

State of South Dakota

Fiscal Year 2018 Citizen-Centric Report

About South Dakota

South Dakota has often been referred to as the land of infinite variety. That variety is reflected in everything from our weather to our scenery, our economy to our state symbols. South Dakota ranks 16th in size among the 50 states. It was the 40th state to join the Union in 1889 and encompasses 75,885 square miles, averaging 12 people per square mile. South Dakota boasts more miles of shoreline than the state of Florida and the highest point in the United States east of the Rocky Mountains.

Profile of the Government

Structure: State government is comprised of three distinct and separate branches of government: legislative, executive, and judicial. The legislature is composed of a 35-member Senate and a 70-member House of Representatives. Legislators are elected for two-year terms and limited to four consecutive terms for the same seat. The Governor may be elected for two consecutive four-year terms. Heads of state departments are appointed by and serve at the pleasure of the Governor. The judicial branch is governed by the Unified Judicial System consisting of the Supreme Court, circuit courts, and courts of limited jurisdiction.

Budget Process: State law requires annual preparation and approval of the State's budget, which has a fiscal year of July 1st through June 30th. The Governor presents the annual budget to the State Legislature by the first Tuesday after the first Monday in December. The legislature is required to approve a budget by the end of the legislative session. The Constitution of the State of South Dakota requires the legislature to pass a balanced annual budget in which expenditures and appropriations may not exceed anticipated revenue. Annual budget information can be found on the Bureau of Finance and Management website at bfm.sd.gov/budget.

Demographic and Economic Indicators	2015	2016	2017	2018
State Real GDP (millions)	\$45,340	\$45,446	\$45,431	N/A
Farm Income (millions)	\$1,653	\$1,080	\$877	N/A
Nonfarm Income (millions)	\$39,897	\$40,709	\$41,579	N/A
US/SD Unemployment Rate (percent)	5.3/3.1	4.9/3.0	4.4/3.2	3.9/3.0
Per Capita Personal Income	\$48,652	\$48,504	\$48,818	N/A
Resident Population	854,036	861,542	869,666	882,235

N/A - Information for the given demographics was not yet available at the time of this publication.

For further economic information, please refer to the Bureau of Finance and Management's website at bfm.sd.gov/econ and bfm.sd.gov/dashboards.

