In 1889, Congress passed the Omnibus Statehood Bill, dividing Dakota Territory into two separate states. In November of that year, President Benjamin Harrison signed the bill into law creating North Dakota and South Dakota.

At that time, the Dakota Territorial Penitentiary was marking nearly six years of operations in Sioux Falls. With statehood, the facility officially became known as the South Dakota Penitentiary.

The name change was a small portion of the overall transition facing the facility at the time.

From November 30, 1889 to April 1, 1890, the penitentiary was under the management of a Board of Trustees. Beginning April 1, 1890, the penitentiary was under the control of the Board of Charities and Corrections, which had just been created in statute by the state Legislature and approved by Governor Arthur Mellette on March 6, 1890.

The facility also was transitioning from one administration to another, as Theodore D. Kanouse replaced Daniel S. Glidden as the penitentiary warden.

In his 1890 biennial report to the Board of Charities and Corrections, Warden Kanouse detailed the financial changes involved in the transition during the time period. The facility received an appropriation from the Dakota territorial government which lasted through March 8, 1890. After that date, the facility began operating under the appropriations made by the state Legislature. Thus, the facility’s books were balanced for the years under two sets of appropriations.

At the end of November 1890, there were 83 male inmates and 4 female inmates at the Penitentiary. Kanouse reported the daily average population for the facility was 88. But because the state only had the use of the west cell hall’s 72 cells, some inmates were double-celled. Kanouse reported that double-celling in a space 5 feet by 7 feet by 7 feet was “neither conducive to good health nor in good discipline”. While the facility was being constructed in 1881-1882, the federal government had to erect the east wing of the building because of financial stipulations with the purchase of the land. That portion of the facility, known as Federal Hall, was given to the state of South Dakota upon statehood. But extensive work was required to extend the electrical and heating systems. Warden Kanouse asked the Board to approve an expenditure of $1,200.
Inmates at the Penitentiary had few work opportunities, limited to working on special projects, the prison farm or in a stone quarry on the grounds. The pink quartzite was utilized to build a wall around the prison yard. Kanouse told the Board of the lack of work for inmates, saying “the greatest necessity present is for regular employment for the entire prison population”. He estimated that less than half of the inmate population was fit for quarry work. He mentioned that some citizens were discussing forming a benevolent corporation to start a manufacturing business at the Penitentiary, putting more inmates to work with profits put into a trust if the Board and Legislature would approve the plan.

It was during this time period that the Penitentiary water tower was completed, with the stone work and dome of the structure finally finished.

The prison farm was primarily a large garden, as seed was planted on as much tillable land as possible. On August 3, 1890, a severe hail storm struck. The prison garden was destroyed, and 960 panes of glass in the prison buildings were broken. That forced the facility to purchase all the vegetables it needed to feed the inmates…and a “further extraordinary outlay for glass and putty” to fix the windows.

Warden Kanouse and his wife served as teachers, helping many offenders to learn to read or write. Mrs. Kanouse also maintained a conservatory for plants and flowers on the Penitentiary grounds.

Inmates were offered a voluntary Bible study on Sunday afternoons. Warden Kanouse reported that 90 percent of the inmates attended regularly. Pastors in Sioux Falls churches also provided religious services for $3 per service. The clergy members were limited to leading one paid service per week.

Kanouse wrote of another issue that still holds true 125 years later: the difficulties inmates face when they return to society because of the stigma of their criminal record.

“Prisons are largely reformatory institutions in theory only. When a convicted criminal has served his time in the penitentiary, he has been punished for his offense, and he has perhaps reformed to some extent, but when he is discharged it is, I regret to say, almost invariably the case, that society at large, places him under its ban, and it is almost impossible for him to make an honest living after once receiving the social brand implied by the name of convict. The reform in a large majority of cases will be complete if through the instrumentality of the arrangement suggested steady employment is obtained for each man after his discharge, and the amount of crime in the community, especially that of the most dangerous sort, committed by habitual criminals, will be very materially diminished, thereby benefitting the state both in morals and in pocket.”