

Department of Tourism

Fiscal Year 2026 Budget Brief Detail

Information contained in this document is based on the Governor's FY2026 Budget and may not correspond with the final budget adopted by the Legislature.

Major Items Summary - Department of Tourism

	Agency Request					Governor's Recommendation				
	General	Federal	Other	Total	FTE	General	Federal	Other	Total	FTE
FY 2026 Base Budget	\$0	\$9,796,773	\$25,010,107	\$34,806,880	38.7	\$0	\$9,796,773	\$25,010,107	\$34,806,880	38.7
1. Grant Specialist FTE	\$0	\$0	\$97,461	\$97,461	1.0	\$0	\$0	\$0	\$0	0.0
2. National Endowment for the Arts Federal Fund Authority	\$0	\$487,527	\$0	\$487,527	0.0	\$0	\$487,527	\$0	\$487,527	0.0
3. Tourism Promotion Tax Revenue Increase	\$0	\$0	\$588,219	\$588,219	0.0	\$0	\$0	\$588,219	\$588,219	0.0
FY 2026 Total Budget	\$0	\$10,284,300	\$25,695,787	\$35,980,087	39.7	\$0	\$10,284,300	\$25,598,326	\$35,882,626	38.7
Change from Base Budget	\$0	\$487,527	\$685,680	\$1,173,207	1.0	\$0	\$487,527	\$588,219	\$1,075,746	0.0
% Change from Base Budget	0.0%	5.0%	2.7%	3.4%	2.6%	0.0%	5.0%	2.4%	3.1%	0.0%

Department of Tourism Budget Request

By Fund Category	FY 2023 Actual	FY 2024 Actual	FY 2024 Budget Revised	FY 2025 Budget	FY 2026 Agency Request	FY 2026 Governors Recommended	Change From FY2025
General	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Federal	\$9,359,612	\$12,573,978	\$12,824,062	\$9,796,773	\$10,284,300	\$10,284,300	\$487,527
Other	\$18,559,517	\$22,234,585	\$22,372,623	\$25,010,107	\$25,695,787	\$25,598,326	\$588,219
Total	\$27,919,129	\$34,808,563	\$35,196,685	\$34,806,880	\$35,980,087	\$35,882,626	\$1,075,746
By Program	FY 2023 Actual	FY 2024 Actual	FY 2024 Budget Revised	FY 2025 Budget	FY 2026 Agency Request	FY 2026 Governors Recommended	Change From FY2025
Tourism	\$26,063,372	\$32,521,600	\$32,621,296	\$32,352,534	\$32,925,331	\$32,925,331	\$572,797
Arts	\$1,855,757	\$2,286,963	\$2,575,389	\$2,454,346	\$3,054,756	\$2,957,295	\$502,949
Total	\$27,919,129	\$34,808,563	\$35,196,685	\$34,806,880	\$35,980,087	\$35,882,626	\$1,075,746
By Object Expenditure Personnel Costs	FY 2023 Actual	FY 2024 Actual	FY 2024 Budget Revised	FY 2025 Budget	FY 2026 Agency Request	FY 2026 Governors Recommended	Change From FY2025
	\$2,734,378	\$3,160,618	\$3,162,136	\$3,213,069	\$3,306,530	\$3,213,069	\$0
Salaries	\$2,170,488	\$2,519,685	\$2,476,725	\$2,511,723	\$2,583,467	\$2,511,723	\$0
Benefits	\$563,890	\$640,933	\$685,411	\$701,346	\$723,063	\$701,346	\$0

