

Annual Report 2010



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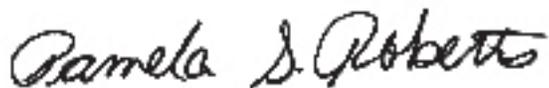
To the Governor, Legislature, and People of South Dakota:

In 2010, South Dakota continued to feel the effects of the national recession. In response to our citizens' employment needs, the Department of Labor provided extensive, high-quality customer service. I am proud of how our team completed missions throughout the year and finished strong. Some of the major accomplishments included:

- Restored solvency to the State Unemployment Insurance Trust Fund.
- Ensured eligible unemployment insurance claimants received Extended Unemployment Compensation benefits.
- Received and put to use a \$2.5 million green jobs training grant.
- Launched the National Career Readiness Certificate.
- Placed participants in jobs with South Dakota employers in the summer youth work experience program.
- Provided re-employment services through intensive, one-on-one case management.
- Retained the current workforce through the Live Dakota career awareness program.
- Recruited qualified workers for hard-to-fill positions through the Dakota Roots worker recruitment program.

The Department of Labor's workforce experts are dedicated to helping the people and businesses of South Dakota, and we take great pride in the work we do. Thank you for your support.

Sincerely,



Pamela S. Roberts
Secretary



Pamela S. Roberts, Secretary

Field Operations

Every year the trained professionals of our field offices assist thousands of individuals and employers with their employment needs, filling approximately 26,000 job openings a year. Each office has resources for both job seekers and employers. We help job seekers identify opportunities, and prepare for and find productive employment. We also help employers locate and hire the workers they need to grow their organizations.

The field offices also administer many of the department's core programs, such as workforce training, veterans' services, TANF, SNAP Employment and Training, and WOTC. To measure our success, we set rigorous performance goals in each of the areas listed in Tables 1 through 3. On average state-wide, we met or exceeded these goals for the number of job seekers, the average wage of successful job seekers, and the number of disabled veterans retaining employment.

Field Office	Participants				Job Openings Received			
	2009	2010 Goal	2010	% of Goal	2009	2010 Goal	2010	% of Goal
Aberdeen	5,957	6,000	5,806	96.8%	10,164	11,000	8,040	73.1%
Brookings	7,352	6,500	7,886	121.3%	5,509	6,500	3,320	51.1%
Hot Springs	1,567	1,600	1,487	92.9%	2,016	2,500	2,002	80.1%
Huron	3,061	3,100	3,174	102.4%	3,061	3,500	2,306	65.9%
Madison	2,330	2,300	2,580	112.2%	1,647	2,000	1,442	72.1%
Mitchell	3,432	3,500	3,572	102.1%	2,705	3,100	2,447	78.9%
Mobridge	977	1,000	1,115	111.5%	980	1,100	1,211	110.1%
Pierre	3,140	3,100	3,253	104.9%	3,732	3,500	3,214	91.8%
Pine Ridge	2,301	2,200	2,422	110.1%	1,184	1,100	1,111	101.0%
Rapid City	14,147	14,000	16,371	116.9%	9,378	10,500	8,830	84.1%
Sioux Falls	19,565	18,000	22,381	124.3%	15,189	19,000	11,841	62.3%
Spearfish	6,025	6,000	6,908	115.1%	4,002	4,700	3,019	64.2%
Vermillion	3,499	3,600	3,579	99.4%	2,759	3,300	2,989	90.6%
Watertown	7,496	7,100	7,901	111.3%	4,170	4,800	3,925	81.8%
Winner	1,150	1,200	1,252	104.3%	1,146	1,100	1,081	98.3%
Yankton	3,892	4,000	4,280	107.0%	2,600	3,000	2,732	91.1%
Statewide	87,298	83,200	95,194	114.4%	70,747	80,700	59,688	74.0%

Table 1 - Field office performance measures for fiscal years 2009 and 2010 (July 1 through June 30).

Despite our yearly goals covering the worst period of the recent recession, we were able to reach 74 percent of our job listing goal, and we obtained between 81 and 94 percent in other categories. Several local offices met their annual objectives, but were unable to bring the statewide average to the desired level. Considering that these yearly goals covered the worst period of the recent recession, we were not unduly surprised by these results.

Field Office	All Veterans				Disabled Veterans			
	Entered Employment		Employment Retention		Entered Employment		Employment Retention	
	Goal	2010	Goal	2010	Goal	2010	Goal	2010
Aberdeen	70%	61%	84%	85%	59%	57%	81%	82%
Brookings	71%	59%	82%	85%	59%	47%	80%	92%
Hot Springs	65%	52%	80%	77%	59%	29%	75%	82%
Huron	73%	52%	82%	88%	59%	60%	90%	100%
Madison	74%	77%	85%	85%	70%	67%	90%	86%
Mitchell	74%	62%	86%	88%	61%	36%	85%	89%
Mobridge	68%	42%	80%	100%	70%	0%	85%	0%
Pierre	70%	59%	82%	84%	70%	59%	85%	80%
Pine Ridge	60%	37%	75%	62%	59%	0%	75%	0%
Rapid City	70%	57%	81%	79%	64%	55%	80%	79%
Sioux Falls	73%	62%	84%	78%	65%	60%	84%	83%
Spearfish	69%	56%	85%	77%	59%	53%	85%	61%
Vermillion	73%	55%	84%	78%	59%	43%	84%	70%
Watertown	72%	50%	84%	81%	59%	43%	80%	82%
Winner	65%	36%	81%	74%	59%	67%	75%	0%
Yankton	73%	61%	83%	65%	59%	70%	75%	75%
Statewide	70%	57%	84%	79%	59%	54%	80%	80%

Table 2 - Field office veterans' services goals and achievements for fiscal year 2010 (July 1 through June 30).

Job Search Assistance Program

The Job Search Assistance Program (JSAP) was revitalized this year with standardized resources and procedures. This important workshop program educates unemployed and under-employed individuals about conducting a successful job search. Formal presentations are offered, focusing on all aspects of the job search process, from developing job leads to job retention. By providing a chance to discuss what is and is not working in a personal job search and ways to correct the problems encountered, JSAP helps job seekers eliminate common mistakes preventing them from being considered for an open position.

Field Office	Entered Employment		Employment Retention		Earnings	
	Goal	2010	Goal	2010	Goal	2010
Aberdeen	73%	65%	85%	81%	\$10,500	\$11,677
Brookings	71%	55%	85%	77%	\$10,800	\$14,597
Hot Springs	68%	59%	81%	74%	\$10,500	\$9,858
Huron	70%	60%	84%	81%	\$10,800	\$11,396
Madison	71%	60%	86%	83%	\$10,500	\$10,679
Mitchell	75%	66%	86%	81%	\$10,500	\$10,584
Mobridge	65%	51%	77%	73%	\$10,500	\$11,332
Pierre	71%	63%	81%	79%	\$10,500	\$10,692
Pine Ridge	50%	34%	84%	60%	\$8,600	\$8,815
Rapid City	71%	59%	85%	76%	\$10,800	\$10,984
Sioux Falls	76%	62%	85%	76%	\$10,800	\$11,517
Spearfish	72%	64%	85%	80%	\$10,800	\$11,288
Vermillion	74%	61%	85%	74%	\$10,800	\$11,402
Watertown	70%	54%	85%	79%	\$10,500	\$10,496
Winner	65%	56%	80%	77%	\$9,500	\$10,062
Yankton	73%	61%	85%	78%	\$10,800	\$10,759
Statewide	71%	59%	84%	77%	\$10,400	\$11,412

Table 3 - Field office employment goals and achievements for fiscal year 2010 (July 1 through June 30).

The contents of several former JSAP workshops were reviewed and analyzed. Evaluations were distributed to individuals who participated in the program and their responses were recorded and considered. Research was conducted to determine the prevailing hiring practices for managers who must evaluate hundreds of applications for each position. Research was conducted to determine the prevailing hiring practices of managers across the nation, for screening applicants when encountering an unprecedented number of applications for one position. In addition, a survey was distributed to hiring managers of South Dakota businesses, asking them their preferences on resumes.

The information gathered was compiled into new worksheets and broken into suitable categories. Visual media tools were introduced to promote retention of the material, such as new PowerPoint presentations and a Job Seeker Jeopardy game. To better assist instructors, an instructor's guide was developed, introducing stories and tips on how to engage participants. In addition, the DOL Intranet resource page was reorganized for easier navigation. Training was conducted to familiarize JSAP instructors with the new materials.

Challenges and Accomplishments

The greatest challenge facing our local offices continued to be the downturn in the nation's and the state's economies. We continued to see a significant number of employers in our state laying employees off on temporary and permanent bases. The local offices provided rapid responses to the affected employees, helping them become re-employed as quickly as possible. Our employment and training programs also played a large part in assisting these dislocated workers.

The RES (Re-Employment Services) and NCRC (National Career Readiness Certificate) programs expanded this year. The former is a case-management program for workers likely to use up their unemployment insurance benefits before they re-enter the workforce. The latter is a nationally recognized credential that promotes informed hiring decisions and highlights applicants with valuable foundation job skills (for more details, see pages 18 and 22).

Looking ahead to 2011, we will need to continue our efforts to return dislocated workers to the workforce, to aid job seekers with job search and job skill training as appropriate, and to assist employers in locating and hiring qualified employees. Success in these areas will be vital to returning our state economy to its previous productivity and growth.

Unemployment Insurance

Our division administers the department's unemployment insurance program, whereby covered employers pay taxes into the Trust Fund and individuals who have lost their jobs through no fault of their own make claims upon the funds. It is our duty to run this complex program efficiently, effectively and fairly,

while minimizing occurrences of overpayment and fraud.

