



2024 Legislative Pre-Session Preview

Election year

The 2024 Legislature - 2nd Session

- Senate: 31(R) - 4(D) = 35
- House: 63(R) - 7(D) = 70

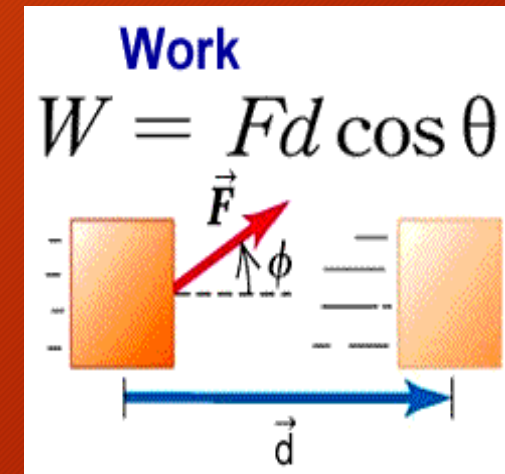
- One New Senator (Sen. Castleberry resigned)
- One New Representative (Rep. Jess Olson resigned)

- New Record number of Women
 - Senate - 8
 - House - 22



Their “Real” Lives

- Business/Professional - 54 (-1)
- Retired - 22
- Attorney - 8
- Agriculture (Farm/Ranch) - 8
- Agriculture/Business - 3
- Educators - 2
- Healthcare - 6
- Wife/Mother - 1



The Budget(s)

- State Fiscal Year begins July 1st.
- FY 2024 (Half)
 - Adopted by last year's session
 - Started in July
 - Amended (Second Half)
- FY 2025 - The "Budget" discussed
 - July 1st, 2024, to June 30th, 2025



Year to Date Revenue

- Revenues less than previous year:
 - Sales/Use = \$-19,499,202 (-3.6%) - \$522 million YTD
 - Tobacco = \$-1,315,947 (-6.9%) - \$18 million YTD
 - 4 Smaller = \$-1,606,804

Year to Date Revenue

- Revenue greater than previous year
 - Insurance = \$ +12,939,906 (+37.7%) - \$47 million YTD
 - CET - \$ +10,474,132 (14.3%) - \$84 million YTD

- Subtotal \$ + 94,206,644 (11.7%)
 - July sales tax from June sales was at 4.5% = one time \$9 million

Budget Conclusions

- **FY 2022** (June 30, 2022) = \$97 Million Surplus
- **Sales/Use Tax:** Reduced Roughly = To Rate Reduction
- **FY 2024 Budget Will Have Savings**
 - \$50 million reduction regular Medicaid
 - \$50-60 million reduction in Expanded Medicaid
- **FY 2024 & FY 2025:** Budget Return to Normal
 - Not crisis cutbacks.

Childcare

Why is this a business issue?

- **Workforce Issue**
 - How many people could join the workforce
 - Labor participation rate is high
- Chamber has been involved for two years.

How Chamber Focused on Childcare

Housing Issue

How much income to buy a “market price” home?

- Bad math = \$60,000 (really \$90,000)
- \$30/hr to \$45/hr

How many of those?

- Plenty Jobs: Salary
- Two at \$15/hr to \$20/hr

Unless childcare takes most
of one

Economics of Childcare Have Changed



Wage inflation post covid



Always been marginal; Now catastrophic



Federal money ends - closures



If not more workers; keeping the workforce we have

Creative Ideas - Collaborative

- **Businesses Opening Childcare Facilities**
 - Or providing space and finding an operator - liability
 - Jointly funding a space - with contracted operator
- **Stipends for Daycare Costs**
 - Becoming a new benefit like health insurance
- **Tri-share**
 - Costs split between parent, business and state funds
- **High Income/Large Business Solutions**
 - What about those making \$20/hr & small business

Some of the Issues

- **Costs of being Registered**
 - Few centers are registered
 - Fewer home providers
- **Income Enhancement Programs Require Registration**
 - Food payments
 - Low-Income Assistance (Federal money helps only 1,800)
- **Preschool**
 - 3- & 4-year-olds are profit margin for centers/home care

Actions

- **State money increase parent assistance**
 - From 209% poverty to a higher level
- **State payments to fully fair**
 - Move from hourly to enrolled - same as private pay
- **Child support payments - disqualify**



Medicaid Expansion - Workforce Issue

- **Passed 2022 General election**
 - 56% yes - to - 44% No
- **Started July 1st, 2023**
- **Current Enrollment = 12,623**
 - Estimated annual = 30,000
 - Total Medicaid Enrollment = 122,067
- **State projection = 47-53,000**
 - Cost split = 90% Federal; 10% State

Uniform Commercial Code

- **Regulates the rules for how money works**
 - Order a titanium bowling ball; get a titanium bowling ball
- **Business relies on this code**
 - Chamber/Retailers to lead update
- **Governor Veto**
 - Central Bank Digital Currencies (CBDC).
 - Digital currency (Bitcoin)
- **Bill to address CBDC**
 - UCC bill with amendment

Eminent Domain - CO2 Pipelines

- CO2 is licky
 - Some facilities can sequester on site
 - Not South Dakota
 - Need to transport
- Ethanol markets need
 - Aviation fuel potential
- Minority of landowners trying to stop
- PUC denied - Summit to reapply
 - Need to keep laws working



The Initiative/Referendum Process

- Established by a vote of the people in 1898
 - Amendments added by a vote of the people in 1972
- Initiatives: *Like any statute passed by the Legislature*
 - 5% of total votes cast for Governor
 - 17,508 - Due May 7th
- Amendments:
 - 10% votes cast for governor
 - 35,017 - Due May 7th



Ballot Measures

- 15 - Total filed
- 8 - Gathering signatures
 - 7 still in process
- Deadline: May 7th, 2024
- Abortion*
- Open Primaries*
- Sales Tax on Food* (2)
- Legislative Term Limits
- Prohibit Amend Ballot Measure
 - 7 years
- Repeal Medical Marijuana
- Legalizing Rec. Marijuana



- Business Day: Thursday February 22nd
- Chamber Briefing Fridays at Noon (Central)
- Capitol-ism Bulletin - Weekly