



SOUTH CAROLINA
HOUSE OF REPRESENTATIVES
GOVERNMENT EFFICIENCY &
LEGISLATIVE OVERSIGHT COMMITTEE

Economic Development, Transportation, and Natural Resources
Subcommittee

Chairman Travis A. Moore

The Honorable Richard B. “Blake” Sanders

The Honorable Gary S. Brewer, Jr.

The Honorable W. Scott Montgomery, IV

The Honorable Wendell K. Jones

AGENDA

Wednesday, October 22, 2025

10:30 a.m.

Room 516 – Blatt Building

- I. Approval of Minutes of June 5, 2025 Meeting
- II. Discussion of the Executive Summary of the South Carolina Conservation Bank
- III. Discussion of the South Carolina Department of Employment and Workforce
- IV. Adjournment



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HOUSE OF REPRESENTATIVES
GOVERNMENT EFFICIENCY &
LEGISLATIVE OVERSIGHT COMMITTEE**

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MEETING MINUTES

Thursday, June 5, 2025
10:30 a.m.
Room 516 – Blatt Building

Archived Video Available

- I. Pursuant to House Legislative Oversight Committee Rule 6.7, South Carolina ETV was allowed access for streaming the meeting. You may access an archived video of this meeting by visiting the South Carolina General Assembly’s website (<http://www.scstatehouse.gov>) and clicking on Committee Postings and Reports, then under House Standing Committees click on Legislative Oversight. Then, click on Video Archives for a listing of archived videos for the Committee.

Attendance

- I. The Economic Development, Transportation, and Natural Resources Subcommittee meeting was called to order by Chair Travis A. Moore on Thursday, June 5, 2025, in Room 516 of the Blatt Building. All subcommittee members (Chair Moore; Representative Gary S. Brewer, Jr.; Representative Wendell K. Jones; Representative W. Scott Montgomery; Representative Richard B. “Blake” Sanders) were present for all or a portion of the meeting.

Minutes

- I. House Rule 4.5 requires standing committees to prepare and make available to the public the minutes of committee meetings, but the minutes do not have to be verbatim accounts of meetings.

Approval of Minutes

- I. Representative Brewer made a motion to approve the meeting minutes from prior meeting. A roll call vote was held, and the motion passed.

Moton to approve meeting minutes.	Yea	Nay	Not Voting
Rep. Moore	✓		
Rep. Brewer	✓		
Rep. Jones			
Rep. Montgomery	✓		
Rep. Sanders	✓		

Discussion of the South Carolina Law Conservation Bank

- I. Before beginning his testimony, Chair Moore reminds the Conservation Bank’s director, J. Raleigh West III, that he was sworn in at the March 19, 2025, Public Input Meeting and that he remains under oath. Chair Moore then asks whether any other agency representatives who may address the subcommittee today or in the future have not yet been sworn. The Bank’s Program Manager, Amber Larck, and Business Manager, Margaret Pennebaker, were then sworn in.
- II. Director West begins his overview of the Bank’s organization, departments, units, department and unit responsibilities, and partnerships. Throughout the presentation, members ask Director West questions and he responds.

Adjournment

- I. There being no further business, the meeting is adjourned.

SOUTH CAROLINA CONSERVATION BANK OVERVIEW



MISSION

To improve quality of life for South Carolina taxpayers and boost economic prosperity by conserving our resource lands, farmlands, forest lands, wetlands, historical properties, archaeological sites, and urban parks.

HISTORY

In 2000, individuals embarked on an effort to identify significant South Carolina lands and determine how they could be protected and sustained. This effort resulted in the Land Legacy Initiative—a grassroots effort by many individuals, groups, and businesses that found a need to preserve greenways, open spaces, and parks in urban areas in order to promote balanced growth, well-being, and quality of life in South Carolina.

The Land Legacy Initiative also uncovered a critical need to fund the preservation of—and public access to—many types of South Carolina land, including wildlife habitats, natural areas, historical sites, sites of unique ecological significance, forestlands, farmlands, watersheds, open space, and urban parks.

Accordingly, the South Carolina General Assembly, in a bipartisan effort, passed the South Carolina Conservation Bank Act, which was signed and ratified by the Governor in April 2002.

EMPLOYEES

5

Authorized FTEs

TOTAL FUNDING

\$31,260,315

BOARD

The South Carolina Conservation Bank Act establishes a seventeen-member board to govern the Conservation Bank. The board consists of:

- ❖ The Chairman of the Board for the Department of Natural Resources, the Chairman of the South Carolina Forestry Commission, the Commissioner of Agriculture, the Secretary of Commerce, the Secretary of Transportation and the Director for the South Carolina Department of Parks, Recreation, and Tourism all of whom serve ex officio and without voting privileges.
- ❖ Three members appointed by the Governor from the state at large.
- ❖ Four members appointed by the Speaker of the House of Representatives, one each from the third, fourth, and sixth Congressional Districts and one member from the state at large.
- ❖ Four members appointed by the President Pro Tempore of the Senate, one each from the first, second, fifth, and seventh Congressional Districts.

WAYS TO SAVE LAND

The Conservation Bank’s principal purpose and program is to review and award competitive grants to qualified

1. Fee Simple Acquisitions
2. Conservation Easements

From its founding in 2002 through the end of fiscal year 2023, the South Carolina Conservation Bank has conserved 359,273 acres of land across the state and awarded more than \$202 million dollars in grants.

FEE SIMPLE ACQUISITIONS*

208

Total # of Projects

123,803

Acres Conserved

\$169,142,935

Grants Awarded

CONSERVATION EASEMENTS*

318

Total # of Projects

282,647

Acres Conserved

\$122,110,673

Grants Awarded

*As of 5/19/2025

FINDINGS

During the study of the South Carolina Conservation Bank, the Economic Development, Transportation, and Natural Resources Subcommittee (Subcommittee) of the House Government Efficiency and Legislative Oversight Committee (Committee) adopts 10 findings.

Findings note information a member of the public or General Assembly may seek to know or on which they may desire to act.

FINDING ONE

The South Carolina Conservation Bank plays a vital role in preserving the state's forestlands, farmlands, and wetlands, which contributes to the state's economy in various direct and indirect means.

FINDING TWO

The Conservation Bank utilizes conservation easements and fee simple acquisitions as its primary tools to protect land, with average costs of \$437 per acre for easements and \$1,804 per acre for fee simple acquisitions.

FINDING THREE

Landowners who conserve property through the Conservation Bank may be eligible for a South Carolina state income tax credit equal to 25% of the appraised value of the conservation easement, capped at \$250 per acre and \$52,500 per year, as well as federal income and estate tax deductions.

FINDING FOUR

The Conservation Bank is governed by a 17-member board and operates with only four full-time employees, making it one of the smallest state agencies by staff size.

FINDING FIVE

The Conservation Bank targets land protection projects that align with state priorities as well as objective, subjective, and financial criteria.

FINDING SIX

The Conservation Bank operates as a standalone state agency with a narrow, specialized focus on land conservation, which enables it to act quickly and secure high priority properties before opportunities are lost.

FINDING SEVEN

The Conservation Bank does not negotiate real estate transactions directly; instead, it relies on land trusts and other partners to structure deals and ensure compliance with conservation easements terms.

FINDING EIGHT

Recent increases to the Conservation Bank's budget reflect a legislative focus on transparency and fiscal accountability.

FINDING NINE

The Conservation Bank leverages reimbursable grants to enable land trust partners to act quickly in competitive real estate markets, while also providing time to pursue and secure matching federal funds.

FINDING TEN

As part of the state's annual budget process, each agency must identify a 3% reduction in general fund appropriations in case strategic cuts are required. For the Conservation Bank, a 3% reduction in FY 2025-26 amounts to \$487,809.

RECOMMENDATIONS

During the study of the South Carolina Conservation Bank, the Economic Development, Transportation, and Natural Resources Subcommittee (Subcommittee) of the House Government Efficiency and Legislative Oversight Committee (Committee) adopts 10 recommendations.

With any study, the Committee recognizes these recommendations (e.g., continue, curtail, improve areas potentially, and/or eliminate agency programs, etc.) will not satisfy everyone nor address every issue or potential area of improvement at the agency. Recommendations are based on the agency's self-analysis requested by the Committee, discussions with agency personnel during multiple meetings, and analysis of the information obtained by the Committee. This information, including, but not limited to, the Initial Request for Information, Accountability Report, Restructuring Report, and videos of meetings with agency personnel, is available on the Committee's website.

Modernization of Laws

RECOMMENDATION ONE

The Committee recommends that the General Assembly consider enacting legislation that establishes a statewide conservation goal such as conserving 30% of the state's land by 2030 as proposed in H.5125 (2020).

RECOMMENDATION TWO

The Committee recommends that the General Assembly consider enacting legislation to designate the Conservation Bank as the central clearinghouse for state funds used by agencies for strategic land acquisitions.

RECOMMENDATION THREE

The Committee recommends that the General Assembly consider amending Section 48-59-30(d) (Supp. 2024) of the Code, as proposed by the Conservation Bank, to establish a \$100,000 minimum financial threshold for non-profit entities to qualify as eligible trust fund recipients.

RECOMMENDATION FOUR

The Committee recommends that the General Assembly consider amending Section 48-59-40 (A) (Supp. 2024) of the Code, as proposed by the Conservation Bank, to expand the Bank's board from 17 to 18 members by adding the Chief Resilience Officer of the South Carolina Office of Resilience as an ex officio member.

RECOMMENDATION FIVE

The Committee recommends that the General Assembly consider amending Section 48-59-50 (B) (Supp. 2024) of the Code, as proposed by the Conservation Bank, to better reflect how information is shared and disseminated to the Governor, Lieutenant Governor, and General Assembly.

RECOMMENDATION SIX

The Committee recommends that the General Assembly consider amending Section 48-59-70 (F)(2) (Supp. 2024) of the Code, as proposed by the Conservation Bank, to provide for staggered two-year terms for members of the grant review committee.

RECOMMENDATION SEVEN

The Committee recommends that the General Assembly consider amending Section 48-59-80(D) (2008) of the Code, as proposed by the Conservation Bank, to remove the requirement that the Bank must be named as an insured on a title insurance policy approved to the board.

