

South Dakota For the Next Generation



Governor
Kristi Noem
FY 2020 Budget
Recommendations

Fiscal Management

- **Fiscal Discipline**
- **No New Taxes**
- **Seeking efficiencies**
- **Transparency**

Remote Seller Collections

- South Dakota led the nation by preserving the sales tax model for all states

	Current Year	Change from Previous Year
December 2016	\$3,824,527	
December 2017	\$4,931,666	\$1,107,139
December 2018	\$6,326,749	\$1,395,083

Budget Revisions

	FY 2019	FY2020
December Bottom Line	\$2,697,527	\$187,292
January Revenue Increases	\$4,351,781	\$1,011,152
January Expense Reductions	<u>\$17,859,823</u>	<u>\$13,431,918</u>
Total	\$24,909,131	\$14,630,362

Caring for Our Citizens

▪ Provider Rate Changes

- ✓ \$3.8M one-time for 2.5% provider inflation + targeted inflation
- ✓ \$5.8M ongoing for 2.5% provider inflation + targeted inflation

▪ Innovation Grants

- ✓ \$5.0M one-time for Nursing Homes
- ✓ \$1.0M one-time for Primary and Prenatal Care

Improving Public Safety

- **Confronting the Meth Epidemic- \$4.6M**

- ✓ \$1.4M one-time and \$250K ongoing for Meth Media Campaign
- ✓ \$731K ongoing for school based meth education
- ✓ \$200K ongoing for Meth Interdiction Team
- ✓ \$2.1M ongoing for Meth treatment

- **Mental Health- \$490K**

- ✓ \$139K ongoing for mental health court treatment
- ✓ \$351K ongoing for System of Care School Coordinators

- **State Radio- \$4.6M**

- ✓ \$4.6M one-time for state radio infrastructure improvements



Kickstarting the Economy

- **Reprioritizing Ag Development**
 - ✓ Executive Reorganization
- **Expanding Rural Broadband**
 - ✓ \$5.0M one-time development grants
- **Enhancing Ellsworth Air Force Base**
 - ✓ \$1.8M one-time state matching grant



Protecting Natural Resources

- **Second Century Habitat Initiative**
 - ✓ \$1.0M one-time partnership funding
- **Enhancing Predator Control**
 - ✓ \$225K ongoing predator control funding
- **Palisades State Park**
 - ✓ \$500K one-time partnership funding



Improving Education

- **Opportunity Scholarship for Homeschoolers**
 - ✓ \$100K ongoing to expand the opportunity scholarship to homeschoolers
- **State Aid and Technical Institutes to 2.5%**
 - ✓ \$1.7M ongoing funding increase
- **Family Education Service Grants**
 - ✓ \$215K ongoing for grant funding
- **Tribal Relations Indian Education Coordinator**
 - ✓ Executive Reorganization



Supporting Veterans

- **Veterans' Bonus Program**

 - ✓ \$600K one-time to continue bonuses for wartime veterans

- **Veterans' Benefits Staff**

 - ✓ \$130K ongoing and 2.0FTE to provide assistance to veterans

- **Veterans' Home Gift**

 - ✓ \$100K ongoing in other fund authority



State Employees

- **Attract the best and the brightest to state government**
- **Retain the dedicated employees we already have**
 - ✓ 2.5% Market Adjustments for all permanent employees
 - ✓ \$1.7M ongoing in General Funds to eliminate the need for an employee health insurance premium



FY2019 General Bill Amendments

	General Funds
Rural Broadband Expansion	\$5,000,000
State Radio Infrastructure and Systems Upgrade	\$4,620,920
Provider Rate Increases	\$3,776,805
Methamphetamine Prevention Campaign	\$1,375,000
Other Adjustments	\$257,048
Care Coordination Agreements	(\$6,843,582)
State Aid Revision	(\$6,903,895)
Department of Social Services Operations	<u>(\$19,832,331)</u>
Total	(\$18,550,035)

FY2019 Emergency Special Appropriations

	General Funds
Jameson Prison Annex Expansion	\$7,392,235
Provider Innovation Grants	\$6,000,000
National Guard Readiness Center	\$3,884,885
Extraordinary Litigation Fund	\$2,300,000
Readiness and Environmental Protection Integration Program	\$1,845,000
Metrology Lab	\$1,660,000
Second Century Pheasant Habitat	\$1,000,000
Rural Healthcare Recruitment Assistance Programs	\$979,849
Fire Suppression Fund	\$906,658
Veteran's Bonus Program	\$600,000
Emergency and Disaster Fund	\$550,596
Elm Lake Dam	\$521,403
Palisades State Park	\$500,000
Tax Refunds for Elderly and Disabled	<u>\$450,000</u>
Total	\$28,590,626

FY2020 Recommended Changes

	General Funds
Provider Inflation	\$19,211,130
State Aid to Education and Technical Institutes Formula	\$11,160,327
State Employee Salary Policy	\$9,567,792
DSS/DHS Consumer Expansion	\$8,647,610
State Employee Health Insurance	\$8,597,854
Maintenance and Repair	\$4,928,770
Meth Prevention and Treatment Services	\$3,258,002
Medicaid Revisions	(\$12,337,302)
Other Increases and Decreases	<u>\$1,098,536</u>
Total	\$54,132,719

Bottom Line

	FY2019	FY2020
Increased Ongoing Revenues vs. Adopted	\$348,324	\$54,132,719
One-Time Increased Receipts	\$2,532,180	\$0
Transfer from Reserves in Excess of 10%	\$7,160,087	\$0
Mid-Year Expense Adjustments and Transfers	\$18,550,035	\$0
Emergency Special Appropriations	(\$28,590,626)	\$0
Ongoing Expense Adjustments	<u>\$0</u>	<u>(\$54,132,719)</u>
Bottom Line	\$0	\$0

Total Recommended Budget

	FY2019 Adopted	FY2019 Revised	FY2020 Recommended
General	\$1,641,545,684	\$1,651,586,275	\$1,695,678,403
Federal	\$1,693,947,992	\$1,723,465,260	\$1,754,611,362
Other	<u>\$1,418,360,081</u>	<u>\$1,462,640,286</u>	<u>\$1,415,008,955</u>
Total	\$4,753,853,757	\$4,837,691,821	\$4,865,298,720

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