Build Dakota Impact and ROI Study

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Executive Summary

The Build Dakota scholarship program (Build Dakota) is a unique program within the United States that brings the education system and the private sector together to promote student achievement and economic growth. Build Dakota scholarships give students the opportunity to graduate debt-free in fields critical to the state's economy—examples include healthcare, precision manufacturing, and construction trades—and then remain in South Dakota to work in those fields. Recipients agree to enroll full-time in eligible technical programs and, upon graduation, commit to a minimum three-year employment term in the state. This report details the overarching successes of the program over the first ten years of its existence and describes its overall economic impact in South Dakota and provides measures of its return on investment.

- Build Dakota has awarded 3,955 scholarships since the program began in 2015. The number of scholarships has increased in eight of the last ten cohort years, increasing from 298 during the 2015/2016 academic year to 591 during the 2024/2025 academic year.
- Degrees within the Healthcare field have been the most popular and have attracted nearly 40% of all student enrollments. The next five most popular degree fields encompass what might be thought of as more traditional trade fields, including Building trades/Construction, Automotive, Engineering Technicians, Welding, and Advanced Manufacturing. When combined, these four program areas accounted for another 51.6% of all scholarships.
- Build Dakota students were more likely to graduate than the average student. Administrative data showed that Build Dakota students across the first seven cohorts had an 80% graduation rate compared to 64% overall at South Dakota's technical colleges. Students in the more recent three cohorts were more likely to be enrolled when this data was collected so they were excluded from this graduation rate calculation.
- Dakota Institute estimated Build Dakota's economic impact with the REMI PI+ 70-Sector model using three different impact scenarios. The first component was an occupation training scenario to model post-graduation employment. The second component was a consumer spending scenario to model the impact of eliminating student debt. The third component was an industry sales scenario that modeled the impact of scholarship funds paid to the state's technical colleges.
- Economic impact estimates for the Build Dakota program show that it has supported the creation of 3,218 jobs, $125.10 million of personal income—wage and salary income, employee benefits, proprietors' income, and government transfer payments—$145.69 million in state GDP, and $235.28 million in total output over the last ten years.
- The total value of Build Dakota scholarships after 10 years was $46,423,480, with industry partners contributing $16,143,275. The return on investment for each dollar of scholarship funding has been $2.30 in personal income, $2.68 in GDP, and $4.33 in total output.

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1 Introduction

Higher education has gotten much more expensive in the United States, but South Dakota has made clear efforts to contain cost growth. Federal student loan data from Studentaid.gov shows that SD ranked 3rd in the nation for the smallest increase in new student debt (based on the per-student disbursement amount) from 2018-19 to 2023-24.[1] Over that period, the per-student loan disbursement increased by only $841 compared to the national average of $1,458, and states like California, Florida, and Utah, the bottom three states, whose average student disbursement increased by more than $2,000. South Dakota's cost containment efforts have benefited thousands of students across the state, both at traditional four-year universities and at the state's leading technical colleges. By prioritizing affordability, South Dakota has enabled students to graduate and join the workforce without the significant debt burdens that young adults face in other areas of the country.

One effort to help South Dakotans get an education and avoid crushing debt comes from the Build Dakota Scholarship program (Build Dakota). Build Dakota is a unique program within the United States that brings the education system together with the private sector to provide students with access to a technical education that leads to high-paying jobs and gives businesses access to the talent they need to grow and be successful. Build Dakota scholarships also allows students to get their degree without taking on crippling debt.

This report provides an economic assessment of Build Dakota's history, its impact on students and the state economy, and its return on investment to the business and stakeholders that invest their money in the program's success. The report begins with a brief description of Build Dakota and how it came into being. After reviewing the program's goals and mission, we discuss various metrics regarding the number of scholarships that have been awarded over the first ten years of Build Dakota's existence, along with a review of the program's track record in attracting new industry partners and funding. Sections four and five then discuss the economic impacts of the Build Dakota program and its return on investment to the state and its funders.

2 History of Build Dakota

Build Dakota began in 2015 as a public/private effort. The Build Dakota vision was to develop the state's workforce in partnership with the state's technical colleges so the state's workforce would continue to meet the needs of employers. The program was launched through a $25 million gift from philanthropist T. Denny Sanford matched by an equal contribution from the South Dakota Future Fund under Governor Dennis Daugaard. This initial $50 million endowment established a "full-ride" scholarship model, enabling students to pursue high-demand technical programs without the burden of tuition, fees, books or tool expenses. In 2020, buoyed by additional state and private-sector commitments, Build Dakota secured another five years of funding, ensuring the program's continued ability to build South Dakota's future workforce.

At its core, Build Dakota exists to give students the opportunity to graduate debt-free in fields critical to the state's economy—ranging from agriculture and automotive trades to healthcare and precision

[1] Title IV Program Volume Reports – New Disbursements by Location. Federal Student Aid. Accessed June 11, 2025. https://studentaid.gov/data-center/student/title-iv

Table 1: Build Dakota Scholarship Awards and Graduates				
Cohort	Scholarships Awarded	Non-Graduates	Graduates or Currently Enrolled	Graduation or Continuing Enrollment Rate
2015/2016	298	63	235	78.9%
2016/2017	297	45	252	84.8%
2017/2018	287	54	233	81.2%
2018/2019	351	65	286	81.5%
2019/2020	397	88	309	77.8%
2020/2021	308	62	246	79.9%
2021/2022	422	103	319	75.6%
2022/2023	464	90	374	80.6%
2023/2024	540	67	473	87.6%
2024/2025	591	21	570	96.4%
Grand Total	3,955	658	3,297	83.4%

manufacturing—and then remain in South Dakota to work in those fields. Recipients agree to enroll full-time in eligible technical programs and, upon graduation, commit to a minimum three-year employment term in the state. This "earn-and-stay" model not only removes financial barriers for students but also guarantees employers a reliable pipeline of highly trained, homegrown talent.

Industry partners play an essential role in extending the program's reach: businesses agree to sponsor roughly half of a student's tuition while Build Dakota covers the remainder. This approach allows available funds to support twice as many students, strengthening employer pipelines and amplifying economic impact. Partners benefit from cost-effective workforce development, on-the-job training opportunities, and priority hiring of graduates who have already demonstrated commitment and competency. By aligning student ambition with industry needs, Build Dakota creates a virtuous cycle: students launch debt-free careers, employers secure qualified staff, and South Dakota's communities thrive with a stronger, more resilient workforce

3 Students and Industry Partners

In this section we show how Build Dakota has performed over the last ten years. The focus is not on measuring or defining success, but rather we focus on broad measures of participation. These participation measures, including the number of scholarships awarded and the number of industry partners, demonstrate a clear trend of increasing interest and impact over the preceding years.

3.1 Scholarships by year

Since its beginning in 2015, Build Dakota has grown significantly both in the number of students served and in the number of companies participating in the program. The number of scholarships has increased in eight of the last ten cohort years, and the total number of awards has increased from 298 during the 2015/2016 academic year to 591 during the 2024/2025 academic year. This represents a 198%

Table 2: Build Dakota Student Enrollment by Program		
Education Program	**Student Awards**	**Share of Student Awards**
Healthcare	1572	39.7%
Building Trades/Construction	708	17.9%
Automotive	479	12.1%
Engineering Technicians	292	7.4%
Welding	284	7.2%
Advanced Manufacturing	276	7.0%
Information Technology	147	3.7%
Agriculture	126	3.2%
Energy Technicians	58	1.5%
Public Service	13	0.3%
Grand Total	3,955	100%

increase in the number of scholarships awarded, and a total of 3,955 students have been awarded Build Dakota scholarships since the program began, a powerful demonstration to the degree to which students and the technical colleges have embraced Build Dakota's model and promise.

