



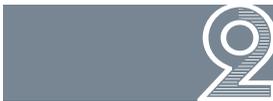
SOUTH DAKOTA
DEPT. OF LABOR
& REGULATION

2019
ANNUAL
REPORT

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2019 IN REVIEW

A MESSAGE FROM THE DEPARTMENT OF LABOR AND REGULATION

Dear Friends,

Throughout 2019, South Dakota continued to see a low unemployment rate paired with a high labor force participation rate. This has created a challenge for businesses in our state seeking a skilled workforce, but also opened the door to increased partnerships.

For example, DLR used funding from the U.S. Department of Labor to provide technical assistance and develop 14 new Registered Apprenticeship Programs, and three programs signed with national programs. This offers South Dakotans 17 new training opportunities not previously formalized. The Registered Apprenticeship model works well in our rural state.

Businesses are looking at untapped labor pools to assist with their workforce needs, particularly our youth population. DLR has assisted businesses in these efforts by continuing activities of the Career Launch SD program, providing soft skills training to area schools, partnering with the Department of Education to offer National Career Readiness Assessments for students, and creating the South Dakota Week of Work initiative for work-based learning opportunities for students.

DLR has worked hard through the year to align various workforce programs and look for continuous improvements department-wide. Through Optimize DLR continuous improvement efforts, entire processes have been deleted, costs have been reduced, and unnecessary tasks have been eliminated or made more efficient.

We are a diverse agency, but successful due to our strong leadership who approach work with common sense, exceptional customer service, and commitment to excellence.

Marcia Hultman
Cabinet Secretary



VISION Promote workforce enhancement, financial security, and economic opportunity.

MISSION To promote economic opportunity and financial security for individuals and businesses through quality, responsive, and expert services; fair and equitable employment solutions; and safe and sound business practices.

POLICY + PUBLIC AFFAIRS



Dawn Dovre | *Deputy Secretary*

The Policy and Public Affairs Division supports the entire department through a variety of functions, including:

- Managing communication matters such as advertising, public relations, media relations, constituent services, and legislative task force.
- Leading organizational development and strategic planning efforts.
- Providing labor market information and economics data to make policy recommendations.

COMMUNICATIONS

- Awareness campaigns were developed in-house for several programs, including the Senior Community Service Employment Program (SCSEP), Career Launch SD, Hire VETS medallion program, Adult Education and Literacy (AEL) program, and *Bring Your 'A' Game* soft skills training. Outreach strategies involved employer newsletter articles, social posts, print materials, infographics, public service announcements, homepage web sliders, and internal staff communications.
- DLR collaborated with the Department of Education on developing a communications plan for the South Dakota Week of Work, an initiative of Governor Kristi Noem. Two launch events featuring local employers, high school students, interns, and recent graduates learning on-the-job stressed the importance of making informed career decisions and providing work-based learning opportunities to youth.
- The Start Today SD campaign was celebrated during National Apprenticeship Week Nov. 11-17. DLR visited businesses and organizations that previously received incentive funding for new programs to create on-site video testimonials and social media content.
- Legislation passed during the 2019 session changed the name of Unemployment Insurance to Reemployment Assistance. Publications, forms, web content, policies and guides, stationery, and signage were updated to reflect this change. Internal and external messaging was also deployed to inform all stakeholders.
- Deputy Secretary Dawn Dovre was named Chair of the National Association of State Workforce Agencies (NASWA) Communications Committee, leading discussions on connecting and engaging

with youth, apprenticeships, labor market information innovations, and unemployment call center communications at the national level. Dovere has served on the leadership team of this committee since 2016.

ORGANIZATIONAL DEVELOPMENT

- The theme of the 2019 annual DLR leadership conference was improving organizational culture. Conversations focused on recruitment, onboarding, and retention, along with leadership strategies to be the best employer to work for in the state.
- All-staff training was provided via KEPRO webinars and covered Planning for Professional Growth and The Science of Interpersonal Relationships.

LABOR MARKET INFORMATION CENTER

- LMIC handled nearly 12,000 requests for information, including the distribution of more than 6,800 publications to our users, job service staff, and economic developers for prospective business hostings.
- LMIC created new resources on South Dakota's Hot Careers, occupations which have high wages and are projected to be in high demand. Resources developed for youth and other career explorers and planners included activities for students in kindergarten through fifth grade and occupational profiles.
- Occupational demand and wage data were provided for consideration of programs eligible for the Build Dakota scholarships and the Eligible Training Provider List.
- Employment and wage outcomes data

was provided on South Dakota's public postsecondary graduates, including the publication of an annual report.

- The results of an Employee Benefits Survey were published on the LMIC website in January. Data available include percent of employers offering benefits, percent of insurance premiums paid by employer and average number of leave days provided, as well as comparative data on costs to employers for benefits offered.

CONTINUOUS IMPROVEMENT

In 2019, DLR completed its sophomore year of a continuous improvement, or lean, journey. This effort has been branded as Optimize DLR to empower everyone in the department to seek ways to enhance services to customers, operate at optimal efficiency, and create a sustainable continuous improvement environment.

An Optimize DLR Steering Committee, of which the Deputy Secretary serves as Chair, ensures larger projects focus on the overall vision, mission, and goals of the agency while a network of Optimize Champions appointed in each division assist the Lean Coordinator in monitoring and motivating continuous improvement activities. Agency divisions have highlighted continuous improvement in each section of the DLR Annual Report.

Under the Policy and Public Affairs Division, the DLR Communications Team and LMIC completed projects in 2019 resulting in fewer frustrations and more time to focus on customer service. Specifically, the use of SharePoint for Executive Team collaboration and the elimination of a hard copy version of the E-Labor Bulletin has saved hours of management-level staff time each month. LMIC also refined its Information Request Log process by defining roles and expectations, resulting in a better reference system.

WORKFORCE TRAINING



Kendra Ringstmeyer | *Division Director*

The Workforce Training Division provides training and education programs including Workforce Innovation and Opportunity Act (WIOA) Title I Youth, Adult, and Dislocated Worker program, Title II Adult Basic Education, General Educational Development (GED®), and the National Career Readiness Certificate (NCRC™). It also oversees Trade Adjustment Assistance (TAA), Re-employment Services (RES), Registered Apprenticeships, and Dakota Roots.

The mission of Workforce Training is to develop and implement innovative workforce solutions. This will guide individuals to self-sufficiency while building a skilled workforce and strengthening the state's economy. This Division's diverse set of programs is designed to aid South Dakota's workforce and help employers, employees, and job seekers. The information in this section is a review of Program Year 2018 (PY2018): July 1, 2018, through June 30, 2019.

DLR continues to find ways to develop field staff knowledge of policy and procedures to serve the public. The process to communicate changes to the 16 DLR job service offices continues to improve. A policy memo process is distributed to provide updates and highlight changes, followed by webinars to review the changes and answer questions with job service office staff statewide. Additionally, several trainings took place through the year.

YOUTH

DLR continues to improve service delivery and engage youth statewide. Job service staff have been equipped with laptops, hot spots, portable printers, and scanners to allow for more flexibility in the location of meeting customers. South Dakota has seen a 57% increase in WIOA Title I Youth participation from PY2017, reaching 213 additional youth participants. This includes a 40% increase in out-of-school participation. This increase is a result of:

- Partnerships with other South Dakota state agencies
- Approval of a federal waiver
- Increased funding to In-School Youth
- Increased outreach and case management training
- Internal encouragement from the top down to get out into the community

Through a federal waiver, DLR was allowed to allocate up to 50% of Title I Youth funds to in-school youth participants. As a result, DLR recruited over 70 new participants and increased in-school youth participation by more than 225%.

To increase case manager confidence in the WIOA Title I Youth program, an essential function of program growth and development, intensive two-day training was provided to job service office staff in Fall 2018. This training reviewed eligibility, service definitions, and data entry.

