

Annual Report 2011



Your workforce experts.
www.sdjobs.org

Table of Contents

Transmittal Letter	1
Workforce Services	2
Employment Services	10
Dakota Roots	15
Unemployment Insurance	17
Labor and Management	19
Insurance	21
Banking	23
Securities	24
Administrative Services	25
Public Affairs	27
Legal Services	27
Licensing Boards and Commissions	27
Appendix: Organizational Charts	30

To the Governor, Legislature, and People of South Dakota

In January, Governor Dennis Daugaard issued an Executive Reorganization Order to the 2011 Legislature which transferred the Regulatory Divisions located in the Department of Revenue and Regulation to the Department of Labor. The new departments were named the Department of Revenue and the Department of Labor and Regulation.

The reorganization added a new dimension to the Department. The specific programs included in the transfer included:

- Division of Insurance
- Division of Securities
- Division of Banking
- Banking Commission
- Real Estate Commission
- Appraiser Certification Program
- Abstractors Board of Examiners

This past year has been spent accomplishing this transition in an efficient and effective manner. A new executive team was formed and worked through the strategic planning process of creating a new overall vision and mission for the Department. We have strived to find synergies among the programs to combine best practices and to deliver excellent services to the public.

Through much dedication and hard work, I am confident we have developed a strong team that will lead the way in promoting workforce enhancement, financial security, and economic opportunity to all of South Dakota.

Sincerely,



Pamela S. Roberts
Secretary



Pamela S. Roberts, Secretary

Workforce Services

Mission Statement

To develop and implement innovative workforce solutions, provide responsive technical assistance, and provide accurate labor market information to DLR staff, partners, individuals, and businesses. This will guide individuals to self-sufficiency, build a skilled workforce, and strengthen the State's economy.



Marcia Hultman,
Deputy Secretary
Workforce Services Director

Major Goals

- Ensure proper staff development.
- Provide excellent customer service.
- Enhance promotion of information and services.
- Establish and strengthen relationships with partners.
- Leverage available resources.

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

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

Workforce Training

This section 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. This demographic includes low-income learners who are disadvantaged, individuals with disabilities, single parents, displaced or dislocated workers and limited English-proficient adults (Tables 1 through 4). 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® Test credential, 85 percent passed and received their GED® Test certificates during the 2010-2011 Program Year.

Helping to improve the basic skills of our workforce leads directly to a stronger economy. The literacy and numeracy accomplishments of our Adult Education and Literacy program (AEL) are reflective of an essential workforce development service.

ABE Educational Functioning Level Completion	2010	2011
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 1 - Adult Basic Education achievements for program years 2010 and 2011 (July 1 through June 30).

As noted in Table 1, the education gains improved significantly in Adult Basic and Adult Secondary Education.

With an influx of refugees and immigrants to various communities in South Dakota, language instruction methodologies and technical assistance continue to be priorities for serving non-native speakers (Table 2). Other measured performance results for the year include employment, post-secondary education and job training (Table 3).

ESL Educational Functioning Level Completion	2010	2011
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 2 - English as a Second Language achievements for program years 2010 and 2011 (July 1 through June 30).

Dislocated Workers

The number of dislocated workers steadily decreased from 2010. South Dakota's economy continued to improve as businesses began re-hiring former employees and adding new ones.

The unemployment rate is slowly decreasing. There once again is a demand for certain occupations and a concern of being able to fill those skilled positions in the future.

Trade Adjustment Assistance

This program is designed to assist workers who have lost their jobs as a result of foreign trade. There were no new certifications this year and no TAA petitions pending. We continue to provide services to those that were affected by a job loss, many completing training within the next year.

Workforce Investment Act (WIA) Adult & Youth

During Program Year 2010 the South Dakota WIA Program switched to Common Measures performance. With this system there are three performance measures in both the adult and youth programs. The adult program achieved all three established goals with a slight increase in Retention Rate and Average Earnings. The youth program achieved high percentages in both the Placement in Education or Employment and Attainment of Degree or Certificate. This shows great dedication and case management abilities of DLR Local Office staff. The Literacy and Numeracy numbers are right in line with all other states in our region.

The performance measures shown in Table 5 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

Core Indicators of Performance	2010	2011
Entered Employment	39%	25%
Retained Employment	35%	33%
GED Credential Obtained	48%	33%
Furthered Education	48%	38%

Table 3 - Core Follow-up Outcome Measure performance for program years 2010 and 2011 (July 1 through June 30).

Dislocated Workers	2010	2011
Participants	1,286	908
Entered Employment Rate	92.6%	89.9%
Retention Rate	93.1%	95.2%
Average Earnings	\$14,439	\$15,782

Table 4 - Core Follow-up Outcome Measure performance for program years 2010 and 2011 (July 1 through June 30).

WIA Performance Measures		2010	2011
Adults	Participants	1,330	1057
	Entered Employment Rate	75.5%	75.3%
	Retention Rate	81.5%	83%
	Average Earnings	\$10,644	\$10,797
Youth	Participants	287	362
	Placement in Employment or Education	67.5	74.70%
	Attainment or Degree or Certificate	60.7	69.10%
	Literacy or Numeracy Gains	21.9	20%

federal funding behind the U.S. Department of Labor's decision to move away from partnerships with various career learning centers and 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 that were previously accepted.

Table 5 - WIA performance measures for program years 2010 and 2011 (July 1 through June 30).

Other Programs Highlights Include:

- 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.
- DOE Career Camps – We partnered with the state Department of Education to sponsor Career Camps to build the interest of students in specific industries and occupation. Over 200 students took part in four career camps providing and awareness and hand-on experiences in construction and manufacturing.
- LATI Dental Assistant Program – DLR provided funds to help Lake Area Technical Institute enhance their Dental Assistant training and student educational experiences. This project developed a curriculum for clinical requirements, designed a supporting on-line instructional program, and offered clinical internships.
- DOC GED – Working with Department of Corrections we provided materials DLR provided resources to assist incarcerated individuals with their GED

Energy Grant Activities 2011

The South Dakota State Energy Sector Partnership (SDSESP) Grant was awarded to the South Dakota Department of Labor and Regulation (DLR) by a Notification of Award/Obligation letter received February 26, 2010. The grant was in the amount of \$2.5 million.

Leveraged resources made available to sub-recipients and training participants were made primarily in the form of staff time provided through team members in WIA and ES activities. Administrative costs in the Pierre Central Office of DLR were provided with the 10% access to SESP administrative monies for conducting grant activities.

Grant activity began officially for DLR and grant sub-recipients on July 1, 2010. Expenditures through September 30, 2011, for contracted services with sub-recipients totaled \$744,027.19 out of \$1,096,764.50 in contracted obligations. The expended amount will increase substantially in the coming months as sub-grantees continue building their training courses and requesting remaining funds in their balance to meet their needs.

To date, all deliverables requested have been made. A deliverables (products) report has been submitted by DLR to fully describe the energy programs being conducted by each sub-grantee.

There are currently 12 projects funded by DLR through 11 training providers (sub-recipients) in South Dakota. The following list provides the name of the sub-grantees to the DLR SESP grant the title of the training program developed and approved by DLR:

Black Hills State University – Spearfish, SD – Energy Maintenance Technician (EMT)

- Instruction provided at three locations in South Dakota
- Certificate program in Industrial energy efficiencies

Kilian Community College – Sioux Falls, SD – Sustainability and Environmental Services

- Offering both A.S. degree and Certification
- Initiative based on green planning and design

Lake Area Technical Institute – Watertown, SD – HyTorq Certification

- Industry recognized certification
- Certification and technical components designed by Snap-on Tools
- Use of highly-specialized torque equipment used in industries from diesel mechanics to wind turbine construction and maintenance

Mitchell Technical Institute – Mitchell, SD – Efficiency Auditing and Remediation using Renewable Resources

- Provides certification for incumbent workers and within energy diploma programs involving building and maintaining energy efficient buildings

North East Work and Technical Education Center (NewTec) – Aberdeen, SD - Certified Composite Training

- Working with Molded Fiber Glass (MFG), a world leader in wind blade manufacturing, using high-tech composites in construction of wind blades.
- MFG has a production facility in Aberdeen, SD

POET – Sioux Falls, SD – Seeds of Inspiration Training

- Provide energy generation and renewable energy sector industry training

Regional Technical Education Center (RTEC) – Yankton, SD – Industrial Maintenance Tech Diploma

- Nine month course in energy maintenance, industrial building upkeep and green methods

Rural Learning Center – Howard, SD – Energy Generation and Renewable Energy Training

- Local, regional, national, and international classroom and long-distance learning training for energy companies including natural gas, solar, and wind energy.

Southeast Technical Institute – Sioux Falls, SD – Energy Auditing

- Certifications provided for Building Analyst, LEED Renovator, and Thermal Insulation Technologies
- Taught with assistance from Clean Edison, a leader in energy audit training

South Dakota State University (SDSU) – Brookings, SD – Bio-refinery Process

- Instruction in bio-refinery plant design and implementation techniques to increase the overall output of ethanol plant efficiencies and increased utilization of corn.
- Heavy involvement with POET, the largest producer of ethanol in the world.
- Study of other biomass materials in the study of cellulosic ethanol production

South Dakota State University (SDSU) – Brookings, SD – Sustainable Energy Systems – Baccalaureate Degree Minor

- Core classes in Renewable Energy Systems

Western Dakota Technical Institute (WDTI) - Rapid City, SD – Green Pathways

- Includes instruction in Hybrid Vehicle repair and maintenance

National Career Readiness Certificate

Program Year 2011 was DLR's second 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 18,000 occupations to learn the level of foundation skills necessary for each job. From an 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 preferring 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 continues to be available to all registered DLR job seekers, WIA/TANF/SNAP program participants as well as Adult Education & Literacy (AEL) and Vocational Rehabilitation (VR) Services clients. NCRC pilot projects were started with Department of Corrections including the State Women's prison in Pierre, and Mike Durfee prison in Springfield. The Department of Education's Technical Institutes continue their efforts to use NCRC certification for specific programs and students. These institutions have two goals in utilizing the NCRC; helping students attain an additional workplace credential for use in obtaining employment in their respective fields, and looking for skill improvement during their educational tract by assessing student entering and exiting their programs.

National Career Readiness Certification in South Dakota

General promotion of the program continues including the update and expansion of print materials available for use in the local office, production of a South Dakota specific NCRC video, as well as effective community outreach presentations through local office connections.

Specific initiatives started in program year 2011 include the Watertown WorkReady project, and a larger James River Valley WorkReady initiative including the communities of Aberdeen, Huron, Mitchell and Yankton. The focus of these efforts is to provide a mechanism for the local workforce to discuss, identify and improve workplace skills. With local leader input target groups for assessments are identified and job profiling is offered to employers as a way of engaging in the entire ACT NCRC system.

The program was responsible for 3,514 referrals during the year and participants spent at least 19,249 hours in skill development and pre-testing. This learning and preparation was reflected in 1021 certificates issued, with a clear trend of higher level results compared to the national average. More than 4,500 people have either obtained their NCRC or are in skills development training to improve their workplace skills. See Table 6 for details of these testing results.

