



SOUTH DAKOTA
DEPT. OF LABOR
& REGULATION

ANNUAL REPORT

FY 2021

July 1, 2020-June 30, 2021

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POLICY + PUBLIC AFFAIRS



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MESSAGE FROM THE SECRETARY



Dear Friends,

Over the past year, we've found ourselves turning the corner from processing an unprecedented amount of unemployment claims to a new, but familiar, challenge of finding enough qualified workers to meet businesses' needs. The "Great Resignation" has been felt even in South Dakota, a state that traditionally has one of the highest labor force participation rates in the nation. As a result, our strategies have focused on training and retraining, recruitment, and retention.

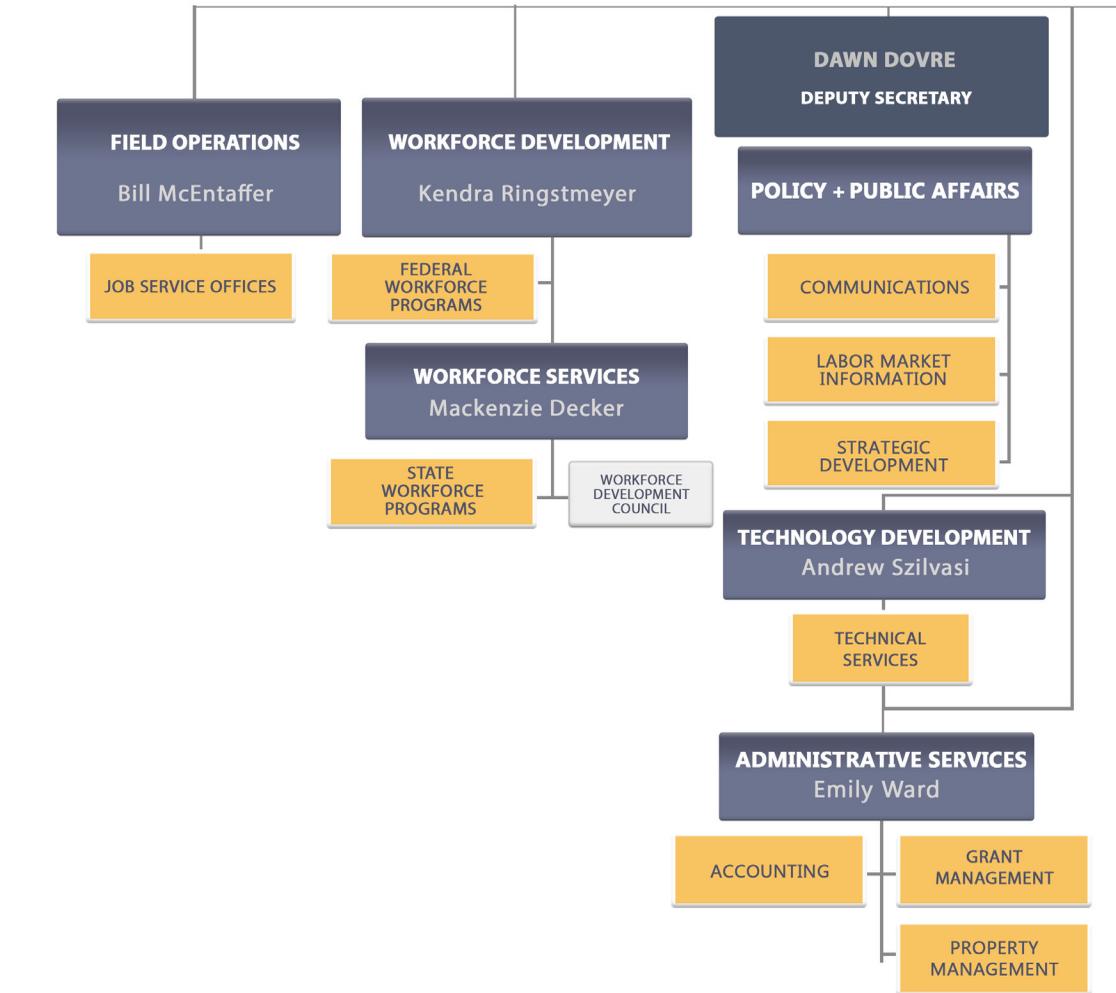
In July 2020, DLR developed and launched SD UpSkill in partnership with the Board of Technical Education as a response to the increased unemployment resulting from the COVID-19 pandemic. The goal was to engage those who had lost their jobs in training programs leading to short-term credentials in high-demand industries. In the 2020 – 2021 school year, 100 individuals engaged in UpSkill training programs with 64% earning a certificate. All participants were enrolled and case-managed virtually.

In November 2020, DLR opened "doors" to a Virtual Job Service, starting with an Enrollment Team. Using technology already available and teamwork, DLR created a space for customers to submit paperwork online, complete the orientation and enrollment into workforce programs remotely, and virtually receive case management or attend Job Search Workshops.

On March 31, 2021, in preparation for walk-in traffic on April 1, a "2021 Vision" presentation launched a challenge to job service office teams to be intentional with engaging with businesses to learn of their needs, intertwining DLR services within partners' processes, and engaging veterans in need of workforce services.

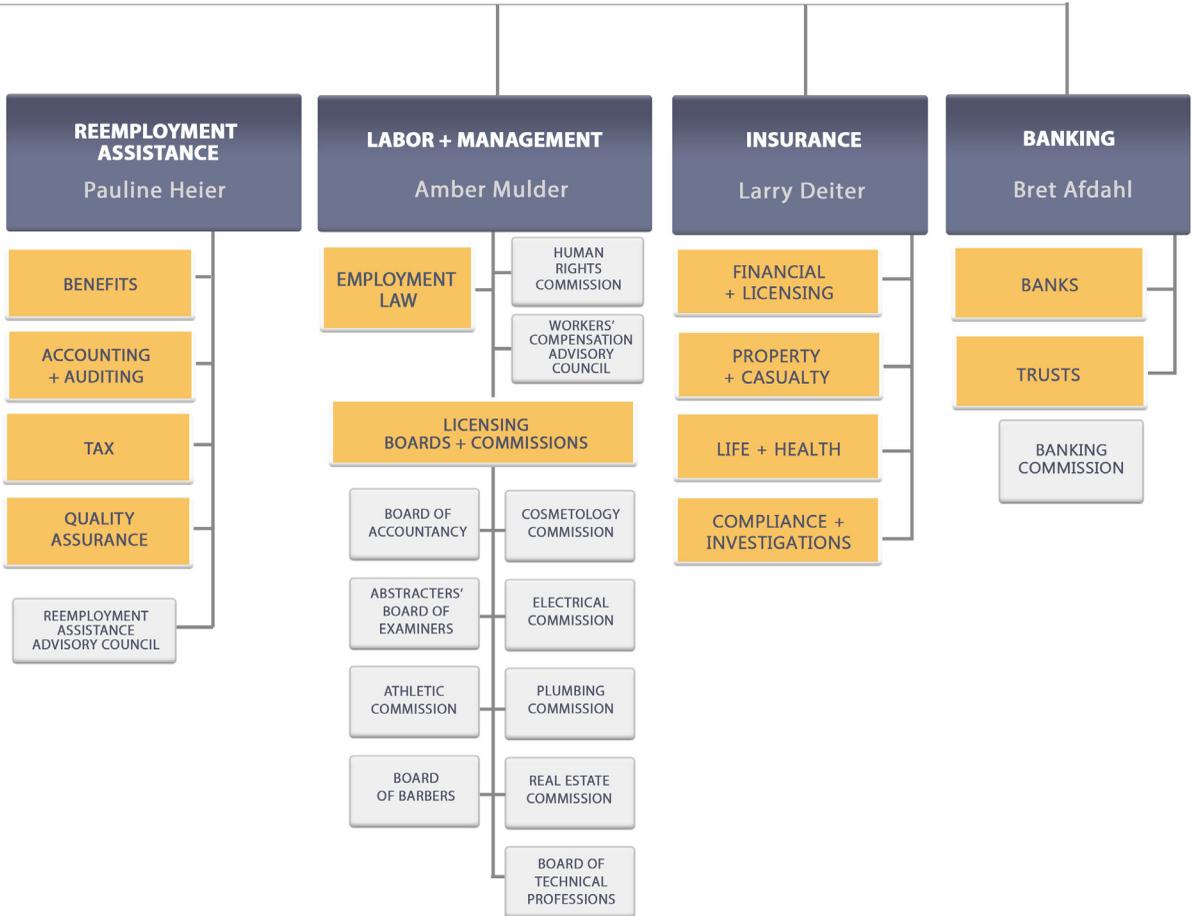
These are just a few examples of our efforts. Every other state is facing the same workforce shortage issues, and it is important state and local government, communities, and businesses all work together. I look forward continuing our workforce development efforts to keep South Dakota's economy strong and prosperous.

Marcia Hultman
Cabinet Secretary



OF LABOR AND REGULATION

HULTMAN
Secretary



POLICY + PUBLIC AFFAIRS

DAWN Dove, 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

Most of the fiscal year was devoted to public information efforts for topics related to the COVID-19 pandemic. This included reemployment assistance, weekly unemployment claims and jobs data, state of the workforce, federal assistance program requirements, and consumer protection.

Outreach was done for many programs and topics, including Dakota Roots, Career Launch SD, SD UpSkill, Week of Work, SDWORKS jobs database, tourism and hospitality jobs, Workforce Development Month, Adult Education and Family Literacy Week, Registered Apprenticeship Week, career exploration tools, mentoring toolkit, veterans' priority, Supplemental Nutrition Assistance Program, and federal bonding. Strategies involved employer newsletter articles, news releases, social posts, videos, testimonials, infographics, homepage web sliders, print materials, and internal staff communications.

Deputy Secretary Dawn Dove served as Past Chair of the National Association of State Workforce Agencies (NASWA) Communications Committee. Discussions primarily dealt with unemployment insurance: federal benefit programs, messaging for claimants and employers, constituent services, and working with the media. Dove has served on the leadership team of this committee since 2016.

Internal communication highlights included Employee Choice Awards for staff recognition; newly designed business cards, email signatures, and Teams backgrounds for a refresh; and weekly "Art of Work" articles in the IntraNews Digest to give tips and inspiration about working more effectively and communicating better.