A low unemployment rate and high workforce participation rate has increased South Dakota employers' interest in working with young adults in their communities. In Spring 2019, Pierre Job Service partnered with the local school district and area employers to connect 126 students to job shadows in an occupation of interest. This provided a career exploration activity for these students and a recruitment tool for local businesses.

In Spring 2018, **Career Launch SD** was piloted in Brookings, Rapid City, Sioux Falls, and Yankton. In Fall 2018, the program expanded to include Belle Fourche, Douglas, Lead-Deadwood, and New Underwood. The goal of Career Launch SD is to re-engage students in the workforce and invigorate our youth's excitement regarding opportunities in their own communities and, in turn, meet the ever-rising demand for a skilled workforce in South Dakota. Ten staff are dedicated to work with local school districts and business communities to connect students to the workforce and provide them with firsthand knowledge and experience in their fields of interest. During the 2018-2019 school year, the Career Launch Career Advisors achieved the following:

- Placed/monitored 246 student interns
- Found job shadow opportunities for 186 students
- Provided 364 classroom presentations on soft skills, resume building, mock interviewing, etc.
- Conducted 1,274 one-on-one career advising sessions with students
- Provided exposure to different industries through 173 presentations from the business community both in the classroom and at the job site
- Made 80 referrals to WIOA Title I program, resulting in 25 enrollments
- Assisted several 8th grade students in developing their 4-year plans
- Set up 22 student tours of post-secondary institutions
- Hosted career fairs, attended parent nights, linked arms with workforce development councils
- Made connections with several businesses within each community

ADULT + DISLOCATED WORKER

DLR will enroll anyone over the age of 18 interested in receiving individualized services into the WIOA Title I Adult program. Funding for services is reserved for those individuals with a barrier to employment. The goal of the Title I Adult and Dislocated Worker programs is to ensure each person

has a road map with the steps, resources, and training necessary to reach their goals. Despite limited funding, DLR provides intensive and supportive and training services to help these individuals overcome obstacles to employment.

Enrollment into the Title I Dislocated Worker program is similar to the Title I Adult program, but the individual must meet the definition of a dislocated worker. All dislocated workers are also co-enrolled into Wagner-Peyser and the WIOA Title I Adult program. The number of dislocated workers in the past year has increased due to improved coordination with the Re-employment Services program. Employers often contact DLR for information about recruiting impacted employees when a layoff occurs. DLR assists by organizing job fairs and hiring events so affected workers can step into another position immediately.

The emphasis to enroll to the greatest extent possible and not pre-determine outcomes has resulted in an 87% increase from PY17 to PY18 in our Adult Program participation, and a 174% increase in the Dislocated Worker Program participation.

ADULT EDUCATION + LITERACY

Improving the literacy, numeracy, and oracy skills of our workforce leads directly to a stronger economy. The instruction, activities, and services provided by the Adult Education and Literacy (AEL) programs promote family literacy, obtainment of a high school diploma equivalency, employment, and self-sufficiency. Language instruction methodologies, such as workplace literacy, and action-research projects were again priorities for the Integrated English Literacy and Civics Education program. These efforts support our non-native speakers, immigrants, and former refugees in achieving linguistic, economic, and civic integration.

In PY18, WIOA Title I continued to support three AEL Special Projects: Career Navigation, Distance Education, and Weekend ESL.

RE-EMPLOYMENT SERVICES

The Reemployment Services and Eligibility Assessment (RESEA) is referred to in South Dakota as the Re-employment Services (RES) program. This program is intended to help individuals receiving Reemployment Assistance (RA) benefits return to the workforce quickly. RES provides claimants with entry to a wide array of available resources that support re-employment and connect claimants to intense career services as appropriate. All RES participants are co-enrolled in the WIOA Title I Adult, Dislocated Worker, and Youth program as appropriate.

RES guidance and training was provided to South Dakota job service office staff in January 2019 to align RESEA with WIOA Title I services. Implementation of new procedures began across the state on Jan. 22, 2019. Updates to SDWORKS, the DLR management information system, will be completed in three phases. The first phase was released in January 2019; when a claimant is referred to RES a letter is generated from the RA Division and a work registration record is created. This automation sets up the participant registration in SDWORKS for the RES program. Going forward, the second and third

phases of the RES information management project will continue to streamline RA and SDWORKS communication.

TRADE ADJUSTMENT ASSISTANCE

TAA is designed to assist workers who have lost their jobs as a result of foreign competition. There are currently nine active certifications offering TAA services to individuals in South Dakota. The TAA Labor Program Specialist has aggressively investigated all layoffs and closures for the possibility of trade impacted layoffs. These efforts have resulted in a new certified petition. During the federal reporting period beginning October 2017 through the end of September 2018, South Dakota served five TAA participants with some form of assistance or training. At the end of June 2019, South Dakota had 80 TAA participants for a 1,500% change. By improving our investigative process, we have had an increase in petitions filed and approved.

RAPID RESPONSE

DLR administers the Rapid Response system to help employers and workers in a time of transition; before, during, and after layoffs and closures. In PY 2018, DLR assisted 41 employers with Rapid Response activities. While not all resulted in a Rapid Response event, employees were given the opportunity to visit their local DLR job service office to receive the same information if they had attended a Rapid Response informational meeting. The Rapid Response Team consists of the state labor program specialists, job service office managers, RA representatives, and employment specialists from the local job service office. The involvement of job service office staff increases the likelihood of follow-up communication, providing a familiar face and name to those affected.

DAKOTA ROOTS

Dakota Roots assists in recruiting out-of-state job seekers by providing local job market insight and personalized job search assistance through DakotaRoots.com. This worker recruitment initiative continued its 12th year of connecting out-of-state job seekers with in-state career opportunities. In addition to grassroots efforts encouraging current South Dakotans to refer family and friends, a digital media outreach campaign drove traffic to the website. Job advisors assist individuals one-on-one with job referrals, resume development, interview preparation, labor market information, community resources, and housing information.

Updates to SDWORKS and a new streamlined procedure for Dakota Roots were introduced in January 2019 and fully implemented at the end of the program year. DLR looks forward to providing an improved data set in future reports.

REGISTERED APPRENTICESHIPS

The DLR Registered Apprenticeship vision is to provide South Dakota businesses a proactive strategy to engage individuals in their communities, improve skills, and fill workforce needs. Registered Apprenticeship Programs (RAPs) provide employers a proven business model to develop fully trained employees.

In Fall 2018, an application process for Start Today SD Incentive Funding was released. The program provided a maximum of \$30,000 per business to help offset the initial startup costs when developing Pre- and Registered Apprenticeship programs. Forty applications were scored based on priority factors, such as key industries, career pathway model, pre-apprenticeship linkage, partner collaboration, and under-represented population recruitment. During the 2018 National Apprenticeship Week, DLR announced the 17 organizations selected to receive the Start Today SD Incentive, totaling \$490,000. These organizations represented hospitality, advanced manufacturing, retail, agriculture, building trades, automotive, construction, and healthcare industries. Over the next four months, DLR and U.S. DOL joined forces to offer intensive guidance and technical assistance as the organizations developed Registered Apprenticeship Programs to meet and enhance their workforce needs.

On April 30, 2019, DLR and U.S. DOL held a Future Focused event to celebrate the accomplishments over the previous three years. Fourteen RAPs were officially registered with U.S. DOL and three organizations implemented National Apprenticeship Programs. A signing ceremony took place, as well as workshops to learn the RAPIDS data entry process. South Dakotans now have access to 17 new Registered Apprenticeship Programs as a result of the Start Today SD Incentive.

