



State of South Dakota

Capital Projects Fund

2025 Performance Report

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Program Information

	Workforce Development and Education Center	NSU Lincoln Hall Renovation/Expansion	BHSU West River Nursing Renovation/Expansion
Approved Program Plan Number	CPF_GP-000120	CPF_GP-000209	CPF_GP-000210
Program Start Date	August 1, 2022	October 1, 2022	March 1, 2023
Program End Date	December 31, 2026	December 31, 2026	December 31, 2026
Actual CPF funds allocated to this Program	\$75,365,000	\$29,500,000	\$8,000,000

Executive Summary

The State of South Dakota (State) was allocated \$115.9 million from the American Rescue Plan Act (ARPA) Coronavirus Capital Projects Funds (CPF) to support critical capital projects that enable work, education, and health monitoring in response to the COVID-19 public health emergency. To address these focus areas, the State chose to pursue several Multi-purpose Community Facilities projects.

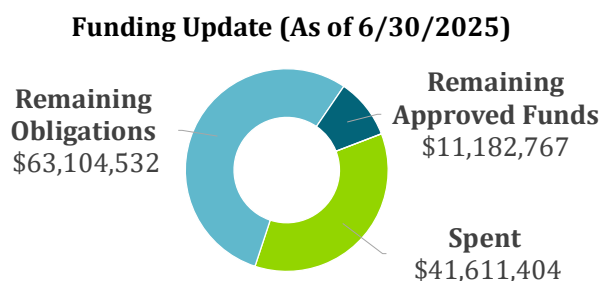
In 2022 South Dakota Legislature appropriated CPF dollars to three Multi-purpose Community Facility projects. The approved projects included the construction of the Department of Health's Workforce Development and Education Center, the renovation and expansion of Northern State University's Lincoln Hall, and an addition to an existing Black Hills State University-Rapid City (BHSU-RC) Health Science Center facility. Each of these projects will assist historically underserved communities in South Dakota with better access to work, education, and health monitoring.

In addition, the Women's Prison Healthcare Improvements project was also appropriated \$5,750,000 of CPF dollars in the 2022 legislative session. However, in the subsequent 2024 session, those funds were reallocated to the Workforce Development and Education Center project.

During the reporting period, the State made significant progress on three key projects aimed at enhancing workforce development, education, and health services. These projects collectively advanced their missions by completing essential construction tasks, implementing new services, and addressing critical needs in education and healthcare. Despite facing challenges such as maintaining construction schedules and coordinating transitions, the projects made significant progress. The outcomes achieved during this period reflect the State's commitment to improving the quality of life for its residents and fostering sustainable growth.

Uses of Funds

The State is using CPF to support an infrastructure investment that meets the needs of South Dakotans. To maximize impact, South Dakota is prioritizing projects that foster long-term impact via investments in work, education, and health monitoring.



Total Possible Award: \$115,898,703

Remaining Approved Funds: Funds related to projects that have been approved for use by U.S. Treasury but not yet obligated or spent by the program.

Remaining Obligations: Funds that have been obligated via contract or grant by a program but are not yet spent.

Spent: Total award expenditures to date as shown in the general ledger.

a. *Workforce Development and Education Center*



The South Dakota Department of Health (SDDOH) is advancing its mission to enhance workforce development, education, and health monitoring for all residents through the construction of a new Department of Health Workforce Development and Education Center. This \$82.4 million project includes \$75.4 million funded by CPF, with the remaining funded by non-federal funding sources.

The new facility aims to bolster public health services across South Dakota, particularly benefiting at-risk populations by providing equitable access to advanced testing services and digital health resources. By incorporating cutting-edge technology, the center will facilitate the delivery of direct public health services statewide, including the implementation of telehealth services for women, infants, and children. Additionally, the expansion of digital tools like Qualtrics will enable more effective health monitoring and engagement with residents, ensuring they receive timely health notifications and support.

During the past year, construction activities for the project accelerated significantly. The contractor completed a range of essential tasks, including establishing underground utility infrastructure and support structures, notably installing 217 piers, each extending 30–40 feet deep. Above ground, work progressed on the west parking lot, retaining wall, and site development, along with the framework and support for both laboratory and office spaces through steel erection, concrete work, and precast installation. Interior framing was carried out throughout the lab and public access areas. Mechanical, electrical, and plumbing (MEP) rough-ins reached approximately 50% completion, while major equipment such as chillers, louvers, boilers, and pumps was installed to about 30% completion.