The administrative data provided to Dakota Institute could not say with certainty how many students in more recent cohorts had graduated by the end of the 2024/2025 academic year. For this reason, the fourth column of Table 1 (previous page) reports the number of students from each cohort that had either graduated or were currently enrolled at the end of the 2024/2025 academic year. It is almost certainly the case that student counts in this column reflect graduates for earlier cohorts though several hundred students in later years may still be taking classes at the time of this writing.

In any case, evidence from the 2022/2023 and earlier cohorts indicates that Build Dakota students had very high graduation rates relative to the typical student. The most recent IPEDS data on postsecondary student outcomes shows that the 3-year graduation rate at South Dakota's technical colleges has averaged around 64% in recent years.[2] Table 1, in contrast, shows that graduation rates for Build Dakota students tended to be around 80% across the first seven cohorts. This means that graduation rates for Build Dakota recipients have tended to be around 25% higher than at the state's two-year colleges.

3.2 Programs with Build Dakota Students

As the number of students awarded Build Dakota scholarships has grown, so has the number of eligible programs. Table 2 shows that students have enrolled in programs across degree fields.[3] Degrees within the Healthcare field has been the most popular and have attracted nearly 40% of all student enrollments.

[2] U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS), Graduation Rates component final data (2002 - 2022) and provisional data (2023). Accessed July 12, 2025.
[3] Table 10 in Appendix C contains a more complete description of individual degree programs within the larger program areas reported in Table 2.

Table 3 Build Dakota Eligible Programs and Potential Career Pathways	
Advanced Manufacturing	**Engineering Technician (continued)**
Electrical and Electronic Engineering Technicians	Construction Laborers
Electrical Engineers	First-Line Supervisors of Construction Trades Workers
Electro-mechanical Technicians	Electro-mechanical Technicians
Electrical and Electronics Repairers	Electrical and Electronics Repairers
Industrial Machinery Mechanics	Engineering Technicians, Except Drafters
Maintenance Workers, Machinery	Managers, All Other
Machinists	Environmental Engineering Technicians
Computer-Controlled Machine Tool Operators	Industrial Engineering Technicians
Agriculture	Mechanical Drafters
Agricultural and Food Science Technicians	Mechanical Engineering Technicians
Farm, Ranch, and Agricultural Managers	Surveying and Mapping Technicians
Agricultural and Food Scientists	Surveyors
Animal Scientists	**Healthcare**
Veterinarians	Dental Assistants
Conservation Scientists	Emergency Medical Technicians and Paramedics
Environmental Science and Protection Technicians	Firefighter
Agents and Business Managers	Healthcare Support Workers, All Other
Landscaping and Groundskeeping Workers	Healthcare Practitioners, All Other
First-Line Supervisors of Landscaping Workers	Licensed Practical and Licensed Vocational Nurses
Automotive	Medical and Clinical Laboratory Technicians
Automotive Body and Related Repairers	Nursing Assistants
Automotive Service Technicians and Mechanics	Radiologic Technologists
Bus and Truck Mechanics	Respiratory Therapists
Bus and Truck Mechanics and Diesel Engine Specialists	Respiratory Therapy Technicians
Building Trades/Construction	Surgical Technologists
Commercial Pilots	**Information Technology**
Aircraft Mechanics and Service Technicians	Computer Network Support Specialists
Construction Laborers	Computer Network Architects
First-Line Supervisors of Construction Trades Workers	Computer Programmers
Janitors and Cleaners	Software Developers
Electricians	Computer Systems Analysts
Heating, Air Conditioning, and Refrigeration Mechanics	Computer and Information Research Scientists
Construction Equipment Operators	Industrial Engineering Technicians
Plumbers, Pipefitters, and Steamfitters	Industrial Engineers
First-Line Supervisors	Information Security Analysts
Energy Technicians	Computer Occupations, All Other
Electrical Power-Line Installers and Repairers	**Public Service**
Engineering Technicians, Except Drafters	Corrections officer
Managers, All Other	Law Enforcement
Engineering Technician	**Welding**
Architectural and Civil Drafters	Welders, Cutters, Solderers, and Brazers
Civil Engineering Technicians	Welding Machine Setters

The next five most popular degree fields encompass what might be thought of as more traditional trade fields, including Building trades/Construction, Automotive, Engineering Technicians, Welding, and Advanced Manufacturing. When combined, these four program areas accounted for another 51.6% of all scholarships.

Table 3 (preceding page) on the following page provides valuable context for the enrollment data in Table 2 by showing what common occupations or career pathways a student might pursue after completing their degree or certification. The list of occupations is not exhaustive. Students could find employment in any number of fields after graduation, but it provides general context for the enrollment numbers seen above.

3.3 Partners by year

It may be no surprise to see that student interest in Build Dakota has increased over time, but there has also been increasing interest from private companies as well. This is critical to Build Dakota's success because the program's funding model relies on industry partners to provide partial funding for student scholarships. The goal is that 50% of a student scholarship would be funded by the industry partner that will employ the student following graduation, and the remaining 50% would be funded through the Build Dakota endowment. It is therefore critical that the program attract and retain industry partners as well as students.

Table 4: Number of Industry Partners by Students' Expected Graduation Year

Graduation Year	Umbrella Corporate Sponsors	Unique Locations or Sub-entity Sponsors
2016	1	1
2017	13	13
2018	24	24
2019	43	45
2020	47	55
2021	49	53
2022	54	61
2023	78	92
2024	97	99
2025	85	87
Unknown	38	48
Total	529	578

We can see from Table 4, which reports the number of new companies that have partnered with Build Dakota, that the effort to attract and retain industry partners has been as successful as the effort to attract students. The second column of Table 4 reports the number of industry partners at the highest level of corporate structure, and the third column provides a partner count that differentiates corporate entities. For example, Avera Health has sponsored dozens of Build Dakota students over the last ten years. The second column of Table 4 counts Avera Health only once, according to the first time Avera Health shows up in the partner records. The third column of Table 4 would count Avera Health several times according

to the first time that each Avera entity sponsored a student. To further clarify, Avera McKennan, Avera St. Mary's in Pierre, and Avera Sacred Heart in Yankton would be counted as three different industry partners in column three of Table 4 because they are unique Avera Health locations or divisions, but Avera Health as a larger corporate health system would only be counted once in the second column of Table 4.

There were 38 cases where it was not possible to identify when a higher-level corporate entity first sponsored a Build Dakota student, and another 48 cases where it was not possible to identify when a unique location or sub-entity first sponsored a student. We report these at the bottom of Table 4 and report the graduation year as Unknown.

3.4 Industry Partner Funding by Cohort Year

The final area for analysis in this section is a description of industry partner contributions to Build Dakota scholarship dollars. Table 5 shows that overall funding for scholarships has remained relatively consistent over time. The average award size has also remained relatively consistent over time, even as the number of awards has risen rapidly. This is a testament to efforts at technical colleges to maintain tuition rates and control student costs, but it is also a testament to the increased participation of industry partners over the years.

Without cost control efforts by technical colleges paired with increasing contributions by sponsors, it would not be possible for Build Dakota to remain as viable and sustainable as it has been. In recent years, the partner funding ratio has approached its goal of 50% and even surpassed it for the 2023/2024 cohort.

