

South Dakota Long-Term Financial Planning Documents

South Dakota
Bureau of Finance and Management

1/16/2015



bfm.sd.gov/ltfp

Goal of South Dakota's Financial Planning Documents

- Planning tools
- Proactive early detection system
- Alternative scenario functionality
- Prioritize capital planning
- Govern and limit indebtedness
- Engage taxpayers by showing a “road map” for South Dakota’s budgetary future
- Transparency

Background on Financial Plans

- Summer of 2014
 - Governor Daugaard issued an executive order with directions to BFM
 - Governor's team met with credit rating agencies
 - Common feedback from rating agencies:
 - SD is more economically diverse than they expected
 - SD's balance sheet is strong with a low debt burden
 - SD's pension system is strong and fully funded
 - Pleased with the executive orders issued establishing formal planning practices to last into perpetuity
 - Need to show commitment to new practices

Financial Plan Executive Order

- Executive Order [2014-06](#) requires BFM to create and deliver to the Governor the following 3 documents:
 - General Fund Long-Term Financial Plan
 - Rolling Five-Year Capital Expenditure Plan
 - Debt Limitation and Management Policy

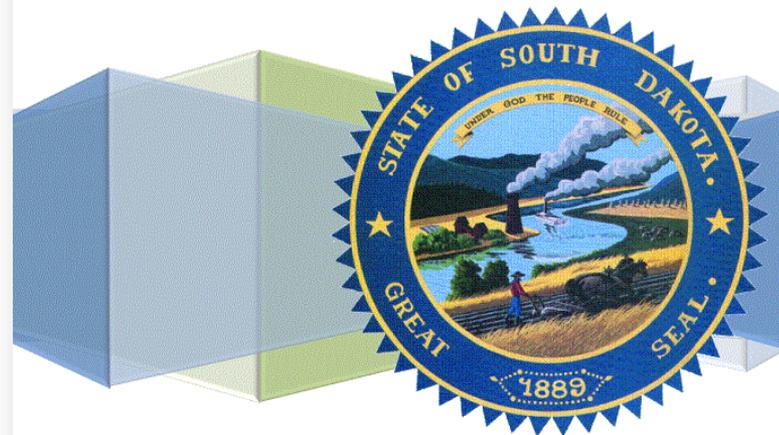
General Fund Long-Term Financial Plan

- Budget information for five fiscal years (FY14 – FY18)
- Detailed, line-by-line projections of all revenues and expenditures
- Reviewed by the Governor's Council of Economic Advisors
- Projections are estimates and subject to change

South Dakota General Fund Long-Term Financial Plan

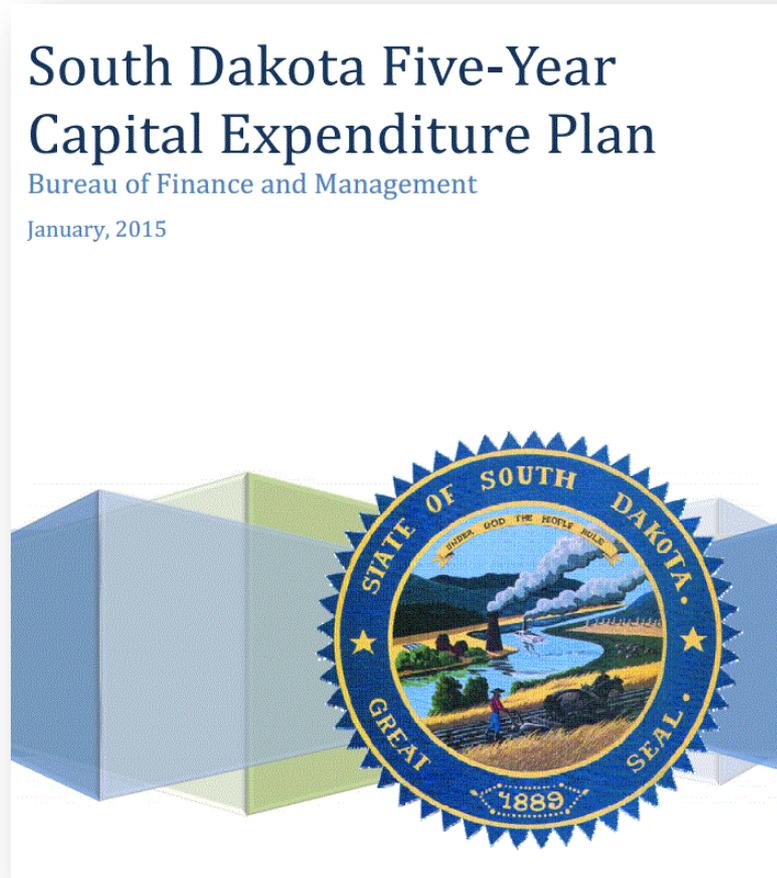
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Rolling Five-Year Capital Expenditure Plan