ORGANIZATIONAL DEVELOPMENT

DLR began exploring the idea of acquiring a **learning management system (LMS)** this program year with hopes of improving its onboarding process and staff development opportunities. The LMS would provide a cloud-based platform to house all DLR developed trainings and provide out-of-the-box pre-developed trainings to support staff development (e.g. management focused, communication, and ethics). The LMS will also provide tools to create innovative training content that is interactive with the learners. A platform was selected and will go live in early 2022.

LABOR MARKET INFORMATION CENTER

- About 475 requests for information were handled, including the distribution of approximately 250 printed publications to our users, including employers, K-12 schools, colleges and universities, job service staff and economic development groups.
- Funding available through a partnership with the Division of Workforce Development and the South Dakota Department of Education made it possible for LMIC to print career materials for use in schools. Several of the resources (Career Aware for grades 3-5, Career Wonders for grades 6-8, Career Destinations and the set of 16 Career Clusters posters) were also translated in two additional languages, Spanish and Karen.
- In response to employer need, occupational wage estimates were updated on a quarterly basis and published for statewide South Dakota, three metro areas (including the cross-state Sioux City area) as well as East and West balance of state areas.
- Annual wage data for South Dakota Hot Careers and Top 30 careers (the state's highest demand/highest wage occupations identified in 2020) were updated.
- Occupational demand, wage and current job openings data were provided for consideration of programs eligible for the Build Dakota scholarships and the Eligible Training Provider List.
- The pandemic Picture webpages were updated each month, focusing on the state's workforce recovery from COVID-19 using key indicators including labor force and employment levels by industry. The main page includes bullet statements of latest highlights, data tables, and graphs illustrating trends. A secondary page provides more in-depth narrative about performance during the pandemic.
- Data on job openings advertised online was tracked on a daily basis for several months during the worst economic impacts of the pandemic for statewide South Dakota, the two metro areas and two balance of state areas. The data continues to be tracked one day each week for longer-term comparison purposes.
- Employment and wage outcomes data was provided on South Dakota's public postsecondary graduates, including the publication of an annual report.

OPTIMIZE DLR / CONTINUOUS IMPROVEMENT

In 2021, DLR completed its fourth 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.

Overall, DLR has pioneered new technology in state government applications to reduce user and employee frustrations and spend more time on customer service. Enhanced uses of the Microsoft Office 365 suite directed by the Communications team included:

- The DLR Intranet has been fully migrated to a SharePoint site. This allows for easier access, better organization, and more editing capability to staff beyond the Communications team.
- Divisions continue to collaborate in virtual workspaces using SharePoint and Teams as the Communications team offers support and guidance. Files are also shared with other departments for projects as needed.
- DLR integrated Adobe Sign forms with SharePoint to allow customers to sign and submit forms virtually and securely.
- The Communications team standardized the process for submitting, reviewing, and signing secretarial correspondence. An automated submission method and approval workflow was created using SharePoint, Power Automate, and Adobe Sign.

WORKFORCE DEVELOPMENT



KENDRA Ringstmeyer, Division Director

The mission of Workforce Development 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 PY20: July 1, 2020, through June 30, 2021.

The Workforce Development team develops innovative workforce solutions that allow for the implementation of federal workforce programs and state initiatives while meeting the workforce needs of job seekers and businesses. The division provides guidance and programming for workforce training and education to young adults, adults and dislocated workers, adult basic education, veterans, older workers, and individuals on economic assistance employment programs. The division also manages service for businesses, and the Trade Adjustment Assistance program, and Registered Apprenticeships.

The agility of DLR was challenged during PY20 due to the COVID-19 pandemic. DLR shifted focus away from workforce programs to help lift the burden the Reemployment Assistance (RA) Division was forced to carry from March of 2020 through March of 2021. By April 1, 2021, DLR job service offices re-opened to walk-in traffic. At that time, South Dakota had a 2.8% unemployment rate and businesses desperate for a skilled workforce. DLR tested new methods to reach and serve customers, which laid the foundation for sustainable models and a bright future for workforce development in South Dakota.

TITLE III WAGNER-PEYSER

The primary function of the Wagner-Peyser Act is to provide universal access to labor exchange services from South Dakota's businesses to job seekers. Labor exchange services are considered a type of career service under the WIOA and are available to all individuals legally authorized to work in the U.S. with no further eligibility criteria.

PY20 focused on providing services not only in-person but also on providing the option to receive services virtually. This option has increased access to services for those living in rural areas of our state and provides our customers with a choice of service delivery. Wagner-Peyser served 3,396 participants with career services in PY20. While those exiting Wagner-Peyser services surpassed our median earnings of target of \$4,900 with a total of \$5,073, the Employment 2nd Quarter after exit and Employment 4th Quarter after exit goals were not met.

YOUTH

DLR job service offices doubled down on their commitment to reach youth wherever they are by introducing the concepts of virtual enrollment, intensive case management, and strategic service delivery. Out of the 258 Title I Youth participants served during PY20, 160 were new enrollments during this time period. Of these 160, 53 were In-School Youth and 107 Out-of-School Youth (see Figure A). Participation in the Title I Youth program can be attributed to:

- Approval of two federal waivers;
- Closer relationships with the South Dakota Department of Education, including the Jobs for America’s Graduates (JAG) program and Career Launch SD partnership;
- Partnership with South Dakota Department of Social Services Foster Care;
- Collaboration with the Board of Technical Education to provide short-term credential programs through the SD UpSkill program (see National Dislocated Worker Grants + SD UpSkill section);
- Emphasis on coordination with WIOA partners including: WIOA Title II Adult Education and Literacy (AEL) providers;
- Increased outreach and case management training for job service offices; and
- Encouragement and resources from DLR leadership to get out in the community.

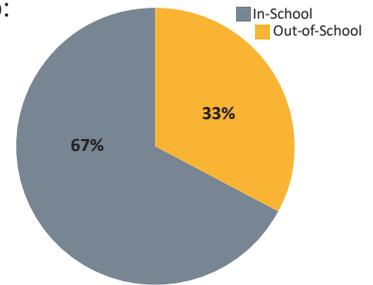


Figure A: Title I Youth Enrollments

During the last quarter of PY20, Title I Youth and Title II AEL Program Specialists began working on the development of a service model called ***Participants Reaching Employment Potential (PREP)***. This coordinated effort reinforces collaboration between Adult Education providers and job service offices with wraparound services, including incentives, Support Services, and Work-Based Learning opportunities for those seeking their High School Equivalency. PREP further promotes the benefits and available services for education, training, and career-readiness beyond the GED® credential.

CAREER LAUNCH SD

Career Launch SD was developed in 2018 through a partnership with the WIOA Title I statewide youth funding and funding through the Department of Education. Through this partnership, DLR has hired Career Advisors who work alongside educators and businesses to increase career exploration and work-based learning opportunities for youth in the K-12 school system. The engagement of DLR staff in the schools, offers a funnel of youth into the Title I In-School Youth program.

Due to limited access to schools and the need for Career Advisors to assist the RA Division, both agencies decided to pause the Career Advisor’s efforts through January 2021. Despite these obstacles presented by COVID-19, Career Advisors provided an impressive array of services to schools through innovation and the use of technologies. Highlights of PY20 include:

- Coordinated four large industry presentations for youth.
- Assisted with hosting three Career Fairs.
- Offered over 25 presentations to students.
- Served over 1,630 youth.
- Assisted schools with implementing and celebrating the SD Week of Work.

In the summer of 2021, four DOE staff and 16 DLR staff worked with the National Career Development Association to complete a course allowing them to become Certified School Career Development Advisors.

On an ongoing basis, WIOA supports the Labor Market Information Center (LMIC) in extending its reach with the career exploration and decision-making resources they develop. During 2020, through their Career Launch partnership with the South Dakota Department of Education (DOE), LMIC secured funding to have its K-12 career exploration materials printed for school use. Not only did the funds allow for printing of the materials, a first for a number of years, but several of the resources were also translated in two additional languages, Spanish and Karen.

ADULT + DISLOCATED WORKER

The Title I Adult and Dislocated Worker programs ensure each person has a comprehensive plan to identify their goals and outlines the steps necessary to achieve them. Strengths and barriers are assessed in a comprehensive manner to help build an employment plan that can include case management, training and education, support services, and integrated resource team service delivery via robust partnerships with other state agencies and community organizations.

DLR enrolls all individuals 18 years and older interested in receiving individualized career services into the Title I Adult program and the Title III Wagner-Peyser programs. Due to budget concerns prior to COVID-19, South Dakota narrowed eligibility criteria. As of July 1, 2020, Title I Adult funds are reserved for those who are low-income, receiving public assistance, basic skills deficient, have a disability, an ex-offender, or high school dropout.

During PY20, 64.12% of participants in the ***Title I Adult program*** met Priority of Service. While the goal of 75% was just out of reach, DLR made significant strides toward the goal as the year progressed with increased partnerships, data entry training for staff, and working with our management information system vendor to adjust our reporting process.

National Dislocated Worker Grants + SD UpSkill

All Title I Dislocated Workers are co-enrolled into the Wagner-Peyser Title III and the WIOA Title I Adult program. DLR served 672 dislocated workers in PY20. This demographic often comes to DLR with varying work and educational backgrounds. In order to match the current needs of the labor market, DLR partners with training providers to offer Registered Apprenticeships and Occupational Skills Training through the Eligible Training Provider List (ETPL). These opportunities allow individuals to re-train and gain sustainable employment.

In response to COVID-19, DLR applied for funding through the National Dislocated Worker Grant (NDWG). With these funds, **SD UpSkill** was developed in partnership with the Board of Technical Education (BoTE) as a response to the continued need for workforce training during the pandemic. NDWG funding combined with Governor Emergency Education Relief funding brought opportunities to South Dakota residents dislocated from their jobs through no fault of their own and were eligible for Reemployment Assurances (RA) benefits.



BoTE approved 24 programs, approximately 18 credits each, for the Fall 2020 semester based on high-demand predictions according to data provided by the Labor Market Information Center. All programs were embedded within existing academic programs, allowing a pathway for students to continue their studies to receive an Associate of Applied Science. Programs were offered in the areas of agriculture, finance, health sciences, information technology, manufacturing, and marketing.

With classes starting only three weeks from the date the program was announced, 106 dislocated workers took part in the UpSkill Certificate program, and 64 graduated in May 2021. All students were enrolled in WIOA virtually as a pilot for the now fully functional Virtual Enrollment Team. Case management responsibilities were successfully transferred to the job service office near the participant. Case managers followed student progress, assisted with support services when necessary, and coordinated referrals for virtual tutoring and mentoring.