Performance

The Division's performance measures (Table 4) this year (and last year) reflect the impact of the economic recession on South Dakota's workforce. This year saw approximately the same number of "additional" applications for benefits received for processing. The number of individuals receiving benefits remained at

Benefits		2009	2010
Applications for Benefits		31,156	31,172
Total Number of Weekly Payments		178,572	224,141
Number of Individuals Who Received Benefits		15,473	14,471
Dollars Paid Out	State Benefits	\$45,867,612	\$55,170,000
	Federal Claims	\$9,785,000	\$32,100,000
	Total	\$55,655,000	\$87,270,000
Average Number of Weekly Payments per Claimant		11.5	15.2
Maximum Weekly Payment		\$309	\$314
Average Weekly Payment		\$252	\$254

Table 4 - Unemployment insurance benefits for fiscal years 2009 and 2010 (July 1 through June 30).

approximately double what had been normal in years past. However, because individuals are having difficulty finding new jobs, the total number of weekly payments increased significantly as they remain longer in the unemployment insurance system. Total dollars paid out increased by nearly \$32 million. Much of this increase was in payments through a federally funded extended benefit program, which becomes available after a worker has received all state benefits available.

Integrity Systems

Our overpayment and fraud section is responsible for reducing instances of overpayment, fraudulent or otherwise, and collecting these monies from claimants. As evidenced in Table 5, during the past fiscal year, the amounts in nearly every measured category increased, along with the significant increase in benefits paid. We continued in our efforts to minimize overpayments and fraud, investigating a larger number of cases and increasing the dollar amount recovered.

Challenges of 2010

Besides the ever-present goal to make timely and accurate payments to eligible applicants, and meet and exceed every federal performance requirement, the division implemented two significant legislative changes during the 2010 fiscal year.

- Senate Bill 186 was a 2010 emergency bill which contained major changes to restore solvency to the UI Trust Fund. It increased the maximum employer contribution rate to 9.5 percent, increased the taxable wage base in \$1,000 annual increments from \$10,000 in 2010 to \$15,000 in 2015, and temporarily reduced the maximum employer surcharge rate in 2010 and 2011.
- House Bill 1018 created a new 26-week benefit for workers in approved extended training for high-demand occupations. This new benefit also brought \$11.8 million in federal funding to the state UI Trust Fund.

Integrity Systems	2009	2010
Amount of Benefit Overpayment Debt	\$920,049	\$1,878,558
New Overpayment Cases	1,874	2,985
Percent of Cases Involving Fraud	25.8%	29.3%
Dollar Amount of Overpayment Fraud	\$237,503	\$550,823
Cases Investigated	19,301	30,198
Dollar Amount Collected Back	\$640,563	\$869,681
Number of Collection-Related Correspondence Items	6,443	6,366
Number of Civil Actions	1,133	943
Convictions Obtained	3	1
Cases Pending	8	8

Table 5 - Unemployment insurance integrity systems performance measures for fiscal years 2009 and 2010 (July 1 through June 30).

Tax Administration/New-Hire Reporting	2009	2010
Delinquent Notices	7,778	8,129
Subpoenas to Non-Compliant Employers	240	382
Percent Status Determinations Made Within 90 Days	79.5%	79.4%
New-Hire Reports	172,160	157,290

Table 6 - Unemployment insurance tax administration and new hire reporting for fiscal years 2009 and 2010 (July 1 through June 30).

Nevertheless, our primary challenge of 2010 was to maintain successful operations in an environment of sustained unemployment. Although we were prepared with systems in place to handle higher workloads, the division staff continued to be challenged to simultaneously issue high-quality decisions, issue timely payments, respond to telephone inquiries and provide good customer

service as the large number of unemployment insurance claims was sustained throughout the year.

The Unemployment Insurance Trust Fund experienced a highly unusual year (Table 7). The Trust Fund balance continued dropping from \$8.8 million on June 30, 2009 to \$2.8 million on September 30, 2009, which triggered a mandatory employer surcharge beginning October 1, 2009.

The continuing high demand on the fund to pay out benefits to qualified individuals was alleviated in part by the surcharge revenues and further aided by an influx of \$11.8 million in federal funding from HB 1018. The fund balance dropped to a negative \$24 million early in calendar year 2010 and temporarily used interest-free federal loans to pay benefits. The loans were re-paid by June 30, 2010.

The income from the fund's investment portfolio is a mere fraction of that in previous years and the number of employers paying into the system has decreased slightly. Nevertheless, the ending balance for the year was nearly \$16 million, a distinct improvement.

Unemployment Insurance Trust Fund	2009	2010
Taxes Received for Regular State Benefits	\$26,200,000	\$55,711,922
Interest on Trust Fund	\$1,075,299	\$291,600
Trust Fund Balance (end of year)	\$8,800,000	\$15,939,580
Number of Employers (end of year)	25,769	25,511

Table 7 - Unemployment insurance trust fund for fiscal years 2009 and 2010 (July 1 through June 30).

Labor and Management

Responsible for administering the state’s discrimination and employment laws, the Division of Labor and Management:

- Helps settle problems between employers and workers
- Enforces wage and hour, and child-labor laws
- Answers questions about state and federal employment laws
- Administers the state’s workers’ compensation system
- Provides oversight to the Division of Human Rights
- Holds hearings and mediations
- Handles labor union certifications
- Adjudicates unemployment insurance and workers’ compensation appeals
- Provides legal services for the Unemployment Division and five state boards and commissions

Workers’ compensation (Table 8) trends continue to be favorable. We project that the number of petitions for hearing will have dropped by almost 25 percent this year, continuing a trend of the past six years. The number of injuries per covered worker has remained stable. Since passage of a 2008 law encouraging prompt payment of medical bills by insurers, we have noted better service for medical providers and employees without associated costs for employers.

Workers’ Compensation Activities		2009	2010
Pre-hearing Conferences Held		120	96
Agreements Approved	State Files	130	116
	Hearing Files	157	137
Permanent Partial Disabilities Approved		616	613
First Report of Injuries Received		22,019	21,951
Money Collected	Searches, copies, mailing	\$51,001	\$62,544
	Wage & Hour	\$70,782	\$52,946

Table 8 - Workers’ compensation activities for calendar years 2009 and 2010 (as of October 31).

Our unemployment insurance appeals (Table 9) staff was challenged again this year to meet federal standards for the percentage of appeals handled in a timely manner. In 2009, without an increase in staffing or release from other duties, the staff handled a 65 percent increase in case load, while the percentage of administrative judges’ hearing decisions issued within 30 days of a petition (53 percent) dropped. We project the case load has increased another 10 percent this year, further exacerbating the situation.

Our average quality score received this year from the U.S. Department of Labor for ensuring hearing fairness, however, was 95 percent; the federal requirement is 80 percent. Thus, as was the case last year, our case resolution may be slower, but we do not cut corners in assuring professional and fair handling of appeals.

We project that hearing and settlement activities have declined somewhat this year. Mediations continue to outpace hearings significantly, indicating preferred use of a simpler and less costly means of resolving conflicts. See Tables 10 and 11. We are pleased with the trust shown us by the disagreeing parties when they request our mediation services.

Unemployment Appeals	2009	2010
New Filings	1,846	1,996
Cases Ruled On or Dismissed	1,753	1,980
Percent Cases Decided Within 30 Days	53%	62%
Cases Awaiting Decision	173	143

Table 9 - Unemployment insurance appeals for calendar years 2009 and 2010 (as of October 31).

Hearing and Settlement Activities	2009	2010
Workers' Compensation Hearings	18	20
Grievance Hearings	10	11
Unfair Labor Practice Hearings	1	3
Elections	1	1
Unit Determinations	0	1
Impasse Conciliations	7	8
Fact Findings	4	3
Mediations	89	69
Conference Calls	212	143

Table 10 - Hearing and settlement activities for calendar years 2009 and 2010 (as of October 31).

Decisions and Reports	2009	2010
Workers' Compensation Decisions	61	55
Grievance Decisions	14	15
Unfair Labor Practice Decisions	4	3
Findings of Fact, Conclusions of Law and Final Orders Issued	36	31
Orders Issued	520	468
Fact Finding Reports Issued	4	3

Table 11 - Decision and report activities for calendar years 2009 and 2010 (as of October 31).

The number of findings, conclusions and decisions issued by the Division held steady, while the number of orders issued decreased. Table 12 reflects what is probably normal yearly variation in human rights complaint activity.

Our outreach efforts, at dozens of events around the state, educate the South Dakota public about our laws. Internally, the Division continues its efforts to convert records, forms and claim information to electronic formats for greater efficiency.

We strive to carry out both the letter and spirit of the laws we enforce, and to provide expert information in

the areas of our responsibility, so the systems we regulate function as the legislature and governor intend.

Human Rights Activities	2009	2010
Potential Discrimination Charges	286	295
Requests for Information	119	160
Intakes of Discrimination Complaints	183	200
Investigations Opened	98	93
Investigations Closed	75	107
EEOC Transfers	22	39
Money Collected for Charging Parties	\$0	\$73,335

Table 12 - Human rights activities for calendar years 2009 and 2010 (as of October 31).

Workforce Services

This Division is home to a diverse set of programs designed to aid South Dakota’s workforce, helping employers, employees and job seekers. The six sections are:

- Foreign Labor Certification (FLC)
- Labor Market Information Center (LMIC)
- Public Information
- Technical Services (Boards and Commissions; Senior Community Service Employment Program (SCSEP); SDWORKS, Veterans’ Services; Work Opportunity Tax Credit (WOTC))
- Temporary Assistance for Needy Families (TANF)
- Workforce Training (Adult Education & Literacy/General Educational Development (GED); Dislocated Workers; Trade Adjustment Assistance; Workforce Investment Act (WIA) Adult & Youth)

Foreign Labor Certification

Foreign labor certification (FLC) is the process by which employers can request workers from outside the United States. These workers occupy positions employers have been unable to fill with a sufficient number of available and able U.S. workers.

During fiscal year 2009, 102 successful agricultural (H2A) applications were filed by South Dakota employers (and two out-of state employers with worksites within South Dakota) requesting 526 non-citizen workers. Of these, the National Processing Center (NPC) in Chicago certified hiring of 521 workers (99 percent). Eight applications were denied or withdrawn.

Eighty-three successful non-agriculture (H2B) applications were filed (again including two out-of-state employers) for 1,894 workers. Ninety-eight percent (1,858 workers) of these positions were certified. Ten applications were denied.