Over the next one-year period, the project is expected to complete construction in the lab/public access portions of the building. Commissioning and final certifications of these spaces will also be completed. The owner move-in is currently scheduled for the very end of this reporting period.

One of the most significant challenges facing the project is the meticulous coordination and planning required to transition existing laboratory services into the new facility. To address this, a consultant has been engaged to oversee every detail, with work already underway to assess the specific needs and constraints of each lab space. Another major challenge is maintaining the overall construction schedule, particularly since the second phase—which involves renovating the existing building into office space—cannot commence until the labs have successfully moved. Careful tracking of the construction timeline is ongoing to ensure that phase one concludes on time and that the overall project completion targets are met.

b. NSU Lincoln Hall Renovation/Expansion



Northern State University (NSU) is replacing Lincoln Hall with the Business and Health Innovation Center to support and enhance the education of students pursuing business and nursing degrees. This initiative aims to increase the number of graduates ready to fill high-demand jobs in business and healthcare. This \$31 million project includes \$29.5 million funded by CPF, with the remaining funded by State of South Dakota General Funds.

The new facility will provide the space necessary to offer high-fidelity simulation activities and classrooms to educate students enrolled in the Bachelor of Science in Nursing program. The facility will also house the School of Business and the Northern Innovation & Startup Center. The education and programs offered by these departments will foster expanded partnerships for community health, interprofessional education, and health screening, benefiting both the state of South Dakota and local communities.

The project is nearly two-thirds of the way completed. The building is scheduled to be completed in December of 2025. Furniture will be delivered, and audio-visual equipment will be installed in time for the start of the spring semester in January 2026.

c. BHSU West River Nursing Renovation/Expansion



Black Hills State University (BHSU) is renovating and expanding its Rapid City location (BHSU-Rapid City) to house the West River Health Science Center and consolidate all South Dakota Board of Regents (SDBOR) nursing education in western South Dakota into one site. This \$16.6 million project includes \$8 million funded by CPF, with the remaining funded by non-CPF federal funding sources such as private donations, State of South Dakota General Funds, and SDBOR's Higher Education Facilities Fund (HEFF) bonds.

This project aims to improve space utilization and efficiency, addressing the severe nursing shortage in the region by increasing the number of nursing graduates. The renovation will incorporate high-fidelity simulation activities, while enhancing opportunities for community health partnerships, interprofessional education, and health screening throughout South Dakota. Additionally, the facility will attract rural and Native American students through the Native American Nursing Education Center, who may not have had the opportunity to pursue a nursing degree otherwise.

Recently, the project achieved substantial completion. Although there are a few outstanding items and a punch list that continue to be worked on, the project was essentially completed and inspected by mid-July 2025 and was in use for the start of the Fall 2025 academic semester. BHSU will be able to report on their operations more fully in the next reporting period.

Addressing Critical Needs

The State's prioritization of projects to fund with CPF dollars reflects its experiences during the health pandemic and its public health and economic goals moving forward. The State of South Dakota strives to provide services that meet the needs of its residents. The projects selected to use CPF dollars are aimed at addressing the workforce, education, and health monitoring needs of the State while also strategically combating the growing urban-rural divide.

a. Workforce Development and Education Center

The Workforce Development and Education Center is designed to promote fair outcomes and address the critical needs of historically underserved and marginalized communities in South Dakota. Central to this initiative is the commitment to serve rural, frontier, and tribal communities, ensuring they have access to remote workforce development opportunities. This approach leverages contemporary technology to bridge the gap for those in remote areas, particularly benefiting South Dakota's American Indian communities. By providing

state-of-the-art facilities and remote training capabilities, the project aims to reduce disparities and enhance health access across the state.

To ensure widespread awareness and practical access to these services, the South Dakota Department of Health (SDDOH) will engage actively with diverse community partners. These include the nine Sioux Tribes, K-12 schools across 66 counties, higher education institutions, and other traditional and non-traditional partners. This comprehensive engagement is crucial for the development of a State Health Improvement Plan (SHIP), which will outline the critical needs of South Dakota communities. The SHIP will focus on establishing health access baselines, developing evidence-based strategies for health improvement, and reducing barriers to access.

