

South Dakota General Fund Long-Term Financial Plan

- 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:
 - Revenue and expenditure history for FY19
 - Governor Noem's revised recommendations for the adopted FY20 budget
 - Governor Noem's recommendation for the FY21 budget
 - Projections for general fund revenue sources and general fund budgets for all state agencies for FY22 and FY23

Revenue Assumptions

- Sales and use tax is projected to grow 4.5% in FY20, 1.6% in FY21, 3.0% in FY22, and 3.3% FY23. A loss of \$20M in FY21 due to the loss of sales tax to internet access fees under current federal law accounts for the lower growth rate in that year.
- The document outlines the assumptions used to project revenues for FY20-FY23 for the other general fund revenue sources, including: the contractor's excise tax, insurance company tax, bank franchise tax, telecommunications tax, severance taxes, video lottery, instant and online lottery, South Dakota gaming receipts, tobacco taxes, alcohol taxes, unclaimed property, licenses, permits, and fees, trust funds, net transfers in, charges for goods and services, and investment income and interest.
- One-time receipts come from a variety of sources and are not included in receipts unless they have already occurred or have an extremely high probability of occurring.

Expenditure Assumptions

- Expenditures are divided into five categories including: Education in South Dakota, Medicaid, Continued Safety, Keeping South Dakota Health, and Serving and Supporting South Dakota to improve the understanding of where tax dollars are invested.
- FY20 and FY21 projections are based on Governor Noem's recommendations.
- FY22 and FY23 projections include the following inflation assumptions: 2.5% for salary policy, 0% change in the Federal Medical Assistance Percentage (FMAP), 2.0% in FY22 and 2.5% in FY23 for state aid and providers.

**STATE OF SOUTH DAKOTA
GENERAL FUND LONG-TERM PROJECTION**

	ACTUAL FY2019	REVISED FY2020	GOVERNOR'S RECOMMENDED FY2021	PROJECTED FY2022	PROJECTED FY2023
RECEIPTS					
Sales and Use Tax	\$ 1,025,401,209	\$ 1,071,609,815	\$ 1,088,181,339	\$ 1,120,678,898	\$ 1,158,089,807
Other Business Activity Taxes	230,091,251	232,820,653	242,058,563	248,314,759	256,011,836
Lottery and Gaming Receipts	126,245,941	129,782,892	133,473,019	137,523,990	142,100,308
Tobacco and Alcohol Taxes	59,966,623	59,236,236	57,676,716	57,002,755	56,422,134
Other Ongoing Receipts	199,498,264	201,859,098	201,999,970	202,206,807	205,472,220
One-time Receipts	32,740,409	43,335,604	0	0	0
TOTAL RECEIPTS	\$ 1,673,943,697	\$ 1,738,644,298	\$ 1,723,389,607	\$ 1,765,727,209	\$ 1,818,096,305
EXPENDITURES					
Education in South Dakota	\$ 799,497,343	\$ 828,329,897	\$ 842,109,426	\$ 861,042,463	\$ 883,480,944
Medicaid	358,973,926	391,845,434	433,411,948	444,994,567	458,897,678
Continued Safety	199,102,902	211,719,951	212,591,934	220,390,788	228,285,564
Keeping South Dakota Healthy	157,901,998	167,781,264	144,720,639	147,705,472	151,001,909
Serving and Supporting South Dakota	74,453,762	80,352,134	82,492,895	83,532,488	84,598,073
Continuous Appropriations	7,743,183	7,951,714	8,062,765	8,139,020	8,216,800
Transfers and One-time Appropriations	56,916,030	48,149,626	0	0	0
TOTAL EXPENDITURES	\$ 1,654,589,144	\$ 1,736,130,020	\$ 1,723,389,607	\$ 1,765,804,798	\$ 1,814,480,969
Beginning Unobligated Cash Balance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Net (Receipts less Expenditures)	19,354,553	2,514,278	0	(77,589)	3,615,336
Ending Cash Balance	\$ 19,354,553	\$ 2,514,278	\$ 0	\$ (77,589)	\$ 3,615,336

NOTE: The totals may not add due to rounding.