Labor Market Information Center

The Labor Market Information Center (LMIC) collects, analyzes and provides to the public information on the labor market of the state. This includes information such as employment levels, unemployment rates, wage data, estimates of available labor, employment projections, business staffing patterns, career planning information, etc. Among those who use our information are

employers, career decision makers, and education, economic development, job placement and training program planners.

Labor Market Information Center Activities		2008	2009
Publications Distributed		17,139	30,225
Subscribers to <i>e-Labor Bulletin</i>		1,323	1,510
LMIC Web Usage (page views)		119,727	141,698
Requests for Information	Statistical Data and Technical Assistance	1,026	2,053
	Publication Requests	18,654	19,133
	In-depth Research and Analysis	69	55

We have continued to reduce the number of printed publications produced and distributed as we increasingly provide information through lower-cost electronic formats instead, largely through the website (see Table 13). Our Web pages and applications within the department website rank second only to unemployment insurance Web page usage, with about 112,000 page views during the 2010 calendar year.

Table 13 - Labor Market Information Center activities for program years 2008 and 2009 (July through June).

Public Information

Media Relations

To keep the public well-informed about workforce issues and DOL programs, nearly 60 news releases were issued. All news releases are archived and readily available in an online press room on the DOL website.

As a result of these informative efforts, DOL's Public Information Officer fielded over 200 media inquiries. Many of these calls were specific to labor market statistics, such as unemployment rates. Other topics included job seeker and dislocated worker services, the Unemployment Insurance Trust Fund, the federal stimulus package, South Dakota's economy, summer youth work experiences, unemployment benefits and the employer surcharge.

Social Media

DOL engaged in social media efforts for the first time through its launch of a Facebook page in May. Weekly status updates included special event notices, job search tips and news releases. In addition, all local office events were listed on the calendar tab. Facebook is one more valuable medium to promote services and share information.

Print Materials

Approximately 250,000 copies of publications explaining DOL’s services and programs were printed in-house and distributed to the public in forms of brochures, fact sheets, rack cards, posters, booklets and more. All included consistent branding of DOL’s logo, slogan and website.

Small Business Workshops

DOL representatives participated in Small Business Workshops in cooperation with the Department of Revenue and Regulation and the Small Business Development Centers. The day-long events were held in Watertown, Huron, Sioux Falls, Mitchell, Yankton, Aberdeen, Brookings, Pierre and Rapid City with 197 employers in attendance.

DOL topics included services available to new and existing businesses, South Dakota’s unemployment insurance system, the workers’ compensation system, the appeals process, and laws covering new hire reporting, wages and hours, youth employment and posting requirements.

Capital for a Day

To bring government to communities and people who cannot travel to Pierre, Capital for a Day events were held in Lake Preston and Gregory. Governor Mike Rounds and his team, including Secretary of Labor Pam Roberts and DOL staff, visited these towns. They talked to constituents about topics of importance in their area, including workforce and economic issues. Thirty-seven communities have been visited since 2003.

Technical Services

This section handles the Senior Community Service Employment Program (SCSEP), a program for older workers; SDWORKS, the largest statewide online job database; veterans’ services (Table 14); the Work Opportunity Tax Credit (WOTC) program (Table 15) and our six licensing boards and commissions (Table 16).

SCSEP

SCSEP is a joint program handled by the South Dakota Department of Labor and the Experience Works non-profit organization. Through this program, low-income seniors (age 55 and older) benefit from training, counseling and community service assignments at faith-based and other local organizations, prior to transitioning into the workforce. This program year we had 115 participants.

Veterans’ Services		2009	2010
Veteran	Entered Employment Rate	67%	57%
	Employment Retention Rate	84%	79%
Disabled Veteran	Entered Employment Rate	58%	54%
	Employment Retention Rate	84%	80%

Table 14 - Veterans’ services for program years 2009 and 2010 (July 1 through June 30).

Work Opportunity Tax Credit	2009	2010
Certifications	2,327	2,886
Denied Applications	2,191	2,717
Pending Applications	1,467	156
Total Applications	5,985	5,759
Acceptance Rate	39%	50%
Tax Dollar Savings	\$5,673,600	\$7,185,600

Table 15 - Work Opportunity Tax Credit activities for federal fiscal years 2009 and 2010 (October 1 through September 30).

Board/ Commission Performance Indicators	Licenses Renewed		New Licenses		Total Practitioners		Examinations		Complaints		Inquiries	
	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010
Accountancy	1,837	1,835	98	102	1,624	1,670	75	133	13	10	7,215	7,225
Barber Examiners	258	432	0	4	249	254	1	0	n/a	n/a	510	510
Cosmetology	6,831	6,971	911	1,042	5,260	5,359	295	335	9	13	16,500	16,600
Electrical	560	3,629	686	1,042	5,326	4,269	260	240	5	9	n/a	n/a
Plumbing	2,720	2,391	380	289	3,100	2,680	138	63	92	21	3,762	3,310
Technical Professions	3,669	2,784	629	617	6,299	6,539	409	343	7	30	668	809

Table 16 - Licensing board and commission performance measures for fiscal years 2008 and 2009 (July 1 through June 30).

Veterans' Services

Every DOL field office is staffed with a trained veterans' representative who can provide job-seeking veterans with intensive services and employment assistance. They can also perform eligibility determinations for special programs and services that employ and train veterans.

SDWORKS

SDWORKS is the state's largest job database. Job seekers can create a professional profile and perform customized job searches. Employers can post job openings and search for the right employee. In program year 2010, 51,897 job listings were posted, and 42,938 job seekers self-referred to the listings using SDWORKS. To make the system more user-friendly, a number of enhancements have been made to the job seeker portion of the website, and a major revision of the employer portion is underway with completion planned for late 2010.

WOTC

The WOTC program (Table 15) continued its stellar performance during the fiscal year, producing 2,886 certifications, up 24 percent from last year's 2,327. The program saved South Dakota employers \$7,185,600 in tax credits, up 27 percent from \$5,673,600.

Boards and Commissions

DOL provides oversight to six licensing boards and commissions: Board of Accountancy, Board of Barber Examiners, Board of Technical Professions, Cosmetology Commission, Electrical Commission and Plumbing Commission.

Temporary Assistance for Needy Families (TANF)

The Department of Labor is a long-term partner of the Department of Social Services in co-administering welfare-to-work programs in South Dakota for the purpose of promoting personal responsibility and self-sufficiency. DOL delivers TANF work activities in 54 counties with 55 percent

TANF Performance Measures		2009	2010
TANF Applicants (mandatory, from DOL counties)		5,016	4,316
Caseload	Average Monthly	418	570
	Share of Statewide	47%	55%
Employment	Entered	846	870
	Share of Statewide Entered	81%	80%
	Entered with Medical Benefits	32%	26%
	Share of Statewide Entered with Medical Benefits	98%	98%
Average Starting Wage		\$8.06/hour	\$8.40/hour

Table 17 - Temporary Assistance for Needy Families activities for fiscal years 2009 and 2010 (July 1 through June 30).

of the eligible mandatory parent-case population. In 2010, DOL achieved 80 percent of the reported TANF job entries, including more than 98 percent of the job entries where the employer offered health insurance. In addition, the average starting wage for these TANF job entries increased significantly (see Table 17). Unfortunately, the weak economy last year resulted in fewer TANF clients starting jobs.

DOL has worked hard to improve its TANF participation rate. The federal government requires states to have at least a 50 percent participation rate to receive full TANF funding. This year, we improved our rate from the minimum to 56 percent for clients living in South Dakota counties assigned to us. This was despite the weak economy and a larger caseload compared to the previous year.

Parents in TANF households are at a serious competitive disadvantage, especially in today's weak job market. A single parent without stable housing, transportation or reliable childcare finds it hard to obtain and keep a job. To make matters worse, many current TANF clients have serious physical/mental health problems, high-risk pregnancies, domestic violence issues, addiction concerns, or are needed in the home to care for a disabled family member.

By providing individual intensive case management plus strengthened partnerships with community organizations, TANF (in cooperation with WIA) has taken full advantage of opportunities to leverage program dollars so we can help as many eligible South Dakota families as possible.

Some innovative projects from this year include:

- A full-time job developer/employer relations representative in Rapid City who leads TANF job clubs, job search assistance programs, and provides personalized job development efforts.
- A comprehensive managed worksite/skill development center in Rapid City where both staff and clients can access Internet resources. A comprehensive curriculum was developed to reinforce basic employment skills.
- A TANF disability advocate has maintained a case load of 25 to 30 individuals from Rapid City, Spearfish, Hot Springs, Pierre and Winner. Many of these individuals have serious physical/mental health issues complicated by addiction problems. Most need help to get through the SSI/SSDI application and/or appeal process.

- A designated life skills coach works with individuals or small groups of TANF clients in Rapid City to address immediate issues that interfere with employment and/or participation in program activities.
- A workplace English project in Sioux Falls has operated in cooperation with Southeast Technical Institute, helping 25 to 30 TANF clients at a time. Clients learn how to communicate with employers, coworkers, bus drivers, landlords, etc.
- A managed work site at Goodwill Industries in Sioux Falls averaged between 70 and 80 clients throughout the year.
- A comprehensive quality control/technical assistance program aides the entire DOL TANF team.

Preparations are under way to start a skill development center in Sioux Falls that will enable TANF to significantly expand group activities in a cost-effective and efficient manner. These will promote job searches, job retention and career assessment, and will address common issues facing many single parent families. We hope to offer job clubs, job search assistance programs and personalized job development to our growing TANF caseload in Sioux Falls.

Workforce Training

This subdivision is home to several programs geared to assisting employees and job seekers.

Adult Education & Literacy/GED

Our department targets adults who are most in need of literacy services, including low-income learners who are educationally disadvantaged, individuals with disabilities, single parents, displaced or dislocated workers, and limited English-proficient adults (Tables 18 through 20). Other populations include unemployed and underemployed persons, young adults and offenders in correctional institutions. These individuals consistently perform at lower educational levels (below the 8.9 grade level) and generally demonstrate a need for reading, writing and math skills. Of those learners who took the tests for the GED credential, 90 percent passed and received their GED certificates during the 2009 program year.