RECOMMENDATION EIGHT

The Committee recommends that the General Assembly consider amending Section 48-59-80(G)(1) (2008) of the Code, as proposed by the Conservation Bank, to align the language with federal and state tax laws so that the language marries with the perpetuity requirement underpinning tax laws associated with conservation conveyances, and to specify judicial extinguishment as the sole method for removing conservation restrictions.

RECOMMENDATION NINE

The Committee recommends that the General Assembly consider amending Section 48-59-100 (2008) of the Code, as proposed by the Conservation Bank, to clarify that public access is required only when grant funds are used to acquire land in fee simple.

RECOMMENDATION TEN

The Committee recommends that the General Assembly consider amending Section 48-59-110(A) (Supp. 2024) of the Code, as proposed by the Conservation Bank, to clarify that grant funds may be disbursed at or after a closing.

LEGISLATIVE OVERSIGHT REVIEW
LAW RECOMMENDATIONS – SC CONSERVATION BANK

CONCEPT RECOMMENDATION – Joint resolution adopting a land protection goal

LAW CHANGE #			
Law	Summary of Current Law(s) and Recommended Change(s)	Basis for Recommendation	Approval and Others Impacted
No current law is applicable	<p><u>Current Law</u> No current law is applicable</p> <p><u>Recommendation</u> Joint resolution adopting a land protection goal to protect xx acres by xx date.</p>	<p>Setting a land conservation goal is a proactive step towards ensuring the sustainability of South Carolina's natural resources, enhancing the quality of life for its residents, and protecting the state's unique environmental heritage.</p> <p>A clear conservation goal can guide land use planning & development, balancing growth with environmental stewardship.</p> <p>Having the State establish a clear policy regarding conservation objectives and deadlines would provide a clear legal framework and political mandate to guide the unified efforts of all State resource agencies, including the Conservation Bank, toward specific outcomes.</p>	<p><u>Presented and approved by agency's governing body:</u> No</p> <p><u>Other entities potentially impacted</u> (1) Department of Natural Resources (2) SC Office of Resilience (3) SC Forestry Commission (4) SC Parks Recreation and Tourism (5) SC Legislature (6) Governor's office</p> <p><u>If the law is a regulation, where agency is in the process of finalizing it and providing it to the General Assembly:</u> N/A</p>
Current Law Wording		Proposed Revisions to Law Wording	
No current law is applicable		The agency does not have recommendations for specific wording.	

REVISE SUBPART OF CURRENT LAW - Section 48-59-30: Definitions

LAW CHANGE #			
Law	Summary of Current Law(s) and Recommended Change(s)	Basis for Recommendation	Approval and Others Impacted
<p>Section 48-59-30. Re-authorization of the South Carolina Conservation Bank Act</p> <p>Definitions</p>	<p><u>Current Law</u> Reauthorized and established the South Carolina Conservation Bank. Definitions.</p> <p><u>Recommendation</u> Modify to add a statutory threshold to establish minimum financial requirements for the non-profit “eligible trust fund recipient”</p>	<p>By establishing a statutory threshold requirement for eligible entities, the State can better ensure quality control for the underlying real estate transaction and that the long-term conservation objectives will be achieved.</p>	<p><u>Presented and approved by the agency’s governing body:</u> No</p> <p><u>Other entities potentially impacted</u> Grant recipients</p> <p><u>If the law is a regulation, where the agency is in the process of finalizing it and providing it to the General Assembly:</u> N/A</p>
Current Law Wording		Proposed Revisions to Law Wording	
<p>(d) a not-for-profit charitable corporation or trust authorized to do business in this State whose principal activity is the acquisition and management of interests in land for conservation or historic preservation purposes and which has tax-exempt status as a public charity under the Internal Revenue Code of 1986.</p>		<p>(d) a not-for-profit charitable corporation authorized to do business in this State whose principal activity is the acquisition and management of interests in land for conservation or historic preservation purposes, which has tax-exempt status as a public charity under the Internal Revenue Code of 1986; and certifies liquid assets of at least \$100K or is accredited by the Land Trust Alliance.</p>	

REVISE SUBPART OF CURRENT LAW - Section 48-59-40: Board appointments

LAW CHANGE #			
Law	Summary of Current Law(s) and Recommended Change(s)	Basis for Recommendation	Approval and Others Impacted
<p>Section 48-59-40. Re-authorization of the South Carolina Conservation Bank Act</p> <p>South Carolina Conservation Bank; board members and meetings; terms, recusal, and personal liability of members.</p>	<p><u>Current Law</u> Reauthorized and established the South Carolina Conservation Bank. South Carolina Conservation Bank; board members and meetings; terms, recusal, and personal liability of members.</p> <p><u>Recommendation</u> Modify to add Chief Resilience Officer of the South Carolina Office of Resilience.</p>	<p>Adding the Chief Resilience Officer of the South Carolina Office of Resilience as ex-officio ensures that all resource agencies, defined in Proviso 117.171, are represented on the board of the Bank.</p>	<p><u>Presented and approved by the agency's governing body:</u> No</p> <p><u>Other entities potentially impacted</u> South Carolina Office of Resilience</p> <p><u>If the law is a regulation, where agency is in the process of finalizing it and providing it to the General Assembly:</u> N/A</p>
Current Law Wording		Proposed Revisions to Law Wording	
<p>A) There is established the South Carolina Conservation Bank. The bank is governed by a seventeen-member board selected as follows:</p> <p>(1) the Chairman of the Board for the Department of Natural Resources, the Chairman of the South Carolina Forestry Commission, the Commissioner of Agriculture, the Secretary of Commerce, the Secretary of Transportation, and the Director of the South Carolina Department of Parks, Recreation and Tourism, or their designees, all of whom shall serve ex officio and without voting privileges;</p>		<p>(A) There is established the South Carolina Conservation Bank. The bank is governed by an seventeen-member eighteen-member board selected as follows:</p> <p>(1) the Chairman of the Board for the Department of Natural Resources, the Chairman of the South Carolina Forestry Commission, the Commissioner of Agriculture, the Secretary of Commerce, the Secretary of Transportation, and the Director of the South Carolina Department of Parks, Recreation and Tourism, and the Chief Resilience Officer of the South Carolina Office of Resilience, or their designees, all of whom shall serve ex officio and without voting privileges;</p>	

REVISE SUBPART OF CURRENT LAW - Section 48-59-50: Bank powers and duties

LAW CHANGE #			
Law	Summary of Current Law(s) and Recommended Change(s)	Basis for Recommendation	Approval and Others Impacted
<p>Section 48-59-50: Re-authorization of the South Carolina Conservation Bank Act</p> <p>Bank powers and duties; executive director.</p>	<p><u>Current Law</u> Reauthorized and established the South Carolina Conservation Bank. Addresses the Bank's power and duties.</p> <p><u>Recommendation</u> Modify to add that information can be shared via documents independent of the annual report to include the Bank's webpage which currently has much of the information noted already.</p>	<p>Modifying statute to better reflect how information is currently shared and disseminated to the Governor, Lieutenant Governor, and General Assembly.</p>	<p><u>Presented and approved by agency's governing body:</u> No</p> <p><u>Other entities potentially impacted</u></p> <p><u>If the law is a regulation, where agency is in the process of finalizing it and providing it to the General Assembly:</u></p>
Current Law Wording		Proposed Revisions to Law Wording	
<p>(B) To carry out its functions, the bank shall:</p> <p>(1) operate a program in order to implement the purposes of this chapter;</p> <p>(2) develop additional guidelines and prescribe procedures, consistent with the criteria and purposes of this chapter, as necessary to implement this chapter;</p> <p>(3) submit an annual report to the Governor, Lieutenant Governor, and General Assembly that:</p> <p>(a) accounts for trust fund receipts and dispersals;</p> <p>(b) briefly describes applications submitted to the bank, and in greater detail describes grants and loans that were approved or funded during the current year, and the public benefits, including public access, resulting from such grants and loans;</p> <p>(c) describes recipients of trust fund grants and loans; and</p> <p>(d) sets forth a list and description of all grants and loans approved, and all acquisitions of land or interests in land obtained with trust funds since the bank's inception. The report shall include a map setting forth the location and size of all such protected lands;</p>		<p>B) To carry out its functions, the bank shall:</p> <p>(1) operate a program in order to implement the purposes of this chapter;</p> <p>(2) develop additional guidelines and prescribe procedures, consistent with the criteria and purposes of this chapter, as necessary to implement this chapter;</p> <p>(3) submit an annual report or provide in a document independent of the annual report to the Governor, Lieutenant Governor, and General Assembly that:</p> <p>(a) accounts for trust fund receipts and dispersals;</p> <p>(b) briefly describes applications submitted to the bank, and in greater detail describes grants and loans that were approved or funded during the current year, and the public benefits, including public access, resulting from such grants and loans;</p> <p>(c) describes lists the recipients of trust fund grants and loans; and</p> <p>(d) the Bank shall maintain a publicly accessible list sets forth a list and description of all grants and loans approved, and all acquisitions of land or interests in land obtained with trust funds funded grants since the Bank's inception. The report shall include a map setting forth the location and size of all such protected lands;</p>	

(4) have an annual audit of the Conservation Bank and Conservation Bank Trust Fund conducted by outside independent certified public accountants and submitted to the Governor, Lieutenant Governor, and General Assembly. The accounting of trust fund receipts and expenditures required above shall be part of this annual audit; and

(5) develop conservation criteria to be used, in addition to the criteria set forth in Section 48-59-70(D), that advance and support federal, state, and local conservation goals, plans, objectives, and initiatives. In order to assist in the development of conservation criteria, the bank must coordinate with the appropriate groups to integrate the goals, plans, objectives, and initiatives, as well as land use patterns, into a statewide conservation map. The map must be created by July 1, 2019, and the criteria and map must be reviewed no less than every ten years thereafter. The criteria list and map must be submitted to the General Assembly annually.

(4) have an annual audit of the Conservation Bank and Conservation Bank Trust Fund conducted by outside independent certified public accountants and submitted to the Governor, Lieutenant Governor, and General Assembly. The accounting of trust fund receipts and expenditures required above shall be part of this annual audit; and

(5) develop conservation criteria to be used, in addition to the criteria set forth in Section 48-59-70(D), that advance and support federal, state, and local conservation goals, plans, objectives, and initiatives. In order to assist in the development of conservation criteria, the bank must coordinate with the appropriate groups to integrate the goals, plans, objectives, and initiatives, as well as land use patterns, into a statewide conservation map. The map must be created by July 1, 2019, and the criteria and map must be **regularly** reviewed, **updated, no less than every ten years thereafter. The criteria list and map must be submitted to the General Assembly annually, and made available to the general public on the Bank's website.**

REVISE SUBPART OF CURRENT LAW - Section 48-59-70: Trust fund grants or loans for land interests; application; conservation criteria.