Table 5: History of Build Dakota Scholarship Awards and Partner Funding

Cohort	Total Scholarships Dollars	Scholarships Awarded	Average Award Size	Partner Contributions	Partner Funding Ratio[A]	Funding from other sources
2015/2016	$3,137,852	298	$10,530	$100,720	3%	$3,037,132
2016/2017	$4,217,574	297	$14,201	$395,883	9%	$3,821,691
2017/2018	$4,119,037	287	$14,352	$678,997	16%	$3,440,041
2018/2019	$4,517,207	351	$12,870	$1,404,975	31%	$3,112,232
2019/2020	$5,419,216	397	$13,650	$1,605,753	30%	$3,813,463
2020/2021	$4,381,060	308	$14,224	$1,410,266	32%	$2,970,793
2021/2022	$4,469,005	422	$10,590	$2,052,685	46%	$2,416,320
2022/2023	$5,173,008	464	$11,149	$2,498,416	48%	$2,674,592
2023/2024	$4,869,688	540	$9,018	$3,520,014	72%	$1,349,674
2024/2025	$6,119,834	591	$10,355	$2,475,568	40%	$3,644,266
Total	$46,423,480	3,955	$11,738	$16,143,275	35%	$30,280,206

[A] Many students in earlier years did not have sponsoring companies. Partner funding for the 2024/2025 cohort includes only one year of funding for students who are enrolled in two-year programs.

4 Economic Benefits of Build Dakota

Build Dakota has many potential impacts on South Dakota's economy. Some of the program's greatest impacts, such as stronger relationships between leading companies and technical colleges, are extremely difficult to quantify. For this analysis we focus on three impact pathways that could be quantified and supported by available Build Dakota data: (1) Student employment post-graduation, (2) Increased consumer demand resulting from debt savings, and (3) Increased demand for education services.

4.1 Methods

To quantify the economic impact of the Build Dakota program, this analysis uses the REMI PI+ model, a dynamic input-output economic modeling tool widely used for regional economic forecasting. REMI (Regional Economic Models, Inc.) is designed to capture the complex interactions between policy changes, employment shifts, and consumer behavior across industries and regions. One of the key strengths of the REMI model is its ability to show both short-term and long-term economic impacts by accounting for wage effects, population migration, and capital investment responses over time. By incorporating labor market dynamics, consumer spending, and inter-industry relationships, REMI offers a comprehensive framework for estimating how the mining industry supports regional economic activity.

Our model employs REMI's 70-sector model that divides the economy into 70 distinct industry sectors. These sectors are structured using data from the US Bureau of Economic Analysis and organized according to the North American Industry Classification System (NAICS). Each sector reflects a major area of economic activity (e.g. mining, healthcare, manufacturing, or retail). A more complete discussion of the REMI PI+ model can be found in Appendix D.

4.1.1 Student Employment

We showed above that internal Build Dakota data indicated 3,297 students from the first ten Build Dakota cohorts had either graduated or were actively enrolled at the end of the 2024/2025 academic calendar. It was not possible to say how many students in the 2023/2024 and 2024/2025 cohorts were still enrolled at the end of the 2024/2025 academic year, but we used historical graduation rates to forecast forward the number of current graduates for these cohorts and estimate that there were 3,129 graduates from the first ten cohorts that had likely entered the workforce at the time of this report's writing.

The next step was to estimate what fraction of these graduates were employed in South Dakota. The currently available data cannot say for certain what fraction of graduates still reside in South Dakota. The administrative data does not track employment after graduates meet the scholarship's residency and employment requirements. Additionally, the data often fails to report where scholarship recipients live if they didn't graduate or comply with the residency and employment conditions of the Build Dakota agreement — we estimate that 28% of scholarship recipients end up repaying their scholarship due to these issues.[4] The available data indicated with a degree of certainty that no less than 1% of graduates left South Dakota at some point after receiving a Build Dakota scholarship, but the true number of recipients who moved

[4] Roughly 28% of Build Dakota recipients do not successfully complete their trial employment period and have to repay their scholarships. Build Dakota does not have good residence data on students once they enter repayment. Nevertheless, the available data indicated that 26% of students in repayment were last reported to be living in SD, 1% were last reported to be in other states, and the remaining 73% do not indicate where the student is located.

Table 6: Occupation Training Impact Scenario		
Occupation Group	**Total Jobs Added**	**Annual Jobs Added**
Nursing, psychiatric, and home health aides	758	75.78
Construction trades workers	382	38.16
Vehicle and mobile equipment mechanics, installers, and repairers	366	36.63
Assemblers and fabricators	322	32.22
Electrical and electronic equipment mechanics, installers, and repairers	291	29.07
Health technologists and technicians	266	26.55
Supervisors of construction and extraction workers	149	14.85
Supervisors of farming, fishing, and forestry workers	104	10.44
Other healthcare practitioners and technical occupations	86	8.64
Computer occupations	85	8.46
Material moving workers	61	6.12
Other construction and related workers	37	3.69
Drafters, engineering technicians, and mapping technicians	27	2.7
Firefighting and prevention workers	23	2.25
Law enforcement workers	11	1.08
Forest, conservation, and logging workers	1	0.09
Total	**2967**	**296.73**

away is almost certainly higher. In light of the available data, and to not overinflate our findings, we applied a correction factor that assumed 5% of graduates left the state or were no longer employed. After this modification we arrive at the total employment impact of 2,967 jobs for the occupational training scenario. Future efforts by Build Dakota could provide greater clarity on this question.

With an estimate for Build Dakota employment impact in-hand, the first component of our REMI impact model was designed to capture this student employment following graduation. Because these students would almost certainly find employment regardless of their participation in the Build Dakota scholarship program, we cannot include their employment as a direct impact in the model. Doing so would imply that they would not have found jobs without Build Dakota, which is extremely unlikely. Instead, we model this impact using an occupational training scenario. The occupational training scenario allows us to increase labor supply (i.e. jobs) within certain occupation groups without changing overall employment within the state. In essence, the occupational training scenario allows us to shift jobs from the baseline occupation mix into occupations of our choosing. This action will have impacts throughout the economy, but it does not have the same effects as new business opening or a new company coming to the state.

Table 6 shows how we modeled this employment impact by taking student and program counts shown in Table 2 and assigning them to occupations following the broad associations shown in Table 3. The first column of Table 6 summarizes the occupation groups used in the occupational training scenario, the second column shows the total number of jobs added to the economy over the first ten Build Dakota cohorts, and the final column shows an average annual jobs impact. The model has jobs enter the economy linearly (i.e. the same amount each year) as a simplification rather than attempting to tie employment flows to graduate flows.

4.1.2 Increased Consumer and Education Services Demand

The second and third impact pathways stem from Build Dakota funding. In the first case, our impact model recognizes that students with full ride scholarships will enjoy significant debt savings over the course of their lives. Table 5 shows that Build Dakota has paid $46,423,480 in scholarships to students over ten years. When adjusted for inflation, these scholarships are valued at $54,360,098 and the associated interest savings would be $13,578,132 in constant 2024 dollars.[5]

Over the first ten years 3,297 students were awarded Build Dakota scholarships. Many of these students are currently still enrolled in school or are actively working to fulfill their scholarship requirements. Students that do not fulfill their employment and residency obligations are required to repay their scholarship awards. In effect, the scholarship is converted into a loan.

Based on administrative data for the first five Build Dakota cohorts, we estimate that 57.8% of graduates successfully meet all of the employment and residency requirements of their Build Dakota scholarship.[6] Based on this successful completion rate we estimate that successful graduates will save $39,295,473 in principal and interest payments. We model this as an increase in consumer spending spread out over 10 years following each cohort's graduation year.