NCRC Results	Platinum	Gold	Silver	Bronze
Nationwide	0.45%	19.81%	53.84%	24.87%
South Dakota	2.16%	45.22%	46.29%	6.33%

Table 6 - Achievement Levels for National Career Readiness Certificates.

Labor Market Information Center

The Labor Market Information Center (LMIC) collects, analyzes and provides public information on the labor market of the state. This includes employment levels, unemployment rates, wage data, estimates of available labor, employment projections, business staffing patterns and career and educational program planning information. Among those who use our information are employers, educators, economic developers and training program planners.

LMIC also provides special workforce studies when requested. These studies include economic impact reports of new or expanding businesses and workforce availability reports for the DLR local offices. These reports provide detailed data regarding the availability of workers for new businesses and proposed business expansions.

Most LMIC activities are funded by the U.S. Department of Labor, including grants from the Bureau of Labor Statistics (BLS) and the Employment and Training Administration (ETA). Special workforce projects are also conducted on a contract basis with other state agencies as needed.

During calendar year 2011, the LMIC handled over 19,000 requests for information, including the distribution of over 67,000 publications to our users.

Foreign Labor Certification

Foreign Labor Certification (FLC) is the process by which employers can request workers from outside the United States, i.e. foreign nationals. These workers occupy positions employers have been unable to fill with a sufficient number of available and able U.S. domestic workers. Currently, the federal Department of Labor requires states to administer the H2A, or temporary agricultural program. The other FLC programs of H2B (temporary non-agricultural) and Permanent visa programs are currently administered solely by the U.S. Department of Labor. States are involved minimally with the latter two programs.

During fiscal year 2010 (FY10), the last year complete federal disclosure data was available, the South Dakota Department of Labor and Regulation (DLR), saw the following activity;

- 94 agricultural applications were filed by South Dakota agriculture employers. This was a 8% decrease in applications filed from FY09.
- 473 openings were requested to be filled by H2A foreign workers. This was a decrease of 9% from FY09.
- 7 H2A applications were either withdrawn or denied by the USDOL in FY10.
- The H2B program in South Dakota had 67 applications filed in FY10. This was a decrease of 19% from FY09.
- 1,268 H2B foreign workers were requested through the application process. This was a 32% decrease from workers certified to work in FY09.
- 9 H2B applications were either withdrawn or denied by the USDOL in FY10.

Most H2A activity in South Dakota is distributed mainly east of the Missouri River on farms and ranches around the eastern portion of the state. Most H2B activity is localized to the Black Hills area where seasonal tourism-related jobs are prevalent. Other H2B activity can be found elsewhere in South Dakota, especially along the I-90 corridor where tourism-related seasonal help is needed for employers along the major route leading into the Black Hills.

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 7); the Work Opportunity Tax Credit (WOTC) program (Table 8); and department project management of Information Technology (IT) projects.

SCSEP

SCSEP is a joint program handled by DLR 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 113 participants.

Veterans' Services

Every DLR 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 2011, 70,245 job listings were posted, and 48,798 job seekers self-referred to these listings using SDWORKS. To make the system more user-friendly, a number of enhancements have been made to the job-seeker portion and the employer portion of the website.

WOTC

The WOTC program (Table 8) continued its stellar performance during the fiscal year, producing 3,643 certifications, up 309 certifications from 2010. The program saved South Dakota employers \$9,027,600 in tax credits.

Veterans' Services		2010	2011
Veteran	Entered Employment Rate	57%	59%
	Employment Retention Rate	79%	79%
Disabled Veteran	Entered Employment Rate	54%	53%
	Employment Retention Rate	80%	77%

Table 7 - Veterans' services for program years 2010 and 2011 (as of December 1).

Workforce Opportunity Tax Credit	2010	2011
Certifications	3,334	3,643
Denied Applications	3,057	3,134
Pending Applications	139	1,025
Total Applications	6,530	7,802
Acceptance	51%	47%
Tax Dollar Savings	\$8,300,400	\$9,027,600

Table 8 - Workforce Opportunity Tax Credit activities for federal fiscal years 2010 and 2011 (October 1 through September 30).

Temporary Assistance for Needy Families (TANF)

DLR 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. DLR delivers the TANF work activities in 54 counties that contain 56 percent of the eligible mandatory parent-case population.

TANF Performance Measures		2010	2011
TANF Applicants (mandatory, from DLR counties)		4,316	3,910
Caseload	Monthly Average	570	617
	DLR's Statewide Share	55%	56%
Employment	Job Entries	870	939
	Share of Statewide Job Entries	80%	83%
	Job Entries with medical benefits	26%	25%
	Share of the statewide job entries with medical benefits	98%	90%
Average Starting Wage		\$8.06/ hour	\$8.40/ hour

Table 9 - Temporary Assistance for Needy Families activities for fiscal years 2010 and 2011 (July 1 through June 30).

DLR strives to improve the TANF participation rate because it is the principal performance outcome mandated by the U.S. Department of Health and Human Services. The federal government requires every state to achieve a 50 percent participation rate in order to receive full TANF block grant funding. This year, DLR maintained a respectable 53 percent participation rate for the TANF clients living in the South Dakota.

DLR continues to provide individualized intensive case management to all TANF households. We place a high priority on strengthening partnerships with community organizations. In cooperation with WIA programs, TANF has taken full advantage of opportunities to leverage program dollars so we can help as many eligible South Dakota families as possible. We aggressively promote education and job training.

Some of DLR's innovative TANF projects include:

- A comprehensively managed worksite/skill development center.
- A TANF disability advocate.
- A designated life skills coach works with individuals and small groups of TANF clients.
- A workplace English project.
- DLR has a strong and effective welfare diversion program. Last year we were able to help an average of 92 TANF clients each month to avoid being approved for TANF cash assistance because of the diversion process.
- DLR is exploring ways to start a subsidized employment program where we will find private sector employers who are willing to "try-out" TANF recipients for a brief period of time.

Employment Services

Mission Statement

To achieve a skilled workforce contributing to economic development by effectively and respectfully serving businesses, job seekers, and community partners through innovative workforce development solutions and serving as an information resource.



Michael L. Ryan,
Employment Services
Director

Major Goals

- Ensure services are demand-driven and aligned with economic development.
- Build and encourage collaborative partnerships.
- Sustain development programs to increase knowledge and foster leadership of Division staff.
- Promote branding and expand awareness of programs and services.
- Increase effectiveness of available resources.

Summary

Every year the trained professionals of the DLR Local Offices assist close to 31,000 job seekers and employers with their employment needs. Each office has resources for both job seekers and employers. We help job seekers identify opportunities, prepare for interviews and obtain productive employment. We also help employers locate and hire the workers they need to grow their organizations.

The DLR Local Offices also administer 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 10 through 13. On average state-wide, we met or exceeded goals for the number of job seekers, the average wage of successful job seekers and the number of disabled veterans retaining employment. We were able to reach 117.2 percent of our job listing goal. Several DLR Local Offices met their annual objectives, but were unable to bring the statewide average to the desired level.

Job Search Assistance Program

The Job Search Assistance Program (JSAP) is continuously being revitalized. This important workshop is for individuals recovering from job loss or enhancing their job search skills. Trained instructors speak on modern-day techniques used to successfully find employment. Formal presentations focus on all aspects of the job search process, from developing job leads to job retention. JSAPs provide job seekers the opportunity to talk candidly about their personal job searching successes and difficulties, while offering assistance and renewed optimism.

The contents of JSAP workshops are reviewed and analyzed throughout the year. Evaluations are distributed to participants and their responses are recorded and reviewed. With the help of South Dakota Public Broadcasting (SDPB), a customized video, "Keys to Successful Interviewing" was produced to increase the retention of material.

DLR Local Office	Participants Served				Job Openings Received			
	2010	2011 Goal	2011	% of Goal	2010	2011 Goal	2011	% of Goal
Aberdeen	5,806	5,900	5,927	100.5%	8,040	8,000	9,063	113.3%
Brookings	7,886	6,000	6,181	103.0%	3,320	3,300	4,732	143.4%
Hot Springs	1,487	1,500	1,471	98.1%	2,002	2,000	1,907	95.4%
Huron	3,174	3,200	3,086	96.4%	2,306	2,300	2,910	126.5%
Madison	2,580	2,600	2,593	99.7%	1,442	1,400	1,788	127.7%
Mitchell	3,572	3,600	3,773	104.8%	2,447	2,450	3,251	132.7%
Mobridge	1,115	1,200	1,178	98.2%	1,211	1,200	1,266	105.5%
Pierre	3,253	3,500	3,331	95.2%	3,214	3,250	3,296	101.4%
Pine Ridge	2,422	2,400	2,488	103.7%	1,111	1,150	1,193	103.7%
Rapid City	16,371	16,500	15,903	96.4%	8,830	9,000	9,388	104.3%
Sioux Falls	22,381	22,000	22,055	100.3%	11,841	12,000	14,580	121.5%
Spearfish	6,908	6,900	7,424	107.6%	3,019	3,100	3,394	109.5%
Vermillion	3,579	3,600	3,818	106.1%	2,989	3,000	3,851	128.4%
Watertown	7,901	7,700	7,633	99.1%	3,925	4,000	4,707	117.7%
Winner	1,252	1,250	1,281	102.5%	1,081	1,050	1,143	108.9%
Yankton	4,280	4,300	6,611	153.7%	2,732	2,750	2,910	105.8%
Statewide	95,194	92,150	95,172	103.3%	59,688	59,950	70,245	117.2%

**Table 10 - Employment Services performance measures for fiscal years 2010 to 2011
(July 1 through June 30)**

Challenges and Accomplishments

Customer traffic to local offices increased throughout the state due to the downturn in the economy. In order to provide the best services possible, staff worked to continuously improve their data entry processes, increase partner program connections and enhance service delivery methods. This was accomplished through a renewed commitment to staff training resources.

DLR Local Offices administer REA (Reemployment Eligibility Act) and RES (Re-employment Services) programs. RES is designed to provide intensive DLR services to Unemployment Insurance (UI) claimants. The goals of REA are to enhance the rapid reemployment of unemployed workers, eliminate potential overpayments and realize cost savings for the UI Trust Fund.

Professional development of Employment Service's staff is a focus for 2012. We will emphasize classroom instruction, work-based learning and networking opportunities to help staff become employment experts. Success in these areas will be vital to returning our state economy to its previous productivity and growth.