LAW CHANGE #			
Law	Summary of Current Law(s) and Recommended Change(s)	Basis for Recommendation	Approval and Others Impacted
<p>Section 48-59-70: Re-authorization of the South Carolina Conservation Bank Act</p> <p>Trust fund grants or loans for land interests; application; conservation criteria.</p>	<p><u>Current Law</u> Reauthorized and established the South Carolina Conservation Bank. Addresses Trust fund grants or loans for land interests; application; and conservation criteria.</p> <p><u>Recommendation</u> Modify to increase Grant Review Committee members' term to two years with staggered terms</p>	<p>Modifying the statute to increase the Grant Review Committee term to staggered 2-year terms to provide consistency and continuity. Additionally, due to vacancies, it is hard to meet the statute requirements as currently written.</p>	<p><u>Presented and approved by agency's governing body:</u> No</p> <p><u>Other entities potentially impacted</u></p> <p><u>If the law is a regulation, where agency is in the process of finalizing it and providing it to the General Assembly:</u></p>
Current Law Wording		Proposed Revisions to Law Wording	
<p>The chairman shall establish a grant review committee to review, comment, and make recommendations on proposals received by the bank. The chairman shall appoint five members of the board to serve on the committee for a term of no more than one year, and no member may serve consecutive terms.</p>		<p>The chairman shall establish a grant review committee to review, comment, and make recommendations on proposals received by the bank. The chairman shall appoint five members of the board to serve on the committee for a term of no more than one two years and no member may serve consecutive terms. Terms may be staggered to provide continuity.</p>	

LAW CHANGE #			
Law	Summary of Current Law(s) and Recommended Change(s)	Basis for Recommendation	Approval and Others Impacted
<p>Section 48-59-70: Re-authorization of the South Carolina Conservation Bank Act</p> <p>Trust fund grants or loans for land interests; application; conservation criteria.</p>	<p><u>Current Law</u> Reauthorized and established the South Carolina Conservation Bank. Addresses Trust fund grants or loans for land interests; application; and conservation criteria.</p> <p><u>Recommendation</u> Modify to increase the Grant Review Committee term to two years with staggered terms</p>	<p>Modifying statute to increase the Grant Review Committee term to staggered 2-year terms to provide consistency and continuity. Additionally, due to vacancies it is hard to meet the statute requirements as currently written.</p>	<p><u>Presented and approved by agency's governing body:</u> No</p> <p><u>Other entities potentially impacted</u></p> <p><u>If the law is a regulation, where agency is in the process of finalizing it and providing it to the General Assembly:</u></p>
Current Law Wording		Proposed Revisions to Law Wording	
<p>(P) Upon application from the Department of Natural Resources, the board shall award up to three million dollars annually in trust funds to provide the state match for federally funded grant programs in order to leverage funds to meet the conservation criteria set forth in subsection (D).</p>		<p>(P) Upon application from the Department of Natural Resources, the board shall award up to three four million dollars annually in trust funds to provide the state match for federally funded grant programs in order to leverage funds to meet the conservation criteria set forth in subsection (D).</p>	

REVISE SUBPART OF CURRENT LAW - Section 48-59-80: Trust fund grants or loans for land interests; application; conservation criteria.

LAW CHANGE

Law	Summary of Current Law(s) and Recommended Change(s)	Basis for Recommendation	Approval and Others Impacted
<p>Section 48-59-80: Re-authorization of the South Carolina Conservation Bank Act</p> <p>Interests in lands to be held by eligible trust fund recipients; mortgages; insurance; rights of fee simple title owners.</p>	<p><u>Current Law</u> Reauthorized and established the South Carolina Conservation Bank. Addresses Interests in lands to be held by eligible trust fund recipients; mortgages; insurance; and rights of fee simple title owners.</p> <p><u>Recommendation</u> Current wording is not consistent with title insurance requirements</p>	<p>Title insurance companies require the insured parties to own a possessory interest in the property. Because the Bank only provides financial grants to third parties and, by statute, cannot own an interest in real property, its rights related to the recoupment of title insurance proceeds must be enshrined in an independent contract with the grant recipient, which the Bank does by way of its Grant Agreement.</p>	<p><u>Presented and approved by agency's governing body:</u> No</p> <p><u>Other entities potentially impacted</u> N/A</p> <p><u>If the law is a regulation, where agency is in the process of finalizing it and providing it to the General Assembly:</u></p>
Current Law Wording		Proposed Revisions to Law Wording	
(D) The bank must be named as an insured on a title insurance policy acceptable to the board and obtained by the loan recipient for loans it makes to eligible trust fund recipients. The bank must be indemnified as to title in the amount of any grants it makes to eligible trust fund recipients, and this indemnification must be secured by a title insurance policy acceptable to the board and obtained by the grant recipient. These requirements for title insurance and indemnification as to title may be waived by the board in extraordinary cases where insurable title is unobtainable, the risk of adverse claims to title are small, the land in question presents a particularly valuable conservation opportunity according to the purposes of this chapter and the criteria of Section 48-59-70, and the cost of the interest in land acquired reflects the lack of insurable title.		(D) The bank must be named as an insured on a title insurance policy acceptable to the board and obtained by the loan recipient for loans it makes to eligible trust fund recipients. The bank must be indemnified as to title in the amount of any grants it makes to eligible trust fund recipients, and this indemnification must be secured by a title insurance policy acceptable to the board and obtained by the grant recipient. These requirements for title insurance and indemnification as to title may be waived by the board in extraordinary cases where insurable title is unobtainable, the risk of adverse claims to title are small, the land in question presents a particularly valuable conservation opportunity according to the purposes of this chapter and the criteria of Section 48-59-70, and the cost of the interest in land acquired reflects the lack of insurable title.	

LAW CHANGE #

Law	Summary of Current Law(s) and Recommended Change(s)	Basis for Recommendation	Approval and Others Impacted
<p>Section 48-59-80: Re-authorization of the South Carolina Conservation Bank Act</p> <p>Interests in lands to be held by eligible trust fund recipients; mortgages; insurance; rights of fee simple title owners.</p>	<p><u>Current Law</u> Reauthorized and established the South Carolina Conservation Bank. Addresses Interests in lands to be held by eligible trust fund recipients; mortgages; insurance; and rights of fee simple title owners.</p> <p><u>Recommendation</u> Update statute so that it marries with the “perpetuity” requirement underpinning tax laws associated with conservation conveyances and set forth judicial extinguishment as the only methodology for removing conservation restrictions.</p>	<p>Update statute so that it marries with the “perpetuity” requirement underpinning tax laws associated with conservation conveyances and set forth judicial extinguishment as the only methodology for removing conservation restrictions.</p>	<p><u>Presented and approved by agency’s governing body:</u> No</p> <p><u>Other entities potentially impacted</u> N/A</p> <p><u>If the law is a regulation, where agency is in the process of finalizing it and providing it to the General Assembly:</u></p>
Current Law Wording		Proposed Revisions to Law Wording	
<p>(G)(1) The owner of the fee simple title to property upon which a conservation easement was purchased with trust funds, whether the original owner that conveyed the conservation easement or a successor-in-interest, may reacquire and thereby extinguish the conservation easement if that owner or successor-in-interest determines that the conservation easement no longer exhibits the characteristics that qualified it for acquisition with trust funds and the board, by a majority vote, makes a finding of fact agreeing with that contention. For purposes of this reacquisition, the value of the conservation easement is its fair market value, as determined by current appraisal. The owner of the fee simple title to the subject property or an eligible trust fund recipient aggrieved by the decision of the board under this item may appeal to the Administrative Law Court where the matter must be heard as a contested case.</p>		<p>(G)(1) The owner of the fee simple title to property upon which a conservation easement was purchased with trust Bank funds, whether the original owner that conveyed the conservation easement or a successor-in-interest, may reacquire and thereby only extinguish the conservation easement if that owner or successor-in-interest determines that the conservation easement no longer exhibits the characteristics that qualified it for acquisition with trust funds and the board, by a majority vote, makes a finding of fact agreeing with that contention by judicial action in a South Carolina court of law. For purposes of this reacquisition In the event of such judicial extinguishment of the conservation easement, the Bank shall be entitled to its prorated interests in the real estate, the value of which the conservation easement is its fair market value, as shall be determined by the ratio of the grant payment relative to the conservation easement value at the time of as of the grant award relative to the current market value of the property, or an amount equal to the original grant award, whichever is higher. current appraisal. The owner of the fee simple title to the subject property or an eligible trust fund recipient aggrieved by the decision of the board under this item may appeal to the Administrative Law Court where the matter must be heard as a contested case.</p>	

REVISE SUBPART OF CURRENT LAW - Section 48-59-100: Public access requirement

LAW CHANGE #			
Law	Summary of Current Law(s) and Recommended Change(s)	Basis for Recommendation	Approval and Others Impacted
Section 48-59-100: Re-authorization of the South Carolina Conservation Bank Act Public access requirement.	<p><u>Current Law</u> Reauthorized and established the South Carolina Conservation Bank. Addresses Interests in lands to be held by eligible trust fund recipients; mortgages; insurance; and rights of fee simple title owners.</p> <p><u>Recommendation</u> Clarify that public access is required only when a grant funds the acquisition of a fee-simple interest and that conservation easements do not require public access.</p>	Clarify that public access is required only when a grant funds the acquisition of a fee-simple interest and that conservation easements do not require public access.	<p><u>Presented and approved by agency's governing body:</u> No</p> <p><u>Other entities potentially impacted</u> N/A</p> <p><u>If the law is a regulation, where agency is in the process of finalizing it and providing it to the General Assembly:</u></p>
Current Law Wording		Proposed Revisions to Law Wording	
Notwithstanding any other provision of this chapter, an easement acquired in whole or in part with trust funds must provide for public access consistent with the uses permitted by the terms of the easement.		Notwithstanding any other provision of this chapter, an acquisition of a fee simple interest acquired in whole or in part with trust funds must provide for public access consistent with the uses approved by the board permitted by the terms of the easement. No public access shall be required for grants that fund the acquisition of conservation easements on private lands.	