At the end of the school year, four DLR staff attended the Lake Area Technical College graduation ceremony where Secretary Hultman gave the commencement address emphasizing the tenacity of the South Dakota workforce.

Two NDWG modifications were submitted in Spring 2021. The first was to accurately reflect the staff costs associated with UpSkill program administration. The second modification was submitted to request an additional \$798,246 to continue and expand UpSkill in the 2021-2022 school year and increase engagement with tribal colleges in the state. The full amount was awarded. DLR anticipates seeking a no-cost extension for this grant.

RE-EMPLOYMENT SERVICES

South Dakota's Re-employment Services (RES) program profiling restarted on Jan. 4, 2021, after being halted in March 2020 in response to COVID-19. After an initial influx of RES claims, referral numbers leveled off in the second quarter of the calendar year. Throughout the profiling and referral process, job service office teams and the Virtual Job Service work collaboratively to enroll RES referrals into Wagner-Peyser, Title I Adult, and Dislocated Worker Programs. Participants have the option to receive RES and individualized services in-person or virtually. This teamwork and customer-centered design improves accessibility, participation, and overall outcomes.

RES underwent two notable changes in PY20. First, the re-addition of the subsequent review and follow-up service, which brought DLR into alignment with stated objectives in the annual RES State Plan. Next, automation of the Eligibility Review and Follow-up Form was implemented in June. This process automates communication of potential issues identified during eligibility or follow-up review

between the DLR case manager and the Reemployment Assistance (RA) Division.

Statewide training was provided to staff the first week in June to review RES procedures, the re-addition of the subsequent review and follow-up service, and the automation of the eligibility and follow-up review forms. The training was conducted by RES program specialists in conjunction with the RA Division, DLR's Data and Evaluation Manager, and the Technology Development Division.

TRADE ADJUSTMENT ASSISTANCE

Trade Adjustment Assistance (TAA) is a federal program to assist U.S. workers who have lost their jobs as a result of foreign trade. Through partnerships with states, U.S. DOL investigates business layoffs and closures to determine eligibility for TAA. If approved, the TAA program offers benefits and services to impacted workers that will help them receive training and obtain new employment.

In PY20, DLR has taken measures to increase businesses' awareness of the TAA program. A TAA brochure was developed to help businesses better understand how trade could potentially impact their organization and what to do if that occurs. In partnership with DLR job service office staff, state leadership representing the TAA program meet with economic development organizations throughout the state to increase their awareness of this program in the event the need arises.

Changes to the policy and procedure from the TAA Final Rule will be implemented, and in-person and virtual training on changes for job service staff will take place early in PY21. These trainings are recorded for easy access and ongoing review.

TAA Eligibility	PY17	PY18	PY19	PY20
Petitions Filed	2	2	6	10
Petitions Approved	3	0	3	6
Number of Certified Workers	321	0	591	564
TAA Participation				
Current TAA Participants	98	77	120	90
New TAA Participants	26	6	91	34
Training Recipients	55	2	36	50
TAA Outcomes				
Employed Participants Who Changed Industry	80.70%	82.50%	82.50%	82.50%
Credential Attainment	No data	50%	71.40%	79.00%
Employment Rate Q2	56.60%	82.40%	87.50%	87.90%
Employment Rate Q4	58.30%	73.70%	89.30%	92.70%
Measurable Skill Gain	No data	40.50%	25.00%	88%

Table 1: TAA Data Overview by Program Year

RAPID RESPONSE

South Dakota's Rapid Response team consists of job service office staff across the state. This team provides services to workers, employers, and communities facing business closures and layoffs. Notification of possible layoffs or business closures are received through unemployment insurance claims, direct contact from impacted employers and workers, media announcements, and notifications from the Worker Adjustment and Notifications Act (WARN). Rapid Response events provide an opportunity to share information regarding services the DLR can provide or services we can assist with connecting individuals to. These events also allow for immediate answers to questions about the services, benefits, and resources.

As part of the Rapid Response process, South Dakota has incorporated informational handouts from all four of the technical colleges to encourage awareness and consumer choice related to re-training affected workers. Health insurance is always a concern when there is a layoff. South Dakota has included a Retirement and Health Care Coverage booklet produced by U.S. DOL during each Rapid Response event.

During the pandemic, technology automations were implemented for DLR staff to submit rapid response information to the state coordinator to improve reporting and awareness of layoff events.

ADULT EDUCATION + LITERACY

As the responsible, pass-through state agency for the WIOA Title II program, DLR has long been long committed to serving adults who are most in need of literacy services. These individuals may perform at lower educational levels (below the 9.0 grade level equivalency) and generally demonstrate a need for reading, writing, and math skills in order to obtain or retain employment. Demographics of those served include:

- Adults who are low-income or have minimal literacy skills
- Learners with disabilities
- Single parents
- Displaced or dislocated workers
- Those with limited English proficiency
- Unemployed and underemployed persons
- Young adults
- Offenders in correctional institutions
- Ex-offenders

In PY20, WIOA Title I again supported AEL's ***Distance Education Special Project*** as an allowable employment and training activity under WIOA Section 134(a)(3)(A)(viii)(II)(dd). In its fifth year, the Distance Education Program was well poised to serve as a proper medium for online learning, as differentiated from various efforts of Emergency Remote Teaching in response to the crisis of the

COVID-19 pandemic. While such Emergency Remote Teaching is meant to be temporary, the AEL Program now seeks to find some balance in a post-vaccination environment as it relates to capacity and offering high-quality remote, in-person, and hybrid instructional services. Ongoing consideration must be given to physical-space constraints, students' digital-literacy levels, as well as to hardware and broadband accessibility.

The pandemic accelerated AEL instructors' and administrators' personal Digital Literacy competencies, and it forced Adult Education to reconsider who can truly participate and what content can be delivered remotely. Furthermore, the Distance Education Program was able to reach a certain segment of learners who previously did not participate with such persistence: single parents, stay-at-home parents and other caregivers, incumbent workers with demanding or unorthodox schedules, and individuals with health-related barriers. Another result of the pandemic's shift to remote instruction was the return of prominence for Family Literacy as a program-type. Adult Education was able to help families and single parents better navigate the exigencies of food insecurity, reemployment assistance, and Google Classrooms (or other learning-management systems at local K-12 systems).

OLDER WORKERS

The Senior Community Service Employment Program (SCSEP) is a federal program authorized by the Older Americans Act and administered through DLR. The program offers services to older adults, providing community service and work-based training opportunities to low-income, unemployed adults over the age of 55. The program is designed to help place participants gain meaningful, unsubsidized employment. SCSEP participants can build relevant skills related to their career goals by undergoing work experience training at a nonprofit or government organization in their county of residency. All SCSEP participants continue to be enrolled into Title I and Title III to increase their access to a wider variety of career services, such as resume assistance, workshops and opportunities for Support Services. All SCSEP participants can receive Title I and Title III services either in person or virtually.

SCSEP operates in three different regions of South Dakota (West River, Central, and East River) and six employment specialists help oversee these regions. In PY20, a total of 58 older workers participated in SCSEP (35 transferred over from PY19, and 23 participants were enrolled in PY20). Overall, participants contributed 34,387 cumulative hours in a host agency performing community services. Related participant training hours, such as instructor-led and computer-led, courses totaled 448 hours.

This program is committed to helping minority groups and people with significant barriers to employment. Out of the 58 total participants, 28% were Native American, 28% have reported a disability, 31% were veterans (or an eligible spouse of a veteran), 21% were either homeless or at risk of homelessness, and 22% were individuals formerly incarcerated.

DLR is continuing to see success in enrolling SCSEP participants into Title I programs. Nine SCSEP participants found unsubsidized employment in PY20 during the COVID-19 pandemic.

ECONOMIC ASSISTANCE

Temporary Assistance for Needy Families

Temporary Assistance for Needy Families (TANF) is a needs-based public assistance work program for families with children under age 18. This federal program is designed to provide temporary cash assistance and promote economic self-sufficiency for families by providing intensive case management, valuable training opportunities, job search assistance, and a variety of meaningful services to assist customers in increasing skills and employment opportunities.

The South Dakota Department of Social Services (DSS) determines eligibility for benefits while DLR provides services to help customers prepare for the workforce.

Though the COVID-19 pandemic, DSS and DLR were able to continue to provide services to families while maintaining health safety protocols. This was possible by utilizing a virtual service delivery platform to engage with customers and assist in connecting them with services and resources for their families. It became evident this service delivery model is essential to increase access to services for TANF customers in a rural state our size.

A cross-agency work group was developed in PY20 to identify program areas in need of attention. Topics included streamlining assessments and forms, co-enrollment in WIOA Title III and Title I, increasing access for TANF recipients to services available through DLR's workforce programs, and updating policy and procedures. As we move into PY21, a renewed focus in staff training to enroll TANF participants into Title III and Title I will be a priority. In addition to increasing access to quality services for TANF customers, this co-enrollment model will assist the state in reaching the priority of service threshold for the WIOA Title I Adult program.

With all the challenges DLR has faced due to the COVID-19 pandemic, as an agency the Work Participation Rate exceeded the federal requirement of 50%.

Supplemental Nutrition Assistance Program Employment & Training

Supplemental Nutrition Assistance Program (SNAP) is a food assistance program administered by the Department of Social Services (DSS). The work program associated, SNAP Employment & Training (E&T), can assist participants in gaining skills, training, or work experience to increase their ability to obtain gainful employment and accomplish self-sufficiency.

The COVID-19 pandemic posed a variety of obstacles when providing services to individuals. As a result, DSS and DLR have been working to recreate SNAP E&T in South Dakota. Through this revitalization of SNAP E&T, DLR will focus on utilizing co-enrollment into Title III and Title I to provide participants with a variety of services and supports to be successful. Emphasis will be placed on Occupational Skills Training and other short term training opportunities to promote skills development and enhance employment options and earning potential. A partnership with Regional Technical Education Center (RTEC) has been cultivated in the effort to provide training needed in high-demand occupations in the Yankton community, including welding, Computer Numeric Controlled (CNC) machining, and commercial driver's license courses. DLR will also utilize already established training programs to assist participants.

In addition to building community partnerships and maintaining the partnership with DSS, internal guidance and policy for DLR staff is being developed. This guidance is new and fully incorporated with Title I efforts. It has been developed with new Food Nutrition Service guidance and regulations. Staff training is being offered, and a Labor Program Specialist has been dedicated to this program to offer ongoing support and continue development.

