

## 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 FY22
  - Governor Noem's revised recommendations for the adopted FY23 budget
  - Governor Noem's recommendation for the FY24 budget
  - Projections for general fund revenue sources and general fund budgets for all state agencies for FY25 and FY26

### Revenue Assumptions

- Sales and use tax is projected to grow 8.2% in FY23. In FY24, it is projected to decline 4.0% due to the recommendation to eliminate the state sales tax on groceries. In FY25 and FY26, it is projected to grow 5.3%.
- The document outlines the assumptions used to project revenues for FY23-FY26 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.
- FY23 and FY24 projections are based on Governor Noem's recommendations.
- FY25 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.
- FY26 projections include the following inflation assumptions: 2.1% for salary policy, 5% change in the Federal Medical Assistance Percentage (FMAP), and 2.1% for state aid and providers.

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

	<b>ACTUAL FY2022</b>	<b>REVISED FY2023</b>	<b>GOVERNOR'S RECOMMENDED FY2024</b>	<b>PROJECTED FY2025</b>	<b>PROJECTED FY2026</b>
<b>RECEIPTS</b>					
Sales and Use Tax	\$ 1,356,844,793	\$ 1,467,482,227	\$ 1,408,938,421	\$ 1,483,796,482	\$ 1,562,634,783
Other Business Activity Taxes	293,053,442	319,456,273	322,423,803	340,263,219	358,665,179
Lottery and Gaming Receipts	174,811,698	178,556,231	181,280,976	185,705,949	190,239,867
Tobacco and Alcohol Taxes	61,499,058	59,904,760	59,377,484	58,815,184	58,356,409
Other Ongoing Receipts	240,200,376	243,544,801	227,531,592	229,721,203	235,713,599
One-time Receipts	127,043,781	123,857,283	0	0	0
<b>TOTAL RECEIPTS</b>	<b>\$ 2,253,453,148</b>	<b>\$ 2,392,801,575</b>	<b>\$ 2,199,552,276</b>	<b>\$ 2,298,302,037</b>	<b>\$ 2,405,609,837</b>
<b>EXPENDITURES</b>					
Education in South Dakota	\$ 862,090,098	\$ 958,107,916	\$ 1,000,653,214	\$ 1,031,204,754	\$ 1,061,445,172
Medicaid	391,136,393	422,217,867	585,971,443	607,129,706	692,474,674
Continued Safety	185,872,915	247,215,150	259,841,435	268,971,680	278,881,547
Keeping South Dakota Healthy	172,072,373	191,423,893	211,502,757	214,727,723	222,376,977
Serving and Supporting South Dakota	82,198,971	87,714,964	132,409,306	134,329,314	136,202,367
Continuous Appropriations	8,529,038	8,939,639	9,174,121	9,272,603	9,373,055
Transfers and One-time Appropriations	436,074,927	477,182,146	0	0	0
<b>TOTAL EXPENDITURES</b>	<b>\$ 2,137,974,715</b>	<b>\$ 2,392,801,575</b>	<b>\$ 2,199,552,276</b>	<b>\$ 2,265,635,780</b>	<b>\$ 2,400,753,792</b>
<b>Beginning Unobligated Cash Balance</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Net (Receipts less Expenditures)</b>	<b>115,478,433</b>	<b>0</b>	<b>0</b>	<b>32,666,257</b>	<b>4,856,045</b>
<b>Ending Cash Balance</b>	<b>\$ 115,478,433</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 32,666,257</b>	<b>\$ 4,856,045</b>

**NOTE:** The totals may not add due to rounding.