REVISE SUBPART OF CURRENT LAW - Section 48-59-110: Trust fund use restriction

LAW CHANGE #			
Law	Summary of Current Law(s) and Recommended Change(s)	Basis for Recommendation	Approval and Others Impacted
Section 48-59-110: Re-authorization of the South Carolina Conservation Bank Act Trust fund use restriction.	<u>Current Law</u> Reauthorized and established the South Carolina Conservation Bank. Addresses Interests in lands to be held by eligible trust fund recipients; mortgages; insurance; rights of fee simple title owners. <u>Recommendation</u> Add clarification	Clarify that funds may be disbursed at or after the closing	<u>Presented and approved by agency's governing body:</u> No <u>Other entities potentially impacted</u> N/A <u>If the law is a regulation, where agency is in the process of finalizing it and providing it to the General Assembly:</u>
Current Law Wording		Proposed Revisions to Law Wording	
Trust funds only may be dispersed at the closing of transactions in which an interest in land is acquired.		Trust funds may only may be dispersed disbursed at or after the closing of a transaction in which an interest in land is acquired.	



EMPLOYEES

832 FTEs

FUNDING

The majority of DEW's budget is funded through federal sources. The U.S. Department of Labor allocates funds from the Federal Unemployment Tax (FUTA) to the states to pay for administrative and operational costs. Employer-paid state unemployment taxes pay for state unemployment benefits.

General Funds FY 2025-26

\$12,984,847

Total Funds FY 2025-26

\$145,356,655

LEADERSHIP

SCDEW's director is appointed by the governor, with the advice and consent of the Senate. The director serves at the pleasure of the governor. (S.C. Code Ann. § 41-29-35).

SOUTH CAROLINA DEPARTMENT OF EMPLOYMENT & WORKFORCE

MISSION

To promote and support an effective, customer-driven workforce system that facilitates financial stability and economic prosperity for employers, individuals and communities.

VISION

To be viewed as an efficient, transparent, customer-friendly partner in providing quality workforce solutions.

MAIN GOAL

To match jobseekers with employers quickly, efficiently, and effectively, and we offer a variety of services to assist both groups. DEW, one of 21 cabinet agencies, is a partner in the state's workforce system. DEW and its partners provide a variety of workforce services for job seekers and employers at [SC Works Centers](#), [Connection Points](#) and satellite offices in 12 local workforce investment areas across all 46 SC counties.

SERVICES

SCDEW's director is appointed by the governor, with the advice and consent of the Senate. The director serves at the pleasure of the governor. (S.C. Code Ann. § 41-29-35).

Jobseekers

- Career counseling
- Job referrals
- Computer access
- Testing and training
- Résumé assistance
- Partner services
- Business consulting
- Second Chance Program (with SCDC)
- GED Incentive Program

Employees

- Training
- Job market trends
- Tax credit info
- Recruiting and screening
- Posting job openings
- Transitional assistance

SOUTH CAROLINA DEPARTMENT OF EMPLOYMENT AND WORKFORCE

Agency Overview

William H. Floyd, III, Executive Director



SOUTH CAROLINA DEPARTMENT OF
Employment and Workforce



Mission Statement

To promote and support an effective, customer-driven workforce system that facilitates financial stability and economic prosperity for employers, individuals, and communities. To be viewed as an efficient, transparent, customer-friendly partner in providing quality workforce solutions.

Agency Vision

Achieve and sustain South Carolina's workforce potential.



AGENCY HISTORY



History of DEW

Two major federal enactments precipitated the establishment in 1936 of the agency that is now the South Carolina Department of Employment and Workforce.

- The Wagner-Peyser Act was passed in 1933 to create a Federal-State cooperative system of free public employment services. The employment service's primary responsibility was to connect the jobless with jobs, especially in many of the public service programs created by the New Deal.
- On August 14, 1935, Congress passed the Social Security Act. The Social Security Act includes provisions for unemployment compensation and other social security measures to provide economic security through cooperative action by federal and state governments; this cooperation allowed consideration of local problems while maintaining national unity of program and purpose.

History of DEW

- Each state was required to enact its own unemployment compensation laws in conformity with the requirements of the federal act before it could participate in the Unemployment Compensation program.
- The South Carolina General Assembly passed its unemployment compensation law in 1936. The purpose of the law was stated as follows:

Economic insecurity due to unemployment is a serious menace to health, morals and welfare of the people of this State; involuntary unemployment is therefore a subject of general interest and concern which requires appropriate action by the General Assembly to prevent its spread and to lighten its burden which so often falls with crushing force upon the unemployed worker and his family; the achievement of social security requires protection against this greatest hazard of our economic life; this can be provided by encouraging the employers to provide more stable employment and by the systematic accumulation of funds during periods of employment to provide benefits for periods of unemployment, thus maintaining purchasing power and limiting the serious social consequences of poor relief assistance.

History of DEW

- To administer the unemployment compensation law, the 1936 act established the South Carolina Unemployment Compensation Commission as the administrative agency. Three commissioners were appointed by the legislature to oversee “two coordinate divisions” that were “each administered by a full-time salaried director subject to the supervision and direction of the commission” :
 - (1) the South Carolina State Employment Service division, and
 - (2) the Unemployment Compensation division.
- Duties of the Unemployment Compensation division:
 - determine employer-coverage
 - maintain employee/employer records
 - collect contributions from employers
 - pay benefits to qualified unemployed workers
- The duty of the Employment Service division was to operate a statewide system of free public employment offices (Wagner-Peyser). Claims for benefits were also received at these offices and forwarded to the commission’s administrative offices for processing.

History of DEW

- Within the South Carolina Unemployment Compensation Commission FY 1944-45 Annual Report, the agency made a legislative recommendation to change its name “to the more appropriate designation: South Carolina Employment Security Commission.” This recommendation was implemented by the legislature in Act No. 542 effective July 1, 1946.
- The agency’s name change coincided with the return the public employment offices to the states and establishment of the Readjustment Allowance Program for veterans.
 - On January 1, 1942, each state voluntarily turned over its State Employment Service to the Federal Government at the request of President Roosevelt. In 1946, the 31 South Carolina public employment offices (30 branches + central office) were returned to state control.
 - The Readjustment Allowance Program was established in 1944 by Congress in its GI Bill of Rights. The act provided for state administration of unemployment and self-employment benefits (“allowances”) to veterans paid from federal grants from the Veterans Administration.

History of DEW

- 1950 was the first year of operation of the employment statistics program in cooperation with the U.S. Bureau of Labor Statistics (BLS).
 - Monthly estimates of employment in manufacturing industry groups, wholesale trade, hotels, finance agencies, transportation, communication, utilities, and government were prepared and released within 30 to 35 days of the period reported.
 - Average hours worked per week and average hourly and weekly earnings were also made available each month for the manufacturing industries.
- While the Research & Statistics section had existed since April 16, 1937, its activities previously were tailored more to the Unemployment Compensation program specifically—“making continuous studies of those factors which affect the administration of the act and the solvency of the unemployment trust fund.” Examples:
 - **Examples:** Trust fund calculations, claimant demographics, and claim statistics; number of employers/covered workers, total earnings reported, and total contributions received by industry; Employment Services division performance assisting claimants with their job search
- Research & Statistics is now the Labor Market Information division, which continues to this day to produce employment statistics in cooperation with BLS.

History of DEW

Act No. 146 of 2010 reorganized the Employment Security Commission into the Department of Employment and Workforce.

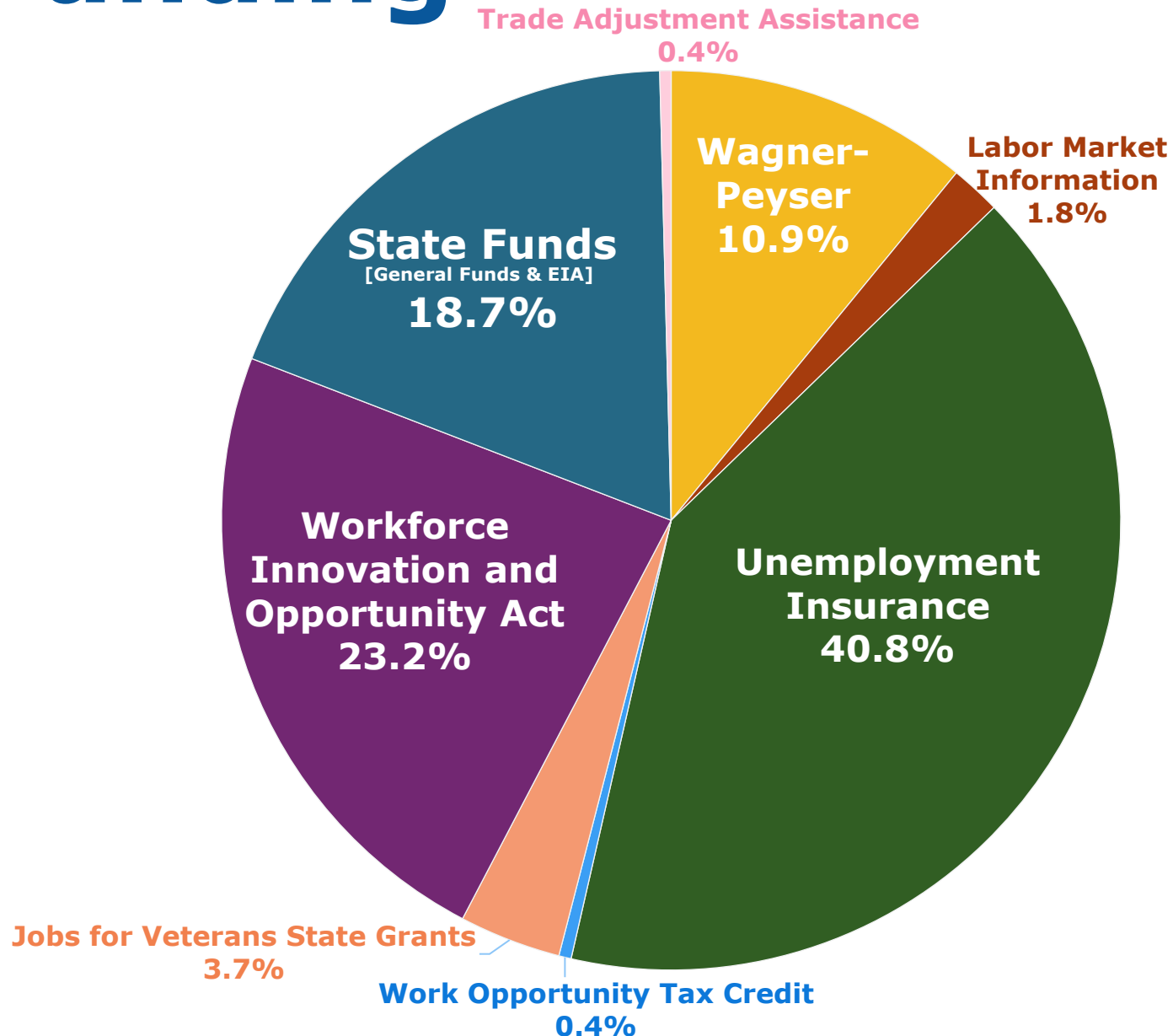
- Rather than three commissioners appointed by the legislature as a governing body, with an executive director appointed by the commissioners, the new department would have no governing commission.
 - The new department was a cabinet agency with an Executive Director appointed by the Governor (from candidates vetted by a review committee of legislators and business representatives).
 - Previously, the three commissioners heard appeals. The act tasked appeals to an Appellate Panel elected by the legislature (like the commissioners) and vetted by the review committee.

