

South Dakota General Fund Long-Term Financial Plan

- BFM is required to submit document to Governor per Executive Order 2014-06 by January 10.
- BFM is required to release documents for public viewing per SDCL 4-7-51 by January 15.
- Includes:
 - Revenue and expenditure history for FY23
 - Governor Noem's revised recommendations for the adopted FY24 budget
 - Governor Noem's recommendation for the FY25 budget
 - Projections for general fund revenue sources and general fund budgets for all state agencies for FY26 and FY27

Revenue Assumptions

- Sales and use tax is projected to decline 3.1% in FY24 due the state sales tax rate reduction from 4.5% to 4.2%. In FY25, it is projected to increase 4.1%. In FY26 and FY27, it is projected to grow 5.6% and 6.0%, respectively.
- The document outlines the assumptions used to project revenues for FY24-FY27 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

- To improve the understanding of where tax dollars are invested, expenditures are divided into five categories including: Education in South Dakota, Medicaid, Continued Safety, Keeping South Dakota Health, and Serving and Supporting South Dakota.
- FY24 and FY25 projections are based on Governor Noem's recommendations.
- FY26 projections include the following inflation assumptions: 2.2% for salary policy, 5% change in the Federal Medical Assistance Percentage (FMAP), and 2.2% for state aid and providers.
- FY27 projections include the following inflation assumptions: 2.4% for salary policy, 0% change in the Federal Medical Assistance Percentage (FMAP), and 2.4% for state aid and providers.

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

	ACTUAL FY2023	REVISED FY2024	GOVERNOR'S RECOMMENDED FY2025	PROJECTED FY2026	PROJECTED FY2027
RECEIPTS					
Sales and Use Tax	\$ 1,480,572,850	\$ 1,435,189,097	\$ 1,494,649,338	\$ 1,578,052,384	\$ 1,672,350,859
Other Business Activity Taxes	330,098,438	358,003,780	367,460,659	386,356,723	406,016,143
Lottery and Gaming Receipts	179,980,313	181,130,061	183,312,749	187,753,599	192,303,172
Tobacco and Alcohol Taxes	58,951,354	56,539,140	55,740,971	55,116,850	54,607,784
Other Ongoing Receipts	248,687,106	314,283,982	298,039,705	288,942,980	277,531,363
One-time Receipts	144,441,842	114,652,777	0	0	0
TOTAL RECEIPTS	\$ 2,442,731,904	\$ 2,459,798,837	\$ 2,399,203,422	\$ 2,496,222,536	\$ 2,602,809,321
EXPENDITURES					
Education in South Dakota	\$ 962,094,579	\$ 1,043,936,830	\$ 1,080,606,590	\$ 1,112,116,371	\$ 1,146,719,951
Medicaid	371,911,809	523,664,049	632,902,680	721,809,208	747,123,193
Continued Safety	244,007,858	276,141,960	294,203,446	317,640,531	332,983,960
Keeping South Dakota Healthy	193,405,636	225,286,567	263,445,994	238,522,150	243,627,054
Serving and Supporting South Dakota	85,692,493	94,225,463	118,043,743	119,581,322	121,295,579
Continuous Appropriations	8,939,639	9,574,971	10,000,969	10,115,988	10,233,308
Transfers and One-time Appropriations	479,904,767	286,968,997	0	0	0
TOTAL EXPENDITURES	\$ 2,345,956,781	\$ 2,459,798,837	\$ 2,399,203,422	\$ 2,519,785,570	\$ 2,601,983,045
Beginning Unobligated Cash Balance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Net (Receipts less Expenditures)	96,775,123	0	0	(23,563,034)	826,276
Ending Cash Balance	\$ 96,775,123	\$ 0	\$ 0	\$ (23,563,034)	\$ 826,276

NOTE: The totals may not add due to rounding.