The desired outcomes of the Start Today SD Incentive were to improve the perception and feasibility of RAPs, streamline the process of technical assistance from the U.S. DOL, diversify and increase the types of programs offered, and increase the number of apprentices overall, specifically the female population.



Photos: 2019 Start Today SD Future Focused Event

Because of the Start Today SD Incentive, many rural businesses have developed RAPs to train employees and retain community members. RAPs are becoming recognized as a viable post-secondary training option for South Dakota's workforce.

SOFT SKILLS

DLR brought a hands-on soft skills training, *Bring Your 'A' Game*, to South Dakota as a result of employers expressing a need for soft skills in their workforce. *Bring Your 'A' Game* is a training designed to teach foundational behaviors and values for employment: Attendance, Appearance,

Attitude, Ambition, Accountability, Acceptance, and Appreciation. The curriculum is designed for participants to discover these skills through activities and group participation.

DLR has partnerships with seven providers across the state to deliver the curriculum to program participants and employer referrals. These partners include Career Learning Center of the Black Hills, Cornerstones Career Learning Center, Lake Area Technical Institute, Lutheran Social Services, OutSource Projects, Inc., Southeast Technical Institute, and The Right Turn, Inc.

From July 1, 2018, to June 30, 2019, 550 employees were referred by more than 70 employers to attend a workshop. Other state agencies referred an additional 165 individuals, for a total of 715 employees and program participants earning certificates of completion.

In Summer 2018, DLR job service office staff became certified trainers, able to offer Bring Your 'A' Game to school districts across South Dakota. Using soft skills training in the state school system provides the upcoming workforce with invaluable skills to meet the growing demand. During the 2018-2019 school year, 43 school districts hosted a workshop and 1,367 students earned a certificate of completion.

HIGH SCHOOL EQUIVALENCY

During the 2018 program year, 715 South Dakotans earned a General Educational Development (GED®) credential. The majority of credential earners were white males ages 20-24 who had finished their sophomore year of high school. While the

national pass rate during the program year was 79%, South Dakotans had a pass rate of 87%. Test scores were equal to or above the national pass rate in each subject.

NATIONAL CAREER READINESS CERTIFICATE

DLR was able to offer both employers and job seekers the ACT National Career Readiness Certificate (NCRC®). As of June 2019, nearly 31,000 South Dakotans have earned an NCRC, and over 1,100 businesses in South Dakota recognize the NCRC. Available to all current and potential job seekers in the state, the NCRC can be a key hiring tool for adults, dislocated workers, youth training program participants, high school students, and incarcerated individuals. Whether in the application, the interview, or the probationary training phase, the NCRC provides a concrete tool all parties (e.g., participants, case managers, employers) can reference in making appropriate workforce decisions.

To foster a skilled workforce, increasing emphasis has been placed on business education and outreach. Currently, over 1,100 employers in South Dakota recognize the NCRC in their hiring practices. The focus on business outreach continues as an ongoing effort to meet the state's workforce needs.

GED Pass Rate		
	United States	South Dakota
Social Studies	90%	90%
Science	93%	96%
Reasoning Through Language Arts	89%	90%
Math	85%	89%

Table 1 – GED Pass Rates for Program Year 2018

WORKFORCE TRAINING AND EMPLOYMENT SERVICES CONTINUOUS IMPROVEMENT

The Employment Services and Workforce Training divisions often collaborate as one division, and continuous improvement is an example of this cohesion. Focused efforts in the 2019 calendar year, and continuing in 2020, involve training development to improve federal reporting, staff confidence, customer satisfaction, and diversification of services. Training materials and information sharing continue to improve as a direct result of an intra-divisional SharePoint site. This site creates a platform for multiple staff to edit a document at the same time, increases access outside of the state network, and improves awareness and knowledge of others to build a stronger team.

Optimize efforts in 2019 in the Employment Services and Workforce Training divisions have streamlined processes and communication outside direct staff, including subrecipients, Field Operations, and Administrative Services. A large-scale project to reduce the vouchering process burden on subrecipients and to improve more accurate payments included several DLR divisions. Through a newly standardized voucher and submission process, subrecipients can share information directly with DLR staff. Measurable improvements for this project include:

- 61% reduction in actual hours worked
- 71% reduction in handoffs
- 55% reduction in steps
- 100% reduction in paper
- Improved accuracy of payments



The role of the Division of Employment Services is to provide the support mechanisms for the Department's workforce services mission. Employment Services oversees WIOA Title III Wagner-Peyser, Jobs for Veterans State Grant (JVSG), Work Opportunity Tax Credit (WOTC), Foreign Labor Certification (FLC), Temporary Assistance for Needy Families (TANF), Senior Community Service Employment Program (SCSEP), and SDWORKS and the Management Information System. The Division also provides support to other programs, including technical assistance and support to special Information Technology (IT) projects requests.

WAGNER-PEYSER

The primary function of the Wagner-Peyser Act is to provide universal access of labor exchange services to job seekers. Labor exchange services are considered a type of career service under WIOA and are available to all individuals legally entitled to work in the United States. There are no eligibility criteria. U.S. DOL has implemented a pilot program through WIOA to measure effectiveness in serving employers. Through these measures, DLR is focusing efforts specifically on employee retention and repeat services to businesses.

DLR provides services designed to assist employers in recruitment. Training opportunities are also available for businesses to help develop the soft skills necessary to increase retention. DLR is part of a cohesive network of state agencies, nonprofit organizations, post-secondary, and other education and training providers working together to provide quality services to businesses by coordinating resources to increase program effectiveness. In PY18, 11,017 participants were served in Wagner-Peyser with career services. All three negotiated goals for PY18 were met: employment rate for 2nd quarter after Exit was 70.1% (goal of 70%), employment rate for 4th quarter after Exit was 72% (goal of 61.4%), and median earnings were \$5,236 (goal of \$4,800).

SDWORKS

PY18 saw the second full program year of the new SDWORKS come to a close. The second program year of SDWORKS saw a greater success than year one due to bug fixes, increased staff comfort with the case management components, implementation of procedures, and data mapping for reporting purposes. SDWORKS continues to be a work in progress. Larger upcoming projects associated

with the system include the development of the Eligible Training Provider List (ETPL) module and correlative enhancements to the RES program.

Spidering technology utilized by the SDWORKS vendor, Geographic Solutions, Inc., allows offices additional opportunity to assist employers with services beyond job order assistance, and focus shifts to specialized services provided by our job service offices.

Business Services has become a mantra of Title III. In order to stay relevant in today's workforce development, businesses must know DLR job services offices can offer more than writing job orders and referring job seekers to available openings. DLR can provide customized workforce solutions for a business.



VETERANS' SERVICES

South Dakota values its veterans. They have served our country. We are proud to serve

them, their families, and those who hire them. DLR job service offices are staffed with trained representatives who provide job-seeking veterans with an array of job services, career planning, and training referrals. Individualized career services to eligible veterans was 98.15% for PY2018. Compliance metric for this performance measure is 90%.

WORK OPPORTUNITY TAX CREDIT

The Work Opportunity Tax Credit (WOTC) program continued its performance, producing 4,190 certifications with a 43.4% Certification Rate. The WOTC program saved South Dakota employers an estimated \$11.2 million in federal income tax savings.

South Dakota processed a lower number of applications during the program year as compared to previous, but maintained a high Certification Rate compared to other states. This is attributed to the high quality of attention paid to each application received through a manual process. Many states are automated and fail to validate any additional target groups for which the new employee may qualify. The average Certification Rate for the remainder of the United States is 28.8%.

Workforce Opportunity Tax Credit	2018	2019
Total Applications	9,759	9,650
Certifications	4,596	4,190
Denied Applications	4,386	4,980
Pending Applications	265	120
Conditional Applications	512	360
Acceptance	47.1%	43.4%
Tax Dollar Savings	\$12,070,200	\$11,240,800

Table 2 - Work Opportunity Tax Credit activities for Federal Fiscal Years 2018 and 2019 (Oct. 1, through Sept. 30).

