South Dakota
2025 Interim
Committee Final Reports
& Judicial Opinions

SOUTH DAKOTA
LEGISLATURE
LEGISLATIVE RESEARCH COUNCIL

2025 Interim Committee Reports
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Agricultural Land Assessment Implementation and Oversight Advisory Task Force 2025 Final Report

Study Assignment

Established pursuant to SDCL § 10-6-134, the Agricultural Land Assessment Implementation and Oversight Advisory Task Force advises the Department of Revenue "regarding the rules promulgated by the department to administer the provisions of law concerning the assessment and taxation of agricultural land" and "reviews the implementation of the provisions of law concerning the assessment and taxation of agricultural land." The task force may present draft legislation and policy recommendations to the Executive Board of the Legislative Research Council. The task force is composed of four members of the House of Representatives, four members of the Senate, and six members of the general public.

Summary of Meetings

The task force held its first and only meeting August 14, 2025, at the State Capitol in Pierre. The Department of Revenue provided a presentation on the agricultural productivity formula used to assess agricultural property. The department also briefed the task force with recent data and trends of agricultural prices and yields. On a statewide basis, the department finds:

- The cropland average dollar per acre increased 5.00 percent; and
- The noncropland average dollar per acre increased 2.62 percent.

Committee Action

The committee voted to appoint Representative Overweg as Chair of the task force. The committee voted to appoint Caleb Finck as the Vice Chair of the task force.

Committee Members

Representative Marty Overweg, Chair; and Caleb Finck, Vice Chair. Representatives Jana Hunt, Nicole Uhre-Balk, and Kadyn Wittman. Senators Red Dawn Foster, Mark Lapka, Liz Larson, and Sam Marty. Non-Legislators Rick Bonander, Kenny Fox, Kennith Gosch, and Jason VanDenTop.

Staff Members

Will Steward, Senior Research Analyst; Joslyn Jessop, Senior Fiscal Analyst; and Bailey Fierro, Administrative Specialist.

Code Commission
2025 Final Report

Study Assignment

Established under § 2-16-3, the Code Commission supervises the publication of the South Dakota Codified Laws (Code), corrects errors to the Code, assists the code counsel, makes recommendations to the Legislature on the general improvement of the state's laws, and contracts for replacement volumes of the Code. Enacted into law in its modern form in 1970 (SL 1970, ch 18), the Commission is an interim committee required by statute.

Summary of Meetings

The Code Commission met once this interim, June 18, 2025, at the State Bar Convention in Rapid City. The following matters were discussed at the meeting:

Replacement Volumes

The Code Commission is required to provide for the supplements to and reprinted volumes of the official Code. SDCL 2-16-6(1). The official Code is contained in hard-bound books (i.e., volumes), which have been published for the last 21 years by West Publishing, a Thomson Reuters Company. Despite new and amended statutes being incorporated into the Code each year on account of the preceding legislative session, new hard-bound volumes are not required to be republished and purchased for the entire Code, as that would be a great expense. Instead, more modest, softcover pocket parts are inserted into the back of the hard-bound volumes each year to show any changes to the law since the full volume was last republished. The pocket part grows over the years, as each successive year sees more statutes that modify and more case law that interpret that portion of the Code. At some point, however, the pocket part grows too big to be practical, triggering a republication of the more expensive hard-bound volume.

Annually, West Publishing provides to the Code Commission a "Pocketpart Growth Report." This report identifies the page count for each pocket part relative to the page count of its hard-bound volume. It is the practice of the Commission to consider volumes for reprinting when the paper pocket part equals or exceeds 25% of the main hard-cover volume, and to look at splitting volumes when the main hard-cover volume, after reprinting, would surpass 1,000 pages. The Commission considers, on average, one-to-three volumes for replacement each year. After a discussion of the candidates for replacement, the Code Commission decided to republish volume 30 (SDCL titles 55 and 56, and chapters 57A-1 to 57A-3A) and volume 31 (SDCL chapter 57A-4 to 57A-13)--both volumes being last republished in 2012. Additionally, the Commission authorized the republication of Volume 20 (SDCL chapters 34-1 to 34-21C) and the splitting off of Volume 20A (SDCL chapters 34-22 to 34-55). Volume 20 was last republished in 2011.

Publishing Contract

The contract for the publication of the Code is subject to Code Commission review and renewal. SDCL 2-16-7.1. Code counsel facilitates the editing and final presentation of the contract to the Commission. At its June meeting, the Commission unanimously approved the publishing contract for another year, increasing the prices for the Code 11% per the Producer Price Index for Technical, Scientific and Professional Book Publishing.

Updates to the LRC Website

After the codified law depicted on the LRC website was updated with scanned copies and hyperlinks to all session laws, the Commission was consulted by code counsel regarding additional legislative records that might be helpful to include on the website. Citing the amount of resources needed to scan and place resources on the LRC website,

and to prevent duplication of efforts already undertaken by the State Archives to make similar resources accessible, the Commission did not suggest additional records relating to the Code for placement on the LRC website.

History of South Dakota's Code of Laws Published

At its March 2024 meeting, the Code Commission recommended that code counsel submit an article to the *South Dakota Law Review* highlighting the history of Code. *A Homespun Quality: South Dakota's Code of Law at the 100th Legislative Session*, was published this summer.

Long-Term Code Review Project

As a result of a project discussed at the Code Commission's March 2023 meeting, code counsel has reviewed and made recommendations for technical corrections up through SDCL chapter 3-8.

Committee Action

The Code Commission adopted a draft of a bill historically known as the codification bill ("Draft 933") that is annually introduced to codify the previous session's permanent acts by amending SDCL 2-16-13, 2-16-15, and 2-16-16.

Committee Members

Maggie Gillespie, chair; Representative John Hughes, Senator Glen Vilhauer, Hon. David Wheeler, and Lindsey Riter-Rapp.

Staff Members

Justin Goetz, Code Counsel; Kelly Thompson, Legislative Editor; and Dilyn Tramp, IT Support Specialist.

Community Support Providers, State and Federal Efficiencies Interim Committee 2025 Final Report

Study Assignment

The Executive Board of the Legislative Research Council established the Community Support Providers, State and Federal Efficiencies Committee to explore and identify potential ways to streamline services across South Dakota's two Medicaid waiver programs—CHOICES and Family Support 360. These programs provide home and community-based services to individuals with intellectual or developmental disabilities through community service providers. The committee was tasked with identifying opportunities to improve efficiency and better match the ongoing reduced funding of the reimbursement methodologies for service providers.

Summary of Meetings

The committee's first meeting was June 18,2025, in Sioux Falls. The Department of Human services presented an overview of the Division of Developmental Disabilities, the CHOICES and Family Support 360 waiver programs, and federal requirements related to the programs.

The CHOICES waiver currently serves 2,690 adults with higher support and residential needs, with an approximate cost per participant of $89,647. Services are administered by twenty community support providers, and three conflict-free case management agencies provide case management services to participants and families. The projected Fiscal Year 2025 cost for the CHOICES waiver is $47.7 million for non-residential supports and $193.5 million for residential supports.

The Family Support 360 waiver currently serves 1,420 adults and children who prefer to direct their own care and are able to be supported at home. The approximate cost per participant is $7,521. The program has 198 individuals on a waiting list, with an average wait time of approximately eight months. The projected Fiscal Year 2025 cost for the Family Support 360 waiver is $10.7 million.

The department also addressed federal requirements that the waiver programs must comply with, including the Centers for Medicare and Medicaid Services (CMS) Home and Community-Based Settings Rule, for which the department has a corrective action plan, and the CMS Access Rule, which goes into effect next year. Both rules present implementation challenges for the state, and community support providers expressed concern about the feasibility and cost of compliance.

The committee received additional presentations from the Association of Community Support Providers of South Dakota and Disability Rights South Dakota. Community support providers offer six main areas of service to participants: residential services, supported employment, day services, support services, assistive technology, and behavioral support. Community support providers face challenges when the state's reimbursement methodology is not fully funded because Medicaid is their primary source of revenue. For Fiscal Year 2026, the state provided 94.9 percent of the reimbursement methodology for providers. Throughout the interim, providers repeatedly emphasized the challenges of delivering comprehensive services and maintaining compliance with state and federal requirements when full reimbursement for their costs is not provided.

Further challenges include overlapping policy and inconsistencies between federal and state rules. The Association of Community Support Providers highlighted three major areas of regulatory redundancies and inefficiencies: state policy reviews and national accreditation; conflict-free case management services; and the fee-for-service payment rate for day services under the CHOICES waiver.

The committee's second meeting was July 23,2025, in Pierre. Presentations were given by the three conflict-free case management organizations that provide services in South Dakota—LifeScape, Resources for Human Development,

and Benchmark. The committee also heard from the Department of Human Services and Alvarez & Marsal, a national consulting firm contracted to help improve the waiver programs. Alvarez & Marsal provided background information on a list of inefficiencies compiled by the committee and noted several challenges due to the complexity of federal requirements.

As the committee explored opportunities for efficiencies, primary concerns emerged around the case management system. These included cash flow issues for community support providers and overlapping responsibilities between case managers and providers. The committee discussed the potential benefits of a standardized documentation system to help case managers and providers work more synchronously, as well as the department's unsuccessful efforts to establish an in-house system. Additionally, providers noted the burdensome billing system for CHOICES day services and the increased administrative load required by the fee-for-service payment model. The shift from a bundled model to a more detailed tracking system has forced providers to allocate more resources to billing and reimbursement operations. The committee also discussed the dual demands of national accreditation and state policy reviews, and whether redundancies could be reduced given the quality assurances required by CMS.

The committee's third meeting was September 9,2025, in Aberdeen. The committee received public comment and discussed recommendations for its final report. Throughout its meetings, the committee emphasized the Legislature's oversight role in ensuring accountability for updates and changes to the waiver programs. The committee acknowledged the complexity of the issues discussed and the need for a thorough review of federal requirements. The members commended the department for recent modernization efforts and expressed a desire to see continued progress in improving operations for providers and experiences for families. The committee encouraged the department to continue engaging stakeholders and to keep the Legislature informed of its progress.

Committee Action

The committee recommended that the Department of Human Services:

1. Collaborate with community support providers, case management organizations, families, and other stakeholders to update the guidance document *CHOICES Case Managers & Community Support Providers Roles & Responsibilities*;

2. Work with community support providers, case management organizations, families, and other stakeholders to address and reduce overlaps and redundancies between state policy reviews and Council of Quality and Leadership accreditation; and

3. Include, either through a waiver amendment or during the next renewal cycle for the CHOICES waiver, a day rate for day services in addition to the current sixty-minute billing rate option.

The committee recommended Draft 141 for introduction. The bill would establish a legislative oversight committee to examine and monitor changes to the waiver programs.

The committee supported sending a letter to South Dakota's Congressional delegation regarding the CMS Access Rule and the Home and Community-Based Settings Rule.

Committee Members

Senator Chris Karr, Co-Chair; and Representative Leslie Heinemann, Co-Chair. Representatives Heather Baxter, Brian Mulder, Nicole Uhre-Balk, and Richard Vasgaard. Senators Liz Larson, Lauren Nelson, and Mykala Voita.

Staff Members

Anna Madsen, Assistant Chief for Research; Mitch Honan, Fiscal Analyst; and DeLaney Lewis, Administrative Specialist.

Comprehensive Property Tax Task Force
2025 Final Report

Study Assignment

The Comprehensive Property Tax Task Force was established under HCR 6003 (2025) to conduct a comprehensive review of property tax policies and identify measures to provide significant and lasting tax relief, and to submit recommendations to the Executive Board of the Legislative Research Council. The task force was directed to focus principally on state and local revenues and expenditures and the funding of K-12 education.

Summary of Meetings

The task force convened for its first meeting May 30, 2025, in a virtual conference call. The members appointed Senator Chris Karr as chair of the task force and Representative Jon Hansen as vice chair. The task force approved a motion to adopt work groups on the following topics: the school funding formula, local government finance, and state government finance. The task force discussed scope and direction for the three workgroups.

The task force convened for its second meeting June 25, 2025, in Sioux Falls. The Legislative Research Council presented an overview of the general property tax structure of South Dakota, including its existing limitations, and data summaries of property taxation in recent years. The task force received public comments from community members and organizations in the Sioux Falls area. The task force discussed goals for providing property tax relief, and approved a motion to set a goal of identifying and recommending a proposal or a combination of proposals to provide a reduction to owner-occupied property taxes of at least fifty percent.

The task force convened for its third meeting July 16 and July 17, 2025, in Rapid City. The task force received public comments on both days from community members and organizations in the Black Hills area. Concerns were raised about education funding, trends in assessed value, and the need for property tax relief. The Legislative Research Council presented an overview of tax increment financing districts, the discretionary formula for property taxation, excess tax levies, and bonds.

The task force convened for its fourth meeting August 12 and August 13, 2025, in Aberdeen. The task force received public comments on both days from community members and organizations in the Aberdeen area.

The task force convened for its fifth meeting September 22, 2025, in Pierre. The Department of Revenue presented on current property tax relief programs, and on the function and history of tax increment financing districts and their use in South Dakota. Dr. Joseph Santos, South Dakota State University Ness School of Management and Economics, shared economic insights and considerations related to the housing market, property tax relief, and taxation in general. Senator Jim Mehlhaff presented a proposal to replace school district general fund and special education fund property taxes with alternative tax revenues. The task force received public comments from community members and organizations.

The task force convened for its sixth and final meeting October 22, 2025, in Pierre. The task force received public comments from community members and organizations. The task force discussed and voted on policy proposals to be submitted as recommendations to the Executive Board. Task force members were encouraged to bring bills for the approved recommendations.

Committee Action

The task force approved the following nineteen policy recommendations:

Recommendation 1:

- Increase income limits for the property tax assessment freeze for multi-member households, from $65,000 to $85,000

Recommendation 2:

- Require each tax bill to include a URL link and QR code that takes the taxpayer to a website maintained by the Department of Revenue, giving the taxpayer more detail regarding the tax bill, without requiring the county to spend money on extra printing and mailing costs

Recommendation 3:

- Subject school districts to the same property tax limitations as all other taxing districts, where the annual increase in property tax revenues may not exceed the limit set forth in SDCL 10-13-35, unless an opt out is implemented
- $PropTax_{year2} = PropTax_{year1} + IndexFactor + Growth + TIFexpire + Discretionary + Bonds$

Recommendation 4:

- Allow property owners to apply for property tax relief programs electronically, through a website maintained by the Department of Revenue, instead of submitting physical forms to the county, as is currently required

Recommendation 5:

- Raise the minimum value of a new structure or addition that qualifies for the discretionary formula from $30,000 to $100,000
- Raise the minimum proportion of taxable value under the discretionary formula to 30%

Recommendation 6:

- Create a new fund dedicated to state aid to education for school districts' general funds and special education funds
- Deposit into the state aid to education fund all state lottery revenues that are currently distributed to the general fund

Recommendation 7:

- Repeal the authorization for a school district to transfer moneys from its capital outlay fund to its general fund
- Limit annual increases in a school district's capital outlay property taxes to the lesser of 3% or inflation, remove additional increases allowed from annexation, development of property, reclassification of property, the termination of a tax increment financing district, and the application of the discretionary formula

Recommendation 8:

- Offer a refund of property taxes for those who qualify but did not apply for property tax relief programs for disabled and paraplegic veterans, covering up to the last five years that the individual was eligible but did not apply or receive the relief

Recommendation 9:

- Authorize a municipality to implement a property tax rebate program for owner-occupied property according to criteria determined by the governing body of the municipality
- Only property taxes imposed by the municipality may be refunded under its program
- Any applicant who meets the criteria established by the municipality must receive the rebate

Recommendation 10:

- Reduce the total maximum proportion of all tax increment base values from 10% of all assessed value in the city or county to 2.5% of all assessed value in the city or county
- Require that at least 50% of the area within a proposed tax increment financing (TIF) district be blighted
- Amend the definition of "blight" by removing a reference to a predominance of open space or a diversity of ownership as possible qualifications
- Require that the county approve a TIF district established by a municipality
- Repeal the authorization of grants provided by the governing body for purposes of the TIF district
- Require a special election for TIF districts with an estimated project cost of $10 million or more

Recommendation 11:

- Subject to certain conditions, require that all school district excess tax levies (opt outs) be approved by an election
- Applies to school district general fund opt outs and capital outlay opt outs

Recommendation 12:

- Decrease the required number of petition signatures to refer a school district excess tax levy (opt out) to a vote from 5% of the registered voters in the district to 5% of all voters who voted in the most recent special election of the district
- Increase the days provided to gather signatures from 20 to 40

Recommendation 13:

- Require that all capital outlay certificates issued by a school district must be approved by an election

Recommendation 14:

- Change the vote requirement for excess tax levy (opt out) elections from a simple majority to 60%

Recommendation 15:

- Create a dedicated fund in the state treasury to replace the property tax portion of local effort for school district general funds and special education funds
- Any sources of revenue the committee chooses to put toward reducing the general fund and special education levies can be directed into this fund for that purpose

Recommendation 16:

- Create a local effort replacement fund in the state treasury, used to replace a proportion of school districts' local effort from property taxes
- On July 1, 2027, when the sunset date is reached for the sales and use tax rate reduction, deposit into the local effort replacement fund the additional revenue raised by the 0.3% increase from the current tax rate of 4.2%

Recommendation 17:

- Request the cooperation of the executive branch in bringing to the Legislature recommendations for a 5% cut to the general fund

Recommendation 18:

- Create a new fund dedicated to providing property tax relief
- On an annual basis, deposit into the new fund 25% of the annual increase in state revenues from the prior year

Recommendation 19:

- Provide approximately $120 million in property tax relief through property tax credits of approximately $500 for all owner-occupied property
- The credit should be funded equally by moneys in the housing and infrastructure fund and current reserves

Committee Members

Senator Chris Karr, Chair; and Representative Jon Hansen, Vice Chair. Representatives Julie Auch, Leslie Heinemann, John Hughes, Jana Hunt, Greg Jamison, Scott Odenbach, and Peri Pourier. Senators Randy Deibert, Red Dawn Foster, Taffy Howard, Jim Mehlhaff, Ernie Otten, Sue Peterson, and Glen Vilhauer. Non-Legislators Kirk Chaffee, and Jim Terwilliger.

Staff Members

Will Steward, Senior Research Analyst; Jeff Mehlhaff, Deputy Director and Chief Fiscal Analyst; Bill McDonald, Fiscal Analyst; and Bailey Fierro, Administrative Specialist.

Emergency Medical Services Interim Committee 2025 Final Report

Study Assignment

The Executive Board of the Legislative Research Council established the Emergency Medical Services Interim Committee to examine the provision of emergency medical services in the state with a view to addressing the challenges of geographic availability, reliability, and sustainability. The committee was directed to focus on issues related to obtaining, maintaining, and training staff; providing service in remote areas without ready access to trauma-capable healthcare facilities; and identifying efficiencies and resources necessary to support operations.

