

South Dakota Department of Labor and Regulation

FY25 ANNUAL REPORT

July 1, 2024 - June 30, 2025

MESSAGE FROM THE SECRETARY



Cabinet Secretary
Marcia Hultman

Dear Readers,

It is my pleasure to share with you the Department of Labor and Regulation's Annual Report for Fiscal Year 2025. This past year has been one of meaningful progress, thoughtful innovation, and steadfast commitment to serving the people and businesses of South Dakota.

Across every division, our team leaned into modernization—not just in technology, but in how we deliver services, engage with our communities, and support our workforce. From integrating texting into SDWORKS to consolidating phone lines for better public access, we've taken deliberate steps to make our systems more responsive, efficient, and user friendly.

We also deepened our investment in workforce development. Whether expanding Registered Apprenticeship Programs, launching youth-focused pathways, or strengthening partnerships with education and corrections, our goal remains clear: to connect South Dakotans with meaningful opportunities and equip them with the tools to succeed.

Internally, we continued to foster a culture of learning and collaboration. Our staff completed nearly 1,900 training courses through DLR Learn, demonstrating a shared commitment to excellence and continuous improvement. And through initiatives like Optimize DLR, we've empowered teams to rethink processes, reduce redundancies, and improve outcomes for those we serve.

This report reflects the collective efforts of a dedicated team, people who care deeply about their work and its impact. I'm proud of what we've accomplished together and excited for what lies ahead.

Thank you for taking the time to learn more about our work. We look forward to continuing to serve South Dakota with integrity, innovation, and heart.

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ABOUT US

OUR VISION

Promote workforce enhancement, financial security, and economic opportunity.

OUR MISSION

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

GUIDING PRINCIPLES

Build Relationships

Make an exceptional effort to engage in time together to build relationships, trust, and mutual understanding. Involve yourself to evolve as a team.

Communicate Courageously

Communicate with respect, thoughtfulness, and intention to inspire shared goals. Actively listen for understanding to build trust.

Give Grace

Hold each other and yourself accountable to expectations while showing empathy and humility. Perfection is not the goal; there is freedom to fail.

Be Part of the Solution

When problem-solving together, it's about the process and not the person. Be part of the solution and give feedback to improve, not defeat.

Exercise Extreme Ownership (YOU)

Recognize problems to solve and remain self-aware of your biases, needs, and intentions. Consider how you can improve every situation.