DLR Local Office	All Veterans				Disabled Veterans			
	Entered Employment		Employment Retention		Entered Employment		Employment Retention	
	Goal	2011	Goal	2011	Goal	2011	Goal	2011
Aberdeen	62%	58%	83%	85%	58%	62%	82%	91%
Brookings	61%	64%	83%	78%	50%	57%	85%	67%
Hot Springs	55%	51%	79%	77%	50%	58%	82%	73%
Huron	55%	67%	85%	83%	61%	60%	85%	56%
Madison	72%	68%	85%	87%	68%	64%	85%	88%
Mitchell	64%	66%	85%	88%	50%	58%	85%	83%
Mobridge	50%	55%	80%	78%	50%	100%	75%	50%
Pierre	61%	60%	85%	78%	60%	46%	81%	85%
Pine Ridge	50%	35%	65%	67%	50%	0%	75%	0%
Rapid City	59%	59%	81%	77%	57%	51%	80%	73%
Sioux Falls	64%	64%	80%	82%	61%	59%	83%	78%
Spearfish	58%	54%	79%	76%	55%	68%	78%	70%
Vermillion	57%	57%	80%	83%	50%	33%	75%	92%
Watertown	55%	54%	82%	76%	50%	39%	82%	83%
Winner	50%	41%	76%	67%	68%	17%	75%	33%
Yankton	63%	60%	80%	74%	70%	44%	78%	81%
Statewide	61%	59%	81%	79%	55%	53%	80%	77%

Table 11 - DLR Local Office veterans' service goals and achievements for fiscal years 2010 to 2011 (July 1 through June 30)

Success Stories

James is an older worker and veteran, receiving unemployment insurance. James has been coming in to the SDDLH Huron Office to work on Mavis Beacon. He has done janitorial work at the County Courthouse and a few other employers for about 30 years. An employer emailed staff saying they were going to be looking for a person to clean James River Equipment and asked if staff knew of anyone who could help. The employer's current cleaning staff wasn't working out for them and they were looking for a replacement. James was contacted and asked if he was interested in applying for this position. He was. He interviewed with them and was hired to work 15 hours a week at \$10.00 an hour.

DLR Local Office	Entered Employment		Employment Retention		6 Month Average Earnings	
	Goal	2011	Goal	2011	Goal	2011
Aberdeen	67%	64%	82%	81%	\$11,500	\$11,533
Brookings	58%	63%	79%	77%	\$13,500	\$12,934
Hot Springs	60%	62%	77%	75%	\$9,900	\$10,565
Huron	62%	62%	83%	82%	\$11,400	\$11,180
Madison	62%	63%	84%	84%	\$10,700	\$11,148
Mitchell	67%	69%	83%	81%	\$10,600	\$10,904
Mobridge	55%	53%	75%	73%	\$11,400	\$11,088
Pierre	65%	66%	81%	79%	\$10,700	\$10,567
Pine Ridge	50%	31%	62%	56%	\$8,900	\$9,295
Rapid City	62%	60%	79%	75%	\$11,000	\$11,217
Sioux Falls	65%	62%	79%	78%	\$11,600	\$11,691
Spearfish	66%	63%	82%	79%	\$11,300	\$10,915
Vermillion	63%	60%	76%	72%	\$11,500	\$11,422
Watertown	59%	59%	81%	79%	\$10,600	\$11,352
Winner	58%	53%	79%	74%	\$10,100	\$10,329
Yankton	64%	61%	80%	77%	\$10,900	\$12,934
Statewide	64%	60%	82%	77%	\$11,200	\$11,480

Table 12 - Field Office employment goals and achievements for fiscal years 2010 to 2011 (July 1 through June 30)

Gordon was laid off on February 28, 2009 due to economic conditions. He was enrolled as a Stimulus Dislocated Worker in May 2009. He was also a SNAP Program recipient, a single parent of a 5-year-old boy, and lived in Summit, SD. That summer, in coordination with Lake Area Technical Institute, we offered Beginning, Intermediate and Advanced Computer Numeric Control Courses. Gordon successfully completed all three courses. Staff decided he could benefit from additional education and training. He toured Lake Area Technical Institute and decided upon the Energy Systems Technician program. The program was full and he was put on a waiting list. He decided, upon consultation with his summer CNC instructor, to enroll in the Robotics/Electronics Systems Technology for the Fall Semester 2009.

Gordon graduated in May 2011 in Electronic Systems Technology with a GPA of 3.958. He had one "B" amongst all "A"s for the two year program. He had not been in a "school" setting for over

30 years. The Workforce Training program provided additional supportive services in the areas of transportation and day care assistance during his training and in his job search. In July, he was interviewed by Daktronics (Brookings, SD) for several positions available within the company. He was offered and he accepted a position as a Process Technician with the starting wage is \$17.00 an hour. He started August 8.

Jonathon started working with the Career Learning Center and was enrolled in WIA on 12-3-08. His goal was to obtain a GED. Staff worked with him and his girlfriend **Whitney**, who was also enrolled in WIA at the time. These two were literally “inseparable.”. They did everything together: getting their GED’s, going to Oglala Lakota College (OLC), doing a work experience together, living together, and having a child together.

Jonathon’s background was not good. Before age twelve, he was in trouble with the law and spent much of his youth incarcerated at one time or another. His Mother is bi-polar and Jonathon’s life was in constant turmoil, even when he became an adult.

He shared his life experiences with staff and consistently re-iterated his want for a better life as an adult than what he had as a child. He was determined to do whatever was necessary to succeed.

Jonathon and Whitney were both attending OLC and really struggling. They were living week to week in a motel, as they had no other place to live and had no transportation so had to walk everywhere they went. Since they were attending OLC, DLR could not help fund their schooling but a work experience was set up with the Salvation Army for both Whitney and Jonathon to help them out financially and to develop their work skills. Whitney was very, very shy and had never worked a day in her life. Whitney worked the stock and Jonathon would work the dock area, receiving donations and loading people’s vehicles with items.

Jonathon worked from February to May 2010 at the Salvation Army. He was a young man with many responsibilities, including a baby on the way. He felt he needed to quit college to look for a full-time job with better pay than minimum wage. He struggled looking for work. In June he got “scammed” by taking a sales job for Cutco. He finally landed a job with Wendy’s in January, 2011, where he worked for 7 months. Jonathon took a job as an independent sales person selling beef. He loves his job and his doing very well. He has been paying his bills off and is looking forward to having extra money available.

Whitney has continued to stay with the Salvation Army. She was offered a permanent job, moved into a cashier position and really likes it. Although Whitney had to drop out of college as well, the two seem very happy and are grateful for the jobs they have in this tough economic times and for the assistance and help they received through WIA.

Dakota Roots

Dakota Roots is the Department of Labor and Regulation’s action plan for enhancing workforce development. It connects individuals wanting to move to South Dakota with available career opportunities. Dakota Roots joins citizens, business leaders, and state government in an effort to grow the South Dakota workforce.

Promotional Efforts

Hunters Welcome

Informational outreach activities were targeted at out-of-state hunters. DLR’s local office staff throughout the state participated in events to welcome hunters, such as the Sioux Falls Regional Airport’s Hunters Welcome. Marketing materials were delivered to hotels, lodges, airports, convenience stores, and more to reach this audience. In addition, local Chambers of Commerce and Convention and Visitor Bureaus partnered with us by including information in their welcome packets.

Participant Survey

A survey of Dakota Roots job seekers was conducted in November 2008 and again in October 2011 to identify their needs and ways to improve the program. Survey items included: why they want to relocate to South Dakota, what obstacles are preventing them from relocating, what salary threshold they require to relocate, what other information they need to make a relocation decision, and how they heard about Dakota Roots.



Refreshed Image

The Dakota Roots logo and collateral materials were refreshed. The website was re-skinned and now features a message from Governor Daugaard and includes information about working and living in South Dakota. Dakota Roots was also highlighted on the State and DLR websites.



Home for the Holidays Campaign

An eight-week print, online, and TV campaign was created to target family and friends who are home for the holidays. The message encouraged people to use the Dakota Roots website to find a career and make South Dakota their home.

Statistics

	2006*	2007	2008	2009	2010	2011**	Total
Entered Employments	19	278	581	409	391	419	2,097
New Registrations	154	1,524	2,079	2,128	2,128	2,344	10,357

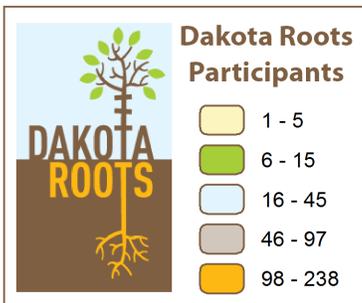
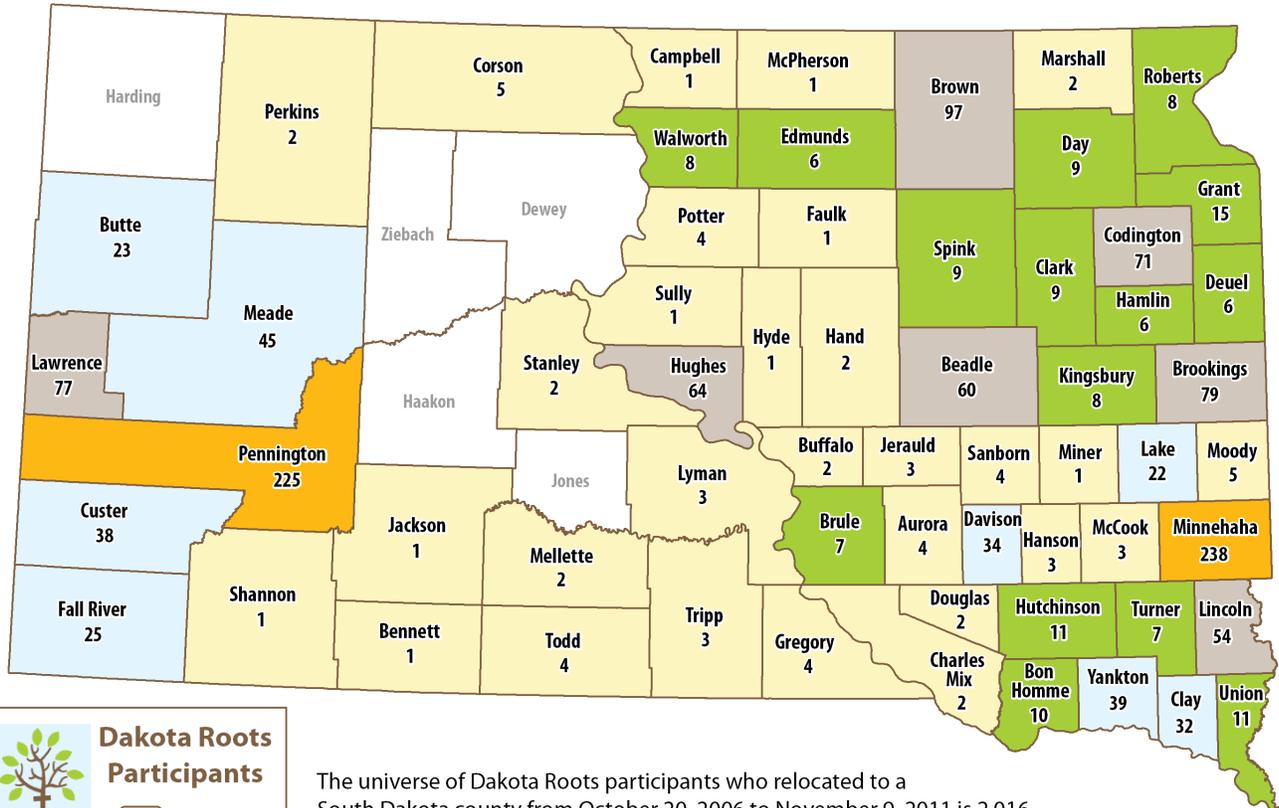
Table 13

*Dakota Roots was launched on October 20, 2006.

**Total through November 30, 2011.

Dakota Roots Participants' Relocation by South Dakota County

October 20, 2006 to November 9, 2011



The universe of Dakota Roots participants who relocated to a South Dakota county from October 20, 2006 to November 9, 2011 is 2,016.