Summary of Meetings

The committee's first meeting was June 30, 2025. The committee received presentations from the South Dakota Department of Health, the South Dakota Emergency Medical Services Association, and Avel eCare, a telemedicine provider.

Emergency medical services (EMS) providers across the state are facing increasing challenges as a result of rising costs and workforce shortages. Rural counties and municipalities in particular are struggling to provide effective and efficient services, given their limited revenue sources and lack of personnel. By one estimate, 86.4 percent of South Dakota counties have ambulance deserts-- i.e. areas where the time to transport a patient from pickup to the hospital is greater than twenty minutes. This raises concerns about the ability to respond to emergencies in a timely matter, if at all.

This state has 121 licensed ground ambulance services, which are a mix of volunteer and paid services. Ground ambulance services are operated by various entities, including for-profit and nonprofit organizations, hospitals, and local governments. The most common service provider is a non-profit entity.

Since 2020, the number of requests for ground ambulance service has increased each year, with 116,740 calls requested in 2024. EMS is not an essential service in the state, meaning counties are not required to provide EMS.

The Department of Health presented the 2023 Regional Services Designation Ambulance System Study, a report prepared in partnership with Healthcare Strategists, Inc. The report, which included a comprehensive assessment of the state's EMS system, identified workforce recruitment and retention as the greatest challenge facing ambulance availability in the state.

The committee discussed possible reasons for the workforce shortage, including a decline in volunteerism, a lack of population to sustain services, limited ability to pay personnel, and the highly demanding nature of serving on an ambulance crew. The department noted the high turnover rate of ambulance service directors over the last two years and the high average age of EMS personnel, which was 51 years.

Avel eCare presented information on Telemedicine in Motion, a program operated in partnership with the Department of Health to provide telemedicine services to ambulance providers. Ambulance crews use an iPad mounted in the ambulance to call medical providers who offer real time assistance in the care of a patient. Avel eCare supports 105 ambulance services in the state.

The committee also heard presentations from EMS providers, including representatives from the South Dakota Ambulance Association and the South Dakota Emergency Medical Services Association, who highlighted administrative barriers to EMS provider certification and renewal, funding shortages, and difficulty in recruiting personnel as the primary challenges they face.

The committee's second meeting was July 23, 2025. The committee received presentations from the South Dakota Board of Nursing, the South Dakota Association of County Commissioners, and the South Dakota Association of Healthcare Organizations.

The committee discussed strategies that would encourage nurses to serve as EMS personnel and obstacles that disincentivize nurses from serving on an ambulance crew. These included low awareness and lack of liability protection. The Board of Nursing assured the committee that serving on an ambulance crew is within a nurse's scope of practice. The committee indicated support for legislation to provide nurses with liability protection when working within the nurse's scope of practice on an ambulance crew.

Many of the challenges identified in the first meeting were reiterated in the second meeting, with an emphasis on the difficulty of funding EMS in remote counties. Potential solutions discussed included allowing counties to utilize the Obligation Recovery Center, raising the reimbursement rate for Medicaid, and increasing the DUI penalty established by SDCL § 32-23-4.10 and directing the new revenue to an EMS fund.

The committee also discussed the creation of ambulance districts as a means for counties to independently raise revenue that could be used to pay for EMS. Ambulance districts, which are authorized by SDCL Chapter 34-11A, may be formed in any rural territory through voter approval and may levy taxes on property within the district's boundaries. There are thirty ambulance districts in the state, with the most recent being the Davison Hanson Ambulance District, which voters approved April 22, 2025.

The committee's third meeting was October 21, 2025. A representative of the Governor's office provided information on the Rural Health Transformation Program, a federal grant program to provide states with funding to address rural health challenges. The committee received a presentation from the National Conference of State Legislatures on examples of other states' EMS funding mechanisms and workforce strategies.

The committee discussed Treatment in Place (TIP), which is care provided to patients by EMS personnel on site, rather than transporting the patient to a hospital. The discussion included the financial burdens caused by Medicaid and Medicare reimbursement policies that do not cover TIP. Finally, the committee discussed the Department of Health's partnership with Avel eCare and the feasibility of funding the partnership in the future.

Throughout its meetings, the committee emphasized the urgent need to address EMS in the state, with a focus on recruiting and retaining personnel. Committee members considered potential revenue sources for EMS, including vehicle registration fees and the gas tax. Other proposals included the regionalization of EMS, designating EMS as an essential service, and removing administrative barriers to certification and renewal. The committee encouraged continued discussion among stakeholders and emphasized the need to promote public awareness of the problem and seek lasting solutions.

Committee Action

The committee recommended Draft 135 for introduction. The bill would establish requirements and liability protection for registered nurses and licensed practical nurses serving on ambulance crews.

The committee recommended Draft 142 for introduction. The bill would modify the requirements for ambulance operators, permitting EMS personnel and law enforcement personnel to act as ambulance operators without additional certification.

The committee supported:

- Sending a letter to the Center for Medicare and Medicaid Services encouraging the implementation of reimbursements to cover TIP; and
- The concept of requiring Medicaid payments to cover TIP in this state.

The committee supported continued dialogue on:

- The introduction of students to EMS careers, including the implementation of CPR training in schools and the provision of reimbursements for EMS certification;
- The exploration of revenue sources for EMS that align with the services provided; and
- The desirability and feasibility of making EMS an essential service.

Committee Members

Senator Tim Reed, Co-Chair; and Representative Jana Hunt, Co-Chair. Representatives Eric Emery, Josephine Garcia, David Kull, and Tim Walburg. Senators Tamara Grove, Kevin Jensen, and Curt Voight.

Staff Members

Matthew Server, Research Analyst; Bill Douglas, Fiscal Analyst; and Michelle Deyo-Amende, Administrative Specialist.

REPORT OF THE

GOVERNMENT OPERATIONS AND AUDIT COMMITTEE

2025

COMMITTEE MEMBERS

Senator Taffy Howard, Chair
Representative Marty Overweg, Vice Chair

Representative Julie Auch
Representative Eric Emery
Representative Karla Lems
Representative Scott Moore

Senator Red Dawn Foster
Senator Chris Karr
Senator Mark Lapka
Senator Ernie Otten

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Committee Responsibilities

The Government Operations and Audit Committee was established by South Dakota Codified Law SDCL 2-6-2. The Committee is appointed at the beginning of each regular session of the Legislature. The Committee consists of ten members, five members from the Senate appointed by the President Pro Tempore of the Senate and five members from the House appointed by the Speaker of the House. One of the members appointed from both the Senate and the House of Representatives must be a member of that body's Judiciary Committee.

The responsibilities of the Committee are:

- To inquire and review any phase of the operations and the fiscal affairs of any department, institution, board, or agency of the State.

- To examine records and vouchers, summon witnesses, examine expenditures and the general management of departments, as deemed necessary.

- Develop and implement a performance management review process to evaluate the efficiency and effectiveness of State agencies.

- Review limitations on use relating to the University Centers off-campus sites in Pierre, Rapid City, and Sioux Falls and make recommendations to the Legislature regarding these limitations.

- To make a detailed report to the Senate and House of Representatives and submit a copy of its report to the Appropriations Committee of each House of the Legislature at the next succeeding session of the Legislature or any special session of the Legislature upon request of the body.

- To review the following annual reports:

    - Accountability report from the Board of Technical Education
    - Annual report from juvenile monitor on complaints related to the care provided to youth in the custody or care of certain treatment centers, shelter care facilities or programs
    - Annual reports from each Department administering funds received from the Building South Dakota program
    - Habitat Stamp Expenditure Report from Game, Fish and Parks
    - Obligation Recovery Center
    - Single Audit Report of the State of South Dakota
    - South Dakota High School Activities Association
    - South Dakota State Brand Board

- Department of Corrections' annual report on abuse and neglect in private placement facilities
- Report and annual work plan of the State Board of Internal Control
- Report of compiled authorizations to derive a direct benefit from a contract, as collected by the Bureau of Human Resources
- Report of compiled authorizations to derive a direct benefit from a State authority, board, or commission contract, as collected by the Auditor General

Committee Activity

Performance Measures

Senate Bill 120 (2017) assigned to the Government Operations and Audit Committee the responsibility to develop and implement a performance management review process. The process is a collaborative effort between the agencies and the Committee. Agencies appear before the Committee every three years in order to present their performance measures and discuss possible changes to the measures with the Committee. These changes might include *accepting as is*, *revising*, *adding*, or *deleting* the performance measures. The agency functions within its mission and vision, and has the data to track progress. The Committee provides feedback concerning the performance measures. House Bill 1110 (2020) instructed the Government Operations and Audit Committee to develop and provide to each State agency a standardized and uniform template that, beginning January 1, 2021, each agency is to use when presenting information to the Committee. Seven agencies appeared before the Committee and, after receiving feedback from the Committee, developed the following performance measures.

Governor's Office of Economic Development

The Commissioner of the Governor's Office of Economic Development (GOED) and other individuals in GOED leadership discussed the operations of GOED and how the agency has performed with respect to their performance measures.

The Committee modified the performance measures and accepted the new measures.

Department of Agriculture and Natural Resources

The Deputy Secretary of the Department of Agriculture and Natural Resources (DANR) and other individuals in DANR leadership discussed the operations of DANR and how the agency has performed with respect to their performance measures.

The Committee did not recommend any substantial changes to the measures.

Department of Tourism

The Secretary of the Department of Department of Tourism (DOT) and other individuals in DOT leadership discussed the operations of DOT and how the agency has performed with respect to their performance measures.

The Committee did not recommend any changes to the performance measures and accepted the framework as is.

Department of Game, Fish and Parks

The Secretary of the Department of Game, Fish and Parks (GFP) and other individuals in GFP leadership discussed the operations of GFP and how the agency has performed with respect to their performance measures. The committee modified the measures by removing growth-oriented objectives and replacing them with the objective of maintaining activities at their current level.

The Committee then accepted the modified performance measures.

Department of Transportation

The Secretary of the Department of Transportation (DOT) and other individuals in DOT leadership discussed the operations of DOT and how the agency has performed with respect to their performance measures.

The Committee did not recommend any changes to the performance measures and accepted the framework as is.

Department of Education

The Secretary of the Department of Education (DOE) and other individuals in DOE leadership discussed the operations of DOE and how the agency has performed with respect to their performance measures. The Committee expressed concern at the performance described on the report, and moved that the department present to GOAC annually on these measures.

The Committee did not recommend any changes to the performance measures and accepted the framework as is.

Department of Public Safety

The Secretary of the Department of Public Safety (DPS) and other individuals in DPS leadership discussed the operations of DPS and how the agency has performed with respect to their performance measures. The Committee asked the department to restructure their measures by

emphasizing actions that the department has control over, and deemphasizing external outcomes that the department does not directly control.

The Committee accepted the modified set of performance measures.

Specific Matters Pertaining to Various State Agencies

Department of Revenue – Investigations into Improper Use of Government Resources

The Secretary and the Chief Legal Counsel for the Department of Revenue (DOR) were present to address the Committee. The Secretary detailed the original fraudulent behavior, the discovery of that behavior, the subsequent steps taken to prevent such behavior going forward. The new motor vehicle administration system, 605 Drive, can better facilitate internal controls within the Division.

Department of Social Services – Investigations into Improper Use of Government Resources

The Secretary and other department leadership of the Department of Social Services (DSS) were present to address the Committee. Secretary Althoff described how the fraudulent activity occurred, how it was caught, and what steps have been taken to ameliorate damages done as well as preclude such activity going forward.

Discussion of Statewide System Outage

The Commissioners of the Bureaus of Information and Telecommunications (BIT) as well as Human Resources and Administration (BHRA) provided the Committee with the events causing the outage in August 2025, as well as the steps that have been taken since, to address the vulnerabilities of the system. The outage was primarily caused by incomplete wiring diagrams of the server facility.

South Dakota State Brand Board

The Director of the South Dakota State Brand Board was present to provide the Committee with the State Brand Board Annual Report and answer Committee questions. She reported that the State Brand Board receives no General Fund appropriations and operates entirely on funds from the brand registration program and the brand ownership inspection program.

The annual report contained information on the number of livestock inspected during the calendar year, deposits for inspections, missing or stolen livestock, recovered strays, brand board holds, livestock investigations, and brand program registration activity. The Director advised that they saw a decrease in the number of livestock inspected and provided information on inspections. In calendar year 2024, brand inspectors recovered approximately 682 head of livestock while they were conducting inspections. She also advised the Brand Board added district

supervisor positions, and they have received positive feedback related to this change. The Brand Board is in the process of upgrading their computer software so they can process inspections electronically.

The Committee accepted the State Brand Board's annual report as presented.

The Building South Dakota Programs (BSD)

Various individuals in leadership positions at the Governor's Office of Economic Development (GOED) provided an overview of the programs under GOED. The Director presented the Building South Dakota Programs report, reviewing the Local Infrastructure Improvement Program (LIIP), the Economic Development Partnership Program (EDPP), the Reinvestment Payment Program (RPP), and the South Dakota Jobs Grants Program (JGP). GOED leadership also presented the Future Fund Report to the Committee.

GOED leadership explained the LIIP provides grants to assist in funding the construction and reconstruction of infrastructure for the purpose of serving economic development projects. The LIIP awarded three grants during fiscal year 2025, with total project costs of $3,075,555.

GOED leadership explained that the EDPP helps local economic development organizations provide matching grants to assist in funding equipment and training needs, new staff, or to elevate existing part-time staff for the purpose of developing or expanding local and community economic development programs. The EDPP had $47,350 in remaining funds available at the end of FY2025.

GOED leadership explained that the RPP is available to assist companies in offsetting the upfront costs associated with relocating or expanding operations and/or upgrading equipment in South Dakota. This program allows for project owners to receive a reinvestment payment, not to exceed the sales and use tax paid on project costs, for new or expanded facilities with project costs more than $20 million, or for equipment upgrades with project costs in excess of $2 million. The RPP awarded seven grants during fiscal year 2025 totaling $34,313,953.

GOED leadership explained that the South Dakota JGP is available to assist companies in offsetting the upfront costs associated with relocating or expanding operations and/or upgrading equipment in South Dakota. At the end of FY2025, there were no applications or proposals outstanding. $148,999 in approved payments had not been made, and the program had $1,572,995 in remaining funds available as of June 30, 2025.

The Executive Director of the South Dakota Housing Development Authority (SDHDA) was present to address the Committee regarding the South Dakota Housing Opportunity Fund (HOF). He provided background information on the funding of the HOF and advised that currently, funding is on a year-to-year basis. The SDHDA distributes HOF funds geographically throughout the State with 30% of the funds going to Rapid City and Sioux Falls and 70% going to the balance of the State. Based on applications received in fiscal year 2025, $1,383,525 was awarded to 9

single family home new construction projects. The HOF program awarded $241,176 to various organizations for homebuyer assistance, and $945,900 to various organizations for homeowner rehab as well as multifamily new construction or rehab. The HOF program used $110,688 for homeless prevention activities.

The Director of the Division of Career and Technical Education with the Department of Education (DOE) reviewed the Workforce Education Fund (WEF) Annual Report and advised the current purpose of the WEF is to support grants to new and existing secondary career and technical education programs. In fiscal year 2025, $961,994 was awarded in grants demonstrating a continued steady demand from the field. She advised the eligibility for these funds is set out in administrative rule.

The Committee accepted the report from the Department of Education as presented. The Committee asked the Governor's Office of Economic Development to return and present additional details, and then accepted the reports as presented.

State Board of Internal Control

The Statewide Internal Control Officer with the Bureau of Finance and Management (BFM) presented the annual report of the State Board of Internal Control (SBIC) and discussed the purpose of the SBIC. She provided an overview of the internal control framework, a framework implementation timeline, and described the three lines of defense. She advised that they reviewed nine subrecipient audit reports, implemented the Internal Control Framework to three agencies, and conducted 125 training workshops.

The Committee accepted the report as presented.

Review of Policies Governing Use of Purchasing Cards

The Bureau of Human Resources and Administration (BHRA) presented to the Committee about the policies governing the use of purchase cards by state agencies.

Game, Fish and Parks (GFP) Annual Report of Habitat Stamp Revenue and Expenditures

The Director of Wildlife presented the Habitat Stamp Report and provided a summary of the ongoing efforts and projects related to the Habitat Stamp funds. The Director provided maps showing game production areas and State Park recreation areas, aquatic and terrestrial project locations, James River and Big Sioux River Conservation Reserve Enhancement Program (CREP) contracts, new walk-in areas and all projects funded since 2021. He discussed various partnering projects and their ongoing priorities and projects.

Committee members voiced their concerns about GFP's response to invasive species. The Director explained that GFP's primary emphasis with aquatic invasive species is educating and informing the public on what they can do to slow the spread.

The Committee accepted the report as presented.

Board of Regents

University Centers

In accordance with SDCL 13-51-1.4, the Committee reviewed the annual accountability reports of Black Hills State University – Rapid City (USD-RC) and the University of South Dakota – Sioux Falls (USD-SF).

The Vice President for Finance and Administration with Black Hills State University presented the BHSU-RC financial statements for fiscal year 2025.

The leadership of the USD University Center in Sioux Falls discussed the financial statements of the Center as well as enrollment goals. Leadership and the Committee discussed the differences between the kinds of students who tend to study at a University Center versus a state university campus.

The Committee accepted the reports as presented.

South Dakota Board of Technical Education Accountability Report (SDBOTE)

The Executive Director of the South Dakota Board of Technical Education introduced the four Presidents from the technical colleges. The Director then presented the SDBOTE Accountability Report that included information related to their strategic priorities, graduate outcomes, enrollment, retention, and key appropriations. The SDBOTE is really focused on attainment, affordability, and alignment.

The Committee accepted the report as presented.

Office of the Secretary of State

The Secretary of State presented to the Committee on the status of the KNOWiNK contract to update the statewide voter registration system. A second appearance before the Committee, resulting from the issue of a subpoena, provided additional context and testimony.

Discussion of Workers' Compensation Pooling Arrangements

The Committee heard presentations about the pooling arrangements that exist in South Dakota, and about certain potential issues affecting their operations. The Department of Labor and Regulation and the Department of Legislative Audit provided testimony and perspective, and the Committee heard public testimony as well.

Conflicts of Interest

Bureau of Human Resources and Administration

The Committee reviewed the annual report of Conflict-of-Interest Authorizations called for in SDCL 5-18A-17.2. Under this law, a governing body may authorize an officer or employee of a State agency to benefit from a contract if the contract is fair, reasonable, and not contrary to the public interest; these authorizations are required to be filed with the Commissioner of the Bureau of Human Resources and Administration (BHRA) and presented to the Committee annually. The BHRA approved 11 authorizations (waivers) for the July 1, 2024, through June 30, 2025, reporting period.

