

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 FY25.
 - Governor Rhoden's revised recommendations for the adopted FY26 budget.
 - Governor Rhoden's recommendation for the FY27 budget.
 - Projections for general fund revenue sources and general fund budgets for all state agencies for FY28 and FY29.

Revenue Assumptions

- Sales and use tax is projected to increase 4.4% in FY26 and 4.0% in FY27.
- In FY28, taxable sales are projected to increase 4.4%. Additionally, the sales and use tax rate will increase from 4.2% to 4.5%. This results in total sales and use tax collection growth of 11.4% in FY28. In FY29, sales and use tax is projected to grow 4.2%.
- The document outlines the assumptions used to project revenues for FY26-FY29 for the other general fund revenue sources, including: 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.
- FY26 and FY27 projections are based on Governor Rhoden's recommendations.
- FY28 projections include the following inflation assumptions: 2.4% for salary policy, 0.67% change in the Federal Medical Assistance Percentage (FMAP), and 2.4% for state aid and providers.
- FY29 projections include the following inflation assumptions: 2.2% for salary policy, 0% change in the Federal Medical Assistance Percentage (FMAP), and 2.2% for state aid and providers.

STATE OF SOUTH DAKOTA

GENERAL FUND LONG-TERM PROJECTION

	ACTUAL FY2025	REVISED FY2026	GOVERNOR'S RECOMMENDED FY2027	PROJECTED FY2028	PROJECTED FY2029
RECEIPTS					
Sales and Use Tax	\$ 1,432,631,137	\$ 1,496,145,618	\$ 1,556,436,867	\$ 1,733,246,483	\$ 1,805,179,423
Other Business Activity Taxes	396,078,781	426,550,552	440,790,063	460,230,733	480,573,145
Lottery and Gaming Receipts	180,422,886	187,450,293	188,461,594	191,499,918	194,589,998
Tobacco and Alcohol Taxes	52,025,385	52,789,093	51,076,175	49,686,644	48,491,558
Other Ongoing Receipts	319,390,893	299,841,084	284,674,004	282,363,390	281,663,802
One-Time Receipts	310,804,842	267,284,221	0	0	0
TOTAL RECEIPTS	\$ 2,691,353,924	\$ 2,730,060,861	\$ 2,521,438,703	\$ 2,717,027,168	\$ 2,810,497,926
EXPENDITURES					
Education in South Dakota	\$ 1,097,778,228	\$ 1,122,386,868	\$ 1,103,293,950	\$ 1,133,313,459	\$ 1,161,787,409
Medicaid	592,330,302	733,800,181	756,543,069	794,241,187	821,942,415
Continued Safety	297,053,737	311,920,086	322,739,019	338,111,378	352,153,338
Keeping South Dakota Healthy	222,318,400	230,705,896	239,892,049	244,776,715	249,414,246
Serving and Supporting South Dakota	103,912,574	102,499,853	91,247,138	92,521,017	93,716,766
Continuous Appropriations	10,640,989	7,218,204	7,723,478	8,109,652	8,515,134
Transfers and One-Time Appropriations	198,089,923	207,143,949	0	0	0
TOTAL EXPENDITURES	\$ 2,522,124,153	\$ 2,715,675,037	\$ 2,521,438,703	\$ 2,611,073,408	\$ 2,687,529,308
Beginning Unobligated Cash Balance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Net (Receipts less Expenditures)	169,229,771	14,385,824	0	105,953,760	122,968,618
Ending Cash Balance	\$ 169,229,771	\$ 14,385,824	\$ 0	\$ 105,953,760	\$ 122,968,618

NOTE: The totals may not add due to rounding.