Because the addresses of 593 Dakota Roots participants have not yet been updated to South Dakota addresses, the map designates the residence of 1,423 participants.



Source: SDWorks and the Labor Market Information Center, South Dakota Department of Labor and Regulation, November 2011

Top 10 States of Entered Employment

1.	Minnesota	374
2.	North Dakota	165
3.	Nebraska	160
4.	Iowa	116
5.	Colorado	99
6.	Wyoming	74
7.	California	68
8.	Texas	68
9.	Wisconsin	65
10.	Montana	54

Interesting Facts

- The average age of job seekers is 36 years old.
- Job seekers have registered from all 50 states, plus Washington, D.C., Puerto Rico, Germany, the Netherlands, Guam, and the United Kingdom.
- Job seekers have moved to South Dakota from every state except Connecticut.
- The top cities job seekers are moving to are Sioux Falls, Rapid City, Aberdeen, Brookings, Pierre, Watertown, Spearfish, Yankton, Mitchell, and Huron.
- The top occupations job seekers are entering include accounting, customer service, education, healthcare, production laborer, and food service.

Unemployment Insurance

Our division administers the department's Unemployment Insurance (UI) 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 overpayments and fraud.



Pauline Heier,
Unemployment Insurance
Division Director

Mission Statement

To provide economic support to workers and protect the interests of workers and businesses by determining UI eligibility and liability, collecting taxes, making payments, and ensuring compliance all through exceptional service.

Major Goals

- Provide exceptional customer service.
- Meet and exceed performance standards.
- Promote staff development.
- Increase awareness.
- Leverage technology.

Performance

The Division's Performance measures (Table 14) the past two years reflect the impact of the economic recession on South Dakota's workforce. This year saw an approximate decrease of 4,500 in the number of "additional" applications for benefits received for processing. Individuals receiving benefits decreased dramatically from 2010 to 2011. Because individuals are having more success finding new jobs, the total number of weekly payments decreased significantly. Total dollars paid out decreased by nearly \$26 million.

Benefits		2010	2011
Applications for Benefits		31,172	26,725
Total Number of Weekly Payments		224,141	163,205
Number of Individuals Who Received Benefits		14,471	11,509
Dollars Paid Out	State Benefits	\$55,170,000	\$39,933,738
	Federal Claims	\$32,100,000	\$20,860,442
	Total	\$87,270,000	\$60,794,180
Average Number of Weekly Payments per Claimant		15.2	14.2
Maximum Weekly Payment		\$314	\$323
Average Weekly Payment		\$254	\$250

Table 14 – Unemployment Insurance benefits for fiscal years 2010 and 2011 (July 1 through June 30).

Integrity Systems	2010	2011
Amount of Benefit Overpayment Debt	\$1,878,558	\$2,031,716
New Overpayment Cases	2,985	3,250
Percent of Cases Involving Fraud	29.3%	36.0%
Dollar Amount of Overpayment Fraud	\$550,823	\$731,557
Cases Investigated	30,198	26,958
Dollar Amount Collected Back	\$869,681	\$1,000,200
Number of Collection-Related Correspondence Items	6,366	9,394
Number of Civil Actions	943	1,641
Convictions Obtained	1	3
Cases Pending	8	13

Table 15 – Unemployment Insurance integrity systems performance measures for fiscal years 2010 and 2011 (July 1 through June 30).

Integrity Systems

Our overpayment and fraud section is responsible for reducing instances of overpayment, fraudulent or otherwise, and collecting these monies from claimants. As evident in Table 15, during the past fiscal year, the amounts in nearly every measured category increased. We continued in our efforts to minimize overpayments and fraud, investigating a larger number of cases and increasing the dollar amount recovered.

Challenges of 2011

Our primary challenge of 2011 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 make high-quality decisions, issue timely payments, respond to telephone inquiries and provide good customer service as the large number of UI claims was sustained throughout the year.

The UI Trust Fund experienced a highly unusual year (Table 17). The Trust Fund balance continued to increase from \$15.9 million on June 30, 2010 to \$28.2 million on June 30, 2011.

The income from the fund's investment portfolio increased dramatically from that in the previous year and the number of employers paying into the system has increased slightly. Nevertheless, the ending balance for the year was \$28.2 million, a distinct improvement.

Tax Administration/New-Hire Reporting	2010	2011
Delinquent Notices	8,129	7,199
Subpoenas to Non-Compliant Employers	352	333
% Status Determinations Made Within 90 Days	79.4%	83.0%
New-Hire Reports	157,290	166,587

Table 16 – Unemployment Insurance tax administration and new hire reporting for fiscal years 2010 and 2011 (July 1 through June 30).

Unemployment Insurance Trust Fund	2010	2011
Taxes Received for Regular State Benefits	\$55,790,229	\$54,263,141
Interest on Trust Fund	\$291,600	\$1,001,304
Trust Fund Balance (end of year)	\$15,939,580	\$28,212,514
Number of Employers (end of year)	25,511	25,526

Table 17 – Unemployment Insurance trust fund for fiscal years 2010 and 2011 (July 1 through June 30).

Labor and Management

Mission Statement

To responsively provide dispute resolution and help people through investigations, enforcement, compliance, and education of workforce and discrimination laws.

Major Goals

- Provide informational outreach.
- Provide effective service.
- Provide for staff development.
- Use technology efficiently.



James Marsh
Labor and Management
Division Director

The Labor and Management division carries out both the letter and spirit of the laws we enforce, and provides expert information in the areas of our responsibility. The level of the division’s hearing, settlement and human rights activities cycle considerably from year to year, and were down somewhat in 2011.

Responsible for administering South Dakota’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 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

Hearing and Settlement Activites	2010	2011
Workers’ Compensation Hearings	24	20
Grievance Hearings	14	7
Unfair Labor Practice Hearings	3	0
Elections	1	1
Unit Determinations	1	0
Impasse Conciliations	8	9
Fact Findings	4	3
Mediations	80	56
Conference Calls	172	133

Table 18 - Hearing and settlement activities for calendar years 2010 and 2011 (as of December 1).

Workers' Compensation

Workers' compensation (Table 19) injuries are expected to increase compared to 2010. The reason for this increase has not been identified. The Division's dispute resolution, regulatory enforcement and investigation activities remained similar to previous years.

Unemployment Appeals

Unemployment appeals levels (Table 21) have returned to their more customary numbers. They have decreased from historic highs in recent years. The appeals unit exceeded the federal standards for issuing decisions within 30 days of a petition as well as cases awaiting decision, while continuing to exceed federal standards for hearing quality.

Workers' Compensation Activities		2010	2011
Pre-hearing Conferences Held		125	103
Agreements Approved	States Files	131	102
	Hearing Files	169	112
Permanent Partial Disabilities Approved		726	506
First Report of Injuries Received		21,705	20,609
Money Collected	Searches, copies, mailing	\$68,026	\$75,692
	Wage & Hour	\$64,736	\$41,903

Table 19 - Workers' compensation activities for calendar years 2010 and 2011 (as of December 1).

Human Rights Activities	2010	2011
Potential Discrimination Charges	335	263
Requests for Information	175	178
Intakes of Discrimination Complaints	219	127
Investigations Opened	109	72
Investigations Closed	118	71
EEOC Transfers	41	17
Money Collected for Charging Parties	\$73,335	\$0

Table 20 - Human rights activities for calendar years 2010 and 2011 (as of December 1).

Unemployment Appeals	2010	2011
New Filings	2,327	1,271
Cases Ruled on or Dismissed	2,260	1,376
Percent Cases Decided Within 30 Days	62%	84%
Cases Awaiting Decision	143	77

Table 21 - Unemployment insurance appeals for calendar years 2010 and 2011 (as of November 1).

Insurance

Mission Statement

To protect the public and make insurance available and affordable by efficiently providing quality assistance, providing fair regulation for industry, and promoting a healthy, competitive insurance market.

Major Goals

- Identify staff training opportunities.
- Maintain and enhance public outreach.
- Optimize technology.
- Leverage available resources.
- Maintain state-based insurance regulation.



Merle Scheiber,
Insurance Division Director

Summary

The Division of Insurance regulates and licenses the insurance industry in South Dakota and is comprised of two main programs: Financial and Licensing, and Regulation.

Duties of the Division include:

- Provide regulatory oversight to protect South Dakota policyholders against financial loss due to inappropriate business practices and/or insolvency of insurance companies.
- License resident and non-resident agents and insurance companies.
- License and registration of other insurance entities.
- Auditing licensees and registrants for compliance with existing statutes and regulations.
- Review property/casualty/life/health company rates, rules and form filings for compliance.
- Investigate and act on consumer complaints.
- Take appropriate enforcement actions with respect to licensees and registrants.
- Review and approve of continuing education programs for agents and companies.

Performance Indicators		2010	2011
Total Licensed/Domestic Companies		1,439/44	1,435/44
Domestic Companies Financial Exams		9	7
Company Market Conduct Exams		3	5
Companies Licensed/Approved Mergers		17	21
Agent Licenses Issued		15,757	12,425
Agent Appointments Issued		53,780	55,240
Agent Licenses Renewed		33,394	19,446
Renewed Appointments		199,824	195,225
Agent Appointment Cancellations		56,557	43,202
Property/Casualty Filings Reviewed		7,022	6,751
Life/Health Filings Reviewed		3,028	3,550
Consumer Complaints Closed		805	854
Enforcement/New Open Files		835	971
Enforcement/Closed Files		834	981
Continuing Education	Agents Paying License Renewal	7,022	0
	Agents Exempt	202	278
	Courses Reviewed	722	759
Subsequent Injury Fund	New Claims	14	3
	Claims Paid	70	87
	Dollars Paid	\$3,864,381	\$1,274,688

Table 22 - Insurance Division Performance Indicators
Annual Report 2011

Year in Review

2011 was a year of opportunity and change for the Division of Insurance. The insurance industry offers many different types of products in which one or more are changing. The Division strives to evolve with the ever changing insurance market environment. A major realignment of department functions in response to these industry changes and the needs of South Dakota consumers also occurred in 2011. This change allowed for greater concentration of internal resources to specific products, with a greater focus on product knowledge. These changes allowed for several management changes within the current staff designed to maximize the employee talent, work flow efficiency and staff morale.

Revenues		2010	2011
Total General Funds Collected		\$61,455,130	\$63,327,650
Fees (Insurance Operating Fund)	Admissions	71,014	48,243
	Company Renewal	85,160	82,780
	Agent Licensing/Renewal	5,852,295	6,646,610
	Exam Fees	14,340	28,026
	Miscellaneous and Legal	13,635	14,608
	Retaliatory/Filing	1,059,717	1,167,672
	Administrative Penalties	177,594	137,969
	Lists and Labels	2,970	1,390
	Certification Letters	4,780	4,970
	Investment Council Interest	48,607	47,832
	Course Approval	22,300	39,866
Subsequent Injury Fund	Sub-Injury Fund Assessment	3,291,788	3,317,644
	Investment Council Interest	90,498	95,529
Continuing Education Fund	Agent Renewal Fees	63,955	325
Special Collections for Workers' Compensations	Policy Fee (Transferred to USDOL)	328,575	276,425
	Examination Fund (effective 7/1/97)	438,200	835,068
	Investment Council Interest	14,673	7,214
Federal Grants		0	84,012
Total		\$79,975,231	\$76,163,833

Table 23 - Insurance Division Performance Revenues

Accomplishments

- Passage of legislation streamlining our managed care statutes.
- Initiating the legislation, rules and bulletin necessary to retain state based regulation of health insurance.
- Integrating Labor and Management processes into DOI electronic systems.
- Passage of legislation enabling state to become compliant with federal surplus lines laws.
- Making the collections of examination assessments more efficient through enabling legislation.
- Issued temporary rules for victims of flood insurance to help maintain their insurance coverage and protect their property that was moved.

