

SOUTH DAKOTA LEGISLATIVE RESEARCH COUNCIL

2024 South Dakota Legislature

FISCAL NOTE 2024-FN105A

SB105, An Act to provide for the employment of veterans' service officers by the Department of Veterans Affairs.

SB 105, as introduced, would require the South Dakota Department of Veterans Affairs (SDDVA) to reimburse counties and tribes for salary, travel, training, and office expenses of county and tribal veterans' services officers (VSOs). The bill would also set the number of VSOs in each county according to the census of veterans residing in each county as published by the United States Department of Veterans Affairs. This fiscal note is based on the bill as introduced.

Section 2 of the bill changes the number of VSOs to match the census of veteran residents as provided by the United States Department of Veterans Affairs. If a county has less than 1,500 veteran residents, then the county employs one part-time VSO. If a county has between 1,500 and 4,000 veteran residents, then the county employs one full-time VSO. If a county has more than 4,000 veteran residents, then the county employs two full-time VSOs with an additional full-time VSO for every 4,000 veteran residents above 4,000 veteran residents. If a group of counties have a small enough veteran population for a part-time VSO, they could combine to form a region, and the bill would allow a calculation of veteran service officers based on the combined total of the veteran population in each county for that region.

The United States Department of Veteran Affairs provides a census estimate of veterans living in each county in South Dakota. Currently, there is at least one VSO employed by each county and region of counties. This bill would not change this except for Pennington County and Minnehaha County. There is currently one VSO serving in Minnehaha County and three VSOs serving in Pennington County. According to the United States Department of Veteran Affairs, as of September 2025, there could be 12,559 veterans residing in Minnehaha County and 12,121 veterans residing in Pennington County. Under this bill, both counties would need to hire a total of four full-time VSOs each. Minnehaha County would need to hire three additional full-time VSOs and Pennington County would need to hire one additional full-time VSO.

The counties of South Dakota could employ a total of 16 full-time VSOs and 46 part-time VSOs. The tribes employ 8 tribal VSOs which would be unchanged by this bill. The total number of VSOs employed in South Dakota could be 70.

Section 5 of the bill would require the SDDVA to reimburse the counties and tribes for the travel and training expenses for VSOs. VSOs are required to complete an annual training program as a condition of their employment. This program occurs in Sioux Falls every year and lasts for one day. The bill requires the cost, including travel, registration, lodging, and a per diem, be reimbursed to the counties and tribes by the SDDVA.

The potential costs for section 5 of the bill are broken down in the table below.

	Administrative Rule	Number of VSOs	Cost per VSO	Total
Registration	None	70	\$50 ¹	\$3,500
Lodging	ARSD 05:01:02:14	66 ²	\$150 ³	\$9,900
Per Diem	ARSD 05:01:02:14	70	\$120 ⁴	\$8,400
Travel	ARSD 05:01:02:01	N/A	\$0.51 per mile	\$13,758 ⁵

The reimbursable amount in Section 5 by the SDDVA to the counties and tribes could be a total of \$35,558 in general funds per year.

Section 6 of the bill would require the SDDVA to reimburse counties and tribes for salary and office expenses for all VSOs employed by each county and tribe. Tribal VSOs are paid an average of \$31,347 per year by each tribe in 2023. Assuming an annual inflation rate of 2% per year, the average salary for a tribal VSO could be \$32,613. With 8 tribal VSOs, the salary expense for the tribes could be a total of \$260,904.

According to the Auditor General, in 2021, all counties excluding Pennington County and Minnehaha County paid a total of \$1,769,621 for VSOs, excluding Pennington County and Minnehaha County. Assuming an annual 3.75% yearly average inflation rate, this could be a total of \$2,050,372. Under section 6, the SDDVA could reimburse all counties except for Pennington and Minnehaha County a total of \$2,050,372 in general funds for section 6 of the bill.

Pennington County and Minnehaha County would need to hire a total of four VSOs each per section 2 of the bill. The current salary range for Pennington County VSOs is from \$50,065 per year to \$70,720 per year, with an average of \$60,392 per year. Inflated to 2025 using an annual 2% average inflation rate, the average salary could be \$62,832. The salary range for Minnehaha County VSOs currently ranges from \$58,198 per year to \$94,660 per year, with an average of \$76,429. Inflated to 2025 using an annual 2% average inflation rate, the average could be \$79,517. The salary expense for Pennington County for four VSOs could be a total of \$251,328. The salary expense for Minnehaha County for four VSOs could be a total of \$318,068.

The total amount the SDDVA could reimburse to the counties and tribes under section 6 of the bill could be a total of \$2,880,672 in general funds every year. The state currently has budgeted \$191,812 in general funds to the SDDVA for the salary supplement to help pay for the salary expenses for the counties and tribes. This could reduce the amount needed to reimburse the counties and tribes for salary expenses. The SDDVA could need an additional appropriation of \$2,688,860 in general funds in FY2026. This assumes there are no major salary changes outside of an annual 2% COLA increase and there are no changes to employment beyond what is required in section 2 of the bill.

¹ The registration fee is set at \$50.

² The VSOs from Minnehaha County are excluded.

³ This assumes two nights of stay, and VSOs will go home the day after training.

⁴ This assumes meals for the day before the training, the day of, and the day after.

⁵ This amount is calculated by taking the distance between each veterans' service office in South Dakota and Sioux Falls multiplied by 2 and multiplied by the number of veteran services' officer in each office, and then multiplied by \$0.51.

The total minimum amount the SDDVA reimburses under the bill could be **\$2,725,038** in general funds in FY2026. Counties and tribes would be free to change their salary and office expenses without constraint, and any change would be reimbursed by the SDDVA. The actual amount the SDDVA reimburses could be higher than \$2,725,038, and there is no upper limit to the actual amount the state could reimburse with the bill as introduced.

Data for this analysis came from the United States Department of Veterans' Affairs, the South Dakota Department of Veterans Affairs, the Legislative Audit office, the Human Resources Office of Pennington County and the Human Resources Office of Minnehaha County, the Cheyenne River Sioux Tribe, the Lower Brule Sioux Tribe, the Oglala Sioux Tribe, the Rosebud Sioux Tribe, and the Yankton Sioux Tribe.

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