AGENCY LEADERSHIP



Marcia Hultman
Secretary



Dawn Dovre
Deputy Secretary



Emily Ward
Director of Administrative Services



Bret Afdahl
Director of Banking



Bill McEntaffer
Director of Field Operations



Larry Deiter
Director of Insurance



Jerry McCabe
Director of Labor and Management



Pauline Heier
Director of Reemployment Assistance

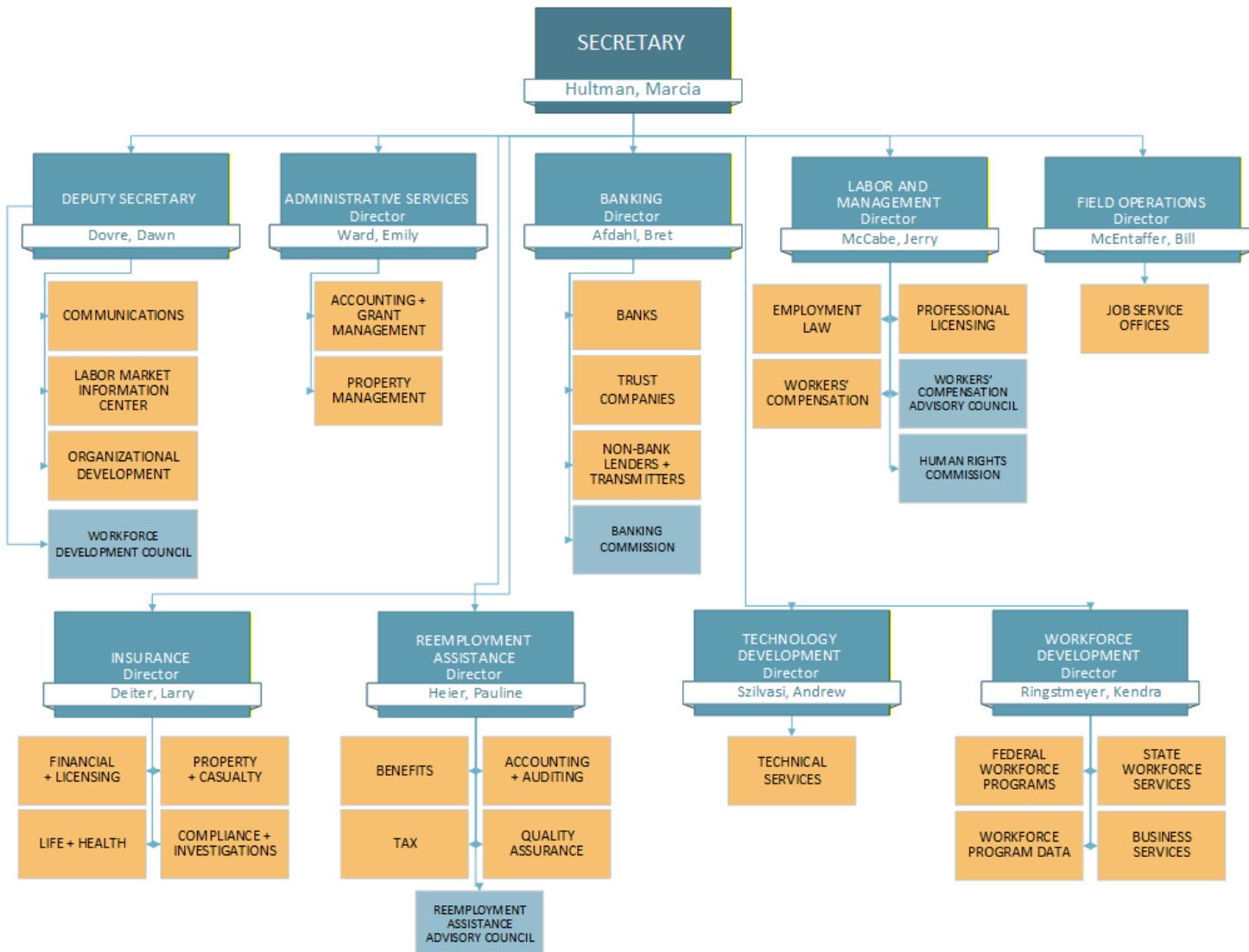


Andrew Szilvasi
Director of Technology Development



Kendra Ringstmeyer
Director of Workforce Development

ORGANIZATIONAL STRUCTURE



LEGISLATIVE ACCOMPLISHMENTS

Boards and Commissions

SB 24:

An Act to revise provisions relating to the promulgation of rules to set licensing and inspection fees for plumbers and related professions.

SB 27:

An Act to revise provisions relating to licensing fees for cosmetology, esthetics, and nail technology.

SB 28:

An Act to revise provisions relating to licensing fees and license renewal dates for the practice of barbering and to declare an emergency.

SB 31:

An Act to revise amounts for inspection fees for electrical installations.

SB 32:

An Act to revise amounts for licensing fees for the practice of accountancy.

These bills proposed increased user fees and fee caps for these independently funded and self-supported boards and commissions. The legislation was necessary to assist with operating expenses as the cost of doing business has continued to increase due to economic inflation, cost of living adjustments, health insurance rates, technology and postage rates, and travel costs.

SB 25:

An Act to clarify the adoption and use of the plumbing code.

SB 25 enabled the Plumbing Commission to adopt the 2024 Uniform Plumbing Code, which is the latest version. It is beneficial to South Dakota's plumbing industry because it offers guidance on new equipment and technology. South Dakota has been using the 2015 version of the Uniform Plumbing Code for the state plumbing code.

Insurance

SB 29:

An Act to amend provisions regarding the Division of Insurance and the former Division of Securities operating fund.

SB 29 combined the two operating funds for the Division of Insurance and the Division of Securities into one account for administrative efficiency. The Division of Securities was merged into the Division of Insurance by executive order in 2017.

SB 30:

An Act to remove outdated provisions within the insurance code.

SB 30 removed outdated references like "diskette," "telegraph," and "telegram;" updated "sponsor" to "provider," the correct term for a person or organization offering continuing education for insurance producers; and repealed a statute referring to a program that ended in 2015.

Reemployment Assistance

SB 26:

An Act to reduce employer contribution rates and increase the administrative fee rate for reemployment assistance.

SB 26 lowered employer taxes which go to the Unemployment Insurance Trust Fund by \$3 million, while it increased the administrative fee charged to employers for the operations of the Reemployment Assistance program by \$3 million. This revenue-neutral solution was necessary because a significant funding shortfall from the U.S. Department of Labor had put the program's administration in jeopardy.

SECRETARIAT

ORGANIZATIONAL DEVELOPMENT

Optimize DLR

Across the Department of Labor and Regulation (DLR), divisions continued to focus on modernization, efficiency, and customer-centered service delivery. Many teams undertook major technological upgrades, replacing outdated systems, improving data management, and standardizing workflows. These improvements are aimed at reducing manual processes, eliminating redundancies, and improving accuracy. These efforts reflect a common commitment to strengthening long-term operational stability while ensuring staff have the tools and clarity needed to perform their work effectively.

A consistent theme across divisions was the use of Optimize concepts to streamline processes, from simplifying referral systems and improving training project submissions to enhancing internal controls and upgrading critical IT and cybersecurity functions. Staff engagement and cross-team collaboration were central to these accomplishments, with employees deeply involved in mapping processes, identifying root causes, and designing solutions that enhance transparency and responsiveness.

Together, these improvements strengthened customer experiences, both internal and external, by reducing processing time, improving data quality, and creating more consistent, user-friendly systems. The department's collective work demonstrates a strong culture of continuous improvement and positions DLR to deliver even more efficient, reliable, and forward-looking services in the years ahead.

DLR Learn

DLR continues to prioritize staff development through a robust learning management system. To date, the department has created 75 internal training courses designed to strengthen workforce readiness, reinforce operational standards, and support inclusive service delivery across all programs.

These courses serve both new employees as part of structured onboarding and current staff who benefit from ongoing professional development. This approach ensures employees have the tools, guidance, and shared understanding needed to meet the expectations of their roles and deliver high-quality services to South Dakotans.

In the past fiscal year alone, DLR staff completed 1,896 courses, demonstrating a strong commitment to continuous learning and service excellence. This investment in internal training ensures staff are well-equipped to meet the evolving needs of South Dakota's workforce and deliver high-quality services to individuals and employers statewide.

COMMUNICATIONS

The **Communications Team** serves the entire department by managing a wide array of functions designed to enhance engagement, promote initiatives, and ensure cohesive messaging. Responsibilities include public relations and advertising, graphic design, digital presence, media relations, internal communications, event promotion, and content strategy and management.

Projects of significance in FY25 include:

- A robust set of Business Services strategies has significantly increased awareness by giving employers multiple, easy-to-use entry points to engage with DLR. The Workforce Knowledge Series and Online Services webpage offer clear, accessible information, while the Recruitment and Retention one-pagers provide practical, quick-reference tools. Hiring events and the “Jobs in the 605” branding for statewide online virtual hiring events further amplify visibility in the community, helping businesses better understand available services and how to connect with qualified talent.
- A Start Today SD campaign was launched to increase awareness and encourage participation in Registered Apprenticeship Programs (RAPs). The goals were to increase active sponsor participation by sharing information on new programs and resources and to re-engage inactive sponsors. Media strategies included native articles and native display ads on local news sites, LinkedIn posts, and a postcard mailer.
- An electronic newsletter was developed targeting out-of-state job seekers who signed up for Dakota Roots, a workforce recruitment program. Each monthly issue features a DLR service, virtual job fairs, and online training opportunities. Additionally, a city or region is highlighted to showcase its economic profile, median cost of living, housing costs, average commute time, and other unique characteristics.