Banking

Mission Statement

The primary mission of the Division of Banking is to charter, license, regulate, supervise, and provide guidance to South Dakota financial entities in order to instill consumer confidence, protect consumer interests, and promote economic stability through a common sense, efficient, and risk-focused approach.

Major Goals

- Create, sustain, and enhance a stable and experienced staff.
- Provide better coverage of non-banks.
- Enhance state regulation and supervision.
- Improve efficiencies.
- Evaluate Community Banking Model.



Bret Afdahl,
Banking Division Director

Our Division continued to push forward this year as we chartered and examined banks and trust companies. We also licensed money lenders, money transmitters, mortgage lenders, mortgage brokers and mortgage loan originators. As the industry we serve progresses, so must the Division of Banking by implementing new standards set by the Federal Government.

Our goals are to continue to provide services while becoming more efficient. We are exploring the possibility of online examinations to develop and implement an enhanced examination system for licensees. We must continue to be educated, provide solutions to meet future challenges and keep the public and our institutions informed. In addition, we will strive to improve our application and renewal process.

Revenues	2010	2011
Bank Examination	\$1,288,774	\$1,318,015
Trust Company Examination Fee	94,918	149,375
License Fees	451,793	505,430
Trust Company Supervision Fee	244,464	330,932
Investment Council Interest	14,393	14,348
Miscellaneous	29,159	24,244
Trust Company Charter Fees*	60,000	45,000
Totals	\$2,178,763	\$2,387,344

*Deposited in general funds.

Table 24 - Comparison of revenues by category for fiscal years 2010 through 2011.

Performance Indicators	2010	2011
Applications	31	19
Banks Examined	23	20
Trust Companies Examined	21	13
Licenses Issued or Renewed	953	1,090
State-chartered Banks	63	61
State-chartered Trust Companies	51	57
Bank Assets	\$18,320,000,000	\$18,591,419,000
Trust Assets	\$57,315,953,000	\$75,526,500,000

Table 25 - Performance Indicators for fiscal years 2010 through 2011.

Securities

Mission Statement

The mission of the Division of Securities is to protect investors of securities products, franchises and business opportunities by investigating complaints, conducting examinations, enforcing anti-fraud provisions, ensuring investments sold meet standards of full disclosure and providing investor education.

Major Goals

- Investigate complaints and conduct examination at maximum efficiency.
- Develop an organization development plan.
- Comply with federal law.
- Enhance investor education.



Michael J. Youngberg,
Securities Division Director

Challenges and Accomplishments

Passage of the Dodd-Frank Act at the federal level, the subsequent implementation of federal securities rules and the impact on state securities laws and rules continues to be one of the biggest challenges for the Division.

While the federal act has not changed our mission, it has expanded the workload of the Division, primarily by preparing for the “switch” in supervision of mid-sized investment advisers (those with \$25 to \$100 million in assets under management) from the Securities and Exchange Commission (SEC) to the State Securities Regulators. A total of 3,200 investment advisers will transition from the SEC to the individual State Securities Regulators. For the South Dakota Division of Securities, this means an increase of just over 15% in investment advisers under our supervision (including compliance examinations).

Performance Indicators	2010	2011
New Securities Applications	54	52
Extensions and Amendments	63	65
Private Placement	0	5
Other Exemptions	299	311
Investment Company Notice Filings – New	2,859	3,264
Investment Company Notice Filings – Total	20,607	21,000
New Franchise Applications	216	183
Franchise Registrations Total	756	730
Franchise Exemptions	0	0
Franchise Applications Withdrawn	209	204
Franchise Extensions	669	567
Business Opportunities - New	3	1
Business Opportunities - Total	4	3
Broker-Dealers Licensed	1,323	1,305
Broker-Dealer Agents Licensed	60,975	75,621
Investment Advisers Licensed	33	33
Investment Adviser Agents Licensed	1,287	1,417
Investment Advisers Notice Filing	699	773
Investigations	168	169
Compliance Examinations	44	14
Administrative Orders Issued	95	69
Opinions Requested	2	8

Table 26 - Performance Indicators for fiscal years 2010 through 2011

Revenues	2010	2011
Securities Registration Fees	\$57,375.00	\$60,250.00
Franchise Registration Fees	\$139,750.00	\$128,900.00
Business Opportunity Fees	\$400.00	\$50.00
Securities Opinion Fees	\$100.00	\$400.00
Investment Company Notice Fees	\$18,104,950.00	\$18,724,925.00
Agent Licensing Fees	\$9,995,125.00	\$11,595,600.00
Broker-Dealer Licensing Fees	\$204,900.00	\$207,750.00
Investment Advisor Fees	\$3,700.00	\$3,900.00
Investment Advisor Agent Fees	\$83,250.00	\$90,950.00
IA Notice Filing Fees	\$145,000.00	\$150,300.00
Miscellaneous	\$11,217.00	\$10,220.00
Investment Council Interest	\$139,843.00	\$140,549.19
Private Placement/Reg. D	\$75,975.00	\$129,925.00
Fines Collected	\$693,060.00	\$23,700.00
Total Revenues	\$29,654,645.00	\$31,267,419.19

Table 27 - Revenues for fiscal years 2010 through 2011

Administrative Services

Mission Statement

To provide timely and expert fiscal support, information, accounting, printing, purchasing, and property management to DLR staff and partner agencies to achieve Department, State, and Federal requirements.

Major Goals

- Create staff development opportunities.
- Develop proactive and innovative solutions.
- Stay informed of technology advancements.
- Remain the industry experts.



Lyle Harter,
Administrative Services Director

Income/Expenses

Most categories of department income showed modest gains (Table 28), with the exception of unemployment insurance and American Recovery and Reinvestment Act (ARRA). The Unemployment Insurance Trust Fund employer contributions decreased slightly in 2011.

Departmental expenditures for personnel and operations this year (Table 29) reflect both our continued efforts for greater efficiencies and the lack of wage increases for state employees during the year. We show a decrease in funds for client services as a result of the decrease in ARRA funds. The level of payouts from the Unemployment Insurance (UI) Trust Fund decreased by 14% in 2011.

Department of Labor and Regulation Fund Sources		2010	2011
General Funds (state general fund appropriation)		\$872,003	\$876,167
Federal Funds	Federal Grants	\$28,398,252	\$28,589,600
	ARRA Stimulus Funds	\$6,426,630	\$3,140,161
Other Funds (licensing board & workers' compensation fees)		\$2,977,570	\$2,981,726
Total		\$38,674,455	\$35,587,654
Unemployment Insurance Trust Fund	Employer Contributions	\$55,790,229	\$54,263,141
	Federal Grant	\$32,080,460	\$20,860,442
DOL Retirement Plan Fund (employee/employer contributions & investment earnings)		\$51,549,554	\$59,870,226

Table 28 - Department of Labor and Regulation funding sources for fiscal years 2010 and 2011 (July 1 through June 30).

Retirement Fund

Formed before the creation of the South Dakota Retirement System, the DLR 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 (Table 29). 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. This year we have seen a minor recovery in the fund balance of approximately 16% (Table 28), primarily due to increased value of the investment portfolio.

Department of Labor and Regulation Annual Expenditures	2010	2011
Personnel	\$18,075,563	\$17,538,639
Operating Expenses	\$7,474,822	\$7,941,696
Job Training, Adult Education & Literacy Client Services	\$12,809,729	\$9,460,365
Total	\$38,360,114	\$34,940,700
Unemployment Insurance Benefits (state only)	\$55,174,455	\$39,933,738
DOL Retirement Plan, Retiree Benefits	\$3,519,544	\$3,711,929

Table 29 - Department of Labor and Regulation for fiscal years 2010 and 2011 (July 1 through June 30).

Summary

The department's overall financial situation is 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 continues to show 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.

Public Affairs

The Public Affairs unit supports the entire Department through a variety of functions, including communications, public relations and advertising, media relations, constituent services, legislative activity, and organizational development.



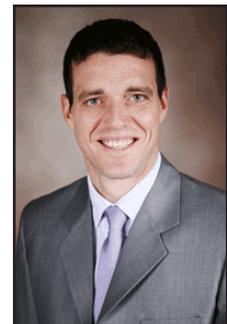
Dawn Dovre,
Public Affairs Director

2011 Highlights:

- Additional social media platforms were launched, including a Twitter account and YouTube channel. These will further educate the public of available programs and resources. Videos created included tips on interviewing and information on the National Career Readiness Certificate.
- Ongoing public relations efforts ensured proper and consistent branding of the new Department. This included transitioning websites, print publications, correspondence, and media materials to reflect the new name, Department of Labor and Regulation.
- Search engine optimization was a top priority as part of the governor's e-government initiative in order to help web users more easily locate content within the DLR website.
- Twenty success stories were submitted and published on the Workforce Investment Works website as part of the National Association of Workforce Boards' national storytelling campaign: http://www.workforceinvestmentworks.com/customer_successes.asp?st=SD&type.
- Strategic planning sessions were facilitated for each Division in order to create a specific mission statement, along with major goals, strategies, and objectives for the next four years.
- A review team met with staff of the Divisions of Insurance and Labor and Management to identify integration possibilities, streamline communication among staff, and create better efficiency.

Legal Services

Legal Services is charged with providing accurate and timely legal advice to the Department to ensure compliance with relevant state and federal government policies, rules, regulations and laws. In addition, DLR and its licensing boards and commissions are represented by this division in administrative and civil proceedings.



Nathan Lukkes,
Legal Services Director

Licensing Boards and Commissions

There are nine occupational and professional licensing boards and commissions within the Department of Labor and Regulation. These boards and commissions are charged with licensing and regulating the individuals practicing in each specific occupation or professions with the state of South Dakota. The Department provides general administrative and legal support to each of the boards and commissions.

Abstracters' Board of Examiners

The Abstracters' Board of Examiners is charged with administering and enforcing the South Dakota Codified Laws and Administrative Rules of South Dakota pertaining to Abstracters of Title.

The Board's mission is to issue abstracter's licenses to qualified applicants; to examine and license new title plants and those changing ownership to maintain quality and compliance; to monitor and ensure the quality of service provided by licensees; and to promote continuing education for licensees.

Appraiser Certification Program

The mission of the South Dakota Appraiser Certification Program is to certify, license and register real estate appraisers to perform real estate appraisals in the state of South Dakota pursuant to Title XI of the Financial Institutions Reform, Recovery and Enforcement Act (FIRREA).