While debt savings are spread out over time, Build Dakota scholarships produced $46,423,480 in immediate revenue for South Dakota's technical colleges. It could be debated that Build Dakota students would have enrolled without the scholarship and that scholarship revenues merely replace revenue that would have come from student loans. If this were the case, the scholarship revenue would not have a unique impact on college operations. Conversations with students in the process of performing the case studies, however, provided evidence that at least some students would not have enrolled in a technical college without the Build Dakota scholarship. While this is simply anecdotal evidence, we nevertheless include college revenues in our impact model through an industry sales event that boosts demand for educational services. Table 5 reports the annual funding levels included in this scenario in the total funding column.

4.2 Economic Impact of Build Dakota

There are four primary types of economic impacts that economists identify in an impact analysis. These are the number of jobs created, the personal income paid to employees, Gross Domestic Product added to the economy, and the total output of the industry.

- **Employment or Jobs —** The total number of jobs created or supported in the industry being studied as well as those in other industries.
- **Personal Income —** Personal income captures the monies paid to employees as compensation and also the net profits paid to business owners. The majority of labor income is captured by wage and salary payments but also includes non-wage benefits such as health insurance or retirement contributions.

[5] Interest savings are based on historical FAFSA student loan interest rates and a 10-year payoff period. https://studentaid.gov/understand-aid/types/loans/interest-rates

[6] Students in cohorts six through ten were more likely to either be currently enrolled or in their trial employment period, which yields a smaller successful completion rate. For this reason, we focused on the first five cohorts when estimating the successful completion rate.

- **Gross Domestic Product (GDP) —** GDP is defined as the total market value of all final goods and services produced within a region in a given period of time (usually a quarter or year). In other words, it is the wealth created by industry activity.
- **Output —** Total output is the total value of industrial production over a period of time. It includes the value of intermediate goods (e.g. supplies, materials, and equipment) in addition to the value of final goods (e.g. gravel or gold). In most cases, total output impacts are simply referred to as the economic impact of an event or organization.

In addition to differentiating between three common types of impact, economists also decompose these impacts across three distinct levels of impact: (1) direct, (2) indirect, and (3) induced. The total impact is the sum of all direct, indirect, and induced impacts.

- **Direct** — Direct impacts represent the annual employment and spending of the individual industry or firm being studied. In the current study, the direct contributions represent the student employment, payments to technical colleges, and debt payments avoided by graduates that meet all conditions of their Build Dakota scholarship.
- **Indirect** — All firms purchase input goods and services from outside firms. When the direct firm or industry makes these purchases, it starts a second round of spending that spreads into the wider economy via interfirm linkages. The indirect impact captures the increased employment and spending resulting from purchases.
- **Induced** — The third round of economic activity occurs when workers in the direct and indirect industries spend their labor earnings on goods and services. Employee compensation typically makes up the largest portion of a firm's annual expenditures. As a result, induced effects are often larger than indirect effects.

Because of the unique way that we construct our impact model, we combine indirect and induced impacts into a single line in Table 7.

Table 7: Summary of Economic Impact Estimates

Impact Type	Jobs	Personal Income (Millions)	GDP or Value Added (Millions)	Total Output (Millions)
Direct Impact	2,967	$20.864	$27.970	$48.919
Indirect + Induced Impact	251	$104.240	$117.720	$186.358
Total Impact	3,218	$125.104	$145.690	$235.279
Total Impact Multiplier	1.085	5.996	5.209	4.810

Table 7 reports our model estimates for Build Dakota's economic impact over its first ten years. The first data column reports employment impacts. As discussed above, Build Dakota reported 3,297 students had graduated or were still enrolled at the end of the 2024/2025 academic year. There were data quality issues, though, that meant we could not be certain that all graduates were employed in South Dakota. Using all available data, we imputed a direct employment impact of 2,967 jobs after the tenth year of the program. The indirect + induced employment impact represents the *long-run* employment impact across

participating technical colleges and many other industries that either supplied the technical colleges with goods or services or were otherwise supported by graduate spending.

In total, we estimate that Build Dakota supported 3,218 jobs after ten years and the total jobs multiplier was 1.085. This multiplier is significantly smaller than the other multipliers, but this is due to the way that we model employment impacts compared to the other dollar-valued impacts. This is due to our decision to report graduate employment as a direct impact. We discussed above that this decision is not without potential controversy. It is almost certain that these graduates would be employed regardless of their scholarship. It can be argued, therefore, that their employment should not be counted as having a direct impact. We acknowledge this argument and its validity. Nevertheless, we report these jobs in Table 7 which mathematically lowers the employment multiplier as a result.

The three rightmost columns of impact results report dollar-valued impacts and are reported in millions of inflation-adjusted 2024 dollars. The direct impacts in these columns stem from the portion of the model that focuses on debt savings and technical college funding. The Indirect + Induced impacts also include the economic impacts coming from graduate employment. For this reason, the Indirect + Induced and Total Impacts are proportionally larger than they were for the employment impacts.

In total, we estimate that the Build Dakota scholarship supported the creation of $125.1 million in personal income over 10 years. This does not include the income earned by the Build Dakota graduates themselves, but includes incomes supported by payments to the technical colleges, the debt savings of graduates that successfully met the terms of their scholarship, and others. Similarly, we estimate that Build Dakota supported the creation of $145.7 million in state GDP and $235.3 million in total output over ten years. The multipliers for personal income, GDP, and total output are much larger than the employment impacts because the direct impacts in these areas were intentionally constrained as discussed above.

5 Build Dakota ROI to the State and Funders

Describing Build Dakota's economic impacts is somewhat difficult given the unique interplay between the direct and indirect + induced impacts. In this instance, it may be more straightforward to discuss the impacts in a Return on Investment (ROI) framework. We start in Table 8 by connecting impacts back to the core spending on scholarships and the contributions of partner organizations. Table 8 shows that each dollar of scholarship funding has translated to $2.30 in personal income, $2.68 in GDP, and $4.33 in total output. We also show how each dollar of partner funding has similarly translated into multiple dollars of impact.

Table 8: Build Dakota ROI per Dollar of Scholarship Funding

Impact	Total 10-Year Impact (Millions)	ROI per Scholarship Dollar [A]	ROI per Dollar of Partner Contribution [B]
Personal Income	$125.10	$2.30	$6.91
State GDP	$145.69	$2.68	$8.05
Total Output	$235.28	$4.33	$13.00

[A] Total scholarships after 10 years were $46,423,480. [B] Total partner investment was $16,143,275

Table 9: Build Dakota ROI per Graduate Job

Impact	10-Year Impact (Millions)	ROI per In-state Job [A]	ROI per Successful Graduate [B]
Personal Income	$125.10	$42,165	$91,648
State GDP	$145.69	$49,103	$106,729
Total Output	$235.28	$79,299	$172,360
Disposable Personal Income	$113.12	$38,127	$82,872

[A] Includes graduates that met all obligations and those that repaid their Build Dakota scholarship Approximately 28% of graduates repaid their scholarships. [B] Successful graduates include those that met all employment and residency requirements.

Another way to demonstrate Build Dakota's ROI is to express the program's impact in terms of jobs and salaries. The third column of Table 8 reports the ROI per in-state job across each of our impact measures. This is the broadest way of looking at Build Dakota's ROI on a per-job basis because it includes all students (2,967 after ten years) that we estimate were employed in South Dakota. In this instance, we estimate that each in-state job was associated with $42,165 in personal income, $49,103 in state GDP, and $79,299 in overall economic activity in the state.

