

South Carolina Department
of
Labor, Licensing and Regulation

Annual Accountability Report
Fiscal Year 2005-06

The Honorable Mark Sanford, Governor
Adrienne R. Youmans, Director

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I. EXECUTIVE SUMMARY

INTRODUCTION

In 1994 the South Carolina Legislature created the South Carolina Department of Labor, Licensing and Regulation (LLR) by combining 40 separate state agencies including the Department of Labor, the State Fire Academy, the Office of the State Fire Marshal and 38 professional and occupational licensing boards. Legislators envisioned an organization that would promote efficiency and build accountability while delivering the highest level of customer service. In January 2003 Governor Mark Sanford appointed Adrienne Youmans, the Agency Director. Director Youmans and her senior staff revised the agency's strategic plan this year. The agency's mission, values and strategic goals follow.

MISSION, VALUES AND STRATEGIC OBJECTIVES

Mission

The mission of the Department of Labor, Licensing and Regulation is to promote and protect the health, safety and economic well-being of the public through regulation, licensing, enforcement, training and education.

Our mission goes hand-in-hand with the Governor's effort to raise personal incomes of South Carolinians by creating a better environment for economic growth, delivering government services more openly and efficiently, improving quality of life, and improving our state's education.

LLR accomplishes its mission by:

- Promoting an environment of growth and innovation which allows regulated businesses and professionals to operate successfully and free of overly restrictive and unwarranted regulation.
- Providing cost efficient administration and periodic review of licensing and certification programs to assure the appropriate protection of the public.
- Conducting required inspections, complaint investigations, and enforcement activities in a manner that is fair, accountable and cost effective.
- Providing businesses and industry, the fire service, our licensees and the public relevant training and education programs.

Values

Integrity – It is our most fundamental value. Acting honestly, objectively and ethically is the right way to do business and provide services. It is how we build long-term trusting relationships.

Excellence – We strive for exceptional performance and service, take pride in our work and continually seek to improve.

Accountability – As individuals and as a department, we are accountable to the public and to each other for all of our actions.

Agency Goals

- Goal # 1: Improve the effectiveness of agency programs.**
- Goal # 2: Improve the efficiency of agency processes and systems.**
- Goal # 3: Provide the necessary resources to improve the agency's ability to provide efficient and effective services.**

OPPORTUNITIES AND BARRIERS

One barrier to our mission has been the inability to get legislation drafted by Fire Marshal Task Force introduced during this past legislative session. The Fire Marshal Task Force was appointed by the Director in the fall of 2003 to overhaul South Carolina's fire laws, some of which date back to 1917. The task force included fire professionals, building codes officials, architects and contractors. Currently, there is little uniformity in inspections across South Carolina. Some fire marshals have enforcement authority, others do not. Different communities have different inspection schedules or differences in who is inspected. The taskforce reviewed and clearly defined the role of the State Fire Marshal's Office. The legislation proposed by the task force allows the State Fire Marshal to set and keep current statewide requirements for fire safety and for the qualifications of those who do the enforcement of these regulations. The legislation also greatly improves the ability of the local fire codes official to enforce fire safety standards. It required more training and statewide certification for fire safety inspectors. The fire service industry decided to table the bill in FY05 and has not expressed interest in resubmitting this legislation.

LLR, in conjunction with the Governor's Executive Budget, again sought the elimination of the Foresters' Board and the Geology Board, along with Auctioneers, Perpetual Care and Pyrotechnic Safety. State law requires that a profession be regulated only when regulation is clearly necessary to preserve the health, safety and welfare of the public. A connection can't be made between the regulation of the practices and the protection of the public. In fact, only two complaints were made last year regarding these boards and neither resulted in the discipline of a licensee. In the case of foresters, consumer protection, if needed, could be filled in SC Circuit or Criminal Court. Geologists are normally employed by State and Federal government agencies,

where evaluations of experience and education are conducted prior to an offer of employment. To reduce the burden on taxpayers and licensees, provisos were introduced eliminating the activities of these boards. The agency also sought the combining of the Cosmetology and Barbers Boards. These requests did not receive approval from the Senate and the House.

The agency is still required to remit 10% of all Professional and Occupational Licensing Programs (POL) expenditures and all excess funds in the Contractor's Licensing Board to the general fund. This practice was instituted prior to restructuring, when central state government agencies such as the Budget and Control Board, Attorney General's Office, Comptroller General's Office and State Treasurer's Office devoted significant time to assisting the boards in administrative matters. Since the administrative burden now belongs to the agency, we believe this revenue should remain with the agency. This requirement makes it more difficult for some of our boards to become self-sufficient. Currently about 10% of our boards are not self-sufficient. A major court cases in California concluded that the practice of using licensing fees from the various professions for general fund purposes is illegal.

After numerous discussions with the US Department of Labor regarding SC's ability to be as effective as the federal government without spending as much as the federal government, LLR was able to lower the amount of funds received from the federal government to an amount that could be matched with state appropriation and was more in line with the spending policies of this Governor. Although LLR was able to prove that our efficiently run program was as effective, if not superior to, other state plan states and the federal government, we continue to be pushed by the federal government to spend all federal dollars allocated whether a need exists or not.

Hurricane Katrina was an unplanned for event that provided many opportunities for testing our emergency response plans of action and providing the agency with the ability to learn from the experience of others. The agency responded through two programs, the Division of Fire and Life Safety and the Occupational Safety and Health Program.

SC Carolina Firefighters, in response to the destruction caused by Hurricane Katrina, were deployed to Louisiana under the S.C. State Emergency Operations Plan, Emergency Management Assistance Compact. Thirty-six members of the S.C. Task Force I Urban Search and Rescue Team, along with 22 members of the Greenville County Emergency Response Team, were activated on September 4th for a 14-day deployment to St. Tammany and St. Bernard Parrish, Louisiana. The entire team, which consists of 220 members and is a component of the State Firefighter Mobilization Plan administered by LLR, responds to natural and man-made disasters to provide search and rescue, medical support damage assessment and assist in the coordination of relief.

In addition to the deployment to Louisiana, the Firefighter Mobilization Emergency Operation Center, located on-site at the Fire Academy, was activated and staffed by Fire and Life Safety employees 24 hours a day during the time the team was deployed. The Operations Center is the point of contact for the team using satellites to communicate daily with the team and providing support when needed. The team performed several rescues for people trapped in their homes since the storm and members were stunned by the total devastation they encountered. A dangerous hindrance to their rescue efforts was the number of snakes in the area. All

specialized equipment used in their rescue efforts was funded through Homeland Security grants and included hydraulic jacks, cutting equipment, high-tech listening devices, victim location devices, breaching, breaking and lifting equipment, and specialized medical and triage equipment. Besides LLR employees, the team consists of other firefighters and members with specialty disciplines from around the entire state. The team also has four canine human scent detectors, a doctor, nurse, and various other specialists with underwater robotic capabilities.

The response efforts were fully self-sustaining including food, shelter and medical necessities. Owens-Kennedy Transportation Company assisted the response by donating a fuel supply vehicle and operator for the duration of the deployment. In addition, two State Law Enforcement Division (SLED) Officers accompanied the team as liaisons to other state and local law enforcement authorities and to render assistance as necessary.

The Federal Emergency Management Agency (FEMA) activated the Worker Safety and Health Support Annex under the National Response Plan. This plan establishes specific roles for governmental agencies, including OSHA. OSHA responded by providing technical assistance with regard to safety and health hazards for federal responders and contractors involved in cleanup and recovery operations.

Response team members worked with an assigned partner. They systematically visited staging areas for electric and telecommunications utility restoration, construction, debris removal and tree trimming. Members provided advice and information on hazards workers may encounter, such as downed power lines and trees, debris, damaged homes and buildings, uncleared roads and flood water.

OSHA worked with other agencies, including the Environmental Protection Agency, the Department of Health and Human Services, and Department of Homeland Security. The coordinated national and local safety and health response to the hurricane cleanup effort resulted in greater worker safety and lives saved. According to the U.S. Department of Labor, OSHA has intervened in nearly 5,000 situations where some 10,500 workers could have been seriously injured. The South Carolina crew did what they call "soft interventions." They were not there in an enforcement role or to issue citations, but to make sure the workers were following safety and health standards.

The Fire Fighter Mobilization Plan was also implemented at the request of the Chester County Emergency Management Director for fire fighters and equipment to help with the Great Falls Mill fire. Staff worked diligently for seven days coordinating statewide assistance for this event. A total of 100 firefighters participated in this mobilization. OSHA also sent two OSHA inspectors to the event to provide technical assistance.

In each of these incidents, lessons were learned that will improve our ability to respond to emergency requests in the future.

SC OSHA learned from our response to Hurricane Katrina, Graniteville train wreck and the Great Falls mill fire that providing technical assistance, not enforcing standards, increases our effectiveness. Our OSHA inspectors have a tremendous amount of safety knowledge, and if we

truly want to protect workers during these incidents, we need to be on hand and providing it when needed. In these past situations, SCOSH operated under the policies and procedures established by the Federal OSHA program. SC OSHA is currently working to develop our own guidelines to operate under when another crisis arises.

The response of our Fire and Life Safety teams to Hurricane Katrina proved that the previous training and the purchase of communication equipment were essential for success. The interoperability of the 800 radio system and use of satellite phones were a valuable asset during both the response and rescue operations. The need to be completely self-sustaining was raised to a new level during Katrina when fire mobilization assets were required to provide an adequate fuel supply for both response & operations. An innovative approach was utilized to meet this requirement when a SC petroleum vendor agreed to send a fuel truck with the response team. Fuel supply issues are being considered by numerous state agencies to support future responses to catastrophic incidents.

Since Katrina, participation in our firefighter mobilization plan has nearly doubled and now we have 3000 firefighters representing 200 fire departments. Our State Emergency Management System data base has been updated and the tasking of personnel now operates more effectively.

The Great Falls Mill fire provided an opportunity for firefighter mobilization efforts to render fire fighting personnel and equipment over an extended period of time. The necessity for an IMT (Incident Management Team) and IST (Incident Support Team) to assist in effective incident management was brought to light during this event. Such teams will be offered and deployed within the earliest development of future incidents.

Each incident provided an opportunity to learn more about the administrative and bureaucratic requirements of reimbursement procedures and EMAC procedures. Cost analysis of personnel and equipment along with pre-determined response assets have been developed to help expedite response capabilities from within SC and from other states.

TENTATIVE LEGISLATION:

- Requesting several changes in statutes and regulations that would eliminate unnecessary professional and occupational licensing boards, consolidate similar boards or adjust programs to eliminate duplication of services and unreasonable restrictions to practice. This includes major revisions to Title 40 – Professions and Occupations. These changes would also create uniformity across the POL division in board member selection, disciplinary processes and fees.
- Requesting statute changes that will eliminate the OSHA Review Board and transfer hearings to the Administrative Law court so that contested OSHA citation cases are presided over by judges who possess more training, experience and knowledge of the law. This legislation was not passed in FY06, but will be resubmitted in FY07 .

- Requesting changes to the State Fire Marshal statute that would move inspection responsibilities to local government where appropriate and improve service delivery by the Office of the State Fire Marshal.
- Requesting changes to the Fire Marshal's Sub-Articles 71-830. This would update and reformat the regulations.
- Requesting changes to the LP Gas statute 40-82. This update removes some limiting requirements for industry and picks up areas that were not covered when the statute was originally drafted because the areas did not exist.

MAJOR ACHIEVEMENTS

LLR continues its efforts to eliminate duplication of services and unreasonable restrictions to practice by implementing procedures that will improve the processes of the agency and the professional and occupational licensing boards. One example of this is the disciplinary citation and hearing panel process. In several boards, including the Board of Pharmacy, the number of violations discovered during routine inspections has increased dramatically creating a need for a formal and consistent citation and hearing process. This new process was developed and implemented in FY06 and as of the end of June 2006, 34 citations have been issued for violations found during routine pharmacy inspections. Of these, 29 have been resolved and six are pending further legal action. The Board of Pharmacy is also partnering with DHEC Bureau of Drug Control to allow DHEC licensed pharmacy inspectors and investigators to conduct investigations and routine inspections of pharmacy facilities that have been permitted by LLR.

