

State of South Dakota

Fiscal Year 2020 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	2017	2018	2019	2020
State Real GDP (millions)*	\$46,024	\$47,287	\$47,560	\$46,533
Farm Income (millions)*	\$949	\$1,685	\$1,496	\$1,728
Nonfarm Income (millions)*	\$42,509	\$44,564	\$46,242	\$49,151
US/SD Unemployment Rate (percent)	4.4/3.2	3.9/3.1	3.7/3.3	8.1/5.2
Per Capita Personal Income*	\$49,787	\$52,633	\$53,962	\$56,580
Resident Population*	872,868	878,698	884,659	893,233

* 2020 data are estimates.

For further economic information, please refer to the Bureau of Finance and Management's website at 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

Kristie Fiegen

Gary Hanson

Chris Nelson

Legislative Branch

President Pro Tempore Lee Schoenbeck

Speaker Spencer Gosch

Senate Majority Leader Gary Cammack

Senate Minority Leader Troy Heinert

House Majority Leader Kent Peterson

House Minority Leader Jamie Smith

Judicial Branch

Chief Justice Steven R. Jensen

Justice Janine M. Kern

Justice Mark E. Salter

Justice Patricia J. DeVaney

Justice Scott P. Myren

US Congressional Delegation

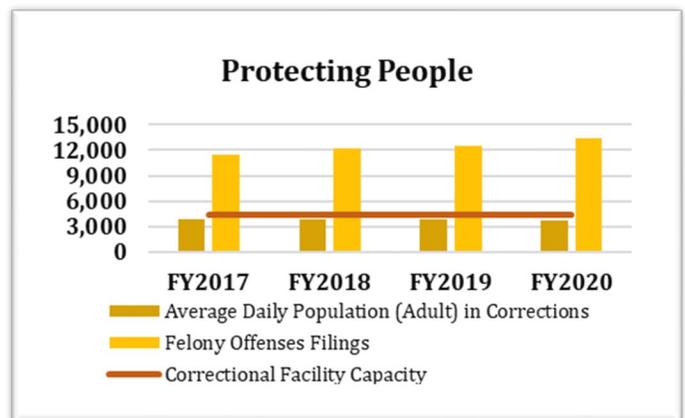
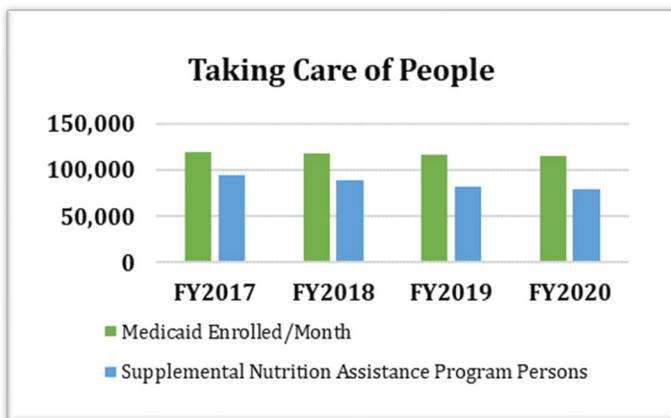
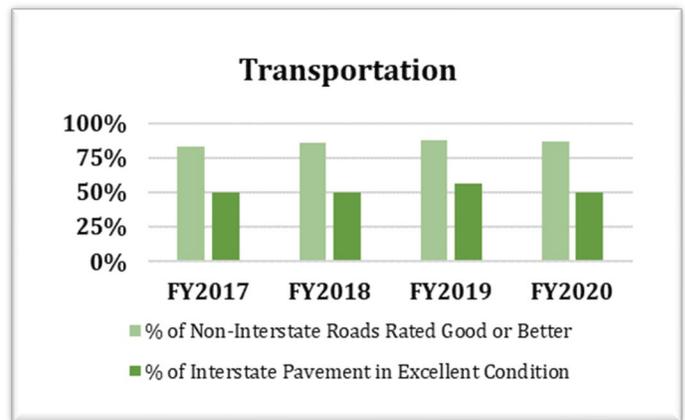
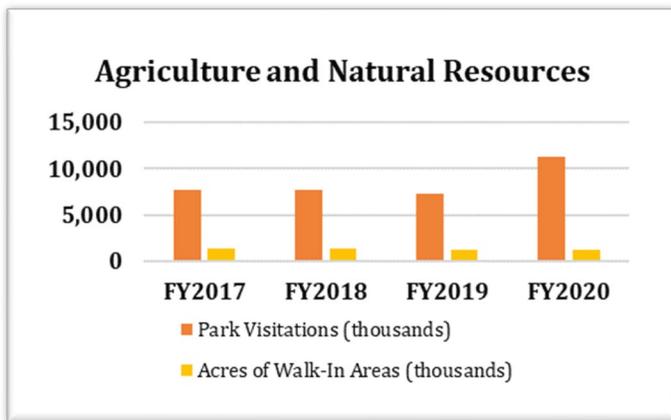
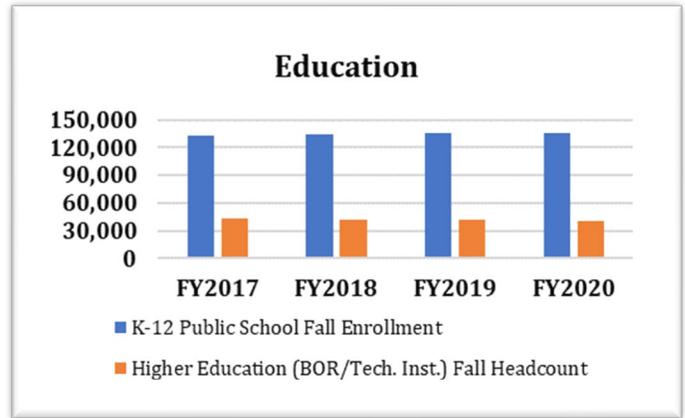
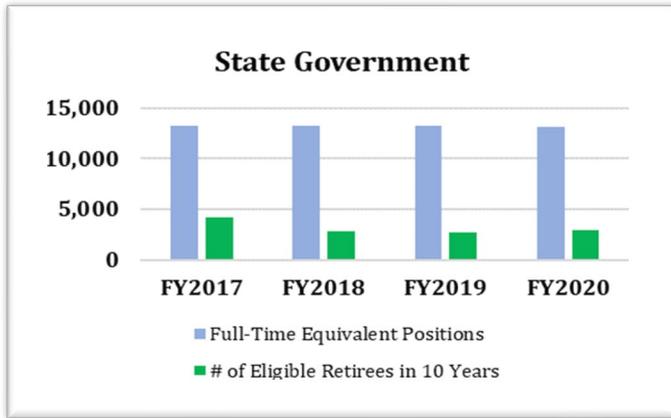
Senator Mike Rounds