Operating Expenditures	FY 2023 Actual	FY 2024 Actual	FY 2024 Budget Revised	FY 2025 Budget	FY 2026 Agency Request	FY 2026 Governors Recommended	Change From FY2025
	\$25,184,751	\$31,647,945	\$32,034,549	\$31,593,811	\$32,673,557	\$32,669,557	\$1,075,746
Travel	\$320,209	\$333,421	\$308,205	\$379,207	\$382,207	\$379,207	\$0
Contractual Services	\$21,174,652	\$27,427,949	\$29,103,420	\$28,537,636	\$29,110,933	\$29,110,433	\$572,797
Supplies	\$560,632	\$677,746	\$364,764	\$364,764	\$365,264	\$364,764	\$0
Grants	\$2,834,736	\$3,156,566	\$2,218,160	\$2,272,204	\$2,775,153	\$2,775,153	\$502,949
Capital Outlay	\$291,832	\$30,915	\$40,000	\$40,000	\$40,000	\$40,000	\$0
Other Expenses and Budgeted Operating Transfers Out	\$2,690	\$21,348	\$0	\$0	\$0	\$0	\$0
Total	\$27,919,129	\$34,808,563	\$35,196,685	\$34,806,880	\$35,980,087	\$35,882,626	\$1,075,746
Full-Time Equivalent (FTE)	36.47	36.91	38.7	38.7	39.7	38.7	0.00

Reversions and Unutilized FTE (04)

	General	Federal	Other
Original Appropriation FY2024	\$0	\$9,634,098	\$22,419,129
Pool Distributions	\$0	\$6,431	\$343,819
Supplemental Changes	\$0	\$2,783,533	\$0
Agency Adjustments	\$0	\$0	\$9,675
Transfers	\$0	\$400,000	(\$400,000)
Reorganizations	\$0	\$0	\$0
Adjusted Appropriation FY2024	\$0	\$12,824,062	\$22,372,623
FY2024 Expenditures	\$0	\$12,573,978	\$22,234,585
Reversion of Authority	\$0	\$250,084	\$138,038
Unutilized FTE			1.8

Tourism (0420)

To promote and increase the level of tourism business and related employment by working together with businesses, other areas of government, and regional groups to market and promote the state's natural resources, culture, attractions, history and its people as an integrated part of economic development.

Major Items Summary: Tourism (0420)

	Agency Request					Governor's Recommendation				
	General	Federal	Other	Total	FTE	General	Federal	Other	Total	FTE
FY 2026 Base Budget	\$0	\$8,750,000	\$23,602,534	\$32,352,534	34.7	\$0	\$8,750,000	\$23,602,534	\$32,352,534	34.7
1. Tourism Promotion Tax Revenue Increase	\$0	\$0	\$572,797	\$572,797	0.0	\$0	\$0	\$572,797	\$572,797	0.0
FY 2026 Total Budget	\$0	\$8,750,000	\$24,175,331	\$32,925,331	34.7	\$0	\$8,750,000	\$24,175,331	\$32,925,331	34.7
Change from Base Budget	\$0	\$0	\$572,797	\$572,797	0.0	\$0	\$0	\$572,797	\$572,797	0.0
% Change from Base Budget	0.0%	0.0%	2.4%	1.8%	0.0%	0.0%	0.0%	2.4%	1.8%	0.0%

1. Tourism Promotion Tax Revenue Increase

	General	Federal	Other	Total	FTE
Agency Request	\$0	\$0	\$572,797	\$572,797	0.00
Governor's Recommendation	\$0	\$0	\$572,797	\$572,797	0.00

The agency requests an increase of **\$588,219** in **other fund** expenditure authority for to align with projected increase in promotion and gaming tax dollars.

\$479,449 is for the projected Tourism Promotion Tax increase and \$111,770 is for the projected increase in Gaming Tax.

\$572,797 of this authority will be utilized to fund marketing work on a plethora of marketing platforms-broadcast, cable and connected TV, print, digital, social out of home, email, and video. The agency will continue to place its marketing in its key markets, which include Minnesota, Iowa, Nebraska, Colorado, Illinois, Texas, South Dakota, North Dakota, Wyoming, Montana, etc.

\$15,422 of this authority will allow South Dakota Arts Council to increase its grant-making budget at a commensurate level with the increases in federal/National Endowment for the Arts funding and the corresponding required 1-to-1 state match. The majority of these funds will be granted to arts and cultural nonprofits and artists working in South Dakota.

The governor recommends this request.