- Outlines projected capital expenditures for the next five years (FY15 – FY19)
- Capital projects include new construction, expansion, and maintenance and repair projects
- Includes cost projections and fund sources
- Project list is as of a certain point in time and is subject to change



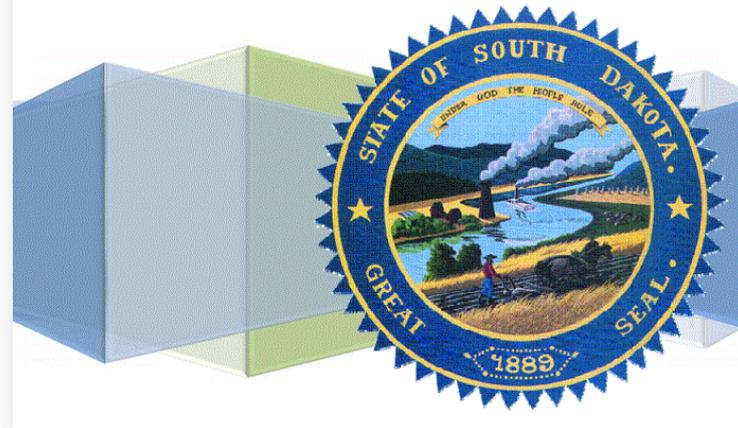
Debt Limitation and Management Policy

- Includes policies pertaining to issuance and servicing of debt of SDBA and SDHEFA (voc-ed program only)
- Establishes limits for both total debt and total debt service payments
- Measures compliance with established metrics
- Compares SD against other AAA rated states

South Dakota Debt Limitation and Management Policy

Bureau of Finance and Management

January, 2015



South Dakota Long-Term Financial Plans

- Long-Term Financial Plans are available for public viewing at bfm.sd.gov/lftp
- Financial dashboards are available for public viewing at bfm.sd.gov/dashboards
- Other public financial information is available for public viewing at open.sd.gov

Executive Order – Financial Dashboards

- Executive Order 2014-04
 - Strengthens the South Dakota Council of Economic Advisors
 - Prepare and make financial dashboards public at bfm.sd.gov/dashboards
 - Dashboards include information on:
 - Expenditures & FTE Utilization
 - General fund receipts
 - General fund and trust fund cash balances
 - Economic indicators (i.e. unemployment figures, government assistance programs)

Executive Order – Financial Dashboards

Financial Metrics/Dashboards

Executive Order 2014-04 directed the Bureau to make available certain financial information for the Council of Economic Advisors and any interested party to view. The metrics and dashboards linked below provide updated snapshots of budget and actual expenditures compared to projected expenditures, the state's general fund receipts and comparison with the most recent forecasts, and the balances of the cash flow account and trust funds.

Cash Balances

Updated: June 2014

- The cash balances dashboards show the month-ending cash balance for the state general fund, budget reserve, property tax reduction fund, and the total balance in the cash flow account.
- The dashboards for the trust funds and SDRS pension plan show the fair market value.
- The fair market values change based on investment returns.
- The state's reserve funds are considered the sum of the budget reserve fund and the property tax reduction fund and typically remain constant throughout the fiscal year.
- The cash flow account is comprised of more than five hundred different funds and fluctuates month-to-month and day-to-day based on the individual activity taking place in each of these funds. Major or notable funds represented in the cash flow account are listed separately.