ABE Educational Functioning Level Completion	2009	2010
ABE Beginning Literacy	69%	20%
ABE Beginning Basic Education	46%	31%
ABE Intermediate Low	46%	31%
ABE Intermediate High	45%	27%
Adult Secondary Education Low	58%	40%
Adult Secondary Education High	77%	55%

Table 18 - Adult Basic Education achievements for program years 2009 and 2010 (July 1 through June 30).

Helping to improve the basic skills of our workforce leads directly to a stronger economy. Thus, the accomplishments of our Adult Education and Literacy program (AEL) are reflective of an essential workforce development service. As seen in Table 20, the core performance measures indicate an educational program of continued strength.

Other measured results for the year (Tables 18 and 19) show a need to provide increased technical assistance for our providers. In particular, issues concerning educational processes and documentation of our services and student outcomes will be addressed in planned training.

ESL Educational Functioning Level Completion	2009	2010
ESL Beginning Literacy	39%	25%
ESL Beginning Low	35%	33%
ESL Beginning High	48%	33%
ESL Intermediate Low	48%	38%
ESL Intermediate High	35%	30%
ESL Advanced	33%	25%

Table 19 - English as a Second Language achievements for program years 2009 and 2010 (July 1 through June 30).

Dislocated Workers

The number of dislocated workers has increased since the last program year (Table 21) and remains higher than normal. The percentage of these workers who found new jobs and stayed in the new jobs remained about the same, partly as the result of intense efforts to contact newly laid-off workers and to offer career counseling and re-training opportunities as appropriate.

As the economy begins to improve within South Dakota, some businesses have rehired employees who had been laid off. Indications for the 2011 program year strongly suggest a changing economy with businesses hiring selectively, but hiring nonetheless. We expect to see fewer layoffs and a lower unemployment rate.

Trade Adjustment Assistance

In this program to assist workers who have lost their jobs as a result of foreign trade, we had only two certifications but more participants in the 2010 program year. Currently there are no TAA petitions pending and the number of participants is likely to decrease. Most laid-off workers interested in our services are already participating, completing their training and becoming employed.

Core Indicators of Performance	2009	2010
Entered Employment	56%	56%
Retained Employment	55%	58%
GED Diploma Obtained	92%	90%
Further Education	69%	79%

Table 20 - GED achievements for program years 2009 and 2010 (July 1 through June 30).

Dislocated Workers	2009	2010
Participants	989	1,286
Entered Employment Rate	92.5%	92.6%
Employment Retention Rate	96.1%	93.1%
Average Earnings	\$13,142	\$14,439
Employment Credential Rate	61.7%	57.5%

Table 21 - Dislocated workers for program years 2009 and 2010 (July 1 through June 30).

**Workforce Investment Act
(WIA) Adult & Youth**

The performance measures shown in Table 22 reflect a decline in WIA participation in all three categories (adults, older youth, younger youth). These decreases are primarily the result of the reduction in federal funding behind the department’s decision to move away from partnerships with various career learning centers and the alternative high schools. The decrease in credential rates for all categories reflects the more stringent federal definition of acceptable credentials. We are no longer allowed to use numerous local credentials previously accepted.

WIA Performance Measures		2009	2010
Adults	Participants	1,523	1,330
	Entered Employment Rate	79.7%	75.5%
	Employment Retention Rate	86.3%	81.5%
	Average Earnings	10,121\$	\$10,644
	Employment Credential Rate	56.1%	51.9%
Older Youth	Participants	173	100
	Entered Employment Rate	79.4%	75%
	Employment Retention Rate	81.7%	88.6%
	Earnings Change	6,913\$	\$6,517
	Credential Certificate Rate	36.0%	36.8%
Younger Youth	Participants	323	187
	Skill Attainment Rate	83.0%	80.1%
	Diploma Equivalent Rate	60.7%	62.1%
	Retention Rate	74.9%	70.3%

Table 22 - WIA performance measures for program years 2009 and 2010 (July 1 through June 30).

Other program highlights include:

- Dakota Corps Scholarships – The Dakota Corps Scholarship program encourages students to study and work in South Dakota in critical-need areas. The amount of each scholarship is generally equal to the cost of tuition and fees for a full-time undergraduate student attending a public university or technical institute. The current critical-need areas are:
 - teaching K-12 music, special education or foreign languages
 - teaching high school math or science
 - working as licensed practical or registered nurses, or in other allied healthcare fields
 The division assisted 120 students this past program year.

- Registered Apprenticeships – By partnering with the U.S. Department of Labor Office of Apprenticeship and 10 private-sector businesses and industry associations, we provided job-related instruction for 563 participants in the past year. These apprentices received on-the-job experience combined with an educational component.

National Career Readiness Certificate

Program Year 2010 was our first full year promoting and operating the National Career Readiness Certificate (NCRC) program. This portable, national credential allows a job seeker to show an employer he or she has the foundation skills to succeed in a particular occupation. Developed by ACT, Inc., the college entrance exam company profiled more than 16,000 occupations to learn the level of foundation skills necessary for each job.

Via an individual assessment in three areas (applied mathematics, reading for information, and locating information), an individual can earn one of four levels of certification; bronze, silver, gold and platinum. The higher the level, the greater percentage of occupations in which the individual is likely to succeed. Employers gain from requesting or requiring the certification from job seekers and/or employees. Hiring and promotion are focused only on those individuals who have demonstrated foundation skills necessary for the position.

NCRC certification is now available to WIA-eligible participants, and Adult Education & Literacy (AEL) and Vocational Rehabilitation (VR) Services clients. The program was responsible for 1,070 referrals during the year and participants spent at least 5,575 hours in skill development and pre-testing. This learning and preparation was reflected in 273 certificates issued, with a clear trend of higher-level results compared to the national average. See Table 26 (page 22) for details of these testing results.

Stimulus Activities

In cooperation with the Department of Social Services, a Summer Youth Work Experience program was launched in June 2010 for 16- to 24-year-olds. It was funded by a \$3 million federal grant through the Temporary Assistance for Needy Families (TANF) Emergency Contingency Fund. The purpose of the program was to help less experienced workers, such as teens, establish work histories, gain references, advance their careers and secure permanent employment. Priority was given to TANF and Supplemental Nutrition Assistance Program (SNAP) recipients.

During this two and a half month program, 334 youth gained employment, earning almost \$460,000. DOL is pleased with the level of participation, especially considering that the official funding notice was delayed until July. DOL spent all but \$573.81 of the initial \$3 million awarded through the American Recovery and Reinvestment Act funding to provide youth work opportunities. No funds were kept back or diverted toward administrative costs. All dollars went directly to youth wages.

Administrative Services

From travel vouchers to purchase orders, from budget projections to grant administration, the Administrative Services Division handles all the financial and administrative tasks that make our department run smoothly and efficiently.

Income/Expenses

Most categories of departmental income showed modest gains or losses (Table 23), with the major exception of unemployment insurance. Due to the mandatory imposition of the employer surcharge, triggered by the low balance in the Unemployment Insurance Trust Fund, employer contributions more than doubled compared to fiscal year 2009. In addition, action by the South Dakota legislature made the state eligible for \$11.7 million in federal funding for unemployment benefits.

Departmental expenditures for personnel and operations this year (Table 24) reflect both our continued efforts for greater efficiencies and the lack of wage increases for state employees during the year. We were able to show a moderate increase in funds for client services. The enormous level of payouts from the Unemployment Insurance Trust Fund continued with only a slight decrease.

Department of Labor Fund Sources		2009	2010
General Funds (state general fund appropriation)		\$847,448	\$876,167
Federal Funds	Federal Grants	\$34,311,051	\$35,040,339
	ARRA Stimulus Funds	\$8,029,322	\$6,124,500
Other Funds (licensing board & workers' compensation fees)		\$3,159,690	\$2,895,158
Total		\$46,347,511	\$44,936,164
Unemployment Insurance Trust Fund	Employer Contributions	\$26,200,000	\$55,790,229
	Federal Grant	\$5,882,545	\$32,080,460
DOL Retirement Plan Fund (employee/employer contributions & investment earnings)		\$48,578,014	\$51,183,195

Table 23 - Department of Labor funding sources for fiscal years 2009 and 2010 (July 1 through June 30).

Retirement Fund

Formed before the creation of the South Dakota Retirement System, the DOL retirement plan has not accepted new members since July 1, 1980. As members retire, each year the amount paid in decreases and the amount the retirement fund disperses in retirement benefits increases. (See Table 24.) Our normal projections for the retirement fund are based on predicted retirements, cost-of-living adjustments to benefit levels and the value of the investment portfolio. Last year's loss of almost \$20 million, however, cannot be considered as normal for the retirement fund balance. This year we have seen a minor recovery (Table 23), primarily due to increased value of the investment portfolio.

Department of Labor Annual Expenditures	2009	2010
Personnel	\$18,570,345	\$17,071,110
Operating Expenses	\$8,654,112	\$8,598,372
Job Training, Adult Education & Literacy Client Services	\$10,052,634	\$13,138,017
Total	\$37,277,091	\$38,807,499
Unemployment Insurance Benefits (state only)	\$45,867,612	\$55,174,455
DOL Retirement Plan, Retiree Benefits	\$3,514,289	\$3,550,699

Table 24 - Department of Labor expenses for fiscal years 2009 and 2010 (July 1 through June 30).

Summary

The department’s overall financial situation can be characterized as stable. Compared to many other states, the government of South Dakota is stable and functioning without furloughs or debt vouchers. The continued weakness of the investment and job markets has not alleviated the demand for our services and for benefits from the unemployment fund. We continue to explore grant opportunities and innovative measures to increase our efficiencies. As the economy recovers, we expect a better balance of income and expenditures.