FOREIGN LABOR CERTIFICATION

The FLC programs permit U.S. employers to hire foreign workers on a temporary or permanent basis to fill jobs essential to the U.S. economy. Certification may be obtained when there are insufficient qualified U.S. workers available and willing to perform the work. Wages must meet or exceed the prevailing wage paid for the occupation in the area of intended employment. FLC programs are designed to ensure the admission of foreign workers into the United States does not adversely affect the job opportunities, wages, and working conditions of U.S. workers.

To discuss the performance outcomes of FLC in terms of PY18, the FLC results must be broken down into Federal Fiscal Year (FFY18 and FFY19) equivalents. FLC processed 43 H2A orders and one H2B job order (FFY 18 Q4), 83 H2A orders and 27 H2B job orders (FFY 19 Q1), 99 H2A orders and 119 H2B job orders (FFY 19 Q2), and 32 H2A job orders (FFY 19 Q3). In the four quarters mentioned, 244 housing inspections were completed in PY18. The State Workforce Agency (DLR) also referred 20 U.S. citizens for H2A and H2B job orders for the entirety of the program year.

OLDER WORKERS

SCSEP operates in three different regions of South Dakota (West River, Central, and East River) and five employment specialists help to facilitate the program in cooperation with a designated Labor Program Specialist. In PY18, 55 older workers participated in SCSEP and totaled 27,315 cumulative hours in a host agency performing community service. This program is committed to helping minority groups

and people with significant barriers to employment. Out of the 55 participants, 35% were Native American, 24% reported a disability, 29% were veterans, and 28% were either homeless or at risk of homelessness.

TANF Performance Measures		2018	2019
TANF Applicants (mandatory, from DLR counties)		3,176	2,887
Caseload	Monthly Average	265	241
	DLR Statewide Share	54%	51%
Employment	Job Entries	595	566
	Share of Statewide Job Entries	83%	69%
	Job Entries with medical benefits	17%	17%
	Share of Statewide Job Entries with medical benefits	99.9%	99.4%
Average Starting Wage (per hour)		\$10.54	\$10.93

Table 3 - TANF activities for Federal Fiscal Years 2018 and 2019.

PY18 came with big changes for the SCSEP in South Dakota. With the requirement participants be co-enrolled into WIOA programs, a new SCSEP Policy Manual and updated forms that served dual purpose with Title I work experiences were rolled out in May 2018. DLR is also focusing on solutions to reach out to more host agencies available in rural areas, continuously enroll eligible individuals into the program, and properly utilize career search opportunities in Wagner-Peyser to help participants find unsubsidized employment. The program has also placed more emphasis in diversifying the types of host agencies DLR can offer participants and has seen more host agency rotations occur in participants as a result.

DLR has been focused on raising the total number of participants in the program using different outreach strategies such as partnering with our aging experts in DHS Long-Term Support Services to recruit at nutrition sites and the development of a radio public service announcement to broadcast across select counties.

ECONOMIC ASSISTANCE

DLR is a long-term partner with the Department of Social Services (DSS) 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, which contain approximately 48% of the eligible mandatory parent-case population. In cooperation with WIOA programs, TANF has taken full advantage of opportunities to leverage program dollars so to help as many eligible South Dakota families as possible. DLR aggressively promotes education and job training.

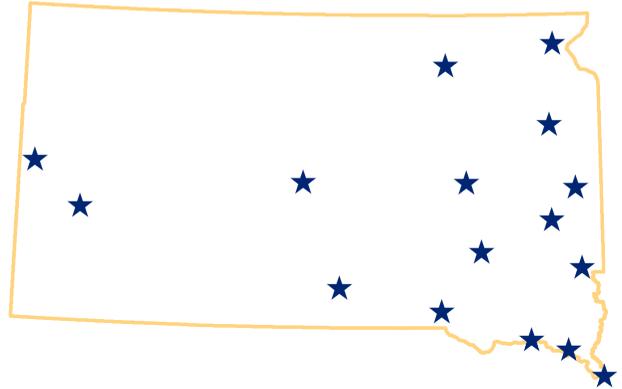
DLR strives to improve the TANF participation rate because it is the principle performance outcome mandated by the U.S. Department of Health and Human Services. The federal government requires every state to achieve a 50% participation rate (unless a waiver has been approved) to receive full TANF block grant funding. This federal fiscal year, which ended Sept. 30, 2019, DLR achieved 46.9% of the required 50% participation rate for the TANF clients living in DLR counties (non-reservation counties) in South Dakota.

FIELD OPERATIONS



Bill McEntaffer | *Division Director*

The Division of Field Operations is responsible for the DLR job service offices in communities across the state with a mission to achieve a skilled workforce contributing to economic development by efficiently and respectfully serving businesses, job seekers, and community partners through innovative workforce development solutions and serving as an information resource. Job service office managers are directly involved with businesses, community leaders, educators, and economic development authorities. Staff are readily available to assist businesses with job fairs, applicant screening, interview space, and other resources.



PERFORMANCE

In PY18, DLR primarily focused on the co-enrollment of Wagner-Peyser participants into Title I Adult, Dislocated Worker, and Youth programs to provide a wider range of services and ensure access to education, training, and support services.

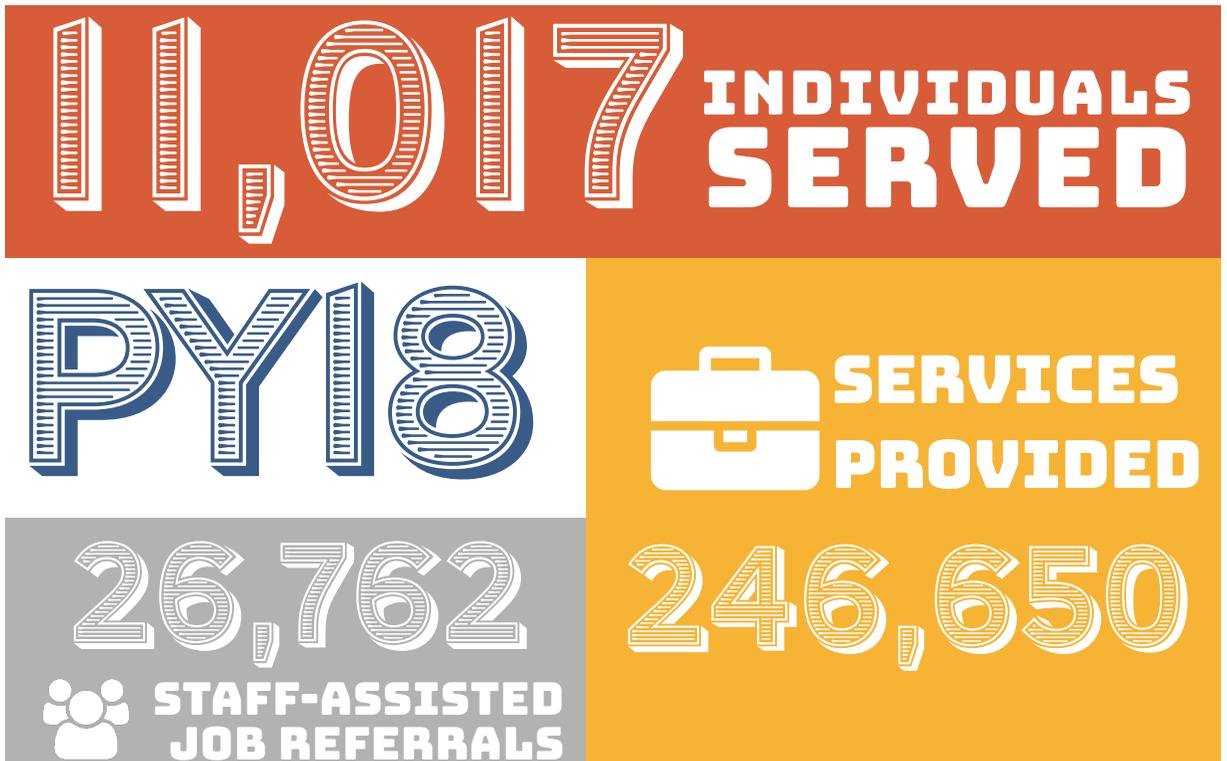
Both the Wagner-Peyser and Title I Youth programs met or exceeded all the negotiated targets for performance indicators for PY18. The Title I Adult and Dislocated Worker program exceeded negotiated targets for median earnings. The Adult program also exceeded the target for credential attainment. The PY18 data shows DLR was just short of meeting the negotiated targets for credential attainment rate for Title I Dislocated Worker and the employment rate for 2nd and 4th quarters after Exit for the Adult and Dislocated Worker programs. Despite the slight dip in the overall employment rates, DLR staff have been successful in assisting more individuals in finding employment overall, including those with one or more barriers. The increase in the number of participants served by the Title I programs for PY18 was substantial, in some cases more than double that of the previous program year. These numbers affirm the commitment of DLR to the strategic coordination of program services intended by WIOA.