Leadership Spotlight

Director of Administrative Services Emily Ward is serving on the NASWA Administration and Finance Committee (A&F) as a track coordinator and presentation developer for its 2026 training conference. In coordination with her counterparts from other states, the committee has been developing and presenting financial information to other states and territories about U.S. Department of Labor grants. This is the second round of training since Director Ward's leadership on the A&F Committee began its work on this in 2023.

ADMINISTRATIVE SERVICES

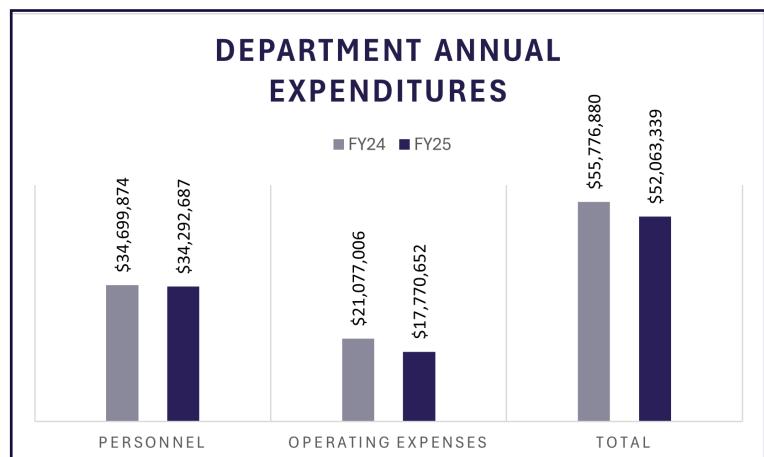
The **Administrative Services** team provides fiscal management and oversight of department funding, excluding the Unemployment Insurance Trust Fund. This includes federal and state grant financial management, including budgeting, expenses and cash receipts processing, and financial audit inquiry responses. The Division is also tasked with purchasing and property management for the Department.

In FY25, State employees received a cost-of-living adjustment (COLA) of 4.0%. This is the third year in a row with COLA increases exceeding 3.0%, reflecting inflationary increases in the United States economy over the previous three years. Also, the per diem paid to Board and Commission members increased from \$60 per day per member to \$166 per day per member. The last increase in per diem was in 1984. House Bill 1060, An Act to revise certain provisions related to travel reimbursement, increased the in-state lodging rate and the mileage reimbursement rates by permanently mirroring the federal rates.

DLR received two major funding increases in FY25. The first was a three-year grant from the Governor's Office of Economic Development to develop registered apprenticeship programs. The second was the Quality Jobs, Equity, Strategy and Training (QUEST) grant from the U.S. Department of Labor. This three-year competitive grant funds services for individuals who are long-term unemployed.

Unfortunately, DLR did not receive increases in federal funding for most formula grants to cover rising staff costs. Therefore, a reduction of 44.5 FTE and \$4.1 million in expenditure authority was made to the budget to align it with the federal grant revenue being received. This adjustment was handled by reorganizing staff and services within the Workforce Development and Job Service divisions, including transferring management of the National Career Readiness Certificates program to the Department of Education.

Full-time equivalents (FTE) utilized in DLR decreased from 413.1 in FY24 to 386.6 in FY25. This does not reflect the full FTE adjustment made in the budget, as some positions were held vacant and eliminated in FY24.



TECHNOLOGY DEVELOPMENT

The **Technology Development Team** (TDD) is responsible for driving system enhancement projects and providing expert technical assistance to the department. Most notably in FY25, SDWORKS completed its eighth full program year as DLR's Management Information System. SDWORKS continues to serve as the state's premier and most complete job listing board, employer posting site, and case management system. Enhancements are ongoing to improve data entry, reporting integrity, and program data.

Projects of significance in FY 25 include:

- **Integrated Texting in SDWORKS: Enhancing Client Engagement**

DLR implemented an integrated texting feature within the SDWORKS system, enabling staff to conduct two-way text message conversations with users directly from the platform. The integration of texting into SDWORKS reflects DLR's commitment to leveraging technology to enhance service delivery and meet users where they are.

- **Transition to Concord Fax: Enhancing Efficiency and Reducing Costs**

DLR successfully transitioned from traditional faxing methods to Concord Fax, a secure, cloud-based, HIPAA-compliant fax service. This modern solution enables staff to send and receive faxes digitally, directly through email, eliminating the need for physical fax machines and dedicated fax lines. This transition supports DLR's broader goals of modernization, cost-effectiveness, and improved service delivery.

- **DLR Phone Line Consolidation Initiative**

To improve operational efficiency and reduce costs, the DLR undertook a comprehensive review and consolidation of its phone lines. This initiative focused on identifying and eliminating inactive, unused, and unnecessary lines, as well as merging multiple field office numbers into a single, centralized contact number for public use. By centralizing communication channels, the agency not only achieved financial savings but also significantly improved the user experience for constituents seeking assistance.

Two-way texting has enhanced accessibility, improved engagement and modernized service delivery.

Other significant efforts put forth by TDD during FY25 included the following:

- Actively supported Boards and Commissions (B&C) modernization efforts through close collaboration on the Request for Proposal (RFP), ensuring technical requirements aligned with digital strategy and user needs. TDD contributed subject-matter expertise in vendor discussions to evaluate solutions, clarify capabilities, and ensure compliance with state IT standards—positioning the B&C project for successful procurement and implementation.
- TDD took a proactive leadership role in initiating the development of a departmental data governance framework. The first actions on this took place in March 2025, with the Bureau of Information and Technology (BIT) holding a four-day workshop on data governance. The purpose of the workshop was to outline the steps each state agency, including DLR, needs to take to form its own data governance charters. This will become a key focus in the coming year.