Reversions and Unutilized FTE (0420)

	General	Federal	Other
Original Appropriation FY2024	\$0	\$8,750,000	\$21,188,047
Pool Distributions	\$0	\$0	\$291,574
Supplemental Changes	\$0	\$2,783,533	\$0
Agency Adjustments	\$0	\$0	\$8,142
Transfers	\$0	\$0	(\$400,000)
Reorganizations	\$0	\$0	\$0
Adjusted Appropriation FY2024	\$0	\$11,533,533	\$21,087,763
FY2024 Expenditures	\$0	\$11,524,969	\$20,996,630
Reversion of Authority	\$0	\$8,564	\$91,133
Unutilized FTE			1.8

Budget Request: Tourism (0420)

By Fund Category	FY 2023 Actual	FY 2024 Actual	FY 2024 Budget Revised	FY 2025 Budget	FY 2026 Agency Request	FY 2026 Governors Recommended	Change From FY2025
General	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Federal	\$8,444,075	\$11,524,969	\$11,533,533	\$8,750,000	\$8,750,000	\$8,750,000	\$0
Other	\$17,619,296	\$20,996,630	\$21,087,763	\$23,602,534	\$24,175,331	\$24,175,331	\$572,797
Total	\$26,063,372	\$32,521,600	\$32,621,296	\$32,352,534	\$32,925,331	\$32,925,331	\$572,797
By Program	FY 2023 Actual	FY 2024 Actual	FY 2024 Budget Revised	FY 2025 Budget	FY 2026 Agency Request	FY 2026 Governors Recommended	Change From FY2025
Tourism	\$26,063,372	\$32,521,600	\$32,621,296	\$32,352,534	\$32,925,331	\$32,925,331	\$572,797
Total	\$26,063,372	\$32,521,600	\$32,621,296	\$32,352,534	\$32,925,331	\$32,925,331	\$572,797
By Object Expenditure Personnel Costs	FY 2023 Actual	FY 2024 Actual	FY 2024 Budget Revised	FY 2025 Budget	FY 2026 Agency Request	FY 2026 Governors Recommended	Change From FY2025
	\$2,383,262	\$2,726,918	\$2,727,775	\$2,758,978	\$2,758,978	\$2,758,978	\$0
Salaries	\$1,894,565	\$2,175,480	\$2,135,867	\$2,153,551	\$2,153,551	\$2,153,551	\$0
Benefits	\$488,697	\$551,438	\$591,908	\$605,427	\$605,427	\$605,427	\$0
Operating Expenditures	FY 2023 Actual	FY 2024 Actual	FY 2024 Budget Revised	FY 2025 Budget	FY 2026 Agency Request	FY 2026 Governors Recommended	Change From FY2025
	\$23,680,110	\$29,794,682	\$29,893,521	\$29,593,556	\$30,166,353	\$30,166,353	\$572,797
Travel	\$309,605	\$315,950	\$280,245	\$347,445	\$347,445	\$347,445	\$0
Contractual Services	\$21,065,422	\$27,259,533	\$28,974,776	\$28,407,611	\$28,980,408	\$28,980,408	\$572,797
Supplies	\$557,923	\$672,848	\$358,500	\$358,500	\$358,500	\$358,500	\$0
Grants	\$1,472,072	\$1,515,435	\$260,000	\$460,000	\$460,000	\$460,000	\$0

Operating Expenditures	FY 2023 Actual	FY 2024 Actual	FY 2024 Budget Revised	FY 2025 Budget	FY 2026 Agency Request	FY 2026 Governors Recommended	Change From FY2025
Capital Outlay	\$275,086	\$30,915	\$20,000	\$20,000	\$20,000	\$20,000	\$0
Total	\$26,063,372	\$32,521,600	\$32,621,296	\$32,352,534	\$32,925,331	\$32,925,331	\$572,797
Full-Time Equivalent (FTE)	32.32	32.87	34.7	34.7	34.7	34.7	0.00

Funding Sources (Governor's Recommended)

	General	Federal	Other	General%	Federal%	Other%
FEDERAL STIMULUS FUNDS (COVID-19)	\$0	\$8,750,000	\$0	0.0%	100.0%	0.0%
TOURISM PROMOTION FUND	\$0	\$0	\$24,175,331	0.0%	0.0%	100.0%

Revenues and Statistics: Tourism (0420)