The Committee accepted the report as presented.

Auditor General

The Auditor General presented a Compilation of Conflict-of-Interest Disclosures for State Authorities, Boards and Commissions for fiscal year 2025 (SDCL 3-23-3). He reviewed 17 annual disclosures and 5 waiver requests. He did not see any concerns when viewing them from an auditor's standpoint.

The Committee accepted the report as presented.

Obligation Recovery Center

The Deputy Commissioner of the Bureau of Human Resources and Administration (BHRA) presented the annual report of the activities of the Obligation Recovery Center (ORC) (SDCL 1-55-16). The ORC collected $3.9 million in fiscal year 2025. He reviewed account payment plan and customer engagement strategies and discussed forward-looking initiatives as well as vendor changes.

The Deputy Commissioner discussed the practice requesting Driver's License suspension as a collection tool. He indicated that an average of 295 such requests are made each year, and that these sanctions are highly correlated with increased account resolution.

The Committee accepted the report as presented.

Juvenile Abuse, Neglect and Grievance Reports

Department of Corrections

The Committee is charged with the responsibility to review any allegations of abuse or neglect of individuals under the jurisdiction of the Department of Corrections within private contracted facilities per SDCL 26-11A-33.1.

The Director of the Juvenile Division presented the report for the time period from July 1, 2024, through June 30, 2025. She stated the number of reports annually has been trending down for the last three years. Four cases were reported to the Committee during the period.

The Committee accepted the report as presented.

MWI Health – Monitor for Youth in Treatment Facilities

The Committee is charged with the responsibility to review a monitor report that contains a confidential addendum of investigations, specific findings and recommendations of the monitor, and the responses of the Department of Social Services to the recommendations (SDCL 26-6-52(5)).

A Registered Nurse with MWI Health (Monitor) presented the report to the committee in executive session. The Youth Services Grievance Monitor Program launched on July 1, 2022, and responds to grievances received from youth placed in shelter care facilities, group care centers for minors, residential treatment centers, intensive residential treatment centers, and independent living preparation programs.

The Committee accepted the report as presented.

Audit Reports

South Dakota Single Audit Report for Fiscal Year 2024

The Committee reviewed the South Dakota Single Audit Report for the fiscal year ended June 30, 2024.

Financial and compliance audits involve testing financial transactions and balances of the State to determine they are in accordance with State and federal laws and regulations. All audits conducted of State agencies were consolidated and reported in the Single Audit Report. The Single Audit Report includes the Annual Comprehensive Financial Report for the State of South Dakota prepared by the Bureau of Finance and Management, a schedule showing the federal awards administered by the State and related expenditures, and audit findings and recommendations issued by the Department of Legislative Audit.

The Single Audit Report was issued in accordance with auditing standards generally accepted in the United States of America, Government Auditing Standards issued by Comptroller General of the United States, U.S. Office of Management and Budget (OMB) Uniform Guidance, and South Dakota Codified Laws. A copy of this report may be obtained from the Department of Legislative Audit.

The Committee reviewed the audit findings and corrective action plans in the Single Audit:

- Finding No. 2024-001 – State Investment Council – A material weakness in internal controls over financial reporting.
- Finding No. 2024-002 – Department of Revenue – An incorrect interpretation of SDCL 32-9-15 concerning motor vehicle registration fees.
- Finding No. 2024-003 – Department of Revenue – Inadequate internal controls over the SDCars system allowing employees to create inappropriate titles and manipulate fees.
- Finding No. 2024-004 – Statewide Financial Reporting Process – The implementation of internal controls by agencies and BFM was incomplete and ineffective in some cases, resulting in an increased risk of inaccurate financial reporting.
- Finding No. 2024-005 – Department of Social Services – A material weakness in controls over the payments of claims.
- Finding No. 2024-006 – Department of Social Services – Inadequate internal controls over special tests and provisions resulted in a significant deficiency and non-compliance.
- Finding No. 2024-007 – Department of Public Safety – Inadequate internal controls over monitoring of subrecipient audits resulted in a significant deficiency and non-compliance.
- Finding No. 2024-008 – Department of Transportation – Unallowable cost reimbursement under the Highway Planning and Construction Program led to non-compliance.
- Finding No. 2024-009 – Soybean Research and Promotion Council – A material weakness in the preparation of financial statements, requiring material audit adjustments.
- Finding No. 2024-010 – Soybean Research and Promotion Council – A material weakness in the segregation of duties.
- Finding No. 2024-011 – South Dakota Corn Utilization Council – A material weakness in the preparation of financial statements resulting from insufficient internal controls.
- Finding No. 2024-012 – South Dakota Corn Utilization Council – A material weakness in the segregation of duties.

- Finding No. 2024-013 – South Dakota Wheat Utilization, Research and Market Development Commission – A grant expense over the approved budgeted amount caused the finding of a significant deficiency.
- Finding No. 2024-014 – South Dakota Wheat Utilization, Research and Market Development Commission – A significant deficiency in the preparation of full disclosure financial statements.
- Finding No. 2024-015 – South Dakota Wheat Utilization, Research and Market Development Commission – A significant deficiency in the segregation of duties.

The Committee accepted the report as presented.

South Dakota High School Activities Association

The Executive Director of the South Dakota High School Activities Association (SDHSAA) reviewed the Fiscal Year 2024 audit report with the Committee. He reported that it was a clean audit with no findings.

The SDHSAA has 180 member schools. About 75% of their revenue comes from a percentage of state tournament gate fees and about 20% from corporate sponsors. The Executive Director advised that they have partnered with Teall Properties Group (TPG) to handle corporate sponsorship revenue.

The Committee accepted the report as presented.

Recommended Legislation

At its November meeting, the Committee adopted the following draft to be introduced by the Committee during the One Hundred First Legislative Session:

1. *Draft 241: To amend the process by which moneys are distributed from the employer's investment in South Dakota's future fund*.

The Committee also adopted a motion supporting the introduction of a bill to require:

1. The Bureau of Finance and Management promulgate, in addition to any rules already promulgated, rules pertaining to a bank card issued to and used by a state officer or employee to:
    a. Set a maximum amount that a state agency may pay, per itemized expense for lodging, meals, transportation, or other expenses charged to a bank card while an officer or employee conducts state business; and
    b. Create a process for withholding money from the wages of officers or employees issued bank cards for the purposes of repaying any amount in excess of the maximum amount that the bureau sets; and

2. The state auditor produce an annual report providing information about:
    a. The number of bank cards issued to state officers or employees;
    b. The amount of money spent by state officers or employees while conducting state business;
    c. The amount of money withheld from wages to pay amounts in excess of what the state may pay on a bank card issued to state officers or employees; and
    d. The number of bank cards that have been canceled.

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Senator Taffy Howard, Chair
Government Operations and Audit Committee

Governor's Office of Economic Development

Agency's Mission Statement: GOED drives the economic development environment that ensures the next generation can succeed in South Dakota.

Below are the goals, activities, and measures for the agency. Goals, activities, and measures need to be developed by the agency, in consultation with the Governor's Office, and agreed to by the Legislature (Government Operations and Audit Committee).

Goal 1: Engage with business, industry, and economic development partners.

	Performance Measures				Historical Data Section				
	Trend	Status	Actual	Target	2021	2022	2023	2024	2025
Activity A. What activities are you doing to accomplish Goal 1?									
Conduct retention and expansion visits with existing SD companies.		2	70	50	372	36	18	119	70
Conduct partner site visits.		2	189	100	72	89	211	222	189
Conduct BRE, parter, or community site visits in Indian Country		0	21	36	7	19	17	15	21

Agency comments regarding the accomplishment of Goal 1: A solid business retention and expansion (BRE) plan is essential to any economic development organization. Annual targets within this goal are going to vary, as GOED seeks to remain nimble and engage with the business commuinty at varying levels as economic conditions and other factors change. Currently, GOED is looking at conducting 60 BRE visits per development rep each year, with a focus on those companies having the biggest impact on regions and the state as a whole. While all businesses are important, GOED continues to coach and encourage local economic development organizations (EDOs) to establish a robust BRE plan for the businesses in their communities/regions. GOED is also actively expanding its engagement with tribal entities.

Goal 2. Facilitate the creation and retention of jobs as well as business expansions.

	Performance Measures				Historical Data Section				
	Trend	Status	Actual	Target	2021	2022	2023	2024	2025
Activity A. What activities are you doing to accomplish Goal 2?									
Jobs created or retained		0	1,113	1,200	2,228	3,008	1,006	1,373	1,113
Business projects facilitated		2	41	40	29	38	28	41	41

Agency comments regarding the accomplishment of Goal 2: Being a facilitator and driver of job creation and business expansion will continue to be a core motivator for GOED.

Goal 3. Facilitate growth and capital expenditures expanding the tax base.

	Performance Measures				Historical Data Section				
	Trend	Status	Actual	Target	2021	2022	2023	2024	2025
Activity A. What activities are you doing to accomplish Goal 3?									
Capital investment ($MM)		2	$ 1,111	$ 800	$ 902	$ 2,159	$ 874	$ 1,456	$ 1,111
Average annual wage of incentivized jobs		2	$ 53,883	$ 41,600					$ 53,883
South Dakota GDP ($B)		2	$ 75.8	$ 65.0	$ 57.20	$ 64.66	$ 70.69	$ 74.21	$ 75.78
Annual GDP growth (YOY %)		2	2.1%	2.0%	2.3%	13.0%	9.3%	5.0%	2.1%
GDP growth compared to nation (p.p.)		0	-3.0%	0.5%	2.8%	0.4%	0.4%	-1.0%	-3.0%

Agency comments regarding the accomplishment of Goal 3: Large cap ex projects generate revenue for the state and local government both during construction and again during ongoing business operations. South Dakota's GDP growth was lower than the nation largely due to the recent downturn in agriculture.

Status Indicator:

2 = Green - the historical trend line indicates improved performance and the target has been met.
1 = Yellow - the historical trend line indicates improved performance, but the target has not been met.
0 = Red - the historical trend line does not indicate improved performance and the target has not been met.

x indicates removal from the new list

Previous		New
Goal 1 Activity A: Engage with business, industry, and economic development partners.		Goal 1 Activity A: Engage with business, industry, and economic development partners.
i. Conduct retention and expansion visits with existing SD companies. ii. Conduct partner site visits. iii. Conduct BRE, parter, or community site visits in Indian Country		i. Conduct retention and expansion visits with existing SD companies. ii. Conduct partner site visits. iii. Conduct BRE, parter, or community site visits in Indian Country
Agency comments regarding the accomplishment of Goal 1: A solid business retention and expansion (BRE) plan is essential to any economic development organization. Annual targets within this goal are going to vary as GOED seeks to remain nimble and engage with the business commuinty at varying levels as economic conditions and other factors also change. Currently, GOED is only looking at conducting 50 BRE vists each year with a focus on those companies having the biggest impact on regions and the state as a whole. While all businesses are important, GOED continues to coach and encourage local economic development organizations (EDOs) to establish a robust BRE plan for the businesses in their communities/regions.		Agency comments regarding the accomplishment of Goal 1: A solid business retention and expansion (BRE) plan is essential to any economic development organization. Annual targets within this goal are going to vary as GOED seeks to remain nimble and engage with the business commuinty at varying levels as economic conditions and other factors also change. Currently, GOED is only looking at conducting 50 BRE vists each year with a focus on those companies having the biggest impact on regions and the state as a whole. While all businesses are important, GOED continues to coach and encourage local economic development organizations (EDOs) to establish a robust BRE plan for the businesses in their communities/regions.
Goal 2 Activity A: Facilitate the creation and retention of jobs as well as business expansions.		Goal 2 Activity A: Facilitate the creation and retention of jobs as well as business expansions.
i. Jobs created or retained ii. Business projects facilitated		i. Jobs created or retained ii. Jobs created or retained five years after initial assistance iii. Business projects facilitated with at least 50% ownership in-state iii. Business projects facilitated with less than 50% ownership in-state
Agency comments regarding the accomplishment of Goal 2: Being a facilitator and driver of job creation and business expansion will continue to be a core motivator for GOED.		Agency comments regarding the accomplishment of Goal 2: Being a facilitator and driver of job creation and business expansion will continue to be a core motivator for GOED.
Goal 3 Activity A: Facilitate growth and capital expenditures, and expand the tax base.		Goal 3 Activity A: Facilitate growth and capital expenditures, and expand the tax base.
i. Capital Expenditures (in millions) ii. Average wage of jobs incentiviced (annualized) iii. Measurement of South Dakota's GDP (in billions) iv. Annual GDP Growth v. GDP Growth compared to the Nation (Difference)	x x x x x	i. Capital Expenditures (in millions) ii. Average wage of jobs incentiviced (annualized) iii. Measurement of South Dakota's GDP (in billions) iv. Annual GDP Growth v. GDP Growth compared to the Nation (Difference)

Agency comments regarding the accomplishment of Goal 3: Large cap ex projects generate revenue for the state and local government both during construction and again during ongoing business operations. South Dakota's GDP growth was lower than the nation because of the recent downturn in agriculture. In FY24, South Dakota's ag GDP was down 17.4% and the nation's was down 16.1%. Excluding ag, South Dakota's GDP grew by 6.4% versus nationwide growth of 6.1%.

Agency comments regarding the accomplishment of Goal 3: Large cap ex projects generate revenue for the state and local government both during construction and again during ongoing business operations. South Dakota's GDP growth was lower than the nation because of the recent downturn in agriculture. In FY24, South Dakota's ag GDP was down 17.4% and the nation's was down 16.1%. Excluding ag, South Dakota's GDP grew by 6.4% versus nationwide growth of 6.1%.

Goal 4 Activity A: Minimize the loan loss rate for all GOED loans to businesses.
i. Loan loss rate on GOED loans

Goal 5 Activity A: Efficiently operate the Governor's House Program to increase the availability of high quality, energy efficient, and affordable housing for income-eligible households.

i. Number of units completed and delivered
ii. Number of inmate and SDH staff hours on GHP housing units

South Dakota Department of Agriculture and Natural Resources

Agency's Mission Statement: To protect and preserve South Dakota's agriculture, environment, and natural resources through effective regulatory services, natural resource conservation, and financial and technical assistance.

Below are the goals, activities, and measures for the agency. Goals, activities, and measures need to be developed by the agency, in consultation with the Governor's Office, and agreed to by the Legislature (Government Operations and Audit Committee).

Goal 1: To protect and preserve South Dakota's agriculture, environment, and natural resources through effective regulatory services

	Performance Measures				Historical Data Section				
	Trend	Status	FY25 Actual	Target	FY21	FY22	FY23	FY24	FY25
Activity A. Protect Public Health									
i. Percent of population with access to healthy, safe drinking water from reliable public water systems			95%	*97%*	98%	98%	99%	96%	95%
ii. Percent of South Dakota meeting state and federal required health based air quality levels			100%	*100%*	100%	100%	100%	100%	100%
iii. Percent of operations with air quality permits in compliance*			99.6%	*99%*	99.9%	99.9%	99.9%	99.4%	99.6%
iv. Percent of milk and milk product samples meeting required health and quality levels			87%	*90%*	86%	85%	84%	84%	87%
Activity B. Protect and preserve South Dakota's water resources									
i. Percent of water resources protected from over appropriation and from overuse during times of drought			100%	*100%*	100%	100%	100%	100%	100%
ii. Percent of population with access to permitted, centralized wastewater treatment**			73%	*70%*	73%	73%	73%	73%	73%
iii. Percent of permitted surface water discharge facilities in compliance*			99%	*99%*	99%	99%	99%	99%	99%
iv. Percent of permitted Concentrated Animal Feeding Operations in compliance*			99.8%	*100%*	99.0%	100.0%	99.7%	99.7%	99.8%
Activity C. Protect and preserve South Dakota's lands									
i. Percent of counties** in South Dakota with access to regulated landfill services			100%	*100%*	100.0%	100.0%	100.0%	100.0%	100.0%
ii. Percent of permitted solid waste facilities in compliance*			100%	*100%*	100.0%	100.0%	100.0%	100.0%	100.0%
iii. Prevent pollution and conserve landfill space by recycling pesticide containers (# of 5-gallon or smaller containers collected)			207,750	*210,000*	213,200	232,630	234,920	223,350	207,750
iv. Percent of regulated mines in compliance*			98%	*95%*	98%	97%	99%	99%	98%

Agency comments regarding the accomplishment of Goal 1: *facilities are in compliance if no enforcement actions were required; **non-tribal

Goal 2. To protect and preserve South Dakota's agriculture, environment, and natural resources through financial assistance

	Performance Measures				Historical Data Section				
	Trend	Status	FY25 Actual	Target	FY21	FY22	FY23	FY24	FY25
Activity A. Provide funding to protect and enhance water, wastewater, and solid waste infrastructure									
i. Percent of population impacted by DANR water, wastewater, and solid waste funding*			43%	*40%*		87%	67%	73%	43%
ii. Percent of applications awarded funding			97.0%	*95%*		99.5%	96.0%	98.7%	97.0%
Activity B. Provide funding to protect and conserve natural resources									
i. Percent of conservation districts receiving natural resource conservation grants			37.00%	*35.00%*	34.78%	37.68%	36.23%	28.00%	37.00%
ii. Percent of natural resource conservation grant applications awarded funding			100.00%	*85.00%*	94.74%	87.80%	94.70%	97.00%	100.00%
iii. Return on investment for every $1 of state natural resource conservation grant awarded**			$2.31	*$2.00*	$1.74	$3.05	$1.35	$3.17	$2.31
iv. Percent of county weed and pest boards receiving competitive grants to control noxious weeds***			88.0%	*80.0%*	100.0%	87.5%	100.0%	70.0%	88.0%

Agency comments regarding the accomplishment of Goal 2:*FY22 reflects impact of $600 million ARPA funding; **Equals the number of match dollars per $1 of state investment, ***2.B.iv. Reflects the percent of county weed and pest board applications awarded funding

Goal 3. To protect and preserve South Dakota's agriculture, environment, and natural resources through technical assistance.