Elected Officials

Governor

Kristi Noem

Lieutenant Governor

Larry Rhoden

Secretary of State

Steve Barnett

Attorney General

Jason Ravnsborg

State Auditor

Rich Sattgast

State Treasurer

Josh Haeder

School and Public Lands

Ryan Brunner

Public Utilities Commission

Gary Hanson

Chris Nelson

Kristie Fiegen

Legislative Branch

President Pro Tempore Brock L. Greenfield

Speaker Steve Haugaard

Senate Majority Leader Kris K. Langer

Senate Minority Leader Troy Heinert

House Majority Leader Lee Qualm

House Minority Leader Jamie Smith

Judicial Branch

Chief Justice David E. Gilbertson

Justice Janine M. Kern

Justice Steven R. Jensen

Justice Mark E. Salter

US Congressional Delegation

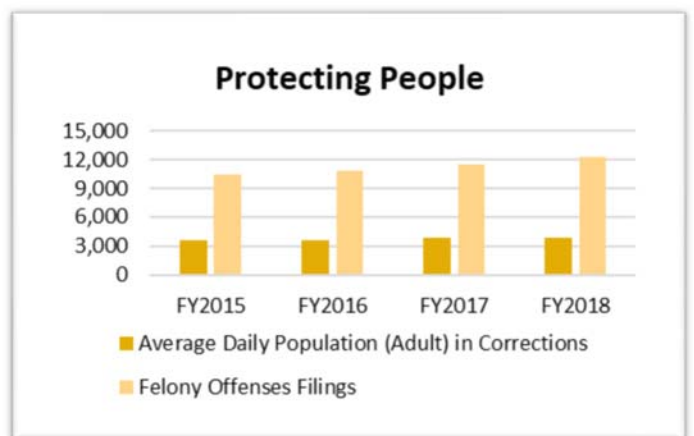
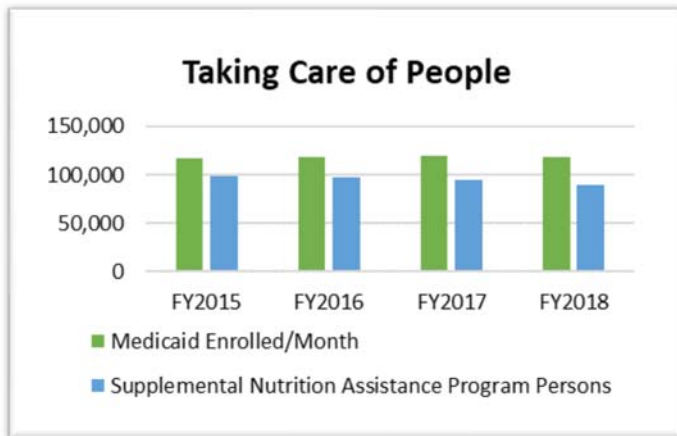
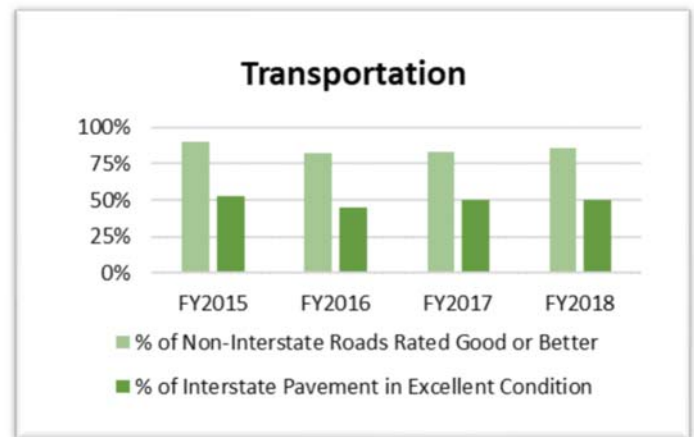
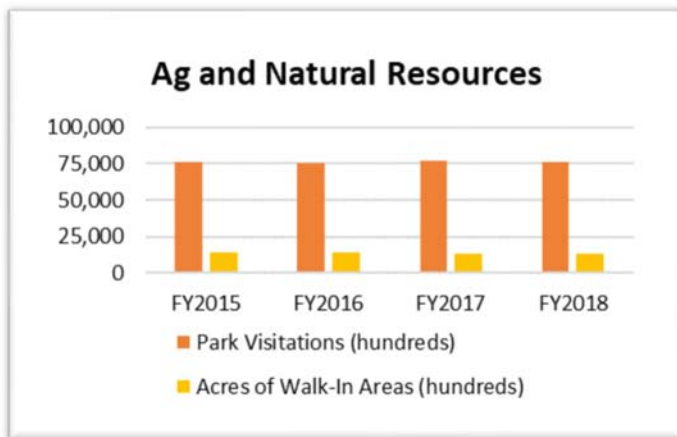
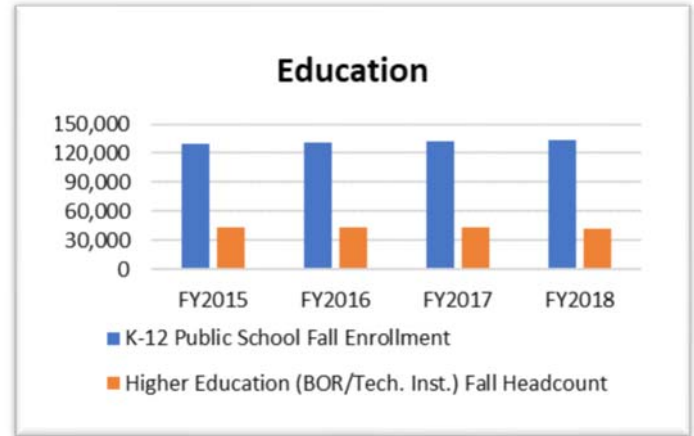
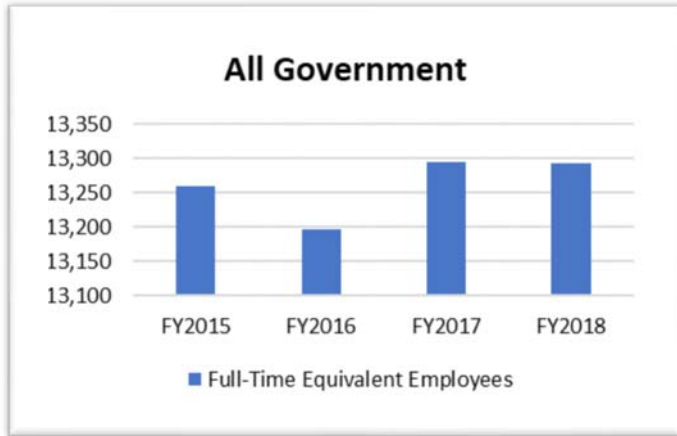
Senator Mike Rounds

