY2020 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 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.
- ^I In FY2018, one-time receipts include one-time transfers from various funds to the general fund totaling \$10.4 million to help balance the budget.
- ^J In FY2019, the Governor is recommending a one-time transfer of \$0.7 million from the Department of Agriculture. These funds were previously appropriated for mountain pine beetle mitigation and are no longer necessary.
- ^K In FY2019, the Governor is recommending a transfer from the Budget Reserve Fund of \$7.3 million to fund emergency special appropriations in FY2019. This \$7.3 million represents the amount of funds in excess of 10% of the combined reserve fund balances based on the FY2020 budget recommendation.

NOTES FOR EXPENDITURES, TRANSFERS, AND OBLIGATIONS AGAINST CASH SECTIONS

- ^L This includes \$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 with the South Dakota Building Authority dated December 1, 1986. FY2017 represents the final year of the lease payments.
- ^M This includes expenditures of \$3.4 million in each year for FY2017 and FY2018 and \$3.3 million in each year for FY2019 and FY2020 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.
- ^N 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.

- ° 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 \$3.2 million in FY2017, \$3.4 million in FY2018, \$3.5 million in FY2019, and \$3.6 million in FY2020 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 and FY2020, respectively.
- ° In FY2019, the Legislature approved the construction of a precision agriculture classroom and laboratory building on the campus of South Dakota State University with the passage of HB1264. This includes a transfer of \$900,000 of general funds to the precision agriculture fund to help support the bond payment for FY2019 and FY2020.
- ° 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 FY2016, FY2017, and FY2018 \$14.1 million, \$7.9 million, and \$16.9 million of unobligated general fund cash was obligated to the Budget Reserve Fund and transferred at the beginning of FY2017, FY2018, and FY2019.