Improvements made through the legislative process include:

- The Medical Practice Act, which was rewritten, introduced and passed during this past legislative session. This updated practice act removes barriers to initial licensure.
- Professional Counselors regulations were updated to bring about uniformity in requirements for the licensure process.
- The Residential Builders Commission added a measure of consumer protection by shifting plumbers, electricians, and heating and air contractors from a registered to licensed category requiring passing a state exam and bond requirement.
- The Board of Cosmetology implemented a hair braider registration program for consumer protection. The program required partnering with Educational Television (ETV) in the production of a CD that instructs applicants regarding the statutory requirements of safety and sanitation. LLR has trained 308 applicants and provided a 2-year registration fee of \$25.00.
- The number of State Pilotage Commissions was reduced from four to two following the introduction and successful passage of a new practice act. This also eliminated twelve gubernatorial appointed commission members and the related expense of eight annual meetings.
- The Acupuncture, Cardiovascular Invasive Specialists and Anesthesiologist Assistants programs were implemented after their creation by legislation in FY05. The agency is currently working on implementation of the Dietetic Licensure Act.

Within LLR organizational adjustments were made that consolidated the staffs of Residential Builders Commission, Contractors' Licensing Board, Manufactured Housing Board, and Buildings Codes Council into Codes, Housing and Construction Services (CHACS) program under leadership of one Manager. This structure will encourage and allow for cross training as well as accommodate continuity and succession planning.

The Safetyworks! Campaign, launched in 1999, educates businesses about free services available through the Office of OSHA Voluntary Programs (OVP). In FY06, 7,663 hazards were corrected and over \$2.5M in fines were saved by South Carolina businesses. Since its inception, 64,927 hazards have been corrected in South Carolina workplaces and businesses have saved over \$29.5 million in fines. South Carolina continues to lead the nation in OSHA state plan states with 55 Palmetto Star sites, despite having the strictest requirements in the nation. This program, which is voluntary, provides recognition to qualified employers who exceed the requirements of the Occupational Safety and Health Act of 1970 in providing their workers a safe and healthy worksite. The OVP office also started the SHARP (Safety and Health Achievement Recognition Program) program in 2006 and currently three companies have received this recognition.

The Survey of Occupational Injuries and Illnesses is a federal/state program in which FY2004 employer reports were collected and processed by the agency from about 4,600 South Carolina establishments. This annual survey provides estimates of the number and frequency (incidence rates) of workplace injuries and illnesses based on logs kept by employers during the year. These records reflect not only the year's injury and illness experience, but also the employer's understanding of which cases are work related under recordkeeping rules promulgated by the Occupational Safety and Health Administration (OSHA), U.S. Department of Labor. The number of injuries and illnesses reported in any year can be influenced by the level of economic activity, working conditions and work practices, worker experience and training, and the number of hours worked.

This year's survey showed that South Carolina's Injury and Illness Rate for 2004 dropped from 4.7 workers per 100 in 2003 to 4.3 workers per 100 in 2004. Private industry's rate was 4.1 in 2004, down from 4.4 in 2003, while state and local government's rate fell from 6.1 in 2003 to 5.8 in 2004. The national rate for private industry in 2004 was 4.8, compared to 5.0 in 2003. Within private industry, the rate for manufacturing was 4.7, down from the 2003 rate of 5.5. The construction industry's rate was 4.3, the same as the rate in 2003.

The most hazardous industry within manufacturing was transportation equipment manufacturing with a rate of 7.6 injuries and illnesses per 100 workers. The second most hazardous industry was wood product manufacturing with a rate of 7.0. Next was machinery manufacturing at 6.5; followed by furniture and related product manufacturing at 6.3; fabricated metal product manufacturing at 5.7; food manufacturing and miscellaneous manufacturing, 5.1; chemical manufacturing, 5.0; plastics and rubber products manufacturing, 4.5 and primary metal manufacturing at 4.2. The lowest rate in manufacturing was recorded by printing and related support activities at 2.1. The rate for textile product mills was 3.0, and the rate for apparel manufacturing was 2.4. Within state and local government, state government's injury/illness rate was 4.4 in 2004, no change from 2003.

SC OSHA met its goal of lowering by 2% the total case rate (TCR) of injuries and illnesses for manufacturing and construction. Our goal in manufacturing for the year was 5.5 days. According to the BLS survey, the TCR for manufacturing in SC was 4.7 days. Our goal for construction was 4.4 days and we reduced it slightly to 4.3 days. SC OSHA enforcement and consultation divisions continue to work through our High Hazard Planning Guide to identify industries that have higher injuries rates as outlined in our Strategic Plan. The construction division continues to do drive-by inspections when serious life-threatening hazards are in plain-view. We responded to 208 employee complaints, both formal and non-formal, and investigated 49 work-related accidents and fatalities.

LLR completed the implementation of our consolidated licensing and enforcement system, *Regulatory, Licensing and Enforcement System* (ReLAES). This system provides a common database of all POL licensees, the ability to renew on-line and a common licensing system. Currently, on-line renewals are available to 100% of the agency's professional and occupational licensees where licensing requirements permit on-line renewal.

The number of licensees utilizing the on-line renewal process has increased steadily over the past five years. LLR exceeded its goal of increasing the use of online renewals by 90%. Our actual increase in FY06 was almost 260%.

<u>Fiscal Year</u>	<u>Renewals Online</u>	<u>Revenue Collected Online</u>
2001	2,278	\$75,711
2002	11,449	\$528,573
2003	18,609	\$1,128,531
2004	22,270	\$1,884,317
2005	29,796	\$4,044,589
2006	77,065	\$6,180,964

LLR established the Hispanic Worker Safety Task Force to find ways to address the increasing number of on-the-job Hispanic worker deaths and injuries. Although Hispanics currently make up a small portion of the state's workforce they account for 20% of workplace fatalities. Since its establishment, training has been held for over 1,000 Hispanic workers in Hilton Head, Myrtle Beach and Columbia. The most recent training was conducted for more than 300 Hispanics working in the landscaping industry in the Hilton Head area. More training is planned for Hispanic workers this fall when workloads will slow down a little.

The training was conducted as part of the Hispanic Worker Safety Task Force, which was formed by LLR and its S.C. OSHA office to address the upward trend of on-the-job Hispanic injuries and fatalities in the workplace. Injuries and fatalities have been on the decline since the Task Force began its work. The Task Force also unveiled a Web site this past year. The site includes statistics, best practices for employers and employees, and resources. www.llr.state.sc.us/hispanictaskforce/index.asp

As stated above in the Barriers and Opportunities Section, the Fire and Life Safety Division was a key player in the state emergency response plan several times this past year. The first was

Hurricane Katrina and the deployment of a USAR team to the region. Over events were firefighter mobilizations to Darlington and Great Falls South Carolina.

Also during the past year, LLR's website was redesigned. This redesign accomplished two objectives: 1) meeting the ADA compliance requirements to make it more accessible for those with disabilities, and 2) giving the Web site a fresh look that also made it easier for the public to navigate and to access information. For example, one feature added to the Web site was How Do I ...? This feature, with a drop down menu, provided a list of the most frequently asked questions. Questions included, how do I ... apply for a license, register as a firefighter, etc. As part of the ADA requirements, there are less graphics/photos on the Web site. Limiting the graphics/photos has resulted in the Web site loading much faster, especially for members of the public who still use dial up. LLR saved thousands of dollars by doing its on redesign to meet the ADA requirements instead of contracting it out.

KEY BUSINESS DRIVERS

LLR's key business drivers include:

	<u>FY06</u>
• Percentage of businesses in voluntary compliance with OSHA	100%
• South Carolina injury and illness rate(private sector)	4.1
• Fire deaths	87
• Firefighter deaths	2
• Elevator and amusement ride fatalities	0
• Number of POL licenses verified by Internet	20M
• Number of POL licensees	295,565
• % Increase in On-Line Renewals	61%
• EPMS's completed on time	100%
• Website hits	28M
• Fire Academy students	21,092
• Fire Code violations corrected	7,997
• Wages collected for employees	\$221,000

USE OF REPORTS

The Accountability Report is used to report the accomplishments of the agency to external entities such as the Governor, Ways & Means Committee and the general public. To monitor our agency's progress in accomplishing our strategic plan goals and improving our organizational performance, the senior staff uses a quarterly report system.

II. BUSINESS OVERVIEW

Effective February 1, 1994, Act 181 created the South Carolina Department of Labor, Licensing and Regulation (LLR) which merged the Department of Labor, the State Fire Marshal's Office, the South Carolina Fire Academy and 38 professional and occupational licensing boards into the new agency. Since that time several new boards and advisory committees have been added including Massage Bodywork and Boiler Registration.

The legislation empowered the Governor to appoint a director of the agency with the advice and consent of the Senate.

LLR is organized into five divisions: Fire and Life Safety; Labor; Professional and Occupational Licensing (POL); Legal Services; and Administration. The Fire and Life Safety Division is located in Columbia on Monticello Trail at the State Fire Academy. All other divisions are located at 110 Centerview Drive in the Kingstree Building, also in Columbia.

LLR has 408.41 FTEs, with approximately 20 vacant positions.

Our customers include the 2,000,000 employees of the State, the 100,000 employers, 295,565 licensed professionals, 16,000 firefighters, 450 fire departments, 300 board members of the Professional and Occupational Licensing Division and everyone who is regulated by our statutes. LLR's customers are also the citizens of South Carolina and visitors to our State who use the services of those we license and/or regulate. Other customers include the Governor, the State Legislature and other State agencies.

Major products and services of our agency include:

- Administering laws that pertain to employer/employee relationships such as occupational safety and health, payment of wages, child labor, migrant labor and mediation of disputes between unions and businesses.
- Inspection and permitting of elevator and amusement rides in South Carolina.
- Providing courtesy inspections, technical assistance and training to aid the business community in voluntary compliance with all areas of the Occupational Safety and Health Act.
- Licensing and discipline of numerous occupations and professionals such as accountants, doctors, nurses, massage therapists, barbers, residential builders, etc.
- Training the state's fire service personnel – paid, volunteer and industrial and other emergency service employees.

- Ensuring compliance with national and state-adopted fire safety codes and standards.

Our budget is currently \$29,797,753 of which \$2,873,468 is state funds.

Accountability Report Appropriations/Expenditures Chart SC Department of Labor, Licensing and Regulation

Base Budget Expenditures and Appropriations

Major Budget Categories	04-05 Actual Expenditures		05-06 Actual Expenditures		06-07 Appropriations Act	
	Total Funds	General Funds	Total Funds	General Funds	Total Funds	General Funds
Personal Service	\$15,209,406	\$2,562,666	\$16,264,891	\$2,506,301	\$15,206,127	\$1,803,223
Other Operating	\$12,507,196	\$457,653	\$9,212,195	\$423,713	\$9907188	\$239,020
Special Items	\$4,557	\$	\$40,000	\$	\$105,000	\$
Permanent Improvements	\$578,114	\$	\$138,847	\$	\$	\$
Case Services	\$	\$	\$	\$	\$	\$
Distributions to Subdivisions	\$500,000	\$	\$56,865	\$	\$	\$
Fringe Benefits	\$4,219,535	\$702,890	\$4,467,183	\$794,049	\$4,579,438	\$831,225
Non-recurring	\$	\$	\$	\$	\$	\$
Total	\$33,018,808	\$3,723,209	\$30,179,981	\$3,724,063	\$29,797,753	\$2,873,468

Other Expenditures

Sources of Funds	03-04 Actual Expenditures	04-05 Actual Expenditures
Supplemental Bills	\$	\$
Capital Reserve Funds	\$	\$
Bonds	\$	\$

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Strategic Planning			
Program Number and Title	Supported Agency Strategic Planning Goal/Objective	Related FY 04-05 Key Agency Action Plan/Initiative(s)	Key Cross References for Performance Measures*
II.B. OSHA	Goal 2. Improve the efficiency of agency programs.	Short Term Strategy 2.G.	Chart 1.1
II.A. OVP	Goal 2. Improve the efficiency of agency programs.	Short Term Strategy 2.A	Chart 1.2
II.C. Fire Academy	Goal 1. Improve the effectiveness of agency programs	Short Term Strategy 1.D	Chart 1.3, 1.4
II.D. Office of the State Fire Marshal	Goal 1. Improve the effectiveness of agency programs.	Short Term Strategy 1.G	Chart 2.1, 2.2
II.E. Prof. & Occ. Licensing	Goal 2. Improve the efficiency of agency programs.	Short Term Strategy 2.B	Chart 2.3, 2.4,2.5

