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# South Dakota Works

Summer/Fall 2005

A publication about labor issues for the employers of South Dakota

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## BRAC: An Overview

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Base Realignment and Closure (BRAC) is the process the Department of Defense uses to reorganize. BRAC recommends closure or realignment of selected military installations.

Ellsworth Air Force Base (EAFB) was listed for closure. EAFB, critical to South Dakota's economy, generates thousands of jobs and an estimated \$280 million annually in economic activity.

Gov. Rounds implemented a dual track response to the BRAC announcement. The first track was an effort to maintain EAFB. The second track assigned a key role to the Department of Labor (DOL).

DOL received a \$1 million WIA National Emergency Grant to begin planning for readjustment and development. These resources are providing research and economic analysis necessary for designing a plan to address the specific needs of the area, businesses and workers.

On Aug. 26, the BRAC Commission voted 8-1 to remove EAFB from the closure list. The efforts of DOL will continue to implement a successful development strategy that will help to generate a sound and diversified local and state economy.

#### Key Dates:

**September 8, 2005**  
BRAC reports to the

President.

**September 23, 2005**  
President accepts report, forwards to Congress. If rejected, returned to Commission for evaluation.

**October 20, 2005**  
Revised report submitted to the President.

**November 7, 2005**  
President transmits approval to Congress. If President fails to approve or transmit either the initial or revised recommendations by above dates, BRAC process will be terminated.

**45 Days**  
From receipt of report, Congress accepts or rejects in full.

**April 15, 2006**  
BRAC Commission terminated. ♦

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## UI Trust Fund Continues to Drop

The South Dakota Department of Labor is reviewing options to respond to a diminishing balance in the South Dakota Unemployment Insurance (UI) Trust Fund.

All UI taxes paid by South Dakota employers are deposited into the trust fund. Money is withdrawn from the fund to pay benefits to eligible unemployed workers. The fund had about a \$50 million balance throughout the 1990s as the economy provided plentiful job opportunities for

most workers. This status quo situation changed dramatically after 2001 as unemployment increased, employers downsized and worker benefit payments grew while tax revenue remained the same.

The fund balance was down to \$37 million by the end of 2003 and to \$27 million in 2004. The fund currently stands at \$23 million and is projected to be \$18 million by the end of 2005.

In 2004, Gov. Rounds appointed new members to the Unemployment

*cont. on page 3*



If you have a question concerning labor issues you would like answered in the next *SD Works*, contact: [dawn.dovre@state.sd.us](mailto:dawn.dovre@state.sd.us)

## What are the basic provisions of USERRA?

The pre-service employer must re-employ service members returning from a period of service in the uniformed services if those service members meet five criteria:

- The person must have held a civilian job;
- The person must have given notice to the employer that he or she was leaving the job for service in the uniformed services, unless giving notice was precluded by military necessity or otherwise impossible or unreasonable;
- The cumulative period of service must not have exceeded five years;
- The person must not have been released from service under dishonorable or other punitive conditions; and
- The person must have reported

back to the civilian job in a timely manner or have submitted a timely application for reemployment.

USERRA establishes a five-year cumulative total on military service with a single employer, with certain exceptions allowed for situations such as call-ups during emergencies, reserve drills and annually scheduled active duty for training.

USERRA also allows an employee to complete an initial period of active duty that exceeds five years (e.g., enlistees in the Navy's nuclear power program are required to serve six years).

For more information on veterans' rights, contact the State Coordinator of Veterans' Services, Todd Kolden, at 605-626-7652 or at [todd.kolden@state.sd.us](mailto:todd.kolden@state.sd.us). Information is also available at <http://www.dol.gov/dol/compliance/comp-userra.htm>. ♦

## SDCCs Offer Business Outreach Services

In the fall of 2004, the South Dakota Department of Labor (DOL) Career Center offices began creating customized Business Outreach Plans for their communities and outlying service areas. The purpose of the plans created is to become better service providers to the business communities the Career Centers serve.

South Dakota Career Center managers and staff are now more concentrated on marketing the programs and services offered by DOL, establishing new business contacts, and maintaining and expanding existing contacts throughout each office's service area.

The Business Outreach Plans are provid-

ing a higher quality of services to both businesses and the job seekers of South Dakota. It has taken a well-working system and transformed it into an optimal system. Some of the highlights of effective Business Outreach Plans developed for the Career Center System include:

1. Developing and strengthening existing partnerships with entities engaged in business development and worker supply;
2. Actively listening to the needs of employers;
3. Providing businesses with resource rooms at the local Career Centers;
4. Assisting businesses in filling their staffing needs;

5. Emphasizing Career Center customer service on a continuous basis;
6. Training the workforce for today's business needs; and,
7. Working closely with businesses to address youth employment issues.