The purpose of the Appraiser Certification Program is to examine candidates, issue certificates, investigate and administer disciplinary actions to persons in violation of the rules, statutes and uniform standards, and approve qualifying and continuing education courses.

Board of Accountancy

The mission of the South Dakota Board of Accountancy is to protect the citizens of South Dakota from receiving inadequate accounting services by licensing qualified accountant applicants, monitoring annual reporting requirements, continuing professional education and enforcement of updated statutes and rules promulgated by the Board to regulate the practice of public accountancy.

Board of Barber Examiners

The mission of the South Dakota Board of Barber Examiners is to protect the public consumers of barbershop facilities from unsafe and unsanitary conditions by regulating the licensing of barbers, enforcing sanitary operating procedures, and updating governing statutes, rules and regulations.

Board of Technical Professions

The South Dakota Board of Technical Professions is charged with protecting the life, health, safety, property and promoting the public welfare of the people of South Dakota by licensing and regulating architects, professional engineers, land surveyors, landscape architects and petroleum release assessors and remediators.

Primary responsibilities of the Board include the review of applications; administration of state and national examinations; licensing of qualified professionals; communicating with licensees and the public regarding the laws, rules and professional standards of practice of these professions; investigating complaints and disciplinary actions with hearings; restrict or revoke licenses when generally accepted standards of practice or conduct are not met; and continuing professional development to assure that those who practice the professions regulated by this Board attain and maintain competence in these professions.

Cosmetology Commission

The mission of the South Dakota Cosmetology Commission is to ensure the health and safety of our citizens as they use cosmetology, esthetics and nail technology services.

The Commission does this by examining and licensing qualified practitioners; conducting inspections of cosmetology, esthetics and nail salons, booths and schools; enforcing statutes, rules and regulations governing the practice of cosmetology, esthetics and nail technology, including consumer complaints; resolving complaints; and overseeing the educational process of cosmetology schools and licensees.

Board/ Commission Performance Indicators	Licenses Renewed		New Licenses		Total Practitioners		Examinations		Complaints		Inquiries	
	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011
Abstractors' Examiners	76	76	0	0	172	165	20	9	3	3	125	125
Appraisers	354	381	18	11	401	385	18	11	14	27	N/A	N/A
Accountancy	1,835	1,923	102	80	1,670	1,852	133	105	10	9	7,225	7,440
Barber Examiners	432	378	4	14	254	230	0	1	N/A	N/A	510	510
Cosmetology	6,971	7,116	1,042	1,001	5,359	5,399	335	319	13	14	16,600	16,900
Electrical	3,629	907	1,042	663	4,269	5,627	240	409	9	5	N/A	N/A
Plumbing	2,391	2,304	289	322	2,680	2,626	63	113	21	23	3,310	2,717
Technical Professions	2,784	3,097	617	499	6,539	6,620	343	371	30	15	809	987
Real Estate	2,460	1,930	260	219	4,395	3,772	403	330	32	33	65,280	64,280

Table 30 - Licensing board and commission performance measure for fiscal years 2010 and 2011 (July 1 through June 30)

Electrical Commission

The South Dakota Electrical Commission works to keep the citizens of our state and their property safe from the hazards associated with using electricity.

The Commission administers and enforces the state laws and regulations concerning electrical wiring, inspects wiring installations, investigates complaints related to electrical wiring and licenses all electricians within the state.

Plumbing Commission

The South Dakota Plumbing Commission works to keep the citizens of our state and their property safe from the hazards associated with unsafe drinking water and unsafe waste disposal facilities.

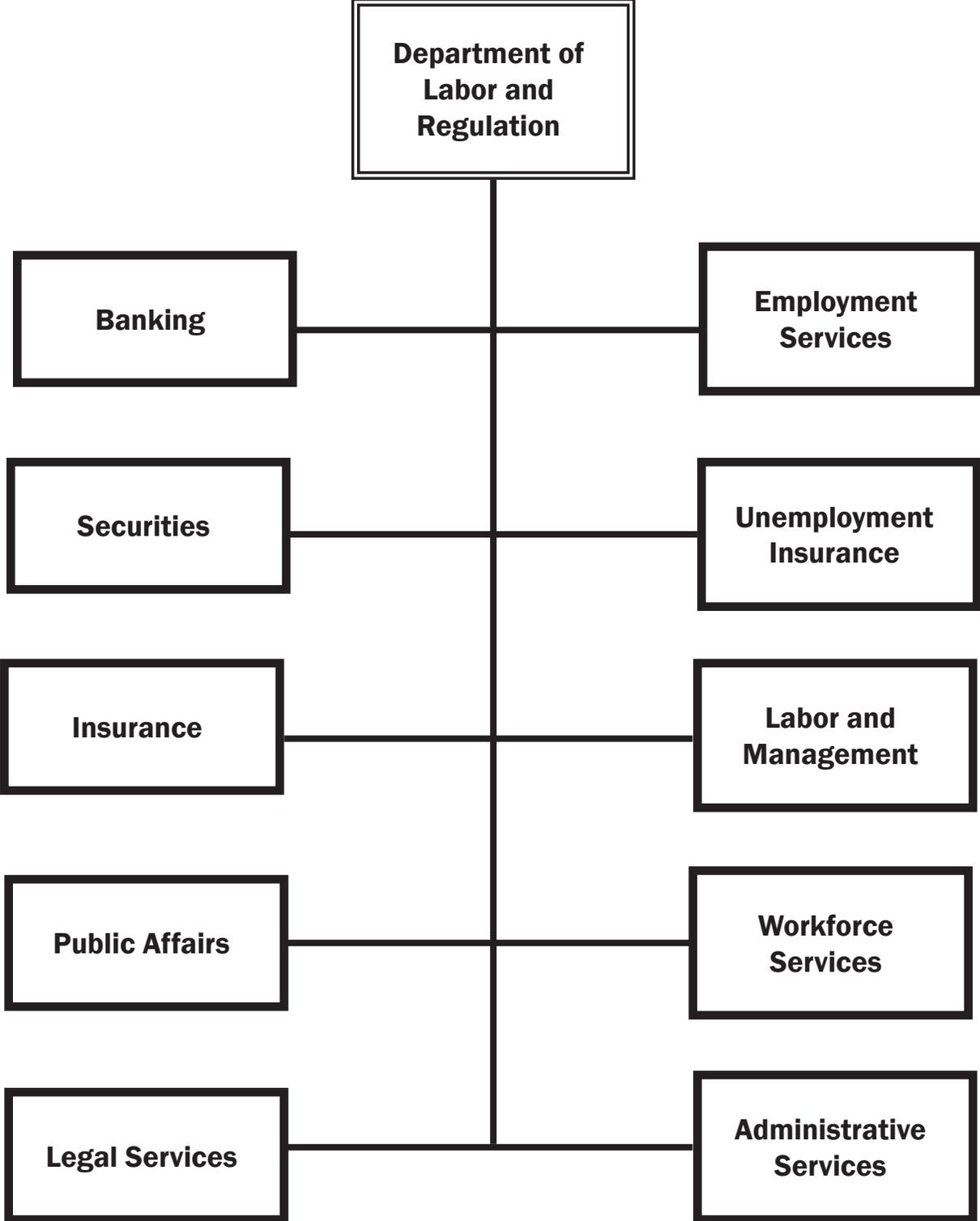
The Commission administers and enforces the state laws and regulations concerning plumbing; inspects plumbing installations; investigates complaints related to plumbing; licenses all qualified plumbers within the state; ensures updating and distribution of the state plumbing code; informs plumbers, inspection departments and the public about code requirements, new products and methods of installation; and provides information of the Commission's activities, recommendations and requirements.