	Performance Measures				Historical Data Section				
	Trend	Status	FY25 Actual	Target	FY21	FY22	FY23	FY24	FY25
Activity A. Protect and preserve South Dakota's water resources									
i. Number of counties with initial geology and ground water resources assessments completed			34	*34*		31	34	34	34
ii. Number of counties with currently active geologic mapping projects or aquifer investigations			21	*17*		20	20	21	21
iii. Number of the state's shallow aquifers that have been instrumented with monitoring sites to determine water quality trends			25	*25*		25	25	25	25
iv. Implement best management practices to reduce the amount of sediment entering waterbodies (tons reduced)			*	*10,000*	12,673	7,062	13,737	19,194	*

South Dakota Department of Agriculture and Natural Resources

	Trend	Status	FY25 Actual	Target	FY21	FY22	FY23	FY24	FY25
v. Implement best management practices to reduce the amount of phosphorus entering waterbodies (lbs reduced)			*	*25,000*	42,689	19,168	30,988	34,122	*
vi. Implement best management practices to reduce the amount of nitrogen entering waterbodies (lbs reduced)			*	*100,000*	199,999	86,591	135,566	137,925	*
vii. Lake acreage supporting designated beneficial use			22.0%	*50%*	9.0%	29.6%	29.6%	22.0%	22.0%
viii. Stream miles supporting designated beneficial use			21.9%	*50%*	22.0%	21.8%	21.8%	21.9%	21.9%
Activity B. Protect and preserve South Dakota's trees and forests									
i. Percent of population living in communities recognized by the Tree City USA program			54%	*54%*	54.86%	55.00%	54.00%	57.00%	54.00%
ii. Provide forestry management technical assistance (total number of engagements)			2,478	*2,000*	3,265	2,154	1,793	1,671	2,478
iii. Percent of communities with current urban forestry inventories			60%	*25%*	22.90%	23.55%	26.00%	39.00%	60.00%

Agency comments regarding the accomplishment of Goal 3: *FY24 data not available until mid-November based on project reporting deadlines

Goal 4. To plan and execute a family friendly South Dakota State Fair focused on agriculture and youth events while maximizing the year-round use of the fairgrounds

	Performance Measures				Historical Data Section				
	Trend	Status	FY25 Actual	Target	FY21	FY22	FY23	FY24	FY25
Activity A. Execute a successful State Fair									
i. State Fair Attendance			186,255	*200,000*	107,992	181,459	192,279	178,246	186,255
ii. FFA and 4-H Entries			10,495	*10,000*	4,186	9,241	9,662	10,363	10,495
iii. Gross sales per attendee			$17.48	*$14.00*	$11.98	$14.26	$14.85	$15.22	$17.48
Activity B. Year-round use of the fairgrounds									
i. Number of non-fair event days			562	*225*	177	269	281	382	562
ii. Revenue generated by non-fair activities			$1,034,080	*$450,000*	$341,449	$585,802	$499,250	$888,060	$1,034,080
iii. Non-fair revenue percent of total revenue (fair + non-fair)			23.0%	*25%*	17.7%	16.2%	13.0%	22.00%	23.00%

Agency comments regarding the accomplishment of Goal 4: FY21 is the 2020 Fair (COVID); FY24 is the 2023 Fair (record heat)

Status Indicator:

2 = Green - the historical trend line indicates improved performance and the target has been met.
1 = Yellow - the historical trend line indicates improved performance, but the target has not been met.
0 = Red - the historical trend line does not indicate improved performance and the target has not been met.

South Dakota Department of Tourism

Agency's Mission Statement: We enhance the quality of life for all South Dakotans by strengthening our communities and their tourism economies, encouraging responsible stewardship of our destination, and creating meaningful experiences for all to enjoy.

Below are the goals, activities, and measures for the agency. Goals, activities, and measures need to be developed by the agency, in consultation with the Governor's Office, and agreed to by the Legislature (Government Operations and Audit Committee).

Goal 1: Maximize South Dakota's Visitor Economy

	Performance Measures				Historical Data Section					
	Trend	Status	2025 Actual*	2025 Target	2021	2022	2023	2024	2025*	2026 Target
Activity A. What activities are you doing to accomplish Goal 1?										
i. Increase YOY tourism related jobs			59,530	60,225	54,223	56,826	57,835	58,824	59,530	*60,780*
ii. Increase YOY length of stay			3.10	2.15	2.24	2.15	2.00	2.10	3.10	*3.12*
iii. Increase YOY per person/per day spend			$185.37	$149.79	$129.80	$139.92	$144.54	$181.74	$185.37	*$188.15*
iv. Increase YOY visitor spending (in billions)			$5.20	$5.34	$4.36	$4.73	$4.96	$5.09	$5.20	*$5.37*
v. Increase YOY state and local tax revenue (in millions)			$408	$410	$345	$361	$384	$399	$408	*$421*
vi. Increase YOY tourism promotion tax revenue (in millions, and fiscal year)			$19.83	$20.39	$18.05	$17.76	$18.80	$19.26	$19.83	*$20.86* *FY22, FY23, FY24, FY25, FY26, FY27*

Agency comments regarding the accomplishment of Goal 1: While we do not yet have all numbers in for 2025, we anticipate an increase in all indicators. Working with Tourism Economics and BFM, we have projected where we believe we will end 2025, and added targets for 2026. All indicators are representative of calendar year, with the exception of tourism promotion tax revenue, which is fiscal year - for example, the 2025 column would be FY26's promotion tax.

*Calendar actuals through October, projected Nov. and Dec.; FY26 promotion tax projected through June, 2026.

Status Indicator:

2 = Green - the historical trend line indicates improved performance and the target has been met.

1 = Yellow - the historical trend line indicates improved performance, but the target has not been met.

0 = Red - the historical trend line does not indicate improved performance and the target has not been met.

Department of Game, Fish & Parks

Agency's Mission Statement: South Dakota Game, Fish and Parks serves and connects people and families to the outdoors through effective management of our state's parks, fisheries and wildlife resources.

Below are the goals, activities, and measures for the agency. Goals, activities, and measures need to be developed by the agency, in consultation with the Governor's Office, and agreed to by the Legislature (Government Operations and Audit Committee).

Strategic Plan Goal 1: Provide Outdoor Recreational Opportunities - Optimize the quantity and quality of sustainable hunting, fishing, camping, trapping and other outdoor recreational opportunities.
Habitat and Access Priority: Expand and create new partnerships with landowners and conservation groups and remain focused on improving existing aquatic and terrestrial habitat on private and public lands while seeking additional habitat acres. Furthermore, we will enhance South Dakota's strong outdoor heritage by providing additional public access to privately owned lands while continuously improving access to existing public lands.

	Performance Measures				Historical Data Section				
	Trend	Status	Actual	Target	2020	2021	2022	2023	2024
Activity A. Terrestrial Habitat Development & Improvement - Acres					Calendar Year				
i. Continue growth of the Department's public lands habitat enhancement programs			94,788	>80,000	82,646	86,313	94,624	91,493	94,788
ii. Continue growth of the Department's private lands habitat enhancement programs			89,034	>80,000	68,876	78,147	83,592	84,504	89,034
					Calendar Year				
Activity B. Public Access Opportunities - Acres					2020	2021	2022	2023	2024
i. Continue to increase public access opportunities to private lands			1,613,582	>1,500,000	1,437,569	1,467,094	1,487,079	1,517,502	1,613,582
					Calendar Year				
Activity C. Trapping License Metric - Annual Participation					2020	2021	2022	2023	2024
i. Continue growth of resident trapping participation			3,639	>4,000	3,587	4,041	3,625	3,383	3,639
					Calendar Year				
Activity D. Hunting & Fishing License Metric - Annual Participation					2020	2021	2022	2023	2024
i. Continue growth of resident hunting participation			157,969	>150,000	160,596	161,779	150,630	156,353	157,969
ii. Continue growth of resident fishing participation			137,822	>145,000	157,373	143,752	134,119	135,561	137,822
iii. Continue growth of nonresident hunting participation			116,649	>110,000	91,789	114,155	112,443	114,116	116,649
iv. Continue growth of nonresident fishing participation			93,851	>90,000	94,262	104,876	95,484	93,652	93,851
(Note: Lists of license types for resident & nonresident metrics provided on supplemental sheet)									
					Calendar Year				
Activity E. Camping Units - Occupancy Percent and Visitation Totals					2020	2021	2022	2023	2024
i. Maintain resident camping participation levels			63%	>70%	71%	71%	64%	64%	63%
ii. Maintain non resident camping participation levels			37%	<30%	29%	29%	36%	36%	37%
iii. Maintain overall park and recreation area visitation			7,979,618	>7,500,000	8,278,652	8,602,670	7,996,683	8,049,568	7,979,618

Agency comments regarding the accomplishment of Goal 1: Trapping licenses are based on furbearer licenses sold. Trapping license is not required for a resident under the age of 18. Hunting license numbers are comprised of licenses that are sold over the counter or with no limit on the number that can be sold. Thus, these figures do not include big game licenses sold through a lottery process.

Strategic Plan Goal 2: Serve as stewards of our state's outdoor resources - Maintain and improve our outdoor resources to ensure sustainability.

Asset Management Priority: Provide superior outdoor recreational experiences by showcasing South Dakota's natural landscapes and world class state park system while ensuring sustainability of the resource and actively recruit, retrain, and reactivate outdoor enthusiasts.

					Calendar Year				
Activity F. Proportion of Camping Units Peak Season vs Shoulder Season & Capital Project Investment					**2020**	**2021**	**2022**	**2023**	**2024**
i. Provide adequate access (occupancy rate) during "peak" camping season			90%	>90%	92%	91%	92%	90%	94%
(May - September)					**Calendar Year**				
ii. Increase camping participation (occupancy rate) during "shoulder/off" season			7%	>10%	8%	10%	8%	7%	9%
(October-April)					**Fiscal Year 2021**	**2022**	**2023**	**2024**	**2025**
iii. Maintain Capital Development Spending % (spending as a % of budget)			27.4%	>20%	11.3%	37.1%	34.1%	28.0%	27.4%

Agency comments regarding the accomplishment of Goal 2: Goal 2 includes more detailed tracking of "occupancy rates" for state park & recreation area camping. Still in progress, the new GoOutdoors system will allow for reporting of weekday vs weekend occupancy rates for the state parks system including peak camping season and the shoulder season.

Status Indicator:

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	Previous		New
	Strategic Plan Goal 1 Provide Outdoor Recreational Opportunities - Optimize the quantity and quality of sustainable hunting, fishing, camping, trapping and other outdoor recreational opportunities. Habitat and Access Priority: Expand and create new partnerships with landowners and conservation groups and remain focused on improving existing aquatic and terrestrial habitat on private and public lands while seeking additional habitat acres. Furthermore, we will enhance South Dakota's strong outdoor heritage by providing additional public access to privately owned lands while continuously improving access to existing public lands.		**Strategic Plan Goal 1** Provide Outdoor Recreational Opportunities - Optimize the quality of sustainable hunting, fishing, camping, trapping and other outdoor recreational opportunities. Habitat and Access Priority: Maintain partnerships with landowners and conservation groups and remain focused on improving existing aquatic and terrestrial habitat on private and public lands. Furthermore, we will enhance South Dakota's strong outdoor heritage by providing additional public access to privately owned lands while continuously improving access to existing public lands.
	Activity A. Terrestrial Habitat Development & Improvement - Acres i. Continue growth of the Department's public lands habitat enhancement programs ii. Continue growth of the Department's private lands habitat enhancement programs		Activity A. Terrestrial Habitat Development & Improvement - Acres i. Maintain the Department's public lands habitat enhancement program ii. Maintain the Department's private lands habitat enhancement programs
	Activity B. Public Access Opportunities - Acres i. Continue to increase public access opportunities to private lands		Activity B. Public Access Opportunities - Acres i. Maintain current public access opportunities to private lands
	Activity C. Trapping License Metric - Annual Participation i. Continue growth of resident trapping participation		Activity C. Trapping License Metric - Annual Participation i. Maintain current resident trapping participation
	Activity D. Hunting & Fishing License Metric - Annual Participation i. Continue growth of resident hunting participation ii. Continue growth of resident fishing participation iii. Continue growth of nonresident hunting participation iv. Continue growth of nonresident fishing participation (Note: Lists of license types for resident & nonresident metrics provided on supplemental sheet)	x x	Activity D. Hunting & Fishing License Metric - Annual Participation i. Maintain current resident hunting participation ii. Maintain current resident fishing participation iii. Continue growth of nonresident hunting participation iv. Continue growth of nonresident fishing participation (Note: Lists of license types for resident & nonresident metrics provided on supplemental sheet)
	Activity E. Camping Units - Occupancy Percent and Visitation Totals i. Maintain resident camping participation levels ii. Maintain non resident camping participation levels iii. Maintain overall park and recreation area visitation		Activity E. Camping Units - Occupancy Percent and Visitation Totals i. Maintain resident camping satisfaction levels at CSP and L&C ii. Maintain non resident camping satisfaction levels at CSP and L&C iii. Maintain resident camping satisfaction levels at all other state parks and campgrounds iv. Maintain non resident camping satisfaction levels at all other state parks and campgrounds
	Activity F. Proportion of Camping Units Peak Season vs Shoulder Season & Capital Project Investment i. Provide adequate access (occupancy rate) during "peak" camping season (May - September) ii. Increase camping participation (occupancy rate) during "shoulder/off" season (October-April) iii. Maintain Capital Development Spending % (spending as a % of budget)	x x x x	Activity F. Proportion of Camping Units Peak Season vs Shoulder Season & Capital Project Investment i. Provide adequate access (occupancy rate) during "peak" camping season (May - September) ii. Increase camping participation (occupancy rate) during "shoulder/off" season (October-April) i. Maintain Capital Development Spending % (spending as a % of budget)

x indicates removal from the new list

Department of Transportation

Agency's Mission Statement: We provide a safe and efficient public transportation system.

Agency's Vision: Better lives through better transportation

Below are the goals, activities, and measures for the agency. Goals, activities, and measures need to be developed by the agency, in consultation with the Governor's Office, and agreed to by the Legislature (Government Operations and Audit Committee).

Goal 1. Provide the Best Transportation System and Assets

	Performance Measures				Historical Data Section				
	Trend	Status	Actual	Target	FY20	FY21	FY22	FY23	FY24
Activity A. Maintain highway and bridge condition									
i. Percent interstate pavements in good or excellent condition?			96.8%	80.0%	94.5%	97.4%	94.8%	95.9%	96.8%
ii. Percent of state highway pavements in good or excellent condition?			89.6%	75.0%	91.2%	89.5%	90.3%	87.9%	89.6%
iii. Percent of state owned bridges in good or fair condition?			97.8%	95.0%	97.2%	97.4%	97.5%	97.6%	97.8%

Agency comments regarding the accomplishment of Goal 1: Targets established for long term performance provide a tool in determining annual investment on pavements and bridges. Based on current funding levels we are projecting to fall below our targets in FY2032. Pavements are broken into four categories: Excellent, Good, Fair, Poor. All pavements are inspected annually and based on the distresses observed an overall Surface Condition Index (SCI) is developed. The SCI ranges from 0-5, with 5 being the best. The breakdown is as follows: Excellent 5-4.5; Good 4.5-3.4; Fair 3.4-2.1; Poor 2.1-0. Bridges and their elements (deck, superstructure, substructure) are generally inspected every two years and rated as good, fair, or poor; a bridge's condition is rated as *Good* if it has minor issues, rated as *Fair* if primary structural elements are sound but show some minor deterioration, and rated as *Poor* if there is advanced deterioration or cracking that affects the structure. Inspections are completed by certified inspectors. A *Poor* rating does not mean a bridge is unsafe or likely to collapse, but that it needs repairs or close monitoring.

Goal 2. Provide Excellent Services

	Performance Measures				Historical Data Section				
	Trend	Status	Actual	Target	FY21	FY22	FY23	FY24	FY25
Activity A. Improve customer and contractor satisfaction of services provided									
i. Customer Satisfaction with Overall Delivery of Services**			84%	85%	73%	81%	81%	81%	84%
ii. Satisfaction with Winter Maintenance**			91%	85%	78%	84%	84%	84%	91%
					CY20	CY21	CY22	CY23	CY24
iii. Contractors Rating DOT Staff Performance as Excellent or Good			95%	95%	90%	91%	87%	87%	95%

**Data is the result of surveys performed in FY18 & FY21 & FY24

Agency comments regarding the accomplishment of Goal 2: The Department conducts formal external customer satisfaction surveys every two to three years. In the table above FY21 is from the 2018 survey; FY22, FY23, and FY24 data are from the 2021 survey; FY25 is from the 2024/2025 survey. The Department has set a high target. In comparison, DOTs in the United States North Central Region averaged a satisfaction of 54.8%.

Goal 3: Everyone Home Safe Every Day

	Performance Measures				Historical Data Section				
	Trend	Status	Actual	Target	CY20	CY21	CY22	CY23	CY24
Activity A. Improve safety on highways									
i. Reduce the number of fatalities related to highway crashes			146	100	141	148	137	140	146
ii. Reduce the number of serious injuries related to highway crashes			611	400	548	622	622	571	611
a. Safety funds, in millions, invested in all public roads (Countermeasures such as shoulder and center line rumble strips, shoulder widening, signing, etc)			$ 42.93	$21.62	$47.32	$84.18	$68.36	$70.55	$42.93
					FY21	FY22	FY23	FY24	FY25
iii. Reduce crashes involving DOT snow plows (per 1M miles driven)			7.1	6.5	9.0	12.5	7.8	8.8	7.1
a. Increased use of blue lights on snow plows			79%	100%	61%	65%	68%	72%	79%
Activity B. Improve safety of workforce					FY21	FY22	FY23	FY24	FY25
i. Reduce state vehicle backing crashes			19	24	25	17	39	23	19
ii. Reduce state vehicle crashes (per 1 million miles driven)			4.81	6.50	6.07	5.76	6.64	4.28	4.81
iii. Reduce employee lost time injuries (per 100 employees)			3.51	3.61	4.27	6.59	5.37	5.06	3.51

Agency comments regarding the accomplishment of Goal 3: Highway safety targets are based on achieving the goal by 2024 and include all traveled public roads, including state, county, township, tribal, and city streets. Some element of driver behavior is involved in over 90% of crashes, which requires collaboration across multiple state and local agencies to improve highway safety. The implementation of the DOT safety program strengthens the Department's commitment to create a safe work environment by reducing employee injuries, preventing asset-related incidents, and fostering a culture of continuous safety improvement.

Goal 4. Value All Team Members

	Performance Measures				Historical Data Section				
	Trend	Status	Actual	Target	FY21	FY22	FY23	FY24	FY25
Activity A. Improve agency recruitment, retention and engagement									
i. Increase retention of all employees		2	91.1%	90%	90.8%	91.5%	91.0%	90.6%	91.1%
ii. Leaders clearly communicate agency goals and priorities**		1	71%	85%	53%	62%	62%	71%	71%
iii. My coworkers are committed to doing quality work**		1	70%	80%	64%	68%	68%	70%	70%

**Data is the result of survey performed every other year. Percentage is based on employees who agree and strongly agree

Agency comments regarding the accomplishment of Goal 4: BHRA employee engagement scores are used to measure improvements in focus areas. DOT has engaged with BHRA to provide Supervisor Effective Index (SEI) results for individual supervisors that are used to develop and implement action plans. (FY22 & FY23 reflect the same data, as well as FY24 & FY25.)