APPRENTICESHIPS

Through a Registered Apprenticeship grant from U.S. DOL, DLR implemented an incentive to employers in South Dakota for each new apprentice hired. While minimal, this financial investment can assist with the vitality of existing Registered Apprenticeship Programs (RAPs) by allowing businesses to use this funding on program-related costs.

The DLR management information system, SDWORKS, collects all necessary data elements required by WIOA programs and now includes a **Registered Apprenticeship module**, funded through the U.S. DOL State Apprenticeship Expansion Building State Capacity Grant. The module will improve the data collection, integrity, and reporting. New Registered Apprentices are also enrolled in the Title I Adult and/or Youth programs, offering apprentices the greatest opportunity for success through access to additional support. DLR developed policy and an SDWORKS data entry guide to support job service office staff as they assist businesses and apprentices. Title I funding offers workshops for retention and employability, Support Services, and training services to apprentices, supporting the apprentice and decreasing RAP sponsor costs.

DLR awarded three organizations funding to launch the **Pathway Partnership** program to offset the cost of implementing a RAP. Through this RAP model, students earn high school credit, post-secondary credit, and Registered Apprenticeship credit. Upon graduation, a student in a Pathway Partnership program can decide to complete their RAP and/or continue their post-secondary education. Recipients of this funding included businesses, associations, and post-secondary institutions. The Pathway Partnership program engaged a total of 40 youth apprentices throughout the state.

Apprentices are generally between the ages of 16 and 34. Figure B illustrates new apprentices by age. The Pathway Partnership initiative will continue to increase the number of youth entering apprenticeships in the coming years.

Recognizing the need to support businesses as they build relationships in their workforce, DLR utilized grant funding to develop a **Workplace Mentoring Toolkit**. The toolkit includes training for mentors to build their skills to coach and develop apprentices and new employees.

In recognition of the **2020 National Apprenticeship Week**, DLR requested video submissions from Registered Apprenticeship sponsors and apprentices to share their apprenticeship stories. The response was well received, and DLR developed a video library highlighting the benefits of a RAP from those who know best: sponsors and apprentices. These videos can be found at StartTodaySD.com.

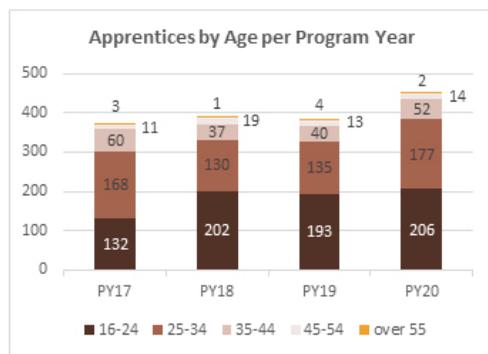


Figure B: New Apprentices by Age

VETERANS' SERVICES

The Jobs for Veterans State Grant (JVSG) provides intensive employment services to eligible JVSG veterans and eligible non-veterans in preparing, seeking, obtaining, and retaining employment. These services are provided by a Disabled Veterans' Employment Program (DVOP) specialist. DVOP staff also conduct outreach to seek out eligible veterans and people for their services. JVSG also has Local Veterans' Employment Representatives (LVER) who reach out to employers to promote the hiring of veterans and assist employers with veteran hiring initiatives and employer toolkits, apprenticeship training, networking, HIRE Vets Medallion Award applications, job onboarding information valuable to employers, job retention assistance and information, etc.

In PY20, the Rapid City LVER assisted two South Dakota employers in applying for the prestigious HIRE Vets Medallion Award, given by U.S. DOL to employers who hire veterans. The award was granted to both applicants: Black Hills Service Company, LLC, and Black Hills Asset Protection Group.

JVSG staff assisted the Reemployment Assistance Division from March through November 2020. Once JVSG duties resumed, virtual and in-person appointments were used to seek out and re-connect with eligible veterans. Although program performance was low, DLR began the process of refocusing the JVSG program to provide a bigger imprint of services for eligible veterans and non-veterans.

During PY20, DLR and Veterans' Employment and Training Service opened discussions about how to best provide JVSG services to the entire state, including rural areas. As a result of discussions, the process began to add new full-time JVSG staff to both Sioux Falls and Aberdeen. Sioux Falls Job Service would hire a LVER and Aberdeen Job Service would hire the first DLR full-time hybrid DVOP/LVER position, referred to as a Consolidated Position. The Consolidated Position was approved at the end of the program year. With the addition of these positions, DLR has identified regional territories to ensure DVOP and LVER coverage throughout the state. This adjustment will provide valuable assistance to DLR job service offices without JVSG staff and improve outreach to both veterans and employers.

WORKFORCE SERVICES



MACKENZIE Decker, **Division Director**

As the Workforce Development team continued to build capacity during the beginning of the program year, a December 2020 re-organization created a new sub-division to help support these efforts to bring DLR forward. The Workforce Services team oversees state initiatives, programs, and supportive workforce services, while providing creative and technical solutions and communication strategies as a bridge between DLR Field Operations, Technical Development, Administrative Services, Policy and Public Affairs, and Workforce Development. Current programs include the National Career Readiness Certificate, Family-First Initiative, Bring Your 'A' Game, Dakota Roots, Strategic Service Delivery, High School Equivalency, and the South Dakota Week of Work.

The information in this section is a review of PY20: July 1, 2020, through June 30, 2021.

VIRTUAL JOB SERVICE

DLR adjusted quickly and dynamically to the landscape of the pandemic. After a trial period of virtual service delivery with the SD UpSkill program, DLR opened the Virtual Job Service in November 2020. Prior to opening, the DLR Workforce Development team visited each office in September and October 2020 for an in-person presentation to communicate the importance of the shift and the benefits to customers and staff. At inception, the Virtual Job Service included an Enrollment Team and a Virtual Job Search Workshop service delivery group with ideas for expansion.



Figure C: Customer Flow of Virtual Job Service

Enrollment Team

Using teamwork, creativity, and technology already available, in only a few months DLR created a digital space for customers to submit paperwork online, complete the orientation and enrollment into workforce programs, and virtually receive case management. South Dakota citizens with a desire to receive DLR services can visit the landing page at dlr.sd.gov/localoffices/virtual.aspx on DLR's website and complete four steps, anywhere and anytime it is convenient. The individual will receive a call from a DLR specialist to schedule an appointment, virtually or in-person as desired by the customer. During the virtual meeting an enrollment is completed, an Employment Plan is developed, and the customer is connected to their case manager.

The Enrollment Team roster, comprised of up to 12 staff from across the state, rotates every few months depending on the number of referrals. The team, led by two statewide Lead Employment Specialists, handles enrollments into Title III and Title I, as well as all workforce programs offered by DLR. The duration of time spent on the team varies based on the need of the staff member. Each Enrollment Team member receives training, support, and timely feedback on enrollment files.

Virtual Workshops

DLR has a long-standing offering of an in-person, monthly Job Search Workshop, usually delivered in one 6-hour or two 3-hour sessions by a staff member in each of our 14 offices. The Virtual Job Service allows anyone enrolled in Title III Wagner-Peyser to register for any of the three modules, held virtually on Wednesday afternoons. Job Search Workshop is offered by four instructors located in different offices throughout the state. Instead of multiple DLR staff offering the same workshop across the state, a smaller team can offer the same curriculum more often. The instructors change twice per calendar year offering staff an opportunity to focus and improve their virtual delivery styles during their time on the workshop team. Modules are broken into shorter sessions, allowing customers to choose from the following topics:

- Resume, Cover Letter and Application
- Assessments & Job Search
- Interview & Job Retention

Family-First Initiative courses, including soft skills, financial literacy, and digital safety, incorporated virtual options in July 2020 and expanded virtual learning opportunities for our customers. Participants can develop these skills no matter where they are to prepare for sustained, gainful employment.

DLR seeks to expand service delivery group offerings beyond workshops in the coming program year.

FAMILY-FIRST INITIATIVE + SOFT SKILLS

In 2019, the South Dakota State Legislature started appropriating State general funds for the Family-First Initiative designed to help individuals gain meaningful and sustainable employment, retain employment, and further develop a work and life balance. DLR partners with six providers to deliver virtual and in-person family-oriented courses which provide practical knowledge to individuals with diverse economic and educational backgrounds. Individuals build positive relationships and receive guidance in a neutral learning environment. In PY20, providers offered 87 courses to 550 individuals who reside or are employed in South Dakota. These courses are a resource for our job service offices who connect workforce program participants with these services.

During PY20, DLR implemented Bring Your 'A' Game Anywhere, a self-guided virtual e-learning course, and offered the curriculum to job seekers, employers, employees, and school districts across South Dakota. The e-learning course provides accessibility for participants to continue elevating their work ethic, anytime, anywhere, and on any device. Now, more than ever, it is critically important for job seekers to be prepared with exceptional soft skills. From October 2020 to May 2021, 278 individuals completed the e-learning modules.

During the 2020-2021 school year, certified DLR job service staff offered the Bring Your 'A' Game to Work curriculum in-person to 580 students in 35 school districts.

SOUTH DAKOTA WEEK OF WORK

A low unemployment rate and the high workforce participation rate have increased South Dakota employers' interest in working with young adults in their communities. South Dakota middle and high school students were given the opportunity for career exploration during the state's first Week of Work, April 19-23, 2021. Students participated virtually in live panel discussions with South Dakota business and industry professionals, with the ability to choose from a variety of panels offered twice each day. Almost 100 panelists from 27 communities represented career fields in agriculture, business, public service, private sector service, science and health care, and manufacturing and construction, for a total of 36 panel discussions. DLR and DOE staff provided two webinars during the final day of the week. Their presentation provided tips for students to continue their career exploration efforts to make an informed career decision.



The sessions, filled with great perspectives, can be viewed on demand at weekofwork.sd.gov. In addition to the replay on-demand option, DLR was able to source over 60 pre-recorded videos from South Dakota employers highlighting occupations in our state. Videos were posted to DLR's YouTube channel prior to the Week of Work and continue to be hosted there. Examples of occupation highlights in these videos:

- Nurse talking about why he loves Emergency medicine and one walking us through the NICU.
- Young man standing with his welding gloves on talking about how the weather affects his job.
- Forensic scientist with a police department talking about what types of post-secondary programs to look for.
- Radio talent, State Trooper, Scientist, Interior Designer, Lineman, and more.