DLR selected two pilot indicators to measure Effectiveness in **Serving Employers**: Retention with the Same Employer in the 2nd and 4th Quarters after Exit (67.2%) and Repeat Business Customers Rate (26.3%). The Retention measure indicates job service office staff have been effective in referring the right candidates to employers.

CONTINUOUS IMPROVEMENT

Completed projects and activities generated from the Division of Field Operations include further improvements to the policy memo process, simplification of the RES process, and enhancements to WIOA Policy Manual forms. The Division of Field Operations has also partnered with Workforce Training and Administrative Services on several projects in 2019.

A key element of continuous improvement success in the division continues to be the implementation of the quarterly Dynamic Idea Generator (DIG) events. At every other manager meeting, the Optimize Division Champion conducts a DIG event to capture frustrations and possible issues in communication and processes between the field offices and central office. At the other half of the manager meetings, the champion gives a status report on any projects or answers to questions or frustrations recorded at the previous DIG. These quarterly DIG events have provided a way to focus on the biggest frustrations from field staff and capture them in a structured process.



REEMPLOYMENT ASSISTANCE



Pauline Heier | *Division Director*

The Reemployment Assistance (RA) Division administers the Unemployment Insurance (UI) program, whereby covered employers pay taxes into the UI 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.

PERFORMANCE

The Division’s performance measures (Table 4) reflects South Dakota’s stable economic condition. This year, DLR saw an minimal decrease of 27 applications for benefits received for processing. Individuals receiving benefits decreased from 2018 to 2019. Total dollars paid out decreased to just over \$25 million.

Benefits		2018	2019
Applications for Benefits		12,254	12,227
Total Number of Weekly Payments		81,583	72,664
Number of Individuals Who Received Benefits		5,559	5,348
Dollars Paid Out	State Benefits	\$25,963,739	\$23,765,930
	Federal Claims	\$1,752,815	\$1,611,323
	Total	\$27,716,554	\$25,377,253
Average Weekly Payments per Claimant		14.7	13.6
Maximum Weekly Payment		\$402	\$414
Average Weekly Payment		\$332	\$343

Table 4 – RA benefits for Fiscal Years 2018 and 2019 (July 1 through June 30).

INTEGRITY SYSTEMS

Our fraud and collection section is responsible for reducing instances of overpayment, fraudulent or otherwise, and collecting these monies from claimants. Our efforts to minimize overpayments and fraud continue to be successful, as evident in Table 5.

Integrity Systems	2018	2019
Amount of Benefit Overpayment Debt	\$929,334	\$832,095
New Overpayment Cases	1,638	1,802
Percent of Cases Involving Fraud	30.6%	27.7%
Dollar Amount of Overpayment Fraud	\$284,354	\$230,625
Dollar Amount Collected Back	\$665, 775	\$745,058
Number of Collection-Related Correspondence Items	4, 685	4,028
Number of Civil Actions	1,142	1,294
Convictions Obtained	1	4
Cases Pending	34	36

Table 5 – RA integrity systems performance measures for Fiscal Years 2018 and 2019 (July 1 through June 30).

CHALLENGES OF 2019

Our primary challenge of 2019 was to maintain successful operations in an environment of budgetary constraints and changing technology. The Division staff continues to be challenged to simultaneously make high-quality decisions, issue timely payments, respond to telephone inquiries, and provide good customer service. In addition, ensuring program integrity remains a top priority by addressing

the root causes of improper payments. The UI Trust Fund balance (see Table 7) continued to increase from \$120.2 million on June 30, 2018, to \$128.3 million on June 30, 2019. The income from the fund's investment portfolio decreased from the previous year and the number of employers paying into the system has increased slightly. The ending balance for the year was \$128.3 million.

CONTINUOUS IMPROVEMENT

The RA Division reviewed processes and procedures to reduce staff time and supplies used and improve customer service. Online services were promoted, improvements were made to claimant communications, and changes were made to incoming call routing and directories. Some improvement activities resulted in a 50% reduction in staff time and over 75% reduction in unnecessary printing and mailing of some documents.

The Benefit Accuracy Measurement (BAM) electronic file management project conveys key improvements for DLR customer service. This project developed processes, procedures, and training to create, complete, close, and store all BAM audits electronically. The goal was to reduce the amount of paper used and stored for the BAM audits and to reduce the amount of staff time needed to create, assemble, and manage files. The project resulted in:

- 100% reduction in printing files (820 files reduced to zero, 250 reams of paper saved per year)
- 85% reduction in staff hours (six hours printing, assembling, and shredding down to one hour)
- 100% reduction in file cabinet space

Promoting Optimize DLR principles has created more staff engagement to work smarter not harder creating a more rewarding workday. The changes implemented have saved an enormous amount of staff time and office supplies on a daily basis.

Tax Administration and New-Hire Reporting	2018	2019
Delinquent Notices	6,036	6,111
Subpoenas to Non-Compliant Employers	430	407
% Status Determinations Made within 90 Days	87.9%	91.3%
New-Hire Reports	219,560	212,909

Table 6 – RA Tax administration and new hire reporting for Fiscal Years 2018 and 2019 (July 1 through June 30).

UI Trust Fund	2018	2019
Taxes Received for Regular State Benefits	\$31,449,919	\$29,387,787
Interest on Trust Fund	\$2,668,017	\$2,947,177
Trust Fund Balance (end of year)	\$120,228,233	\$128,284,710
Number of Employers (end of year)	27,944	28,534

Table 7 – UI Trust Fund for Fiscal Years 2018 and 2019 (July 1 through June 30).

LABOR + MANAGEMENT



Amber Mulder | *Division Director*

The Division of Labor and Management is responsible for administering the state’s labor laws. Its mission is to responsively provide dispute resolution and help people through investigations, enforcement, compliance, and education of workforce and discrimination laws. The Division:

- Helps settle problems between employers and workers.
- Enforces wage and hour and youth employment 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.

Workers’ Compensation Activities		2018	2019
Pre-hearing Conferences Held		91	62
Agreements Approved	States Files	109	153
	Hearing Files	103	125
Permanent Partial Disabilities Reviewed		558	785
Permanent Partial Disabilities Approved		420	557
First Report of Injuries Received		18,438	21,535
Money Collected	Searches, copies, mailing	\$28,341	\$41,009
	Wage & Hour	\$114,473	\$58,131

Table 8 - Workers’ compensation activities 2018 and 2019.

