

South Dakota General Fund Long-Term Financial Plan

- BFM is required to submit the document to Governor per Executive Order 2014-06 by January 10.
- BFM is required to release the document for public viewing per SDCL 4-7-51 by January 15.
- Includes:
 - Revenue and expenditure history for FY24.
 - Governor Noem's revised recommendations for the adopted FY25 budget.
 - Governor Noem's recommendation for the FY26 budget.
 - Projections for general fund revenue sources and general fund budgets for all state agencies for FY27 and FY28.

Revenue Assumptions

- Sales and use tax is projected to increase 0.4% in FY25. In FY26, it is projected to increase 4.7%. In FY27 and FY28, it is projected to grow 4.8% and 4.6%, respectively.
- The document outlines the assumptions used to project revenues for FY25-FY28 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 Healthy, and Serving and Supporting South Dakota.
- FY25 and FY26 projections are based on Governor Noem's recommendations.
- FY27 projections include the following inflation assumptions: 2.5% for salary policy, 0% change in the Federal Medical Assistance Percentage (FMAP), and 2.5% for state aid and providers.
- FY28 projections include the following inflation assumptions: 2.0% for salary policy, 0% change in the Federal Medical Assistance Percentage (FMAP), and 2.0% for state aid and providers.

STATE OF SOUTH DAKOTA GENERAL FUND LONG-TERM PROJECTION

	ACTUAL FY2024	REVISED FY2025	GOVERNOR'S RECOMMENDED FY2026	PROJECTED FY2027	PROJECTED FY2028
RECEIPTS					
Sales and Use Tax	\$ 1,441,678,770	\$ 1,447,481,493	\$ 1,515,543,231	\$ 1,587,823,858	\$ 1,660,442,914
Other Business Activity Taxes	386,610,093	389,190,611	403,075,584	422,832,563	442,776,648
Lottery and Gaming Receipts	182,856,050	184,004,528	186,123,292	189,928,352	193,812,035
Tobacco and Alcohol Taxes	55,495,443	54,164,468	55,873,948	54,863,723	53,970,968
Other Ongoing Receipts	346,668,981	318,269,058	303,127,657	280,534,027	280,999,642
One-Time Receipts	125,448,400	282,380,325	0	0	0
TOTAL RECEIPTS	\$ 2,538,757,738	\$ 2,675,490,483	\$ 2,463,743,712	\$ 2,535,982,523	\$ 2,632,002,207
EXPENDITURES					
Education in South Dakota	\$ 1,056,417,762	\$ 1,093,182,428	\$ 1,111,784,587	\$ 1,146,241,268	\$ 1,175,458,764
Medicaid	476,106,027	590,883,929	713,622,970	740,160,359	763,434,242
Continued Safety	276,865,782	299,105,695	306,314,078	335,573,695	348,618,043
Keeping South Dakota Healthy	224,881,083	226,629,929	227,971,724	231,774,249	234,892,307
Serving and Supporting South Dakota	90,258,025	100,346,008	97,211,995	98,683,919	99,890,898
Continuous Appropriations	9,574,971	10,640,989	6,838,358	6,975,125	7,114,628
Transfers and One-Time Appropriations	323,918,997	354,701,505	0	0	0
TOTAL EXPENDITURES	\$ 2,458,022,647	\$ 2,675,490,483	\$ 2,463,743,712	\$ 2,559,408,615	\$ 2,629,408,882
Beginning Unobligated Cash Balance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Net (Receipts less Expenditures)	80,735,092	0	0	(23,426,092)	2,593,325
Ending Cash Balance	\$ 80,735,092	\$ 0	\$ 0	\$ (23,426,092)	\$ 2,593,325

NOTE: The totals may not add due to rounding.