

## RECORD OF WRITTEN COMMENTS

### Bureau of Administration

Listed below and attached are the written comments received by the Bureau of Administration on or after the August 23, 2021 Public Hearing regarding proposed changes to ARSD 10:02:02:01 and 10:02:02:02

#### COMMENTER

#### DATE RECEIVED BY BOA

SDNA – David Bordewyk

August 23, 2021

Lakota Times – Connie Louise Smith

August 24, 2021

Black Hills Pioneer – Letitia Lister

August 24, 2021

Yankton Media Inc. – Gary Wood

August 25, 2021

Garretson Gazette – Garrick A. Moritz

August 30, 2021



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**Aug. 23, 2021 / State Capitol / Pierre**

**South Dakota Newspaper Association testimony in support of proposed adjustments in publication rates for public notices by David Bordewyk, SDNA executive director**

The Board of Directors and publishers of the 118 newspapers of South Dakota Newspaper Association support the adjustments in rates for publication of public notices as proposed by the Bureau of Administration.

The statutory directive found in SDCL 17-2-19 in part reads: "The bureau shall annually review and adjust rates to reflect changes in economic conditions with the newspaper industry and the general economy." Given this state law and its instructions, along with the clearly demonstrated increased costs of doing business within the newspaper industry, we believe the proposed rates are merited and deserve approval.

The last time publication rates were adjusted was in 2016. Since 2016, the rise in the consumer price index in the United States has averaged approximately 1.76 percent annually, according to information from the Federal Reserve Bank of Minneapolis and the U.S. Bureau of Labor Statistics. Within the newspaper industry, newspapers have experienced significant cost increases since 2016 as well. For instance:

- The costs to mail newspapers via the USPS have risen at least 2 percent annually since 2016. For all South Dakota newspapers, mail delivery of their products is essential and reflects a significant portion of their ongoing fixed costs of production and delivery. For a large, rural state like ours, private delivery of newspapers is not a viable business option and the U.S. Postal Service is an essential partner for publishers in the daily and weekly delivery of their products to subscribers and residents. Next week, postal rates will increase on average of 8 to 9 percent – one of the largest postal rate hikes in years. We recognize that these postal rate hikes affect all businesses and organizations that use the mail, including government entities. However, these increases hit newspapers especially hard. For instance, next week's 8.8 percent rate increase will cost the Yankton Daily Press & Dakotan an additional \$26,400 a year in postage. The Black Hills Pioneer newspaper at

Spearfish will see its postage costs increase \$13,243 per year. Many small weekly newspapers will see increases of about \$2,000 a year in postage to mail their product to subscribers.

- The printing of the newspaper also represents a significant portion of a newspaper's ongoing, fixed costs and the commodity price of newsprint is a major factor in those costs. Publishers are experiencing an increase of 15 percent in the price of newsprint in the first half of this year when compared to the prices at the end of 2020. According to the U.S. Bureau of Labor Statistics, the price index for newsprint has risen from 105% in 2016 to 140% at the end of 2020.
- Like all businesses, the costs of wages and health insurance have risen significantly as well since 2016. For example, the minimum wage in South Dakota has increased from \$8.65 per hour in 2017 to \$9.45 in 2021. These increases have put pressure on all wages and salaries to increase. Annual double-digit increases in the premiums for employer and employee health insurances have been all too common in the last five years.
- It should be noted that the maximum rates for publication of public notices as set by administrative rule remain far less than the open-market display advertising rates that newspapers use for selling general advertising. The average display advertising rate in 2020 for all newspapers under 9,000 circulation was \$6.66 per column inch. An equivalent per-column-inch rate for publication of public notices in all newspapers under 9,000 circulation was \$3.04 (the same since 2016). To give you an example of this disparity, the price for a full-page retail advertisement in the Custer County Chronicle (paid circulation: 1,440) is \$945.00 (126 column inches at \$7.50 per column inch) while a full page of public notices in the Chronicle is billed at only \$282.16 (1,074 lines of type at .262718 per line).
- We recognize that government entities must operate within tight budget constraints. However, ensuring that the public is properly informed about the actions and deliberations of government bodies should always be a priority for all government entities. The costs associated with informing the public about the business and work of government should carry a fiscal priority in the budgets of all government entities. On average, the cost to local government entities (cities, schools and counties) to publish all public notices annually as required by law is less than ½ of 1 percent of their overall budget. If adopted, these new rates would cost the city of Britton an additional \$137 a year. The city of Madison - \$300 a year. The Brandon Valley School District - \$270 a year. Butte County – an additional \$290 a year.