Status Indicator:

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Department of Education 11/06/2025

Agency's Mission Statement: The Department of Education (DOE) is dedicated to enhancing learning through leadership and service.

Aspiration: All students leave the K-12 education system ready for college, careers, and life.

Summary FY 25 Performance Measures: Many key indicators showed improvement in SY 2024-25. That includes growth rates on the ELA and Math assessments in grades 3-8. Statewide attendance continued to nudge upwards. The four-year cohort graduation rate increased more than two percentage points while the Native American graduation rate jumped 6.9 points. High school completion (not shown below and encompassing those who take longer to graduate or earn a GED) remains strong at 91%. The Native American subgroup experienced increases in several areas, and the DOE continues to focus on improvement. Notably the DOE will be transitioning to new college and workforce readiness indicators moving forward, moving away from assessment-based indicators towards more comprehensive views of a student's preparation. Finally, while Grade 8 math performance increased slightly Grade 3 ELA performance dropped. DOE expects ELA proficiencies to improve in a more dramatic fashion over the next few years as the Science of Reading is restored in elementary schools. New math standards, now under consideration, have the potential to produce positive effects in numeracy.

Goal 1: Students enter 4th grade proficient in reading.

Performance Measures

	Trend	Status	Actual	Target	FY21	FY22	FY23	FY24	FY25
Grade 3 English Language Arts proficiency rate (state assessment)			44.97%	54.43%	48.38%	47.51%	45.74%	46.91%	44.97%
Elementary and middle school ELA growth rate (state assessment)			56.14%	61.26%		53.11%	52.96%	54.39%	56.14%

Agency comments regarding the accomplishment of Goal 1: Grade 3 is a critical milestone in a student's academic career. After 3rd grade, students are no longer just learning to read, they are reading to learn. The grade 3 proficiency level results were disappointing, but the growth shown above for SY 2024-25 (which reflects elementary and middle school grades) is movement in the right direction. We expect the the state's focus on implementing Science of Reading principles will have a positive impact on student literacy and ultimately state test scores.

Goal 2. Students enter 9th grade proficient in math.

Performance Measures

	Trend	Status	Actual	Target	FY21	FY22	FY23	FY24	FY25
Grade 8 Math proficiency rate (state assessment)			41.70%	54.44%	40.16%	38.00%	38.44%	41.11%	41.70%
Elementary and middle school Math growth rate (state assessment)			50.83%	57.61%		47.49%	48.32%	50.16%	50.83%

Agency comments regarding the accomplishment of Goal 2: Grade 8 is also a critical milestone in a student's academic career, as students move on from calculation to algebraic concepts and higher level math. The above indicators show three years of positive growth, trending in an upward direction.

Goal 3. The academic success of Native American students is increased.

Performance Measures

	Trend	Status	Actual	Target	FY21	FY22	FY23	FY24	FY25
Native American elementary and middle school attendance rate			59.78%	75.58%	59.37%	56.03%	57.09%	58.40%	59.78%
Grade 3 Native American English Language Arts proficiency rate			16.33%	54.45%	21.29%	18.96%	17.42%	18.35%	16.33%
Grade 8 Native American Math proficiency rate			9.30%	54.45%	12.45%	9.07%	9.29%	10.35%	9.30%
Native American elementary and middle school English Language Arts growth rate			34.84%	55.81%		35.25%	32.37%	33.98%	34.84%
Native American elementary and middle school Math growth rate			29.50%	51.25%		28.01%	29.98%	29.57%	29.50%
Native American four-year cohort graduation rate			53.21%	92.30%	44.97%	45.80%	48.36%	46.35%	53.21%
Native American College readiness rate English Language Arts (state assessment, ACT, or Accuplacer)			35.75%	57.47%	43.87%	21.89%	40.22%	37.83%	35.75%
Native American College readiness rate Math (state assessment, ACT, or Accuplacer)			9.41%	40.27%	21.85%	14.48%	15.29%	11.51%	9.41%

Agency comments regarding the accomplishment of Goal 3: The Department of Education tracks the progress of various subgroups of students, including Native American students, who represent the largest minority subgroup based on race/ethnicity (roughly 10 percent of the public school student population). Several tracked measures saw growth, notably the graduation rate. While these increases are positive, the metrics for this subgroup of students are below that of the All Students group. One additional note: Data for the college and workforce readiness measures are one year behind.

Department of Education 11/06/2025

Goal 4. Students graduate high school ready for postsecondary and the workforce.

	Performance Measures								
	Trend	Status	Actual	Target	FY21	FY22	FY23	FY24	FY25
Four-year cohort graduation rate			86.49%	90.66%	82.89%	82.15%	84.05%	84.05%	86.49%
College readiness rate English Language Arts (state assessment, ACT, or Accuplacer)			67.37%	70.17%	71.82%	62.96%	68.80%	67.04%	67.37%
College readiness rate Math (state assessment, ACT, or Accuplacer)			45.17%	54.60%	56.42%	53.67%	47.01%	44.96%	45.17%
Workforce readiness rate (National Career Readiness Certificate silver and above)			72.98%	95.85%	71.20%	74.96%	73.56%	73.34%	72.98%

Agency comments regarding the accomplishment of Goal 4: South Dakota's four-year graduation rate increased in SY 2024-25. The high school completion rate (not shown above and encompassing students who take longer to graduate or earn a GED) remains strong at 91%. DOE will be moving to a more comprehensive look at college and workforce readiness measures as reflected in the advanced honors endorsements, as opposed to using only test scores. Note: Data for the college and workforce readiness measures are one year behind.

Goal 5. Students attend school regularly.

	Performance Measures								
	Trend	Status	Actual	Target	FY21	FY22	FY23	FY24	FY25
Elementary and middle school attendance rate			87.18%	92.13%	88.03%	85.65%	86.41%	86.75%	87.18%

Agency comments regarding the accomplishment of Goal 5: Students struggle to progress academically if they are not in school and learning. The attendance rate is defined as the percentage of students attending school for 90% or more of enrolled days. The attendance measure edged upward slightly for the 3rd year in a row in SY 2024-25.

NOTES: Most of the Targets in Column G come from the Department of Education's State Plan required under the Every Student Succeeds Act. Those Targets increased this year, in accordance with the long-term goals laid out in the State Plan. Cells that are blank are missing data due to lack of test administration.

Status Indicator:

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DEPARTMENT OF PUBLIC SAFETY

Agency's Mission Statement: To keep South Dakota a safe place in which to live, work, visit and raise a family.

Below are the goals, activities, and measures for the agency. Goals, activities, and measures need to be developed by the agency, in consultation with the Governor's Office, and agreed to by the Legislature (Government Operations and Audit Committee).

Goal 1: Protect South Dakota Citizens and visitors by promoting public safety through education, enforcement and example.

	Performance Measures				Historical Data Section				
	Trend	Status	Actual	Target	FY21	FY22	FY23	FY24	FY25
Activity A. Promoting public safety through roadway safety enforcement									
i. DUI enforcement (arrests)			1,796	2,000	1,804	1,858	1,743	1,686	1,796
ii. Warnings issued			99,219	90,000	82,003	96,478	92,948	91,028	99,219
- Percentage of warnings from hazardous moving violations					50.2%	50.9%	48.8%	48.8%	50.0%
iii. Citations issued			56,480	55,000	55,820	62,969	51,905	53,863	56,480
- Percentage of citations from hazardous moving violations					41.7%	41.1%	39.6%	37.6%	38.0%
- Percentage of citations from seatbelt violations					17.7%	23.7%	23.9%	21.5%	20.0%
iv. Hours of Safety Education			4,466	2,500	1,007	3,178	2,641	1,846	4,466
v. Felony Drug Arrests			2,227	2,000	2,094	1,767	1,590	1,712	2,227
vi. Time spent on proactive law enforcement activities *			57%	65%	58.8%	61.0%	58.3%	56.0%	55.6%
vii. Fatal traffic crashes			127	100	153	112	121	127	127
viii. Fatalities			136	100	167	125	140	141	136
- Percentage without seat belt					57.9%	57.1%	59.0%	57.3%	60.7%
- Percentage alcohol related					34.1%	34.4%	30.0%	29.8%	37.4%
- Percentage speed related					27.5%	26.4%	30.7%	21.3%	22.1%

Agency comments regarding the accomplishments: HP strives to spend 65% of time on proactive law enforcement activities including stationary patrol, saturation patrols, DUI checkpoints and other traffic related operations. General enforcement stats are below benchmarks due to staffing shortages in the SDHP. HP promotes public safety through education at schools, civic events, and large gatherings such as county and state fairs. We've determined the hours of safety education were being underreported in the time keeping system.

Goal 2: Protect South Dakota Citizens and visitors by collaborating with state, local, and tribal entities and governments to prepare, respond, recover and mitigate emergencies and disasters.

	Performance Measures				Historical Data Section				
	Trend	Status	Actual	Target	FY21	FY22	FY23	FY24	FY25
Activity A. Coordinating prevention, preparedness, response, recovery and mitigation activities									
i. Total FEMA Disaster Dollars (millions)			173	145	103	118	112	194	173
ii. Mitigation projects funded to alleviate future property damage			154	91	203	112	190	193	154
iii. Fires Investigated by State Fire Marshal			55	60	63	74	53	52	55
iv. Fire Fatalities recorded in South Dakota			11	10	10	13	18	15	11
v. Wildland Fire Hazard Fuel Mitigation Projects Completed			43	70	74	91	57	67	43
vi. Wildland Fire Prescribed Burn Plans Executed			44	50	25	5	28	3	44
Activity B. Collaborating with local entities and organizations to enhance services and security measures									
i. School Safety Assessments Conducted			70	35	29	38	71	37	70
ii. Number of Applicants for Homeland Security Enhancements			186	180	197	208	201	172	186
- Percentage of applications funded					54%	67%	68%	61%	68%
iii. Number of Victims of Crimes Served			15,358	15,583	14,916	15,676	15,400	15,423	15,358
iv. Percentage of Victims' Compensation Claims Approved			86.0%	80.0%	80.1%	91.5%	95.3%	88.0%	86.0%

DEPARTMENT OF PUBLIC SAFETY

Agency comments regarding the accomplishments: The total FEMA Disaster Dollars represents the amount of federal dollars available for recovery. The number of FEMA mitigation projects are decreasing as disasters are closed out and due to BRIC funding being discontinued. We do not control the number of crime victims served; we fund the agencies who serve them. Due to dry conditions and the extended fire season, SDWLF has been unable to complete the targeted number of prescribed burns.

Goal 3: Protect South Dakota Citizens and visitors through education and effective regulatory services.

	Performance Measures				Historical Data Section				
	Trend	Status	Actual	Target	FY21	FY22	FY23	FY24	FY25
Activity A. Providing educational opportunities that enhance public safety									
i. Motorcycle Riders Trained through Highway Safety Motorcycle Courses			1,954	1,950	1,520	2,039	2,248	1,976	1,954
ii. Participants Trained through Emergency Management Trainings Offered			664	675	767	1,500	739	2,318	664
iii. Participants Trained through Emergency Management Exercises			507	530	1,452	1,525	1,301	583	507
iv. Certified Firefighters Tested by State Fire Marshal			224	225	191	193	172	272	224
v. Total Certified Firefighters through State Fire Marshal			9,172	9,200	8,865	9,109	9,058	9,079	9,172
vi. Firefighters Trained through Wildland Fire Division			671	700	740	968	672	540	671
Activity B. Delivering effective regulatory services to protect the public									
i. Schools Inspected by State Fire Marshal			189	200	189	201	217	185	189
ii. Boiler Inspections Conducted Through Fire Marshal's Office			4,686	4,800	5,220	4,372	4,745	4,713	4,686
iii. Inspection Rate Compliance of Pumps, Meters, Scales			93.6%	92.0%	94.3%	93.9%	93.5%	94.8%	93.6%
iv. Driver's Licenses/ID Cards Issued			217,547		230,596	235,444	233,044	205,857	217,547
- Percentage of Licenses Renewed Online			8.9%	20.0%	29.1%	19.4%	12.5%	10.2%	8.9%
v. Average Walk-in Wait Time (minutes) at Major Driver License Exam Stations			30.7	30	6.1	20.2	29.0	23.4	30.7
- Sioux Falls - Main									50.0
- Rapid City									25.0
- Aberdeen									17.0
vi. Average Appointment Wait Time (minutes) at Major Driver License Exam Stations			8.1	10			6.8	8.1	8.1
- Sioux Falls - Main									18.0
- Rapid City									2.4
- Aberdeen									4.0
vii. Percentage of Driver License Customers who are satisfied with their service			97.4%	95.0%		96.0%	97.8%	99.0%	97.4%
viii. Percentage of 911 Calls Answered within 15 seconds - NENA standard			98.3%	98.0%	97.1%	96.8%	98.1%	97.1%	98.3%

Agency comments regarding the accomplishments: Targets were decreased for emergency management training and exercises due to funding cuts.

Status Indicator:

2 = Green - the historical trend line indicates improved performance and the target has been met.

1 = Yellow - the historical trend line indicates improved performance, but the target has not been met.

0 = Red - the historical trend line does not indicate improved performance and the target has not been met.

DEPARTMENT OF PUBLIC SAFETY

Mission Statement: To keep South Dakota a safe place in which to live, work, visit and raise a family.

Below are the goals, activities, and measures for the agency. Goals, activities, and measures need to be developed by the agency, in consultation with the Governor's Office, and agreed to by the Legislature (Government Operations and Audit Committee).

Baseline Data	Performance Measures				Historical Data Section				
	Target	Actual FY25	Status	Trend	FY24	FY25	FY26	FY27	FY28
Fatal traffic crashes	120	125			133	125			
Traffic fatalities	120	136			147	134			
Percentage without seat belt		60.4%			57.3%	60.4%			
Percentage alcohol related		39.6%			34.7%	39.6%			
Percentage speed related		21.6%			21.8%	21.6%			
Total FEMA disaster dollars (millions) (1)	145	173			194	173			
Fire fatalities	10	11			15	11			
Inspection compliance rate of pumps, meters, and scales	92.00%	93.60%			94.8%	93.60%			
Driver Licensing program efficiency									
# of driver licenses/IDs issued (2)		217,547			205,857	217,547			

Notes: (1) The total FEMA disaster dollars should decrease as old disasters are closed; new disasters will make this number increase. (2) The number of driver licenses and IDs issued is informative only.

Goal 1: Reduce fatalities, injuries, and property loss in South Dakota.

Objective 1. Prevent incidents and mitigate the effects of incidents when they do happen.	Performance Measures				Historical Data Section				
	Target	Actual	Status	Trend	FY24	FY25	FY26	FY27	FY28
Time spent on proactive law enforcement activities	60%	57%			56.0%	57.0%			
Warnings issued (1)	90,000	99,219			91,028	99,219			
Percentage of warnings from hazardous moving violations		50%			48.8%	50%			
Citations issued (1)	55,000	56,480			53,863	56,480			
Percentage of citations from hazardous moving violations		38.0%			37.6%	38%			
Percentage of citations from seatbelt violations		20.0%			21.5%	20%			
DUI arrests	2,000	1,796			1,686	1,796			
DUI checkpoints	190	202			203	202			
Saturation patrols	225	244			228	244			
Felony drug charges	2,000	2,227			1,712	2,227			
District 5 staffing level	90.0%	88.0%			96.0%	88.0%			
# of Motor Carrier roadside inspections	27,001	35,574			34,102	35,574			
# of Level III inspections (2)	17,702								
Dollar amount of overweight fines	$1 million	$999,449			$1,016,534	$999,449			
# of days to inspect completed mitigation projects	<31	NM			NM	NM			
Wildland Fire fuels mitigation projects in progress/acres treated (3)	70	43/771			67	43			
Wildland Fire prescribed burn plans in progress/acres treated (4)	50	101/3,046			50	101			
School bus spot checks conducted by Highway Patrol	120	98			88	98			
Boiler inspections conducted by State Fire Marshal/cert-blocking violations (5)	4,800/400	4,686/324			4,713/210	4,686/324			
Damage Prevention Meetings hosted by 811/number of attendees	10/1,000	11/1,416			10/867	11/1,416			

Notes: (1) The percentages for warnings and citations are informative only. No target has been assigned. (2) Level III inspections are "driver-only"inspections. We are working to pull these numbers from the federal system based on state fiscal year. (3) The number of wildland fire fuels mitigation projects represents ALL open fuels mitigation projects. A sharp increase in this number means the conditions were not conducive to burning slash piles. (4) A sharp decrease in this number means the conditions were not conducive for burning. (5) Cert-blocking violations found during a boiler inspection may shut the boiler down. The boiler is tagged and the owner must repair the deficiencies. FMO re-inspects to verify, and once inspection invoices are paid, the FMO re-issues the operations certificate.

	Performance Measures						Historical Data Section				
	Target	Actual	Status	Trend			FY24	FY25	FY26	FY27	FY28
Objective 2. Preparing our first responders and the general public											
Motorcycle riders trained through Highway Safety motorcycle courses	1,950	1,954					1,976	1,954			
HP hours of safety education	3,500	4,466					3,004	4,466			
Responders trained through emergency management training classes	675	664					2,318	664			
Emergency management planning contacts made	2,725	2,752					1,371	2,752			
Emergency management regional coordinator visits	288	431					410	431			
Firefighters trained by Wildland Fire	600	671					540	671			
Wildland Fire cooperative agreements	100	82					130	82			
School safety assessments conducted	35	70					37	70			
# of prevention and preparedness social media posts	276	NM					NM	NM			

Goal 2: Respond when incidents do occur and assist citizens and communities with recovery.

	Performance Measures						Historical Data Section				
	Target	Actual	Status	Trend			FY24	FY25	FY26	FY27	FY28
Objective 3. Respond to the public's needs during an emergency.											
# of motorist assists	8,500	8,518					8,876	8,518			
Percentage of 9-1-1 calls answered within 15 seconds (NENA national standard)	98%	98.3%					97.1%	98.3%			
Fires investigated by the State Fire Marshal /% of total fires in SD	75/575	67/567					52	67/567			
Non-tribal	60	55					49	55			
Tribal	15	12					1	12			
Duty officer calls/state-coordinated responses or SEOC activations (1)	250/30	280					217	280			
Safe2Say tips received (2)	272	248					154	248			
Requests for Information received by Fusion Center	3,635	3,463					NM	3,463			

Notes: (1) "SEOC" is the state emergency operations center. A state-coordinated response requires resource coordination by OEM. (2) The Safe2Say tips number should increase as more individuals learn about the hotline.

