



Dear SDSEO Member:

Three legislative weeks to go. If you haven't yet, you should familiarize yourself with your district legislators. It's crunch time, and you may as well have your legislators' email addresses ready to go. You can find them here: <https://sdlegislature.gov/Legislators/Listing/68>.

All the legislator voices are important now, regardless of their committees. It's the time for decisions to be made in caucus, and that is where you need your district legislators pushing for you. This session, equity is a good keyword. Your career as a stakeholder in this enterprise should not be left out because there's not a formation of high-dollar lobbyists swooping out of the sky to grab fish for you.

There are four components to your career every session: Your job, your wage, your health insurance, and your retirement system.

Your retirement system is pretty secure in the present environment due to how integral to that system you are. Public school employees are the largest segment, while you are the second largest; together you provide the base for one of the top public employee retirement systems in the nation (the other top system is Wisconsin's). A consolidated retirement system such as yours was [one of the first things the SDSEO pushed for](#) when the SDSEO was created 51 years ago.

Most people call South Dakota's a conservative retirement system, especially the SDRS board itself. What the word means in retirement systems is the board pretty much maintains a balance between the needs of the system and the needs of its retirees and future retirees, seeking overall system stability. The board's mix of elected members and governor appointees aids that stability, as does the continuing deference to them by governors and Legislatures. There will always be individual or groups of legislators who seek to make law outside of the system, but the majority has tended to rely on the system.

As a state government employee, two of the other three parts of your career are more susceptible to lawmaker ideas, as there is not an ongoing system and ongoing board whose advice they will consistently take. Lawmakers mostly leave your job itself to the state, not making your job classifications or grades or going into details outside of funding and judging overall department effectiveness. So your wage and your health insurance are under their fiscal authority.

So, you have two categories in the [proposed budget](#): compensation and health insurance. In compensation is the market adjustment (\$58.457 million), which moves up the market range for all jobs, and the targeted (\$27.734 million), which goes to most jobs but not all. There is no public list of the targeted jobs other than a [very general list](#).

All three of those parts go together, and all are important. I've been told numerous times that legislators are seeking to give state employees more than the 5%, but we need the other parts of the proposal to go together and not get left by the wayside. Whenever you have multiple moving funding parts, which these three "buckets" would hold, there's multiple possible problems. We need the proposed total targeted and the total health and the total 5% plus. The total proposed by Governor Noem in her budget for you was

[\\$124.577 million](#). And that doesn't include funding for expanded family leave for state employees, which can be done within state policy and does not require a bill, though the governor had a [bill](#) which we supported.

I've heard many calls from leadership in both parties on the House side call for an 8% increase in state education, and on the private-side health-care business, [HB 1167](#) passed House Appropriations today, which would cost \$30.5 million ongoing this year and is for just one section of the private-side health industry in the state: community-based providers. Those funds are intended to help that sector of the health industry in general as opposed to be targeted to any employees; there is some "conventional wisdom" that there's a trickle out to workers, but there is no mechanism for such.

The Legislature guessed the state's future revenues last week when they set [revenue targets](#). They set targets of \$32 million over the governor's original pitch for FY 23 (our current fiscal year thru June 30) and about \$87 million over the governor's FY 24. That's another \$119 million in revenue across the two fiscal years.

I took in testimony on the governor's food sales tax removal bill this morning, [HB 1075](#). The bill was killed 5-4 in [House Appropriations](#). I would not say this is the end of it. There are three weeks to go, which is about 1,000 lifetimes in non-legislative years. Also getting killed was [HB 1043](#), the property-tax reduction bill. The tax-cut bill that made it thru was the House GOP caucus's [HB 1137](#), which would cut sales tax on everything by .5%, so the amount of the sales tax increase ballot initiative for K-12 from a few years ago.

Keep the faith and keep up the fight.

Make sure to spread the word about the SDSEO and encourage membership. Membership is \$10/month. You're likely going to go out with co-workers on lunch or after work: Maybe offer to pay for their lunch that one time (you're probably going to anyway at some point, since you're a South Dakotan) and encourage them to join the SDSEO, which likely costs less than 1 work lunch a month.

To help out with recruiting, I've attached SDSEO recruitment/info docs. (For the Investment Trust brochure, the Reinke Gray email contact is bettejo@reinkegray.com. They have changed their email address.)

We added one new member last week. Welcome aboard, K!

Make sure to let me know if you experience any problems at all as a state employee. Our Facebook: <https://www.facebook.com/my.SDSEO/>. Our Facebook gets lots of traffic and comments, so try to check it out. Our Twitter handle: @MySDSEO

SDSEO 2023 bill list attached to email

Sincerely

Eric

Eric Ollila
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