Some may argue that an increase in the publication rates is not justified because newspapers are losing readers. This is false. To the contrary, newspaper readership remains strong today with the combined reach of both print and digital audiences. A 2019

statewide survey commissioned by SDNA and conducted by Pulse Research of Portland, Oregon, showed that 8 out of 10 South Dakotans read their local newspaper, both in print and digitally.

I wish to conclude by reiterating our support for the proposed adjustment in rates for publication of public notices. I would be happy to answer any questions. On behalf of South Dakota's 118 newspapers, thank you.

**--David Bordewyk / Executive Director, SDNA**

Government Entity	Total Public Notices Expenses in 2019	Proposed 4.8% Increase	Official Newspaper	Total 2019 Budget for Govt. Entity
Tea City	\$5,832	\$280	Tea Weekly	\$2,805,309
Tea School	\$3,933	\$189	Tea Weekly	\$12,301,116
Lennox City	\$5,328	\$256	Lennox Independent	\$1,717,280
Lennox School	\$4,200	\$202	Lennox Independent	\$7,059,777
Butte County	\$5,956	\$286	Black Hills Pioneer	\$4,503,366
Woonsocket City	\$3,484	\$167	Sanborn Weekly Journal	\$555,562
Huron City	\$8,601	\$413	Huron Plainsman	\$32,674,365
Yankton City	\$11,873	\$570	Yankton Press & Dakotan	\$57,665,238
Harding County	\$3,101	\$149	Nation's Center News	\$6,571,450
Britton City	\$2,852	\$137	Marshall County Journal	\$1,735,356
Platte-Geddes School	\$5,403	\$259	Platte Enterprise	\$7,242,400
Sisseton School	\$2,695	\$129	Sisseton Courier	\$27,927,946
Minnehaha County	\$16,917	\$812	Brandon Valley Journal	\$98,800,000
Faith City	\$3,112	\$149	Faith Independent	\$1,811,635
Brandon Valley School	\$5,635	\$270	Brandon Valley Journal	\$30,800,000
Milbank City	\$2,573	\$124	Grant County Review	\$6,400,000
Pennington County	\$14,217	\$682	Hill City Prevailer News	\$94,704,972
Custer County	\$5,331	\$256	Custer County Chronicle	\$8,434,253
McCook Central School	\$2,048	\$98	Salem Special	\$3,348,066
Madison City	\$6,405	\$307	Madison Daily Leader	\$10,362,945
Wessington Springs City	\$6,282	\$302	Wessington Springs True Dakotan	\$3,862,892
Lead/Deadwood School	\$2,973	\$143	Black Hills Pioneer	\$13,538,850
Hyde County	\$3,560	\$171	Highmore Herald	\$2,297,769
Sturgis City	\$8,833	\$424	Black Hills Pioneer	\$21,385,961
Deuel School	\$4,086	\$196	Clear Lake Courier	\$5,835,688
Philip City	\$6,900	\$331	Philip Pioneer Review	\$2,067,827
Haakon County	\$4,685	\$225	Philip Pioneer Review	\$2,889,628