In 2023, the Statewide Education and Workforce Development Act transferred the Department of Commerce's workforce development responsibilities to DEW, including the Coordinating Council for Workforce Development and the Regional Workforce Advisors program. This act also significantly broadened the agency's workforce development authorities and responsibilities.

FUNDING OVERVIEW



Funding



State Funding

DEW is mostly federally-funded. In the FY26 Appropriations Act, only about 15% of DEW's total funding came from state general funds.



Statewide Education & Workforce Development Act Implementation



Rural Employment Services



Be Pro Be Proud



Career Readiness Assessments and Credentials



Support of the Appellate Panel



Unemployment Fraud Prosecution

DEW also receives \$1.976 million from Education Improvement Act funds for:



Regional Workforce Advisors

AGENCY LEADERSHIP



Executive Director

William H. Floyd, III, joined DEW as Chief of Staff in June 2022 and became Executive Director in 2023.

Prior to joining DEW:

- Practiced law for 35 years as a certified labor and employment law specialist, including many hours of pro bono work
- Active in both business and community groups:
 - Formerly served on the SC Chamber of Commerce's Board of Directors as well as the Chamber's HR and Manufacturing Committees
 - Formerly served on the SC Technical Colleges Board
 - Formerly served on the Board of Directors for the SC Governor's School for the Arts and Humanities
 - Actively involved for more than 20 years in the Society for Human Resource Managers (SHRM), Columbia Chapter, including service as its former president
 - Member of the SC Bar Employment and Labor Law Section and Military Law Section

Appointment of Executive Director

The appointment process can be broken into two parts:

- (1) The Department of Employment and Workforce Review Committee nominates three qualified applicants for the Governor to consider in appointing the Executive Director.** [Section 41-27-720; Section 41-29-20; Section 41-29-35]
- (2) The Governor makes an appointment with advice and consent of the Senate.** [Section 41-29-35]

Appointment of Executive Director

DEW Review Committee

- The review committee is made up of nine members: [Section 41-27-710]
 - 3 House members (appointed by Speaker; at least one must belong to minority party)
 - 3 Senate members (appointed by President; at least one must belong to minority party)
 - 3 members of the public (appointed by the Governor; one must represent businesses with <50 employees and another must represent businesses with <500 employees)
- The committee nominates three qualified candidates for the Governor to consider for Executive Director.
 - There must be three qualified candidates. If fewer than three applicants are found qualified, the committee must resolicit for applicants and continue the screening process until three applicants are found qualified and nominated.*
- Committee staff must come from Senate and House LCI Committees. [Section 41-27-740]

* Due to a lack of applicants, the General Assembly has passed a joint resolution twice previously to authorize the committee to nominate fewer than three candidates for consideration by the Governor for DEW Executive Director. [Act No. 1 of 2023 (H. 3783); Act No. 103 of 2019 (S. 540)]

Appointment of Executive Director

Qualifications for Executive Director

- The committee must consider a person's experience and expertise in matters related to unemployment, workforce development, and economic development. [Section 41-27-720]
- For the committee to find a person qualified, the person must have:
 - a baccalaureate or more advanced degree from an institution of higher learning that meets the criteria in Section 41-29-35*, *and*
 - a "background of substantial duration and expertise" in business, labor and employment, employment benefits, human resource management, or five years' experience as a practicing attorney. [Section 41-29-35]
- The committee may find a person qualified despite not having a "background of substantial duration and expertise" in the prescribed areas if 2/3 of the committee vote to qualify the candidate and provide written justification of their decision in their report as to the qualifications of the candidates. [Section 41-29-35]

* The institution of higher learning must (1) be accredited by a regional or national accrediting body, (2) require face-to-face contact between students and instructors prior to program completion, or (3) have been chartered before 1962.

Appointment of Executive Director

Appointment by the Governor

[Section 41-29-35]

- Once the DEW Review Committee makes its report and nomination of three qualified candidates, the Governor selects a nominee to appoint.
 - A person may not be appointed to serve as the permanent executive director unless he is found qualified by the committee.
 - If the Governor rejects all the nominees, the committee must reopen the process.
- The Governor must transmit the name of his appointee to the Senate for advice and consent.

Removal

- The executive director is subject to removal by the Governor as provided in Section 1-3-240(B).

[Section 41-29-20]

Executive Director: Duties

Generally, the Executive Director is responsible for steering the mission and vision of the organization and managing its operations, administration, programs and strategic plan.

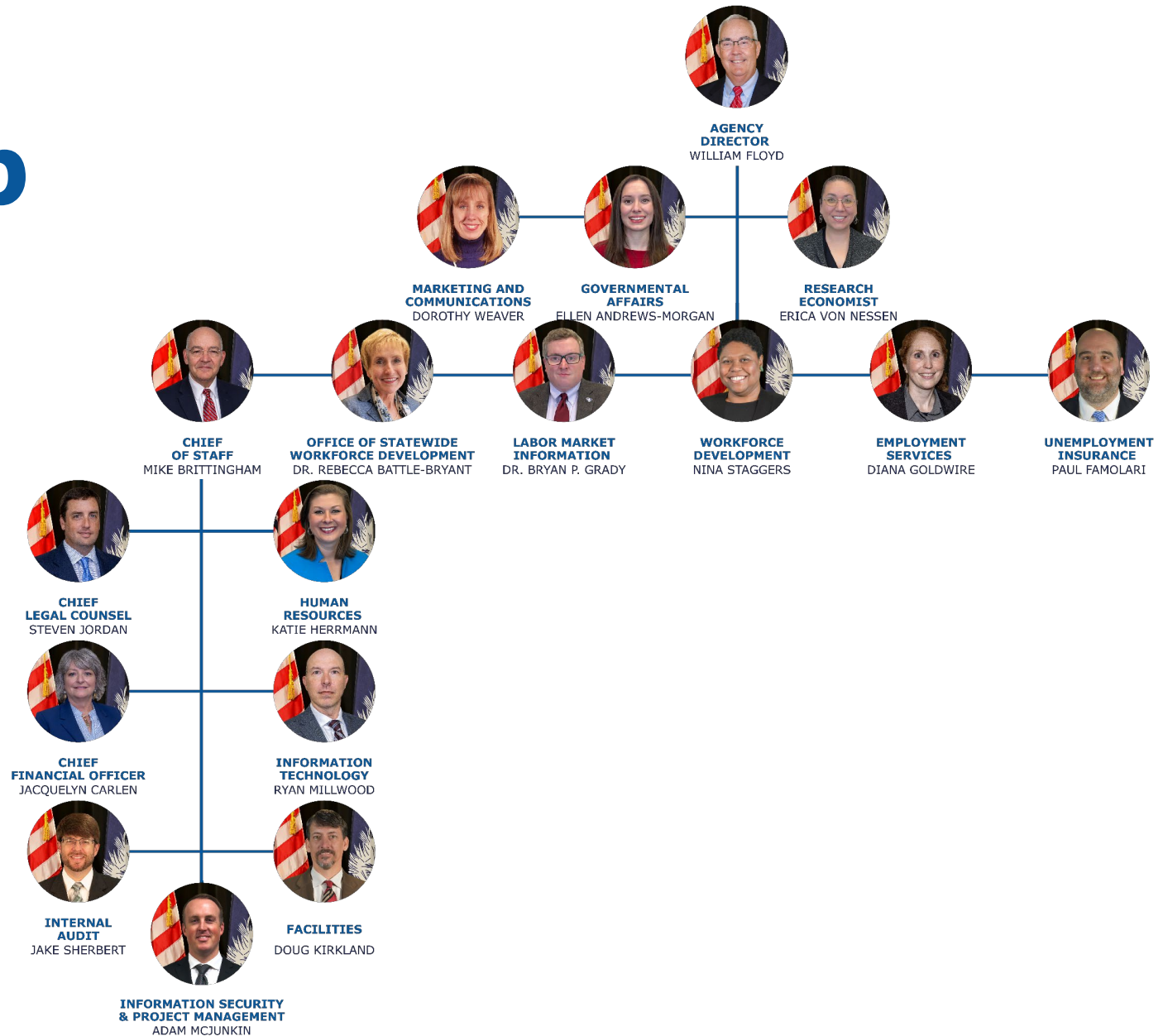
The Executive Director's duties explicitly prescribed in state law include:

- Serve as chairman of the Coordinating Council for Workforce Development, and as chairman: monitor and audit the implementation of this chapter, review accountability and performance measures, and annually report to the Governor and the General Assembly by December 1 of each fiscal year [Section 41-30-520]
- Appoint appeal tribunals to hear and decide appeal claims [Section 41-35-700]
- Serve on Coordinating Council for Economic Development [Section 13-1-1710]

The Executive Director's duties also include:

- Setting the maximum weekly benefit amount for unemployment benefits within the range in Section 41-35-40
- Oversight/Approval of regulations promulgated by the agency

Senior Leadership



683 Total Full-Time Employees (FTEs)

Senior Leadership

- **Mike Brittingham, Chief of Staff**

- LLM, Tax Law, University of Florida School of Law; JD, University of South Carolina School of Law; BS, Business, University of North Carolina
- Joined DEW in March 2024; previously practiced tax law, focused on employee benefits and executive compensation with Maynard Nexsen (f/k/a Nexsen Pruet) (~20 yrs) and Ogletree Deakins (~13 yrs)

- **Dr. Rebecca Battle-Bryant, Director, Office of Statewide Workforce Development**

- PhD, University of South Carolina; MBA, Auburn University; BSBA Auburn University
- Joined DEW May 19, 2025, but previously served as Assistant Executive Director, Workforce & Economic Development, at DEW from 2013-2015.
- Co-authored The Workforce Development Playbook (SCMEP) in 2021

- **Paul Famolari, Assistant Executive Director – Unemployment Insurance**

- JD, George Mason University School of Law; BA, History, BA, Political Science, Rutgers University
- Over 18 years of service at DEW with previous roles as Deputy General Counsel and in Appeals

- **Diana Goldwire, Assistant Executive Director – Employment Services**

- Master of Arts in Teaching, LaGrange College; BA, Fine Arts (Art and Design), LaGrange College
- In 10 years at DEW, has served in current role for two years in addition to eight years as an Area Director. Prior to DEW, worked over 14 years in higher education.