- [General Fund](#)
- [Budget Reserve](#)
- [Property Tax Reduction Fund](#)
- [Cash Flow Account](#)
- [Education Enhancement Trust Fund](#)
- [Health Care Trust Fund](#)
- [Dakota Cement Trust Fund](#)
- [South Dakota Retirement System](#)

General Fund Receipts

Updated: June 2014

Through 11 months of the fiscal year, general fund collections remain positive and are \$1.8 million higher than adopted levels. [Through May 2014](#)

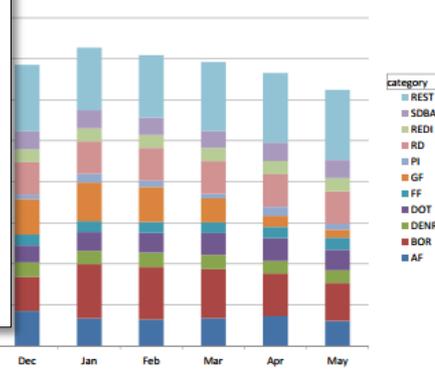
May FY2014 general fund receipts totaled \$94.5 million, which was a growth of 5.9% over the same month last fiscal year. Sales and use tax collections for the month were \$68.0 million, growing \$6.8 million or 11%, over May of FY2013. Through 11 months, FY2014 year-to-date collections are up 8.5% on an ongoing basis compared to FY2013. Ongoing receipts for May were \$1.1 million higher than the most recent Legislative adopted estimate. Fiscal year-to-date collections were \$4.8 million higher than the estimate for ongoing receipts and \$1.8 million higher in total receipts. The largest variances compared to the adopted estimate include the sales and use tax (+\$2.8 million); net transfers in (+\$1.0 million); licenses, permits, and fees (-\$1.1 million) and one-time unclaimed property receipts (-\$3.0 million).

Cash Flow Account Month-End Balances

Source: SD Central Accounting System

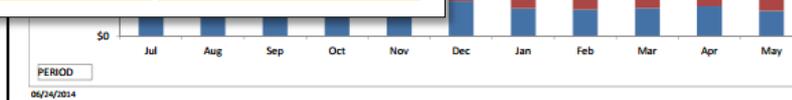
Cash Flow Account / Category by Period									
	FF	GF	PI	RD	REDI	SDBA	REST	Grand Total	
260	\$48,977,867	\$70,183,237	\$31,012,823	\$158,952,076	\$62,281,845	\$7,413,439	\$291,510,043	\$1,192,445,901	
589	\$50,414,876	\$60,666,590	\$38,848,082	\$158,952,076	\$62,912,263	\$3,171,428	\$276,222,589	\$1,124,706,797	
989	\$50,961,735	\$43,934,931	\$72,139,485	\$158,952,076	\$59,243,419	\$3,263,323	\$286,550,905	\$1,217,947,817	
549	\$51,289,032	\$100,022,236	\$27,893,364	\$158,952,076	\$62,025,826	\$3,627,712	\$392,100,022	\$1,290,447,516	
995	\$52,817,632	\$179,663,450	\$49,620,871	\$158,952,076	\$62,529,567	\$93,936,076	\$283,346,646	\$1,345,330,166	
066	\$52,817,106	\$173,281,046	\$21,940,556	\$158,952,076	\$61,819,616	\$88,144,088	\$323,571,976	\$1,370,846,929	
019	\$52,648,072	\$188,204,578	\$42,666,679	\$158,952,076	\$63,142,008	\$87,952,431	\$305,539,295	\$1,454,850,913	
716	\$52,998,768	\$171,161,387	\$30,717,117	\$158,952,076	\$63,413,960	\$85,565,088	\$303,694,082	\$1,418,191,379	
903	\$52,604,570	\$116,652,164	\$22,245,567	\$158,952,076	\$65,034,656	\$83,229,807	\$335,630,779	\$1,384,834,325	
155	\$54,116,864	\$53,631,018	\$44,559,800	\$158,952,076	\$64,591,817	\$90,161,982	\$338,909,239	\$1,331,219,927	
093	\$59,438,443	\$37,991,408	\$28,606,360	\$158,952,076	\$64,845,308	\$88,166,714	\$341,980,002	\$1,249,377,515	

Cash Flow Account Balances



Fluctuations in the SD Cash Flow Account:
 Each of the 500+ funds in the state's cash flow account can fluctuate from day-to-day and month-to-month based on seasonal trends in tax collection, spending, and the level of activity in the areas for which each fund is dedicated.

Code	Description
REST	500+ remaining funds in Cash Flow
SDBA	SD Building Authority
REDI	REDI Fund
RD	Rainy Day Funds (Reserve & PTRF)
PI	Payment Imprest (Uncashed Checks)
GF	State General Fund
FF	Investing in SD Future Fund
DOT	Highway Fund & Other Trans. Funds
DENR	Environmental Funds
BOR	Higher Ed (Tuition, Fees, Misc)
AF	Agency Funds Pending Distribution



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