Revenues	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Estimated FY 2026
Promotion Tax	\$15,550,526	\$17,420,659	\$18,201,508	\$18,957,377
Gaming	\$4,327,111	\$4,519,801	\$4,644,253	\$4,864,050
Performance Indicators	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Estimated FY 2026
Tourism's Economic and Fiscal Impacts				
Total Impact (Direct & Indirect)	\$3.31B	\$3.56B	\$3.62B	\$3.67B
Total Visitation (millions)	\$14.4M	\$14.7M	\$14.9M	\$15.2M
Employment (Direct & Indirect)	56,826	57,835	58,703	59,583
Government Revenue Generated	\$361M	\$384M	\$390M	\$396M
Visitor Spending (in billions)	\$4.73B	\$4.96B	\$5.04B	\$5.11B

Arts (0441)

The South Dakota Arts Council is a state agency serving South Dakotans and their communities through the arts. Recognizing the importance of creativity in the lives of South Dakotans, the SD Arts Council makes quality arts accessible throughout the state by providing encouragement, grants, services, and information to artists, arts organizations, schools, and the public.

Major Items Summary: Arts (0441)

	Agency Request					Governor's Recommendation				
	General	Federal	Other	Total	FTE	General	Federal	Other	Total	FTE
FY 2026 Base Budget	\$0	\$1,046,773	\$1,407,573	\$2,454,346	4.0	\$0	\$1,046,773	\$1,407,573	\$2,454,346	4.0
1. Grant Specialist FTE	\$0	\$0	\$97,461	\$97,461	1.0	\$0	\$0	\$0	\$0	0.0
2. National Endowment for the Arts Federal Fund Authority	\$0	\$487,527	\$0	\$487,527	0.0	\$0	\$487,527	\$0	\$487,527	0.0
3. Tourism Promotion Tax Revenue Increase	\$0	\$0	\$15,422	\$15,422	0.0	\$0	\$0	\$15,422	\$15,422	0.0
FY 2026 Total Budget	\$0	\$1,534,300	\$1,520,456	\$3,054,756	5.0	\$0	\$1,534,300	\$1,422,995	\$2,957,295	4.0
Change from Base Budget	\$0	\$487,527	\$112,883	\$600,410	1.0	\$0	\$487,527	\$15,422	\$502,949	0.0
% Change from Base Budget	0.0%	46.6%	8.0%	24.5%	25.0%	0.0%	46.6%	1.1%	20.5%	0.0%

1. Grant Specialist FTE

	General	Federal	Other	Total	FTE
Agency Request	\$0	\$0	\$97,461	\$97,461	1.00
Governor's Recommendation	\$0	\$0	\$0	\$0	0.00

The agency requests an increase of **\$97,461** in **other fund** expenditure authority and an increase of **1.0** FTE for an additional position within the South Dakota Art's Council. The other fund is the Tourism Promotion Tax Fund.

This position is requested due to the increase in grants awards and managed on an annual basis. Grant funds received from the National Endowment for the Arts (NEA) and the state Promotion Tax dollars have significantly increased over the last five years. In turn, additional grant funding going out to South Dakota Artists and increasing workload to the South Dakota Art's Council. This position would be classified as a Grant Specialist I, therefore, requested at Midpoint of a GJ. Salary \$71,743.68.

There is only 1 position currently within the South Dakota Arts Council (SDAC) classified as a grants specialist, and all SDAC staff (4 FTEs) currently contribute in some way or another to the agency’s grants administration. The current grant specialist position (1 FTE) is not dedicated entirely to management of grants and includes other job duties including but not limited to the following: accessibility coordinator, website administrator, process analyst, and public outreach. In addition, SDAC has less direct support with grant payments/administration in FY 2025 and going forward than previously. SDAC will continue to work with Travel South Dakota’ Finance Officer on grant payments, but no longer with the aid of an additional accounting assistant.

This position was not recommended given the current grant workload being met with the existing staff.

The governor does not recommend this request.

2. National Endowment for the Arts Federal Fund Authority

	General	Federal	Other	Total	FTE
Agency Request	\$0	\$487,527	\$0	\$487,527	0.00
Governor's Recommendation	\$0	\$487,527	\$0	\$487,527	0.00

The agency requests an increase of **\$487,527** in **federal funds** for aligning the agency’s budget with the annual award amount from the National Endowment for the Arts (NEA).