	Performance Measures						Historical Data Section				
	Target	Actual	Status	Trend			FY24	FY25	FY26	FY27	FY28
Objective 4. Provide services to citizens, including those impacted by crimes and emergencies.											
Victims' Services site visits performed	18	NM					NM	NM			
# of days to process Victims' Services drawdowns	30	NM					NM	NM			
Victims' Services educational presentations	24	NM					NM	NM			
# of claims submitted for Victims' Compensation (1)	275	NM					NM	NM			
Days to distribute FEMA-approved disaster funding	30	NM					NM	NM			
Average walk-in wait times (minutes) at major Driver Licensing exam stations	30	30.7					23.4	30.7			
Sioux Falls Main	30	50						50			
Rapid City	20	25						25			
Aberdeen	10	17						17			
Average appointment wait times (minutes) at major Driver Licensing exam stations	10	8.1					8.1	8.1			
Sioux Falls Main	15	18						18			
Rapid City	5	2.4						2			
Aberdeen	5	4						4			
Percentage of Driver Licensing customers satisfied with their service	95%	97.4%					99.0%	97.4%			

Notes: (1) The number should increase as more victims hear about the program.

NM: not measured

Status Indicator:

= Green - the historical trend line indicates improved performance and the target has been met.

= Yellow - the historical trend line indicates improved performance, but the target has not been met.

= Red - the historical trend line does not indicate improved performance and the target has not been met.

Study Assignment

The scope of study was to:

- Examine the makeup (demographic analysis, offense characteristics, and geographic distribution) of the current prison population;
- Conduct a comparison of incarceration rates in similar states, including a review of sentencing laws and the incarceration of non-violent offenders; and
- Identify barriers to successful reentry after incarceration, including housing, job training, and substance abuse barriers.

Summary of Meetings

The committee held its first meeting June 24, 2025, in Rapid City. There, it discussed the scope of the committee before reviewing a presentation covering background information on incarceration rates and prison populations in South Dakota compared to those in bordering states, specifically Montana, Wyoming, and North Dakota. The presentation covered prison populations by age, gender, ethnicity/race, and offense. After reviewing the information and posing ideas for topics to address in future meetings, the committee took public testimony.

The second meeting was held July 16, 2025, in Sioux Falls. The committee heard from several stakeholders in the Rapid City and Sioux Falls areas and a selection of national organizations. The National Conference of State Legislatures gave a presentation providing more comparative research from across the country. The Pennington County State's Attorney and Public Defender shared their perspectives on the criminal justice system, along with potential policy solutions. Representative Brian Mulder introduced the co-founder of Think 3D Solutions to speak about programming the organization does at the South Dakota State Penitentiary. Representatives from Alvarez and Marsal Public Sector Services then gave a presentation on opportunities to enhance community reentry, particularly via Medicaid funding. The committee also took public testimony.

The final meeting was held October 29, 2025, in Sioux Falls. The committee first heard from representatives of the Prison Seminaries Foundation. It then heard from the Council of State Governments Justice Center, which gave a presentation about work it has done to date with other states, and ideas for how its work could help shape future criminal justice policy in the state. The committee also took public testimony.

Committee Action

The committee adopted the following recommendations:

- Reemphasize the delivery of GED and technical education within correctional facilities;
- Reestablish the inmate community service program to match minimum-custody inmates with local non-profits, cities, counties, and school districts to provide low-cost assistance and build work ethic in soon-to-be-released inmates;
- Restore substance abuse counseling, mental health counseling, and outside services for counseling and faith-based opportunities; and
- Allow non-profits to contract with the state of South Dakota to provide comprehensive, residential, evidence-based programming that focuses on healing the whole person: spirit, soul, and body.

The committee also determined the following to be important considerations:

- Reestablish community partnerships with Glory House and other community-based transitional programs;
- Reestablish a work release program to help inmates find and retain jobs;
- Provide additional resources to Mike Durfee industrial training and education programs;
- Enhance penalties for individuals supplying drugs to inmates;

- Build on public-private relationships offering additional education and industrial training;
- Add resources to reduce the parole agent to parolee ratio from 56:1 to 45:1 (or less) and review the probation officer to probationer ratio;
- Add resources to create a post-release case worker program;
- Restore discipline procedures to pre-Covid policies to reestablish a culture of mutual respect;
- Increase the scope and authority of the Corrections Commission and add legislative membership;
- Establish a public-private partnership program to reduce recidivism through state-supported skills training and privately supported mental and spiritual rehabilitation, consistent with constitutional requirements for neutrality between religion and non-religion;
- Establish workforce development programs (ranching, agriculture, forestry services, etc.) in central, western, and northern South Dakota to work in tandem with state-supported holistic therapeutic programming; and
- Provide for felony expungement upon completion of programs, a certain number of hours worked, proof of sobriety, etc.

Listing of Committee Members

Representative Greg Jamison, Co-Chair; and Senator Kevin Jensen, Co-Chair. Representatives Jeff Bathke, Mary Fitzgerald, Tony Randolph, Tim Reisch, and Kadyn Wittman. Senators Tamara Grove, Chris Karr, Carl Perry, and Jamie Smith.

Listing of Staff Members

Melanie Dumdei, Assistant Chief for Legal; Joey Knofczynski, Senior Fiscal Analyst; and Kaitlyn Baucom, Administrative Specialist.

Interim Rules Review Committee
2025 Final Report

Study Assignment

Created by SDCL 1-26-1.1, the Interim Rules Review Committee, on behalf of the Legislature, oversees executive branch agencies in the exercise of the quasi-legislative authority delegated to the agencies to promulgate rules. The Committee is empowered to require agencies to go back to an earlier part of the rulemaking process (i.e., revert) if the Committee finds concerns listed in SDCL 1-26-4.7, including concerns that the rule does not follow legislative intent or the Legislature's delegated authority. The Committee is also empowered, per SDCL 1-26-1.2, to make recommendations to the Legislature regarding administrative rules and administrative law.

Summary of Interim

Trends regarding this interim compared to prior interims for the Committee are showcased below in chart form.

Table 1. Number of Rule Packets by Interim – Reason for Rules

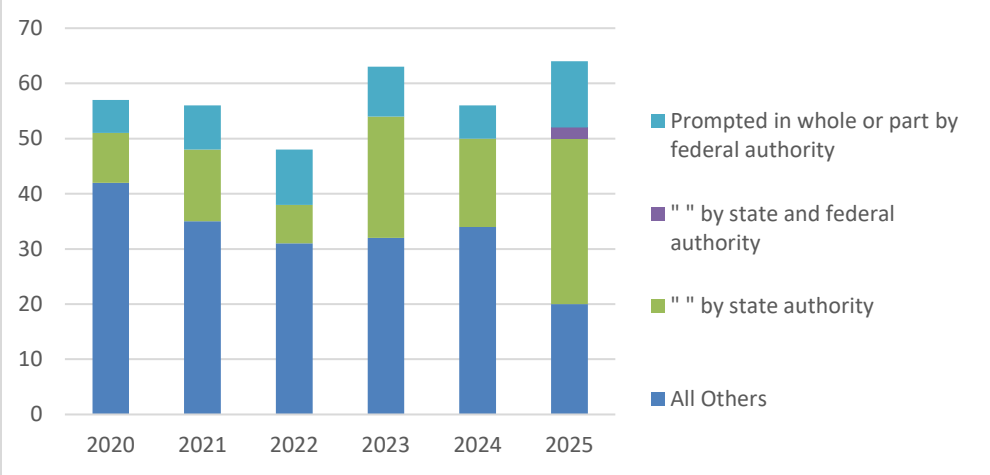


Table 2. Average Number of Rule Packets by Month (2020-24 Interims)

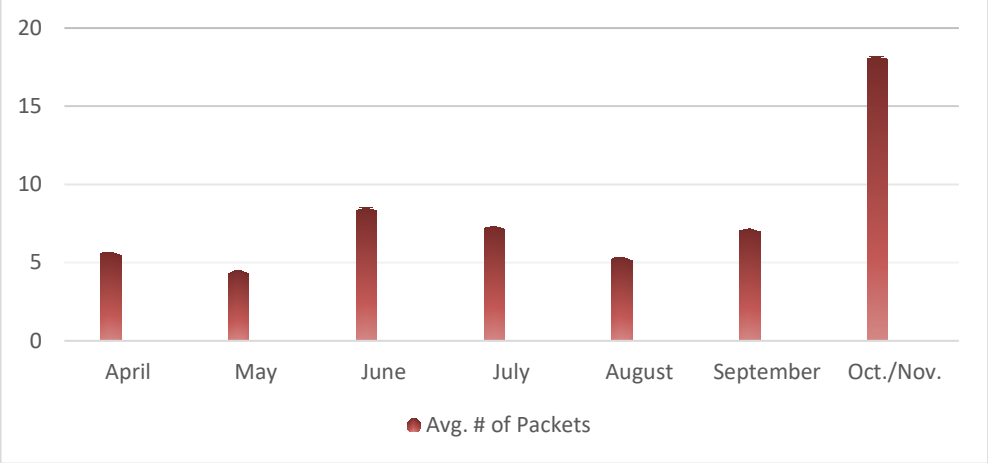
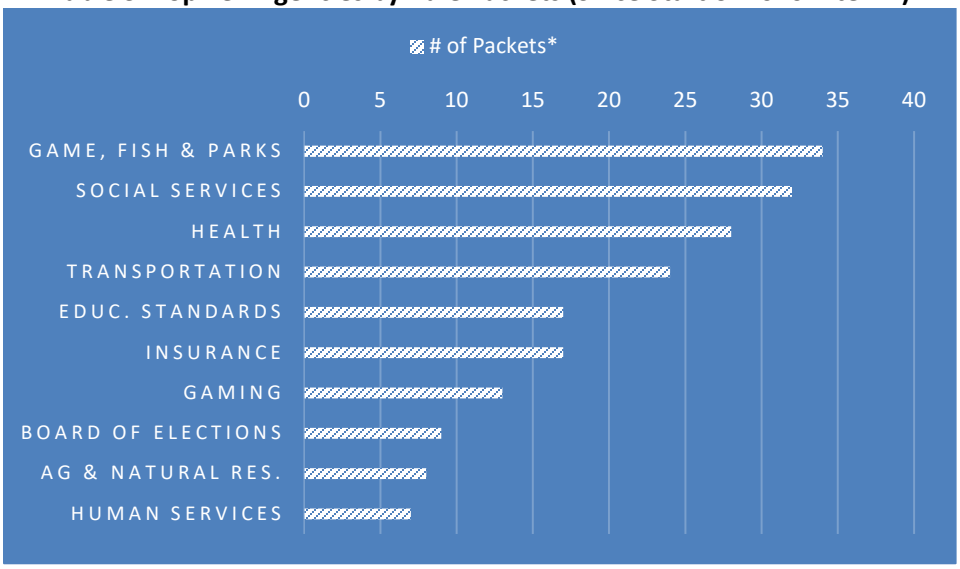
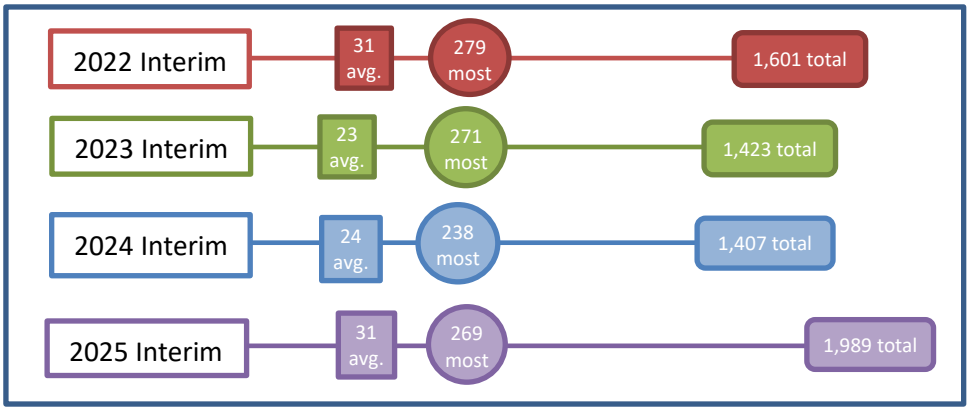


Table 3. Top Ten Agencies by Rule Packets (Since Start of 2020 Interim)



*** 75 boards, commissions, agencies, and offices have presented a rules packet in the last six years.**

Table 4. Pages of Rules Reviewed Per Packet (Not Counting Forms, Minutes, Written Comments)



Summary of Meetings

The Committee met on the dates listed below at the State Capitol in Pierre. The Committee's actions at a given meeting are summarized below the corresponding date, with agency rules reviewed listed by agency name:

March 3, 2025:

- The Committee met to organize itself, selecting its chair and vice chair and setting the meeting schedule for the entire interim.
- Assignments as lead members on particular agencies' proposed rules were discussed.
- Members were briefed on services provided by staff and on HB 1051, which was proposed by the Committee in 2024 and enacted at the 2025 session.

April 8, 2025:

- **Board of Barber Examiners** (DLR) - Establish fees for annual inspections, increase fees for barber licensure, and revise the renewal date for barber licenses.
    - The proposal is the result of SB 28.
- **Commission on Gaming** (DOR) - New table game rules for a variation of poker and a variation of blackjack.
- **Department of Human Services** - Update procedures for individual service plan and medication reviews.

May 6, 2025:

- **Department of Agriculture and Natural Resources** - Restructuring of State Fair camping fees based on campsite location and amenities provided.
- **Department of Social Services** - Update adoption rules for kinship adoptions and create a foster licensure pathway for kinship foster homes.
- **Game, Fish and Parks Commission** (GFP) - Prohibit the leaving of human remains at Bear Butte State Park.
- **Game, Fish and Parks Commission** (GFP) - Clarify personal flotation and boating safety requirements, and revise elk, mountain lion, and waterfowl hunting requirements and hunting units.
    - A portion of the proposal is the result of federal regulation.
- [Carried over from the 2024 interim] **Appraiser Certification Program** (DLR) - Adopt the most recent updates to the *Uniform Standards of Professional Appraisal Practice* and adjust educational course approval terms.
- **Lottery Commission** (DOR) - Permit video lottery terminal logic boards to be cleared and replaced by Type II Technicians or Lottery personnel.
- **Division of Insurance** (DLR) - Update insurance regulations to incorporate the 2025 Medicare Supplement coverage amounts.
    - This proposal is the result of federal regulation.
- LRC staff reported on an updated to the Form 17- Agency Financial Resources document, required to be provided by agencies increasing fees, per SDCL 1-26-4.8.

June 10, 2025:

- **Department of Social Services** - Update federal medical service eligibility standards (Medicaid long-term care) and repeal the private adoption home study reimbursement rate.
    - The repeal is the result of HB 1005.
    - The long-term care revisions are the result of federal regulation.
- **Electrical Commission** (DLR) - Increase wiring permits, inspection fees, and administrative fees, while repealing outdated fee categories.
    - The proposal results from SB 31.
- **Board of Education Standards** (DOE) - Require new or incoming certified educators to take an approved South Dakota Indian studies course to obtain certification.
    - The proposal is the result of HB 1002.
- **Plumbing Commission** (DLR) - Increase fees for licensure, inspection, and plumbing installation certificates.
    - The proposal results from SB 24.
- **Game, Fish and Parks Commission** (GFP) - Modify mentored and youth hunting program, deer hunting, and waterfowl hunting requirements, while adopting a new electronic tag in lieu of a physical tag.
    - A portion of this proposal--mentored youth hunting revision--is the result of SB 41.
- **Transportation Commission** (DOT) - Repeal speed zone rules for stretches of highway under the jurisdiction of federal or other state agencies, revise provisions on longer combination vehicles, and revise highways that are to be renamed in Hughes County.
    - The revisions to Hughes County speed zones were prompted, in part, by SB 39.
- **State Board of Elections** (SOS) - Clarify recount board rules, update voter registration and verification notice forms, clarify absentee ballot voting instructions, and permit flexibility in using ballot styles for Express Vote.
    - Verification notice form revisions resulted from federal regulation.
    - Portions of the proposal resulted from HB 1165 (from 2023) and HB 1208.
- **Board of Accountancy** (DLR) - Clarify the definition of "retired" and increase fees.
    - Most of the proposal results from SB 32.

- **Cosmetology Commission** (DLR) - Increase fees.
    - Most of the proposal results from SB 27.
- **Division of Insurance** (DLR) - Update to the most recent edition of standards documents promulgated by the National Association of Insurance Commissioners and revise nomenclature surrounding continuing education courses.
    - A portion of the proposal results from SB 30.
- **Board of Examiners in Optometry** (DOH) - Align with national board examination standards, clarify telehealth and delegation authority, clarify office equipment and inspection requirements, and updated corporate registration requirements.
- **Board of Funeral Service** (DOH) - Clarify trainee program requirements and increase licensure fees.
    - A portion of the proposal results from HB 1015.

July 15, 2025:

- **Commission on Gaming** (DOR) - Adopt the most recent version of the standards set by the Association of Racing Commissioners International for horse racing.
- **Department of Social Services** - Reduce the Temporary Assistance for Needy Families payment standard by 10% and merge two eligibility categories.
    - The Department indicated that the reduction was warranted by state funding over the long-term.
- **Game, Fish and Parks Commission** (GFP) - Permit Purple Heart recipients to receive lifetime state park and discounted camping fees, revise trapping regulations, and allow year-round fishing in the dredge-hole of Lake Francis Case.
- **Aeronautics Commission** (DOT) - Update the process for issuing certificates of approval for airports to reflect current practice.
    - This proposal is largely the result of SB 40.
- **SDRS Board of Trustees** (SDRS) - Repeal sections that were codified into statute in the prior legislative session.
    - This proposal is the result of HB 1029.
- **Department of Public Safety** - Update commercial trucking standards pursuant to federal regulation and the Commercial Vehicle Safety Alliance handbook, and round down the dollar fee on prorated driver license fees.
    - A portion of the proposal is the result of federal regulation.
- **Board of Medical and Osteopathic Examiners** (DOH) - Update the EMS personnel scope of practice, enact a community paramedic endorsement, and update ambulance driver nomenclature and supervision requirements.
    - This proposal is the result of SB 77, HB 1014, and HB 1099.
- **Board of Medical and Osteopathic Examiners** (DOH) - Update athletic trainer supervision language, licensure requirements, and code of ethics.
    - A portion of the proposal is the result of SB 151 (2024).
- **Department of Health** - Amend and repeal medical cannabis rules on definitions, the registration process, conversion calculations, and establishment operations; impose a new system of fines; and require an expiration date on products.
    - A portion of the proposal results from SB 43.
- **Housing Development Authority** (GOED) - Incorporate the new loan program, with moneys derived from the housing infrastructure fund, for constructing school buildings in school districts adjacent to military installations.
    - This proposal is the result of SB 6.
- LRC staff reported that, pursuant to SDCL 1-26A-1, ARSD article 47:10 was obsoleted because it pertained to the Department of Labor and Regulation's employee retirement plan, which was incorporated into SDRS.