Within the jobs and salary framework, our preferred expression of ROI comes from columns four and five of Table 9. In these columns we report Build Dakota's ROI in relation to only those students who graduate and meet all employment and residency requirements of the scholarship. We prefer this metric because students who do not meet Build Dakota's requirements pay back the value of their scholarships over time, thus helping to ensure the programs financial viability. Focusing on the students who successfully completed the program better demonstrates the spillover benefits for the state.

The fourth column of Table 9 reports the ROI per successful graduate and shows that Build Dakota supported $91,648 in personal income in the state for every graduate that did not have to repay their scholarship by meeting Build Dakota's employment and residency requirements. Table 9 also reports that Build Dakota supported $106,729 in state GDP and $172,360 in total output per graduate.

6 Conclusions

Build Dakota has been a tremendous success in South Dakota. The scholarship program has helped thousands of students to graduate debt free and begin their careers with companies that are invested in their success. The program's impact exceeds its funding requirements, and it generates strong excess returns to the state's economy, students, and industry partners. The program is an unqualified benefit to South Dakota and should be seen as a model for successful public/private partnerships in the future.

Appendix A – Student Case Studies

Ethan Ness

Ethan Ness grew up in Brookings, South Dakota and now lives in Aurora. Ethan has always had a passion for hands-on work that his high-school shop and ag classes really tapped into. Even at that early age he knew that he wanted to work with his hands, likely in a construction field, and wanted to attend a technical college. He heard about Build Dakota during high school from his Ag and Shop teachers and then found out more from Mitchell Tech's website and decided to apply because of the opportunity it provided.

In fall 2017, Ethan enrolled at Mitchell Technical College in the Electrical Construction & Maintenance associate's program. Over the next two years, he balanced intense classroom and lab work—learning conduit bending, motor control wiring, blueprint reading, and safety protocols—with on-campus employment at Muth Electric's prefab shop, all while maintaining a 3.6 GPA and graduating debt-free in May 2019.

Earning one of the inaugural Build Dakota full-ride scholarships transformed Ethan's trajectory. The scholarship covered every dollar of program expenses plus the complete set of required tools—tools he arranged to receive early so he could spend the summer before classes gaining real-world experience at AMP Electric. That summer he mastered basic wiring techniques and conduit runs, setting him ahead of his cohort when school began. With tuition off his plate, he could take a seasonal role at AMP and a semester-long position in the prefab shop, deepening both his technical skills and his professional network.

Unlike later cohorts, Ethan's scholarship was fully funded by Build Dakota without the need for an employer match; his only commitment was to work in South Dakota for three years after graduation. He embraced that flexibility, "shopping the market" to ensure fair wages and varied experiences across commercial, industrial, and residential projects. After graduation he joined AMP Electric full time, progressing from $18.50 per hour as an entry-level technician to $29.50 per hour as a journeyman—earning a total compensation of around $60,000–$70,000 with overtime and bonuses.

Beyond the financial freedom, Ethan highlights the personal touches that made Build Dakota special. He valued the annual check-ins with program administrators to confirm academic standing and employment. Ethan also fondly recalls Build Dakota banquet at Mitchell Tech where he met major funders and sponsors of the program that had helped create the program that has been so valuable to him. These moments reinforced that genuine, people-centered support underpins the scholarship's success.

Looking back, Ethan calls Build Dakota "life changing." Graduating debt-free allowed him to buy his first home at age 21, marry his high-school sweetheart, and start a family. Now settled in Aurora, he dreams of launching his own electrical services business and mentoring the next generation of tech-school students. His advice to future scholars: lean into every hands-on moment, trust the process, and consider a tech-school pathway—it can open doors to a debt-free career and a lifetime of opportunity.

Noah Kieckhefer

Noah Kieckhefer, a native of Brookings, enrolled in the Land Surveying & Civil Engineering Technologies program at Southeast Technical College in fall 2023, and expects to graduate in spring 2025. During high school Noah was interested in pursuing a career in engineering or land surveying. His interest led him to visit Southeast Technical College to meet with faculty members in the Civil Engineering program so he could learn more about its land surveying program. Faculty members at the college connected him to Banner Engineering, a Build Dakota Industry Partner, so that Noah could job-shadow one of their land surveyors. This experience was critical in exciting Noah about the field and pursuing his education at Southeast Technical College.

Noah's decision to pursue the Build Dakota Scholarship was motivated largely by the financial freedom it offered. With his full tuition covered by Banner Engineering and Build Dakota, Noah could dedicate himself fully to his studies without needing to juggle multiple part-time jobs. His academic focus sharpened dramatically, allowing him to excel in complex technical classes like CAD, surveying methodologies, and soils analysis.

Banner's sponsorship provided Noah invaluable mentorship opportunities. Each summer, Noah returned as a paid intern, starting at $16 per hour and quickly advancing in responsibility and pay. At Banner, he mastered the operation of advanced GPS equipment, learned drone surveying techniques, and took part in extensive mapping projects, including a notable capstone project—conducting detailed GPS surveys around the Mickelson building on campus.

Through this partnership, Noah developed crucial skills like teamwork, leadership, and critical thinking. His mentors at Banner, whom he describes as deeply committed, helped him transform from a curious high school student into a confident surveyor-in-training.

Noah's long-term vision includes becoming a professional land surveyor at Banner, with potential leadership roles in project management. Reflecting on his scholarship experience, he stresses how transformative it was to enter the workforce debt-free. His advice for Build Dakota is straightforward: strengthen outreach to younger high school students so they learn about opportunities early.

Noah's message for future scholars resonates strongly: "When given opportunities, take them fully. Put yourself out there, because the more you learn hands-on, the better equipped you'll be for your career."

Emma Mesman

Emma Mesman's path to nursing is not that of the typical student. A 2017 Pierre High School graduate, she first pursued general studies at the University of Sioux Falls and Southeast Tech before stepping away to work eight years as a patient care technician at Avera McKennan. Emma decided to advance her clinical skills and reached out to Avera about sponsoring her with a Build Dakota scholarship that would allow her to enroll in Mitchell Tech's on-campus LPN program. Avera was very supportive and agreed to sponsor her scholarship, and Emma enrolled in Mitchell Tech's LPN program in 2022.

After completing her LPN program, Emma reached out to Avera to see if they would sponsor her a second time so that she could continue to improve her skills and education through Mitchell Tech's LPN-to-RN program. Given Emma's commitment to, and history with, Avera, they were more than happy to sponsor her again for a second Build Dakota scholarship so she could gain her RN degree. This partnership has helped Emma to advance her career more rapidly than she would have been able to on her own. She started off earning $18 per hour as a patent care technician and moved to nearly $24 per hour once attaining her LPN degree. Once she completes her RN degree, she is expecting to earn nearly $32 per hour. This advancement will allow her to nearly double her income in only a few years without having to take on any student debt.

The scholarship lifted the crushing financial weight of tuition and allowed Emma to immerse herself in hands-on labs—learning IV insertions, medication calculations, and patient assessments—while keeping her part-time clinical shifts to two per week. Now based in Sioux Falls for a hybrid RN curriculum, Emma juggles weekly on-campus labs, clinical rotations at regional hospitals, and coursework in advanced pathophysiology, all without accruing debt.

Beyond technical proficiency, she emphasizes growth in empathy, stress management, and patient communication—skills honed on the bustling floors of nursing homes and intensive-care units. Her clinical mentors from Avera provided regular check-ins and on-site guidance, reinforcing her conviction to stay in South Dakota's healthcare community post-graduation.

Looking ahead to 2028, Emma envisions leadership roles in rural health, specialized certifications in critical care, and an alumni-mentor network she'd like Build Dakota to formalize. Her advice to incoming scholars: "Trust the journey—even detours can lead you back stronger," and she recommends adding nursing-focused workshops and peer support groups to deepen connections among future cohorts.

