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## **S.D. Unemployment Fund to get \$5.9 million in stimulus funding**

**PIERRE, S.D.** – The South Dakota Department of Labor (DOL) will get \$5.9 million in federal stimulus money for the unemployment insurance (UI) trust fund when HB 1176 is signed into law by Gov. Mike Rounds. The bill won unanimous legislative approval.

Unemployment insurance provides temporary financial assistance for people who have lost their jobs, through no fault of their own, until they find other jobs.

State Labor Secretary Pam Roberts says the American Recovery and Reinvestment Act of 2009 offers two options for the state to receive stimulus aid through UI modernization incentives. “Option one requires South Dakota to adopt an alternative base period to determine the eligibility of unemployment claims. HB 1176 accomplishes that requirement,” she says.

The base period is the time frame used to determine if unemployed individuals had sufficient wages to qualify for jobless benefits. The current base period is the first four of the last five completed quarters. Claimants must have earnings in at least two quarters of the base period.

The alternative base period will be the last four completed quarters and goes into effect July 1, 2009. It can be used by unemployed individuals who cannot establish claims using the current base period. They still must have earnings in at least two quarters of the base period.

“This change will allow those workers to use more recent wages when filing claims. This is good public policy,” Secretary Roberts says. “New entrants to the labor force will benefit, including recent college graduates and workers re-entering the workforce after family obligations, illness or disability.”

Nineteen states already use the alternative base period, and others are reviewing it as part of the federal stimulus package.

“I am proud of how the business community stepped up to work with the Unemployment Insurance Advisory Council and Department of Labor on this legislative recommendation,” Secretary Roberts says. “The Board of Directors of the South Dakota Chamber of Commerce and Industry unanimously endorsed the change. Ultimately, employers will be absorbing the extra cost of about \$700,000 per year.”

Option 2 for an additional \$11.7 million in stimulus funding requires an expansion of UI benefits. That money will be available to the state until Aug. 24, 2011. DOL and the UI Advisory Council will extensively review that option and others prior to making recommendations to the Governor and 2010 Legislature.

South Dakota's UI program is financed by employers through payroll taxes; workers do not contribute to the plan. To learn more, visit [www.sdjobs.org](http://www.sdjobs.org)