Senator John Thune

Representative Dusty Johnson

South Dakota Performance Measures

The below metrics look at key indicators within the specific expenditure categories of state government – All Government, Education, Agriculture and Natural Resources, Transportation, Taking Care of People, and Protecting People.

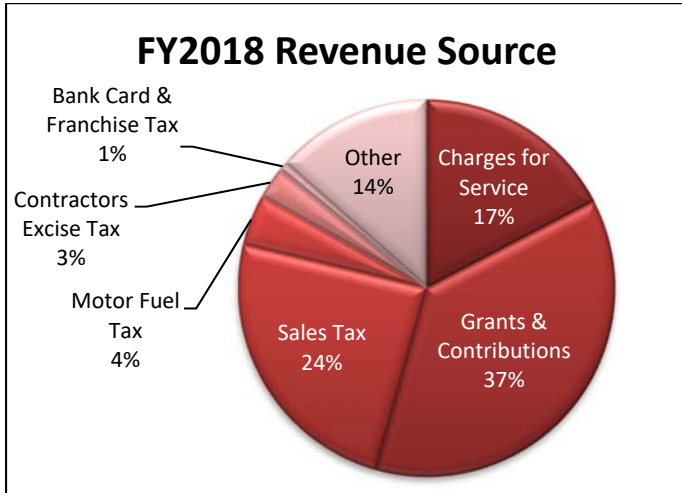


For further economic information, please refer to the Bureau of Finance and Management’s website at bfm.sd.gov/cafr within the statistics section.

Financial Summary of South Dakota

Total Primary Government Revenues

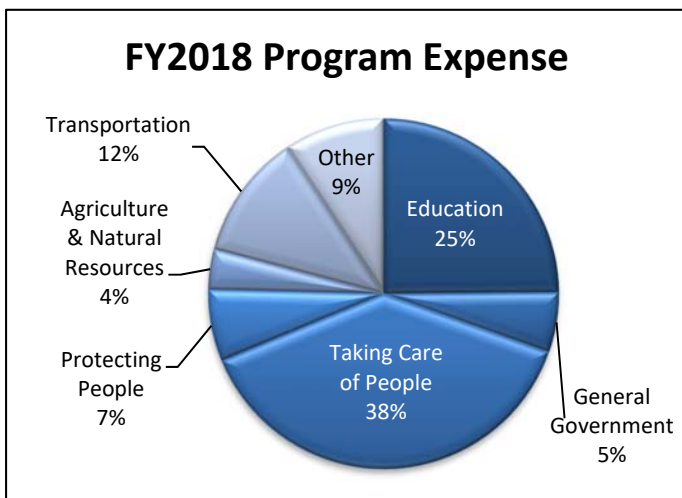
Total revenue increased \$23.9 million from FY2017 to FY2018. In FY2018, South Dakota received 41% of its revenues from taxes (sales, motor fuel, contractors excise, bank card, bank franchise, and other taxes), and 37% from federal grants and contributions. Charges for service accounted for 17%. Revenues include all funds and are reported under the accrual basis of accounting.



