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PIERRE, S.D. – Gov. Dennis Daugaard has proposed a balanced Fiscal Year 2014 budget that provides more money for education, medical services for the poor and state employee salaries.

“South Dakota’s economy has recovered better than nearly every state in America. Our healthy economy is partly due to getting our fiscal house in order at the state government level,” the Governor said. “As a result, my FY2014 proposed budget allows for modest, sustainable growth.”

Gov. Daugaard outlined his new budget proposal today in an address to the South Dakota Legislature. The measure balances the next budget for essential state services without increasing taxes.

It also leaves more than \$16 million this fiscal year and over \$10 million in FY2014 uncommitted, allowing for a discussion between the Governor and legislators next session on how to best use the projected one-time funds.

“This year, we can consider proposals about new growth and new ideas. But as we go forward, it’s crucial that we maintain a structurally-balanced budget based on conservative revenue estimates,” the Governor said. “If we don’t, we risk a return to an era of ongoing expenses exceeding ongoing revenues. I have not recommended that we spend every last dollar – just as the Legislature did not appropriate every last dollar in March when the 2012 session ended.”

Among highlights of the Governor’s proposed Fiscal Year 2014 budget, which begins July 1, 2013, and ends June 30, 2014:

- K-12 education would receive a 3 percent ongoing increase
- The Board of Regents would receive an ongoing 3.2 percent increase
- The four technical institutes would receive a 3 percent ongoing increase
- Medicaid providers would receive an ongoing 3 percent increase
- State employees would receive a 3 percent ongoing increase

Gov. Dugaard's FY2014 budget proposal, totaling \$4.112 billion, would use general tax revenues of \$1.323 billion, \$1.699 billion in federal funds, and \$1.090 billion of other state revenue sources.

"My proposed budget heeds the principles to which I have been true to every year: Ongoing revenue pays for ongoing expenses, one-time funds pay for one-time expenses, and reserve funds are used only for emergencies," the Governor said.

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\* Here is an Internet link to the Governor's FY2014 budget proposal:  
<http://bfm.sd.gov>

\*\* The complete budget book, Governor's presentation, and all budget details are available at <http://bfm.sd.gov/budget/rec14/index.htm> . The direct link to budget slides is at [http://bfm.sd.gov/budget/rec14/Budget\\_Speech\\_2014\\_Slides.pdf](http://bfm.sd.gov/budget/rec14/Budget_Speech_2014_Slides.pdf)