August 19, 2025:

- **Board of Minerals and Environment** (DANR) - Revise the mine permit application process and update financial assurance requirements for mine reclamation and post-closure liability.
    - A portion of this rule is the result of SB 111 (2024).
- **Board of Minerals and Environment** (DANR) - Update air quality standards to align with US Environmental Protection Agency standards in the state's joint enforcement of the Clean Air Act.
    - This proposal is the result of federal regulation.
- **Transportation Commission** (DOT) - Revise speed zones in Lincoln County for safety and to remove references to roads no longer under state jurisdiction with the expansion of Sioux Falls.
- **Department of Health** - Repeal the provisions of the Children's Special Health Services Health KiCC program.
    - This proposal is the result of federal regulation.
- **Board of Pharmacy** (DOH) - Increased fee for wholesalers, revise pharmacy technician requirements, and remove the licensing requirement for automated e-kits in nursing facilities.
    - A portion of this proposal is the result of HB 1016.
- **Board of Nursing** (DOH) - Regulate CNAs, authorize delegation of tracheostomy care and suctioning to nursing assistants, and establish a temporary license suspension process.
- LRC staff reported that technical corrections had been made, pursuant to authority in SDCL 1-26A-1, to references to transferred statutes in Department of Revenue rules. The statutes in question--SDCL 10-6-2, 10-6-33.13, and 10-6-33.28, had been recodified back in 2021.

September 9, 2025:

- **Department of Social Services** - Revise procedures for requesting hearings and obtaining evidence packets in certain administrative proceedings and update program terminology.
    - A portion of this proposal is the result of federal regulation.
- **Department of Social Services** - Repeal and reconstitute the preadmission screening and resident review rules with certain provisions removed (75+ age categorical, swing bed references) and clarifications provided.
- **Game, Fish and Parks Commission** (GFP) - Revise Custer State Park antelope hunting season provisions.
- **Office of the Secretary of State** - Lower costs for obtaining voter registration and absentee voter lists, and remove the bond requirements for notary publics on the application and change forms.
    - This proposal is the result of SB 211 (2024) and HB 1133.
- **State Board of Elections** (SOS) - Revise and update voter registration forms, nomination of lieutenant government form, voter challenge form, and absentee ballot forms; provide for a federal voter; update petition signature review processes; and set up the process for the voter registration challenge.
    - This proposal is largely the result of SB 185, HB 1208, and HB 1256.
- **Public Utilities Commission** - Clarify quasi-judicial procedures before the Commission, update telecommunications and pipeline provisions to align with federal authority, and repeal unnecessary telecommunications filing requirements.
    - A portion of this proposal is the result of federal regulation.
- **Division of Insurance** (DLR) - Repeal a limit on the maximum number of continuing education credits an insurance producer can receive from courses sponsored by an insurance company.
- **Board of Hearing Aid Dispensers and Audiologists** (DOH) - Substantially revise licensing rules generally.
    - This proposal is the result of HB 1029 (2024).
- Senator Howard initially presented three bill drafts for the Committee's consideration:
    - Draft 107 would require agencies promulgating rules to post all related documents online on a single website for viewing by the public and interested parties;

  - Draft 117 would require agencies increasing fees to submit the Form 17 - Agency Financial Resources form when their rulemaking packets are first submitted to LRC; and
  - Draft 126 would permit the Committee to suspend a rule until July 1 of the next interim in lieu of reverting the proposed rule (the suspension being permitted by S.D. Const., Art. III, § 30).

October 7, 2025:

- **Plumbing Commission** (DLR) - Adopt the 204 Uniform Plumbing Code and any revisions to the Code that are to be enforced.
  - The proposal results from SB 25.
- **Game, Fish and Parks Commission** (GFP) - Establish a day pass, annual pass, and event permit fees for the Pete Lien and Sons Shooting Sports Complex.
- **Game, Fish and Parks Commission** (GFP) - Modify mountain lion hunting and aquatic invasive species provisions.
- **Transportation Commission** (DOT) - Clarify speed limits in Beadle, Fall River, Hamlin, Hanson, Jones, and Lawrence counties.
- **Reemployment Assistance Division** (DLR) - Update the industry number for retail nurseries in seasonal employer designations and repeal a procedural rule for reemployment assistance appeals.
- **Labor and Management Division** (DLR) - Adopt the 2025 version of the *Relative Values for Physicians* and the 2024 version of the *Relative Values for Dentists*.
- [Reverted rule returned per SDCL 1-26-4.10] **State Board of Elections** (SOS) - Update the process for verifying signatures on a petition.
  - This proposal is the result of HB 1256.
- **Lottery Commission** (DOR) - Adopt the Millionaire for Life lotto game as a replacement for the Lucky for Life lotto game.
- **Department of Human Services** - Repeal the preadmission screening and resident review rules that are to be consolidated under the Department of Social Services.
- **Department of Health** - Remove provisions on the emergency supplies of controlled drugs in long-term care facilities that are now covered by Board of Pharmacy regulation, remove unnecessary definitions and duplicate language regarding hospital charge reporting, and revise technical errors in rules on required reporting of suicide attempts in certain health care facilities.
- **Governor's Office of Economic Development** - Implement the ethanol E15 fuel tax refund.
  - This proposal is the result of SB 78 (2024).
- **Economic Development Finance Authority** (GOED) - Revise and update provisions regarding the agribusiness bonding program, value-added agribusiness relending program, value-added agriculture subfund, and Beginning Farmer Loan Program, and remove obsolete APEX loan program provisions.
- **Board of Economic Development** (GOED) - Streamline provisions associated with the administration and offering of loans from the Revolving Economic Development and Initiative (REDI) fund.
- **Board of Medical and Osteopathic Examiners** (DOH) - Update supervisions requirements for physician assistants to align with statute.
  - This proposal is the result of HB 1071.

November 12, 2025:

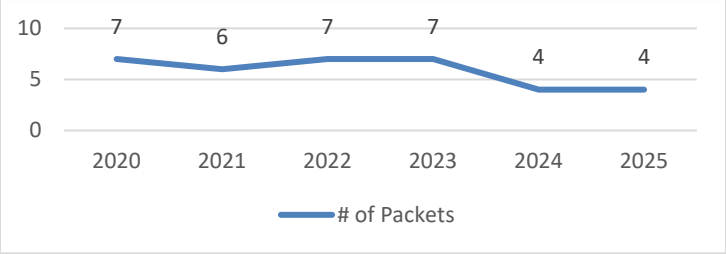
- **Department of Social Services** - Update statutory authority, repeal duplicate rules, and make style and form changes to assistance payment provisions.
- **Transportation Commission** (DOT) - Revise speed limits on U.S. Highway 12 in Ipswich and State Trunk Highway 34 in and around the Interstate 29 interchange in Moody County.
- The Committee considered the following proposed legislation:
  - Draft 107 - An Act to require that agencies promulgating permanent rules publish the rules and associated rulemaking forms on a state website.

- Draft 117 - An Act to clarify when agency financial resource information must be filed in the permanent administrative rulemaking process.
- Draft 126 - An Act to authorize the Interim Rules Review Committee to suspend the effectiveness of an administrative rule when it is promulgated.
- Draft 155 - An Act to require certain final decisions in an administrative contested case to be rendered by a hearing examiner.
- Draft 156 - An Act to require the provision of interpreter or translator services for parties to an administrative contested case.
- Draft 157 - An Act to permit a party to an administrative contested case to serve case documents on the agency via e-mail.

Rules Reverted to Prior Step

The following table provides a trend in the number of rules packets in which the Committee has reverted one or more rules:

Table 4. Rule Packets Containing Rule(s) Reverted by the Committee



In accordance with § 1-26-4.7, the Committee reverted to a prior step in the rule promulgation process certain rules proposed by the:

- *Game, Fish and Parks Commission (Department of Game, Fish and Parks):* At its July meeting (pg. 3), the Committee reverted amendments to ARSD 41:03:03:03.01 and 41:03:04:03 that would, respectively, allow Purple Heart recipients to receive a lifetime state park entrance license and to receive discounted camping fees, akin to severely disabled veterans and prisoners of war under current law (SDCL 41-17-13.4). The Committee based the reversion on the rules not being consistent with expressed legislative intent, as the Legislature had specified some veterans receive the benefit, and had not envisioned the Department being able to expand that benefit. The sections were not presented again to the Committee this interim.

- *Board of Pharmacy (Department of Health):* At its August meeting (pgs. 2-3), the Committee reverted the amendments of ARSD 20:51:06:02 and proposed 20:51:13:05, on the basis that these revisions did not appear to align with legislative intent. On the first amendment, which proposed a $50 fee for a pharmacy to notify the Board of a new pharmacist-in-charge, the Committee was concerned that this was a different transfer than the actual transfer of pharmacy ownership for which the $50 was authorized in statute. On the second, proposed new section, the Committee was concerned that allowing for a remote drop-off location in rural communities would violate a criminal provision in statute (SDCL 36-11-44) limiting the dispensing of pharmaceuticals to premises licensed as pharmacies.

- *State Board of Elections (Secretary of State):* At its September meeting (pgs. 3-4), the Committee reverted the proposed amendment to ARSD 5:02:08:00.01, a section that specifies the process for verifying petition signatures. Specifically, the language pertaining to the verification of the voter's address did not appear to fully capture the revision in HB 1256 which required verification that the address provided on the petition

is the address at which the individual is currently registered to vote, and not just where the individual currently resides. Pursuant to SDCL 1-26-4.10, the proposed section was brought back at the Committee's October meeting (pgs. 3-4) with revisions and the rulemaking process was declared complete by the Committee.

- *Plumbing Commission (Department of Labor and Regulation):* At its October meeting (pgs. 1-2), the Committee reverted three proposed amendments to the 2024 Uniform Plumbing Code that were to be placed in subdivisions (51), (52), and (53) of ARSD 20:54:02:01. These revisions were reverted after the concerns of Bradley Tunge, a plumber from Sioux Falls, were provided and the Commission's chair, plumber Jon Kist, was given an opportunity to respond.

Listing of Legislation Adopted by the Committee

- Draft 107 - An Act to require that agencies promulgating permanent rules publish the rules and associated rulemaking forms on a state website.
- Draft 117 - An Act to clarify when agency financial resource information must be filed in the permanent administrative rulemaking process.

Committee Members

Representative Jon Hansen, Chair; Senator Taffy Howard, Vice-Chair; Senators Liz Larson and Jim Mehlhaff; and Representatives Roger DeGroot and Erik Muckey.

Listing of Staff Members

Justin Goetz, Code Counsel; Kelly Thompson, Legislative Editor; and Dilyn Tramp, IT Support Specialist.

Members of the Research Division who performed the initial rule review for style, form, clarity, and legality were Anita Thomas, Chief Research and Legal Analyst; Melanie Dumdei, Assistant Chief for Legal; Anna Madsen, Assistant Chief for Research; Legislative Attorney Rachel Hale; Research Analysts Jacob Carlson, Lance Nixon, Will Steward, and Matthew Server.

Members of the fiscal staff who reviewed rule fiscal documents were Senior Fiscal Analysts Joey Knofczynski and Joslyn Jessop, and Fiscal Analysts Bill Douglas, Mitch Honan, Bill McDonald, and Drew Kaitfors.

Interim Joint Committee on Appropriations 2025 Final Report

Study Assignment

The Special Committee, Interim Joint Committee on Appropriations (JCA), was established by the 1974 Legislature in SDCL § 4-8A-2. The nine members appointed to each of the House and Senate Appropriations committees during regular legislative sessions also serve on the Interim JCA. The committee meets at the call of the chair or co-chairs between regular legislative sessions.

The committee serves to release sums of money from any general contingency fund; to continually review, evaluate, and coordinate state fiscal and budgetary policy including the adoption of any new programs by any department of state government; and to carry out any assignments made by the Executive Board of the Legislative Research Council.

Summary of Meetings

The Interim JCA has held two meetings so far during the 2025 Interim and will hold a final meeting December 2, 2025.

During the first meeting, held in Pierre May 30, 2025, the Interim JCA:

- Heard an update from the Bureau of Finance and Management on federal funding reductions;
- Heard an update from the Governor's Office of Economic Development on the biannual Future Fund report required by SDCL § 61-5-29.3;
- Approved four transfers per SDCL § 4-8A-8, including three base transfers and a one-time transfer between personal services and operating expenses; and
- Approved Letters of Intent. A Letter of Intent (LOI) supplements an appropriation approved by the Legislature and enacted into law. It outlines policy guidelines for state agencies and expresses particular views held by the JCA when approving the appropriation. These guidelines do not have the direct force of statutory law and agencies are not required to follow them; however, they are used by the JCA to conduct fiscal oversight of state agencies. The following Letters of Intent were adopted by the Interim JCA:
    - Board of Regents – Utility Alignment. The LOI allows the universities to transfer moneys appropriated for utilities between the universities to address any surplus or shortfall in utility appropriations; and
- Heard an update from the Bureau of Finance and Management on Project BISON, a new enterprise resource planning system.

During the second meeting, held in Pierre July 23, 2025, the Interim JCA:

- Heard an update from the Bureau of Finance and Management on fiscal year 2025, including revenues, expenditures, and reversions;
- Certified the proration of fiscal year 2024 interest earnings per SDCL § 4-5-30;
- Heard a further update from the Bureau of Finance and Management on Project BISON;
- Heard an update from the Bureau of Finance and Management on reorganizing budget units and cost centers within the state accounting system, along with improved budget reporting;
- Heard a further update from the Bureau of Finance and Management and the Department of Social Services on changes in federal funding reductions, particularly TANF funding; and
- Heard fiscal year 2026 revenue projections from both the Legislative Research Council and the Bureau of Finance and Management.

For its upcoming meeting December 2, the Interim JCA is expecting to:

- Hear an update from the Department of Social Services on opioid settlement funding; and
- Hear LOI reports from various agencies.

Listing of Committee Members

Senator Ernie Otten, Lead Co-Chair; and Representative Mike Derby, Co-Chair. Representatives Terri Jorgenson, Chris Kassin, Jack Kolbeck, Liz May, Scott Moore, Erik Muckey, Al Novstrup, and John Sjaarda. Senators John Carley, Red Dawn Foster, Taffy Howard, Mark Lapka, Paul Miskimins, Glen Vilhauer, Mykala Voita, and Larry Zikmund.

Listing of Staff Members

Jeff Mehlhaff, Deputy Director and Fiscal Chief; Joslyn Jessop, Senior Fiscal Analyst; Joey Knofczynski, Senior Fiscal Analyst; Bill Douglas, Fiscal Analyst; Mitch Honan, Fiscal Analyst; Drew Kaitfors, Fiscal Analyst; and Bill McDonald, Fiscal Analyst.

Liaison Committee to the Department of Education 2025 Final Report

Study Assignment

With the potential changes being suggested to the operation of the United States Department of Education following the election of President Trump, the Executive Board of the Legislative Research Council voted to create the Liaison Committee to the Department of Education to monitor any changes that are made to the Department and to receive information on the impact of those changes on the South Dakota Department of Education.

The Liaison Committee to the Department of Education was directed to engage in regular contact with the South Dakota Secretary of Education and identify any state impact resulting from funding or programmatic changes initiated by or on behalf of the United States Department of Education.

Summary of Meetings

Following the July 2025 publication of a news article stating that the United States Department of Education had paused the distribution of certain grants to the states, the committee requested that the Department of Education provide a detailed report of the impact that this pause would have on South Dakota school districts. Prior to completion of the report, Dr. Joseph Graves, Secretary, Department of Education, notified the committee that the funding had been released.

The committee met once September 22, 2025. At the meeting, Dr. Graves reported that while much was being discussed, the United States Department of Education had yet to take any action that would significantly alter the work of the South Dakota Department of Education, as this kind of action would require an act of Congress. Dr. Graves reported the only impact resulting from the funding pause was that the South Dakota Department of Education had less time to process applications and distribute funding. However, all funding was distributed to the school districts on schedule.

Committee Members

Representative Tony Randolph, Co-Chair; and Senator Kyle Schoenfish, Co-Chair. Representatives Heather Baxter and Tesa Schwans. Senator Curt Voight.

Staff Members

Jacob Carlson, Senior Research Analyst; Bill McDonald, Fiscal Analyst; and DeLaney Lewis, Administrative Specialist.

Medical Marijuana Oversight Committee
2025 Final Report

Study Assignment

In November 2020, the voters of South Dakota approved Initiated Measure No. 26, thereby creating the state's medical marijuana program. The initiated measure established the Medical Marijuana Oversight Committee and directed the committee to meet at least twice per year for the purpose of evaluating and making recommendations to the Legislature and the Department of Health regarding:

- The ability of qualifying patients in all areas of the state to obtain timely access to high-quality medical cannabis;
- The effectiveness of the dispensaries and cultivation facilities, individually and together, in serving the needs of qualifying patients, including the provision of educational and support services by dispensaries, the reasonableness of their prices, whether they are generating any complaints or security problems, and the sufficiency of the number operating to serve the state's registered qualifying patients;
- The effectiveness of the cannabis testing facilities, including whether a sufficient number are operating;
- The sufficiency of the regulatory and security safeguards contained in this chapter and adopted by the department to ensure that access to and use of cannabis cultivated is provided only to cardholders;
- Any recommended additions or revisions to the department regulations or this chapter, including recommendations relating to security, safe handling, labeling, and nomenclature;
- Any research studies regarding health effects of medical cannabis for patients; and
- Any medical and clinical aspects of the medical cannabis program.

Summary of Meetings

The Medical Marijuana Oversight Committee met August 19, 2025 for its first meeting. The Department of Health presented an overview of the program. To date, 13,453 patients are registered with the program. There are 30 nurse practitioners, 7 physician assistants, and 70 physicians who are able to certify patients for a medical marijuana card. There are 33 cultivation establishments, 17 manufacturing establishments, 2 independent testing facilities, and 66 dispensaries. The department administers the program with seven staff members. The department provided information on rule changes that went into effect July 15, 2025, which implemented fines for violations of statutes and rules related to the program.

The committee also received presentations from representatives of the medical marijuana industry, including the Cannabis Industry Association of South Dakota, Genesis Farms, and Dakota Cannabis Consulting. The presenters discussed patient and product safety, the efficacy of the program in regulating the industry, and challenges posed by unregulated THC products being sold in gas stations and other stores.

Committee members Jon Thum and Pat West provided information on the challenges faced by law enforcement related to medical marijuana. Both presenters made a distinction between the medical marijuana program and unregulated THC products. One challenge identified was law enforcement's inability to verify that an individual who is found in possession of marijuana is a registry card holder.

During public comment, individuals discussed the efficacy of marijuana to treat health conditions, concerns regarding the process of obtaining a registry identification card, and potential consequences of marijuana use.

The committee held its second meeting on October 22, 2025. The committee received presentations that focused on the health effects of marijuana use, including the danger marijuana poses to children, the effects of marijuana on behavior, and the psychological impacts of marijuana use. The committee discussed the extent to which marijuana can be used to treat a debilitating medical condition.