The projected outcomes of the Workforce Development and Education Center are multifaceted. They include enhanced community engagement and collaboration, a deeper understanding of social determinants of health, and significant growth in South Dakota's public health and clinical workforce. Furthermore, the project aims to improve access to public health services with advanced technology at the SDDOH Workforce Development and Education Center. The SDDOH will implement a range of performance measures established by the State Health Improvement Coalition (SHIC), prioritizing areas such as education, training, workforce development, community engagement, and program sustainability. The lab and public access portions of the building are expected to become operational mid-2026, at which time SDDOH will move their lab operations into the new facility. As operations ramp up in the new facility, SDDOH will be able to report on various performance measures developed by SHIC.

b. NSU Lincoln Hall Renovation/Expansion

The Lincoln Hall project aims to address the critical workforce demands in the fields of business and nursing in Aberdeen and the surrounding regions. With two hospitals, several nursing homes, and additional rural healthcare facilities nearby, there is a pressing need for nurses and other healthcare professionals. Aberdeen, located in Brown County, is recognized as a health professional shortage area and hosts medically underserved communities. The COVID-19 pandemic has exacerbated the challenges in the healthcare workforce, leading to a significant reduction in nursing staff and a shortage of experienced clinicians who can supervise nursing students during their clinical rotations.

To address these issues, the Lincoln Hall project will provide the necessary infrastructure to support the education and training of future business and healthcare professionals. By offering modern classrooms that facilitate interaction between faculty and students, the project will enhance the quality of business education. The Bachelor of Science in Nursing program will allow for an increase in the number of nursing graduates, directly addressing the critical shortages in the healthcare workforce.

The outcomes of the Lincoln Hall project will be evident in the increased number of graduates in both business and healthcare fields, thus helping to meet the workforce demands of the community and region. This initiative is crucial for mitigating the impacts of workforce shortages and ensuring that the healthcare needs of Aberdeen and its surrounding areas are

adequately met. Through this capital project, the infrastructure will be established to support long-term educational and professional growth in essential sectors. The first class of students in the new BSN program started their nursing courses in the fall of 2025. This group of 30 students will lead the way to fulfilling the demand for nurses in the region. A second cohort of students has been accepted into the program and will begin classes in January of 2026.

c. *BHSU West River Nursing Renovation/Expansion*

The West River Nursing project aims to address a critical nursing shortage in western South Dakota by expanding educational opportunities for nursing students. Monument Health, the primary healthcare provider in the region, along with other healthcare facilities such as Black Hills Surgical, Veteran's Affairs, Ellsworth Airforce Base, Oyate Health, and several nursing homes, all report a significant need for more nurses. This shortage is particularly critical in Rapid City, located in Pennington County, which is designated as a health professional shortage area for both primary medical and mental healthcare and is home to two medically underserved communities.

To combat these workforce shortage challenges, the BHSU-RC West River Nursing project will increase the capacity to educate more nurses. This project will facilitate the expansion of nursing programs and enhance the quality of nursing education through improved facilities and resources. By doing so, the project aims to increase the number of qualified nurses who can serve in various healthcare settings throughout western South Dakota.

The anticipated outcomes of the West River Nursing project include a significant increase in the number of undergraduate degrees awarded in nursing, improved retention and graduation rates, and enhanced student participation in experiential learning opportunities. These outcomes are essential for addressing the immediate and long-term healthcare needs of the region, ensuring that more nurses are trained and ready to enter the workforce, thus alleviating the nursing shortage and improving healthcare access for underserved communities. With the building renovation and expansion only becoming operational in the summer of 2025, SDSU is still in the process of moving their West River nursing operations into the new location and BHSU will soon begin hosting career services in the location as well. As operations ramp up, data regarding the expansion of the programs and services offered will be reported.

Labor

For infrastructure and capital expenditures projects, the State of South Dakota is using strong labor standards to promote effective and efficient delivery of high-quality infrastructure projects while also supporting the economic recovery through strong employment opportunities for workers. South Dakota is a "right to work" state and does not have prevailing wage and construction laws to follow.

