



GOVERNOR'S OFFICE OF ECONOMIC DEVELOPMENT  
**SOUTH DAKOTA**



**GOED DRIVES** the economic  
development **ENVIRONMENT** that  
**ENSURES** the next generation can  
**SUCCEED** in **SOUTH DAKOTA.**

OUR  
**VISION**



# BUDGET BRIEFING

# Budget Briefing

3A

- Requested Increases to FY27 Appropriation and Recommended by the Governor:
  - \$23,000 in Federal Fund expenditure authority to right - size against the increased rates to procure accounting services.
  - \$14,000 in Other Funds expenditure authority to right - size against the increased rates to procure accounting services.
  - \$23,786 in Other Funds expenditure authority to right - size against the increased rates charged to the agency for the DLA audit.
- Requested Increases the Governor DID NOT Recommend:
  - \$900,000 in General Fund appropriation to fund SD Trade Association.

# Budget Briefing

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## Governor's Office of Economic Development Fiscal Year 2027 Budget Brief Detail

Information contained in this document is based on the Governor's FY2027 Budget and may not correspond with the final budget adopted by the Legislature.

### Major Items Summary - Governor's Office of Economic Development

	Agency Request					Governor's Recommendation				
	General	Federal	Other	Total	FTE	General	Federal	Other	Total	FTE
<b>FY 2026 Base Budget</b>	<b>\$7,523,560</b>	<b>\$32,237,941</b>	<b>\$68,977,075</b>	<b>\$108,738,576</b>	<b>124.3</b>	<b>\$7,523,560</b>	<b>\$32,237,941</b>	<b>\$68,977,075</b>	<b>\$108,738,576</b>	<b>124.3</b>
1. Accounting Services for Revolving Economic Development Initiative	\$0	\$0	\$14,000	\$14,000	0.0	\$0	\$0	\$14,000	\$14,000	0.0
2. Accounting Services for State Small Business Credit Initiative	\$0	\$23,000	\$0	\$23,000	0.0	\$0	\$23,000	\$0	\$23,000	0.0
3. Infrastructure Investment and Jobs Act Grant Expiration	\$0	\$0	\$0	\$0	0.0	\$0	(\$20,000,000)	\$0	(\$20,000,000)	0.0
4. South Dakota Trade Operating Expenses	\$900,000	\$0	\$0	\$900,000	0.0	\$0	\$0	\$0	\$0	0.0
5. State Audit Services for Revolving Economic Development Initiative	\$0	\$0	\$23,786	\$23,786	0.0	\$0	\$0	\$23,786	\$23,786	0.0
<b>FY 2027 Total Budget</b>	<b>\$8,423,560</b>	<b>\$32,260,941</b>	<b>\$69,014,861</b>	<b>\$109,699,362</b>	<b>124.3</b>	<b>\$7,523,560</b>	<b>\$12,260,941</b>	<b>\$69,014,861</b>	<b>\$88,799,362</b>	<b>124.3</b>
Change from Base Budget	\$900,000	\$23,000	\$37,786	\$960,786	0.0	\$0	(\$19,977,000)	\$37,786	(\$19,939,214)	0.0
% Change from Base Budget	12.0%	0.1%	0.1%	0.9%	0.0%	0.0%	(62.0%)	0.1%	(18.3%)	0.0%

# Budget Briefing

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- **Requested Decreases to FY27 Appropriation and Recommended by the Governor:**
  - \$20 Million in Federal Fund expenditure authority from the expiring IJA.
    - The expenditure authority sought by HB- 1048 will replace the need for this \$20 Million as the BEAD program continues.
    - HB- 1048 is an Emergency Special Appropriation Bill
- **Governor's Recommended FY26 Supplemental Bill Changes:**
  - Requests increase of \$15,375,000 in Federal Funds expenditure authority for CDBG - DR.
  - Request increase of \$300,000 in General Funds appropriation to commission a nuclear energy study.