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Major Program Areas								
Program	Major Program Area	FY 04-05			FY 05-06			Key Cross
Number	Purpose	Budget Expenditures			Budget Expenditures			References for
and Title	(Brief)							Financial Results*
01000000 Admin	Provides support services to agency programs in Human Resource Management, Legal Services, Information Technology, Public Information, Finance and Procurement	State:	316,369		State:	892,698		6.1
		Federal:			Federal:			
		Other:	2,545,305		Other:	2,304,259		
		Total:	2,861,674		Total:	3,196,957		
		% of Total Budget:		9%	% of Total Budget:		11%	
10050000 OSHA Voluntary Programs	Assists workplaces in voluntarily complying with Occupational Safety & Health Standards.	State:	204,124		State:	226,330		6.2
		Federal:	712,847		Federal:	734,607		6.3
		Other:			Other:			6.4
		Total:	916,971		Total:	960,937		6.5
		% of Total Budget:		3%	% of Total Budget:		3%	
10100000 Occ. Safety & Health	Ensures workplace safety by enforcing Occupational Safety & Health Standards.	State:	949,795		State:	939,418		6.2
		Federal:	950,675		Federal:	937,126		6.3
		Other:			Other:			6.4
		Total:	1,900,470		Total:	1,876,544		6.5
		% of Total Budget:		6%	% of Total Budget:		6%	
10250000 Elevators & Am. Rides	Inspects and permits elevators & amusements rides	State:	621,907		State:	358,122		6.2
		Federal:			Federal:			6.3
		Other:			Other:	287,103		6.4
		Total:	621,907		Total:	645,225		6.5
		% of Total Budget:		2%	% of Total Budget:		2%	

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10150000 Fire Academy	Trains firemen, paid and volunteer, private and public sector	State:			State:			6.2
		Federal:	217,645		Federal:	237,010		6.3
		Other:	5,058,680		Other:	4,623,847		6.4
		Total:	5,276,325		Total:	4,860,857		6.5
		% of Total Budget:		16%	% of Total Budget:		16%	

10200000 Office of the State Fire Marshal	Ensures fire and life safety protection for SC citizens through enforcement and inspection.	State:			State:			6.2
		Federal:	4,424,384		Federal:	793,730		6.3
		Other:	2,001,418		Other:	1,745,559		6.4
		Total:	6,425,802		Total:	2,539,289		6.5
		% of Total Budget:		19%	% of Total Budget:		8%	

10300100 Prof. & Occ. Licensing	Licenses and regulates qualified applicants in professions and occupations.	State:			State:			6.2
		Federal:	2,780		Federal:	1,548		6.3
		Other:	9,613,906		Other:	10,570,900		6.4
		Total:	9,616,686		Total:	10,572,448		6.5
		% of Total Budget:		29%	% of Total Budget:		35%	

Below: List any programs not included above and show the remainder of expenditures by source of funds.

Building Codes; Labor Services; Employer Contributions

	Remainder of Expenditures:	State:	1,631,014		State:	1,307,496		6.2
		Federal:	395,858		Federal:	409,711		6.3
		Other:	3,372,101		Other:	3,810,517		6.4
		Total:	5,398,973		Total:	5,527,724		6.5
		% of Total Budget:		16%	% of Total Budget:		19%	

* Key Cross-References are a link to the Category 7 - Business Results.

These References provide a Chart number that is included in the 7th section of this document.

III. ELEMENTS OF MALCOLM BALDRIGE AWARD CRITERIA

LEADERSHIP

Senior staff in the agency communicates short and long term direction through the agency's strategic plan. The Agency Director continually communicates her vision to the agency and ensures progress by establishing objectives and action plans that involve nearly all of the employees of the agency. The strategic plan is tied to every employee's performance evaluation so that there is a clear understanding of expectations.

The organizational values of the agency represent its guiding principles. The intent of the senior staff is to demonstrate the values in all communications and interactions with customers and employees.

The senior staff promotes a focus on customers by establishing customer satisfaction as the one of our key performance measures. The agency's internal newsletter highlights superior service providers. The characteristics they display reiterate the agency's commitment to providing excellent customer service. Each division monitors customer satisfaction. In the POL Division customer surveys are included on each board's web page, attached to online renewals and requested from every walk-in customer. The Division of Administration conducts formal and informal surveys each year of its internal customers. The Division of Fire and Life Safety conducts on-going course and facility evaluations of the State Fire Academy along with surveys of Fire Marshal inspection clients. The Division of Labor surveys those who receive the services of OSHA Voluntary Programs.

The agency's senior staff monitors performance measures on a regular basis, usually quarterly. Some of the key measures focused on include:

- Processing times for invoices, travel, personnel actions
- Customer Satisfaction Levels
- Processing times for permitting, licensing and investigations functions
- Injury and illness rates for South Carolina's top 5 most hazardous SIC codes
- Fire deaths and their root causes
- Effectiveness of fire safety education and prevention programs
- Turn-around time on investigations and inspections
- Hazards corrected
- % of applications that do not meet criteria for licensure
- Complaints against licensees
- Lapse time between complaint and investigation

This information is used to monitor the impact of our services, enforcement techniques and educational programs. The information is also used as a guide to developing or revising programs or processes that will effectively accomplish our mission. For example, in the OSHA program, the injury and illness rates are monitored quarterly by specific North American Industry Classification System (NAICS) codes and the industries in South Carolina with the

highest rates of injury and illness are the focus of consultation and inspection services in an effort to lower the occurrence rate for that NAICS code.

Every effort is made to use performance review findings and employee feedback to improve both the senior staff's and agency's effectiveness. Management receives feedback from employees during scheduled meetings with their staff. The Director has an open door policy. Employees are invited to eat lunch with her to discuss issues they are facing. The Director interviews every employee who leaves LLR. The feedback received is discussed at monthly senior staff meetings. Director Youmans and her senior staff meet regularly with agency boards and their members and associations and advisory committees of the fire service, elevator and amusement ride program and professional and occupational licensees. The feedback received allows us to evaluate our progress and react accordingly

Our senior managers encourage participation in associations related to their profession. Active participation in national associations such as the Council on Licensure, Enforcement and Regulation (CLEAR), National Association of Governmental Labor Officials (NAGLO), Occupational Safety and Health State Plan Association (OSHSPA) and National Association of Nursing Board Administrators as well as governmental associations like the SC Government Finance Officers Association (GFOA) and International Personnel Management Association (IPMA) is encouraged. Several of our employees serve or have served as officers in these organizations.

The Deputy Director for the Division of Fire and Life Safety, John Reich, this past year for outstanding public service in promoting consumer product safety through fire prevention, protection and training activities. The honor was presented to Deputy Director Reich by the U.S. Consumer Product Safety Commission (CPSC) during a ceremony in Columbia at the S.C. Fire Academy.

In presenting the award, it was noted that John has partnered with CPSC on numerous occasions to promote product safety, and that he serves as the eyes and ears in South Carolina for the CPSC.

S.C. Fire Academy Superintendent Ed Roper was elected to a two-year term as vice president of the North American Fire Training Directors (NAFTD) during the annual conference in September at the Tennessee Fire Academy. NAFTD works with the Department of Homeland Security, Office of Domestic Preparedness, FEMA, the U.S. Fire Administration and the National Fire Academy. It provides input for new programs and how to meet the fire training needs of the fire service.

Senior managers also encourage our agency's active involvement with the local community. Agency employees also participate in a volunteer employee committee called HOPE (Helping Other People Everywhere). At least once a week throughout the school year, LLR employees read to the children at EE Taylor Elementary. The HOPE Committee also purchased school supplies for the students, purchased cabinets for teachers, sponsored a field trip to the zoo as well as providing treats for holiday parties and an Angel Tree at Christmas. The HOPE Committee also provides assistance to agency employees and their family members when requested.

Other community groups supported include the United Way, American Red Cross, First Ladies' Walk for Cancer and American Cancer Society's Relay for Life. LLR employees, POL board members and POL licensees participated in the Groundhog Job Shadow Day sponsored by the Department of Education, LLR and the Employment Security Commission in February 2006.

STRATEGIC PLANNING

The Director and her senior staff met earlier this summer to review the strategic plan, update it to reflect accomplishments and revise it to meet the direction she and the senior staff have set for the agency. The strategic plan was being communicated to all employees through staff meetings. Our agency goals and short-term strategies for FY05 and FY06 are listed below.

Agency Goals and Short Term Strategies

Goal # 1: Improve the effectiveness of agency programs.

Short Term Strategy # 1A: Reduce by 3% the injuries and illnesses (total case rate) in the top ten industries as defined by USDOL.

Deadline – September 30, 2004 – **Completed**

Short Term Strategy # 1B: Improve services of the Office of the State Fire Marshal making it more responsive, flexible and customer friendly.

Deadline – June 2007 – **On-going**

Short Term Strategy # 1C: Review and evaluate professional and occupational licensing programs, statutes, and regulations to identify opportunities to eliminate, consolidate or adjusting programs. Eliminate duplication of services and unreasonable restrictions to practice.

Deadline – June 2007 – **On-going**

Short Term Strategy # 1D: Increase by 5% the number of students registering for the Fire Academy IFSAC Certification testing.

Deadline – June 2005 – **On-going**

Short Term Strategy # 1E: Create a mechanism for obtaining input from front-line employees to identify best practices and communicate these practices with other program areas in agency.

Deadline – June 2005 - **Continued**

Short Term Strategy # 1F: Improve or implement elements of a safety and health program in 50% of the businesses receiving an OVP consultation.

Deadline – September 30, 2006 – **On-going**

Short Term Strategy # 1G: Revamp Fire Safety Public Education programs using Fire Incident Reporting Information to increase the effectiveness of the programs.

Deadline – June 30, 2004 – **Completed**

Short Term Strategy #1H: Reduce injuries and illnesses in the top 13 High Hazard Industries by 10%

Deadline – September 2008 – **New**

Short Term Strategy #1I: Enhancement of On-line Licensure Verification Process.

Deadline – June 2005 – **Completed**

Goal # 2: Improve the efficiency of agency processes and systems.

Short Term Strategy # 2A: Improve by 10% the customer satisfaction rating of the agency.

Deadline – July 2005 – **Continued**

Short Term Strategy # 2B: Make on-line renewal available to 100% of licensees.

Deadline – December 2005 - **Completed**

Short Term Strategy # 2C: Improve the efficiency and public's understanding of the complaint and disciplinary process for licensees.

Deadline – June 2005 - **Continued**

Short Term Strategy # 2D: Make the administrative processes for licensing entities consistent and uniform.

Deadline – December 2005 - **Continued**

Short Term Strategy # 2E: Decrease by 50% the processing times for building and sprinkler plans review by the Office of the State Fire Marshal.

Deadline – November 2004 - **Completed**

Short Term Strategy # 2F: Initiate inspection of OSHA related fatalities and catastrophes within one day of notification for 97% of occurrences.

Deadline – September 2004 – **Completed**

Short Term Strategy # 2G: Reduce OSHA citation lapse time by 15% to ensure that workplace hazards are abated promptly.

Deadline – September 2008 – **New**

Short Term Strategy # 2H: Allow customers make payment of wage complaints on-line.

Deadline – January 2005 – **New**

Short Term Strategy # 2I: Allow on-line credit card payment of elevator inspection fees.

Deadline – June 2005 – **New**

Short Term Strategy # 2K: Improve Application Process for POL Licensees that will include online credit card payment and tracking system.

Deadline – June 2006 – **New**

Short Term Strategy # 2L: Transfer financial administration coordinator to Fire Academy to improve processes and automate Fire Academy billing.

Deadline – June 2005 – **Completed**

Short Term Strategy #2M: Increase the number of licensees using on-line renewal capabilities by 10%.

Deadline – June 2007 - **New**

Goal # 3: Provide the necessary resources to improve the agency's ability to provide efficient and effective services.

Short Term Strategy # 3A: Consolidate all programs and employees (except Fire and Life Safety) into one location.

Deadline – June 2004 - **Completed**

Short Term Strategy # 3B: Implement a plan that addresses the capital needs and maintenance issues facing the SC Fire Academy site.

Deadline – September 2006 – **On-going**

Short Term Strategy # 3C: Implement the agency's workforce planning strategy.

Deadline – June 2007 – **On-going**

Short Term Strategy # 3D: Implement a unified agency training plan as a resource for employees and managers in all divisions.

Deadline – June 2007 – **On-going**

Short Term Strategy # 3E: Complete Capital Improvement Projects at State Fire Academy.

Deadline – June 2007 – **Continued**

Short Term Strategy # 3F: Consolidate all investigators into the Division of Legal Services – Office of Investigations.

Deadline – December 2004 - **Completed**

The strategic planning process has created a forum for continuous improvement processes throughout the agency. The senior staff submits quarterly reports that highlight the work done in the past quarter toward the action plans developed by each division. Budgeting decisions are guided by the priorities of the strategic plan and are allocated appropriately.

CUSTOMER FOCUS

The Department of Labor, Licensing and Regulation continues to emphasize the importance of customer satisfaction to all of our employees. Maximizing customer service is a key strategy in our agency's strategic plan.

