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Governor signs application for federal stimulus funds

PIERRE, S.D. – Gov. Mike Rounds signed South Dakota’s application Thursday for state fiscal stabilization funds from the U.S. Department of Education, making South Dakota one of the first states to submit its official request for funds.

The application seeks \$127,497,174 in federal stimulus money. The funds will be used to restore education funding and to balance the state budget for the remainder of the fiscal year, ending June 30, and the next two fiscal years.

“Our fiscal team has been working feverishly since the legislative session ended last month to do this because we would otherwise have a shortfall in the current fiscal year,” Gov. Rounds said. “We need this money before June 30, and through a lot of hard work we’ve been able to compile the information needed in the application. We anxiously await approval by the U.S. Department of Education.”

The flexible stimulus funds, along with about \$38 million in reductions from December’s proposed budget, will make it possible to balance the 2010 budget without the use of budget reserves, the Governor said.

Jason Dilges, state Commissioner of Finance and Management, said nearly 82 percent of the funds, or \$104,292,688, will be spent on K-12 schools and higher education in South Dakota. The remaining 18 percent, or \$23,204,486, will be used for public safety/corrections programs, Dilges said.

The application, which was sent electronically Thursday, will allow the state to initially receive about two-thirds of the funds. The rest will be provided later in the year.

South Dakota is expecting to get a total of nearly \$750 million in federal stimulus funds in the next two years.