Senior Leadership

- **Nina Staggers, Assistant Executive Director – Workforce Development**

- JD, Widener University School of Law; BS, Marketing, Clemson University
- 15 years in public service, over 10 years at DEW

- **Dr. Bryan Grady, Assistant Executive Director – Labor Market Information**

- PhD, Planning and Public Policy, Rutgers University; MA, Economics, University of Delaware; BA, Economics, University of North Carolina
- Joined DEW in January 2022; prior to DEW, most recently served as Chief Research Officer at SC Housing from 2019-2022

- **Jacque Carlen, Chief Financial Officer**

- MBA, Charleston Southern University, BS, Charleston Southern University
- Joined DEW in April 2024; prior to DEW, served in various Finance roles at Charleston County Schools and Berkeley County Schools

- **Steven Jordan, Chief Legal Counsel**

- JD, University of South Carolina School of Law; BS, University of South Carolina
- First joined DEW in 2018; previously practiced litigation in private practice and clerked for Judge Paula Thomas and Judge Daniel Pieper at the S.C. Court of Appeals

Senior Leadership

- **Ryan Millwood, Chief Information Officer**

- BA, Catawba College
- 24 years of service at DEW, starting in Document Control for the Unemployment Insurance division in 2001 and working in ten different roles prior to becoming Chief Information Officer

- **Adam McJunkin, Chief Information Security Officer**

- MBA, Clemson University; BS, Computer & Information Science, University of Maryland
- Veteran of the U.S. Air Force (10 years of military service)
- Joined DEW in February 2023

- **Ellen Andrews-Morgan, Director of Governmental Affairs**

- JD, University of Georgia School of Law; BA, Political Science, Clemson University
- Joined DEW in December 2021; previously Deputy Director of Legislative Affairs at SC Dept. of Health and Environmental Control (DHEC) and Legal Counsel at SC Emergency Management Division

- **Dorothy Weaver, Director of Communications**

- Master of Mass Communication, University of South Carolina; BA, English, University of South Carolina
- Over ten years of service at DEW; graduated in the Certified Public Management Class of 2020 (CPM project earned an Honorable Mention for the George C. Askew Award)

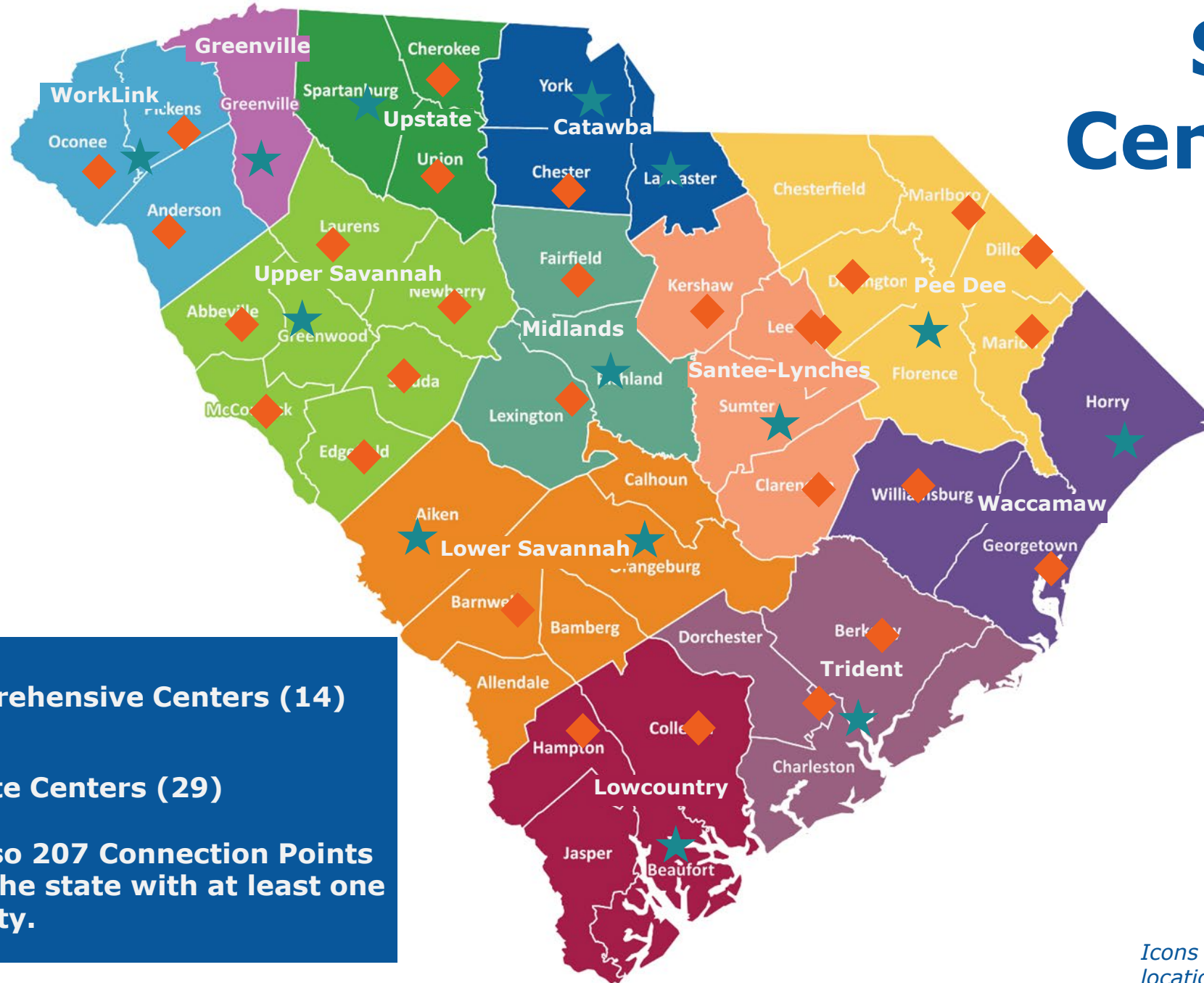
- **Katie Herrmann, Director of Human Resources**

- BA, Winthrop University
- 13 years in public service; joined DEW in January 2022



AGENCY LOCATIONS

SC Works Centers Map



 Comprehensive Centers (14)

 Affiliate Centers (29)

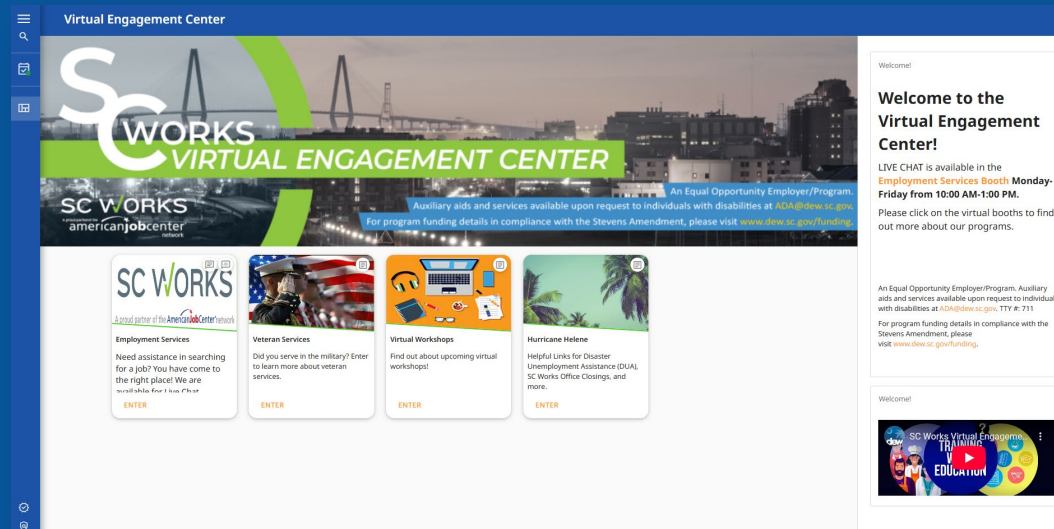
There are also 207 Connection Points throughout the state with at least one in each county.

Icons may not match the exact geographic location of a center within a county

207 Connection Points in SC

Locations Include:

- Libraries
- Non-Profit organizations
- Faith-Based Organizations
- Colleges Campus Community
 - Open to the Campus Community
 - Open to the public and Campus Community



Virtual Services

- Employment Services
- Veteran Services
- Virtual Workshops



AGENCY DIVISIONS

Employment Services

Diana Goldwire, Assistant Executive Director



Assists individuals with finding employment by providing job search assistance, career guidance, workshops, and assessments.



Helps businesses find qualified applicants for open positions by screening for skills and qualifications, interviewing, and testing.



Operates the SC Works Online Database (SCWOS) database that matches job applicants with employer postings.



Works with businesses to create an individualized employer plan to find qualified employees.