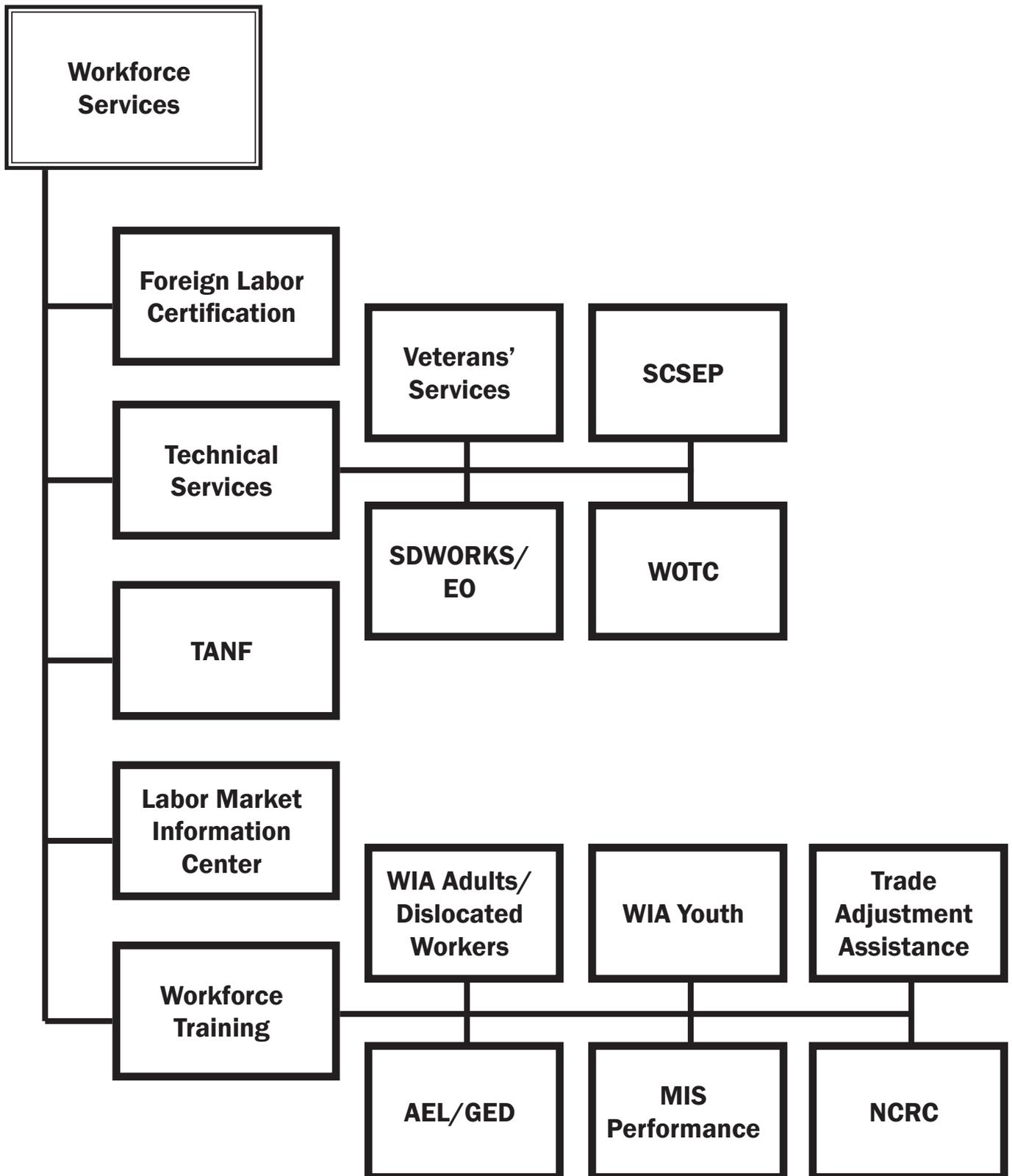
Real Estate Commission

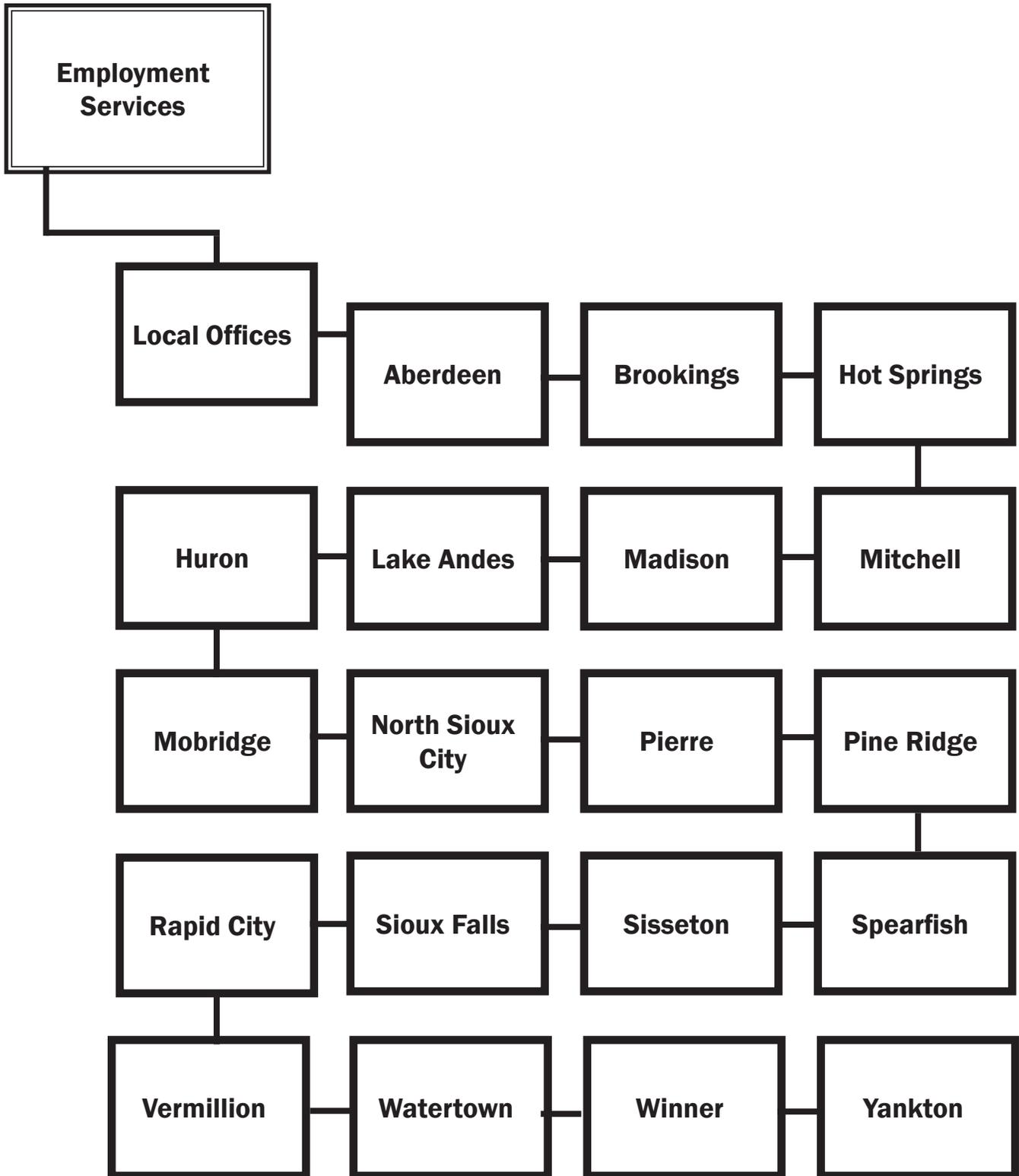
The Real Estate Commission is a regulatory body charged with administering the Real Estate Licensing Act, the Timeshare Act, the Condominium Act and the Subdivision Act.

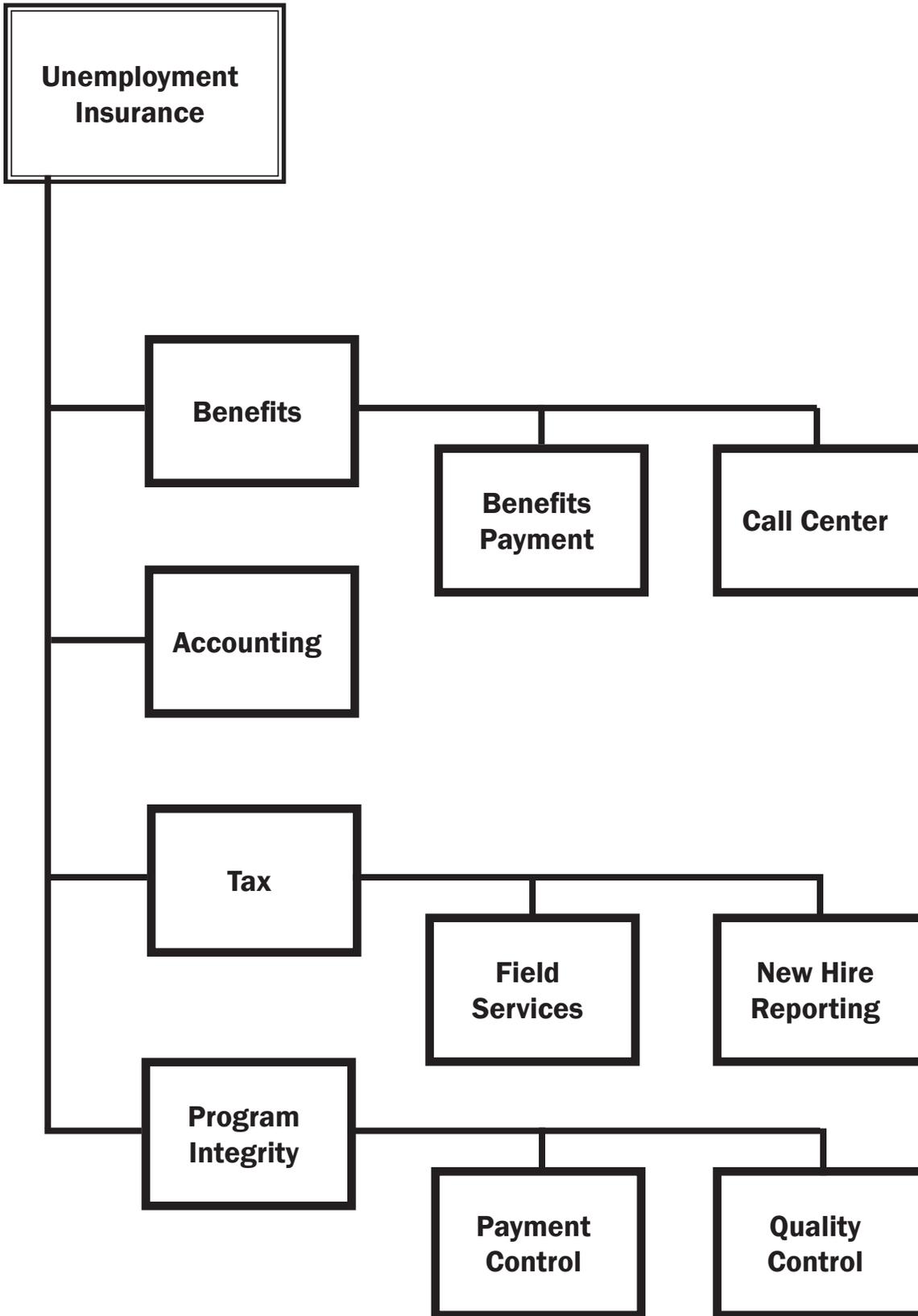
The mission of the Real Estate Commission is to protect the interest of the public when engaged in a real estate transaction. It is the Commission's responsibility to enforce standards for education, licensing and practice of real estate brokers, salespersons, auctioneers, property managers, residential rental agents, timeshare agents and home inspectors, and for registration of condominium, timeshare and subdivision projects.