Leadership Spotlight

Director of Workforce Development Kendra Ringstmeyer was selected for the prestigious Council of State Governments' **Henry Toll Fellowship Program** in 2025. The Henry Toll Fellowship is one of the nation's premier leadership development programs for state government officials. Kendra's participation in this intensive leadership program shows South Dakota's dedication to building strong leaders and fostering innovative workforce strategies to benefit employers and job seekers statewide.

WORKFORCE SERVICES

JOB SERVICE

During Program Year 2024 (PY24), which spans July 1, 2024, through June 30, 2025, DLR continued implementing the statewide teams model that was initiated in February 2024. To manage the workload and customer flow with one-third fewer employees, DLR established a referral form for our partners. While basic career services are available at DLR for all job seekers, this referral form guides our partners on connecting their customers with individualized training and support services at DLR. While DLR is unable to serve everyone, these referrals are identified based on program eligibility, customer needs, and service gaps DLR programs can help fill. This reduces the time spent on outreach, ensures manageable caseloads within program budgets, and allows our team the time to provide quality services.

FEDERAL WORKFORCE PROGRAMS

DLR delivers programs under the *Workforce Innovation and Opportunity Act (WIOA)*, which is designed to help job seekers access employment, education, training, and support services to succeed in the labor market and to match employers with the skilled workers they need to compete in the global economy. These programs enhance the quality, productivity, and competitiveness of South Dakota's workforce while meeting the needs of South Dakota's employers.

Each participant completes a comprehensive assessment of their strengths, barriers, and goals, leading to the development of a personalized employment plan. This plan may include specialized training, financial support, and direct connections to partner agencies or community organizations. By leveraging multiple resources, the program helps participants overcome obstacles and achieve their employment goals.

One successful offering established this year for workforce program participants included the Foundation for Future Educators' training. In partnership with Black Hills Special Services Cooperative, our customers have access to gain skills to become paraeducators in the K-12 school system. This training was needed for the successful implementation of a Teacher Apprenticeship Pathway Program in South Dakota.

WIOA Title I: Adults, Dislocated Workers, and Youth

The Title I Adult Program

As part of the enhanced partnership development, DLR established a connection for Supplemental Nutrition Assistance Program (SNAP) recipients who lack a high school diploma, are justice-involved, or are over 55 years of age, to transition from the Wagner-Peyser program to the Title I Adult program. The focus is on providing work-based learning opportunities, such as work experience or on-the-job training, to help these individuals gain skills that can lead to self-sufficient employment.

DLR continued its partnership with the Department of Corrections (DOC), assisting with training costs and providing career services to incarcerated individuals in Plumbing Technology at Western Dakota Technical College, Welding at Southeastern Technical College, Precision Machining at Lake Area Technical College, and Advanced Welding Training at the Regional Technology Education Center. During this program year, 40 participants completed one of the programs listed above.

As part of our continued efforts, DLR and DOC collaborated to create a new service model, Linking Employers and Participants (LEAP). Through this program, DLR employment specialists work with incarcerated individuals expected to be released within the next 180 days. Individuals receive intensive career services designed to help them develop a comprehensive resume, enhance their interview skills, and complete a career exploration process, all with the goal of securing employment prior to their release. DLR then steps in to help employers offset training costs through On-the-Job-Training services, to provide information on the Work Opportunity Tax Credit, or to connect them with the Federal Bonding program. The inaugural cohort started in February 2025 with nine participants.

The *Title I Dislocated Worker Program* helps individuals who have lost their jobs re-enter the workforce as quickly as possible through individual career counseling, skill development through formal training, and financial support as needed.

The program works closely with the Reemployment Assistance Division to help individuals receiving benefits upskill and reenter the workforce. It also handles the detection and reporting of eligibility issues to prevent overpayments.

Customers served through the Title I Dislocated Worker Program often receive services through the National Dislocated Workers Grant, Trade Adjustment Assistance, and Reemployment Services and Eligibility.

The *Title I Youth Program, Career Launch*, supports eligible individuals aged 14 to 24, both in and out of school, who face barriers to employment. With a legislative requirement to focus efforts on young adults disengaged from education, DLR has worked to strengthen participation among out-of-school youth. DLR partnered with statewide agencies also serving this population to provide direct program referrals for their customers. These partnerships include the Department of Social Services' Temporary Assistance for Needy Families (TANF) and Independent Living programs, Department of Corrections' Juvenile Services, Vocational Rehabilitation, WIOA Title II Adult Education and Literacy (AEL) Providers, Jobs for America's Graduates (JAG), Job Corps, and other workforce programs offered internally at DLR.

Boxelder Job Corps continues to be an outstanding partner, referring students interested in DLR services to the Career Launch team. DLR connects with students on-site at the Job Corps facility. Services offered include, but are not limited to, paid work experience, financial incentives upon reaching employment and training milestones, and transitional services as they prepare for and leave the facility.

WIOA Title II: Adult Education and Literacy (AEL) Programs

As the pass-through state agency for the federal *WIOA Title II program*, DLR has long been committed to serving adults who are most in need of literacy services. These individuals may perform at lower educational levels and generally demonstrate a need for reading, writing, and math skills to obtain or retain employment. Improving the literacy, numeracy, oracy, and problem-solving skills of our workforce leads directly to a stronger economy. The instruction, activities, and services provided by the Adult Education and Literacy (AEL) programs promote family literacy, attainment of a high school equivalency diploma, employment, and self-sufficiency. DLR has agreements with six providers throughout the state offering synchronous, asynchronous, face-to-face, and online delivery models. These providers include Black Hills Special Services Cooperative, Cornerstones Career Learning Center, Lake Area Technical College, Lutheran Social Services, Southeast Technical College, and the South Dakota Department of Corrections.