## History of Rate Increases for Publication of Public Notices: 2000-2020

YEAR	PERCENT INCREASE	BASIC LINE RATE WEEKLIES	BASIC PER COL INCH RATE
			DAILIES
2000	1.9	32.6 cents	\$5.10
2001	2.6	33.5 cents	\$5.24
2002	0	33.5 cents	\$5.24
2003	4.4	35.2 cents	\$5.48
2004	0	35.2 cents	\$5.48
2005	0	35.2 cents	\$5.48
2006	2.8	36.1 cents	\$5.64
2007	2.9	37.2 cents	\$5.81
2008	0	37.2 cents	\$5.81
2009	0	37.2 cents	\$5.81
2010	0	37.2 cents	\$5.81
2011	0	37.2 cents	\$5.81
2012	0	37.2 cents	\$5.81
2013	0	37.2 cents	\$5.81
2014	0	37.2 cents	\$5.81
2015	0	37.2 cents	\$5.81
2016	2	38 cents	\$5.93
2017	0	38 cents	\$5.93
2018	0	38 cents	\$5.93
2019	0	38 cents	\$5.93
2020	0	38 cents	\$5.93
<b>TOTAL</b>	<b>16.60%</b>		



**SDNA**  
SOUTH DAKOTA NEWSPAPER ASSOCIATION

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## Augusztin, Rick

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**From:** Connie-Lakota Times <Connie@lakotacountrytimes.com>  
**Sent:** Tuesday, August 24, 2021 2:47 PM  
**To:** Augusztin, Rick  
**Subject:** [EXT] COMMENTS ON INCREASING LEGAL NOTICE PAYMENTS

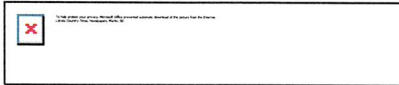
To Whom It May Concern:

As a solely indigenous, woman owned newspapers these last 2 years have been the worst I have experienced in 15 years. The internet took most of our advertising dollars which decreased any income to 0. On top of that our printing costs have gone up 3 times (with another scheduled this fall) and postage costs have increased twice with more on the horizon. As newspaper owner I am asking that the legal notices increase like everything else in our business.

Thank you,

Connie

Connie Louise Smith  
Publisher/Managing Editor  
Lakota Times  
[www.LakotaTimes.com](http://www.LakotaTimes.com)  
Business Cell: 605-441-8826  
[Facebook](#)  
[Twitter](#)



## Augusztin, Rick

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**From:** Letti Lister <letti@bhpioneer.com>  
**Sent:** Tuesday, August 24, 2021 5:46 PM  
**To:** Augusztin, Rick  
**Subject:** [EXT] Comments on the Amendment of Administrative Rules of SD, 10:02:02:01 and 10:02:02:02

Dear Mr. Augusztin and Bureau of Administration,

I am writing to you in order to respectfully state my support for the Amendment of Administrative Rules of South Dakota numbered 10:02:02:01 and 10:02:02:02

As the president and publisher of a daily newspaper, and a weekly newspaper in South Dakota, I firmly believe in the obligation of the government to be accountable and transparent about the official workings of governmental entities.

There is a real value for tax paying citizens to continue to have Legal Notices published by a verified, and easily accessible, third-party. Paid circulation newspapers are uniquely qualified to fulfill that critical role.

As an industry we have seen growth in our subscriptions. During 2020 the Black Hills Pioneer saw a 21% increase in subscribers. That trend has continued in 2021 for both hard copy and digital editions.

I have a full-time person dedicated to the accuracy and publication of legal notices for four counties, five school boards, and more than a dozen towns in western South Dakota.

In addition, our newspaper has always provided free access to all legal notices on our website. along with free access to them on the SD Newspaper Association website, at no additional cost to any government entity.

We have not had a rate increase for our oversight, affidavit verification, and publication of Legal Notices since 2016.

Our newspaper, like many other businesses has had numerous challenges over the past few years.

We have seen significant increases in the cost of newsprint, internet & digital costs, labor costs, corporate and health insurance expenses, and US Postal Service rates, just to name a few. For example: The USPS postal rate increase set for August 29, 2021, will impact our newspaper distribution expenses by over \$13,000 per year.

Therefore, we respectfully request that the Bureau of Administration approve the proposed rate increase for Legal Notices submitted the the South Dakota Newspaper Association. What newspapers provide is a true bargain.