Dr. James Nold, Superintendent of the Sioux Falls School District, presented on the prevalence of marijuana in schools. The committee discussed ways to determine if marijuana found at schools comes from medical marijuana recipients. The committee also discussed strategies for increasing education on the impact of marijuana use.

The owners of Happy Flower Healing, a dispensary in Yankton, presented their concerns with the department's facility inspection process and the fines they received for violations. The committee discussed the fairness of fines set by the department and asked the department how the fines were determined.

During public comment, representatives of the medical marijuana industry affirmed their desire to protect children from illegal marijuana use and praised the efficacy of the state's program, while encouraging collaboration between the industry, the department, and the committee. The department responded to questions from the committee regarding education provided in schools on medical marijuana. The department also provided information on facility inspections, fines, and the process for appealing fines, and echoed the desire for collaboration between all stakeholders.

The committee discussed the challenges in determining the proper dosages available to patients, the distinction between marijuana and prescription medicine, and the program's participation in the Prescription Drug Monitoring Program pursuant to SDCL § 34-20G-88.1.

The committee held its third meeting on November 4, 2025. Cannabis ChemLab Inc. and Triverty Analytical, the only licensed cannabis testing labs in the state, presented on the testing process for cannabis products and the efficacy of statutes and rules to protect patient safety. The committee discussed the process for testing cannabis products and questioned whether the number of testing facilities in the state was sufficient to handle demand.

The department responded to questions from the committee regarding the facility inspection and fines process, public education campaigns related to substance use, product package labeling requirements, and the regulatory framework of the program. Committee members expressed a desire for greater transparency between the department and the committee.

The committee discussed the appropriate levels of fines for violations of statutes and rules in response to the concerns expressed by licensed facilities that the levels of fines imposed by the department were excessive and unequally applied.

Committee Action

The committee passed the following recommendations:

- That the Department of Health ensure fines for medical marijuana facilities, resulting from noncompliance, are fair and equitable and that policies are established therefor;
- That the sale of THC products be prohibited in stores and permitted only in licensed medical marijuana facilities;
- That law enforcement officers be given access to the Prescription Drug Monitoring Program, or that medical marijuana card holders be required to produce their registry identification card at the request of a law enforcement officer;
- That the patient-provider relationship be strengthened;
- That a cap be placed on the THC percentage in medical marijuana products;
- That discussion continue regarding consistency in inspections and fines, in collaboration with the Department of Health;
- That the Medical Marijuana Oversight Committee membership be revised to include a licensed pharmacist;

- That an interim committee be created to study the illegal sale and distribution of products containing THC at smoke shops and other establishments;
- That the Department of Health provide education to the public on marijuana and medical marijuana;
- That telehealth services be provided to patients receiving medical marijuana after their initial physical examination; and
- That the Department of Health report hospitalizations, drugged driving, and poison control statistics related to marijuana and medical marijuana.

The committee did not adopt a recommendation that the Medical Marijuana Oversight Committee membership be revised to include a representative of the medical marijuana industry.

Committee Members

Representative Josephine Garcia, Chair; and Senator John Carley, Vice Chair. Representative Bobbi Andera. Senator Lauren Nelson. Non-Legislators Francine Arneson, Julie Bostic, Kasey Entwisle, Kristi Palmer, Andrew Schock, Jon Thum, and Pat West.

Staff Members

Matthew Server, Research Analyst; Bill Douglas, Fiscal Analyst; and DeLaney Lewis, Administrative Specialist.

South Dakota – Ireland Trade Commission
2025 Final Report

Study Assignment

Established in 2024 pursuant to SDCL 1-57-1, the South Dakota-Ireland Trade Commission was created to:

(1) Advance bilateral trade and investment between South Dakota and Ireland;
(2) Initiate joint action on issues of mutual interest to this state and Ireland;
(3) Promote business and academic exchanges between this state and Ireland;
(4) Encourage mutual economic support between this state and Ireland;
(5) Encourage mutual investment in the infrastructure of this state and Ireland; and
(6) Address any other issues deemed to be of mutual benefit to this state and Ireland.

The South Dakota-Ireland Trade Commission consists of:

(1) Two members of the Senate, appointed by the president pro tempore of the Senate;
(2) Two members of the House of Representatives, appointed by the speaker of the House;
(3) A representative of a private sector association headquartered in this state and focused on the promotion of international trade, appointed by the Executive Board of the Legislative Research Council;
(4) An officer of the Executive Branch, appointed by the Governor;
(5) A representative of a South Dakota private industry, appointed by the president pro tempore of the Senate; and
(6) A representative of a South Dakota private industry, appointed by the speaker of the House of Representatives.

Summary of Meetings

The commission met January 8, 2025, at the Joe Foss Building in Pierre. At the meeting, the commission reviewed draft legislation, which proposed changes to SDCL §§ 1-57-2 and 1-57-3. These changes were introduced as Senate Bill 143, which was enacted in 2025. The bill expanded the membership of the commission and required the Executive Board of the Legislative Research Council to provide administrative services to the commission.

The commission briefly discussed the potential for an education exchange agreement with South Dakota State University (SDSU) and University College Dublin (UCD). Former commission member, Luke Lindberg from South Dakota Trade, informed the commission that South Dakota Trade was beginning a project to identify South Dakota businesses doing business in Ireland. He also let the commission know that a trade mission to Ireland was being planned for August of 2025.

The commission met June 23, 2025, at the University of South Dakota campus in Sioux Falls. At the meeting, Jesse Fonkert, President and CEO of South Dakota Trade, provided a briefing to the commission on the planned trade mission to the United Kingdom and Ireland. The briefing included a description of: (1) the trade mission's business-to-business track, assisting South Dakota businesses with navigating international trade; (2) the trade mission's government-to-government track, connecting South Dakota government leaders with officials in the United Kingdom and Ireland; (3) the trade mission's industry-association track, connecting United Kingdom and Ireland industries to opportunities in South Dakota; (4) the trade mission's academic track; and (5) the businesses attending the trade mission, including agricultural manufacturing, biotech, and cyber-security business representatives. Mr. Fonkert explained that there may be up to six legislators participating in the trade mission. Mr. Fonkert also provided some information on grants provided by the State Trade Expansion Program (STEP), which is a program of the U.S. Small Business Administration to assist small businesses in overcoming obstacles in entering and expanding into international markets.

Mr. Fonkert discussed South Dakota's business presence in Ireland. The discussion included information on South Dakota's exports to Ireland, the top five being electric machinery, printed materials, industry machinery, optic and photos, and plastics. Mr. Fonkert highlighted businesses that have a presence in South Dakota and are also doing business in Ireland: Daktronics (an electronics company, Brookings), Solventum (a health care company, Brookings), and Terex (a heavy equipment company, Watertown). He also mentioned an Irish business with a facility in Sioux Falls—Glanbia, a nutrition company. Mr. Fonkert explained the difficulty in identifying all the South Dakota businesses doing business in Ireland, and how he hopes to connect with more South Dakota businesses to discuss exporting opportunities. Mr. Fonkert believes there is opportunity for South Dakota businesses to export more. In addition, Chair Karr and Mr. Fonkert discussed the possibility of creating a business networking event for South Dakota and Irish businesses to connect in South Dakota. There was additional discussion on the advantages and related issues of building a relationship with Ireland as an entry point to the European Union market.

Dr. Sally Gillman, the Director for Education Abroad at SDSU, briefed the commission on the Agreement on Academic Cooperation between SDSU and UCD. SDSU has been in the process of connecting SDSU faculty and administrators with those at the UCD. The agreement permits SDSU faculty to work with UCD faculty and direct enrolment of SDSU students with UCD.

Chair Karr then discussed the importance of connecting South Dakota businesses with opportunities in Ireland through state legislators. Chair Karr emphasized the need to develop a list of South Dakota businesses wanting to expand into Ireland or into the European Union via Ireland so those connections can be made in a meaningful way. Representative Duffy suggested that South Dakota Trade work on that list. And Chair Karr reiterated the possibility of inviting Irish officials to Pierre to start those conversations.

The commission met October 27, 2025, at the State Capitol in Pierre. At the meeting, Mr. Fonkert provided a brief update on the South Dakota Trade mission to Ireland and the United Kingdom, which happened in August 2025. Chair Karr asked Mr. Fonkert about the Memorandum of Understanding between SDSU and UCD. The commission will attempt to get an update on the details of the MOU from SDSU and UCD personnel at a future meeting. Secretary Roberts, Senator Smith, and Representative Bahmuller all provided their thoughts on their involvement with the trade mission. Secretary Roberts explained that he sees limited opportunities for agricultural trade in or through Ireland, but he does see potential for non-agricultural-related businesses and foreign direct investment.

The commission then discussed hosting officials from Ireland in South Dakota, possibly during the 2026 legislative session in Pierre. Mr. Fonkert discussed the possibility of the president pro tempore sending Irish Senator Mark Daly an official invitation to come to the legislature during session. The commission members all agreed to pursue this idea – getting an Irish delegation to Pierre during the 2026 legislative session.

The commission plans to meet one additional time in 2025.

Committee Members

Senator Chris Karr, Chair. Representatives Jessica Bahmuller and Steve Duffy. Senator Jamie Smith. Non-Legislators Jesse Fonkert and Hunter Roberts.

Staff Members

John McCullough, Director; and Rachael Person, Chief of Legislative Operations.

State-Tribal Relations
2025 Final Report

Study Assignment

The State-Tribal Relations Committee is an ongoing statutory committee created by the Legislature in 1993 and codified in SDCL sections 2-6-20 to 2-6-23, inclusive. The statute directs the committee to make a continuing study of the relations between the state and its political subdivisions and the tribes and their tribal governments. The committee provides a forum within state government for discussion of issues affecting the Native American community and issues involving tribal governments and state government. The committee also serves as a way of familiarizing legislators with those issues.

The committee consists of five members of the House of Representatives appointed by the speaker of the House of Representatives and five members of the Senate appointed by the president pro tempore of the Senate.

Summary of Meetings

The committee's first meeting was July 31,2025, in Agency Village. The committee received presentations about the work of local, state, and tribal law enforcement officials, and the continued need for communication and cooperation between various law enforcement agencies. The committee also received presentations about challenges related to law enforcement on tribal lands and the possibility of the state providing training for prospective tribal law enforcement officers locally.

The committee's second meeting was September 19, 2025, in Mobridge. The committee received presentations from tribal leaders and the secretary of the Department of Social Services, regarding the creation of Indian medicaid managed care entities in the state, to improve health care access for tribal members. The committee also received presentations from state, local, and tribal law enforcement officials about the work of the law enforcement agencies in fostering public safety on tribal lands, the continued need for cooperation and communication between law enforcement agencies, and the challenges and opportunities in fostering public safety on tribal lands.

The committee's third meeting was November 3, 2025, in Pierre. The committee discussed the draft legislation that was proposed at the September 19,2025, meeting. The committee also discussed who should be invited to provide the 2026 State of the Tribes Address.

Committee Action

At its November meeting, the committee adopted the following drafts for introduction during the One Hundred First Legislative Session:

A Concurrent Resolution, urging the United States Department of Homeland Security establish a tribal law enforcement training academy in South Dakota (Draft 214).

An Act to create a task force to study the creation of Indian medicaid managed care entities in the state (Draft 215).

An Act to amend the definition of law enforcement officer to include tribal law enforcement officers (Draft 216)

The committee recommends that the Executive Board contact the Great Plains Tribal Chairmen's Association for potential presenters of the 2026 State of Tribes Address.

Committee Members

Representative Will Mortenson, Co-Chair; Senator Michael Rohl, Co-Chair; Representatives Heather Baxter, Eric Emery, Scott Odenbach, and Peri Pourier; and Senators Red Dawn Foster, Tamara Grove, Sam Marty, and Jamie Smith.

Staff Members

Jacob Carlson, Senior Research Analyst; Joey Knofczynski, Senior Fiscal Analyst; and DeLaney Lewis, Administrative Specialist.

Study Assignment

SDCL § 2-9-1.1 requires the Legislative Research Council to prepare an annual report regarding any opinion of the South Dakota Supreme Court or a federal court that recommends any change or notes any deficiency or ambiguity in a statute. The report may include recommendations for corrective action, if it is determined that an opinion:

(1) May be adverse to what was intended by the Legislature; or
(2) Has identified an area appropriate for legislative action.

SDCL § 2-9-4(8) requires the Executive Board to review this report and make recommendations for further legislative action.

Summary of South Dakota Supreme Court Cases

Blazer v. Department of Public Safety, 2024 S.D. 74

Summary: In 2014, the plaintiff was convicted of driving under the influence, an initial violation of SDCL § 32-12A-36. In 2022, the plaintiff was involved in a vehicle accident. During the investigation, the plaintiff voluntarily submitted to a preliminary breath test, which revealed a .102 percent blood alcohol content, but refused to submit to a blood draw. A blood sample was thereafter obtained via search warrant. After chemical analysis of the plaintiff's blood revealed a .071 percent blood alcohol content, the criminal charges against the plaintiff were dismissed.

In 2023, the Department of Public Safety sent the plaintiff a notice of its intent to disqualify the plaintiff's commercial driver's license (CDL) because his refusal to submit to the blood draw constituted a second violation of SDCL § 32-12A-36, requiring the disqualification of his CDL for life under SDCL § 32-12A-37. The disqualification of the plaintiff's CDL was affirmed in an administrative hearing and the plaintiff appealed to the circuit court. The decision was reversed by the circuit court and the department appealed to the South Dakota Supreme Court.

Under SDCL § 32-12A-46, any person who holds a CDL is considered to have given consent to the withdrawal of blood or other bodily substance to determine the amount of alcohol in the person's blood. SDCL § 32-12A-36(5) requires a person to be disqualified from driving a commercial motor vehicle for a period of not less than one year if the person refuses to submit to a chemical analysis for purposes of determining the amount of alcohol in the person's blood in violation of SDCL § 32-12A-46. In analyzing these statutes, the Court determined that although some breath tests may accomplish a chemical analysis for the purpose of determining alcohol content, if a breath test is administered as a preliminary matter to determine probable cause, consenting to the breath test does not excuse a person from the requirement to submit to a chemical analysis under SDCL § 32-12A-46.

In this case, the Court found that the plaintiff was administered a preliminary breath test to confirm the arresting officer's reasonable suspicion that the plaintiff had consumed alcohol, and the result of the breath test provided the officer probable cause. The officer was then authorized under SDCL § 32-12A-46 to require the plaintiff to submit to the chemical analysis of his blood. Because the plaintiff refused to submit to the chemical analysis of his blood, as required by SDCL § 32-12A-46, the plaintiff violated SDCL § 32-12A-36 for a second time, and the disqualification of his CDL for life was affirmed.

Recommendation: No action is needed unless the Executive Board determines that submitting to a preliminary breath test should qualify as submitting to chemical analysis for purposes of determining blood alcohol content in satisfaction of SDCL § 32-12A-46.

Remington v. Iverson, 2025 S.D. 1

Summary: The plaintiffs purchased a campground consisting of almost one hundred campsites, a handful of which included sleeping cabins, and a main building containing living quarters and a bar and restaurant. After discovering various defects on the property subsequent to closing, the plaintiffs brought an action against the seller and the real estate agent, alleging various claims related to the defects. The real estate agent moved for summary judgment and the circuit court granted the motion, determining that a property disclosure statement was not required because the sale was a commercial transaction. The plaintiffs appealed to the South Dakota Supreme Court.

Pursuant to SDCL § 43-4-38, a property disclosure statement is only required for the sale of residential real property. Under the provisions of SDCL § 43-4-37(3), "residential real property" is defined as "all residential real property consisting of not more than four family dwelling units, all of which are contained in one structure." The real estate agent argued that a property disclosure statement was not required for the campground because the sale was for a commercial business, while the plaintiffs asserted that the living quarters necessitated a property disclosure statement for the entirety of the campground. However, the Court found that the definition of residential real property, as set forth in SDCL § 43-4-37(3), "does not indicate whether [the definition] applies to all property within a real estate transaction or none of it. Surely, had the Legislature intended such an all-or-nothing result, it could have chosen to do so."

Because the definition of residential real property focuses only on the number of dwelling units within a single structure, the Court found no textural support for the idea that the applicability of SDCL § 43-4-38 is determined by characterizing the primary use of the real property. Thus, a property disclosure statement was required for the campground's living quarters, which constituted a single dwelling unit, but was not required for the features and facilities on the rest of the campground which related to the campground's commercial purpose and did not constitute a family dwelling unit.

Recommendation: No action is needed unless the Executive Board determines that the definition of residential real property should include an analysis of the real property's primary use among other potential uses, necessitating an amendment to SDCL § 43-4-37(3), or the Executive Board determines that a property disclosure statement should be required for the sale of commercial real property, necessitating the enactment of a new statute or an amendment to SDCL § 43-4-38.

Guardianship and Conservatorship of Flyte, 2025 S.D. 21

Summary: A daughter petitioned for guardianship and conservatorship over her mother, who suffers from dementia. The mother's son objected to the daughter's appointment and requested that the court appoint him as guardian and conservator. The circuit court found that it was not in the mother's best interest to appoint either the daughter or the son as guardian or conservator and instead appointed a for-profit corporation. The daughter appealed to the South Dakota Supreme Court.

SDCL § 29A-5-110 describes guardian and conservator eligibility requirements, stating that any capable adult individual may serve as a guardian or conservator, unless the individual works for an agency, entity, or facility that provides substantial services or financial assistance to the protected person. Similarly, any capable public agency or non-profit corporation may serve as a guardian or conservator, as long as the entity is not providing substantial services or financial assistance to the protected person. SDCL § 29A-5-110 also permits the court to appoint a bank or trust company to serve as a conservator.

Examining the text of SDCL § 29A-5-110, the Court determined that the Legislature "unambiguously evinced its intent to exclude for-profit entities as qualified guardians and conservators." Because SDCL § 29A-5-110 establishes the base qualifications for an individual or entity to serve as guardian or conservator, unless a proposed guardian or conservator meets the qualifications, a court lacks statutory authority to make the appointment. As stated by the Court, "had the Legislature wished to allow for-profit entities to be appointed as guardian or conservator, it could have omitted 'non-profit' from the statute, altering the statutory language to read 'any public agency or corporation may be appointed . . . .'" Consequently, the circuit court's appointment of the for-profit corporation as guardian and conservator in this case was reversed.

Recommendation: No action is needed unless the Executive Board wishes to authorize the appointment of for-profit entities to serve as guardians or conservators, necessitating an amendment to SDCL § 29A-5-110.

The Legislative Research Council provides nonpartisan legislative services to the South Dakota Legislature, including research, legal, fiscal, and information technology services. This report is intended to provide background information on the subject. For more information, please contact Melanie Dumdei, Assistant Chief for Legal.