Hearing and Settlement Activities	2018	2019
Workers’ Compensation Hearings	7	2
Grievance Hearings	9	1
Unfair Labor Practice Hearings	4	0
Elections	0	8
Unit Determinations	0	0
Impasse Conciliations	7	5
Fact Findings	6	3
Mediations	20	26
Conference Calls	22	16

Table 9 - Hearing and settlement activities for 2018 and 2019.

WORKERS’ COMPENSATION

The Division’s dispute resolution, regulatory enforcement, and investigation activities remained similar to previous years.

APPRAISER CERTIFICATION PROGRAM

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; approve qualifying and continuing education courses; and register and supervise appraisal management companies.

Data outlined in Table 10 shows the active appraisers by classification. Currently, there are 10 inactive appraisers and approximately 102 appraisal management companies registered.

Appraisers by Classification	2018	2019
State-Certified General	222	216
State-Certified Residential	97	99
State-Licensed	39	36
State-Registered	58	42
Total	416	393

Table 10 - Active Appraisers by Classification as of October 2019.

CONTINUOUS IMPROVEMENT

The Labor and Management Division completed eight projects in 2019, including the reorganization of inactive Administrative Law Judge files from 2008 through 2019 taking up needed space and causing difficulty and frustrations when looking for the active files. To reduce the number of active hearing files in storage and improve efficiencies during file search, staff reviewed and closed out a total of 752 files that were inactive and organized the remaining active files. This project resulted in a reduction of 343 inactive files in the file room and the closure of 409 inactive files.

Reemployment Assistance Appeals	2018	2019
New Filings	549	501
Cases Ruled on or Dismissed	578	517
Percentage of Cases Decided within 30 Days	95%	93%
Cases Awaiting Decision	30	16

Table 11 - RA appeals for 2018 and 2019.

Human Rights Activities	2018	2019
Potential Discrimination Charges	314	210
Requests for Information	110	122
Intakes of Discrimination Complaints	122	71
Investigations Opened	72	44
Investigations Closed	50	46
EEOC Transfers	20	10
Money Collected for Charging Parties	\$35,000	\$81,869

Table 12 - Human rights activities for 2018 and 2019.

BANKING



Bret Afdahl | *Division Director*

The mission of the Division of Banking is to charter, license, regulate, and provide guidance to South Dakota financial entities to instill consumer confidence, protect consumer interests, and provide a stable regulatory environment through a balanced and efficient approach.

In May 2019, Director Bret Afdahl was elected by his peers to serve as Chairman of the Conference of State Bank Supervisors (CSBS). CSBS is the nation’s leading advocate for the state banking system and the only national organization dedicated to advancing the state banking system. As Chairman of CSBS, Director Afdahl is able to advocate for community banks and the dual banking system directly with FDIC Chairman Jelena McWilliams, Federal Reserve Chairman Jerome Powell, the Federal Reserve Board, Consumer Financial Protection Bureau Director Kathy Kraninger, and other state and federal organizations and agencies involved in the oversight of our nation’s financial services industries.

Director Afdahl gave welcoming remarks to the 7th Annual Community Banking in the 21st Century Research and Policy Conference at the Federal Reserve Bank of St. Louis, which is co-sponsored by the Conference of State Bank Supervisors, the Federal Reserve System, and the Federal Deposit Insurance Corporation. Part of the research discussed at this year’s conference addressed the degree of regulatory relief provided to community banks by S.2155, which was signed into law in 2018. While there are some unknowns on certain provisions until they are fully implemented, the amount of relief provided to this point appears to be minimal according to community bankers. The Community Bank Leverage Ratio provides further opportunity for regulatory relief. This provision of S.2155 will be implemented through an administrative rule process after several comments from CSBS, trade associations, and community banks directly.

Revenues	2018	2019
Bank Examination Fees	\$1,696,129	\$1,749,981
Trust Company Examination Fees	443,603	403,758
Trust Company Supervision Fees	976,632	1,037,150
Trust Company Charter Fees*	25,000	45,000
License Fees	1,028,605	1,005,599
Licensing Examination Fees	3,705	10,179
Investment Council Interest	60,143	60,175
Miscellaneous	20,004	-0-
Mortgage Servicer Settlements	168,967	-0-
Totals	\$4,422,788	\$4,311,842

Table 13 - Comparison of revenues by category for Fiscal Years 2018 through 2019. *Deposited in general funds.

While these regulatory relief efforts are underway, South Dakota, like most other states in this region, continued to lose chartered banks to consolidation. As costs increased, the industry aged, and population continued to migrate toward larger cities, community banks continued to combine through merger activity, leaving fewer, but larger institutions to serve our state's citizens.

Performance Indicators	2018	2019
License Exams (on-site)	9	16
Banks Examined	19	15
Trust Companies Examined	40	37
Licenses Issued or Renewed	4,456	3,821
State-chartered Banks	49	44
State-chartered Trust Companies	97	101
Bank Assets	\$26.798 billion	\$28.262 billion
Trust Assets	\$293.512 billion	\$305.079 billion

Table 14 - Performance Indicators for Fiscal Years 2018 through 2019.

As has been the case for over 10 years, interest in forming new trust companies in South Dakota remains high. The Division has chartered five to 10 new trust companies each year since 2006. The formation of state-chartered trust companies in South Dakota dates back to 1997. There are currently over 101 trust companies chartered in South Dakota and regulated by DLR.

CONTINUOUS IMPROVEMENT

Division of Banking continuous improvement efforts have saved time for staff and customers and fostered partnerships with other agencies to improve processes and positively impacted South Dakota employees statewide. Brainstorming sessions have resulted in many opportunities for improvement and the development of internal policy and procedure manuals. Within the division, Administration completed four projects to improve processes and communication between the Sioux Falls and Pierre offices, Trust completed three projects regarding form development and reporting, and Licensing completed nine projects focused on the renewal process and eliminating duplicative work; saving 451.5 hours per month or \$58,695. The Licensing team worked on the Bank Franchise Tax project, developed a Renewal Manual, and updated renewal applications.

The Division of Banking is responsible for renewing licenses for non-depository financial institutions annually and must ensure the entity is not delinquent. The franchise tax is collected through the South Dakota Department of Revenue (DOR), requiring multiple emails between the division and DOR. To improve communication, garner delinquent status, and reduce delays, the Division of Banking hosted a Kaizen event with DOR to improve the process. As a result, the renewal process has experienced a 100% reduction in actual hours during the renewal period (152.5 hours to zero hours per month or \$19,825.00 in salary), calls (200 calls reduced to zero), and email communication (92 emails to zero), and a 97% reduction in supplies/resources (46 Excel tables to one).

Optimize DLR had a huge impact on the Division of Banking in 2019, inspiring better processes and a reduction of inefficiencies.

INSURANCE



Larry Deiter | *Division Director*

The Division of Insurance regulates the insurance and securities industries in South Dakota. Its mission is to protect the public by providing quality assistance, providing fair industry regulation, and promoting healthy and competitive insurance and investment markets. Duties of the Division include:

- Provide regulatory oversight to protect South Dakota insurance policyholders and investors against financial loss due to inappropriate business practices.
- License and/or register insurance companies, resident and non-resident agents, other insurance entities, securities agents, financial advisors, brokers, franchises, and investment products.
- Monitor licensees and registrants for compliance with existing statutes and regulations.
- Review required filings for compliance.
- Review and assist with resolution of consumer complaints.
- Investigate and take appropriate action with respect to licensees, registrants, and companies.
- Review and approve continuing education programs for insurance agents and companies.
- Provide investor education.
- Monitor federal law changes which could impact state laws and rules.