The approved projects are managed by the Bureau of Administration (BOA) which supports strong labor standards by providing prompt, effective, and efficient delivery for high-quality infrastructure projects. Furthermore, the Office of the State Engineer (OSE) within the BOA is coordinating and overseeing all construction-related activities for each of these projects. OSE is committed to ensuring that all CPF-funded projects comply with applicable federal and state laws and regulations. With local hiring, Daily Hazard Analysis, OSHA 30 and OSHA 10 training requirements,

as well as offering other training and certifications for specific tasks including but not limited to forklift, aerial lift, skid steer, etc., OSE continuously promotes strong labor standards.

Community Engagement

The community engagement strategies for the Workforce Development and Education Center, Lincoln Hall, and West River Nursing projects are designed to ensure that feedback from communities, organizations, and constituents is incorporated throughout the planning, construction, and implementation phases. By engaging a broad range of partners and leveraging strong partnerships, each project aims to improve workforce development, education, and healthcare services for underserved and marginalized groups in South Dakota. Outreach efforts included both in-person and remote initiatives, prioritizing inclusivity and accessibility. Sustaining community engagement is a key focus, with plans to maintain ongoing dialogues with stakeholders to ensure the projects continue to meet community needs.

a. *Workforce Development and Education Center*

The Workforce Development and Education Center project utilized the State Health Assessment (SHA) and the State Health Improvement Coalition (SHIC) to gather input from diverse stakeholders across South Dakota. This feedback influences the design and development of new facilities and renovations. The SHIC continuously incorporates recommendations from partners and stakeholders, ensuring that workforce development, education, and health monitoring programs meet community needs. Outreach efforts prioritize at-risk populations, including tribal communities and rural areas, with materials and services provided in multiple languages to ensure inclusiveness. To keep community members informed we have created a Facebook page titled “Workforce Development and Education Center” where we post photos and updates on the construction project.

b. *NSU Lincoln Hall Renovation/Expansion*

The Lincoln Hall project actively involved the university president, who serves on various community boards, and community members who participate on university advisory boards, and the NSU Foundation Board of Directors. This engagement facilitates ongoing discussions that shape the project to meet local workforce and educational needs.

Over the course of the past year, NSU has hosted Senator John Thune, Governor Larry Rhoden, local legislators, and business and healthcare leaders. Each visit provided NSU with the opportunity to explain the project while discussing workforce needs and the desire to develop and expand partnerships that will meet the needs of the region. Business leaders serve on the NSU School of Business advisory board and provide insight into the training and skills they are seeking.

NSU is also working to expand programs by partnering with other schools. Beginning in the fall of 2025, students are able to earn a Bachelor of Science in agricultural business. This program is offered on campus, in collaboration with South Dakota State University, and requires students to complete an internship with a local agricultural business employer. Additionally, NSU has a new agreement with Southeast Technical College to provide a direct pathway to NSU’s business programs. Students are co-enrolled, and credits transfer seamlessly to the bachelors’ program. This agreement is the first of its kind in South Dakota.

NSU has also established a unique requirement for faculty in the nursing program. Each of the faculty members must not only provide classroom instruction but also continue to practice in a local healthcare facility. This approach ensures faculty remains current in their field while strengthening connections between the university and regional healthcare providers.

c. BHSU West River Nursing Renovation/Expansion

The West River Nursing project addresses the critical nursing shortage in western South Dakota by engaging extensively with regional healthcare providers, including Monument Health and other facilities. These partnerships provide critical input throughout the project's development and foster additional collaboration opportunities. Regular meetings with healthcare administrators ensure that the project aligns with the pressing need for more nurses. Sustaining engagement involves building existing partnerships between the SDSU College of Nursing and clinical facilities in the Rapid City area.

A new Vice President for Continuing Education and Workforce Development at Black Hills State University–Rapid City was hired in August 2025, and her role includes not only providing academic and administrative leadership for the Rapid City location but also building and fostering partnerships with community organizations, generating community engagement and workforce development, promoting lifelong learning, and supporting regional economic development. The Vice President has already started engaging with leadership in the City of Rapid City including the mayor and economic development and will continue to grow community engagement at this site.