During the strategic planning process our customers were identified as the following:

- 2,000,000 Employees in South Carolina
- 100,000 Employers in South Carolina
- 295,565 Licensed Professionals
- 16,000 Firefighters
- 300 Board Members of the Professional and Occupational Licensing Division
- 450 Fire Departments

LLR's customers also include the citizens of South Carolina and visitors to our State who use the services of those we license and/or regulate. Other customers include the Governor, the State Legislature and other State agencies.

Senior staff, using tools learned through Malcolm Baldrige training, identified our customers and their key requirements. Below is an example. This list was developed for the Professional and Occupational Licensing Division.

Major Customers

Applicants

Key Requirements

Information on licensing requirements; organized, accurate, simple and timely licensing process

Licensees

Organized, accurate, simple and timely renewal process; fair and timely complaint handling; reasonable/valid continuing education requirements; timely communications

Services Consumers

Thorough and accurate licensing process to ensure public protection; fair and timely complaint handling; reasonably available licensee information; timely communications

General Public

Thorough and accurate licensing process to ensure public protection; fair and timely complaint handling; reasonably available licensing and licensee information; timely communications; prudent use of licensure-generated revenue- cost efficiency and effectiveness

Board Members

Necessary administrative support and oversight; fair and equitable treatment in distribution of available resources

Other state licensing entities

Thorough and accurate licensing process to ensure public protection; fair and timely complaint handling; reasonably available licensee information; timely communications

Students	Information on licensing requirements
Industry	Provide fire and emergency services to industrial plants in emergencies

A considerable amount of time is spent meeting with our customers to determine their level of satisfaction, ideas for improvement and expectations of our services. Senior staff meets regularly with agency boards, and associations, and advisory committees of the fire service, elevator and amusement ride program and professional and occupational licensees.

An agency customer satisfaction survey tool for our website. A link to a survey appears on every office and board in the agency. Once the survey is completed a copy is sent to the Director's Office, the Assistant Deputy Director or Manager of the program and the Strategic Plan Coordinator. This tool has been extremely useful in gathering information on problem areas regarding our renewal system, our webpage and also with our staff who answer phones and emails. The survey tool has not been a good tool for gauging the overall satisfaction with our agency because for the most part it is filled out by customers who are having problems renewing on line, who have been unable to get information from our staff or on-line or who are dissatisfied with the way they have been treated. The survey tool has been great in insulating problems with our ReLAES system or our WebPages. It has also shown us that we needed to reemphasize our agency's policy of returning calls and emails within a 24-hour period and to stress our agency's value of "Treating others with Respect."

The agency is still looking for that tool or group of tools that will give us an overall customer satisfaction rating. We still collect data by program and division but it is not the same information and therefore can't be used to rate the agency as a whole. One example of customer satisfaction rating is in our OSHA Voluntary Programs where in 2006 an overall satisfaction rating of 100% was received.

INFORMATION AND ANALYSIS

The key business drivers shown in this report were selected to show our effectiveness on improving the safety and well-being of South Carolina citizens and visitors. These performance measures were chosen because they correlate with our agency's mission and goals and also with our customers' needs. The agency's three strategic objectives of maximizing customer satisfaction, employee satisfaction and the efficient use of resources when identifying key measures were also considered.

Our key business drivers include:

- Percentage of businesses in voluntary compliance with OSHA
- \$\$\$ saved in OSHA penalties by businesses using OSHA Voluntary Program Services

- South Carolina injury and illness rate
- Customer satisfaction levels
- Processing times for permitting, licensing and investigations functions
- Fire deaths in adults
- Fire deaths in children
- Firefighter deaths
- Students receiving Freddie-in-Schools fire prevention curriculum
- Elevator and amusement ride fatalities
- Number of POL licenses verified by Internet
- Number of POL license applications processed
- % of POL licenses renewed online
- Employee turnover rate
- EPMSs completed on time
- Website Hits
- Fire Academy students
- Fire Code violations corrected
- People reached through Dalmatian Station at Edventure Children's Museum

One of the objectives of our strategic plan is to make sure we are measuring the right things. Do the measures we use correlate to our agency's mission and the needs and desires of our customers? Great emphasis has been placed on developing performance measures that accurately measure the effectiveness of our programs, the satisfaction of our customers and the progress we have made in achieving our three strategic objectives.

To ensure that key requirements are met, data is collected on day-to-day operations agency-wide. There is also direct feedback received via contacts with customers and stakeholders. This information is used to change or recommend changes to services or the method(s) in which services are provided.

HUMAN RESOURCE FOCUS

LLR considers our employees our most valuable asset. During the past year our managers have focused on LLR's human resources and the employee satisfaction extensively. The human resources system must address needs including effective recruitment; equitable compensation; results-oriented performance management; retention and developmental efforts; and workforce planning. All of these needs are covered by action plans in our strategic planning process.

One of the most important methods of encouraging and motivating employees is through the Employee Performance Management System (EPMS). The agency has maintained its goal of 100% participation in the EPMS process for the September 16, 2005 Universal Review Date period. The agency continues to audit EPMS evaluations as they are submitted to the Human Resources office for linkage of employee performance to the strategic plan.

During the EPMS on-going communication stage, supervisors were encouraged to meet informally with employees each quarter or at least a minimum of once during the EPMS appraisal period to discuss their positive performance, listen to any concerns and provide constructive feedback. For supervisors' convenience, an electronic form was created to document the informal coaching sessions.

The Human Resources office also met with supervisors to discuss the total EPMS process and to develop elements and standards that measure employee accomplishments and that set performance expectations and goals for all employees.

Recognizing employee contributions and accomplishments are an important part of creating the quality culture desired at LLR. When employees know that their efforts are appreciated, their self-esteem and satisfaction with their job increases; and an improved attitude toward their job increases productivity. The LLR Recognition Committee, with help from B&C Board staff, created a program titled TRIBUTE, which is the acronym for Timely Recognition Inspired By Uniquely Talented Employees. The TRIBUTE program consists of three recognition components to recognize employees: employee-to-employee, supervisor-to-employee, and management-to-employee. The program has minimal costs and is simple to implement and operate.

During "Public Service Recognition Week," LLR's senior staff sponsors an agency-wide picnic to recognize LLR employees and the outstanding job they do. This year the picnic committee put together an elaborate "Survivor" competition complete with elimination rounds involving toilet paper, whipped cream, art, trivia and stamina, which only the strong could survive.



LLR continues to offer programs that improve the well-being and satisfaction of our employees. These include:

- Weight Watchers Program
- Flex Time
- Yoga Classes
- Line-Dancing Classes
- Benefits Fair and Pre-Retirement Seminar
- Lunch n' Learn Programs

The agency continues to update its workforce plan to support the agency's strategic plan, to include diversity, succession, retention, and other critical workforce planning needs of the agency. We realize this is a comprehensive, ongoing process that should provide managers with a framework for making informed staffing decisions based on the agency's mission and strategic plan.

The dynamics of the workforce in state government and at LLR continue to change due to a significant number of state employees reaching retirement age. The agency currently has 382 employees with 35 employees participating in the TERI program. Within the next 5 years, there are approximately 122 retirement eligible employees. This is 41% of our current workforce.

On January 30, 2006, the agency recognized fifteen employees who successfully completed the 2005 LLR Leaders Program. This is part of the agency's training program and efforts to establish a succession pool of potential replacements for critical need positions. The program is a combination of activities that includes a professional certification program, classroom training, field trips, and a work-related project. A 2005 leadership graduate chose for her work-related project to establish a central depository located on the agency's Intranet that houses desk manuals for positions within the agency. These desk manuals are categorized by position number and slot using the agency's organizational chart.

The agency continues its coordinated approach to workforce planning. Listed below are some of the agency's workforce planning activities:

- The agency's workforce planning champion continues to work collaboratively with the Workforce Planning Group and the State Office of Human Resources. This group meets quarterly and shares workforce planning information and best practices.
- The agency continues to utilize the TRIBUTE recognition program that recognizes numerous types and levels of employee accomplishments that add value to the agency.
- The agency offers employees a choice of four different flexible work schedules.
- The agency uses the exit interview process that provides data for recruitment and retention issues. During the exit process, the employee meets with the Office of Human Resources and the Agency Director. A process is established to utilize the information collected from the outgoing employee.
- The agency created a partnership with the University of South Carolina for an internship at the Fire Academy.
- The Human Resources Office continues to analyze the workforce focusing on those employees retirement eligible within the next 5 years and those employees currently in the Teachers and Employee Retention Incentive (TERI) program. The Human Resources Office updates the agency's color-coded organizational chart and this document is distributed to management annually to assist in human resources forecasting and in assessing staffing needs prior to posting vacancies. The agency will continue to work with innovative ways to transfer knowledge from those employees who are retirement eligible to those who will remain working for the agency.

- The Division of Fire and Life Safety/Office of the State Fire Marshall established and implemented a career path for the Deputy State Fire Marshals. The Office of Health and Related Professions established and implemented a career path for their support staff. The OSHA Office revised career paths for the OSHA Officers and Environmental/Health Managers by increasing the hiring rate to be more comparable with other state OSHA programs.

The agency continues its steady progress towards attaining its affirmative action goals. During the 2004-05 reporting year, the agency reached 86.8% of its goal attainment; this is an 8.8% increase since the 2000-01 reporting year. While we understand that we are underutilized in white females and black males in the entry-level professional category, black males in the paraprofessional category, and white females in the technician category, we are continually making steps toward achieving the agency's goals.

We continue to publicize the agency at community events and career fairs. The Human Resources Manager and the Human Resources Specialist attended the Benedict College Career Fair and the Lancaster County Career Fair that represented Lancaster High School, Andrew Jackson High School, Buford High School and Indian Land High School. During this review period, they also attended the Columbia College and State Office of Human Resources Career Fairs.

The Human Resources Administrator/Equal Employment Opportunity (EEO) Officer attended the first annual State Community Relations Forum sponsored by the SC State Human Affairs Commission (SHAC). This event is an effort to promote productive, harmonious community relations within the state which include, but are not limited to, police community relations, education, business practices, government, and public accommodations.

The agency has adopted a blended style of training using classroom, eLearning and outside training resources. Effective April 3, 2006, the agency hired a training facilitator. She conducted an agency training needs assessment meeting with all of management staff and met in focus groups with non-management employees. The training facilitator currently is using the information collected to draft a training policy. She also has established a leadership development advisory council and an employee development advisory council. The purpose of the Leadership Development Advisory Council is to help the training facilitator identify training needs, determine leadership program priorities and content, and evaluate leadership development initiatives. The purpose of the Employee Development Advisory Council is to help the Training Facilitator identify training needs, determine employee development program priorities and content, and evaluate employee development initiatives. These councils will meet individually each quarter and will also meet together to share ideas.

The Training Facilitator has established a number of training classes as follows: EPMS Refresher Course, Business Writing, Customer Service Skills, and Effective Communication Skills and Coaching Skills. During FY2005-06, 376 agency employees attended training and 82 of those individuals attended training conducted by the agency training facilitator.

On January 30, 2006, the agency recognized fifteen employees who successfully completed the 2005 LLR Leaders Program. This is part of the agency's training program and workforce planning efforts. We have thirteen employees currently participating in the 2006 LLR Leaders Program.

The agency continues to use the State Agency Training Consortium (SATC), the State Office of Human Resources, the Certified Public Managers (CPM) and the Associate Public Managers (APM) programs, the Governor's Executive Institute, local technical school, and other agencies as resources for employee training. The State Fire Academy also provided fire extinguisher training for 31 LLR employees.

PROCESS MANAGEMENT

To reach our goal of efficient use of resources and to improve the delivery of our services, a unified agency Information Technology (IT) strategy and platform has been implemented. This plan supports the business needs of our employees and managers in all divisions, as well as enhancing the level of service received by our customers.

The most significant component of this strategy is the consolidated licensing system, *Regulatory, Licensing and Enforcement System* (ReLAES), which provides a common database of all POL licensees, the ability to renew on-line and a common licensing system. Currently, 97% of all POL licensees are on the ReLAES system and have the ability to renew their licenses on-line.

Numerous work forms have been converted to word processing templates. Along with the work forms, agency newsletters, brochures, codes of laws, etc. have also been added to the website. By allowing our customers to view, download and print these documents on an as-needed basis we save staff, printing and postage costs. It has also allowed the documents to be submitted electronically. Agency-wide, the cost for printing has decreased by 59% from FY02 expenditures. Postage has decreased by 22%.

