South Dakota Debt Limitation and Management Policy

- BFM required to submit document to Governor per Executive Order 2014-06 by January 10.
- BFM required to release documents for public viewing per SDCL 4-7-51 by January 15.
- Includes the limits, metrics, and tools used to govern the issuance of new debt management of existing debt, and the management of debt service.
- State law limits the total amount of debt that can be issued through the South Dakota Building Authority and South Dakota Health and Educational Facilities Authority. There are also statutory limitations on the amount of debt service payments for debt issued.

Total Debt Statutory Limitation

- Total maximum debt statutory limitation is no more than 1.2% of South Dakota's nominal gross domestic product for the most recently completed calendar year.
- At the end of FY21, total debt was \$407.5M, representing 0.7% of South Dakota's GDP. This is well below the 1.2% limitation (refer to chart on back).
- Looking into FY22 and FY23, the debt issued is estimated to fall to 0.6% of GDP.
- The debt as a percentage of GDP is estimated at 0.5% for both FY24 and FY25.
- Based on our estimates, there is \$337.0M available debt capacity in FY2022 which allows for consideration of future capital projects.

Total Debt Service Statutory Limitation

- Total maximum debt service cannot exceed 4.0% of total ongoing general fund revenue for the most recently completed state fiscal year.
- At the end of FY21, total debt service payments totaled \$41.9M, representing 2.2% of total ongoing general fund revenue. This is well below the 4.0% limitation.
- Looking into FY22 and FY23, debt service payments are estimated at 1.9% of total ongoing general fund revenue.
- Based on our estimates, debt service payments will remain below the statutory limitation in FY24 and FY25 at 1.9% and 1.8%, respectively.