WIOA Title III: Wagner-Peyser

- *Wagner-Peyser* functions as the labor exchange between South Dakota's businesses to job seekers authorized to work in the U.S. The Employment Services Team assists customers with basic and non-financial career services. This includes on-demand job search or personal development options, virtual meetings, workshops, and hiring events.
- DLR now has one employee dedicated to delivering virtual workshops statewide, resulting in increased virtual service delivery. Workshops range from financial literacy to job search and retention to professionalism. Alongside virtual services, there has been a heightened need for on-demand services. These include job search assistance, foundational skills, digital literacy, and more. Developing a workforce for tomorrow includes embracing technology. DLR reinforces this with customers through virtual meetings and the new Grow with Google courses.

To assist businesses, the agency offers:

- Statewide, virtual workforce knowledge events focused on topics of interest to businesses, such as wages, labor laws, tax credits, and more. Attendance and interest in these offerings are expected to increase as more businesses become aware of the opportunity. DLR held an *Overview of South Dakota Labor Laws*, with nearly 90 in attendance.
- Virtual and in-person job fairs help connect employers and job seekers. A total of 58 job fairs were held, with the largest being a statewide virtual hiring event in March, attracting 81 businesses and 159 job seekers.
- Monthly layoff assistance webinars to share resources with those who have lost their jobs, helping them get back into the workforce as soon as possible.

Registered Apprenticeships

DLR continues to see growth of workforce training opportunities through *Registered Apprenticeship Programs (RAPs)*. State and federal investments have established a solid foundation for sustainable growth in this proven workforce development model.

In PY24, South Dakota welcomed new industry partners, with 22 additional sponsors registering, bringing the total number of active RAP programs to 169, a strong signal of support from the business community. The total number of active apprentices saw a jump of 14.77% over the previous year, growing from 1,374 in PY23 to 1,577 in PY24.

In PY24, the agency looked beyond traditional RAPs, recognizing growth in sectors such as education and technology. A major highlight was the success of the Teacher Apprenticeship Pathway, which saw its first cohort of graduates become the primary teacher in their classroom. Another focus was on accelerating Youth Apprenticeship pathways through Start Today SD initiatives. Start Today SD's pathway partner and intermediary sponsor, Dakota State University, launched Cyber and Para-professional Apprenticeships. These youth-focused programs are key to attracting the next generation of talent, especially given the close alignment between the Para-professional and Teacher Apprenticeship programs, which create smooth career pathways.

Leadership Spotlight

Start Today SD Program Manager Tara Bartekoske and team were honored with the prestigious Pinnacle Award for Business Development for its Teacher Apprenticeship Pathway Program. This award, given by the National Association of State Workforce Agencies (NASWA), recognizes a state demonstrating excellence and innovation in employer engagement and was presented at the 2025 Winter Policy Forum in Washington, D.C. The Teacher Apprenticeship program provides a pathway for paraprofessionals to earn a nationally recognized credential, a bachelor's degree in education, and a teaching certificate.

Other Federal Programs

DLR also administers:

- Federal Bonding
- Foreign Labor Certification
- Jobs for Veterans State Grant
- National Dislocated Worker Grants
- Reemployment Services and Eligibility Assessment
- Senior Community Service Employment Program
- Trade Adjustment Assistance
- Work Opportunity Tax Credit

More about these programs' goals, participants served, and achievements can be found at https://dlr.sd.gov/workforce_services/wioa/default.aspx.

Dakota Roots

The *Dakota Roots* program is a workforce-recruitment initiative that connects out-of-state job seekers with employment opportunities in South Dakota and assists them with relocation and settlement in the state. Potential residents are paired with a job advisor after creating an SDWORKS account and are then scheduled for a consultation during which their goals, skills, and strengths are discussed, and a job search strategy is formulated.

Job advisors provide participants with cost-of-living comparisons, real wage data, and relevant labor market information. They assist in setting up a Virtual Recruiter service and in reviewing and revising job application materials. Advisors also serve as liaisons to business representatives and South Dakota employers, advocating for applicants throughout the hiring process. In addition, they provide logistical information related to relocation, including available incentives, schools, property managers, and real estate agents. Advisors share information with participants regarding opportunities in South Dakota, such as the Registered Apprenticeship Program and the Build Dakota Scholarship program.

From July 1, 2024, to June 30, 2025, job advisors processed 847 inquiries regarding the program. Of those, 532 job seekers chose to create an SDWORKS account and receive personalized job advisement services.



Routes, Roots, and Opportunity January 2025

Thank you for your interest in Dakota Roots!
This monthly e-newsletter is designed for those looking to relocate
to South Dakota and identify job opportunities.

LABOR MARKET INFORMATION CENTER

The **Labor Market Information Center** collects, analyzes, and provides public information on the state's labor market. This includes information such as employment levels, unemployment rates, wage and earnings data, estimates of available labor, employment projections, business staffing patterns, and career planning information.

LMIC staff responded to more than 350 requests for information this year, including distributing approximately 2,000 printed publications to users such as employers, K-12 schools, colleges and universities, Job Service staff, and economic development groups.

In response to employer needs, occupational wage estimates were updated quarterly (using the Employer Cost Index) and published for statewide South Dakota, three metro areas (including the cross-state Sioux City area), and the East and West balance-of-state areas.

Industry and occupational employment projections to 2032 for sub-state areas (the state's two metro areas plus the balance of the state) were published during FY25, and new Hot Careers and Top 30 Careers (high-demand, high-wage occupations) were identified based on new 2024 wage data.



REEMPLOYMENT ASSISTANCE

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.

Benefits

In FY25, the Division received 12,483 applications for unemployment benefits, an increase of 1,308 applicants from the prior year. The amount of benefits paid out increased from \$29.3 million in FY24 to \$35.4 million in FY25. Claimants, on average, received payments for 14.9 weeks during FY25. The national average for FY25 was 15.3 weeks.