More than 100 panelists from 27 communities represented their businesses in six career clusters serving over 3,200 students in 70 school districts.

HIGH SCHOOL EQUIVALENCY

In PY20, 439 South Dakotans earned a General Educational Development (GED®) credential. While the national pass rate during the program year was 77%, South Dakotans had a pass rate of 84% for completers. Table 2 reflects all testers even if they did not earn a credential.

The Online Proctored version of the GED® test continues to offer flexibility and greater opportunity for testing for those who qualify to take that version. In PY20, 83 testers took at least one test using the online system.

	Math	Reasoning Through Language Arts	Science	Social Studies
State pass rate	83%	89%	92%	88%
National pass rate	78%	86%	92%	86%
College ready*	10%	12%	15%	14%
College ready + credit**	4%	2%	3%	5%

* Scores reflect tester has demonstrated skills to start college-level classes and may be exempt from placement tests or remedial (non-credit) courses in college.

** Scores reflect tester has demonstrated skills being taught in college-level courses and could earn credit/bypass certain required classes.

Table 2: GED® Pass Rates

Outreach to those who need to earn a credential is vital: while 2,025 individuals created GED accounts, only 932 of them took at least one test. White males ages 20-24 who have completed their junior year of high school make up the largest group of those who have shown interest in earning a GED credential.

Math continues to be the subject area that keeps many testers from earning a credential. While South Dakota testers score well when they do complete the math test, of the 499 testers who passed three of the four tests in PY20 (see Table 3), only 67 of them had passed math.

Time Since Last Passed a Test	Number of People with One Test Left
<1 year	123
1-2 years	168
3-4 years	120
5-7 years	88
Total	499

Table 3: PY20 Test Scores

NATIONAL CAREER READINESS CERTIFICATE

DLR offers both employers and job seekers the ACT National Career Readiness Certificate (NCRC®). As of June 2020, over 41,000 South Dakotans have earned an NCRC, and many businesses in South Dakota recognize the NCRC. Available to all current and potential job seekers in the state, the NCRC can be a key employment tool for all Title I program participants, high school students, and justice-involved individuals. Whether in the application, the interview, or the probationary training phase, the NCRC provides concrete information for all parties (participants, case managers, employers) in making appropriate workforce decisions.

Through WIOA Title I statewide funding, any job seeker registered in SDWORKS is able to prepare for and complete the three WorkKeys Assessments required for certification: Applied Math, Graphic Literacy, and Workplace Documents. South Dakota's NCRC scores consistently rank above the national average. DLR also offers ACT WorkKeys® Curriculum, a skill development curriculum, at no cost to all program participants and job seekers interested in earning an NCRC. The use of this curriculum provides a framework to capitalize on skill strengths and to define potential skill training needs during the employment process.

The NCRC program has grown significantly since its 2009 inception. In addition to serving job seekers across the state through the DLR job service offices, developing partnerships has been a key component in expanding the program.

- More than 5,100 high school students earned an NCRC using streamlined application process that saves staff time. Earning a certificate helps students demonstrate current workplace skills. Additionally, the certificate is utilized for the advanced career endorsement graduation requirement and the Build Dakota scholarship.
- Completing the WorkKeys assessments is a requirement for graduating from the Women’s Opportunity and Resource Development (WORD) program at the Women’s Prison in Pierre. From December 2020 through June 2021, 72 women took the WorkKeys assessments, with 60 of them (83%) earning a certificate.
- Lake Area Technical College continues to use the WorkKeys assessments as one measure of progress for their students.

To foster a skilled workforce, emphasis has been placed on business education and outreach. Currently, approximately 1,250 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.

DLR is committed to providing the resources in maintaining the NCRC program, while fulfilling its mission. This obligation provides an effective tool for job seekers, high school students, employers, education, and government leaders to identify and improve the foundational workplace skills found across all employment sectors.

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 and SDWORKS. The State of South Dakota funds this worker recruitment initiative, which continued its 14th 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, the digital media outreach campaign “New Year” increased interest and traffic to the websites.

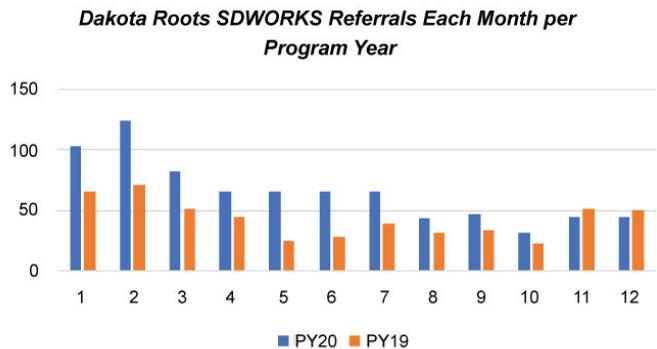


Table 4: Dakota Roots SDWORKS Referrals

During calendar year 2020 the top three states individuals relocated from were Minnesota, Iowa, and Nebraska. The dominant industries that individuals found employment varied from state to state. Former Minnesotans tended to be employed in the health care field, and former Iowans and Nebraskans were hired in manufacturing. Job advisors assisted individuals with job referrals, resume development, interview preparation, labor market information, community resources, and housing information. DLR contacted 733 out-of-state job seekers to offer job search assistance.

WORKFORCE DEVELOPMENT AND WORKFORCE SERVICES OPTIMIZE DLR / CONTINUOUS IMPROVEMENT

Strategic Service Delivery

A statewide model of support for DLR customers and staff continued to build in the second half of PY20. In conjunction with the ideas of the Virtual Job Service to streamline process and alleviate administrative burden, DLR elevated two additional statewide Lead Employment Specialist positions to act as a hub of information between job service office staff and providers to handle administrative details.

Beginning in March 2021, the Statewide Lead Employment Specialist worked directly with Labor Program Specialist and Fiscal staff to improve process for customers and staff (see Figure D). This workflow meets our customers' needs and increases staff capacity to engage with business, build partnerships, and provide more active case management. Statewide single-point-of-contact support also allows DLR to collaborate more consistently with the South Dakota BoTE and the technical colleges.



Figure D: Lead Employment Specialist Single Point of Contact for OST

In addition to meeting the social distancing needs of the pandemic, the participants and staff benefit from the Enrollment Team with more streamlined process to gather the initial WIOA needs for enrollment with less of a requirement for travel and time, getting services to the customer sooner. Anecdotally, it can take two meetings and two hours or more over the course of a month to complete an enrollment before DLR can offer services and supports. Virtual service delivery groups, like Job Search Workshop, provide needed services in a group format for a more engaging experience using less staff time. Previously, a single job service office would hold an entire 8-hour class for only a handful of students or cancel class due to low attendance.

Both the Enrollment Team and virtual workshop service delivery group model were piloted in July 2020 with SD UpSkill. Through a virtual group model and hands on repetition, DLR found the group model to be beneficial for professional development of staff through improved case management knowledge, digital literacy, further relationship building across the state, and overall engagement.

With the addition of the Virtual Job Service and Statewide Lead Employment Specialists, DLR is positioned to distribute workload more evenly among all offices in the event of a large lay-off or other increased need for services in one geographically area. Additionally, the Statewide Lead Employment Specialists offer supplemental guidance and training, increasing the capacity of Workforce Development Program Specialists to build their programs.

FIELD OPERATIONS



BILL McEntaffer, Division Director

The Division of Field Operations is responsible for the 14 DLR job service offices in communities across the state. With the goal to achieve a skilled workforce that contributes to South Dakota’s economic development, the division efficiently and respectfully serves businesses, job seekers, and community partners through innovative workforce development solutions and serves 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.

The information in this section is a review of PY20: July 1, 2020, through June 30, 2021.

The Division of Field Operations showed its resiliency and ability to adapt to change as it helped with an unprecedented surge of phone calls from Reemployment Assistance (RA) claimants and related phone calls until November 2020.

PY20 Timeline of Job Service Office Activity

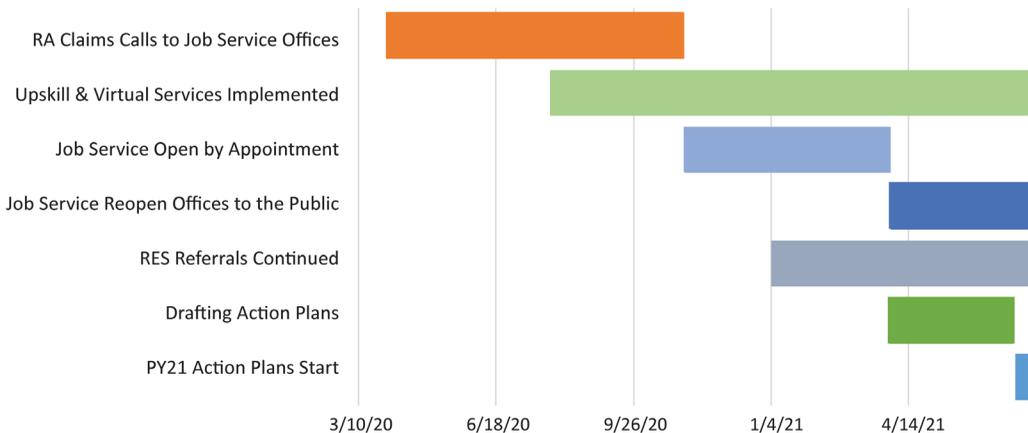


Table 5: PY20 Timeline of Job Service Activity

In PY20, Job Service staff have charged into the new normal to meet the needs of our customers even better than before. DLR has launched new programs and virtual service delivery models for our customers in FY21. Additionally, each office drafted new strategies for Business Engagement, Partnership Development, and Veterans Outreach.