Nathan Slay

Nathan Slay's Build Dakota journey began in California. Nathan was living in San Maria and his grandparents, who lived in Texas, reached out to him because they had seen a TV ad about the Build Dakota scholarship. He was so excited about the opportunity that he packed up and moved to Mitchell, South Dakota to enroll in Mitchell Tech in January 2024. He had always wanted to be an electrician, likely in California, but he saw the promise of the scholarship program and could see how it would jumpstart his career. He is now nearing completion of his Electrical Construction & Maintenance associate's degree.

Nathan started his coursework at Mitchell Tech with general studies and pre-electrical courses before he even had a Build Dakota sponsor. He covered many of his initial costs out-of-pocket while seeking out an Industry Sponsor. Muth Electric noticed his determination and offered to sponsor him at the start of the fall semester. Now that Nathan has the Build Dakota scholarship, he has been able to fully focus on his course work and mastering the technical skills, rather than juggling loans or extra jobs.

Nathan has had the great opportunity to work with his sponsor, Muth Electric, during his summers to gain valuable on-the-job training and begin mastering the basics of being an electrician. His mentors at Muth provide frequent performance check-ins and hands-on coaching—teaching motor-control circuits one day and lighting retrofits the next. At Muth he has also job-shadowed journeymen on high-voltage installations and residential rewiring, learning the rigors of both industrial and service-call work.

Working with Muth has given him insight into many aspects of being an electrician, but Nathan has been most excited about his industrial training. Nathan's long-term goal is to pursue a career as a nuclear electrician. His dream is to specialize in small modular nuclear reactors. Build Dakota has given him a path to advance that goal and Nathan even sees opportunities to pursue his dream in South Dakota power companies like Otter Tail, which is exploring small nuclear reactors, after he completes his employment commitment to Muth Electric.

Overcoming cross-country moves, harsh winters, and tight budgets, Nathan credits Build Dakota for changing his life and giving him the opportunity to "start my journey." Nathan is always looking ahead, and he is already planning out how to capitalize on graduating debt-free. He is already planning for how to buy a house and begin life after he graduates. Nathan urges more companies to sponsor adventurous students and believes stronger alumni networks and informational sessions on specialized fields would further enrich the program. In five years, Nathan aims to be a licensed journeyman electrician and on his way to working at South Dakota's first nuclear power plants!

Alek Koomia

Alex Koomia is one of the earliest Build Dakota graduates. Alex graduated from high school in 2015 and found out that he was getting the Build Dakota scholarship on graduation day. Up until that day he had not been sure what his plan was after graduation, and he was expecting to work for a year while figuring out his next steps. All that changed when he found out that he had been selected for a Build Dakota scholarship. Now he had a plan and a path forward for the next five years. Looking back, Alex says that this structure and certainty was almost as valuable as the scholarship itself.

Alex first learned about the Build Dakota Scholarship program through a friend's parent who had researched scholarship opportunities for their own children. This led him to explore Southeast Technical College where he discovered the Electromechanical Technology program. Alex graduated in 2017, equipped with both technical knowledge and problem-solving skills that would prove invaluable throughout his career, which has spanned several companies and disciplines.

The full-ride scholarship provided significant financial benefits that influenced Alex's post-graduation decisions. Graduating without debt allowed him to purchase his first home immediately after college, moving directly from his parents' home to homeownership. Freedom from debt also supported his ability to marry and start a family without the burden of student loan payments.

Like many other students in the first Build Dakota cohort, Alex did not have an industry partner sponsoring him through his Electromechanical degree at Southeast Technical College. Not having a sponsor came with more uncertainty, but Alex has enjoyed the freedom to pursue different opportunities. The freedom to change employers, along with the financial freedom of not having student loan debt, has allowed him to prioritize work-life balance and start his family, which has been extremely important for him.

Throughout his career progression, Alex has developed expertise across multiple technical areas. At Barry Global, he worked with pneumatic systems and robotic automation. His time at Dakota Fluid Power expanded his hydraulics knowledge on large-scale industrial applications. At Amesbury Truth, he gained experience with roll mills and injection molding equipment. His current role at 3D Security, which utilizes more of the system logic and networking aspects of his education, focuses on fire alarms, burglar alarms, cameras, and access control systems. His daily work centers on problem-solving—arriving on-site when systems aren't functioning and diagnosing solutions.

Looking back, Alex emphasizes the program's exceptional administration and support. "My experience actually going through the program was always very smooth, very easy," he notes. The Build Dakota team maintained regular contact throughout his obligation period, checking on his progress and offering assistance when needed. The Build Dakota Scholarship didn't just provide Alex with an education—it provided a roadmap for success and the financial freedom to pursue it. As he continues to build his career and family, the impact of that initial investment continues to compound, creating ripple effects that extend far beyond the original three-year commitment.

Adrian Cox

Adrian Cox grew up in Rapid City, South Dakota, surrounded by mechanics, pilots, and gearheads who inspired his lifelong fascination with engines and machinery. From a young age, he was taking apart anything with moving parts, including the family's lawnmowers and computers. Though he was bright and curious, traditional classrooms never held his attention for long. He preferred learning by doing, and early on he realized that he wanted a career that would let him work with his hands.

Adrian's path was uncertain as he neared the end of his high-school years. He lacked direction and didn't feel comfortable in the classroom, but he always wanted to work hard. When his stepfather introduced him to Weston and Tenise Chapman, owners of Black Hills Tire in Rapid City, they saw something in him immediately. They offered him a chance to work in their shop, where his technical instinct and work ethic stood out. After getting to know Adrian and his work ethic, the Chapmans reached out and offered to sponsor him for a Build Dakota Scholarship.

There was one problem: Adrian hadn't yet completed high school. The Chapmans' confidence in him pushed him to act. Determined not to lose the opportunity, Adrian left high school, enrolled in night classes, and earned his GED in just a few months. He still remembers the conversation with his principal, who told him that pursuing his GED was the fastest way forward, and the right decision for his future. That determination and resilience were all the more valuable when he entered Western Dakota Technical College's Automotive Technology program with full Build Dakota support.

Adrian thrived at Western Dakota Technical College, where his classes were "hands-on," and he could "focus on something I cared about." Having his tuition fully covered meant he could concentrate on mastering skills rather than worrying about finances. The scholarship also provided a professional-grade tool set—something he describes as "a game changer." The set included an entire toolbox and a full range of wrenches, sockets, and diagnostic tools, worth thousands of dollars. Being able to start his career with the right equipment, without taking out loans or relying on low-quality starter kits, gave him a huge head start. He still has many of the original tools he received through Build Dakota in his toolbox today.

Adrian graduated in May 2023 and returned full-time to Black Hills Tire, where he has now worked for five years. The Build Dakota employment commitment requires graduates to work in South Dakota, typically for three years with their sponsoring employer, but Adrian says he's never once thought of it as a restriction. In fact, he viewed the commitment as one of the program's strengths—it provided certainty about his future, knowing he had a supportive employer and a stable career waiting for him.

His continued growth has reflected that mindset. Since graduating, Adrian has achieved ASE Master Technician certification and frequently attends manufacturer training sessions to keep up with new automotive technologies, including hybrid and electric vehicles. Build Dakota provided an education and opened up a career path. "It advanced my career and ultimately paved a path for my life," he said. Graduating debt-free and equipped with every tool he needed to start his profession, Adrian now serves as a living example of what opportunity—and a little faith from others—can do. His advice to future students is simple: "If you get a chance like this, take it. Learn everything you can, and don't be afraid to get your hands dirty."