Workforce 2025 Initiative

Dakota Roots

A total of 7,444 people have expressed interest in living and working in South Dakota through www.DakotaRoots.com. Dakota Roots registrations have been received from all 50 states, Washington, D.C., Puerto Rico, Germany, the Netherlands, Guam and the United Kingdom. This program has brought more than 1,500 workers and their families back to our state since it was launched October 20, 2006 (Table 25). Dakota Roots has been an effective worker recruitment tool for hard-to-fill positions, usually those requiring a unique set of skills, such as CPAs, engineers, software developers and RNs.

Dakota Roots Activity	
Business Partners	378
Business Expansions Transferred to Governor’s Office of Economic Development	57
Registered Active Seekers	2,123
Seekers Who have Entered Employment	1,619

Table 25 - Dakota Roots program results as of October 22, 2010.

The four-year anniversary of Dakota Roots was celebrated with Governor Mike Rounds proclaiming October 15 as “Dakota Roots Day in South Dakota.” Governor Rounds and Secretary Pam Roberts encouraged all South Dakotans to recognize the importance of recruiting a qualified and competent workforce to help meet the state’s economic potential. A renewed awareness campaign followed this announcement with a media blitz, testimonials and statewide community outreach to out-of-state pheasant hunters visiting South Dakota.

Dakota Seeds

The South Dakota Workforce Development Council approved approximately \$136,000 in funding for 67 Dakota Seeds internships. Students earned an average wage of \$12.42 per hour. Of the students who interned at a Dakota Seeds-funded business and then graduated from their post-secondary program, 37 percent were hired back at the company full-time. Employers posted 183 internships to the online database at www.DakotaSeeds.com.

Live Dakota

Live Dakota continues to retain current South Dakotans in the workforce by educating them about available career opportunities. In addition to the original target audience of Generation Y, baby boomers and older workers have also become a focus and priority. Workforce experts help these people in:

- Determining career interests
- Identifying in-demand and growing occupations
- Locating training providers
- Developing job search plans
- Locating careers

In addition, a new career exploration resource geared to high school and post-secondary students was introduced. Reality Check is an innovative, Web-based tool designed to demonstrate the important connection between standard of living and the need to acquire the post-secondary education and skill sets to make those lifestyle desires possible.

Staff members also held regular on-campus hours to meet with students, work with instructors on classroom presentations, attend parent-teacher conferences and freshmen orientation events, and set up booths at job fairs and career days. Youth Career Expos were held and attended by DOL representatives in Aberdeen, Mitchell, Sioux Falls, Watertown, Winner and Yankton.

Build Dakota

Healthcare

As part of the Healthcare Workforce Initiative, the Healthcare Workforce Center hosted “Remodeling Your Healthcare Workforce: It’s Time for Change!” in summer 2010. This workshop featured best practices for addressing healthcare workforce issues and included keynote speakers addressing creative community approaches to building and sustaining a workforce.

Energy/Communications Infrastructure

DOL was awarded a \$2.5 million Green Jobs Training grant in January 2010 to provide training for high-wage occupations in high-growth energy and other green-related jobs. It will increase the opportunities for unemployed and dislocated workers to move into energy-related occupations. Ten grant sub-recipients were awarded money to create or expand training.

National Career Readiness Certificate

The National Career Readiness Certificate (NCRC) was launched in April 2010. The NCRC is an actual certificate which acts as a portable national credential in proving to employers that an individual has foundational skills critical to most jobs and will be able to learn job-specific skills. The basic employability skills measured include Reading for Information, Locating Information and Applied Mathematics. Individuals can earn a Bronze-, Silver-, Gold- or Platinum-level certificate, a

reflection of their results (Table 26). More than 1,700 people have either obtained their NCRC or are in skills development training to improve their workplace skills.

NCRC Results	Platinum	Gold	Silver	Bronze
Nationwide	0.4%	19%	53%	27%
South Dakota	3%	48%	44%	5%

