

Mr. Samuel R. Foster, Interim Executive Director
South Carolina Employment Security Commission
1550 Gadsden Street
Post Office Box 995
Columbia, South Carolina 29202

RE: Actuary Services

Dear Mr. Foster,

Thanks for your and your staff's participation in the meeting yesterday of the House Ways and Means' Ad Hoc Study Subcommittee of the Employment Security Commission. As you know, we discussed at length the options for addressing the insolvency of the unemployment insurance trust fund. Based on the information presented at the meeting yesterday it is readily apparent the deficit and its' growth implore us to move quickly.

We learned that the variables affecting the use and funding of the unemployment insurance are complex and interdependent. Although both of our staffs have presented information on how the system works, how it compares to other states, and the options to deal with the insolvency, the subcommittee needs the assistance of an actuarial firm to make sure any proposed courses of action and their consequences on the fund and employers are fully understood and measured. Given the enormity of the issue, we need expert advice.

We understand that the ESC has discretionary funds that could be used to employ the services of an actuary to help the agency and the subcommittee analyze the various options to address the fund's insolvency. Consequently, I am requesting on behalf of the subcommittee, that as soon as possible you propose to the subcommittee a plan of action to secure these actuary services.

In addition, I request that you include House Research staff in any meetings to plan for the securing of these services and in defining the actuary's scope of work. I want this to be a joint effort as your agency continues to assist the subcommittee to determine the best options to improve the management and solvency of the trust fund.

If you have any questions regarding this matter, please do not hesitate to contact me. I am directing Mr. Tim Rogers of the Ways and Means staff to work with you as necessary to implement this plan.

Thanks for your continuing cooperation and support of the work of the subcommittee in making the necessary policy and legislative changes to help us deal with this issue.

Sincerely,

Representative Kenny Bingham, Chairman
Employment Security Commission Ad Hoc Study Subcommittee

CC: Commissioner McKinley Washington, Commissioner J. William McLeod, Commissioner Rebecca D. Richardson, Mr. Allen Larson, Speaker Bobby Harrell, Representative Dan Cooper, Representative Bill Sandifer, Representative Jim Battle, Representative Jimmy Merrill, Representative Joe Neal, Representative Rex Rice, Representative Harry Ott, Representative Mike Pitts, Representative Annette Young, Ms. Beverly Smith, Mr. Tim Rogers, Ms. Katie Owen, Ms. Rena Grant, Mr. Andy Fiffick, Mr. Don Hottel