

**STATE OF SOUTH DAKOTA  
OFFICE OF THE GOVERNOR  
EXECUTIVE ORDER 2026-03**

**Whereas,** Economic growth and development are good for South Dakota, should be both bold enough to seize opportunity and wise enough to prepare for the future responsibly, and are ultimately about opening doors of opportunity for our kids and grandkids so they can pursue their futures in South Dakota; and,

**Whereas,** In pursuit of strong economic growth and development for South Dakota, partnerships should be forged among the agencies of state government, local communities, higher education, and the private sector to create jobs, produce goods and services, and promote the prosperity of all South Dakotans; and,

**Whereas,** The Governor's Office of Economic Development exists to promote these goals on behalf of the entire State of South Dakota; and,

**Whereas,** The Employer's Investment in South Dakota's Future Fund, commonly called "the Future Fund," was proposed by Governor George S. Mickelson and established by the Legislature in 1987 to use a small portion of employers' contributions for reemployment assistance to create jobs, expand business, reduce unemployment, and therefore increase contributions and reduce expenses for the reemployment assistance program; and,

**Whereas,** From the beginning, Future Fund grants have been limited to "purposes related to research and economic development for the state"; and,

**Whereas,** For 38 years, Governors have been making Future Fund investments for growth and prosperity of the State with over 1,600 grants; and,

**Whereas,** Future Fund grants have assisted in advancing some of the State's most effective initiatives, such as

- The Build Dakota Scholarship, which through multiple grants for over 10 years to grow our state's collective human capital, has expanded educational opportunity for South Dakotans by encouraging students to pursue careers in South Dakota, particularly in industries with labor shortages, thus helping to address workforce gaps in our state by connecting students—and future workers—to employers;
- The Sanford Underground Research Facility, which is the country's state-of-the-art, world-class underground research facility that will create 1,200 jobs and have a net economic impact of nearly \$2 billion this decade in the State; and
- Support for the Ellsworth Air Force Base, enabling it to be selected as the country's first operating base for the next generation B-21 Raider stealth bomber, through Future Fund investments that supported the Ellsworth Development Authority and helped prepare the base for its massive expansion to support America's military dominance; and,



**Whereas,** Future Fund grants have helped grow some of the State's most successful businesses, have invested in building infrastructure for industrial parks, and have funded Workforce Development Program grants to hundreds of South Dakota businesses to assist with training our workforce to remain competitive; and,

**Whereas,** Future Fund grants have upskilled our State's workforce, such as funding Registered Apprenticeship Program grants that help businesses develop, implement, and sustain apprentice programs that address their workforce training needs, funding for new technical education in the state penitentiary, multiple grants to the state's four technical colleges to keep their equipment up to date so our future workforce is learning on the latest technology and equipment, and many grants in career and technical education at local school districts, both large and small; and,

**Whereas,** The State's investment of Future Fund grants has been so successful because the scope and authority to make grants allows disbursements to be made quickly, allows customizable terms that meet the reality of a business's circumstances and account for the variety of eligible research or economic development uses, allows transparency in reporting, and protects the legal and pragmatic necessity of confidentiality when dealing with businesses; and,

**Whereas,** Public trust is earned through accountability, unbiased evaluation, and well-crafted contractual provisions while also balancing the long-recognized need to protect the confidentiality of certain information provided by private businesses; and,

**Whereas,** Employers' contributions to the Future Fund are protected and secured by requiring reasonable accounting and strong contracting practices in the event of changed circumstances on the part of a grantee, including in case of default; and,

**Whereas,** It is a priority for this administration to be transparent, both in the use of the Future Fund and in the overarching philosophy guiding its use;

**NOW, THEREFORE, I, LARRY RHODEN,** Governor of the State of South Dakota, by the authority vested in me by the Constitution and the Laws of the State, do hereby Order and Direct all Future Fund agreements executed on or after the date of this Order comply with the guidance set forth in this Executive Order.