Table 26 - Achievement Levels for National Career Readiness Certificates

Appendix 1

Organizational Charts



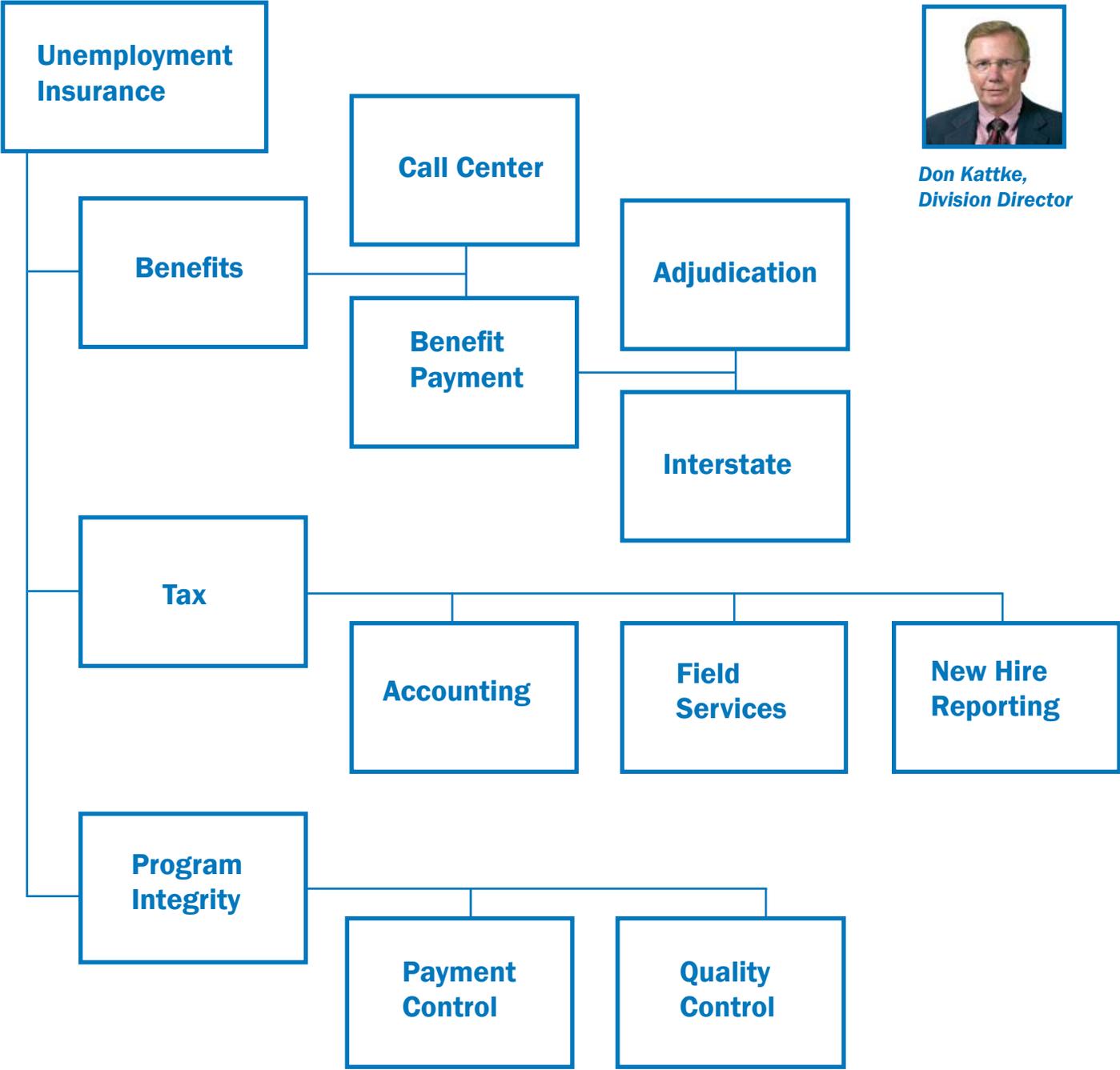


*Mike Ryan,
Division Director*



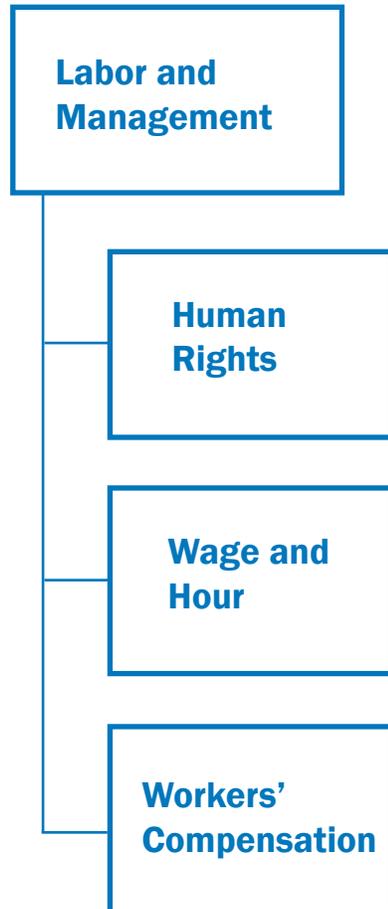


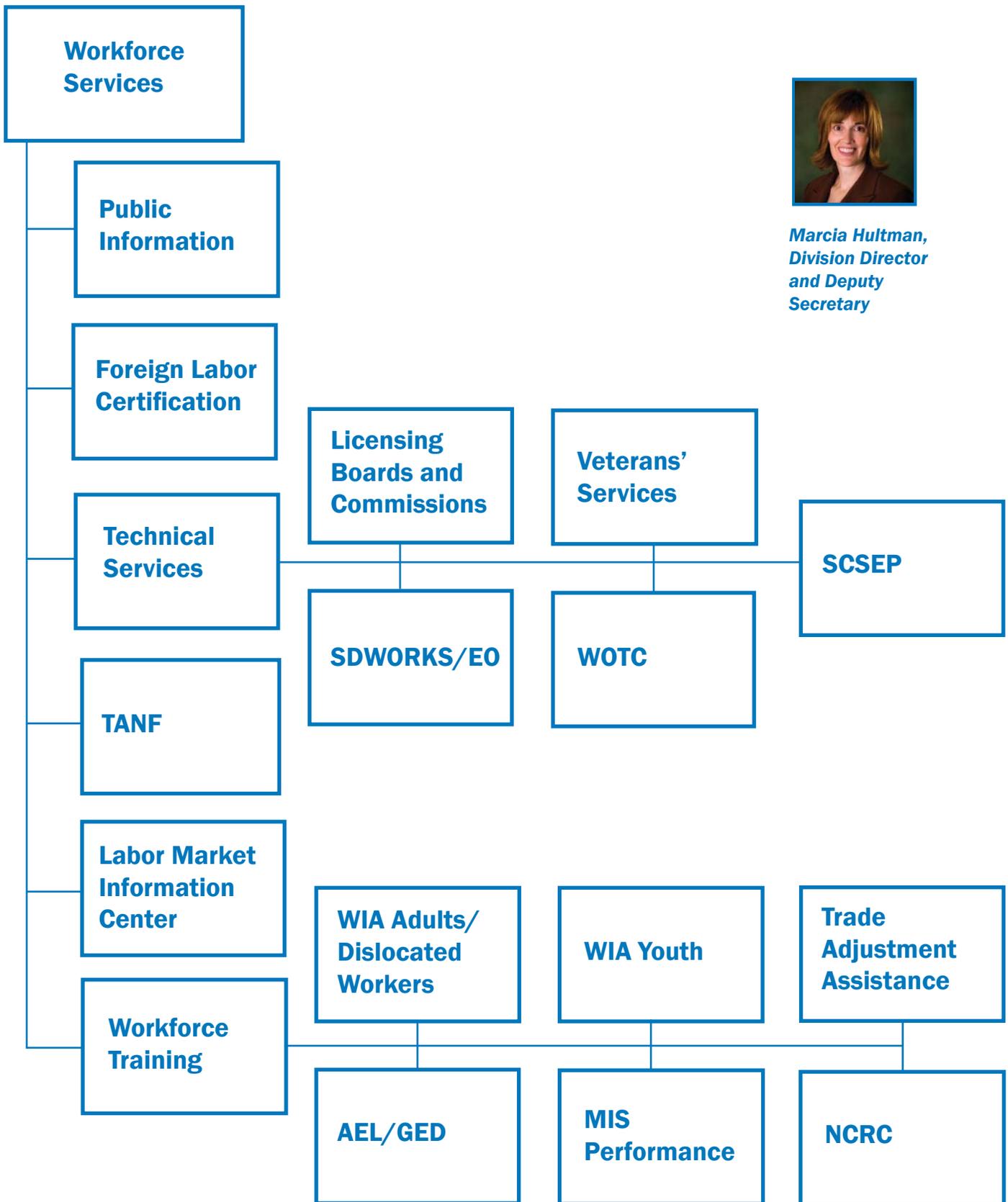
*Don Kattke,
Division Director*





*James Marsh,
Division Director*

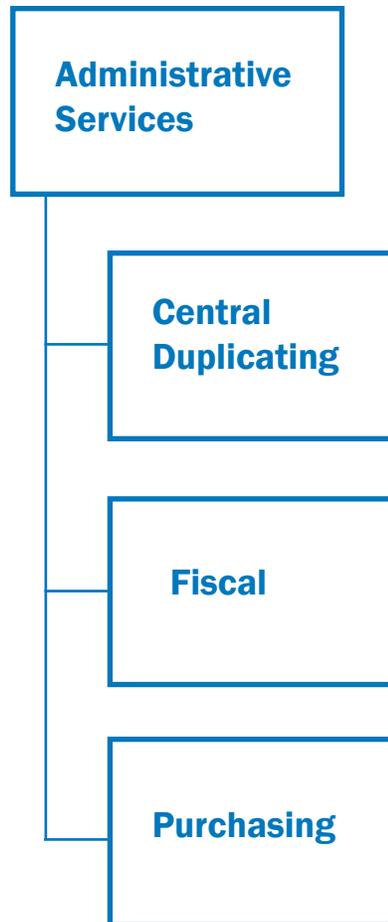




*Marcia Hultman,
Division Director
and Deputy
Secretary*



*Dick Flemmer,
Division Director*



Appendix 2

Accomplishments: 2002–2010

2002

- Developed and implemented new Adult Education and Literacy (AEL) Director training.
- Implemented new teacher training for all Adult Education and Literacy (AEL) teachers.
- Collected \$42,000 in unpaid wages for South Dakota employees.
- Conducted 65 mediations to settle workers' compensation disputes.

2003

- Introduced Internet system for employers to file quarterly unemployment insurance contribution reports and electronically pay any contributions due. It was used by 4,800 employers that have a total of over 100,000 workers. Funding of \$100,000 from a competitive grant was used on the project.
- Received \$750,000 for exceeding performance measures set by U.S. DOL.
- Helped approximately 1,500 high school dropouts re-enter alternative schools funded by DOL. Each year, approximately 500 of these students graduate from high school, having earned 3,500 credits.
- Provided \$400,000 to the Dakota Corps Scholarship which aids South Dakota students and promotes staying in state after graduation.
- Funded and delivered the Inmate Carpentry Apprentices Program (ICAP).
- Provided related instruction for 450 apprentices in coordination with 11 employer and trade associations.
- Established English as a Second Language (ESL) standards framework with four ESL certificates.
- Began using TABE 9-10 for assessment across the state.
- Established technology upgrade and technology curriculum competencies in all AEL/ESL programs.
- Used local data to create continuous program improvement goals for Adult Education and Literacy (AEL) programs.
- Transferred Fiscal and Purchasing operations from the Aberdeen office to the Pierre central office.
- Collected \$48,000 in unpaid wages for South Dakota employees.
- Conducted 55 mediations to settle workers' compensation disputes.
- Helped pass legislation to ensure workers' compensation death benefit payments to noncustodial children.
- Successfully integrated the Human Rights office from the former state Commerce Department.
- Began providing in-house legal services, replacing privately contracted attorneys, for the Board of Barber Examiners, Cosmetology Commission, Board of Technical Professions, Electrical Commission, and Plumbing Commission after they were transferred from the former state Commerce Department.

2004

- Received \$750,000 for exceeding performance measures set by U.S. DOL.
- Helped approximately 1,500 high school dropouts re-enter alternative schools funded by DOL. Each year, approximately 500 of these students graduate from high school, having earned 3,500 credits.
- Provided \$400,000 to the Dakota Corps Scholarship which aids South Dakota students and promotes staying in state after graduation.
- Funded and delivered the Inmate Carpentry Apprentice Program (ICAP).
- Provided related instruction for 450 apprentices in coordination with 11 employer and trade associations.
- Aided in the development and funding of (ARTEC) Area Technical Education Center in Yankton after a group of business leaders voiced the need for a center that would provide training, which was not being addressed by the Technical Institutes in the area.
- Selected as one of six states for STAR Reading Pilot and reading training to all teachers across the state given with extended support offered.
- Developed statewide writing standards for the South Dakota Adult Education and Literacy (AEL) program.
- Collected \$51,000 in unpaid wages for South Dakota employees.
- Conducted 60 mediations to settle workers' compensation disputes.

2005

- Introduced Internet application for unemployed workers to file unemployment insurance claims. They now have the option of Internet filing (from their home PC 24/7) or using the DOL Call Center.
- Developed Internet system for new employers to register for unemployment insurance coverage with DOL. The new application replaced the former process of submitting paper registration documents by mail.
- Received \$750,000 for exceeding performance measures set by U.S. DOL.
- Helped approximately 1,500 high school drop-outs reenter alternative schools funded by DOL. Each year, approximately 500 of these students graduate from high school, having earned 3,500 credits.
- Provided \$400,000 to the Dakota Corps Scholarship which aids South Dakota students and promotes staying in state after graduation.
- Funded and delivered the Inmate Carpentry Apprentice Program (ICAP).
- Provided related instruction for 450 apprentices in coordination with 11 employer and trade associations.
- Hosted the annual National Association of State Workforce Agencies (NASWA) conference.
- Received three competitive federal grants totaling \$324,000 to develop systems to ensure accuracy of unemployment insurance benefit payments and employer tax rate assignments.
- Collected \$91,000 in unpaid wages for South Dakota employees.
- Conducted 50 mediations to settle workers' compensation disputes.
- Converted accounting systems off the Federal State Employment Security Agency (SESA) system over to the State CAS (Central Accounting System) accounting system.

2005 Awards

- The Rapid City Career Center received second place from the Veterans of Foreign Wars for employment service to veterans.

- The Rapid City Career Center was awarded the National Association of State Workforce Agencies' (NASWA) Mark Sanders award for exceptional service to disabled veterans seeking employment assistance.

2006

- Restored solvency to the Unemployment Insurance Trust Fund. The 2006 legislature passed HB1027, which will bring long-term solvency to the Unemployment Insurance Trust Fund and prevent a surcharge from being imposed on all employers because of a low fund balance. HB1027 increased the wage base. Employers that are frequent users of the system will also have higher contribution rates. (HB1027)
- Launched Dakota Roots, a new worker recruitment initiative, in partnership with the Department of Tourism and State Development and the Governor's Office. Dakota Roots is aimed at South Dakotans interested in moving back to the state. As of December 22, there were 61 business partners and over 200 registered job seekers.
- Implemented Business Outreach Plans in each local Career Center. The purpose of the plans was to ensure Career Centers became highly employer-focused by working with all varieties and sizes of businesses in South Dakota to deliver services normally not associated with Career Centers.
- Campaigned successfully against the BRAC Commission's recommendation to close Ellsworth Air Force Base.
- Provided \$400,000 to the Dakota Corps Scholarship which aids South Dakota students and promotes staying in state after graduation.
- Collected \$77,000 in unpaid wages for South Dakota employees.
- Conducted 65 mediations to settle workers' compensation disputes.
- Developed and helped pass legislation creating a small claims hearing process for resolving workers' compensation medical benefit disputes of \$8,000 or less.
- Wrote a handbook to assist unrepresented workers' compensation claimants in understanding the hearing process.
- Developed and implemented the first comprehensive department-wide Indirect Cost plan.