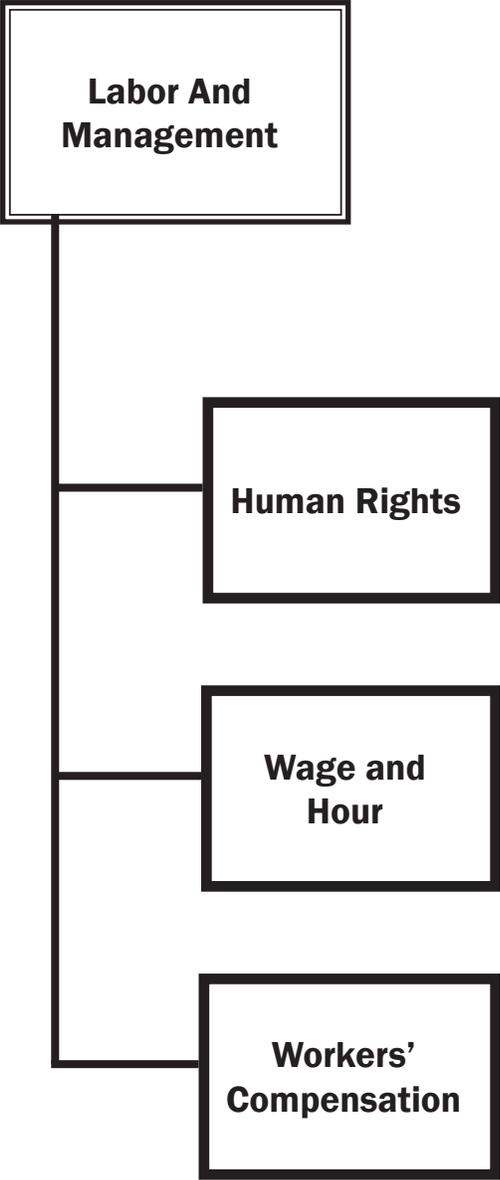
Appendix: Organizational Charts

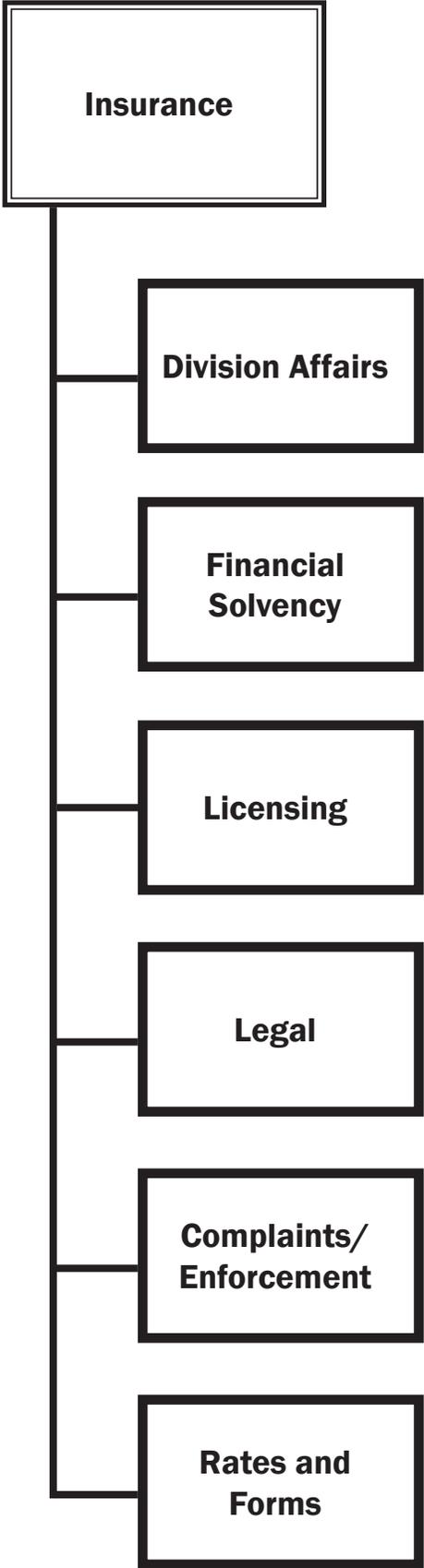


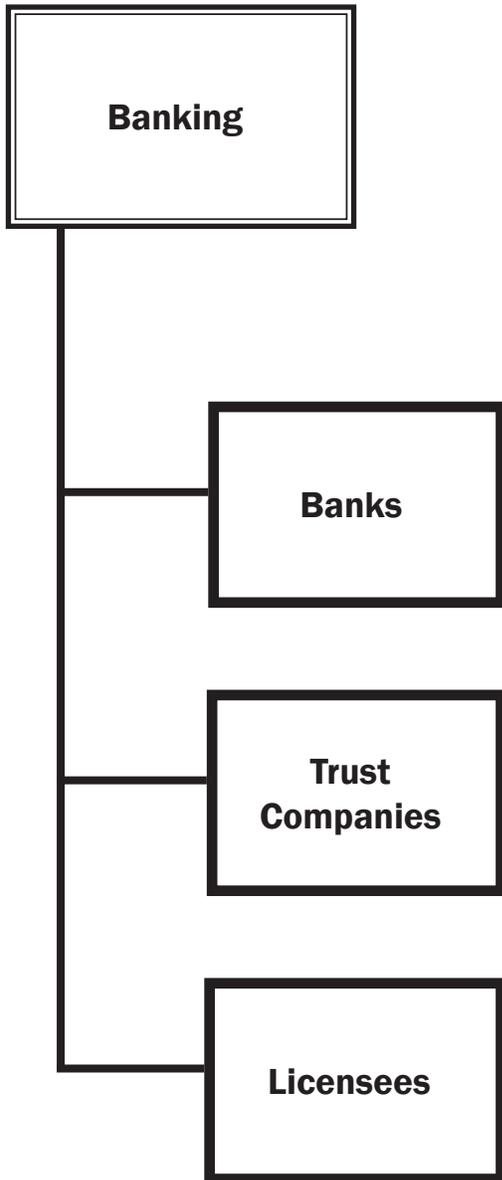


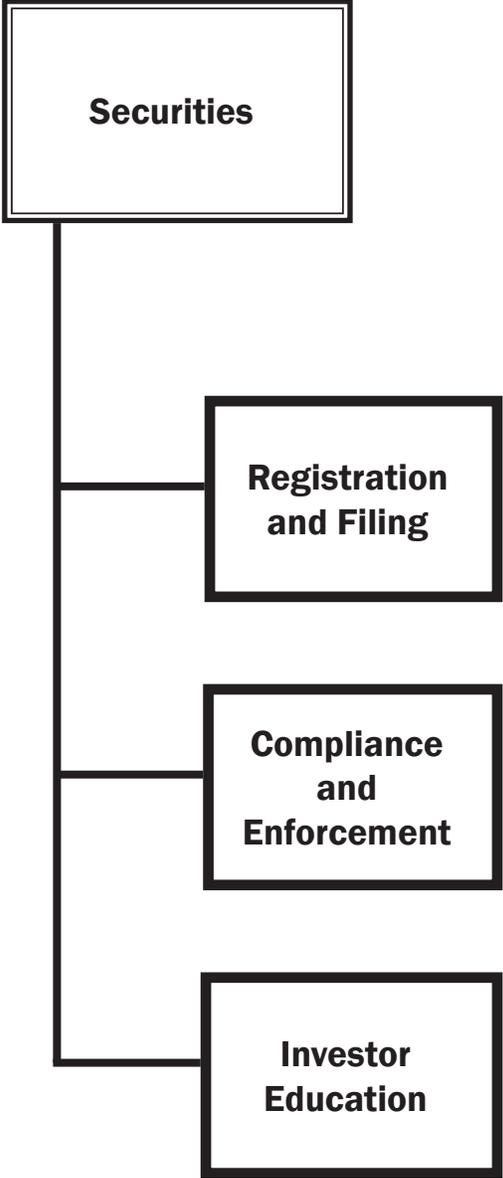


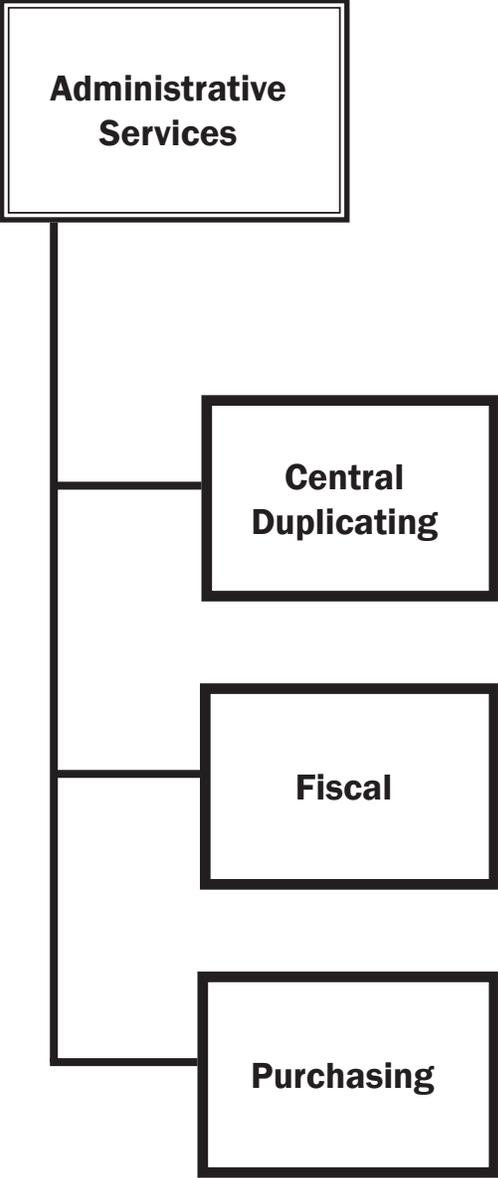


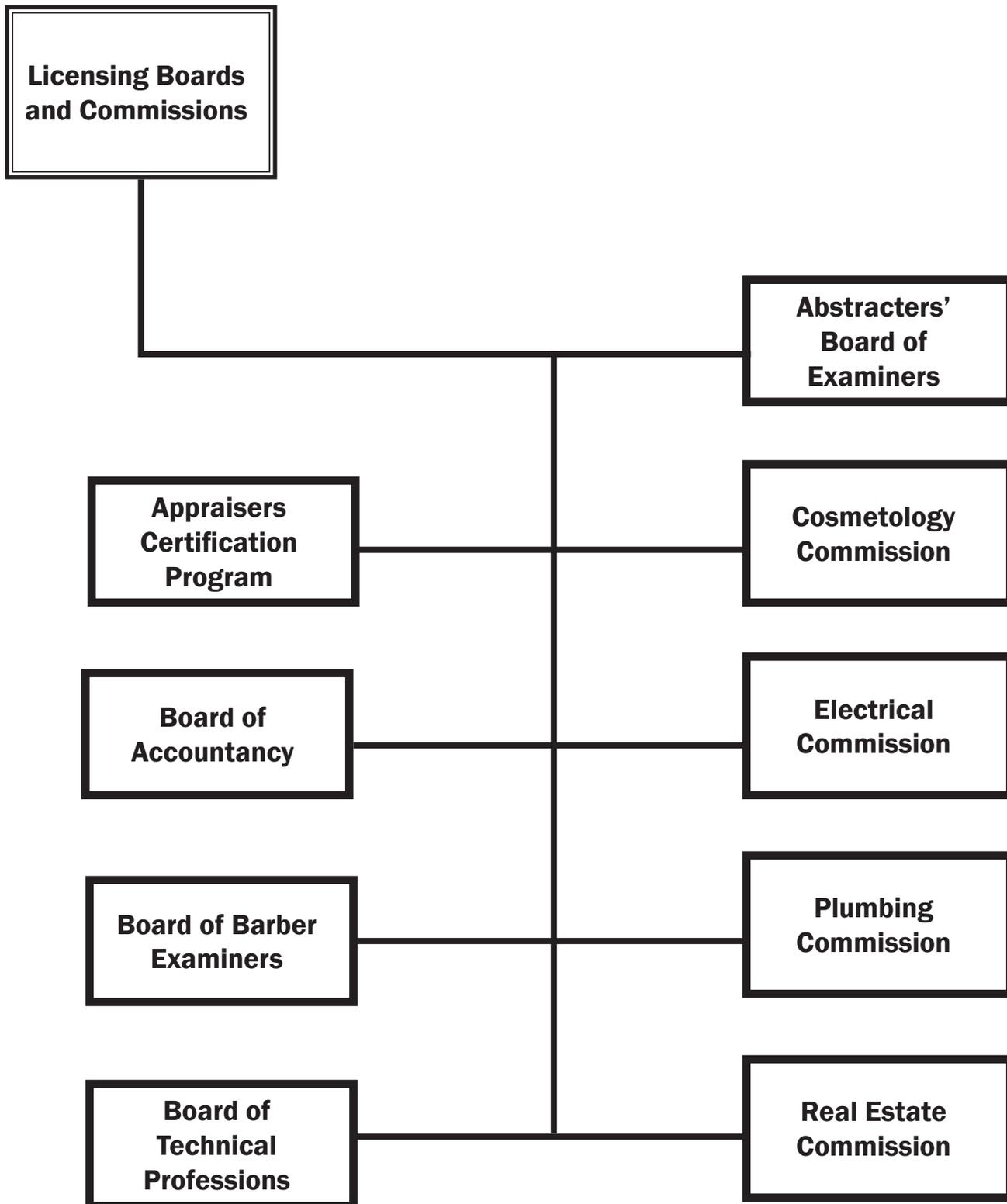












One hundred sixty copies of this publication were produced by the South Dakota Department of Labor and Regulation at a cost of \$0.30 per copy.

Auxiliary aids and services available upon request to individuals with disabilities. State and federal laws require the Department of Labor and Regulation to provide services to all qualified persons without regard to race, color, creed, religion, age, sex, ancestry, national origin, or disability.



Printed on Recycled Paper