Senator John Thune

Representative Dusty Johnson

South Dakota Performance Measures

The following 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.

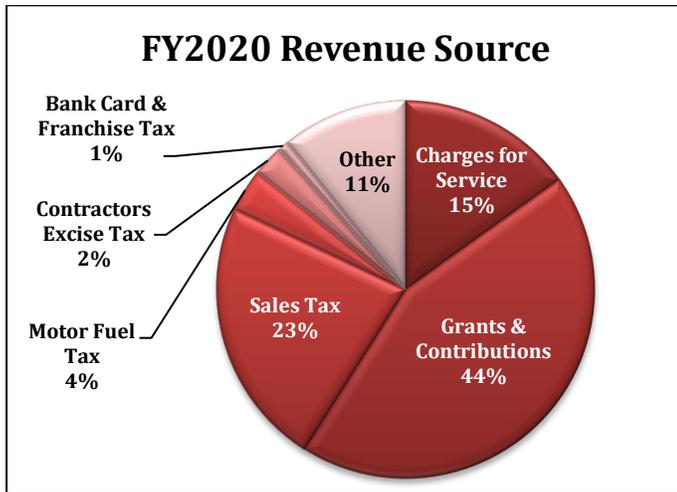


For further metric information, please refer to the Bureau of Finance and Management’s website at bfm.sd.gov/cafr within the statistics section.

Financial Summary of South Dakota

Total Primary Government Revenues

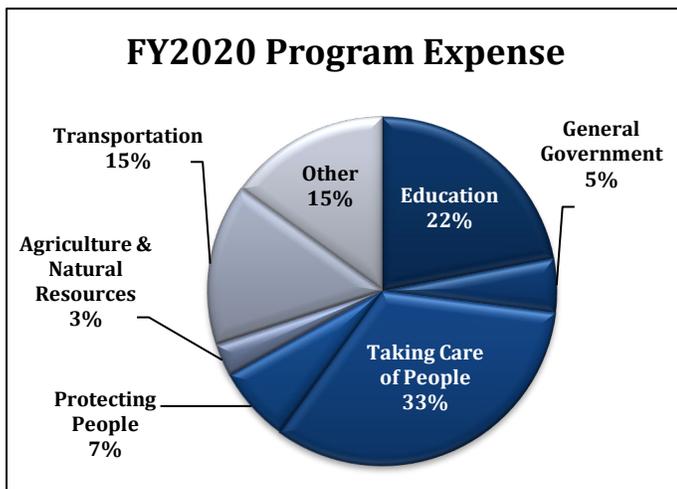
Total revenue increased \$642.7 million from FY2019 to FY2020. In FY2020, South Dakota received 38% of its revenues from taxes (sales, motor fuel, contractors excise, bank card, bank franchise, and other taxes), and 44% from federal grants and contributions. The increase in federal grants was primarily related to combating the coronavirus pandemic. Revenues include all funds and are reported under the accrual basis of accounting.



