

2026 South Dakota Legislature

House Bill 1251**AMENDMENT 1251C
FOR THE INTRODUCED BILL**

This bill has been extensively amended (hoghoused) and may no longer be consistent with the original intention of the sponsor.

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 funds.**

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

5 **Section 1. That § 4-7-31 be AMENDED:**

6 ~~4-7-31. There is hereby established within the state treasury the budget reserve~~
 7 ~~fund. Expenditures from the fund may occur only by special appropriation of the~~
 8 ~~Legislature and may redress only unforeseen expenditure obligations or unforeseen~~
 9 ~~revenue shortfalls, as may constitute an emergency pursuant to S.D. Const., Art. III, § 1.~~

10 **Section 2. That § 4-7-32 be AMENDED:**

11 ~~4-7-32. The transfer of all prior year unobligated cash must occur in accordance~~
 12 ~~with this section:~~

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

21 ~~Expenditures out of the budget reserve fund shall only be by special appropriation of the~~
 22 ~~Legislature and shall only redress such unforeseen expenditure obligations or such~~

~~unforeseen revenue shortfalls as may constitute an emergency pursuant to S.D. Const., Art. III, § 1.; and~~

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

(a) Thirty percent of the remaining balance to the community-based providers methodology supplement fund, created in section 4 of this Act;

(b) Thirty percent of the remaining balance to the target teacher salary supplement fund, created in section 3 of this Act; and

(c) Forty percent of the remaining balance to the general revenue replacement fund, created in § 4-7-45.

Section 3. That a NEW SECTION be added to chapter 13-13:

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

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

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

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

Section 4. That a NEW SECTION be added to chapter 28-22:

There is created in the state treasury the community-based providers methodology supplement fund. The fund consists of moneys specified for deposit in the fund pursuant to § 4-7-32. The Department of Human Services and the Department of Social Services shall each administer that portion of the fund to be used by the agency for the purpose of enabling an increase in the rates payable to the types of community-based providers listed in § 28-22-6, in order for the rate methodology of each provider to be closer to one hundred percent of the methodology established in chapter 28-22.

Each department, as part of the annual budget submission, in accordance with § 4-7-7, shall submit a budget request utilizing money from the fund to provide a uniform increase in rates for community-based providers and specify the percentage of methodology each community-based provider is to be at with the change.

1 Interest on moneys credited to the fund must remain in the fund.
2 Expenditures from the fund must be budgeted through the general appropriation
3 bill.

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

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

