

Budget Crunch, Agenda Item 11

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Background

- Sioux Falls budget shortfall because:
- Inflation and housing shortage increase property tax
- Wages grow slower than property tax
- Income inequality makes situation worse
- People are struggling financially
- And ...

Budget Crunch

- SD government limited rising property taxes but ignored causes and consequences
- Senate bill 216 passed March 13, 2025
- Limiting taxes reduces local government services
- Reduces social welfare, maintains corporate welfare
- State-level politicians benefit (I cut taxes) by making local government cut services (unpopular)
- Sioux Falls will lose \$9 million annually after 3 years

What Should We Do?

- Change basic assumptions about government
- Increase revenue
- Lower costs
- Save money by caring and investing in people
- **No need to reduce government services**

Increase Revenue

- Legalize and tax recreational cannabis
- No more TIFs (Tax Increment Financing, development subsidies)
- Implement “service cost fee” to replace property tax. See “Property Tax Alternatives” presented September 2, 2025 by myself

Lower Costs

- Discourage alcohol consumption to reduce crime, disease, and death
- Stop prosecuting “possession by ingestion” drug crime
- Reduce display of overwhelming force (don’t send 4 cops to a traffic stop, reduce SWAT usage)
- Target illegal drug wholesalers instead of users
- Stop subsidizing suburban sprawl, promote more profitable denser development

Reduce Alcohol To Save \$

- Alcohol causes cancer, liver disease; frequently involved in violent crime; leads to DUI and traffic accidents
- Reducing alcohol usage would save lots of money
- But alcohol is a big industry that government protects
- See “Exclusive: RFK Jr. and the White House buried a major study on alcohol and cancer. Here's what it shows.” on [vox.com](https://www.vox.com)

Save By Caring & Investing

- House the homeless because it's cheaper than ignoring them
- Fund addiction treatment to reduce crime
- Treatment provides a great return on investment
- Increase addiction and rehabilitation services so there is no need for a \$650 million maximum security prison

Barriers To Change

- Ideas grow into policy only with a receptive audience
- Change is emotionally difficult
- Large organizations avoid risk because they punish failure more than reward success
- Government is controlled by rich businesses that benefit from the status quo
- Crony capitalist candidates get many donations and get elected

In The Life Of Sioux Falls