Another initiative, Licensee Lookup, continues to save the agency thousands of dollars in staff and associated printing and postage costs. It allows licensee verifications to be done electronically without the intervention of LLR staff. While saving thousands of dollars in personnel and operating costs, it has also brought an essential public service directly to the desktops of customers and constituents. This year there have been over 18 million verifications done electronically on our licensees.

A link has been established on our Intranet site where employees could make suggestions on ways to save money agency-wide. All suggestions are analyzed and implemented where appropriate. The agency's funding sources are complicated and for the most part funds cannot legally be moved from one program area of the agency to another. While the cost-savings suggested for POL and Fire and Life Safety may not directly be used to offset general fund budget reductions, these savings are still extremely important to LLR as guardians of the citizen's tax dollars.

LLR remains committed to improving our processes. The strategic plan developed this year charges each division with systematically conducting periodic process reviews in units across the agency to identify “model processes” and processes that need improvement. This will provide divisions with factual information and comparison statistics for use in managing continuous improvement.

BUSINESS RESULTS

Customer Satisfaction

	FY03	FY04	FY05	FY06
\$\$ Saved in OSHA fines by businesses achieving compliance	3.0M	3.1M	3.0M	2.5M
Approved Palmetto Star sites	44	47	52	55
Initiate workplace fatality investigation within one day	100%	100%	100%	100%

CHART 1.1

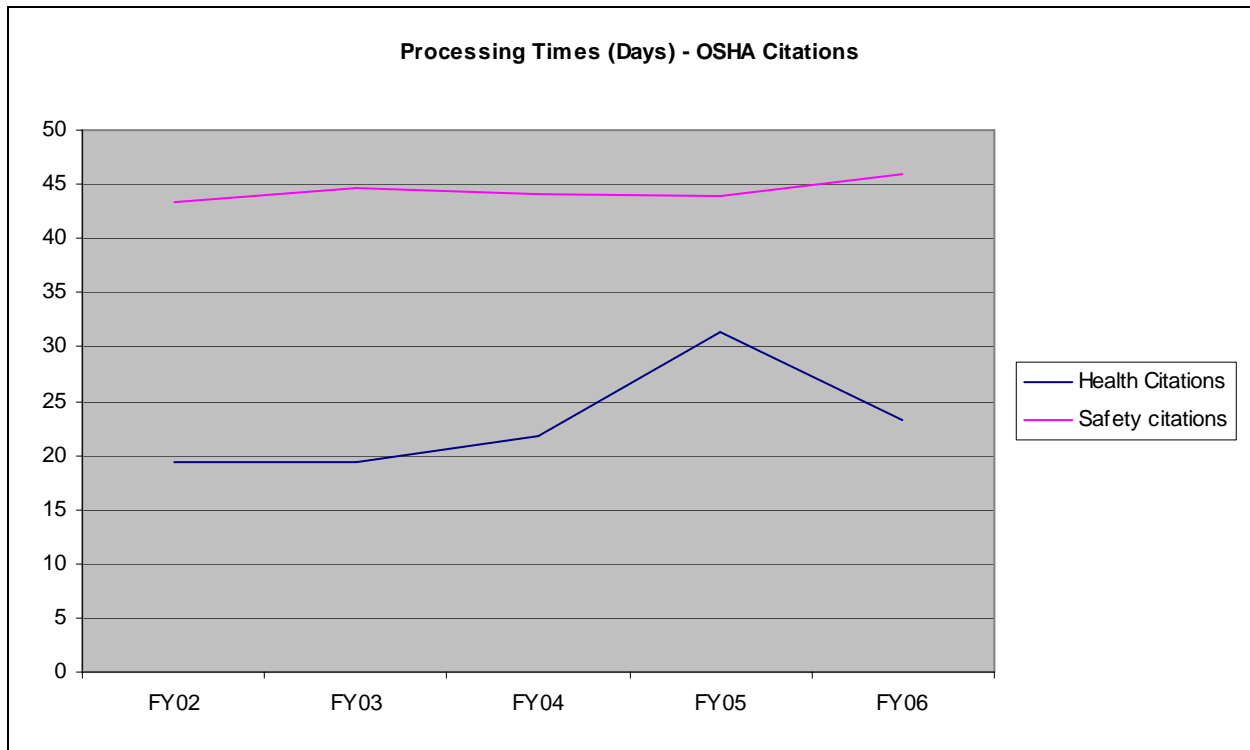
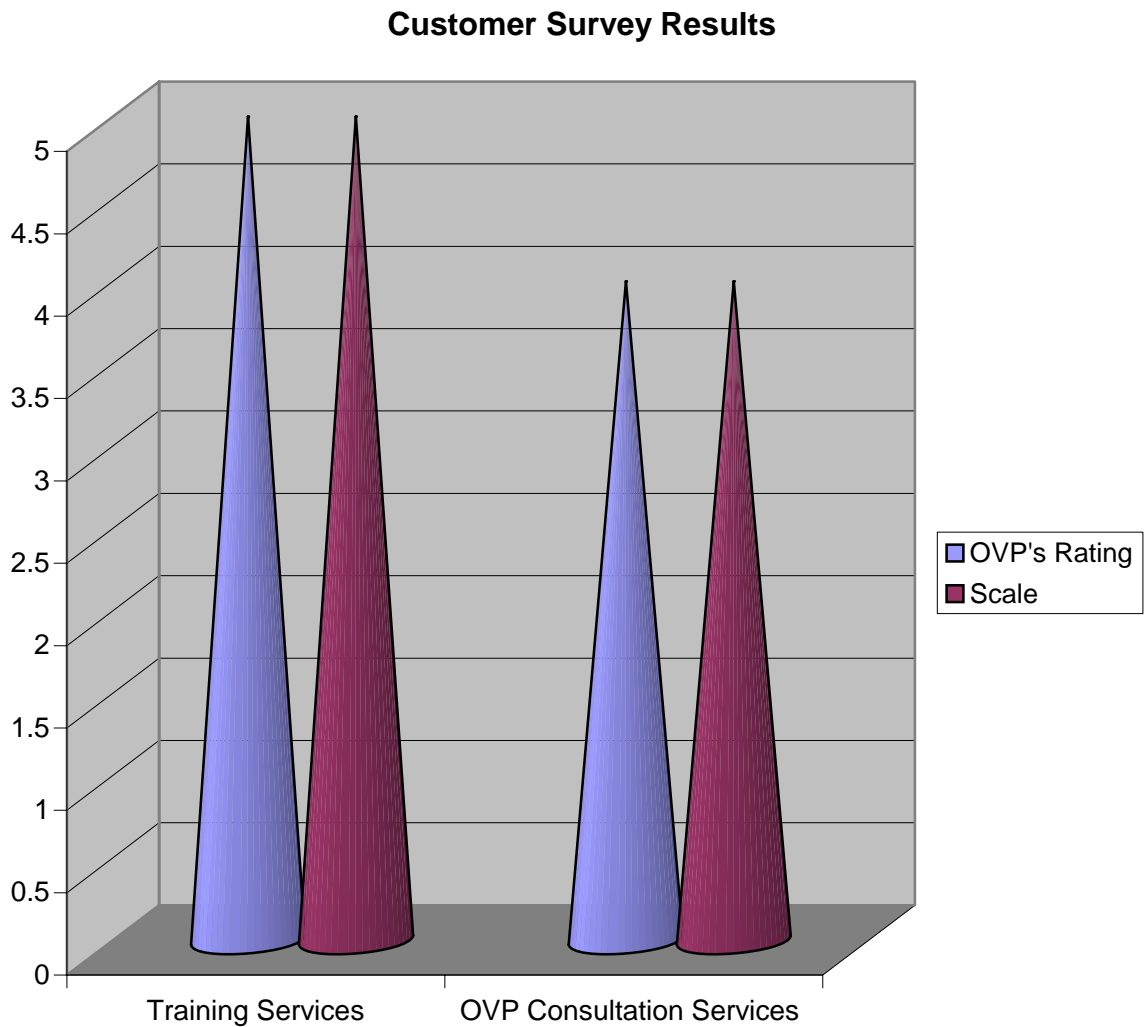


CHART 1.2



IFSAC Testing Information

	FY03	FY04	FY05	FY06
IFASC Tested	1,636	2,500	4,782	14,392
IFSAC Passed	1,319	2,065	3,728	11,908
Pass Rate:	80.60%	82.60%	77.96%	82.74%

Fire Academy

	FY03	FY04	FY05	FY06
Total Programs Delivered	1,421	1,661	2,087	2,118
Total Students Trained	18,813	18,277	27,065	21,092

Chart 1.3

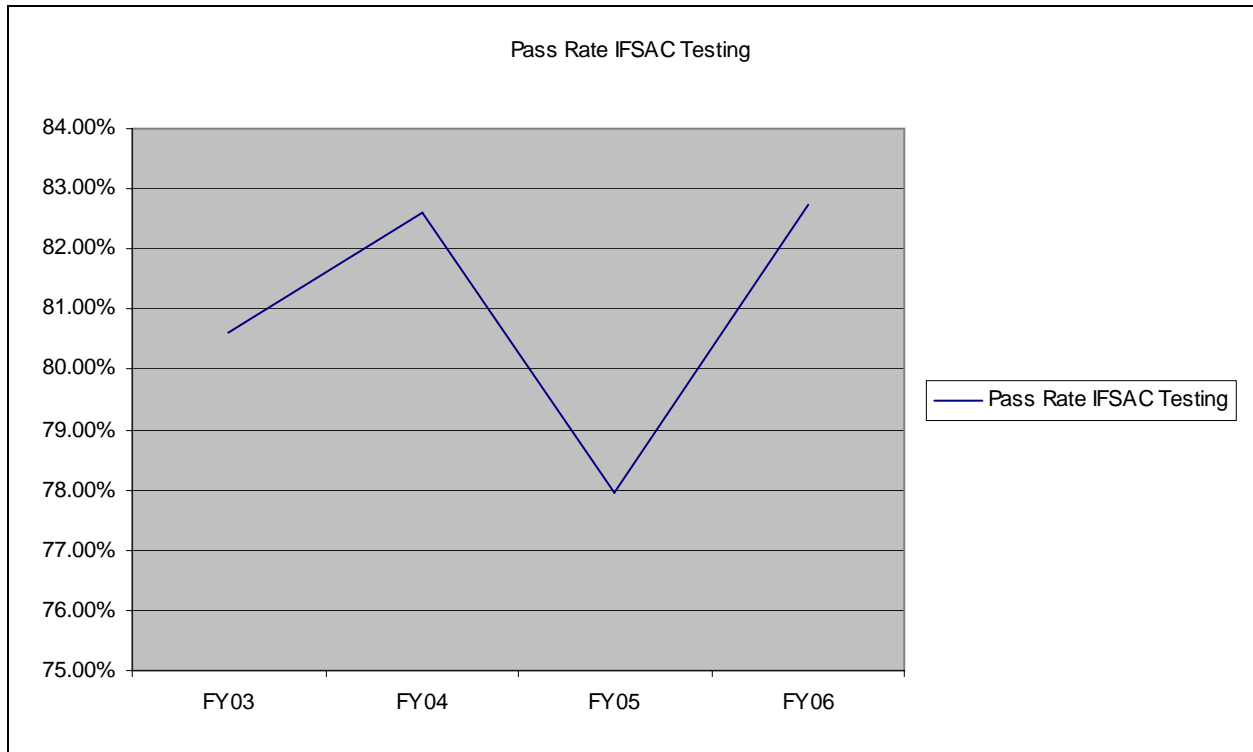
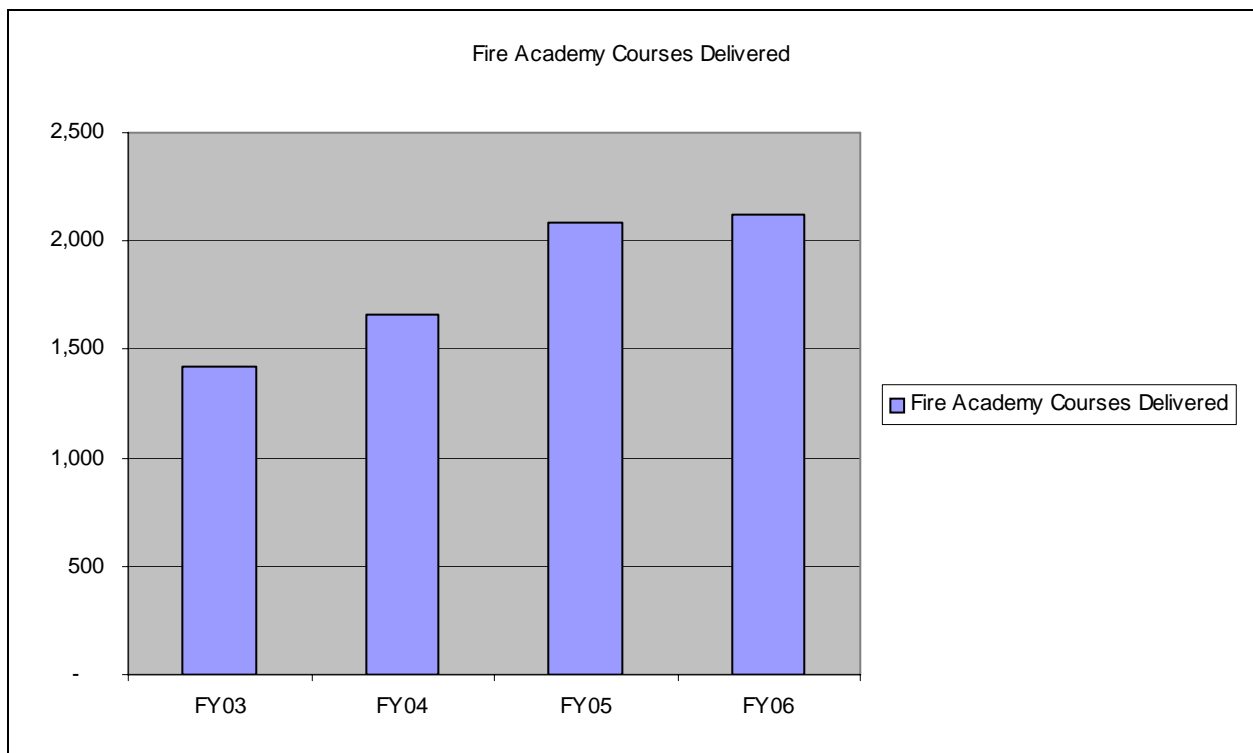