# Budget Briefing

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## SHORT-TERM

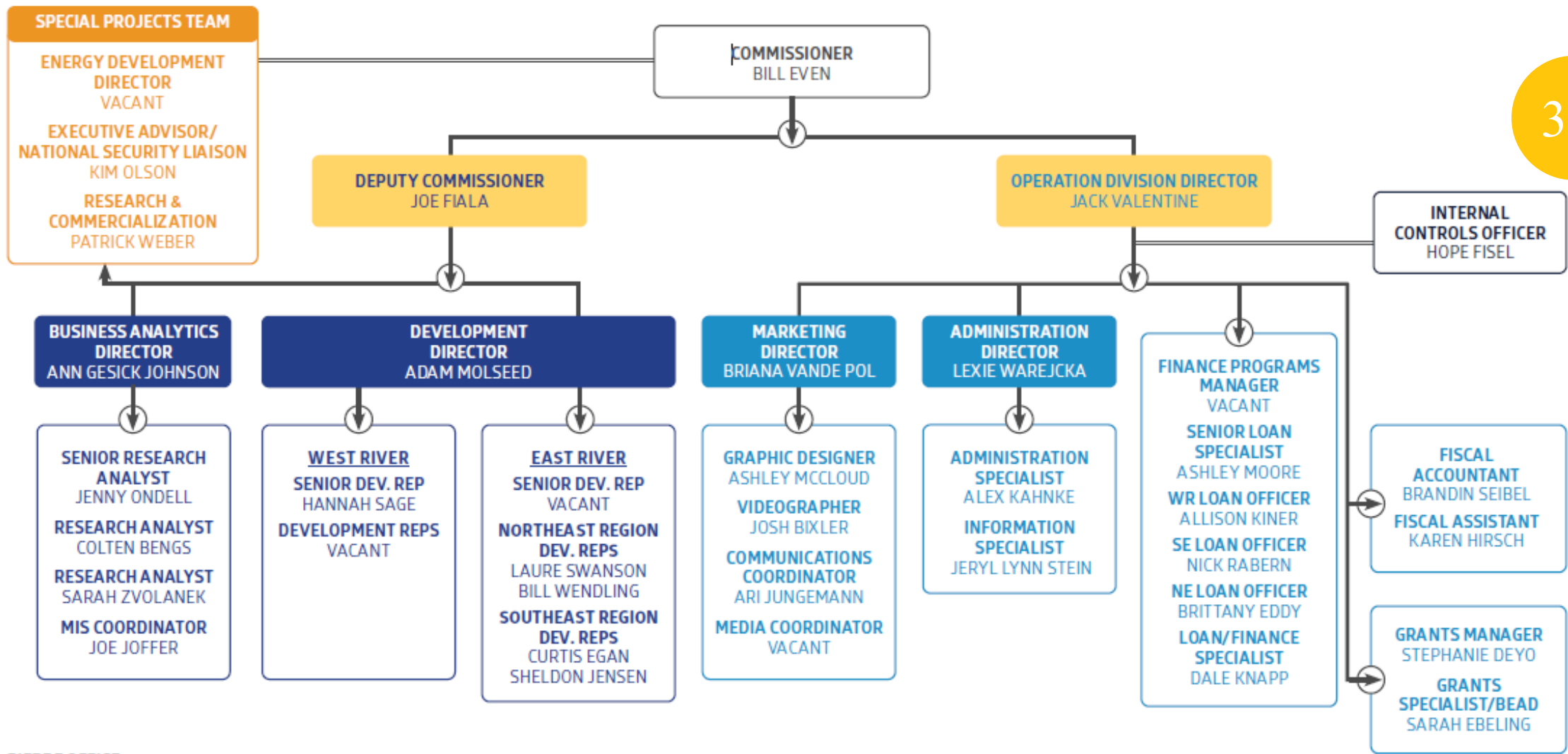
- Short-term: We continue to be on the forefront of significant growth in South Dakota. GOED will remain as nimble and flexible as possible to be able to adapt to a changing economic landscape.
- SLRF Funding forConnectSD sunsets at the end of 2026
- Our loan portfolios are solvent, liquid, and in good shape.
- Our grant portfolios continue to be able to operate within their appropriated amounts.
- Continued interest is likely to remain high.

## MID-TERM

- Broadband activity and small business lending will continue.
- SSBCI lending activities ("SD Works 2.0") will continue, and the capital program policy and guidelines will continue to govern how the monies are deployed

## LONG-TERM

- Broadband activity will begin tapering off in 3-5 years as many projects wrap up. Other programs expected to remain stable.
- The State has received and is operating with a large amount of one-time federal money (BEAD, CDBG-DR, SSBCI).
- These funding sources will sunset in the coming 7-10 years.



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# Budget Briefing

REQUESTED  
\$15,675,000  
CHANGE TO  
THE  
FY26 BUDGET  
REQUEST

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There will be changes for FY27

- Special Appropriations or Supplemental Budget Request
  - BEAD (HB-1048)

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# Direct Loan Programs

- 18 Loans Approved
    - \$45,799,670 Financing Dollars Approved
    - 981 Total Projected FTEs created by project's financed
  - In return for repayment + interest and \$857,066,816 Total Project Investment made into South Dakota
- ✓ REDI
  - ✓ SOUTH DAKOTA WORKS

# Bond Programs (Conduit Financings)

- 5 Bond Issues Approved
    - \$28,499,000 aggregate of Series 2026 Bonds
  - \$1,469,000 Beginning Farmer Bond Program
    - 3 Bond issues for qualified Beginning Farmers
      - Program limit is capped at \$659,000/Beginning Farmer per IRC
  - \$27,030,000 Livestock Nutrient Management Bond Program
    - 2 Bond issues for dairy expansions
- ✓ BEGINNING FARMER BOND
  - ✓ LIVESTOCK NUTRIENT MANAGEMENT BOND

# Grant Programs

- 28 Grants Approved
- \$59,132,439 Grant Dollars Approved
- These grants induced \$675,261,491 in total project investment made into South Dakota

- ✓ COMMUNITY DEVELOPMENT BLOCK GRANTS
- ✓ PROOF OF CONCEPT
- ✓ WORKFORCE DEVELOPMENT
- ✓ BUILDING SOUTH DAKOTA:
  - ✓ REINVESTMENT PAYMENT PROGRAM
  - ✓ SOUTH DAKOTA JOBS
  - ✓ LOCAL INFRASTRUCTURE IMPROVEMENT
  - ✓ ECONOMIC DEVELOPMENT PARTNERSHIP
- ✓ FUTURE FUNDS

# Budget Briefing

## IT Projects

- Concurrent with a rebranding strategy, GOED contracted with a new marketing agency to refresh our website because keeping our website fresh is important to our ongoing operations.

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## Lean Process

- In keeping with SDCL 156-8 GOED established a stand-alone internal control officer position.
- Committed focus on using the information developed by the internal controls process to drive the creation of SOPs that we are efficient, effective, and reduce or eliminate waste.
- Creation of Administrative Director role that will coordinate the development of SOPs from the internal controls process.

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## Overtime

- No overtime usage

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## FTE Utilization

- FY24: Unutilized 2.3
- FY25: Full utilization of FTEs
  - Referenced internal control officer used a redefined FTE classification and position
- FY26: Projecting full utilization of FTEs
- We've been effective in retaining and recruiting employees
- Turnover remains stable

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## Fee Increases

- There are no proposed fee increases

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# THANK YOU



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