All my best,  
Letti

Letitia Lister  
President & Publisher

The logo for the Black Hills Pioneer, featuring the words "Black Hills" in a smaller font above the word "Pioneer" in a larger, bold font, with a stylized mountain peak graphic above the text.

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America needs local journalism.

## Augusztin, Rick

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**From:** Gary Wood <gary.wood@yankton.net>  
**Sent:** Wednesday, August 25, 2021 1:21 PM  
**To:** Augusztin, Rick  
**Subject:** [EXT] Public Notice Rate Increase

Mr. Augusztin,

In reference to the suggested rate increase on public notices. We have seen/will see increased expenses this year and next that are directly impacting operating costs. To name a few of the larger ones..

1. Production costs increased 5% starting the month of July which impacts us by roughly \$1,500 per month or \$9,000 for the balance of 2021 and \$18,000 for 2022.
2. The postage rate increase is another matter altogether. At 8.8% it will add an additional \$2,200 per month to our operating costs or \$8,800 (Sep thru Dec) for the balance of the year. So for 2022 we are looking at an additional cost of \$26,400 for the year.
3. We also saw an increase in the cost of health insurance this year. Our monthly cost went up 16.2% or an additional \$1,283 per month costing an additional \$15,396 per year.
4. In order to stay competitive and keep our loyal employees we have been giving pay increases this year. This will add about \$48,000 in employee cost in 2022.

These costs will have an impact of a **negative \$107,796** on the bottom line in 2022 and we are already working at a very thin margin to begin with. Being the only private local owned daily paper in the state we'd like to keep it that way but with the increase in costs we must find some relief. That relief must come from the increased cost of advertising. That is why this is so very important to us.

Best regards,

Gary

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Gary Wood  
Publisher/Owner  
Yankton Media Inc.  
Yankton Daily Press & Dakotan  
Vermillion Plain Talk

Sent from my Verizon, Samsung Galaxy smartphone

## Augusztin, Rick

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**From:** Garrick Moritz <info@garretsongazette.com>  
**Sent:** Monday, August 30, 2021 4:09 PM  
**To:** Augusztin, Rick  
**Subject:** [EXT] Commentary, in reference to the Amendment of Administrative Rules of South Dakota numbered 10:02:02:01 and 10:02:02:02.

To: [Rick Augusztin](#)

This email is in reference to the Amendment of Administrative Rules of South Dakota numbered 10:02:02:01 and 10:02:02:02.

Dear sir,

My wife Carrie and I own the Garretson Gazette in Garretson South Dakota. I'm pleased to say that my family have owned and operated newspapers in our state for four generations. My father, grandfather and great-grandfather are all in the South Dakota Newspaper Hall of fame.

Most newspapers in South Dakota are mom and pop operations like mine. Any publisher will tell you their highest cost items are salaries, printing costs and postage.

The publication of notices and minutes are a boon to the public at large, ensuring the involvement of the citizenry and the reduction of corruption in government. It has been the standard practice of South Dakota since our constitution was ratified and we became a state. It is in everyone's best interest to continue this practice. I look at publishing these notices as an aspect of my public service; however, I ask for fair compensation for my work.

Over the last five years, and especially this past year, we have seen increases in printing costs and postage. A new postal increase just took place today on August 30<sup>th</sup>. With all this in mind, and knowing that we are legally obligated to publish public notices, the remuneration of printing said legal notices has to be worth the time and money invested. In short, we very much support the proposed recommended rate adjustment.

Thank you for your consideration,  
Garrick A. Moritz,  
Publisher, Editor and co-owner of the Garretson Gazette

-Garrick A. Moritz  
Editor, the Garretson Gazette  
PO Box 327, 506 Main Street  
Garretson, SD 57030  
Tel: 605.594.2006 | Fax: 605.594.2048  
[info@garretsongazette.com](mailto:info@garretsongazette.com)  
[garretsongazette@alliancecom.net](mailto:garretsongazette@alliancecom.net)