This is not a new grant or an extension to a grant, but the normal annual award that has increased over the past few years and the expenditure authority budget has not been adjusted accordingly. NEA grant funds are to be used to carry out a state arts agency’s “state arts plan”/strategic plan, with the expectation of subawarding funds to eligible arts and cultural organizations as well as artists and maintain the staff to do so.

The governor recommends this request.

3. Tourism Promotion Tax Revenue Increase

	General	Federal	Other	Total	FTE
Agency Request	\$0	\$0	\$15,422	\$15,422	0.00
Governor's Recommendation	\$0	\$0	\$15,422	\$15,422	0.00

The agency requests an increase of **\$588,219** in **other fund** expenditure authority for to align with projected increase in promotion and gaming tax dollars.

\$479,449 is for the projected Tourism Promotion Tax increase and \$111,770 is for the projected increase in Gaming Tax.

\$572,797 of this authority will be utilized to fund marketing work on a plethora of marketing platforms-broadcast, cable and connected TV, print, digital, social out of home, email, and video. The agency will continue to place its marketing in its key markets, which include Minnesota, Iowa, Nebraska, Colorado, Illinois, Texas, South Dakota, North Dakota, Wyoming, Montana, etc.

\$15,422 of this authority will allow South Dakota Arts Council to increase its grant-making budget at a commensurate level with the increases in federal/National Endowment for the Arts funding and the corresponding required 1-to-1 state match. The majority of these funds will be granted to arts and cultural nonprofits and artists working in South Dakota.

The governor recommends this request.

Reversions and Unutilized FTE (0441)

	General	Federal	Other
Original Appropriation FY2024	\$0	\$884,098	\$1,231,082
Pool Distributions	\$0	\$6,431	\$52,245
Supplemental Changes	\$0	\$0	\$0
Agency Adjustments	\$0	\$0	\$1,533
Transfers	\$0	\$400,000	\$0
Reorganizations	\$0	\$0	\$0
Adjusted Appropriation FY2024	\$0	\$1,290,529	\$1,284,860
FY2024 Expenditures	\$0	\$1,049,008	\$1,237,955
Reversion of Authority	\$0	\$241,521	\$46,905
Unutilized FTE			(0.0)

Budget Request: Arts (0441)

By Fund Category	FY 2023 Actual	FY 2024 Actual	FY 2024 Budget Revised	FY 2025 Budget	FY 2026 Agency Request	FY 2026 Governors Recommended	Change From FY2025
General	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Federal	\$915,537	\$1,049,008	\$1,290,529	\$1,046,773	\$1,534,300	\$1,534,300	\$487,527
Other	\$940,220	\$1,237,955	\$1,284,860	\$1,407,573	\$1,520,456	\$1,422,995	\$15,422
Total	\$1,855,757	\$2,286,963	\$2,575,389	\$2,454,346	\$3,054,756	\$2,957,295	\$502,949

By Program	FY 2023 Actual	FY 2024 Actual	FY 2024 Budget Revised	FY 2025 Budget	FY 2026 Agency Request	FY 2026 Governors Recommended	Change From FY2025
Arts	\$1,855,757	\$2,286,963	\$2,575,389	\$2,454,346	\$3,054,756	\$2,957,295	\$502,949
Total	\$1,855,757	\$2,286,963	\$2,575,389	\$2,454,346	\$3,054,756	\$2,957,295	\$502,949
By Object Expenditure Personnel Costs	FY 2023 Actual	FY 2024 Actual	FY 2024 Budget Revised	FY 2025 Budget	FY 2026 Agency Request	FY 2026 Governors Recommended	Change From FY2025
	\$351,116	\$433,700	\$434,361	\$454,091	\$547,552	\$454,091	\$0
Salaries	\$275,923	\$344,205	\$340,858	\$358,172	\$429,916	\$358,172	\$0
Benefits	\$75,193	\$89,495	\$93,503	\$95,919	\$117,636	\$95,919	\$0
Operating Expenditures	FY 2023 Actual	FY 2024 Actual	FY 2024 Budget Revised	FY 2025 Budget	FY 2026 Agency Request	FY 2026 Governors Recommended	Change From FY2025
	\$1,504,641	\$1,853,263	\$2,141,028	\$2,000,255	\$2,507,204	\$2,503,204	\$502,949
Travel	\$10,604	\$17,471	\$27,960	\$31,762	\$34,762	\$31,762	\$0
Contractual Services	\$109,230	\$168,415	\$128,644	\$130,025	\$130,525	\$130,025	\$0
Supplies	\$2,708	\$4,898	\$6,264	\$6,264	\$6,764	\$6,264	\$0
Grants	\$1,362,664	\$1,641,131	\$1,958,160	\$1,812,204	\$2,315,153	\$2,315,153	\$502,949
Capital Outlay	\$16,745	\$0	\$20,000	\$20,000	\$20,000	\$20,000	\$0
Other Expenses and Budgeted Operating Transfers Out	\$2,690	\$21,348	\$0	\$0	\$0	\$0	\$0
Total	\$1,855,757	\$2,286,963	\$2,575,389	\$2,454,346	\$3,054,756	\$2,957,295	\$502,949
Full-Time Equivalent (FTE)	4.15	4.04	4.0	4.0	5.0	4.0	0.00