Revenue Source	FY2019 (thousands)	FY2020 (thousands)
Grants & Contributions	\$ 1,620,350	\$ 2,196,997
Sales Tax	1,089,336	1,149,732
Charges for Service	759,692	756,410
Motor Fuel Tax	184,027	184,949
Contractors Excise Tax	118,873	132,043
Bank Card & Franchise Tax	35,411	44,727
Other	554,693	540,175
Total Revenues	\$ 4,362,382	\$ 5,005,033

Total Primary Government Expenses

Total expenses increased \$468.8 million from FY2019 to FY2020. In FY2020, Taking Care of People (Health, Human and Social Services) accounted for 33% of the State's expenses, followed by 22% for Education (K-12 and post-secondary), 15% for Transportation (constructing and maintaining roads and bridges), and 7% for Protecting People (law, justice, public protection, and regulation). Included in Other expenses are costs of \$259.5 million related to the coronavirus pandemic response, which represents most of the increase in expenses from FY2019 to FY2020. Expenses include all funds and are reported under the accrual basis of accounting.



Program Expense	FY2019 (thousands)	FY2020 (thousands)
Taking Care of People	\$ 1,552,490	\$ 1,544,824
Education	1,002,056	1,016,947
Transportation	533,336	676,547
Protecting People	301,008	313,534
General Government	215,879	209,723
Agriculture & Natural Resources	155,789	157,010
Other	400,164	710,946
Total Expenses	\$ 4,160,722	\$ 4,629,531

An independent audit of the State's Comprehensive Annual Financial Report, from which this report is derived, was conducted and resulted in a clean audit opinion. Complete financial information can be found on the Bureau of Finance and Management's website at bfm.sd.gov/cafir.

Looking Forward



GOVERNOR
KRISTI NOEM

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



South Dakota sets an example for the nation in many areas, but we continue to look for ways to improve. Below are specific plans to invest in infrastructure and improve the care of our citizens. For more information on other priorities, please visit <https://governor.sd.gov/priorities/priorities.aspx>.

Broadband Investment

Sound infrastructure is closely tied to economic opportunity. In America’s early days, mail was delivered via post road. The Founders thought communication was so important to the business of the people and the nation that they included a provision in the Constitution to allow for the government to establish post roads. The modern economy and technology allows for the transportation of goods and services over the internet – a whole different kind of post road. We must create an environment where people aren’t forced to choose between the modern economy on the one hand, and life in their hometown on the other.

The remaining cost of providing high-speed broadband access to all of South Dakota is approximately \$200 million. Governor Noem’s recommended budget includes an investment of \$100 million toward this goal, to be matched by federal grant money and private investment, to fully connect the state.

ConnectSD: To date, the state has devoted \$16.6 million to broadband projects, which in turn leveraged \$34.8 million in federal money and \$36.8 million in industry money, for a total investment of \$88.2 million in broadband in South Dakota. This is an impressive return of \$5.51 for every \$1 invested in broadband by the state.

Broadband Investment: Many future broadband projects will be more difficult to complete due to the increasingly rural nature of the remaining unserved residents, as well as geographical challenges, particularly in the Black Hills. By allocating this significant sum of money to the project, the state will be well-positioned to attract additional federal dollars along with private investment. In addition, these investments will allow the state to consider new and innovative technologies and financing mechanisms to expand access.

Regional Crisis Diversion Centers

Governor Noem’s recommended budget includes \$8,364,225 in one-time general funds and \$11,607,659 in federal fund expenditure authority to cover startup costs for the creation of regional crisis diversion centers.

Proposed Plan

The \$20.0 million in one-time funds (\$8.4 million general funds and \$11.6 million federal funds) will be used to establish small-scale private adult Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF/IID) in both Rapid City and Sioux Falls.

These facilities will create regional access to our most intensive level of care for individuals with intellectual and developmental disabilities. This regionalized approach will enable individuals to be served closer to their home community and their family support system.

These new facilities will also help reduce admissions and the census at the South Dakota Developmental Center (SDDC) by creating additional regional ICF/IID capacity in the state. Over time, these new facilities will help to significantly reduce overhead and operational costs at SDDC.

The proposed funding will be used to cover the costs of establishing these facilities and will also cover the operating cost of these facilities in the short-term. These costs include expenses related to the start-up of these facilities, specialized equipment, personnel services, furnishings and appliances, and transportation costs.