South Dakota Debt Limitation and Management Policy Metrics

Total Dakota Building Authority Debt Fiscal Vaar End			Actual	^	\downarrow		Estir	Estimated			\uparrow
\$ 2020** 2021*** 2022 2023 2024 2024 \$ 126,530,000 \$ 315,615,000 \$ 305,615,000 \$ 285,940,000 \$ 265,500,000 \$ 244,405 \$ 412,215,000 \$ 315,615,000 \$ 395,030,000 \$ 372,372,000 \$ 265,000,000 \$ 244,405 \$ 412,215,000 \$ 407,485,000 \$ 395,030,000 \$ 56,432,000 \$ 265,000 \$ 265,000 \$ 523,939,000,000 \$ 524,789,400,000 \$ 61,001,430,000 \$ 65,000,880,000 \$ 67,212,800 \$ 70,938,040 \$ 539,900,000 \$ 657,472,800 \$ 65,000,880,000 \$ 67,212,800 \$ 70,005 \$ 70,938,040 \$ 5 235,039,900,000 \$ 657,472,800 \$ 65,000,880,000 \$ 65,000,880,000 \$ 67,2128,000 \$ 70,938,040 \$ 5 235,063,800 \$ 657,472,800 \$ 732,017,160 \$ 732,017,160 \$ 780,850,500 \$ 70,938,040 \$ 73,938,040 \$ 73,938,040 \$ 73,938,040 \$ 73,938,040 \$ 73,938,040 \$ 73,938,040 \$ 73,938,040 \$ 73,938,040 \$ 73,938,040 \$ 73,938,040 \$ 73,938,040 \$ 73,938,040 \$ 73,938,040 \$ 73,938,040 \$ 73,938,040	Total SDBA & Voc Ed Program Debt	Fiscal Year End	ΙŒ	scal Year End	Fis	cal Year End	Fiscal Year End		scal Year End	Fis	cal Year End
S		*0202		2021**		2022	2023		2024		2025
115,675,000 91,870,000 89,415,000 86,432,000 8,679,000 78,555 2	South Dakota Building Authority Debt			315,615,000	\$	305,615,000			265,500,000	\$	244,405,000
\$ 412,215,000 \$ 407,485,000 \$ 395,030,000 \$ 372,370,000 \$ 34179,000 \$ 322,960 roduct 0.780<	SDHEFA - Vocational Education Program Debt	115,675,000	_	91,870,000		89,415,000	86,432,000	0	82,679,000		78,555,000
roduct 5 53,939,900,000 5 54,789,400,000 6 61,001,430,000 5 65,070,880,000 5 67,810,990,000 5 70,998,040 roduct 0.8% 0.7% 0.7% 0.6% 0.6% 0.6% 0.5% 0.5% 0.5% 0.6% 0.5% 0.5% 0.5% 0.5% 0.5% 0.6% 0.6% 0.6% 0.6% 0.5% 0.5% 0.5% 0.6% 0.6% 0.6% 0.6% 0.6% 0.6% 0.5% 0.6% 0.6% 0.6% 0.6% 0.6% 0.6% 0.6% 0.6	Total SDBA & Voc Ed Program Debt			407,485,000	\$	395,030,000			348,179,000	ş	322,960,000
FY2020 S 55,399,900,00 S 54,789,400,00 S 56,700,880,00 S 56,7810,990,000 S 70,998,040	Total Marianism Political	010000		0000		7,000	20000		5000		70000
s of Nominal state GDP) 5 54,789,400,000 5 61,001,430,000 5 65,070,880,000 5 67,810,990,000 5 70,998,040 s of Nominal state GDP) 5 647,278,800 5 67,472,800 5 732,017,160 5 780,850,560 5 813,731,880 5 780,998,040 s of Nominal state GDP) 5 235,063,800 5 249,987,800 5 732,017,160 5 780,850,560 5 813,731,880 5 851,976 s of Nominal state GDP) FY2020 5 732,017,160 5 780,850,560 5 465,552,880 5 820,016 s of Nominal state GDP) FY2020 FY2021 FY2022 FY2023 FY2024 FY2025 s of Nominal state GDP) FY2021 FY2022 FY2023 FY2024 FY2022 FY2023 FY2024 FY2025 FY2025 FY2025 FY2025 FY2025 FY2025 FY2025 FY2024 FY2025 FY2024 FY2025 FY2025 FY2024 FY2025 FY2025 FY2024 FY2025	Total Maximum Debt Policy	CTZOIS		C1 2020		CTZUZI	C12022		C12023		C12024
roduct 0.8% 0.0% 0.0% 0.0% 0.6% 0.6% 0.6% 0.6% 0.5% roduct by 0.0% 0.0% 0.0% 0.6% 0.0% 0.0% 0.0% 0.0%	South Dakota Nominal GDP	\$ 53,939,900,000	_	4,789,400,000	\$ 61	1,001,430,000	\$ 65,070,880,000		7,810,990,000	\$ 70	0,998,040,000