Revenue Source	FY2017 (thousands)	FY2018 (thousands)
Grants & Contributions	\$ 1,583,106	\$ 1,554,231
Sales Tax	991,155	1,025,111
Charges for Service	718,140	729,902
Motor Fuel Tax	183,795	183,441
Contractors Excise Tax	106,834	112,518
Bank Card & Franchise Tax	32,844	31,448
Other	563,511	566,650
Total Revenues	\$ 4,179,385	\$ 4,203,301

Total Primary Government Expenses

Total expenses decreased \$9.0 million from FY2017 to FY2018. In FY2018, Taking Care of People (Health, Human and Social Services) accounted for 38% of the State's expenses, followed by 25% to Education (K-12 and post-secondary), 12% to Transportation (constructing and maintaining roads and bridges), and 7% to Protecting People (law, justice, public protection, and regulation). Expenses include all funds and are reported under the accrual basis of accounting.



Program Expense	FY2017 (thousands)	FY2018 (thousands)
Taking Care of People	\$ 1,503,967	\$ 1,500,037
Education	946,801	971,540
Transportation	459,424	455,118
Protecting People	294,852	258,727
General Government	198,531	217,355
Agriculture & Natural Resources	161,412	144,690
Other	354,055	362,571
Total Expenses	\$ 3,919,042	\$ 3,910,038

An independent audit was conducted, resulting in a clean audit opinion. Complete financial information can be found on the Bureau of Finance and Management's website at bfm.sd.gov/cafr.

Looking Forward

South Dakota sets an example for the nation in many areas, but we continue to look for ways to improve our programs and services. Below are specific plans to kickstart the economy and improve education for our next generation.

Kickstarting the Economy

South Dakota does a lot of things right, but our economy is falling behind. In fact, the latest Bureau of Economic Analysis report ranks South Dakota last for both GDP and personal income growth. We can do better. We can lift the government burden from entrepreneurs, make it easier to work, and create new opportunities for South Dakotans to prosper.

Agenda: Freedom to Build

- Maintain South Dakota's low-tax legacy.
- Cut unnecessary regulations; Simplify those that remain.
- Make it easier to start and grow a business.

Workforce 2025

- Prioritize education programs that produce job-holders, not degree-holders.
- Review state licensing requirements.
- Respect and reward work.

The Prosper Initiative

- Invest in what's made South Dakota great: the businesses already here.
- Let the country know South Dakota is Open for Business!
- Maintain South Dakota's AAA Bond Rating.



Improving Education's Impact

We cannot underestimate the influence of a good education. Students gain confidence and upward mobility, communities often experience decreased crime rates, and employers get access to a skilled workforce, bringing good jobs and higher wages to the area. In many ways, South Dakota excels in the learning opportunities we provide, but our education system faces challenges too. While recognizing many aspects of a child's life influence educational success – from family dynamics to school lunches – we will work to improve K-12 outcomes and make post-secondary education more affordable and applicable to the modern workforce.

Strengthen K-12 Education

- Empower families.
- Do more with every taxpayer dollar.
- Create a culture of performance.
- Reject federal overreach.
- Promote civic education.
- Encourage kids to explore in-demand jobs early.

Equip Post-Secondary Students with Job-Ready Skills

- Increase affordability.
- Arm students with job-ready skills and training.



We want to hear from you! Do you like this report? Do you believe it should include any other information? Please let us know by contacting bfminfo@state.sd.us