Chart 1.4



Mission Accomplishment

Calendar Year	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
SC injury and illness rate (Private Sector) (National average was 5.3)	4.5	4.5	4.4	4.1
	<u>FY03</u>	<u>FY04</u>	<u>FY05</u>	<u>FY06</u>
Total hazards corrected - OVP	8,188	8,870	7,828	7,663
Fire Code Violations Corrected	8,126	7,037	6,347	7,997
% of employers implementing safety & health systems	61%	65%	98%	96%
Elevator fatalities	0	0	0	0
Amusement ride fatalities	0	0	0	0
Bungee jump fatalities	0	0	0	0
Workers involved in strikes	0	300	120	0
Reported strikes	0	1	1	0
Work hours lost due to strikes	0	3,600	1,820	0
Violations cited – wage related	5,404	3,948	4,022	2,144
Violations cited – child labor	98	45	73	38
Number of POL licensees	263,524	271,609	272,198	295,565
OSHA inspections	1,725	1,665	1,668	1,430
OSHA fatality inspections	37	37	41	35
Employees covered by OSHA	108,417	106,987	101,834	67,380

CHART 2.1

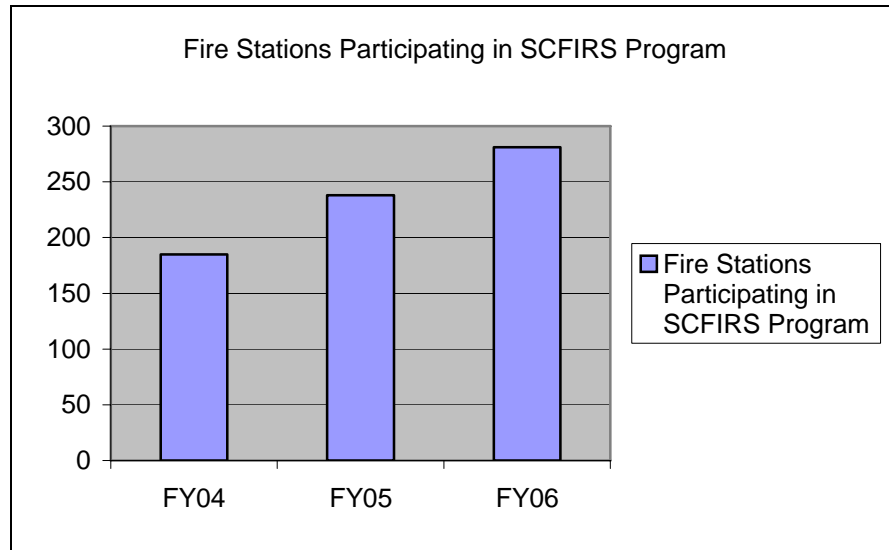
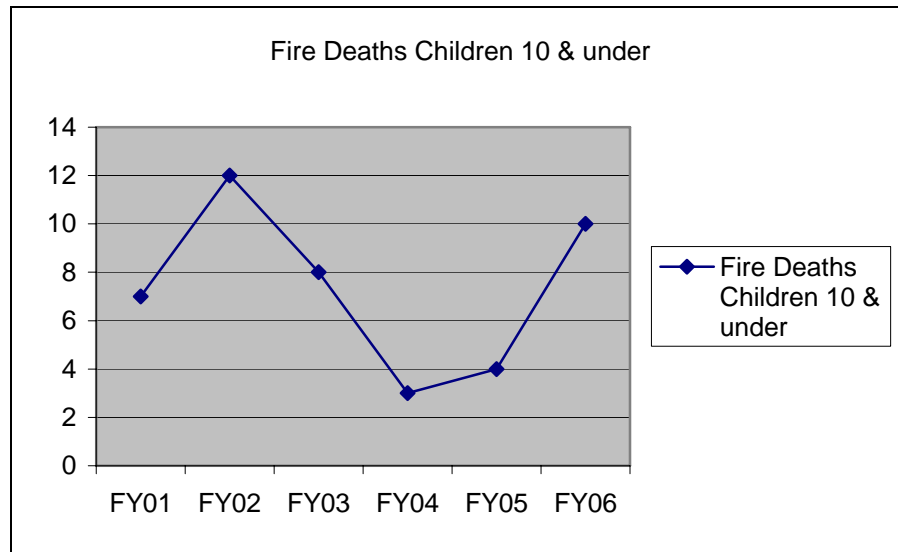


CHART 2.2



SC Department of Labor, Licensing and Regulation FY2005-06 Annual Accountability Report

	<u>FY03</u>	<u>FY04</u>	<u>FY05</u>	<u>FY06</u>
Wage claim complaints investigated	1,562	1,645	1,564	575
Child Labor complaints investigated	91	48	35	15
Wage and Child Labor penalties assessed	\$150,929	\$109,574	\$76,831	\$42,137
Collective bargaining agreements negotiated	85	93	93	61
Elevators inspected	6,322	6,374	6,492	5,954
Elevators registered	8,642	8,436	9,519	10,442
Amusement rides inspected	750	757	712	608
Amusement ride permits issued	750	757	712	608
Bungee jumps inspected	1	1	1	1
Bungee jumps permitted	1	1	1	1
Inspections per Deputy State Fire Marshal	1,348	1,321	1,137	1,019
Inspections completed by Deputy State Fire Marshals	20,228	19,814	14,213	14,266
Students receiving Fire Marshal Certification	100	70	95	46
Building plans reviewed by Office of State Fire Marshal	1,674	2,216	4,065	2,731