The **UI Trust Fund** decreased from FY24 to FY25, ending the fiscal year with a balance of \$207.7 million. Employers contributed over \$22.6 million, and interest credits totaled \$6.7 million for FY25. Legislation passed during the 2023 legislative session created a new tax table, Schedule C, saving employers \$18 million.

Benefits	FY24	FY25
Applications for Benefits	11,175	12,483
Total Number of Weekly Payments	66,157	77,295
Number of Individuals Who Received Benefits	4,712	5,194
Dollars Paid Out	State Benefits	\$28,021,103
	Federal Claims	\$1,229,058
	Total	\$29,250,161
Average Weekly Payments per Claimant	14.0	14.9
Maximum Weekly Payment	\$514	\$532
Average Weekly Payment	\$447	\$466

UI Trust Fund	FY24	FY25
Taxes Received for Regular State Benefits	\$29,988,511	\$22,557,733
Interest on Trust Fund	\$5,716,283	\$6,686,387
Trust Fund Balance	\$212,500,447	\$207,678,557
Number of Employers	34,749	35,451

Cases involving fraud decreased by 1.4% in FY25

Integrity Systems

The fraud and collection section is responsible for reducing instances of overpayment, fraudulent or otherwise, and collecting these monies from claimants. Efforts to minimize overpayments and fraud continue to be successful.

In FY25, the Division established \$1.7 million in overpayments; \$581,201 was the result of fraud. The percentage of cases involving fraud decreased from 15.2% in FY24 to 13.8% in FY25. Recovery efforts in FY25 returned just over \$1.3 million to the UI Trust Fund.

Integrity Systems	FY24	FY25
Amount of Benefit Overpayment Debt	\$1,123,831	\$1,661,433
New Overpayment Cases	1,585	1,937
Percent of Cases Involving Fraud	15.2%	13.8%
Dollar Amount of Overpayment Fraud	\$424,955	\$581,201
Dollar Amount Collected Back	\$1,102,891	\$1,264,073

Leadership Spotlight

Since 2023, **Labor Program Specialist John Anderson** has served as a member of the National Reporting System's Technical Working Group. The [National Reporting System](#) (NRS) is the accountability system for federally funded, State-administered Adult Education programming as Title II of the [Workforce Innovation and Opportunity Act](#). John often represents single-area states' concerns, emphasizes instructional activities as Work Readiness/Workforce Development, supports rurality, and advocates for the professionalization of the field; his 15 years serving the One-Stop [alongside WIOA Titles I & III] also inform his recommendations for updates to the national program's [Technical Assistance Guide](#).

LABOR AND MANAGEMENT

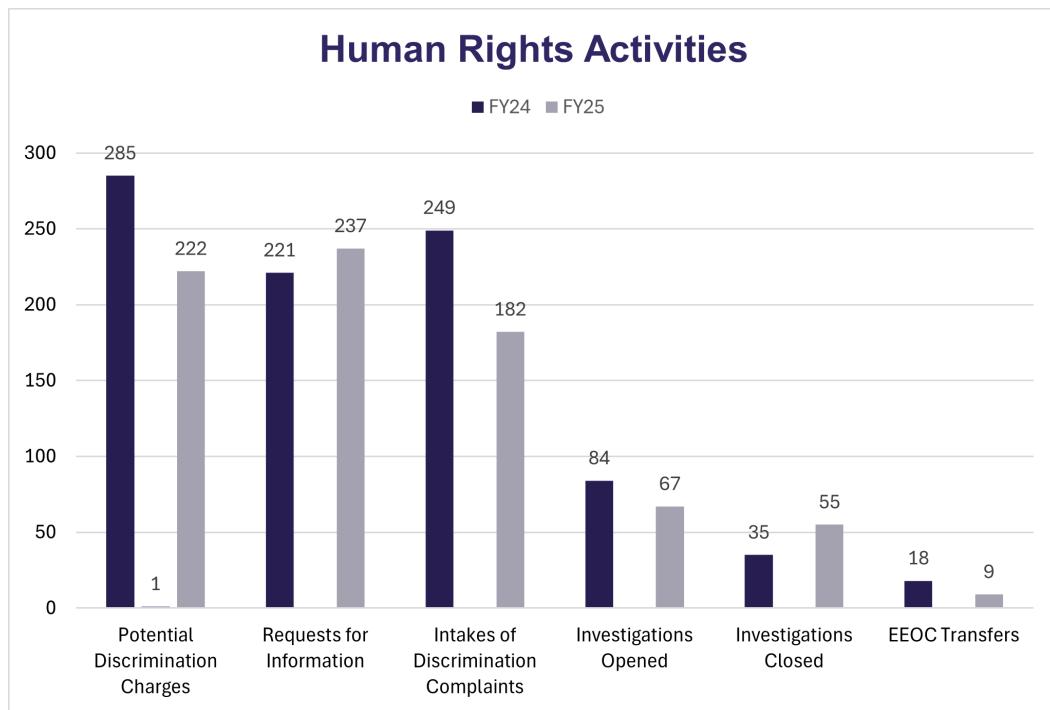
The **Division of Labor and Management** administers the state's labor laws. It is responsible for settling problems between employers and workers, enforcing wage and hour and youth employment laws, administering the workers' compensation program, overseeing human rights, conducting hearings and mediations, handling labor certifications, and adjudicating reemployment assistance appeals.

Human Rights

The **Human Rights Division** promotes equal opportunity by administering the South Dakota Human Relations Act of 1972. It investigates formal complaints, holds public hearings, offers technical assistance, and provides public information.

Of all the different reasons for protection (e.g., race, color, national origin, etc.), most filings are based on disability and racial discrimination. The most common charge is disability discrimination regarding reasonable accommodations and discharge.

Sex discrimination, retaliation (being treated adversely because of opposition to discriminatory practices or filing a charge), disability discrimination, and race discrimination comprise about 90% of the Division's work. Similarly, approximately 90% of all charges filed are employment-related.



