



— STATE OF SOUTH DAKOTA —
OFFICE OF THE GOVERNOR

LARRY RHODEN | GOVERNOR

March 12, 2025

The Honorable Jon Hansen
Speaker of the House
500 East Capitol Avenue
Pierre, South Dakota 57501

Dear Mr. Speaker and Members of the House of Representatives,

I respectfully return to you House Bill 1132 with my VETO. House Bill 1132 is an Act to establish provisions for eligibility in the child care assistance program for certain child care employees.

House Bill 1132 shifts South Dakota's child care assistance program away from its core mission. Currently, the program is designed as a safety net to help low-income families cover child care costs while they work toward self-sufficiency. This bill would give child care workers preferential treatment, by allowing them to receive this aid at a higher income level. This would be the first time in South Dakota that our state safety net programs would give enhanced benefits to people working in one type of job or occupation, and it would transform this program into a long-term workforce subsidy rather than what its focus should be: temporary support for families in need.

Additionally, the bill includes no appropriation to cover the cost of expansion. If just 5% of South Dakota's current child care workforce applies, the program will require an additional \$3.8 million in state general funds. If half of the current workforce applies, the program grows by \$38 million. The lack of new funding creates a zero-sum game, and this expansion would force reductions in benefits or waiting lists for the low-income families the program was originally designed to support.

The Department of Social Services has been actively implementing solutions to support the child care industry and workforce. These solutions focus on sustainable approaches and do not involve expanding our state's safety net program beyond its intended purpose. The state's role in promoting our child care workforce should be supporting economic development and encouraging private sector solutions – not broadening government safety nets into permanent workforce subsidies.

For these reasons I object to House Bill 1132, and I ask that you sustain my VETO.

Respectfully submitted,

A handwritten signature in blue ink that reads "Larry Rhoden".

Larry Rhoden
Governor

cc: The Honorable Monae Johnson, Secretary of State
The Honorable Tonnis Venhuizen, Lieutenant Governor