DESCRIPTIVE STATISTICS

3,392 SOUTH DAKOTANS SERVED

Number of Individuals Served, by Barrier to Employment

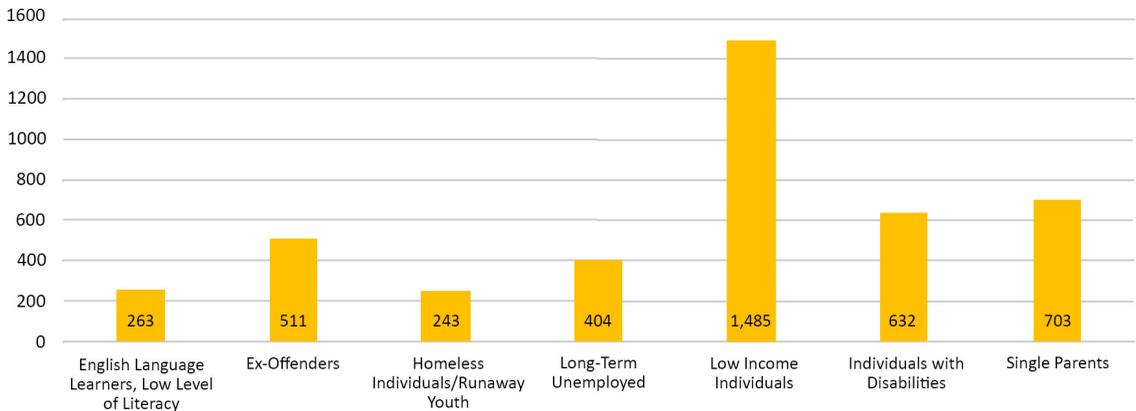


Table 6: Number of Individuals Served, by Barrier to Employment



RECEIVED VIRTUAL SERVICES

- Job Search Workshop
- Virtual Enrollment into WIOA
- Virtual Enrollment and Workshop

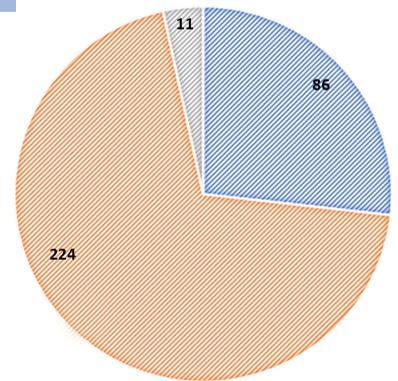


Figure E: Number of People Who Received Virtual Services

Basic Career Services – staff-assisted services that provide general information and assistance. Examples include resume assistance, Job Search Workshops, referrals to economic assistance, and labor market information.

Individualized Career Services – More intensive services that help an individual progress toward employment goals. Examples include employment plans, work experience opportunities, and barrier assessments.

Training Services – Anything that provides an opportunity for the individual to gain knowledge and skills. Examples include post-secondary education, On-the-Job Training, and Registered Apprenticeships.

Services for RA Claimants

SD UpSkill is a partnership between DLR and the Board of Technical Education which offered opportunities for South Dakotans to earn certificates from the state's technical colleges at little or no cost.

Some RA Claimants are referred to Re-Employment Services (RES) and are required to complete additional job contacts and activities to continue to receive benefits. These referrals restarted on Jan. 2, 2021.

112 SD UpSkill Participants

Services include tuition, books, fees, support services, tutoring, and intensive virtual case management.

778 Claimants referred to RES

Services include labor market information, job search assistance, support services, and training opportunities

OUTCOMES

Employment Rate Outcomes

After working with DLR Job Service

63.1%

Were still employed after six months

63.5%

Were still employed after 12 months

WORKER RECRUITMENT EFFORTS

Job Order Services

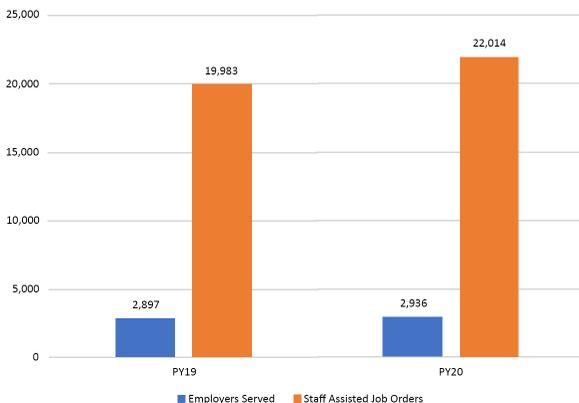


Table 7: Job Order Services for PY19 and PY20

Out-of-State Recruitment

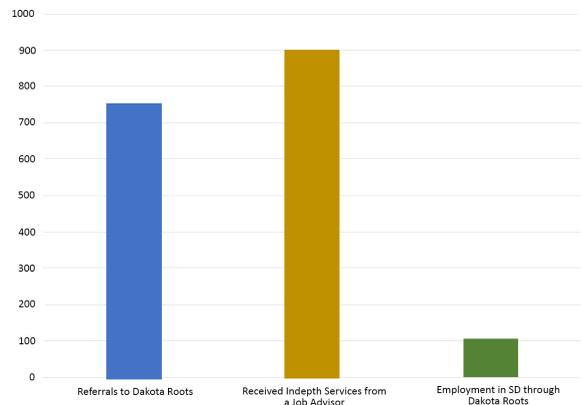


Table 8: Out-of-State Recruitment for PY20

CUSTOMER SATISFACTION

The customer satisfaction survey sent to job seekers and businesses was adjusted in PY20 to include service-related questions. Additionally, survey responses automatically update on DLR's internal job service site to allow responses to be seen by staff moments after submission. These modifications were based on feedback from respondents and job service staff. Responses were collected and calculated for employers and job seekers. The response rate for PY20 4.42% (204 responses to 4,619 surveys sent) for job seekers and 6.75% (364 responses to 5,393 surveys sent) for employers.

Of the total job seeker responses, 213 disclosed they worked directly with an Employment Specialist. 92.9% of those Employment Specialists displayed a high level of professionalism and knowledge, with 92.0% of job seekers reporting all or most of their needs were met. Of the job seekers who responded, 43.9% indicated they worked with DLR virtually

Employers reported that 98.3% of Employment Specialists had a high level of professionalism and knowledge, with 96.6% reporting all or most of their needs were met. Additionally, 56.4% of employers reported their experience was virtual. Using the Likert scale, both job seekers and employers reported an average overall satisfaction score of 8 out of 10.

OPTIMIZE DLR / CONTINUOUS IMPROVEMENT

2021 Action Plans

An increase in staff capacity through statewide support and service delivery created a need for a strategy to continue to engage offices and build a reputation as the hub for workforce services in South Dakota. To put this intention into action and to prepare for walk-in traffic to begin in job service offices, a 20/21 Vision presentation was offered to all staff on March 31, 2021. DLR Workforce Development provided a template for a PY21 Action Plan, and challenged job service office teams to be intentional with:

- Learning about businesses' needs and partnering with them to resolve their workforce needs;
- Intertwining DLR services within partners' processes to reduce duplication and offer a cohesive and comprehensive service delivery;
- Adjusting DLR's service delivery to meet the needs of partners and customers;
- Identifying and engaging veterans in need of workforce services.

Field staff were provided onboarding/new employee training to capture best practices and create a plan for success with 30, 60 and 90 days milestones and key tasks needed to meet these goals.

The South Dakota Workforce Development Council (WDC) met in-person in June 2021, for the first time since December 2019, along with DLR job service office managers. The WDC oversees efforts in Workforce Development and Field Operations divisions. After a business meeting in the morning that included a virtual option, a series of small group discussions were led by managers and Labor Program Specialists. Topics of discussion surrounded strategies in three focus areas of job service office PY21 Action Plans. Job service office managers benefited from discussions with colleagues and state business leaders, and multiple WDC members expressed excitement about the day and a desire to take part in more meetings of this format:

"I have learned more this afternoon about what DLR does than four years as a Council member." — Chris Houwman, Malloy Electric

For the remainder of PY20, each job service office developed its action plan for building partnerships, engaging businesses, and reaching veterans. Plans were implemented on July 1, 2021.

TECHNOLOGY DEVELOPMENT

ANDREW Szilvasi, **Division Director**



A reorganization of the workforce divisions in DLR renamed the Employment Services division to the Technology Development Division in December 2020. While some of the workforce programs remain under the division's care, the need for more support for IT projects agency-wide was identified.

The mission of the Technology Development Division is to build a quality and comprehensive technology infrastructure, establish and maintain an effective data environment, and deliver quality, cost-effective, and reliable technology solutions for the Department; to ensure efficient workforce program support and accurate federal reporting and provide oversight of the Foreign Labor Certification and Workforce Opportunity Tax Credit program; and to provide quality customer service by remaining at the forefront of new technology, driving system enhancement projects, and providing expert technical assistance.

The information in this section is a review of PY20: July 1, 2020, through June 30, 2021, unless otherwise noted.

SDWORKS

SDWORKS completed a fourth full program year as DLR's Management Information System. It is still growing in response to the needs of South Dakota job seekers, employers, and DLR staff. SDWORKS serves as the state's premier and most complete job listing board, employer posting site, and case management system. Enhancements continue to improve data entry, reporting integrity, and program data.

Eligible Training Provider List Module

DLR continued efforts to build on and improve the Eligible Training Provider List (ETPL) module implemented in PY19. This module allows Training Providers to submit and/or update the application process and performance reporting online within SDWORKS. This module has allowed for more comprehensive data collection and reporting, allowing DLR to adjust our policy, which has increased inclusion of programs resulting in increased training options for our customers.

Registered Apprenticeship Module

DLR implemented the Registered Apprenticeship (RAP) module in SDWORKS in PY20 allowing DLR to meet increased reporting requirements. This module helps to connect job seekers looking to learn new skills with employers looking for qualified workers. This module will also assist staff in preparing and engaging individuals with case management oversight.

WORK OPPORTUNITY TAX CREDIT

The Work Opportunity Tax Credit (WOTC) program is a federal income tax credit savings program that encourages employers to hire job seekers in demographics with high unemployment rates due to some type of employment barrier.

The WOTC program runs on Federal Fiscal Year (FFY). During **FFY21, Oct. 1, 2020, to Sept. 30, 2021**, the WOTC program received a record-breaking number of applications totaling 12,569, a 28.08%

FFY20 and FFY21 WOTC Application Comparisons		
Status	FFY20	FFY21
Certifications	2,984	3,343
Denied Applications	3,500	4,782
Pending Applications	416	231
Total Applications Processed	6,900	8,356
Certification Rate	42.2%	40.0%
Tax Dollar Savings	\$8,261,000.00	\$9,715,800.00

increase over previous years. DLR processed a total of 8,356 applications producing 3,343 certifications with a 40% Certification Rate. The WOTC program saved South Dakota employers an estimated \$9,714,800.00 in federal income tax savings.