2006 Awards

- Received first place at the state level and national levels for the VFW Employment Service Office Award. The Huron Career Center received these honors at the Veterans of Foreign Wars (VFW) State Convention held in Pierre June 7-11. This annual award is given for outstanding employment service to veterans. Huron beat out 2,000 other Career Centers nationally.
- Received first place nationally for Timely and Proper Unemployment Insurance (UI) Benefit Payments by the U.S. DOL. DOL received this honor by attaining the best performance nationally in issuing timely payments to UI beneficiaries while employing effective safeguards to stop improper payments.

2007

- Continued efforts of Dakota Roots, a workforce development initiative launched to showcase South Dakota career opportunities to individuals living outside the state. In just one year, Dakota Roots has built a prospective labor pool of more than 1,500 individuals with a real desire to locate in South Dakota and enjoy our quality of life. These job seekers represent all 50 states, Washington, D.C., and Puerto Rico. Almost 300 individuals have returned home to South Dakota to live, grow and build. Almost 200 employers have recognized the value of this important recruitment tool and have signed up as business partners.

- Commissioned research and focus groups to determine the overall perception young adults have of career opportunities in South Dakota. Focus groups were conducted in Rapid City, Spearfish, Watertown, and Sioux Falls for 18- to 24-year-olds. Results were used to develop a worker retention program.
- Successfully implemented the 2006 legislation to increase the unemployment insurance taxable wage base, increase the maximum UI contribution rate, and decrease the maximum investment in South Dakota's Future Fee rate for employers. These changes are restoring solvency to the State UI Trust Fund, and eliminated the imminent surcharge trigger on all employees.
- Received a federal grant and hired five staff as Navigators to aid individuals with disabilities in receiving the maximum number of services from DOL while coordinating with other partner service providers or programs assisting the individuals.
- Implemented electronic unemployment insurance document imaging for paper documents. Following the transition period, this eliminated about two million paper documents and resulted in significant productivity increases. Staff no longer need to file, add to, retrieve, or re-file paper documents. Funding for the project was from a \$417,000 competitive federal grant.
- A federal disaster declaration was issued on May 5, 2007, as the result of severe storms, tornados, and flooding. There were 289 initial claims; benefits were paid to 213 claimants for a total of \$416,494 in Disaster Unemployment Assistance benefits.
- Designed the Workforce 2025 initiative to engage business, education, and the state's workforce investment system to work together to develop solutions to South Dakota's workforce development challenges. Three components of this initiative are Dakota Roots, South Dakota Works, and the Healthcare Workforce Action Team:
 - Dakota Roots continuously works to connect individuals wanting to move to South Dakota with available career opportunities.
 - South Dakota Works recognizes the important role youth will have in the future of the workforce. DOL is determining young adults' overall perception of career opportunities through research and focus groups.
 - The Healthcare Workforce Action Team is addressing future healthcare workforce issues in South Dakota.
- Developed DOL new staff training and current staff training for core skills, team building, technical skills, specialized skills, and staff development/enhancement. It also included an orientation to DOL and its goals for new employees, and a supervisors' checklist to lay out a plan for an employee's first few months.
- Collected \$45,000 in unpaid wages for South Dakota employees.
- Conducted 55 mediations to settle workers' compensation disputes.
- Collected \$64,000 in fines against employers and insurers who did not comply with workers' compensation laws.

2007 Awards

- Ken Moon of the Rapid City Career Center received the National Disabled American Veterans' (DAV) Veterans Representative of the Year.
- The following received awards from the International Association of Workforce Professionals (IAWP):
 - Governor M. Michael Rounds was selected as the winner for the Public Policy Award.
 - DOL partner, The Career Learning Center of the Black Hills, was selected as the winner for the Specialized Customer Services - Group Award.

- Betty Timm from the Huron Career Center was awarded 2nd Place for the Unemployment Insurance – Individual Award.
- The DOL Unemployment Insurance Benefits Section was awarded 2nd Place for the Unemployment Insurance – Group Award.
- The Sioux Falls Career Center Management Team was awarded 2nd Place for the Award of Merit – Group Award.
- The Rapid City Career Center was awarded 2nd place for the Service to Veterans – Group Award.
- Retired Career Center Manager Duke Goodell was selected to receive the Lifetime Achievement Award.
- The Labor Market Information Center was recognized by the Bureau of Labor Statistics (BLS), Chicago Regional Office for outstanding performance.

2008

- Dropped the name of “South Dakota Career Center” and began using “South Dakota Department of Labor” in order to better define ourselves to the public. “South Dakota Career Centers” will now be referenced as “South Dakota Department of Labor local offices or field offices.”
- Evolved Workforce 2025 from a loosely defined concept to a solid program with five components (Live Dakota, Grow Dakota, Build Dakota, Dakota Seeds, and Dakota Roots) focusing on education and training, recruitment, retention, and employer needs. The five components offer immediate strategies to employers and workers experiencing challenges resulting from a fluctuating economy while also implementing strategies to address long-term workforce issues.
- Continued operating the Dakota Roots recruitment program. A total of 2,059 new participants registered, 136 business signed up to be partners, and 574 people entered employment, along with bringing additional family members back as well.
- Launched Live Dakota program to educate Generation Y about rewarding career opportunities in South Dakota in order to improve worker retention.
- Held Youth Career Expos across the state. These expos are designed to show high school students the wide variety of career opportunities available in South Dakota when planning for their future. Employers who register to be part of the expo are asked to provide the students with hands-on activities that would be an integral part of the job.
- Launched Dakota Seeds to enhance South Dakota’s image to young people by increasing the number of internships in partnership with the Governor’s Office of Economic Development. The Workforce Development Council approved 75 businesses for funding assistance to create new internships.
- Conducted a workforce challenges survey by mailing letters to 5,000 businesses. Economic analysts then tabulated the data to determine employers’ concerns.
- Hosted a Manufacturing Workforce Summit to bring together individuals with a vested interest in the manufacturing workforce.
- Developed and helped pass legislation giving workers’ compensation insurers 30 days to pay, deny, or request additional information about properly submitted medical bills, and compelling claimants to release relevant medical information to insurers. (HB 1037)
- Converted unemployment insurance payments from paper checks to electronic payments. This eliminated about 90,000 checks per year, along with associated costs for printing, handling, envelopes and bank reconciliation. The postage savings alone were about \$40,000.

About 70 percent of payments are made to debit cards with the remaining being direct deposit. Received competitive federal grant funding of \$100,000 for the project.

- Received \$821,995 in Incentive Dollars for meeting and exceeding 17 Workforce Investment Act (WIA) measures, 15 Adult Education and Literacy (AEL) measures, and Perkins performance standards. South Dakota was one of only seven states to receive this incentive.
- Awarded five \$7,500 scholarships through Western Governors University (WGU). Recipients must reside in rural areas and want to become licensed teachers in math or science, or be existing teachers who live in rural areas and want to earn a master's degree online in math or science education.
- Provided a 20-week federal extension of benefits for workers who have exhausted their regular state unemployment benefit entitlement. Assisted unemployment claimants in receiving 14 additional weeks of benefits in addition to the 20 weeks.
- Collected \$42,000 in unpaid wages for South Dakota employees.
- Conducted 76 mediations to settle workers' compensation disputes.
- Took over the administration of workers' compensation benefits for two South Dakota companies that went bankrupt, paying over \$400,000 in benefits to workers and their families.
- Collected \$60,000 in fines against employers and insurers who did not comply with workers' compensation laws.

2008 Awards

- The Labor Market Information Center was recognized by the Bureau of Labor Statistics (BLS), Chicago Regional Office as having the best performance in the region.
- Received the national award for Benefit Payment Excellence in 2008 for the second time. South Dakota won the same award for 2006, which was the year the national awards were instituted by the U.S. DOL. The award was presented to the Division of Unemployment Insurance for excellence in timeliness of payments, timeliness of determination of eligibility, quality of determination of eligibility, and detection of overpaid claimants. South Dakota was the top performer among 15 states of similar size. Winning the award for the second time within a three year period is a testament to the dedication and ability of the division's staff.
- Unemployment insurance appeals judges received a 95 percent quality rating from U.S. DOL, while remaining in the top group of states for both speedy decisions and low backlog.
- The Aberdeen DOL field office's Employment Specialist Dale Petrik was featured in TIME Magazine working in conjunction with HARR Motors, Inc., on the Workforce Investment Act (WIA) program.
- The Sioux Falls DOL field office received the Annual National Employment Service Award. This award was given by the American Legion in recognition of the efforts of the Sioux Falls field office to ensure the economic well-being of veterans in South Dakota.
- The following received awards from the International Association of Workforce Professionals (IAWP):
 - The Sioux Falls DOL local office was selected as the winner for the Service to Veterans – Group Award.
 - The DOL Unemployment Insurance Call Center was selected as the winner for the Unemployment Insurance – Group Award.

2009

- Collected \$40,000 in unpaid wages for South Dakota employees.
- Increased the charges resolved through the Human Rights Office by 10 percent, using existing staff.