Kate Nelson

Kate Nelson's journey to nursing was unconventional. Originally from Iowa, Kate began her career in historic preservation, earning a master's degree from Ball State University and spending a decade with the South Dakota State Historic Preservation Office in Pierre. When a family member began facing long-term health issues, she grew frustrated with the lack of medical answers and decided to find answers for herself and pursue a new career in nursing.

Her plan was to enroll in the University of South Dakota's four-year nursing program in Pierre, but the program was discontinued just as she was about to start. Around the same time, Lake Area Technical College (LATC) stepped in to establish a new one-year Licensed Practical Nurse (LPN) program at the Capitol University Center. At an open house for the new program, Kate learned about the Build Dakota Scholarship from LATC staff, which she later described as a "happy accident" that changed her life.

In fall 2020, at age 40, Kate enrolled in LATC's LPN program with a full-ride Build Dakota scholarship sponsored by Avera Health. Kate completed the one-year LPN program quickly and passed her boards in August 2021. She began working full time at Avera St. Mary's Clinic in Pierre, and when Lake Area launched its online Registered Nurse (RN) program, she returned to school with the financial support of a second Build Dakota scholarship sponsored by Avera Health. Kate completed her RN degree in 2023 while maintaining her position at Avera.

Nursing school was academically demanding and required her to be on campus in Watertown every few weeks for labs. The rigorous program also gave Kate a chance to explore many different areas of nursing that she had never considered before. During her clinical rotations, she gained exposure to wound care, dialysis, medical-surgical care, and long-term care settings. She expected to prefer obstetrics but discovered her real passion lay in primary care and chronic disease management. Those experiences broadened her understanding of patient care, built her confidence, and helped her identify the areas of nursing that best matched her skills and interests. Balancing coursework, family life, and travel was challenging, but her perseverance paid off—she graduated debt-free and fully prepared for her new career.

Her partnership with Avera has been extremely positive and supportive. She viewed the Build Dakota employment commitment as "a security blanket" that ensured a job was waiting for her after graduation. When Kate first started working at Avera she was earning roughly the same salary she had after ten years in historic preservation with a master's degree. Completing the RN program increased her pay by an additional six dollars per hour. Build Dakota helped Kate establish a more rewarding and financially secure career—one she was able to pursue without taking on any student debt.

Today, Kate continues her work as a family practice nurse, focusing on chronic condition management and patient education. She finds this environment more rewarding than hospital settings and hopes to remain in clinic nursing long-term, possibly expanding into public health in the future.

Looking back, Kate calls Build Dakota "a wonderful program that changes lives." She credits both the scholarship and Lake Area Technical College with giving her a second career that is financially stable, personally meaningful, and deeply connected to her community.

Appendix B – Industry Partner Case Studies

Black Hills Tire

Black Hills Tire in Rapid City exemplifies the long-term vision that makes Build Dakota partnerships truly impactful. Despite being overstaffed, owners Tenise and Weston Chapman continue sponsoring students each year—not because they need immediate workers, but because they believe in growing the automotive industry as a whole. "We're promoting our industry, and at the end of the day, that's what matters," explains Tenise Chapman. When they can't accommodate their sponsored students, they help place them with other automotive businesses. This commitment to industry-wide development rather than just company staffing has made them one of Build Dakota's most dedicated partners since joining the program in 2020.

Tenise and Weston Chapman opened Black Hills Tire in fall 2018, building on Weston's automotive industry experience as a Western Dakota Tech graduate. The business has grown significantly from three employees to fifteen. As part of its strategy to enable that growth, Black Hills Tire has sponsored seven Build Dakota students since 2020 and are currently sponsoring two students who will graduate in 2026. Black Hills Tire takes a flexible approach to their partnerships—they don't require students to sign three-year employment contracts, instead allowing them to fulfill their state obligation wherever circumstances lead them. When one Build Dakota graduate needed to relocate for his wife's teaching career, the Chapmans helped him transition to another automotive shop rather than holding him to a company commitment.

The company typically identifies Build Dakota candidates from high school students who work part-time at their shop. They evaluate these students' interests and aptitude, then guide them through school tours and the Build Dakota application process. Nearly all of Black Hills Tire's employees except three are Western Dakota Tech graduates, with four current staff members being Build Dakota recipients. The presence of recent graduates has created positive energy throughout the workplace. The younger employees return from school excited about new technologies and techniques, which energizes the more experienced technicians and contributes to the company's zero turnover rate among technical staff.

Some of Black Hills Tire's most notable success stories involve students who struggled in traditional academic settings but excelled with their technical education. Two current employees failed to complete high school during COVID-19 but subsequently graduated with honors from Western Dakota Tech's automotive program. These outcomes demonstrate how the combination of practical career focus, financial support, and employer belief can transform educational experiences for students who didn't succeed in conventional settings.

The company invests approximately $4,000 per semester per student in the Build Dakota program. This investment provides immediate returns through reduced training costs, as students arrive with foundational technical skills that would otherwise require extensive on-the-job instruction from existing staff. The formal education also prepares students for the increasingly complex electronic systems in modern vehicles.

Black Hills Tire's approach extends beyond their immediate staffing needs to broader industry development. They view their participation as helping to remove financial barriers that prevent capable students

from pursuing automotive careers. Even when they cannot accommodate all their sponsored students due to staffing levels, they continue participating in the program and actively help graduates find positions with other area businesses. This industry-focused perspective has made them advocates for encouraging other automotive businesses to become Build Dakota partners.

The Build Dakota program has provided Black Hills Tire with a reliable pipeline of well-trained employees while allowing them to contribute to addressing the automotive industry's workforce challenges. Their flexible approach to student commitments and long-term view of industry development has created a partnership model that successfully serves students, the company, and the broader automotive sector in South Dakota.

Avera Health

Avera Health exemplifies how large healthcare systems can leverage Build Dakota partnerships to address critical workforce shortages across multiple specialties. Since the program's inception, Avera has sponsored over 400 students and currently supports 210 students still completing their programs. The organization's commitment extends beyond immediate staffing needs to comprehensive workforce pipeline development, with participation spanning multiple technical colleges and numerous healthcare specialties. Their approach demonstrates how Build Dakota partnerships can scale to meet the demands of large companies while maintaining focus on individual student success.

Avera Health is a major healthcare system operating across South Dakota, Nebraska, Minnesota, Iowa, and a small portion of North Dakota, employing over 20,000 people. The organization has participated in Build Dakota since the program began, and their internal coordinator with Build Dakota has been in place for the past five years. Avera's participation has grown significantly as workforce demands have increased, expanding from sponsoring small numbers of students in specific programs to taking as many students as available program caps allow.

The scale of Avera's Build Dakota involvement reflects the severity of healthcare workforce shortages. In 2024, they added 102 new sponsored students to their program, followed by 108 students in 2025. Their most critical workforce needs center on Licensed Practical Nurses (LPN), Registered Nurses (RN), medical assistants, radiology technicians, medical laboratory technicians, respiratory therapists, surgical technicians, and paramedics. The organization has also explored sponsoring students in non-clinical roles such as HVAC technicians, recognizing that healthcare facilities require diverse skill sets to operate effectively.

Avera's investment in Build Dakota varies by program and school, with their contribution ranging from $5,500 to nearly $16,000 per student, typically half of each student's total tuition costs. The highest investment covers radiology technology students at Western Dakota Tech, while programs like LPN at Lake Area Tech represent the lower end of the cost spectrum. This financial commitment totals hundreds of thousands of dollars annually, reflecting the organization's strategic approach to workforce development.