Reemployment Assistance Appeals

The administrative law judges handling *reemployment assistance appeals* adjudicate appeals of reemployment assistance benefits and tax determinations. The administrative law judges handling appeals are exceeding federal standards for case turnaround times, with nearly all cases being adjudicated within 30 days.

Reemployment Assistance Appeals	FY24	FY25
New Filings	583	693
Cases Ruled on or Dismissed	542	645
Percentage of Cases Decided within 30 Days	98.0%	98.4%

Wage and Hour

The *Wage and Hour* unit investigates complaints and attempts to resolve wage disputes between employees and employers. For example, non-payment of wages earned, unauthorized paycheck deductions, or minimum wage violations. The Department has the authority to investigate claims of unpaid wages and determine whether they are valid, but it has limited legal authority to compel the employer to comply with its findings.

Wage and Hour Activities	FY24	FY25
Wage Claims	182	170
Money Collected	\$75,607	\$85,798

Workers' Compensation

Workers' Compensation is an optional insurance program for employers that provides medical and disability benefits to employees who suffer work-related injuries or illnesses. The program receives first reports of injury and provides for administrative resolution of disputes between insurers/employers and employees regarding coverage.

Workers' Compensation Activities	FY24	FY25
Pre-hearing Conferences Held	57	34
Hearings	6	3
Mediations	16	18
Agreements Approved	States Files w/o Petition	182
	Hearing Files w/Petition	218
	74	94
First Report of Injuries Received	19,599	18,901

INSURANCE

The **Division of Insurance** provides regulatory oversight to protect insurance policyholders and investors from financial loss due to inappropriate business practices.

The Division is responsible for licensing and registering insurance companies, insurance producers, other insurance entities, securities agents, financial advisers, brokers, franchises, and investment products. It actively monitors these licensees and registrants to ensure compliance with state statutes and regulations, reviews required filings, and assists in resolving consumer complaints. In cases of non-compliance, the Division conducts investigations and takes appropriate action against licensees, registrants, and companies.

Additionally, the Division reviews and approves continuing education programs for insurance producers, offers investor education, and closely monitors changes to federal law that may impact state laws and rules.

Performance Indicators

The number of licensed producers and registered agents regulated by the Division continued its upward trend in FY25. The insurance and securities industries are evolving due to progressive changes in the marketplace, including technological advancements, evolving business environments, and sophisticated consumer wants/needs.

Insurance Performance Indicators	FY24	FY25
Total Licensed/Domestic Companies	1418/53	1417/51
New Companies Licensed/Approved Mergers	15/8	11/4
Total Licensed Producers	113,963	117,965
Insurance Producer Licenses Issued	30,319	31,015
Insurance Producer Licenses Renewed	51,831	53,769
Property/Casualty Filings Reviewed	4,968	4,702
Life/Health Filings Reviewed	2,273	2,495
Consumer Complaints Closed	502	505
Enforcement Files Closed	1,822	1,712

Securities Regulation Performance Indicators	FY24	FY25
Broker-Dealer Agents Registered	139,254	145,725
Broker-Dealer Firms Registered	1,241	1,233
Investment Advisor Agents Registered	2,074	2,118
Investment Advisor Firms Registered	56	57
Investment Company Notice Filings – New/Total	477/21,269	411/20,010
Investment Advisors Notice Filings	1,023	1,033
New Franchise Applications/Renewals	336/869	296/861
Compliance Exams	59	65

Revenues

Insurance premium tax, a tax imposed on insurance companies licensed and operating in South Dakota, is one of the top five contributors to the State's general fund. In addition to premium tax, the Division transferred an additional \$61 million of the revenues listed below to the State General Fund in FY25.

Revenues		FY24	FY25
Premium tax		\$127,688,388	\$140,514,355
Fees (Insurance Operating Fund)	Insurance Producer Licensing/Renewal	\$13,985,402	\$14,199,062
	Insurance Miscellaneous and Legal	\$9,025	\$10,160
	Insurance Retaliatory and Filing Fees	\$1,196,566	\$1,244,014
	Insurance Administrative Penalties	\$328,607	\$703,500
	Insurance Investment Council Interest	\$51,014	\$88,870
	Insurance Company Admission, Renewal, & Supervision Fees	\$266,696	\$255,248
	Insurance Producer Exam & Course Fees	\$55,815	\$51,990
	Investment Companies Notification Fees	\$27,263,400	\$26,577,650
	Securities Registration Fees	\$34,750	\$38,400
	Broker-Dealer Registration Fees	\$196,800	\$191,850
	Securities Agent Registration Fees	\$20,998,525	\$21,589,875
	Name Change Filing Fees	\$49,250	\$60,100
	Initial Public Offering Extension Fees	\$1,750	\$3,400
	Investment Adviser Agent Fees	\$123,700	\$123,450
	Investment Adviser Fees	\$219,200	\$222,600
	Securities Fines	\$330,591	\$333,255
	Securities Investment Council Interest	\$187,592	\$342,197
Continuing Education Fund	Franchise Fees	\$215,350	\$207,800
	Other Filing Exemptions	\$315,225	\$314,800
	Miscellaneous	\$25	\$25
Workers' Compensation	Insurance Producer Renewal Fees (Biennial renewal)	\$44,560	\$62,380
	Policy Fee (Transferred to U.S. DOL)	\$368,900	\$367,461
	Total	\$193,908,134	\$207,502,442

Leadership Spotlight

Director Larry Deiter holds leadership roles with the National Association of Insurance Commissioners (NAIC). He is a Midwest Zone officer, serves on the Executive Committee, chairs the Producer Licensing and Surplus Lines Task Forces, and is Vice Chair of both the Property and Casualty (C) and Financial Solvency and Accreditation Standards (F) committees. These appointments highlight South Dakota's strong role in shaping national insurance policy and state-based regulation.

BANKING

The **Division of Banking** is charged with the regulation and supervision of state-chartered and licensed financial institutions, to maintain stability and public confidence in state-chartered institutions, and to protect public interests.