Unemployment Insurance

Paul Famolari, Assistant Executive Director



Operates the statewide Unemployment Insurance (UI) program



Determines tax liability for employers and maintains records



Preserves the integrity of the UI Trust Fund through claimant and employer audits

Labor Market Information

Dr. Bryan Grady, Assistant Executive Director



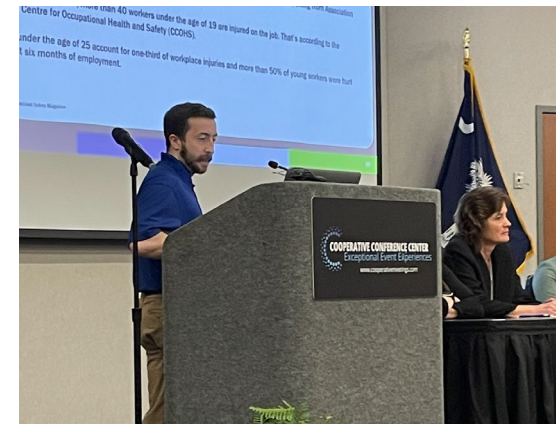
Produces extensive data on employment and wages by industry and occupation for a wide variety of audiences



Serves as a resource to connect employers, jobseekers, and others to the labor market insights they need



Conducts research and evaluations to ensure that state workforce policy is evidence-based and data-driven



Workforce Development Division

Nina Staggars, Assistant Executive Director



Partners with education and economic development to anticipate workforce needs



Administers federal and state training programs



Develops training and provides access to supportive services and counseling to address barriers for obtaining employment in high-growth, high-demand occupations



Implements activities of the **State Workforce Development Board**

State Workforce Development Board

Comprised of business leaders, state and local elected officials, workforce partners, and representatives of community-based organizations. The SWDB aligns resources to position South Carolinians to meet business needs and promote our workforce in a global economy.



Helps govern the public workforce system



Identifies, invests in, and supports workforce development strategies



Aligns state and local workforce development systems



Identifies current and future workforce needs



Engages jobseekers, employers, and workforce partners





Office of Statewide Workforce Development

Dr. Rebecca Battle-Bryant, Director



Collaborate with stakeholders in education, government, and industry to develop and maintain a unified workforce plan for the state.



Facilitate coordination of education and workforce development at the state, regional, and local levels.



Provide centralized access to information critical to the lifelong education and career journeys of South Carolinians.

Together, the Office of Statewide Workforce Development and the Coordinating Council for Workforce Development are responsible for discussion, collaboration, and information-sharing that helps prepare and train workers to meet South Carolina's current and future workforce needs.

Coordinating Council for Workforce Development

In 2023, the Statewide Education and Workforce Development Act transferred the coordinating council to DEW, added new members, and created an executive committee.

The **Office of Statewide Workforce Development**, in addition to DEW staff, provides primary support to the coordinating council and its projects.

Executive Committee



William H. Floyd, III
Executive Director, Dept. of Employment & Workforce



Dr. Tim Hardee
President, State Technical College System



Harry M. Lightsey, III
Secretary of Commerce



Shane Massey
Member, South Carolina Senate
Appointed by President of Senate



Dr. Rebecca Battle-Bryant
Director, Office of Statewide Workforce Development
Started May 19, 2025



Dr. Jeffrey Perez
President, Commission on Higher Education



Ellen Weaver
State Superintendent of Education



Jay West
Former Member, South Carolina House of Representatives
Appointed by Speaker of the House

Full Council



Andy Carr
President/CEO, Manufacturing Extension Partnership



Dr. David Cole
President, Medical University of South Carolina
Appointed by Presidents of Research Universities



Dr. Richard Cosentino
President, Lander University
Appointed by Presidents of Four-Year Universities



Dr. Galen DeHay
President, Tri-County Technical College
Appointed by Chair of State Board for Technical & Comprehensive Ed.



Anna Duvall
Student Transition Services Team Lead, Dept. of Education
Appointed by State Superintendent of Education



Emily Farr
Director, Dept. of Labor, Licensing and Regulation



Thomas Freeland
Chairman, State Workforce Development Board



Jessica Key
Local Workforce Development Board (Trident—Newport News Shipbuilding)
Appointed by DEW Director



Dr. Harrison Goodwin
Superintendent, Kershaw County School District
Appointed by State Superintendent of Education



Bob Quinn
Director, South Carolina Research Authority



Hollie Harrell
Director, Anderson 1 & 2 Career & Technology Center
Appointed by State Superintendent of Education



Brad Hutto
Member, South Carolina Senate
Appointed by Senate Minority Leader



Richard Hutto
Executive Director, State Housing Finance & Development Authority



Felicia Johnson
Commissioner, Vocational Rehabilitation Dept.



MG (R) Todd McCaffrey
Secretary of Veterans Affairs



Cezar McKnight
Former Member, South Carolina House of Representatives
Appointed by House Minority Leader



Michael Morris
Human Resources Director, ZF Transmissions
Seat for Business Community Appointed by the Governor



Duane Parrish
Director, Dept. of Parks, Recreation and Tourism



W. Hartley Powell
Director, Dept. of Revenue



Frank Rainwater
Director, Revenue and Fiscal Affairs



Rex Rice
Member, South Carolina Senate
Appointed by Chairman of Senate Education Committee



Ann Vandervliet
Executive Director, First Steps to School Readiness



David Vaughan
Member, South Carolina House of Representatives
Appointed by Chairman of House Education & Public Works Committee



Hugh E. Weathers
Commissioner of Agriculture



Dana Yow
Executive Director, Education Oversight Committee

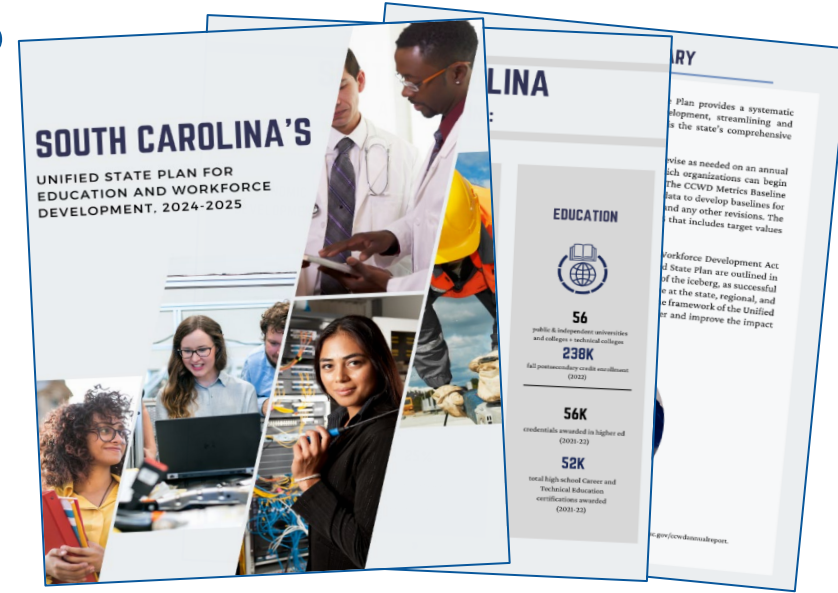


Adrienne Fairwell
President and CEO, SCETV
Agency Added by Vote of Executive Committee in 2024

Statewide Education & Workforce Development Act Projects

“The legislation filed this week will **streamline** the delivery of workforce development **efforts** in the state. Currently these responsibilities needlessly lie with too many different agencies that do not adequately coordinate. That approach must end. This bill will **eliminate duplication, improve efficiencies** and achieve a more coordinated effort in our workforce and education pipeline.”

- “Speaker Smith: It's time to streamline SC's workforce development efforts to help grow economy”
By S.C. House Speaker Murrell Smith, *The Post and Courier*



These projects are tasked by the act to the Coordinating Council for Workforce Development with primary staff support from DEW's Office of Statewide Workforce Development in addition to other DEW staff.



Unified State Plan

- Performance metrics
- Ability to track progress of Unified State Plan
- Annual review/update of Unified State Plan
- Method to identify long-term workforce needs



Education and Workforce Online Portal (Multi-Year Phases)

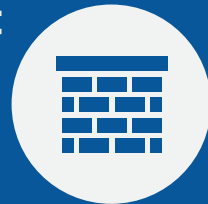
- Career pathways tool
- Educational program alignment toolkit
- Process and program mapping
- Workforce dictionary
- Supply Gap Analysis (annually)
- SC Benefits Calculator

Other Statewide Education & Workforce Development Act Projects



Return on Investment

- Education programs
- Workforce programs



Barriers Study

- Government Assistance
- Childcare
- Transportation



Real-Time Labor Market Information

- Occupational codes and wage/hour information
- Evidence-building system MOUs
- Evidence-building system