From Avera’s perspective, this investment in Build Dakota is a cost-effective approach to recruiting and retaining its workforce. The fact that Build Dakota and the technical colleges take care of program administration particularly benefit large organizations like Avera. The streamlined process handles student tracking, progress monitoring, and financial arrangements through the schools, reducing administrative burden compared to independent sponsorship programs. Schools provide regular updates on student progress and immediately notify Avera if students leave programs, ensuring appropriate financial adjustments and allowing for proactive workforce planning adjustments.

The partnership with Build Dakota also provides a predictable pipeline of talented graduates that Avera leadership can build upon. Hospitals and clinics across their South Dakota footprint can plan for incoming employees months or years in advance, particularly valuable for rural healthcare facilities where single positions can significantly impact service delivery. The program also allows flexibility within Avera's large system, as students can fulfill their three-year commitments while moving between different facilities or departments within the organization.

Avera actively encourages sponsored students to complete clinical rotations within their facilities, providing mutual benefits. Students gain familiarity with organizational culture, procedures, and physical layouts before beginning employment, while Avera can evaluate student performance and help them identify preferred specialties or locations. This approach reduces orientation time and helps new graduates build confidence more quickly in their roles.

Build Dakota graduates receive the same starting wages as other new hires but benefit significantly from having no student loan debt. They also receive hiring preference when positions become available and may be eligible for sign-on bonuses tied to three-year commitments they've already made through the program. These benefits, along with the knowledge that they have a job waiting for them, has enabled Avera to attract students who might not otherwise pursue healthcare careers due to financial barriers. Some Build Dakota recipients have relocated from other states specifically to access the program, demonstrating its power to attract talent to South Dakota's healthcare workforce.

Avera's Build Dakota partnership represents a strategic investment in long-term workforce stability rather than short-term staffing solutions. The program addresses multiple organizational needs simultaneously: reducing recruitment costs, ensuring cultural fit through extended engagement, providing predictable workforce pipeline development, and contributing to broader South Dakota economic development by retaining educated workers in the state.

The organization's experience demonstrates how large healthcare systems can effectively scale Build Dakota partnerships while maintaining focus on individual student success. Their comprehensive approach to student support, from clinical placement through career development, creates sustainable workforce solutions that benefit students, the organization, and South Dakota's healthcare infrastructure.

Muth Electric

Muth Electric began participating in the Build Dakota scholarship program since 2018 to address skilled worker shortages in the electrical industry. The company has since sponsored 99 students through the program, achieving notable retention rates and developing a substantial pipeline of trained electricians. Nearly all of the talented students that Muth brought on as Build Dakota graduates have remained with the company, and many advanced to supervisory and project management roles. Build Dakota has been a tremendous tool for identifying talent and helping grow the company into what it is today.

Muth Electric was founded nearly 55 years ago and operates across the region with South Dakota locations in Mitchell (headquarters), Sioux Falls, Rapid City, Huron, Aberdeen, Brookings, Watertown, and a Nebraska location in Omaha. The company employs 635 people and has experienced significant growth over the last three to five years. This growth has been made easier by Muth's ability to collaborate with Build Dakota and South Dakota's technical colleges to attract and retain talent. Muth has sponsored 99 students through Build Dakota, including 16 students in the 2024 cohort and 35 students in the 2025 cohort. This growth reflects the company's confidence in the program's effectiveness for workforce development.

Build Dakota students primarily come to Muth Electric through Electrical Construction and Maintenance (ECM) program. Upon graduation, students commit to a three-year employment agreement with Muth Electric. They enter the workforce as apprentice electricians, having completed approximately half to two-thirds of the requirements needed for journey worker licensing. Many of Muth's Build Dakota students can work part-time while completing their education, typically up to 20 hours per week, which puts them even closer to their Journeyman's.

Muth Electric's involvement in Build Dakota has expanded significantly based on positive outcomes. They typically invest around $8,000 a year per student for its portion of the Build Dakota scholarship, and Muth does consider this as an investment rather than an expense. Of the 99 students sponsored by Muth Electric, the vast majority have remained with the company following completion of their three-year commitment periods. Some have left to pursue advanced education in engineering or power line work, some to establish their own electrical contracting businesses. Only a small number have left to work for competing electrical contractors. The larger part has advanced their careers within the company. Many Build Dakota graduates have advanced to project manager or leadership positions that will continue to grow Muth Electric into the future.

One valuable aspect of the Build Dakota program has been how its role helping to foster relationships with instructors at partner technical schools. Muth Electric has the ability to participate in curriculum discussions to ensure educational programs align with industry needs. The company also periodically donates materials such as wire and conduit to support hands-on learning experiences for students. These collaborative relationships help ensure that the ECM curriculum remains current with industry practices and technology. This ensures that the program continues to address workforce shortages and create a reliable pipeline of trained electricians.

Moreover, because students get a chance to work with Muth Electric while in school, they can learn about the company's culture and operational practices. This, along with the three-year commitment structure, provides students with an important sense of stability, and it gives Muth Electric the ability to more fully support employee development and integration. Build Dakota therefore reduces recruitment costs

associated with hiring apprentice electricians from external sources and provides greater predictability for workforce planning as the company continues to expand operations.

Muth Electric's expanded participation in Build Dakota indicates the company's continued commitment to the program. The partnership has become an integral component of the company's workforce development strategy as it continues to grow across South Dakota markets. The program's success has established Muth Electric as a significant participant in South Dakota's workforce development initiatives, contributing to both company growth and regional economic development through skilled worker training and retention.

Appendix C – About the REMI PI+ 70-Sector Model

The economic impact estimates in this report were generated using the REMI PI+ model, a widely recognized and dynamic regional economic modeling tool developed by Regional Economic Models, Inc. REMI PI+ is designed to evaluate the economic and demographic effects of policy changes, industry developments, and investment scenarios at the state and regional level. The version used in this analysis employs a 70-sector framework, which divides the economy into detailed industrial categories based on the North American Industry Classification System (NAICS) and data from the U.S. Bureau of Economic Analysis (BEA).

The REMI PI+ model integrates four major modeling frameworks into a single, interrelated system:

- **Input-Output Relationships** – This component traces how industries purchase from and sell to one another, forming the basis for calculating indirect and induced effects. It captures supply chain linkages and inter-industry dependencies using regional purchase coefficients and national input-output tables.
- **Econometric Equations** – Statistical relationships are used to estimate how changes in key variables (such as wages, prices, and migration) affect economic behavior over time. These equations are calibrated to historical data and help the model reflect real-world economic responses.
- **General Equilibrium Elements** – Prices, wages, and market-clearing behavior are modeled to reflect the influence of labor and capital markets. These features allow the model to simulate how resources shift between sectors and regions in response to changing economic conditions.
- **Economic Geography** – Regional distinctions are maintained through commuting patterns, trade flows, and population movements. This enables the model to assess how economic activity spreads across county or state lines and how population changes influence workforce availability and consumer demand.

The 70-sector version of REMI PI+ categorizes the economy into 70 major industry sectors, roughly corresponding to two- and three- digit NAICS industry codes. These sectors cover the full range of economic activity. This level of detail allows for sector-specific modeling of economic activity, including targeted analysis of how a single industry, such as mining, generates ripple effects across related sectors and throughout the regional economy.

Unlike static input-output models, REMI PI+ is dynamic and recursive, meaning it models change over time and allows the simulation of economic adjustments across multiple years. This includes labor force migration, capital stock adjustments, and shifts in consumer and business behavior. It is especially useful in modeling long-term scenarios, such as the sustained impact of industry expansion, regulatory changes, or capital investments.