Revenues

The Division of Banking is funded by fees assessed to the institutions it regulates. License numbers, bank, and trust assets continue an increasing trend.

Revenues	FY24	FY25
Bank Examination Fees	\$1,839,034	\$1,922,396
Trust Company Examination Fees	\$552,959	\$693,705
Trust Company Supervision Fees	\$1,435,274	\$1,520,706
Trust Company Charter Fees*	\$15,000	\$25,000
License Fees	\$1,319,930	\$1,505,800
Licensing Examination Fees	\$59,474	\$80,081
Investment Council Interest	\$152,475	\$255,100
Bank Application Fees	\$15,500	\$2,000
Regulatory Settlements	\$216,136	\$1,683,136
Sigue Customer Funds	\$0	\$41,942
Totals	\$5,605,782	\$7,730,646

*Deposited in general funds

Performance Indicators

The Division of Banking performs safety and soundness examinations on all banks and trust companies chartered in South Dakota every 12-36 months, depending on the size, complexity, and condition of each company. The Division alternates examinations of banks with the Federal Deposit Insurance Corporation (FDIC) or the Federal Reserve. Entities licensed by the Division are examined as necessary based on risk factors reviewed on an ongoing basis. The Division participates in and leads multi-state examinations of licensed companies in coordination with other states through the Conference of State Bank Supervisors (CSBS). (See chart on page 25.)

Performance Indicators	FY24	FY25
License Exams	15	22
Banks Examined	13	15
Trust Companies Examined	44	45
Licenses Issued or Renewed	4,720	5,547
State-chartered Banks	39	39
State-chartered Trust Companies	117	119
Bank Assets	\$24.781 billion	\$25.772 billion
Trust Assets	\$666.416 billion	\$813.978 billion

Banks

Community banks in South Dakota are a vital source of credit for businesses and consumers and a source of income for savers by providing competitive yields on certificates of deposit. Community banks are the bedrocks of their communities and are the primary source of lending for the agricultural sector in our state and for small businesses.

Trust Companies

South Dakota has a modern set of trust laws and a robust yet welcoming environment for the establishment of trust companies. With over 100 trust companies chartered in South Dakota, the state is home to more regulated, independent trust companies than any other state.

Non-Bank Lenders and Transmitters

Non-bank mortgage licensees originate and service the majority of residential mortgage loans in the U.S., with many operating in over 40 states through a coordinated licensing system owned and operated by the states. Through this system, the Nationwide Mortgage Licensing System and Registry, or NMLS, the states collectively license over 200,000 individual mortgage loan originators and over 25,000 companies in a variety of industries.

Leadership Spotlight

Chief Bank Examiner Drew Haack was appointed as one of two state representatives to the Federal Financial Institution Examination Council's (FFIEC) Task Force on Reports (TFOR) subcommittee on efficient reporting. The objective of the subcommittee is to identify burden reductions and to make bank financial reporting more efficient and effective.

PROFESSIONAL LICENSING

There are nine occupational and professional licensing boards and commissions within DLR, along with the Appraisers Certification Program. These boards and commissions are charged with licensing and regulating the individuals practicing in each specific occupation or profession in South Dakota. The department provides general administrative and legal support to each of the boards and commissions.

Abstracters

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

Its mission is to issue abstracter 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.

Accountancy

The Board of Accountancy is the regulatory body charged with administering and enforcing the South Dakota Codified Laws and Administrative Rules of South Dakota on Certified Public Accountants.

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

Appraisers

The Appraiser Certification Program certifies, licenses, and registers real estate appraisers to perform real estate appraisals in South Dakota pursuant to Title XI of the Financial Institutions, Reform, Recovery, and Enforcement Act. It also registers and supervise appraisal management companies doing business in South Dakota pursuant to Title XI as amended by the Dodd-Frank Wall Street Reform and Consumer Protection Act.

Athletic

All mixed martial arts (MMA), boxing, and kickboxing competitions are subject to the approval of the South Dakota Athletic Commission. Competitions must be approved by the commission before being promoted. All competitors, promoters, managers, and other participants must be properly registered or licensed with the commission before participation in a competition. The Athletic Commission issued 217 new licenses in FY25 and monitored three events.

Barber Examiners

The Board of Barber Examiners protects the health and safety of the consumer public by licensure of qualified persons, licensing and inspection of barbershop facilities, and enforcement of the statutes, rules, and regulations governing the practice of barbing including the appropriate resolution of complaints.

Cosmetology

The Cosmetology Commission's mission is to ensure the health and safety of 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

The Electrical Commission works to keep citizens and their property safe from the hazards associated with using electricity. The commission administers 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

The Plumbing Commission works to keep citizens 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

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 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 the education, licensing, and practice of real estate brokers, salespersons, auctioneers, property managers, residential rental agents, timeshare agents, and home inspectors, and for registration of condominium, timeshare, and subdivision projects.

Technical Professions

The 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 to safeguard 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 South Dakota.

Performance Indicators

	New Licenses		Total Practitioners		Examinations		Reciprocity		Complaints	
	FY24	FY25	FY24	FY25	FY24	FY25	FY24	FY25	FY24	FY25
Abstracters	7	3	144	147	3	13	0	0	0	2
Accountancy	59	56	1,941	1,908	113	116	18	16	32	30
Appraisers	45	20	520	483	n/a ¹	n/a	28	22	3	5
Barber Examiners	23	24	219	183	2	36	28	13	0	0
Cosmetology	760	1,036	9,625	7,244	400	472	326	206	7	6
Electrical	1,555	1,569	6,333	7,105	405	445	216	283	13	13
Plumbing	786	1,041	3,413	4,042	148	170	58	50	11	5
Real Estate	367	380	3,975	4,483	507	523	60	51	33	41
Technical Professions	869	1,091	8,153	7,145	479	300	570	5,064	8	4

¹ The Appraiser Certification Program does not administer an exam as part of the licensure process.



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