

Appropriations Hearing February 1, 2010



Mission Statement

- Our mission is to enhance the South Dakota workforce by providing businesses with employment-related solutions and helping people with job placement and career transition services.
- www.sdjobs.org

Divisions

- Workforce Services, Marcia Hultman
- Administrative Services, Dick Flemmer
- Unemployment Insurance, Don Kattke
- Labor and Management, James Marsh
- Field Operations, Mike Ryan

Recession Reality

Terms to Know

- Unemployed – People who are 16 years of age and older and do not have a job, but are actively seeking a job.
- Unemployment Rate – Percentage of the labor force that does not have jobs, but are actively seeking jobs.
- Job Openings – Current number of job openings from employers listed with DOL local offices.
- UI Claimants – Number of people receiving UI benefits in a given week.

Unemployment Insurance

- Provides temporary financial assistance for people who have lost their jobs, through no fault of their own, until they find other jobs.
- Eligible claimants receive up to 26 weeks of State benefits.
- Federal extension provides additional 34 weeks for UI exhaustees.
 - *Ends February 28 for new enrollees.*

Unemployment Rates

	U.S. Jobless Rate	S.D. Jobless Rate	In South Dakota...
December 2007 <i>National recession hits United States</i>	5.0%	2.7%	Workforce 2025 focus: finding workers.
November 2008 <i>National recession impacts South Dakota</i>	6.9%	3.4%	Hiring stops; layoffs begin.
November 2009 <i>Impact continues in South Dakota</i>	10.0%	5.0%	Layoffs continue; hiring minimal.

Current Workforce

	3rd Week January 2010	3rd Week January 2009	3rd Week January 2008
UI Claimants	8,698	5,982	2,920
Benefits Paid	\$2,403,468	\$1,496,646	\$705,507
State Claimants	6,333	5,471	2,842
State Benefits Paid	\$1,764,268	\$1,339,671	\$656,966
Job Openings	6,251	9,149	13,834
Unemployed	21,000 <i>December 2009</i>	16,430 <i>December 2008</i>	11,895 <i>December 2007</i>

DOL Response

Local Office Activities

- Rapid Response Meetings
- Re-employment Services
 - Aptitude testing
 - Career counseling
 - Job Search Assistance Program
- Workforce Training
 - Short-term training programs
 - Work experiences
 - On-the-job training

Workforce Training

- Summer Youth Stimulus Work Experiences
- Adult Job Training
- Dislocated Worker Job Training
- Green Jobs Training Grant

Unemployment Insurance Activities

- Additional phone lines
- Extended Call Center hours
- Additional Call Center staff
- Internet filing promotion
- Additional investigators

Continued Priorities

- Workforce 2025
 - Live Dakota – Retain current workforce
 - Grow Dakota – Prepare students for future workforce
 - Build Dakota – Address industry needs
 - Dakota Seeds – Match students to internships
 - Dakota Roots – Recruit workers for hard-to-fill jobs

Budget Request Overview

Primary Funding Sources

- Federal Funds: 96.0% (grants and contracts)
- General Funds: 3.0%
 - *DOL receives 0.07% of total General Funds*
- Other Funds: 1.0%

DOL Appropriation Budget Request

- Total: \$36,137,950 and 356.5 FTE
 - Federal Funds: \$34,827,066
 - General Funds: \$876,167
 - Other Funds: \$434,717
- Reduction: \$20,253 and 1 FTE
- Increase: \$123,136 for State Health Insurance costs

(Licensing Boards and Commissions excluded.)

Expenditure Authority

State Fiscal Year	Total Expenditure Authority	Total Spent
2005	\$36,402,235	\$31,875,756
2006	\$36,829,184	\$31,069,679
2007	\$37,486,234	\$27,065,123
2008	\$37,995,527	\$25,871,350
2009	\$36,035,067	\$34,630,695
2010 Projections	\$41,886,567	<i>(Projected Expenditure)</i> \$42,889,320

Federal Contingency Funds Received

- 2005 = \$365,719
- 2006 = \$ ∅
- 2007 = \$ ∅
- 2008 = \$ ∅

2009	
1 st Quarter <i>(July – Sept '08)</i>	\$∅
2 nd Quarter <i>(Oct – Dec '08)</i>	\$188,128
3 rd Quarter <i>(Jan – Mar '09)</i>	\$505,007
4 th Quarter <i>(Apr – June '09)</i>	\$415,929
Total	\$1,109,064

2010	
1 st Quarter <i>(July – Sept '09)</i>	318,339
2 nd Quarter <i>(Oct – Dec '09)</i>	???*
3 rd Quarter <i>(Jan – Mar '10)</i>	???
4 th Quarter <i>(Apr – June '10)</i>	???
Total	Unknown
* Federal notification for quarter will be received mid-February or early March.	

FTE Budgets and Usage

- FTE Budgeted FY2000 377.00
- FTE Budget Request FY2011 356.50
- DOL FTE Reduction Last 11 Years <20.50>

- FTE Budget FY2010 *(Current Year)* 357.50
- FTE Actual Usage *(2/1/2010 Payroll)* 362.57

Hiring Phases

- February – May 2009:
 - 14 in Field Operations
 - 7 in Unemployment Insurance
- June – August 2009:
 - 3 in Workforce Services
 - 10 in Unemployment Insurance
- November 2009:
 - 3 in Unemployment Insurance
- **Total = 37 FTEs**

Secretariat Administration

- FY2010 Budget = \$18,956,916
 - Federal Funds = \$18,756,916
 - General Funds = \$200,000
- FY2011 Request
 - Decrease of 1.0 FTE and \$20,253 in federally funded personal services
 - Increase of \$18,590 in Federal Funds for the State Health Insurance increase

Unemployment Insurance Services

- FY2010 Budget = \$4,920,598 and 92 FTE
 - *All Federal Funds*
- FY2011 Request
 - Increase of \$31,486 in Federal Funds for the State Health Insurance increase

Field Operations

- FY2010 Budget = \$10,653,753 and 192.5 FTE
 - *All Federal Funds*
- FY2011 Request
 - Increase of \$64,875 in Federal Funds for the State Health Insurance increase

State Labor Law Administration

- FY2010 Budget = \$1,503,800 and 20.5 FTE
 - General Funds = \$672,003
 - Other Funds = \$432,376
 - Federal Funds = \$399,421
- FY2011 Request
 - Increase of \$8,185 in Personal Services for the State Health Insurance increase

Professional Licensing Boards

- FY2010 Budget: \$2,801,528 and 38 FTE
- FY2011 Request:
 - Increase of \$12,094 in Other Funds for the State Health Insurance increase

*Board of Accountancy, Board of Barber Examiners,
Cosmetology Commission, Plumbing Commission,
Board of Technical Professions, Electrical Commission*

Thank you.