Table 9: WOTC Application Data for FFY20 and FFY21

In the spring of 2021, DLR was awarded a grant from U.S. DOL to update the WOTC database and processing system. A Request for Proposal was posted and awarded, with development to begin in October 2021. This new system will increase efficiency within the program and allow for higher volume of processing with the collaboration of partnering state agencies.

FEDERAL BONDING PROGRAM

The Federal Bonding Program (Fidelity Bonding Program) was established to provide Fidelity Bonds for “at-risk”, hard-to-place job seekers. The bonds cover the first six months of employment at no cost to the job applicant or the employer.

DLR received a \$100,000 Federal Grant to provide our at-risk population, focusing on justice involved individuals, with Federal Bonds to help secure employment. DLR provided statewide training and created the internal system required to request and track progress of the program.

FOREIGN LABOR CERTIFICATION

The Foreign Labor Certification (FLC) program processes H-2A visas for temporary, agricultural work and H-2B visas for temporary, seasonal, and nonagricultural jobs. DLR reviews applications for program compliance, posts SDWORKS job orders for both H-2A and H-2B applications, inspects and approves housing for H-2A employers, and communicates changes and information with the National Office in Chicago and the employer or employer’s agent. DLR also refers potential U.S. applicants to employers who are resolving their labor shortage with temporary foreign workers.

In April 2021, a comprehensive training was provided to all FLC staff which covered all aspects of the program.

FFY20 and FFY21 H-2A Application Comparison					
Performance Time Frames	FFY20 Oct. 2019-Sept. 2020		Performance Time Frames	FFY21 Oct. 2020-Sept. 2021	
	FFY20 Q1	108 Job Orders		42 Housing Inspections	FFY21 Q1
FFY20 Q2	101 Job Orders	133 Housing Inspections	FFY21 Q2	105 Job Orders	188 Housing Inspections
FFY20 Q3	25 Job Orders	29 Housing Inspections	FFY21 Q3	37 Job Orders	16 Housing Inspections
FFY20 Q4	23 Job Orders	13 Housing Inspections	FFY21 Q4	50 Job Orders	21 Housing Inspections
Total	257 Job Orders	217 Housing Inspections	Total	328 Job Orders	324 Housing Inspections

Table 10: H-2A Application Data for FFY20 and FFY21

FFY20 and FFY21 H-2B Application Comparison				
Performance Time Frames	FFY20 Oct. 2019-Sept. 2020		Performance Time Frames	FFY21 Oct. 2020-Sept. 2021
	FFY20 Q1	41 Job Orders		
FFY20 Q2	96 Job Orders		FFY21 Q2	110 Job Orders
FFY20 Q3	1 Job Order		FFY21 Q3	52 Job Orders
FFY20 Q4	9 Job Orders		FFY21 Q4	45 Job Orders
Total	147 Job Orders	Total		260 Job Orders

Table11: H-2B Application Data for FFY20 and FFY21

South Dakota saw a 24.27% increase in H-2A applications and a 55.53% increase in H-2B applications during this time period.

The FLC program runs on Federal Fiscal Year (FFY) as noted in the tables above.

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 12) reflects South Dakota's economic condition. This year, DLR received 24,338 applications for unemployment benefits. More than 10,000 applicants were paid a total of \$89.4 million in state and federal unemployment benefits.

Benefits		FY20	FY21
Applications for Benefits		58,729	24,338
Total Number of Weekly Payments		268,380	203,603
Number of Individuals Who Received Benefits		34,211	10,562
Dollars Paid Out	State Benefits	\$76,328,441	\$61,353,843
	Federal Claims	\$8,020,046	\$28,093,284
	Total	\$84,348,487	\$89,447,127
Average Weekly Payments per Claimant		7.8	19.3
Maximum Weekly Payment		\$414	\$428
Average Weekly Payment		\$299	\$403

Table 12: RA benefits for FY20 and FY21

INTEGRITY SYSTEMS

The 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 shown in Table 13.

Integrity Systems	FY20	FY21
Amount of Benefit Overpayment Debt	\$1,175,822	\$6,841,987
New Overpayment Cases	2,317	7,334
Percent of Cases Involving Fraud	16.8%	27.6%
Dollar Amount of Overpayment Fraud	\$197,141	\$1,885,350
Dollar Amount Collected Back	\$826,304	\$2,048,525
Number of Collection-related Correspondence Items	2,359	2,322
Number of Civil Actions	684	48
Convictions Obtained	1	0
Cases Pending	29	28

Table 13: RA integrity systems performance measures for FY20 and FY21

Tax Administration and New-Hire Reporting	FY20	FY21
Delinquent Notices	6,348	6,792
Subpoenas to Non-Compliant Employers	350	290
% Status Determinations Made within 90 Days	87.6%	90.0%
New-Hire Reports	194,898	201,593

Table 14: RA Tax administration and new hire reporting for FY20 and FY21

UI Trust Fund	FY20	FY21
Taxes Received for Regular State Benefits	\$30,545,031	\$30,699,456
Interest on Trust Fund	\$3,080,723	\$3,196,052
Trust Fund Balance (end of year)	\$129,904,110	\$161,593,111
Number of Employers (end of year)	29,067	30,422

Table 15: UI Trust Fund for FY20 and FY21

OPTIMIZE DLR / CONTINUOUS IMPROVEMENT

The COVID-19 pandemic brought many challenges for the Reemployment Assistance Division. Requests for benefits increased exponentially and current systems were unable to keep pace with the increase in public demand. These challenges will be instrumental in DLR’s efforts to modernize this system to streamline claims processing.

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.

RESPONSIBILITIES

- Help settle problems between employers and workers
- Enforce wage and hour and youth employment laws
- Answer questions about state employment laws
- Administer the state’s workers’ compensation system
- Provide oversight to the Division of Human Rights
- Hold hearings and mediations
- Handle labor union certifications
- Adjudicate reemployment assistance insurance and workers’ compensation appeals

WORKERS’ COMPENSATION

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

Workers’ Compensation Activities		FY20	FY21
Pre-hearing Conferences Held		74	87
Agreements Approved	States Files	163	184
	Hearing Files	115	108
Permanent Partial Disabilities Reviewed		798	714
Permanent Partial Disabilities Approved		480	417
First Report of Injuries Received		18,815	18,945
Money Collected	Searches, copies, mailing	\$34,240	\$38,162
	Wage & Hour	\$57,366	\$50,419

Table 16: Workers’ compensation activities for FY20 and FY21

Hearing and Settlement Activities	FY20	FY21
Workers’ Compensation Hearings	3	3
Grievance Hearings	0	1
Unfair Labor Practice Hearings	0	0
Elections	4	1
Unit Determinations	0	0
Impasse Conciliations	3	4
Fact Findings	2	0
Mediations	25	26
Conference Calls	17	2

Table 17: Hearing and settlement activities for FY20 and FY21

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 18 shows the active appraisers by classification. Currently, there are 10 inactive appraisers and approximately 96 appraisal management companies registered.

Appraisers by Classification	FY20	FY21
State-Certified General	232	224
State-Certified Residential	104	103
State-Licensed	36	34
State-Registered	48	47
Total	420	408

Table 18: Appraisers by classification for FY20 and FY21

OPTIMIZE DLR / CONTINUOUS IMPROVEMENT

The Division of Labor and Management focused on improving the Hearing File Retention process by focusing on the backlog of closed files waiting to be scanned. The goal of the project was to scan all closed files, improve the scanning process, and update the retention policy. This project empowered staff to identify the frustrations and develop solutions. The new process will save staff time (four hours per case file), eliminate hard copy printing, and ease the process to search through closed case files.

The claim of unpaid wages process for Wage and Hour and the compensation claim estimates to investigator process for Workers' Compensation were both improved. The manual process for submitting, retaining, and investigating was automated and streamlined. This has reduced the number of unqualified claims coming in each month.

The Workers' Compensation improvement project eliminated the need to submit workers' compensation claim estimates to the department. The process was automated with an online form that calculates multiple scenarios so the claimant can complete the form themselves and not have to submit it to DLR. This has eliminated about 60 requests/month saving staff time and reducing paperwork.

Reemployment Assistance Appeals	FY20	FY21
New Filings	1,456	2,323
Cases Ruled on or Dismissed	813	1,508
Percentage of Cases Decided within 30 Days	11%	3.2%
Cases Awaiting Decision	643	815

Table 19: RA appeals for FY20 and FY21

Human Rights Activities	FY20	FY21
Potential Discrimination Charges	151	226
Requests for Information	118	144
Intakes of Discrimination Complaints	136	127
Investigations Opened	55	62
Investigations Closed	43	40
EEOC Transfers	22	19
Money Collected for Charging Parties	\$2,000	\$3,500

Table 20: Human Rights activities for FY20 and FY21

LICENSING BOARDS + COMMISSIONS

There are nine occupational and professional licensing boards and commissions within 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, salespersons, 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	
	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021
Abstracters' Examiners	84	85	2	1	157	138	2	3	0	0	260	260
Accountancy	2,062	2,077	52	66	1,931	1,944	119	113	14	11	7,440	7,440
Athletic	N/A	N/A	8	306	N/A	N/A	N/A	N/A	0	0	200	200
Barber Examiners	260	290	15	30	170	190	5	4	0	1	500	450
Cosmetology	7,982	6,012	1,283	1,518	6,227	6,110	275	264	52	38	18,000	23,200
Electrical	3,287	1,611	618	904	4,037	6,745	333	422	N/A	N/A	N/A	N/A
Plumbing	2,358	2,275	347	344	2,705	2,610	103	137	12	6	3,000	4,000
Real Estate	1,963	2,026	363	509	4,123	4,606	442	803	101	84	51,924	50,102
Technical Professions	7,114	7,270	631	666	9,215	9,300	203	296	5	6	4,250	4,700

Table 21: Boards and commissions indicators by Fiscal Year

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.

Throughout FY21, the Division performed 69 examinations of banks, trust companies, and licensees. Most of these exams were completed remotely due to ongoing impacts of the COVID-19 pandemic. While the Division looks forward to being back out in the field in the coming months for exams, it is important to acknowledge how certain technology platforms allowed the Division to perform this many exams in a remote manner, and how well these remote exams worked under the circumstances. While the remote exams do not replace exams taken in the same building as company management and staff, they are a close proxy and would not have been possible even five years ago at this scale.

As indicated in the tables below, assets and license numbers overseen by the Division grew at dramatic rates in FY21. Bank assets grew more than 18% year over year, due in large part to deposit growth related to the vast amount of fiscal stimulus provided by Congress in response to the pandemic. Trust assets grew by more than 36% year over year due to new companies ramping up operations, existing company growth, and impressive growth in investment markets.

