

# SOUTH DAKOTA LEGISLATIVE RESEARCH COUNCIL

## 2026 South Dakota Legislature

### FISCAL NOTE 2026-FN63A

SB63, An Act to establish the state office of apprenticeship within the Department of Labor and Regulation.

SB63 would transfer most regulatory, oversight, and registration authority for Registered Apprenticeship Programs (RAP) in South Dakota from the U.S. Department of Labor (DOL) Office of Apprenticeships to the South Dakota Department of Labor (DLR) by granting recognition of State Apprenticeship Agency (SAA) status. RAPs are government-backed, combining paid work with technical training. Participants can earn a nationally recognized credential demonstrating their mastery of a skilled trade.

The U.S. DOL recognizes 30 states as having SAAs acting on behalf of the U.S. DOL to register and oversee their respective programs. States with SAAs must continue to comply with requirements set by the U.S. DOL in 29 CFR § 29.13 and submit to regular compliance evaluations. SAA states retain eligibility for federal competitive and formula apprenticeship grants. Some of these grants allow for supplementing SAA operational and administrative costs associated with expanding RAPs but generally prohibit replacing existing state funding for an SAA with federal funds.

DLR will redirect existing other fund authority, specifically a portion of Future Fund grant moneys currently used for apprenticeship expansion and development, to support SAA employees and operations. Expenditures for the SAA will be \$830,158 in fiscal year (FY) 2027, funded with Future Fund grant moneys. This includes 7 FTE with \$608,513 in salaries and benefits, \$2,150 for board member per diems, \$20,000 for travel, \$72,072 for operating expenses of employees (workshop registration fees, computer services, central services, office space, phones, and liability insurance coverage), \$50,000 for Registered Apprenticeship Management Information System (RAMIS) computer software maintenance, \$16,000 for Bureau of Information and Technology maintenance requirements of the RAMIS, \$28,000 for public outreach, \$3,500 for supplies, and \$29,923 for employee indirect costs.

The department does not anticipate any additional one-time implementation costs. No additional appropriations or increased expenditures are requested for FY2027 or FY2028. DLR's Future Fund grant will expire at the end of FY2028.

	FY2027	FY2028	FY2029
General Funds	\$ 0	\$ 0	*
Federal Funds	\$ 0	\$ 0	*
Other Funds (Future Fund Grant)	\$ 830,158	\$ 830,158	*
Total Cost	\$ 830,158	\$ 830,158	*

\*Currently, there is no dedicated source of ongoing funding for SAA operations in FY2029 and beyond.

APPROVED BY: /s/ John McCullough  
Director, Legislative Research Council

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