CHART 2.3

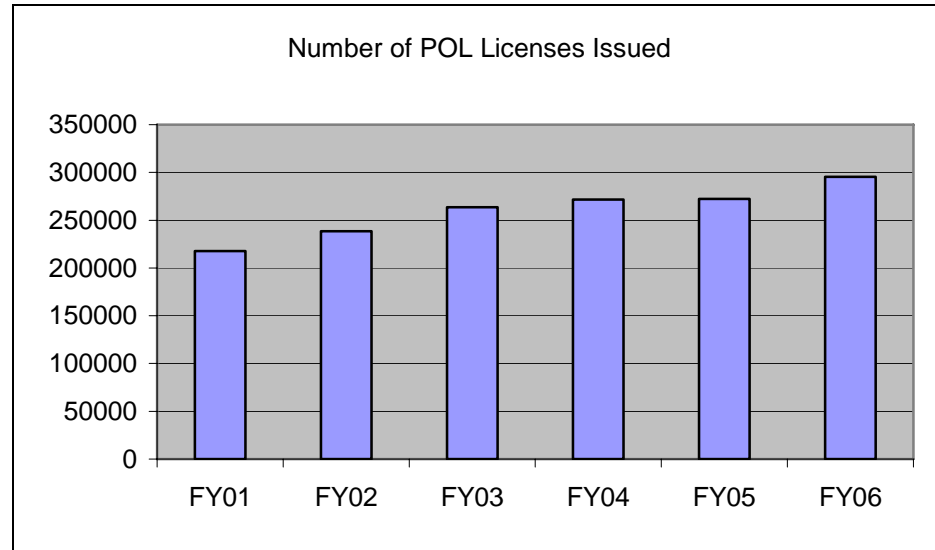


Chart 2.4

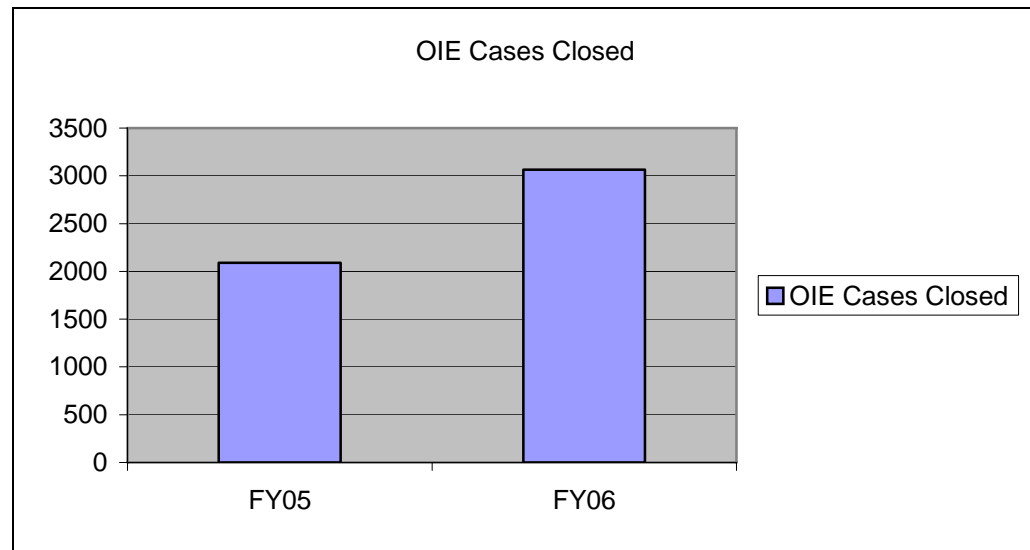
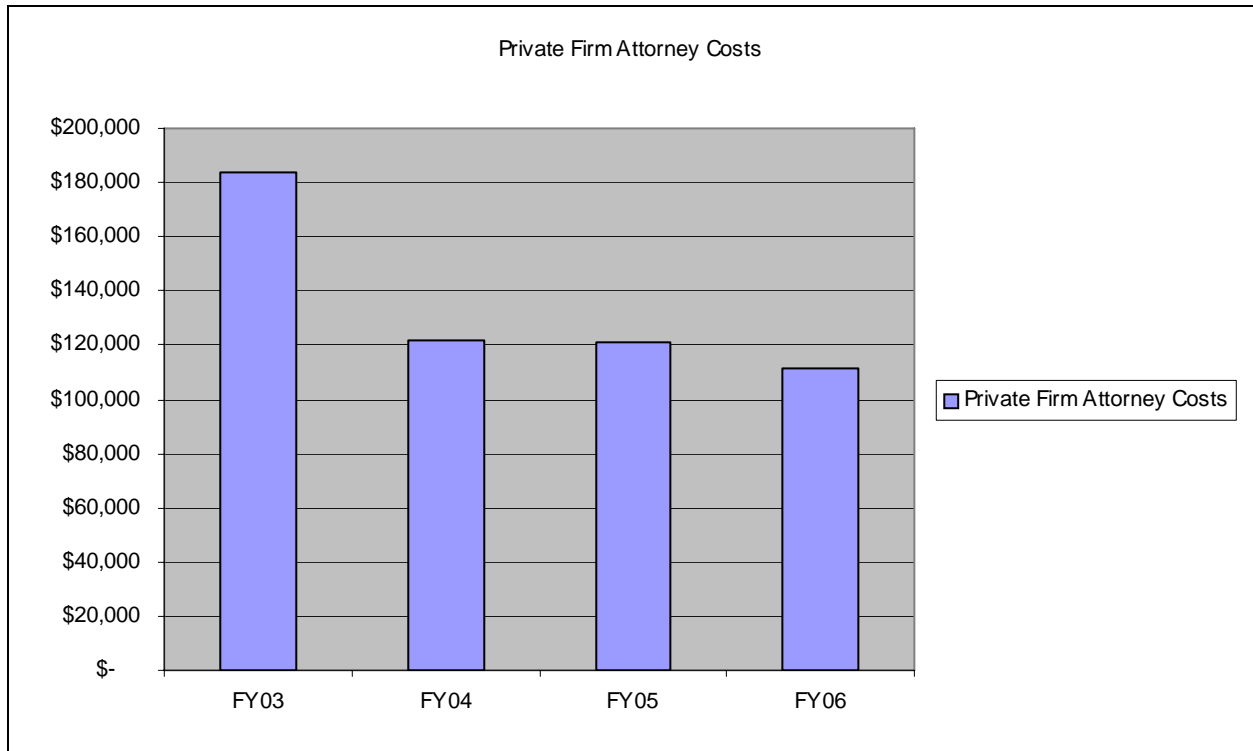
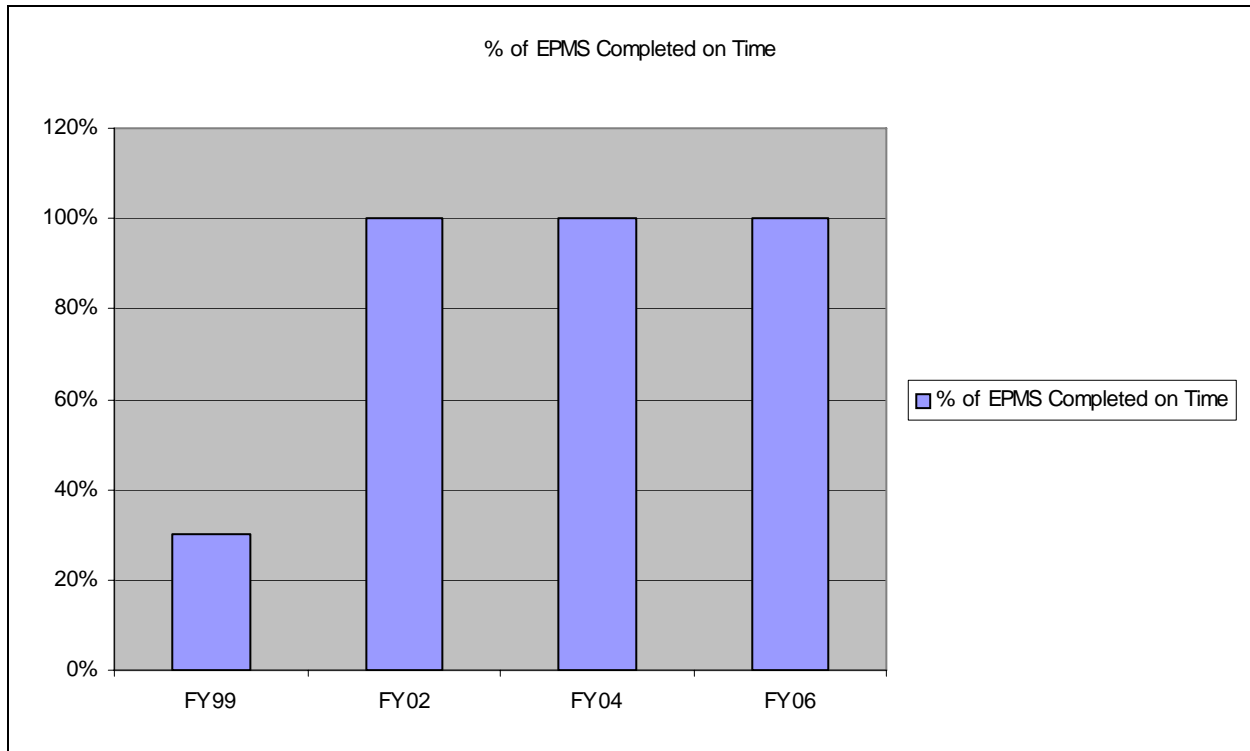


Chart 2.5



Employee Satisfaction

Chart 3.1



	FY03	FY04	FY05	FY06
Employee Turnover Rate	8.48%	5.38%	9.57%	12.43%

Other Accomplishments/Initiatives:

- Implementation of the Workforce Planning Needs Plan continued.
- Career paths were developed for targeted job classifications.
- Every employee's EPMS continues to be tied to the agency's strategic plan.
- Reward and Recognition Plan (TRIBUTE) has awarded 170 Tributes since its inception.
- Leadership team sponsored and paid for an employee appreciation luncheon.

Supplier/Contractor/Partner

During the past year, LLR partnered with organization in both the private and public sectors to promote a better understanding of the agency's mission and program goals and to enhance our identity. This included:

- The Office of Communications provided articles about the agency and its programs, as well as speakers, to the S.C. Manufacturer's Alliance.
- Several employees served as task force and committee members for organizations such as CLEAR, the SC Chamber of Commerce, the American Society of Safety Engineers and SC Minority Affairs Commission.
- The Office of the State Fire Marshal participated in a collaborative effort between the SC Homebuilders Association, SC Sprinkler Association, contractors & manufacturers to educate consumers and homebuilders of the advantages of residential fire sprinklers. Education, in lieu of legislation, is the agreed strategy.
- The Fire and Life Safety Division partnered with the US Consumer Product Safety Commission and has received multiple grants that were responsible for providing smoke detectors for fire departments. Safety literature on products, carbon monoxide poisoning and other risk factors have been received and distributed from USCPSC within this partnership.
- The Real Estate Commission partnered with SC Association of REALTORS (SCAR) to develop and form a Task Force to review mandatory continuing education policies and implement new standards maintaining the same number of hours required by law. The Commission also worked with SCAR to develop a Task Force to review distance-learning education both pre and post licensing.
- The Architecture Board funded and co-sponsored with Clemson University, AIA/SC and Design Professionals Group five seminars in various locations over the state for architects and engineers. Seminars focused on a variety of relevant topics such as ethics, health and safety and offered continuing education credits.
- The Division of Fire & Life Safety successfully participated in a coalition, which included the SC State Firemen's Association, SC Fireworks Retail Association, American Pyrotechnic Association, Columbia Fire Department, Richland County School District 1, and the SC Pyrotechnic Safety Board. The purpose of the coalition was to assist ABC News and Court TV in filming a segment of "Safety Challenge" depicting the safe use of consumer fireworks. This aired to several million homes prior to July 4th celebrations.
- The Get Alarmed SC Program is a continuing program to support the installation and maintenance of residential smoke detectors. Since 1988, a collaborative effort of the local fire service community and other state-based agencies accounted for the distribution of over 500,000 smoke alarms in SC. The change your clock - change your battery campaign remains an integral part of the division's message that smoke alarms are lifesavers. Federal and state grants have been awarded to continue funding the purchase and distribution of smoke alarms.
- The Office of the State Fire Marshal sent monthly fire safety themes to all fire departments within SC, 50 State Fire Marshal Offices nationally, and media resources to

identify and raise public awareness on a specific topic. Generic media releases and information on the given subject accompany the theme.

- The Office of the State Fire Marshal partnered with the Safe Kids Coalition and First Lady Jenny Sanford in the development and distribution of 80,000 safety calendars.
- The Fire and Life Safety Division continues a close partnership with DHEC who sponsors smoke detectors, fire safety literature and public education funding. This relationship is directly responsible for the production of Spanish fire safety literature funding and assisting the disabled.
- The Office of the State Fire Marshal partnered with SCE&G during the winter heating season to provide media releases for heating safety. Media releases ran across the state via newspaper, TV and radio messages.
- The Office of the State Fire Marshal received two, 3,000-dollar grants from the National Association of State Fire Marshals to fund juvenile fire prevention and intervention training.

Regulatory and Legal Compliance and Citizenship

- Audits have been conducted by both state and federal entities for compliance with state and federal laws, mandates and regulations. No major audit findings or defects have been reported.
- Our employees have adopted the first graders at E. E. Taylor Elementary School. This year we sponsored performances at the Koger Center and the Marionette Theatre. The committee in charge of these activities raises monies to support their efforts through employee fish-fry, book and bake sales. Monetary support is also provided to LLR employees and their families during crisis situations. Other community groups supported include the United Way, American Red Cross, First Ladies' Walk for Cancer and American Cancer Society's Relay for Life.
- LLR employees, POL board members and POL licensees participated in the Groundhog Job Shadow Day sponsored by the Department of Education, LLR and the Employment Security Commission in February 2006.

Financial Performance

- Many innovative measures were continued in FY06; such emailing of board minutes and board hearing paperwork, the elimination of renewal notices to licensees and the implementation of an agency motor vehicle pool. As a result, LLR's operating expenditures continue to decrease. LLR also increased the number of agency publications available on-line thus reducing printing and mailing costs and also making the information more readily available to the public. These publications include newsletters, brochures, law books and workplace posters.

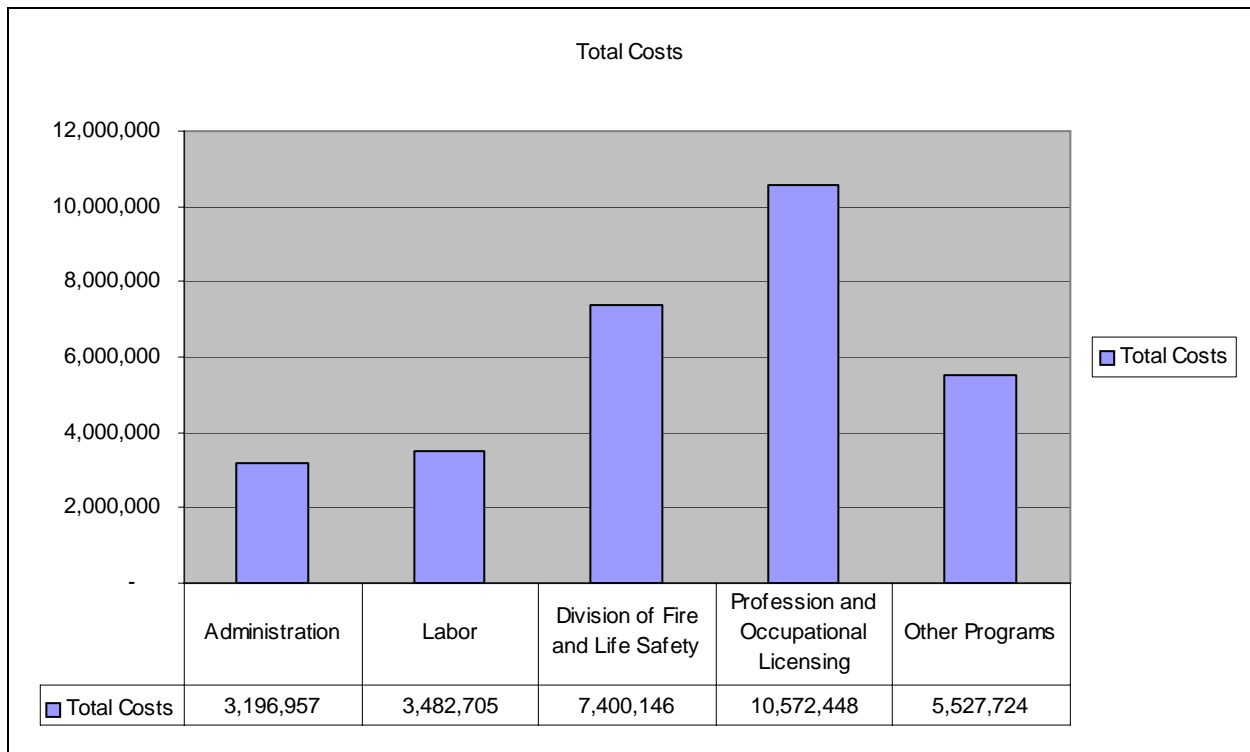
<u>Category</u>	<u>FY03 Expenditures</u>	<u>FY06 Expenditures</u>	<u>% Decrease</u>
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SC Department of Labor, Licensing and Regulation FY2005-06 Annual Accountability Report

Telephone	\$362,411	\$286,031	21%
Printing	\$497,442	\$284,274	43%
Postage	\$456,380	\$401,226	12%
Travel	\$1,405,197	\$1,107,312	21%

- Moved the Elevator, Amusement Ride, Manufactured Housing and Building Codes programs completely off of state appropriation. They will now operate with the revenue they collect through permitting, licensing and inspection fees.