The number of individuals and non-bank companies regulated by the Division grew exponentially in FY21. Overall, licenses numbers were up more than 63% and all license categories increased. The highest level of growth was in the mortgage loan originator category which was up more than 76% for the fiscal year. This growth was in response to a frenzied housing

Revenues	FY20	FY21
Bank Examination Fees	\$1,783,377	\$1,910,334
Trust Company Examination Fees	443,043	359,450
Trust Company Supervision Fees	1,126,716	1,363,235
Trust Company Charter Fees*	14,535	44,500
License Fees	1,179,763	1,568,592
Licensing Examination Fees	11,318	4,290
Investment Council Interest	76,880	94,391
Miscellaneous	-0-	250
Mortgage Servicer Settlements	-0-	-0-
Totals	\$4,635,631	\$5,345,042

*Table 22 - Comparison of revenues by category for FY20 and FY21
Deposited in general funds

market and an efficient licensing process which allowed individuals to be licensed in multiple states in a cost-effective and streamlined manner. As interest rates move upward over time, it is expected these numbers will normalize. It is unclear at this time what “normal” will look like as the U.S. economy continues to evolve in response to unforeseen disruptions caused by the pandemic and government responses.

Performance Indicators	FY20	FY21
License Exams	11	14
Banks Examined	19	13
Trust Companies Examined	30	42
Licenses Issued or Renewed	4,350	7,100
State-chartered Banks	44	42
State-chartered Trust Companies	105	106
Bank Assets	\$28.923 billion	\$34.212 billion
Trust Assets	\$367.163 billion	\$500.605 billion

Table 23 - Performance Indicators for FY20 and FY21

OPTIMIZE DLR / CONTINUOUS IMPROVEMENT

The Division of Banking once again spent time throughout FY21 on several projects aimed at further efficiency gains in its licensing process. In particular, the Division’s licensing team revised its license renewal process to remove duplicative work related to an internal database for all licenses renewed through the Nationwide Multistate Licensing System (NMLS). The removal of this duplicative work will reduce the amount of time spent on each license renewal application by 50%. With more than 7,000 licenses in our system, the vast majority of which are renewed through NMLS, these changes will provide significant times savings to members of the licensing team. This will allow the licensing team to spend more time on applications requiring more manual review.

In addition, the licensing team moved the complaint response process to a nationwide system, the State Examination System, which is linked to the NMLS. This change in process for consumer complaint receipt, review, and response will also reduce the amount of time spent on these complaints by 50%. This gain in efficiency is a result of a more streamlined process which removes unnecessary steps to achieve a better and more timely result for impacted consumers.

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.

The Division:

- Provides regulatory oversight to protect South Dakota insurance policyholders and investors against financial loss due to inappropriate business practices.
- Licenses and/or registers insurance companies, insurance producers, other insurance entities, securities agents, financial advisors, brokers, franchises, and investment products.
- Monitors licensees and registrants for compliance with existing statutes and regulations.
- Reviews required filings for compliance.
- Reviews and assists with resolution of consumer complaints.
- Investigates and takes appropriate action with respect to licensees, registrants, and companies.
- Reviews and approves continuing education programs for insurance producers and companies.
- Provides investor education.
- Monitors 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 current knowledge of the insurance and the investment market landscape nationally and a strong voice in maintaining state-based regulatory authority. Director Larry Deiter serves on the Executive Committee of the NAIC, as Co-Chair of the NAIC Producer Licensing Task Force and as Board President for the National Insurance Producer Registry (NIPR). The Division served on 32 committees or task force/working groups through the NAIC and NASAA during FY21.

Performance Indicators	FY20	FY21
INSURANCE		
Total Licensed/Domestic Companies	1392/63	1395/62
New Companies Licensed/Approved Mergers	16/7	21/15
Total Licensed Agents	85,554	98,109
Agent Licenses Issued	21,435	31,022
Agent Licenses Renewed	41,397	41,808
Property/Casualty Filings Reviewed	5,573	5,804
Life/Health Filings Reviewed	3,195	2,983
Consumer Complaints Closed	459	392
Enforcement Files Closed	1,182	1,480
SECURITIES REGULATION		
Broker-Dealer Agents Registered	105,787	112,576
Broker-Dealer Firms Registered	1,203	1,229
Investment Advisor Agents Registered	1,977	1,977
Investment Advisor Firms Registered	50	52
Investment Company Notice Filings – New/Total	1,793/23,878	942/22,557
Investment Advisors Notice Filings	901	945
New Franchise Applications/Renewals	226/482	305/571
Investigations	184	202
Compliance Exams	64	53

Table 24: Performance Indicators for FY20 and FY21

The number of licensed producers and registered agents regulated by the Division grew dramatically in FY21. This was a national trend believed to be related to the COVID-19 pandemic and shifts taking place in the labor market. One anecdotal example of career change is school teachers becoming licensed insurance producers and investment advisors.

LEGISLATIVE ACCOMPLISHMENTS

The Division introduced legislation during the 2021 Legislative Session to protect state reinsurance laws from federal preemption when the U.S. Department of Treasury enters into multinational covered agreements regarding reinsurance. This legislation protects the solvency of South Dakota companies purchasing reinsurance, assuring funds will be available from reinsurers to pay consumer claims. Changes incorporated were based on updates to NAIC model law.

In addition, the Division presented legislation to provide an opportunity for innovative insurance products and services to be developed and offered in South Dakota. This legislation encourages innovators and entrepreneurs with proposed beneficial insurance products to test new ideas in the South Dakota marketplace for a limited time through an innovation waiver. The process established

allows maximum flexibility for speed-to-market, balancing innovation and technology with consumer protection and appropriate levels of compliance.

CHALLENGES

- Protecting consumers in an ever-changing investment and insurance market against those who 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.
- Monitoring and analyzing federal health care changes to ascertain impact on local health insurance market operations and the need for regulatory oversight.
- Balancing the need for affordable insurance of all types while providing oversight of the financial solvency of the industry.

OPTIMIZE DLR / CONTINUOUS IMPROVEMENT

The Division of Insurance approached continuous improvement by involving all team members in the process. The Division established performance measures in the areas of regulatory oversight and compliance with federal and state regulations and laws in the insurance market. As the Division works to achieve its goals, staff will review each process and procedure to ensure effectiveness and efficiency in associated responsibilities. Current measurable performance indicators include:

- Completing required insurance company financial exams timely and within national guidelines.
- Conducting 65 Broker/Dealer and Investment Advisor exams annually.
- Ensuring initial response to consumer complaints are made within three calendar days of receipt.
- Achieving/maintaining Division of Insurance accreditation (5-year cycle).

Revenues		FY20	FY21
Premium tax		\$92,726,681	\$96,606,568
Fees (Insurance Operating Fund)	Insurance Agent Licensing/Renewal	\$11,366,902	\$13,010,584
	Insurance Miscellaneous and Legal	\$11,550	\$11,857
	Insurance Retaliatory and Filing Fees	\$1,320,370	\$1,125,150
	Insurance Administrative Penalties	\$383,883	\$396,932
	Insurance Investment Council Interest	\$36,678	\$48,279
	Insurance Company Admission, Renewal, & Supervision Fees	\$225,196	\$253,975
	Insurance Producer Exam & Course Fees	\$51,565	\$45,405
	Investment Companies Notification Fees	\$29,991,450	\$28,592,625
	Securities Registration Fees	\$17,000	\$26,975
	Broker-Dealer Registration Fees	\$191,750	\$188,850
	Securities Agent Registration Fees	\$15,635,625	\$16,778,000
	Name Change Filing Fees	\$47,200	\$72,100
	Initial Public Offering Extension Fees	\$2,300	\$2,300
	Investment Adviser Agent Fees	\$114,800	\$113,500
	Investment Adviser Fees	\$192,000	\$202,900
	Securities Fines	\$47,200	\$29,500
	Securities Investment Council Interest	\$145,993	\$143,589
	Franchise Fees	\$157,300	\$187,300
	Other Filing Exemptions	\$180,650	\$263,325
	Miscellaneous	\$225	\$25
Continuing Education Fund	Agent Renewal Fees (Biennial renewal)	\$42,650	\$62,050
Workers' Compensation	Policy Fee (Transferred to U.S. DOL)	\$302,596	\$306,124
Total		\$153,191,564	\$158,467,912

Table 25: Revenues for FY20 and FY21

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 3.6% in Fiscal Year 2021 (Table 26) with the most significant changes occurring from a 43.6% increase in general funds. The general funds increase is due to a one-time appropriation from the Legislature for Reemployment Assistance program costs.

Transfers to the state’s General Fund from the Division of Insurance increased by \$5,347,803 from FY20.

The Unemployment Insurance Trust Fund employer contributions increased slightly in FY21. This was due to tax rates remaining the same between fiscal years.

Department of Labor and Regulation Fund Sources		FY20	FY21
General Funds (state general fund appropriation)		\$2,287,565	\$3,284,915
Federal Funds		\$29,463,587	\$29,660,299
Other Funds (licensing board & workers’ compensation fees)		\$4,283,023	\$4,898,895
Other Funds (Appraisers, Banking, Insurance)		\$66,012,190	\$67,839,146
Total		\$102,046,365	\$105,683,255
Transfers to General Fund (Insurance)		\$149,720,903	\$155,068,706
UI Trust Fund	Employer Contributions	\$30,545,031	\$30,699,456
	Federal Reimbursements	\$8,020,046	\$30,417,907

Table 26: Data for FY20 and FY21

Department expenditures, illustrated in Table 27, were more than the previous year. The continuation of the COVID-19 pandemic, which started in March 2020, caused workloads to remain high throughout the year for the Reemployment Assistance Division. This resulted in costs staying elevated for personnel, equipment, supplies, and computer development.

Department Annual Expenditures	FY20	FY21
Personnel	\$26,487,059	\$27,668,124
Operating Expenses	\$13,115,795	\$14,935,359
Job Training and Subrecipient Grants	\$3,846,846	\$3,266,439
Total	\$43,449,700	\$45,869,922
RA Benefits (state only)	\$76,328,441	\$59,029,221

Table 27: Data for FY20 and FY21

In FY21, RA benefits payments decreased approximately 23% from the all-time high experienced in FY20. This reflects the gradual business reopenings and return to the workplace for employees.

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