Insurance and investment products continuously evolve and develop. As new products and services are introduced to the market and existing offerings are updated, an effective and responsive approach to regulatory policies must be maintained by the Division to ensure compliance with state laws and rules while providing protection and opportunity for consumers.

The Division's participation at the National Association of Insurance Commissioners (NAIC) and the North American Securities Administrators Association (NASAA) ensures South Dakota maintains uniform national knowledge of the insurance and investment market landscape along with a strong voice in maintaining state-based regulatory authority. Director Larry Deiter serves on the Executive Committee of the NAIC, as Chair of the NAIC Producer Licensing Task Force and as Board President for the National Insurance Producer Registry (NIPR). The Division serves on 26 committees through the NAIC and NASAA.

LEGISLATIVE ACCOMPLISHMENTS

The Division introduced legislation during the 2019 Legislative Session to expand the ability of employers to offer health coverage through association health plans. The enacted legislation updated South Dakota insurance law to parallel rules adopted by the U.S. Department of Labor in 2018.

CHALLENGES

- Protecting consumers in an ever-changing investment and insurance market against those that seek to take advantage of the complexity of these products.
- Maintaining and improving the availability and affordability of major medical coverage as the cost of care continues to rise.
- Balancing the need for affordable insurance of all types while providing oversight of the financial solvency of the industry.

CONTINUOUS IMPROVEMENT

The Division of Insurance approached continuous improvement by involving all staff in the division, giving project ownership to every team member. Project groups were formed and each Project group had a Project chair responsible for leading their teams, creating solutions, and implementation. This team approach yielded a high level of engagement and quality results for the Division and shareholders.

The company self-

Performance Indicators	2018	2019
INSURANCE:		
Total Licensed/Domestic Companies	1375/61	1385/62
New Companies Licensed/Approved Mergers	18/5	9/4
Total Licensed Agents	76,551	81,114
Agent Licenses Issued	21,886	21,286
Agent Licenses Renewed	30,944	41,785
Property/Casualty Filings Reviewed	5,882	5,363
Life/Health Filings Reviewed	3,099	3,255
Consumer Complaints Closed	583	541
Enforcement Files Closed	1,459	1,388
SECURITIES REGULATION		
Broker-Dealer Agents Registered	99,042	102,291
Broker-Dealer Firms Registered	1,241	1,228
Investment Advisor Agents Registered	1,914	1,897
Investment Advisor Firms Registered	53	51
Investment Company Notice Filings – New/Total	3,083/25,167	3,084/24,714
Investment Advisors Notice Filings	858	879
New Franchise Applications/Renewals	242/653	273/616
Investigations	68	161
Compliance Exams	51	69

Table 15 - Insurance Division Performance Indicators for Fiscal Year 2018 to 2019

reports electronic transfer project was initiated to eliminate unnecessary printing and reduce the number of steps and staff in the process, saving time, money, and resources. By better understanding existing software and exchanging some staff responsibilities, the completed project:

- Eliminated unnecessary printing of over 22,000 pages of paper a year
- Implemented electronic signatures creating a 50% reduction in the number of steps to complete company inquires
- Creation and implementation of Quick Reference Guide
- Established an electronic retention policy for Administrative Rules, additionally moving 10 years of rules to electronic retention
- Reduced company self-reporting process from eight steps to three.

Revenues		2018	2019
Premium tax		\$90,507,636	\$89,940,647
Fees (Insurance Operating Fund)	Insurance Agent Licensing/Renewal	10,189,167	10,468,804
	Insurance Miscellaneous and Legal	11,350	14,325
	Insurance Retaliatory and Filing Fees	1,445,306	1,301,155
	Insurance Administrative Penalties	253,784	319,392
	Insurance Investment Council Interest	15,930	14,897
	Insurance Company Admission, Renewal, & Supervision Fees	243,639	241,348
	Insurance Producer Exam & Course Fees	59,205	37,980
	Investment Companies Notification Fees	31,166,100	30,759,350
	Securities Registration Fees	19,777	8,352
	Broker-Dealer Registration Fees	194,100	190,050
	Securities Agent Registration Fees	14,715,500	15,330,125
	Name Change Filing Fees	110,800	105,550
	Initial Public Offering Extension Fees	4,700	3,300
	Investment Adviser Agent Fees	117,300	115,500
	Investment Adviser Fees	186,800	190,600
	Securities Fines	41,250	549,000
	Securities Investment Council Interest	45,941	53,200
	Franchise Fees	162,300	170,850
	Other Filing Exemptions	135,225	175,875
	Miscellaneous	8,615	8,150
Continuing Education Fund	Agent Renewal Fees (Biennial renewal)	38,350	66,620
Workers' Compensation	Policy Fee (Transferred to U.S. DOL)	289,142	290,626
Total		\$149,961,917	\$150,357,408

Table 16 – Insurance Division Revenues for Fiscal Year 2018 to 2019.

ADMINISTRATIVE SERVICES



Emily Ward | *Division Director*

Administrative Services is responsible for the internal fiscal and administrative functions of the Department. Its mission is to provide timely and expert fiscal support, information, accounting, purchasing, and property management to DLR staff and partner agencies to fulfill department, state, and federal missions.

INCOME, EXPENSES

Total department revenue increased approximately 3.4% in Fiscal Year 2019 (Table 17) with the Regulation programs and divisions (Appraisers, Banking, and Insurance) increasing approximately 6.6% and federal funds decreasing approximately 3.8%.

Department of Labor and Regulation Fund Sources		2018	2019
General Funds (state general fund appropriation)		\$1,954,498	\$1,965,303
Federal Funds		\$26,521,088	\$25,521,778
Other Funds (licensing board & workers' compensation fees)		\$4,091,383	\$4,104,516
Other Funds (Appraisers, Banking, Insurance)		\$65,023,567	\$69,286,132
Total		\$97,590,536	\$100,877,728
Transfers to General Fund (Insurance)		\$146,911,387	\$147,236,222
UI Trust Fund	Employer Contributions	\$31,449,919	\$29,387,787
	Federal Reimbursements	\$1,752,814	\$1,611,323
DOL Retirement Plan Fund Ending Balance (employee/employer contributions & investment earnings)		\$57,767,732	\$57,085,854

Table 17 - Department of Labor and Regulation funding sources for fiscal years 2018 and 2019 (July 1 through June 30).

Transfers to the state's General Fund from the Division of Insurance increased by \$314,835 from Fiscal Year 2018.

The UI Trust Fund employer contributions decreased significantly in Fiscal Year 2019. This was due to a permanent tax rate reduction that went into effect Jan. 1, 2018.

Department Annual Expenditures	2018	2019
Personnel	\$24,080,108	\$24,171,092
Operating Expenses	\$12,710,319	\$11,845,843
Job Training and Subrecipient Grants	\$4,052,369	\$3,993,496
Total	\$40,842,796	\$40,010,431
RA Benefits (state only)	\$25,963,739	\$23,765,930
DOL Retirement Plan, Retiree Benefits	\$4,326,697	\$4,388,781

Table 18 - Data for Fiscal Years 2018 and 2019 (July 1 through June 30).

Department expenditures, illustrated in Table 18, were less than the previous year with an increase in personal service expenditures due to the creation of the Career Launch program in Workforce Services and a decrease in operating expenditures which is attributed to fewer subsequent injury fund and insurance examination fund claims.

RA benefits payments decreased approximately 8.5% in fiscal year 2019 which reflects a strong economy and fewer people collecting benefits.

RETIREMENT FUND

Formed before the creation of the South Dakota Retirement System, the Department of Labor Employee Retirement Plan has not accepted new members since July 1, 1980. As of July 1, 2019, there were 199 retired participants and beneficiaries on the plan. There are no longer any employees contributing to the plan. Only a small number of plan participants remain active employees, so the total benefits paid out annually remains relatively flat unless the cost-of-living adjustments (COLA) increase is significant. 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 the fund balance decreased 1.2% (Table 18), primarily due to a lower positive return (6.6%) and an increase in retirees.