**Types of Eligible Research or Economic Development Investments.**

The Governor's Office of Economic Development may seek opportunities and provide recommendations to the Governor to consider as Future Fund grant recipient projects that will advance any research or economic development in the State, with priority on the following opportunities:

1. Research projects or necessary equipment that create or maintain jobs, with focus on these targeted industries:
  - Advanced Manufacturing,



- Bioscience or Bioprocessing,
  - Cybersecurity,
  - Livestock Development,
  - National Security or National Defense,
  - Precision Agriculture, and
  - Value-Added Agriculture;
2. Scholarships that support South Dakota students for careers in South Dakota;
  3. Workforce development, which may include apprenticeships, workforce training or recruitment, and other career or technical education uses;
  4. Development of industrial parks or other infrastructure that support economic development in South Dakota;
  5. South Dakota business retention or expansion or out-of-state recruitment efforts to South Dakota; or
  6. Support for other entities that advance these goals, including planning districts, small business development centers, and local economic development entities.

#### **Project Obligation.**

1. No Future Fund may be awarded without the Governor's Office of Economic Development receiving and reviewing a business plan prior to the award of a Future Fund grant.
2. Business plans should include thorough justification, the products or services to be offered by the applicant, job descriptions with attendant salary or wage information by job category, educational requirements by job category, methods of accounting, private or public financing other than that provided by the requested Future Fund grant including other economic development loans or assistance requested in conjunction with the project, and marketing, sales, merchandising, and other disciplines proposed to be used for business growth and expansion.

#### **Process and Agreement Requirements.**

1. Each Future Fund grant must have a written, signed agreement prior to any disbursement of funds. The agreement must include standard terms and conditions and must include a disbursement schedule and performance reporting requirements. The agreement must provide for appropriate claw back provisions for a change in the project's circumstances, failure to fulfill outcomes, failure to perform, or other default, except under extraordinary circumstances.
2. Except as otherwise provided below, each Future Fund grant will be awarded on a reimbursement basis, requiring receipt of itemized invoice of expenditures and reasonable proof of payment prior to any disbursement of funds. If the recipient is a public partner, including a body corporate and politic, state agency or board, or political subdivision, the requirement for payment on a reimbursement basis may be waived by the commissioner of the Governor's Office of Economic Development.
3. When feasible, the Governor's Office of Economic Development should require a matching commitment or in-kind consideration for a benefitted city, county, local industrial development corporation defined by § 9-27-37, chamber of commerce, non-profit, other development organization, or capital investment by the project.



4. Each agreement shall require a grant recipient to have a conflict-of-interest policy in place.
5. The Governor's Office of Economic Development shall ensure that all executed Future Fund agreements are posted on OpenSD in compliance with SDCL 1-27, and the project is included on the Governor's Office of Economic Development's website list of Future Fund awards.
6. The Governor's Office of Economic Development shall provide a report to either the Joint Committee on Appropriations or the Interim Committee on Appropriations on a biannual basis about each Future Fund award or grant including the name, amount, location, the research or economic development purpose, the measures of determining economic impact, and the number of jobs created or retained, if any.
7. Nothing in this Executive Order should be interpreted to limit the inclusion of standard contractual provisions that provide general terms and conditions.
8. No Future Fund agreement may be executed unless the Governor's Office of Economic Development has provided its detailed recommendation for the award to the Governor and received approval. The Commissioner of the Governor's Office of Economic Development must sign each agreement.

Any trade secrets, commercial or financial information, or other sensitive or privilege information provided to the Governor's Office of Economic Development shall be held confidential, to the extent required by state law.

The terms of this Executive Order shall be construed in a manner so as to advance the best interests of research or economic development to ensure the next generation can succeed in this State. Nothing in this Executive Order supersedes confidentiality requirements in federal or state law or regulation.

Dated in Pierre, South Dakota this 15th day of January, 2026.



A handwritten signature in blue ink, reading "Larry Rhoden", written over a horizontal line.

Larry Rhoden  
Governor of South Dakota

ATTEST:

A handwritten signature in blue ink, reading "Monae L. Johnson", written over a horizontal line.

Monae L. Johnson  
Secretary of State