6 of Nominal state GDP) 5 647,278,800 5 732,017,160 5 780,850,560 5 813,731,880 5 851,976,870,800 6 6 Mominal state GDP) 5 235,063,800 5 249,987,800 5 336,987,160 5 780,850,560 5 813,731,880 5 829,016 FY2020 FY2020 FY2022 FY2024 FY2022 FY2023	Debt as % of Gross State Domestic Product	0.8%	20	0.7%		%9.0	9.0	%	0.5%		0.5%
\$ 647,278,800 \$ 657,472,800 \$ 732,017,160 \$ 780,850,560 \$ 813,731,880 \$ 851,976 \$ 851,976 \$ \$ 823,063,800 \$ 249,987,800 \$ 336,987,160 \$ 408,478,560 \$ 465,552,880 \$ 529,016 \$ 235,063,800 \$ 21,725,000 \$ 19,075,000 \$ 19,075,000 \$ 19,075,000 \$ 19,075,000 \$ 19,075,000 \$ 19,075,000 \$ 19,075,000 \$ 19,075,000 \$ 19,075,000 \$ 11,073,238 \$ 11,477,218 \$ 10,994,497 \$ 10,263,225 \$ 9,881 \$ \$ 13,338,558 \$ 30,552,218 \$ 30,669,497 \$ 30,703,225 \$ 30,676 \$ 12,432,437 \$ 11,633,588 \$ 30,552,218 \$ 30,669,497 \$ 30,703,225 \$ 30,676 \$ 12,432,437 \$ 11,633,588 \$ 30,552,218 \$ 30,669,497 \$ 30,703,225 \$ 30,676 \$ 12,432,437 \$ 11,633,588 \$ 11,477,218 \$ 10,994,497 \$ 10,263,225 \$ 37,813,99 \$ 38,223 \$ 11,477,218 \$ 1,936,2134 \$ 1,930,712 \$ 1,936,1936 \$ 1,936,2134 \$ 1,936,214,214 \$ 1,936,2134 \$ 1,936,214,214 \$ 1,936,2	Total Maximum Debt Capacity (1.2% of Nominal	state GDP)									
S 235,063,800 S 249,987,800 S 336,987,160 S 408,478,560 S 465,552,880 S 529,016 FY2020	Total Maximum Debt Limit			657,472,800	ş	732,017,160			813,731,880	Ş	851,976,480
FY2020 FY2021 FY2023 FY2023 FY2024 FY2024 FY2024 FY2024 FY2025 FY2022 FY2023 FY2024 FY2023 FY2023 FY2024 FY2025 FY2024 FY2024 FY2025 FY2024 FY2025 FY2025 FY2024 FY2025 FY2025<	Available Debt Capacity			249,987,800	Ş	336,987,160			465,552,880	Ş	529,016,480
FY2020 FY2021 FY2022 FY2023 FY2024 FY2023 FY2024 FY2023 FY2024 FY2024<											
S 15,460,000 S 21,725,000 S 19,075,000 S 20,440,000 S 21,095,497 S 21,005,707 S 21,005,497 S 21,005,707 S 21,005,497 S 21,005,497 S 21,005,707 S 21,005,497 S 21,005,707 S 21,005,417 S	Debt Service Payments	FY2020		FY2021		FY2022	FY2023		FY2024		FY2025
13,077,778	SDBA Principal			21,725,000	\$	19,075,000			20,440,000	\$	21,095,000
gm 2,860,000 2,770,000 2,455,000 2,983,000 3,753,000 4,124 gm 5,908,973 8,572,154 6,248,096 6,464,795 7,114,974 7,347 gm 4,280,000 2,770,000 2,455,000 2,481,795 3,753,000 4,124 gm 4,908,773 8,572,154 6,248,096 6,464,795 7,114,974 7,347 gm 4,908,751 41,930,712 </td <td>SDBA Interest & Fees</td> <td>13,077,778</td> <td>••</td> <td>11,633,558</td> <td></td> <td>11,477,218</td> <td>10,994,497</td> <td>7</td> <td>10,263,225</td> <td></td> <td>9,581,407</td>	SDBA Interest & Fees	13,077,778	••	11,633,558		11,477,218	10,994,497	7	10,263,225		9,581,407
gm 2,860,000 2,770,000 2,455,000 2,983,000 3,753,000 4,124,323 gm 5,908,973 8,572,154 6,248,096 6,464,795 7,114,974 7,347,323 gm 4 37,306,751 4 4,930,712 4 36,800,314 4 37,134,292 5 37,818,199 7,347,347 smue FY2020 FY2021 FY2022 FY2022 FY2023 FY2023 FY2023 FY2023 FY2023 nue 2.2% 1,936,198,459 \$ 1,962,651,970 \$ 1,975,868,924 \$ 2,039,027,011 \$ 2,104,159 sints Limit \$ 6,798,4925 \$ 77,447,938 \$ 78,506,079 \$ 79,034,757 \$ 81,561,080 \$ 84,166 sipacity \$ 30,678,174 \$ 35,517,227 \$ 41,705,765 \$ 41,900,465 \$ 43,742,881 \$ 46,142	SDBA Total Debt Service Pmts	28,537,778		33,358,558		30,552,218	30,669,497	7	30,703,225		30,676,407