Funding Sources (Governor's Recommended)						
	General	Federal	Other	General%	Federal%	Other%
BSG-NEA-BASIC STATE GRANT	\$0	\$1,534,300	\$0	0.0%	100.0%	0.0%
FINE ARTS	\$0	\$0	\$1,422,995	0.0%	0.0%	100.0%

Revenues and Statistics: Arts (0441)

Revenues	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Estimated FY 2026
Promotion Tax	\$1,239,908	\$1,307,205	\$1,370,006	\$1,426,899
Performance Indicators	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Estimated FY 2026
Co-Sponsored Events	6,828	6,953	6,044	6,044
Attendance at Co-Sponsored Events	758,555	1,656,662	995,609	995,609
Total Grants/Projects	335	318	400	400
Artists Served	11,520	13,710	12,029	12,029
Artists in Schools Residency - Weeks	164	150	153	153
Youth Served	223,288	713,476	320,384	320,384
Touring Arts Bookings	140	142	163	163
Touring Arts Attendance	31,037	36,657	40,364	40,364

Budget History

FY 2025 Budget		General	Federal	Other	Total	FTE
Tourism Promotion Tax Revenue Increase		\$0	\$0	\$2,082,918	\$2,082,918	0.00
National Endowment for the Arts (NEA) Grant Funding		\$0	\$153,771	\$0	\$153,771	0.00
Totals		\$0	\$153,771	\$2,082,918	\$2,236,689	0.00
Session 2024 Supplemental and Special Appropriations		General	Federal	Other	Total	FTE
COVID-19 Federal Grant Expenditure Authority	SB 52	\$0	\$2,783,533	\$0	\$2,783,533	0.00
Totals		\$0	\$2,783,533	\$0	\$2,783,533	0.00
FY 2024 Budget		General	Federal	Other	Total	FTE
Marketing and Advertising Expansion		\$0	\$0	\$2,651,056	\$2,651,056	0.00
Promotion Tax Distribution		\$0	\$0	\$964,231	\$964,231	0.00
Totals		\$0	\$0	\$3,615,287	\$3,615,287	0.00
Session 2023 Supplemental and Special Appropriations		General	Federal	Other	Total	FTE
No Changes						
Totals		\$0	\$0	\$0	\$0	0.00
FY 2023 Budget		General	Federal	Other	Total	FTE
Special Events Director		\$0	\$0	\$106,560	\$106,560	1.00
ARPA Funding Authority		\$0	\$8,750,000	\$0	\$8,750,000	0.00
Marketing and Advertising Expansion		\$0	\$0	\$349,038	\$349,038	0.00
Totals		\$0	\$8,750,000	\$455,598	\$9,205,598	1.00
Session 2022 Supplemental and Special Appropriations		General	Federal	Other	Total	FTE
COVID-19 Federal Grant Expenditure Authority	SB 60	\$0	\$751,500	\$0	\$751,500	0.00
Totals		\$0	\$751,500	\$0	\$751,500	0.00