Chart 6.1



Administration	10.59% of total expenditures
Labor	11.54% of total expenditures
Fire and Life Safety	24.52% of total expenditures
POL	35.03% of total expenditures
Other Programs	18.32% of total expenditures

Chart 6.2

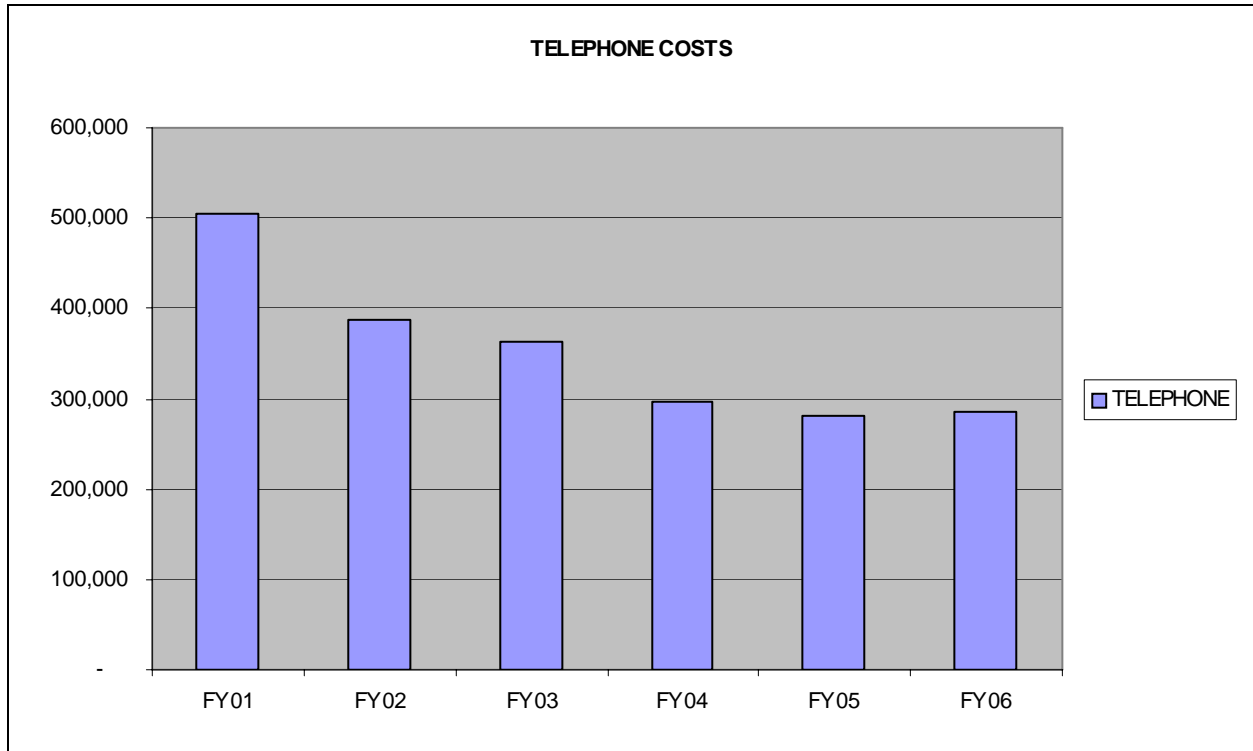


Chart 6.3

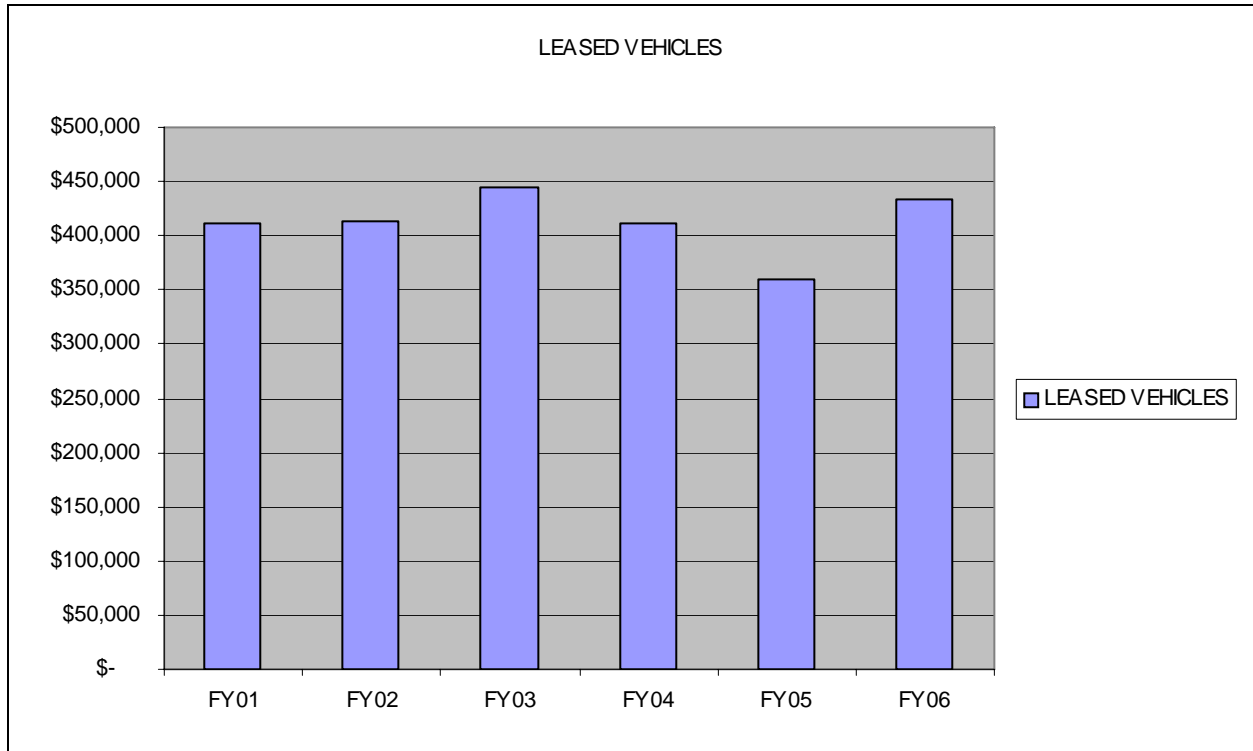


Chart 6.4

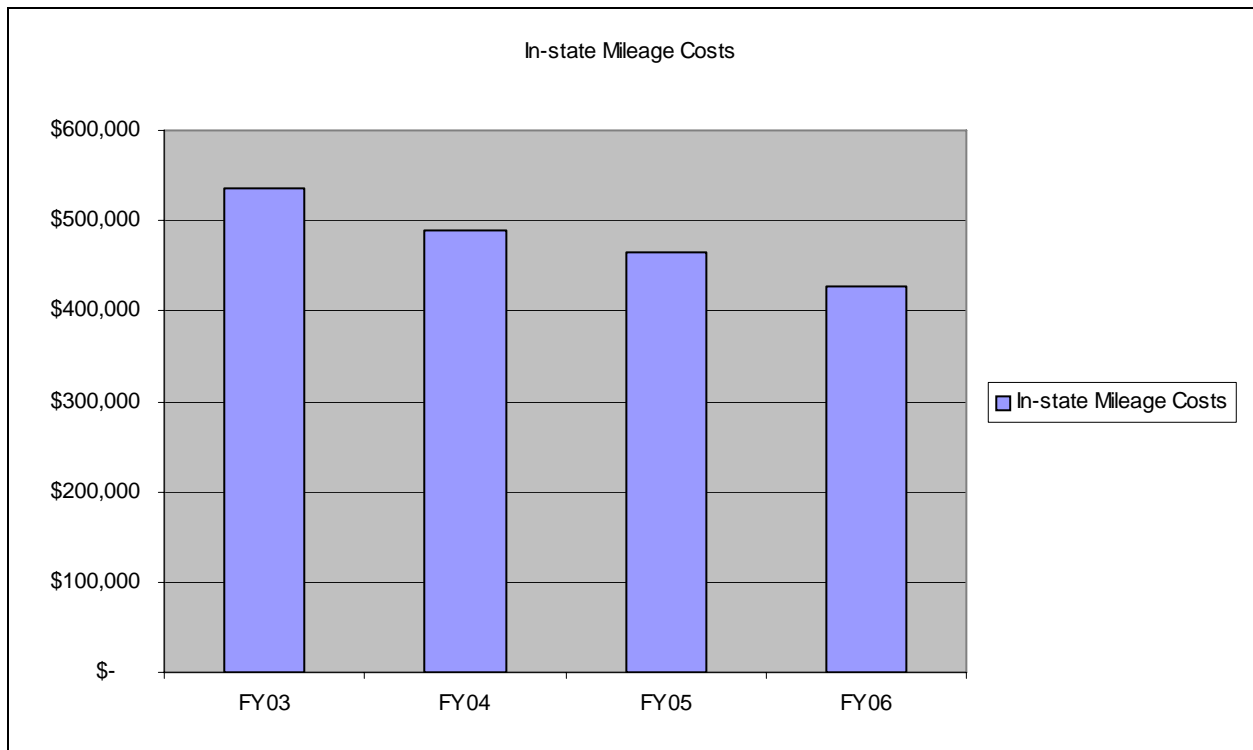


Chart 6.5

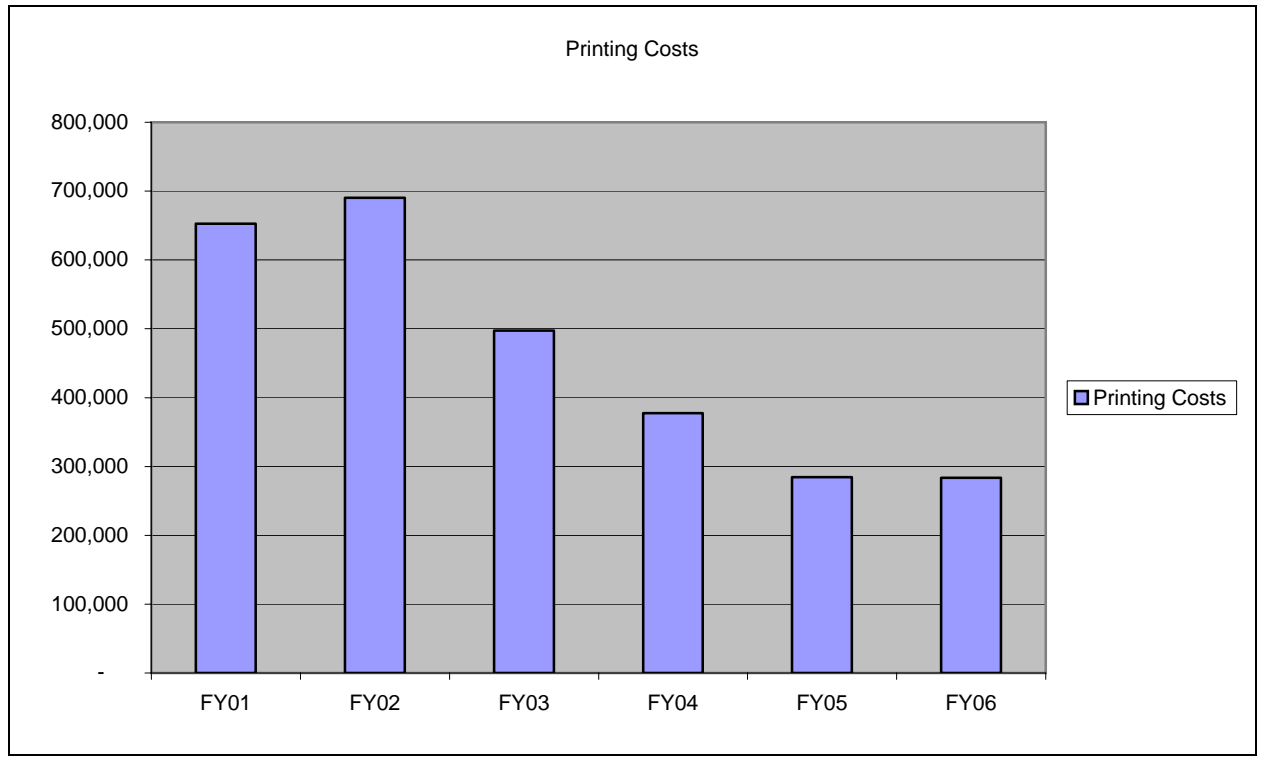


Chart 6.6