gm 5,908,973 5,802,154 3,793,096 3,481,795 3,361,974 3,233 gm 8,768,973 8,572,154 6,248,096 6,464,795 7,114,974 7,347 gm 4 37,306,751 41,930,712 5 36,800,314 5 37,134,292 5 37,818,199 5 38,023 nue FY2020 FY2022 FY2023 FY2024 5 1,936,198,459 5 1,962,651,970 5 1,975,868,924 5 2,039,027,011 5 2,104,159 inty (4.0% of Ongoing Total General Fund Revenue) 5 78,506,079 5 79,034,757 5 84,166 s paacity 5 30,678,174 5 35,517,227 5 41,705,765 5 41,900,465 5 43,742,881 5 46,142	SDHEFA (VocEd) - Principal	2,860,000		2,770,000		2,455,000	2,983,000	0	3,753,000		4,124,000
6,248,096 6,464,795 7,114,974 7,347 \$ 36,800,314 \$ 37,134,292 \$ 37,818,199 \$ 38,023 FY2022 FY2023 FY2024 FY2024 \$ 1,962,651,970 \$ 1,975,868,924 \$ 2,039,027,011 \$ 2,104,159 \$ 78,506,079 \$ 79,034,757 \$ 81,561,080 \$ 84,166 \$ 41,705,765 \$ 41,900,465 \$ 43,742,881 \$ 46,142	SDHEFA (VocEd) - Interest and Fees	5,908,973		5,802,154		3,793,096	3,481,79	2	3,361,974		3,223,118
\$ 36,800,314 \$ 37,134,292 \$ 37,818,199 \$ 38,023 FY2022 FY2024 FY2024 FY2024 FY2024 \$ 1,962,651,970 \$ 1,975,868,924 \$ 2,039,027,011 \$ 2,104,159 1.9% 1.9% 1.9% 1.9% \$ 78,506,079 \$ 79,034,757 \$ 81,561,080 \$ 84,166 \$ 41,705,765 \$ 41,900,465 \$ 43,742,881 \$ 46,142	SDHEFA (VocEd) - Total Debt Service Pmts	8,768,973		8,572,154		6,248,096	6,464,795	2	7,114,974		7,347,118
FY2022 FY2023 FY2024 FY2024 FY2024 FY2024 FY2025 \$ 1,962,651,970 \$ 1,975,868,924 \$ 2,039,027,011 \$ 2,104,159 1.9% 1.9% 1.9% 1.9% \$ 78,506,079 \$ 79,034,757 \$ 81,561,080 \$ 84,166 \$ 41,705,765 \$ 41,900,465 \$ 43,742,881 \$ 46,142	Total Debt Service - SDBA/Voc Ed Prgm		- 1	41,930,712	ş	36,800,314		-	37,818,199	\$	38,023,525
\$ 1,962,651,970 \$ 1,975,868,924 \$ 2,039,027,011 \$ 2,104,159 1.9%	Total Maximum Debt Service Policy			FY2021		FY2022	FY2023		FY2024		FY2025
1.9% 1.9% 1.9% 1.9% 2.034,757 5 81,561,080 5 84,166 5 41,705,765 5 41,900,465 5 43,742,881 5 46,142	Ongoing General Fund Revenue			1,936,198,459		1,962,651,970			2,039,027,011		2,104,159,204
\$ 78,506,079 \$ 79,034,757 \$ 81,561,080 \$ \$ 41,705,765 \$ 41,900,465 \$ 43,742,881 \$	Debt Service as % Ongoing GF Revenue	2.2%	200	2.2%		1.9%	1.9	%	1.9%		1.8%
\$ 78,506,079 \$ 79,034,757 \$ 81,561,080 \$ \$ 41,705,765 \$ 41,900,465 \$ 43,742,881 \$	Total Maximum Debt Service Capacity (4.0% of 0	Ongoing Total Gen	eralF	fund Revenue)							
\$ 30,678,174 \$ 35,517,227 \$ 41,705,765 \$ 41,900,465 \$ 43,742,881 \$	Total Maximum Debt Service Payments Limit	\$ 67,984,925	ŝ	77,447,938	Ş	78,506,079			81,561,080	Ş	84,166,368
	Available Debt Service Payments Capacity		_	35,517,227	Ş	41,705,765		_	43,742,881	\$	46,142,843

^{*} At the end of FY2020, \$3.8 million of the \$412.2 million total debt was pre-funded, which will be paid in full at future call dates.

^{**} FY2021 includes paying off the SDBA Series 2010B bonds in the amount of \$3,610,000 and the Voced Series 2010A and 2010B in the amounts of \$14,580,000 and \$6,455,000 which are not included in the Debt Service Payments as they are prefunded.