- Received and processed unemployment insurance claims at levels never before experienced.
 - 41,141 claims opened or resumed after a lapse in payment.
 - 349,685 weeks of unemployment claimed.
 - \$87 million paid; \$66 million from the State UI Trust Fund and \$21 million in federal funds.
- Received \$1.2 million in administrative funding to be used to extend the Unemployment Insurance Call Center hours, provide staffing to handle the heavy claim volume, and to improve systems to receive and process claims.
- Provided an additional \$25 to weekly unemployment insurance benefit payments through American Recovery and Reinvestment Act (ARRA) funds.
- Received approximately \$4.2 million in American Recovery and Reinvestment Act (ARRA) funds to be used directly for workforce training programs for adults and youth.
- Received approximately \$1.5 million for dislocated workers to create a re-employment services program to assist dislocated workers in getting back to work as quickly as possible. The re-employment service is designed to provide a number of services to an individual based on one-on-one case management. A total of 4,579 people were served, with an entered employment rate of 39.2 percent.
- Expanded the number of Job Search Assistance Programs (JSAP) to effectively meet the needs of the dislocated workers and to give them the tools needed for an effective job search. Continued to develop JSAP materials to target employers' current methods of determining who they interview and hire.
- Provided to the public new assessment and training tools to help them in determining training objectives and skills development.
- Passed legislation to increase the maximum reimbursement for workers' compensation burial expenses to \$7,500. (HB1057)
- Adopted option 1 of the American Recovery and Reinvestment Act (ARRA) Unemployment Insurance Modernization Provision. The bill expanded benefits by creating an alternative base period for workers who could not qualify using the regular base period. As a result, \$5.9 million in ARRA funds were provided to the Trust Fund. South Dakota was the first state to pass new legislation and be certified by the U.S. Department of Labor to receive incentive funds from the federal stimulus package. (HB1176)
- Received additional benefits from the stimulus package:
 - Federal tax credits for employers through the Work Opportunity and Tax Credit program will be extended to new hires who are unemployed veterans and disconnected youth.
 - Trade Adjustment Assistance eligible worker dislocations will be expanded to include outsourcing, trade-affected communities, import surges and unfair trade.
 - \$769,000 will be sub-contracted to Experience Works, a community service employment program for older Americans.
 - A 65 percent subsidy for COBRA continuation premiums for up to nine months will be given to workers who have been involuntarily terminated and workers' families.
- Participated in local Homeless Coalition advisory groups and in the homeless count program.
- Created the GED Career Pathway scholarship program to assist GED graduates with the costs of attending a state technical institute in order to help grow the South Dakota workforce.
- Received \$164,588 in federal stimulus funds for the Senior Community Service Employment Program (SCSEP), an older worker job training program.
- Announced two new target groups have been added to the Work Opportunity Tax Credit (WOTC) program as part of the federal stimulus package: unemployed veterans and disconnected youth.

- Devised an enhanced version of the DOL popular online job search system, SDWORKS, which can be found at www.sdjobs.org. It has been used by over 331,000 job seekers since its inception in December 2001.
- Received Workforce Development Council's approval to fund 61 businesses for Dakota Seeds internships.
- Enrolled 818 youth participants in a summer stimulus program to gain real world employment experience.
- Partnered with Mitchell Technical Institute (MTI) to create a facility maintenance/operations certificate training program. Provided MTI \$145,000 to cover start-up costs for equipment and instructors.
- Partnered with Lake Area Technical Institute (LATI) to create a truck driving and sales training program. Provided LATI \$157,620 for the truck driving program and \$28,000 for the sales training program to re-train workers who have lost their jobs, purchase equipment and pay instructors.
- Partnered with Western Dakota Technical Institute (WDT) to expand the truck driving program. Provided WDT \$119,500 to support the cost of an additional truck, fuel, and instructors.
- Partnered with the Regional Technical Education Center (RTEC) at Yankton to expand the stick-welding program and upgrade the computer numerical control (CNC) machining program. Provided RTEC \$11,000 to purchase five more stick-welding machines and \$77,668 for the CNC machining program to purchase seven computers, more advanced software, two lathes and a three-dimensional printer.
- Expanded outreach to the veterans of South Dakota.
- Held a Veterans Job Fair in Sioux Falls in partnership with the VFW, American Legion, Disabled American Veterans, and Paralyzed Veterans of America.
- Created e-Lert notification systems for updates to the workers' compensation and unemployment insurance programs.
- Hosted the 2009 International Association of Workforce Professionals annual conference.
- Received a state Labor Market Information Improvement Grant totaling \$3.9 million. The Northern Plains & Rocky Mountain Consortium includes the states of Iowa, Montana, Nebraska, South Dakota, Utah and Wyoming. This grant will enhance the labor exchange infrastructure to provide career opportunities within clean energy industries. South Dakota will receive approximately \$300,000 for research activities specific to the state.
- Implemented professional development for all new and experienced teachers in Adult Education and Literacy which are offered for college credit and continuing education units.
- Selected as one of six states to pilot STAR Reading, sponsored by the U.S. Department of Education Office of Vocational and Adult Education, and reading training to all teachers across the state.
- Participated in a national professional development initiative for English as a Second Language (ESL) teacher development in states with emerging ESL populations. This is funded by the U.S. Department of Education through the Center for Adult English Language Acquisition Center.
- Converted the Adult Education and Literacy data collection system from handwritten reports to a dynamic online data collection software system and trained field staff in the input, diagnostics and analysis of the data.
- Established higher standards for the General Educational Development (GED) test battery to align with the Workforce 2025 initiative which creates a more skilled workforce.
- Created informative Web pages within the DOL website about Adult Education and GED; the website is user friendly and a great resource for the general public and provider staff.

- Created policy and procedure manuals for transitional planning and review processes.
- Collected \$40,000 in unpaid wages for South Dakota employees.
- Conducted 89 mediations to settle workers' compensation disputes.
- Increased the charges resolved through the Human Rights Office by 10 percent, using existing staff.
- Collected \$5,000 in fines against employers and insurers who did not comply with workers' compensation laws.

2009 Awards

- Unemployment insurance appeals judges received a 95 percent quality rating from U.S. DOL, while remaining in the top group of states for both speedy decisions and low backlog.
- The Labor Market Information Center recognized by the Bureau of Labor Statistics (BLS), Chicago Regional Office as the South Dakota BLS programs are among the best run in the region and the country.
- The following received awards from the International Association of Workforce Professionals (IAWP):
 - Department of Labor Secretary Pam Roberts was selected as the Administrator of the Year.
 - Department of Labor (DOL) Deputy Secretary Marcia Hultman was selected as the winner for the Award of Merit – Individual.
 - The DOL Chapter was selected as the winner for the Chapter Education Award.
 - The Rapid City and Spearfish DOL local offices shared 2nd place for the International One-Stop Award.
 - Bob Shaff from the DOL Central office was awarded 2nd place for the Customer Service – Individual Award.

2010

- Used a \$3 million federal grant to deliver a summer youth work experience program to 332 youth ages 16 to 24 years. Grant funding was awarded to DSS through the Temporary Assistance for Needy Families (TANF) Emergency Contingency Fund. Those work opportunities helped less-experienced workers, such as teens, establish work histories, gain references, advance their careers and secure permanent employment.
- Received a \$2.5 million Green Jobs Training Grant, authorized by the American Recovery and Reinvestment Act, which will provide training for high-wage occupations in high-growth energy and other green-related jobs. The following grant sub-recipients have been awarded money to create or expand training: Black Hills State University, Kilian Community College, Lake Area Technical Institute, Mitchell Technical Institute, NEW TEC, POET, Rural Learning Center, South Dakota State University, Southeast Technical Institute, and Western Dakota Technical Institute.
- Launched the National Career Readiness Certificate (NCRC) in April 2010. The NCRC is an assessment-based credential used to verify individuals' core employability skills in three essential areas: reading for information, applied mathematics, and locating information. Employers can use this as a recruitment tool to identify the most qualified applicants. DOL local office staff refer individuals to local providers for pre-tests and skills development to prepare for the tests. As of August 4, 1,369 individuals have been enrolled in skills development, and 324 individuals have earned their certificate.
- Adopted option 2 of the American Recovery and Reinvestment Act (ARRA) Unemployment Insurance Modernization Provision. The bill clarified benefit eligibility for part-time workers and

provided up to 26 additional weeks of benefits to claimants participating in state-approved training for high demand occupations. As a result, \$11.7 million in ARRA funds were provided to the Trust Fund. (HB1018)

- Adopted a major change to employer contribution rates through another bill, increasing the amount paid by major users of the system and requiring employers maintain higher balances in their UI accounts. This bill also added additional incremental wage base increases, from \$10,000 in 2010 to \$15,000 in 2015, and temporarily lowered the surcharge rate. (SB186)
- Received \$27.4 million in unemployment insurance surcharge payments from employers. The surcharge triggered because of a low Trust Fund level. The surcharge payments coupled with revenue from HB1018 and SB186 allowed full repayment of the \$24 million borrowed from the U.S. Treasury for benefit payments.
- Passed legislation to revise workers' compensation laws to prevent injured workers from being balance billed and to increase the burial reimbursement amount from \$7,500 to \$10,000 for workplace fatalities. (HB1118)
- Hired three investigators to verify the eligibility of unemployment insurance claimants filing for benefit payments.
- Adopted six common measures as approved by the United States Department of Labor for Workforce Investment Act (WIA) reporting. DOL previously used 17 WIA performance measures. The six common measures will reduce staff time involved in reporting and eliminate errors.
- Awarded the first GED Career Pathway Scholarship for \$1,000. The scholarship program was created by DOL to assist GED graduates with the costs of attending a state technical institute in order to help grow the South Dakota workforce.
- Received Workforce Development Council's approval to fund 66 businesses for Dakota Seeds internships.
- Redesigned the Job Search Assistance Program to enhance the quality of the training for dislocated workers, people looking to re-career, Temporary Assistance for Needing Families (TANF) participants, and new workers looking for their first jobs.
- Created a workgroup to review and develop new approaches to continually improve and expand TANF services provided to the participant by the Department of Labor, in conjunction with our partner, the Department of Social Services
- Continued to develop employee training modules from 2007, resulting in 55 total modules available on the DOL Intranet. Most notably, case management, National Career Readiness Certificate, new employee orientation and re-employment services topics were added. In addition, more than 200 staff attended Bureau of Personnel training focused on customer service.
- Collected more than \$70,000 in unpaid wages for South Dakota employees.
- Held over 2,000 unemployment insurance hearings.
- Investigated 100 cases of alleged discrimination in employment, housing, public services and public accommodations.
- Collected \$5,000 in fines against employers and insurers who did not comply with workers' compensation laws.
- Paid over \$50,000 in workers' compensation benefits to employees of bankrupt employers.
- Conducted 73 mediations to settle workers' compensation disputes.
- Over eight years, the average age of human rights cases dropped by half, with more than \$200,000 collected for victims of discrimination.

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