CONTINUOUS IMPROVEMENT

The Administrative Services Division uses a variety of lean techniques to improve processes. This includes a weekly huddle for division staff and the DIG tool to generate process improvement ideas. Priority is given to projects improving productivity, saving resources, and boosting employee morale. Two projects completed by the division include the billing process for reimbursement of expenses from other State agencies and the inventory process in the largest DLR office in Aberdeen. The billing process review resulted in:

- 69.4% reduction in actual hours
- 98.7% reduction in manual entries
- 52% reduction in steps
- 100% reduction in paper

The other business process improvement was the Aberdeen office supply room. Staff used a 30-year-old mainframe system to track inventory and generate reports not used by staff. The review determined much of the process could be eliminated and the software, no longer needed, saving approximately \$20,000 in potential computer programming costs, eliminating 30 hours of staff time monthly spent on the system, and improving efficiency of distributing supplies to staff in the building.

LICENSING BOARDS + COMMISSIONS

There are nine occupational and professional licensing boards and commissions within the DLR. These boards and commissions are charged with licensing and regulating the individuals practicing in each specific occupation or profession in 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 abstracters 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.

BOARD OF ACCOUNTANCY

The South Dakota Board of Accountancy's mission 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 enforcing updated statutes and rules promulgated by the board to regulate the practice of public accountancy.

ATHLETIC COMMISSION

The South Dakota Athletic Commission's mission is to regulate boxing, kick-boxing, and mixed

martial arts competitions through the enforcement of statutes and rules.

BOARD OF BARBER EXAMINERS

The Board of Barber Examiners protects the health and safety of the consumer public by licensing qualified people; licensing and inspecting of barbershop facilities; and enforcing statutes, rules, and regulations governing the practice of barbering including the appropriate resolution of complaints.

COSMETOLOGY COMMISSION

The South Dakota Cosmetology Commission's mission 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.

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, sales persons, auctioneers, property managers, residential rental agents, timeshare agents and home inspectors, and for the registration of condominium, timeshare, and subdivisions projects.

BOARD OF TECHNICAL PROFESSIONS

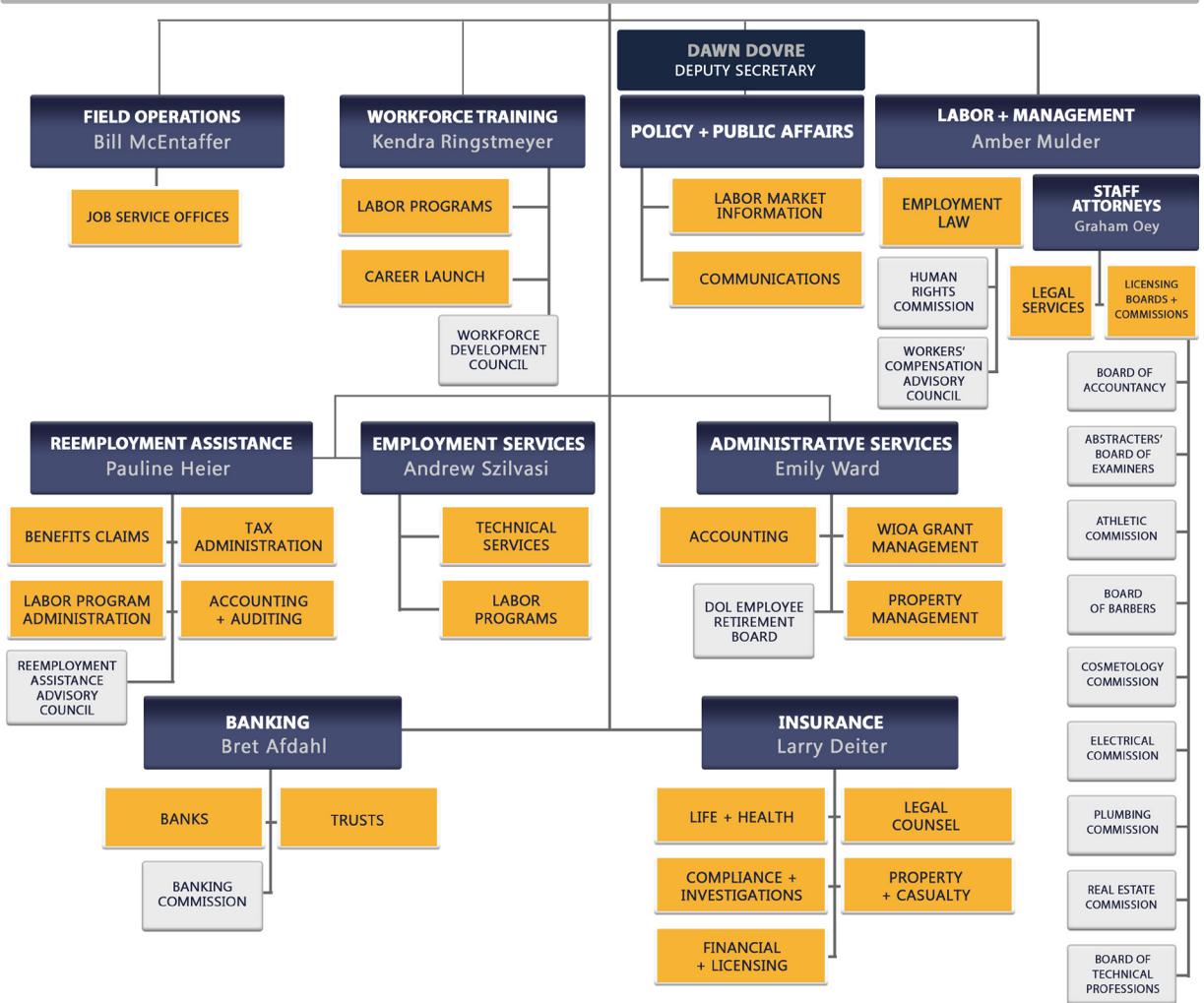
The South Dakota Board of Technical Professions is a regulatory board charged with licensing and regulating the professional practice of architecture, engineering, land surveying, landscape architecture, and petroleum release services for the purpose of safeguarding public health, safety, and welfare in South Dakota. A person must be licensed by the board before being permitted to offer and provide these professional services on projects located within the state.

Board/ Commission Performance Indicators	Licenses Renewed		New Licenses		Total Practitioners		Examinations		Complaints		Inquiries	
	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019
Abstracters' Examiners	85	84	1	1	248	155	3	3	1	1	125	250
Accountancy	2,043	2,066	76	72	1,923	1,942	92	96	15	20	7,440	7,440
Athletic	N/A	N/A	307	214	N/A	N/A	N/A	N/A	0	0	300	200
Barber Examiners	301	302	1	10	157	161	1	10	0	0	510	500
Cosmetology	8,146	8,186	983	1,011	6,072	6,284	325	355	50	39	17,500	18,000
Electrical	3,127	1,344	772	776	4,803	6,258	295	273	N/A	N/A	N/A	N/A
Plumbing	2,391	2,450	414	337	2,733	2,880	147	129	18	10	3,549	4,600
Real Estate	1,897	1,607	398	427	4,089	4,193	491	479	91	103	54,982	52,094
Technical Professions	4,828	5,014	560	640	8,426	8,917	382	345	2	4	3,500	4,000

Table 19 - Boards and commissions indicators.

SOUTH DAKOTA DEPARTMENT OF LABOR AND REGULATION

MARCIA HULTMAN
Department Secretary



Seventy-five copies of this publication were produced by the South Dakota Department of Labor and Regulation at a cost of \$0.60 per copy. U.S. DOL funded.

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