

# South Dakota Department of Labor and Regulation Reemployment Assistance Advisory Council

## 2022 Annual Report

The Reemployment Assistance (RA) Advisory Council's primary responsibility is to aid the Department of Labor and Regulation (DLR) in reviewing the RA program's content, adequacy, and effectiveness, and make recommendations for improvement.

The Council is composed of Governor-appointed members representing the interests of employers, employees, and the public. DLR Cabinet Secretary Marcia Hultman chairs the Council. Other members include Robert Anderson, Kari Karst, David Owen, Pam Roberts, Mark Rogers, Dr. Nathan Sanderson, Dan Schmidt, and Douglas Severson.

This document serves as the annual report of meetings, discussions, and recommendations of the Council, pursuant to SDCL 61-2-7.1. The annual report is available to any interested parties at [https://dlr.sd.gov/ra/advisory\\_council/default.aspx](https://dlr.sd.gov/ra/advisory_council/default.aspx).

Council action began with a meeting on April 26, 2022.

- Secretary Hultman provided a legislative recap of:
  - Senate Bill 31 allowing appropriation of General and Federal Funds to modernize the Reemployment Assistance computer system,
  - House Bill 1128 codifying existing fraud detection measures, and
  - House Bill 1173 amending the definition of employing unit to include common paymaster. A common paymaster is defined as related corporations concurrently employing the same individual and reporting wages under one account.
- Pauline Heier provided an update of the current state of the Unemployment Insurance Trust Fund, including financial projections for the remainder of 2022.
- Secretary Hultman discussed Trust Fund solvency and employer tax reductions, surcharge triggers which are dependent on Trust Fund balances, and the Short-Term Compensation program which allows employers to maintain their workforce by reducing hours worked in lieu of layoffs.
- Public comments were opened; none were received.

The second Council meeting was held on August 23, 2022.

- Pauline Heier provided an update of the current state of the Unemployment Insurance Trust Fund, including financial projections for 2023 and the remainder of 2022.
- Secretary Hultman discussed a legislative proposal adding a new tax schedule which lowers tax rates for all employers and reduces the Average High-Cost Multiplier (AHCM) Trust Fund balance trigger for each schedule. The proposal also changes when the surcharge triggers on. The trigger would be based on the AHCM ratio at the end of each quarter and no longer based on a fixed amount.
- Public comments were opened; none were received.

The third Council meeting was held on December 19, 2022.

- Pauline Heier provided an update of the current state of the Unemployment Insurance Trust Fund, including financial projections for 2023 and the remainder of 2022.
- Public comments were opened; none were received.
- Secretary Hultman recapped the legislative proposal discussed at the August 23, 2022, meeting and called for Council Action on the proposal. The Council recommended this proposal to the Governor and the 2023 Legislature.

Respectfully submitted on \_\_\_\_\_, by the RA Advisory Council.

DRAFT

**RA Financials - Quarterly Summary**

(in Millions)

CY 2022	Actual	Actual	Actual	Projected	Total
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	
Contributions/Interest In	\$4.5	\$21.2	\$12.1	\$8.1	\$45.9
Benefits Paid Out	\$11.5	\$4.3	\$2.3	\$4.1	\$22.2
<b>Trust Fund</b>	<b>\$164.4</b>	<b>\$182.1</b>	<b>\$191.4</b>	<b>\$195.8</b>	<b>\$195.8</b>

**RA Financials - Quarterly Summary**

(in Millions)

CY 2023	Projected	Projected	Projected	Projected	Total
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	
Contributions/Interest In	\$4.5	\$16.8	\$10.6	\$6.9	\$38.8
Benefits Paid Out	\$13.0	\$5.2	\$3.1	\$4.2	\$25.5
<b>Trust Fund</b>	<b>\$187.3</b>	<b>\$198.9</b>	<b>\$206.3</b>	<b>\$209.1</b>	<b>\$209.1</b>