



2026 South Dakota Legislature

House Bill 1251

Introduced by: **Representative Mulder**

1 **An Act to create the community-based providers methodology supplement fund,**
 2 **create the target teacher salary supplement fund, and provide for the transfer**
 3 **of certain unobligated cash balances to the fund.**

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

5 **Section 1. That a NEW SECTION be added to chapter 13-13:**

6 There is created in the state treasury the target teacher salary supplement fund.
 7 The fund consists of moneys specified for deposit in the fund pursuant to § 4-7-32. The
 8 Department of Education shall administer the fund. The purpose of the fund is to enable
 9 an increase to the target teacher salary, as set forth in § 13-13-10.1.

10 The department, as part of the annual budget submission, in accordance with § 4-
 11 7-7, shall submit a budget request utilizing money from the fund to provide an increase
 12 in the target teacher salary, as set forth in § 13-13-10.1.

13 Interest on moneys credited to the fund must remain in the fund.

14 Expenditures from the fund must be budgeted through the general appropriation
 15 bill.

16 **Section 2. That a NEW SECTION be added to chapter 28-22:**

17 There is created in the state treasury the community-based providers methodology
 18 supplement fund. The fund consists of moneys specified for deposit in the fund pursuant
 19 to § 4-7-32. The Department of Human Services shall administer the fund. The purpose
 20 of the fund is to enable an increase in the rates payable to the types of community-based
 21 providers listed in § 28-22-6, in order for the rate methodology of each provider to be
 22 closer to one hundred percent of the methodology established in chapter 28-22.

23 The department, as part of the annual budget submission, in accordance with § 4-
 24 7-7, shall submit a budget request utilizing money from the fund to provide a uniform

1 increase in rates for community-based providers and specify the percentage of
2 methodology each community-based provider is to be at with the change.

3 Interest on moneys credited to the fund must remain in the fund.

4 Expenditures from the fund must be budgeted through the general appropriation
5 bill.

6 **Section 3. That § 4-7-31 be AMENDED:**

7 **4-7-31.** ~~There is hereby established within~~ in the state treasury the budget reserve
8 fund. Expenditures from the fund may occur only by special appropriation of the
9 Legislature and may only redress unforeseen expenditure obligations or unforeseen
10 revenue shortfalls, as may constitute an emergency pursuant to S.D. Const., Art. III, § 1.

11 **Section 4. That § 4-7-32 be AMENDED:**

12 **4-7-32.** The transfer of all prior year unobligated cash must occur in accordance
13 with this section:

14 (1) ~~On July first of each fiscal year or at such~~ the time that the prior fiscal year general
15 fund ~~ending~~ unobligated cash balance is determined, the commissioner of the
16 Bureau of Finance and Management shall transfer ~~all~~ prior year unobligated cash,
17 up to an amount ~~equal to~~ equaling ten percent of the general fund appropriations
18 from the general appropriation act for the prior fiscal year, into the budget reserve
19 fund. ~~In no event shall the~~ The cash balance in the budget reserve fund ~~be greater~~
20 ~~than~~ may not exceed ten percent of the general fund appropriations from the
21 general appropriation act for the prior fiscal year.;

22 ~~Expenditures out of the budget reserve fund shall only be by special appropriation of the~~
23 ~~Legislature and shall only redress such unforeseen expenditure obligations or such~~
24 ~~unforeseen revenue shortfalls as may constitute an emergency pursuant to S.D.~~
25 ~~Const., Art. III, § 1.~~

26 (2) If any unobligated cash balance remains after the requirements of subdivision (1)
27 are met, the commissioner must:

28 (a) Transfer thirty percent of the remaining balance to the community-based
29 providers methodology supplement fund, created in section 2 of this Act;

30 (b) Transfer thirty percent of the remaining balance to the target teacher salary
31 supplement fund, created in section 1 of this Act; and

32 (c) Transfer forty percent of the remaining balance to the general revenue
33 placement fund, created in § 4-7-45.

1 **Section 5. That § 4-7-39 be REPEALED.**

2 ~~The commissioner of the Bureau of Finance and Management shall transfer any~~
3 ~~unobligated cash remaining after the transfer into the budget reserve fund as required by~~
4 ~~§ 4-7-32 into the general revenue replacement fund if the amount in the general revenue~~
5 ~~replacement fund does not exceed fifteen percent of the general fund appropriations in~~
6 ~~the General Appropriations Act for the previous fiscal year.~~