These are but a few of the creative ideas Career Center offices have created over the past year. These strategies will continue to expand

and/or change as the business communities' needs change. The Business Outreach Plans have re-energized office managers and staff members because the specific details are outlined concisely with a 'road map' of how to accomplish the set goals. ♦



## ***UI Trust Fund Continues to Drop cont.***

Insurance Advisory Council. The Council has met three times in 2005 and will meet at least once more, on September 9, 2005, to finalize recommendations to include in their Annual Report.

The Council is looking at three areas for solutions to the problem. One is the taxable wage base, which was set at \$7,000 per employee in 1982 and has not been changed since that time. In 2004, only 22 percent of the wages paid to employees was subject to the unemployment tax. A second issue is that the highest tax rate assessed any employer is seven percent, so the maximum tax payment per employee is \$490 per year. Many seasonal firms layoff a large share of their employees each year, with indi-

vidual workers receiving about \$2,600 in benefits. A third issue is unfunded benefit costs. An example is a company that closes. All workers are eligible for benefits, but their former employer is not required to pay enough tax to cover a complete and permanent shut down. The result is these benefits now come from the trust fund without a revenue source.

The Department of Labor (DOL) staff have met with many employers who typically layoff workers to seek their input for solutions to the declining trust fund problem. DOL also plans a mailing to all South Dakota employers, which will provide information to each firm about their use of the unemployment insurance system. ♦

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*The fund currently stands at \$23 million and is projected be \$18 million by the end of 2005.*

## **SDWORKS Facilitates Labor Market Exchange**

SDWORKS Online, operated for the South Dakota Department of Labor, is a state electronic labor exchange that provides job seekers and businesses a marketplace in which to find each other over the Internet at no cost.

Job seekers using SDWORKS can anonymously search a database of jobs containing, on average, over 5,000 job openings, and can directly apply for any job they find with the employer who posted it. If registered, they can also post their resume to an online database. With regard to their resumes, job seekers can choose how employers contact them, even choosing to remain anonymous and receive information about employer interest in their resumes indirectly through the South Dakota Career Centers. Registering offers job seekers access to other

services as well, including creating multiple resumes and accessing other web resources.

Businesses may register to use SDWORKS at no cost. Once registered, businesses can post information about themselves and their company, post unlimited job orders to recruit workers or search the resume database for qualified workers. Businesses can specify how job candidates come to them, including indirectly through the South Dakota Career Centers.

The site also offers both businesses and job seekers a “scout” feature. This feature allows users to configure and save an automatic search based on criteria they choose. The system automatically runs those searches again at user-defined intervals, and e-mails search results directly to the

user. Job seekers must register to obtain this service.

SDWORKS Online is an efficient and effective delivery system for public labor exchange services. It is continuously being tested and improved. Evidence that users like the system can be found in the fact that the users spend on

average 20+ minutes per session on the site and that its core transactions—job searches and resume searches—continue to grow.

SDWORKS Online can be found by accessing [www.sdjobs.org](http://www.sdjobs.org), select either the ‘Job Seekers’ or ‘Businesses’ option, then ‘Find A Job’ (for Job Seekers) or ‘Post A Job’ (for Businesses). ♦

### **For labor market information and related information via the Internet:**

- **Labor Market Information Center**  
[www.state.sd.us/dol/lmic](http://www.state.sd.us/dol/lmic)
- **South Dakota's Job Bank**  
[www.ajb.org/sd](http://www.ajb.org/sd)
- **Bureau of Labor Statistics**  
[stats.bls.gov](http://stats.bls.gov)
- **U.S. Census Bureau**  
[www.census.gov](http://www.census.gov)
- **U.S. Department of Labor**  
[www.dol.gov/](http://www.dol.gov/)





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*Jobs for People. People for Jobs.*

## DOL Provides Labor Law Compliance Posters

The Department of Labor is frequently asked about state and federal posting requirements. There are two state requirements. The South Dakota Division of Unemployment Insurance (UI) requires employers to post a UI notice, which is provided at no charge. Contact the UI Division at 605-626-2312 to receive this notice.

Workers' compensation law also requires employers to post information encouraging safety. There is no required format for this poster. It could simply state, "Think safety first on the job."

No other posters are required under state law, but various federal agencies such as the U.S. Labor Department, OSHA and EEOC have poster requirements. The latest addition to these require-

ments is the Uniformed Services Employment and Re-employment Rights Act (USERRA), which went into effect on March 10, 2005.

DOL provides a complete Labor Law Compliance poster with both state and federal requirements at no charge. Along with this, the posters offer information on the South Dakota Division of Human Rights' sexual harassment laws, a sample sexual harassment policy, guidelines to Youth Employment laws, and the Family and Medical Leave Act (FMLA) of 1993.

They are available from any South Dakota Career Center. Visit [www.sdjobs.org](http://www.sdjobs.org) for an office directory and more information. ♦

### *Employers...*

Post your job openings online, at no charge.

It's quick, easy and produces great results.

Contact your local South Dakota Career Center or visit [www.sdjobs.org](http://www.sdjobs.org)