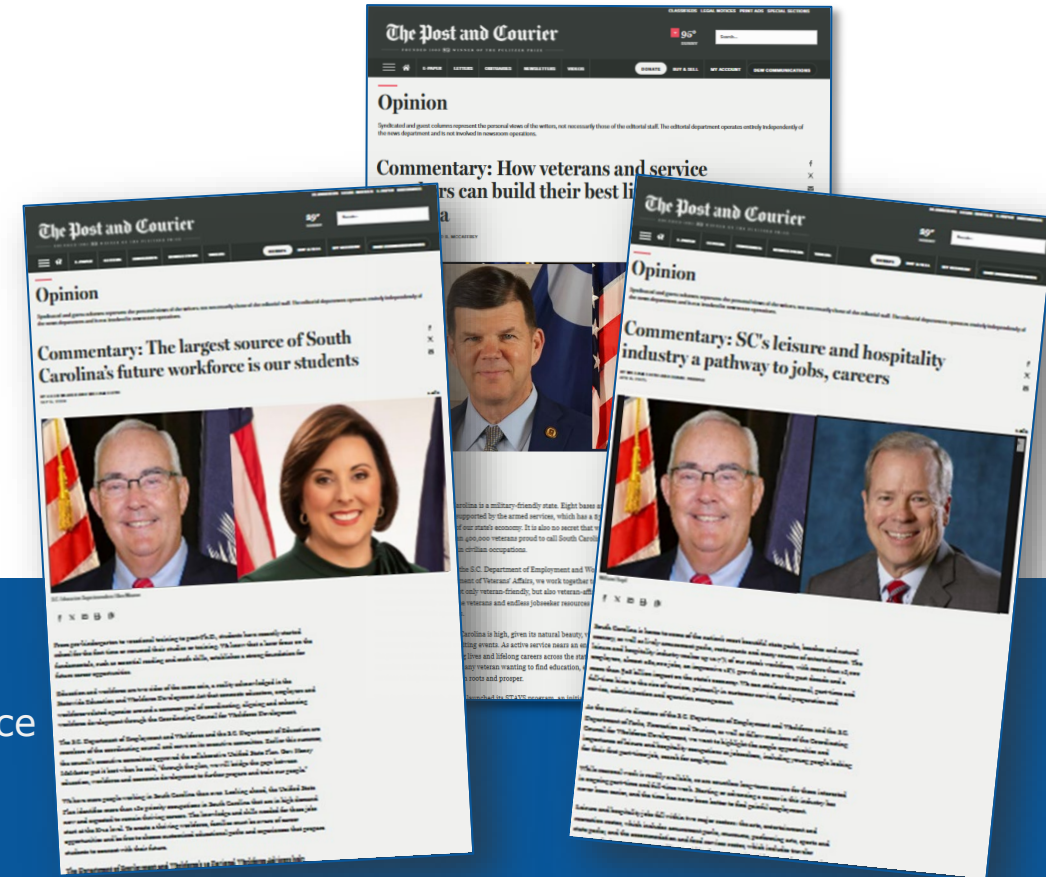
Regular Communication

- Meet with industry associations regularly
- Work with SCDVA on procedures to connect active-duty military families and veterans



Reports and Procedures

- Annual Report on CCWD actions and recommendations
- CCWD procedures, including regularly sharing information
- Report funds utilized for workforce development



Regional Workforce Advisors





CHALLENGES

Recruitment & Retention

DEW's efforts to improve recruitment and retention of employees have resulted in great improvements (since 2022, turnover reduced by 51.9% and time-to-hire cut by 41%), but some challenges remain.

- While the General Assembly has enacted general salary increases for state employees, including a new classification/compensation plan, DEW salaries are not competitive with the private sector, and in some cases, with other state agencies.
 - 68.9% of DEW salaries are below the state average.
 - Many employees cite compensation as their reason for leaving in exit interviews.
- Most DEW employees are federally-funded, and federal grants do not increase to cover the cost of implementing legislative general increases.
- Recruitment can be challenging for some DEW jobs where there is strict federal criteria about who DEW can hire (like Jobs for Veterans State Grants funded positions) or where the skills or knowledge is highly specialized (like the Unemployment Insurance program).

Evolving Federal Guidance & Funding

As the new administration works to transform the federal government's approach to workforce development, DEW must adapt to challenges presented by evolving federal guidance, rules, and funding.

- New strategies can be difficult to rapidly implement, particularly when working with the public or applying broad, national guidance to specific South Carolina initiatives.

Example: Improvements to eligibility verification for Wagner-Peyser services have been challenging to implement, particularly in regard to uncertainty as to how requirements may apply to specific DEW initiatives and limited public awareness of the new rules.

- Funding cuts and changes are expected, but it is not yet known what those will look like in next year's federal budget.
 - State budget and strategic planning cycles end before the federal budget is decided; uncertainty makes some of those decisions challenging.
 - Some DEW programs, like Wagner-Peyser, could be rolled into the proposed Make America Skilled Again Block Grant; details of the impact of that or how that funding would be allocated among the programs within the block grant are not yet known.

Updates Needed to Unemployment Insurance Statutes

Economic conditions and technology have changed over the ten years since the last major overhaul of state statutory authorities for the unemployment program.

Examples:

- The last major update to trust fund solvency was made when the trust fund was insolvent due to the Great Recession. Today, the trust fund is solvent and at record high levels; however, the minimum required balance is now potentially higher than necessary due to rapid total wage growth.
 - Minimum required balance likely to approach \$2 billion by 2030 while the highest ever annual payout is \$1.1 billion.
- Employers with zero benefit charges in the past 12 quarters are placed in Tax Class 1, the lowest class (base rate of zero—no contributions required to the Trust Fund). The last change to this lookback period for determining the ratio of an employer's taxable wages to unemployment benefit charges was in 2014.
 - In 2014, only 15.8% of taxable wages were found in Tax Class 1 (not contributing to the trust fund)
 - In 2025, 29.7% of taxable wages are found in Tax Class 1 (not contributing to the trust fund)
 - Currently, approximately 85% of employers are in Tax Class 1, leaving only about 15% of employers to cover anticipated benefit costs for the following year.

Updates Needed to Unemployment Insurance Statutes

Economic conditions and technology have changed over the ten years since the last major overhaul of state statutory authorities for the unemployment program.

Examples:

- Tax rates are now significantly lower overall due to a fully solvent trust fund; as a result, penalties that were once more moderate have become more extreme.

Employers with an active lien at the end of a calendar quarter due to delinquent UI tax contributions must pay their UI taxes for that quarter at the highest tax class 20 rate (effectively 5.46%) as a consequence.

[Section 41-31-60]

- When the tax code was changed effective 2011, the difference between Tax Class 20 and the next highest class was only about **10%**.
- In 2025, the difference between Class 20 and the next highest tax class is over **250%**.

A faded background image showing two women in a meeting. One woman is seen from the back, wearing a light-colored button-down shirt. The other woman is facing her, wearing a dark polo shirt with a name tag, and appears to be speaking or gesturing. They are standing in front of a brick wall.

RECENT INITIATIVES

Explore SC@Work

dew.sc.gov/explore

- Awareness campaign exploring the variety of jobs in South Carolina
- Spotlights different careers and industries, including Priority Occupations, to enhance understanding of job duties and benefits
- Campaign includes:
 - One pagers with labor market information hosted within an online gallery
 - Videos
 - Weekly social media posts
 - Career Peaks worksheets for elementary schools
- Featured in news, magazines, and e-newsletters



S.T.A.Y.S

dew.sc.gov/stays

Stay To Apply Your Skills

- Veterans have **transferable skills** that are often not clear on an application or résumé.
- When interviewed, employers discover the Veteran **is qualified** for their open positions.
- **Employer** guarantees at least one interview for open opportunities at their organization (*not a specific position*)
- **Veteran** interviews with five different employers



Are you a Veteran of the United States Armed Services?

We're encouraging Veterans to stay in South Carolina for their next career opportunity by enrolling in the STAYS program!

WHAT IS THE STAYS PROGRAM?

The **STAYS Program** encourages Veterans to "**Stay to Apply Your Skills in South Carolina**" by offering five interview opportunities to veterans who use the SC Works system.

WHO QUALIFIES?

All Veterans and military spouses.

CALL OR VISIT YOUR LOCAL SC WORKS CENTER TO GET STARTED!

SCAN TO GET STARTED TODAY



Certified STAYS EMPLOYER

NAME

Congratulations and thank you for becoming a South Carolina



We appreciate your organization's decision to participate in this initiative aimed at connecting veterans to our state's workforce. Veterans and spouses have the skills, training, and experience that many South Carolina employers need. As a part of the Stay To Apply Your Skills Program, you are actively welcoming and supporting the talent who are transitioning from military service, are current Veterans in our state, or are spouses of those who have served. Thank you for your dedication to the state and the Veteran workforce.

William Floyd
Executive Director
S.C. Department of Employment and Workforce

Marla Bodison
Veterans Services Director
S.C. Department of Employment and Workforce



Certified STAYS EMPLOYER

BlueCross BlueShield of South Carolina



An initiative to make DEW and SC Works services available to jobseekers in rural and underserved areas, meeting the jobseekers where they are, and connecting them to local employers.

SC@Work: Rural Connections events target jobseekers in rural areas (Tiers III and IV) with barriers to employment, such as transportation.

Features the state-of-the-art Career Coach, a mobile extension of the services provided through SC Works centers across the state. With 10 workstations for job-seeking activities, the Career Coach provides wi-fi and printer capabilities as well as staff to assist users.



Lt. Governor Evette's Employment Initiative **EMPOWERING TOMORROW'S LEADERS**

- **DEW, Lt. Governor Pamela Evette, and a local media partner engage with a business that hires young workers.**
- **Opportunity for young people to learn soft skills that will apply to any job or career they may choose while building tomorrow's workforce.**
- **Youth Employment Site (YES) platform launched as part of the initiative.**
 - Online job database that showcases work opportunities for teenage jobseekers.
 - Easy opportunity for businesses to post their part-time and seasonal jobs for 14-to-18-year-olds.



Second Chance

- Partner with select S.C. Department of Corrections (SCDC) facilities to provide a full-time DEW employee to teach participants employment and soft skills in a classroom setting. Participants register for SC Works, craft résumés, and participate in mock interviews.
- Partner with SCDC to offer workshops on SC Works services to those about to be released.
- Assists returning citizens in local SC Works centers with Federal Bonding vouchers, assistance with résumés, and job-searches.
- Works with employers to promote Work Opportunity Tax Credits to encourage opportunities for returning citizens.
- Partner with Columbia SHRM Chapter to conduct mock interviews with incarcerated individuals.
 - Chapter members volunteer to participate.
 - Volunteers conduct practice interviews with returning citizens the week before release.



National Disability Employment Awareness Month

- Visit with the South Carolina Vocational Rehabilitation Department to the Marwin Company.
- Dual video to promote the training programs and integration in the workforce.



Be Pro Be Proud

- Public-private partnership with the Associated Industries of South Carolina Foundation, which includes the SC Chamber of Commerce, the SC Trucking Association, the Home Builders Association of South Carolina, the Forestry Association of South Carolina, and Carolinas AGC.
- Takes a unique approach to removing the stigma from “blue-collar” jobs by educating students and the public on the appeal and the importance of these jobs for our economy.
- Aims to attract talent to fields like transportation & logistics, utilities, construction, and diesel technology.
- Gives “hands-on” experience through simulators and Virtual Reality experiences to introduce students to skilled-labor careers via a mobile workshop that travels throughout the state.





Workforce Development Month

- **September 16:** Workforce Champion Award presented to Michelin North America, Inc., at the Governor's Mansion.
- **September 17:** Workforce Symposium, hosted by South Carolina Chamber of Commerce and sponsored by DEW, at the Columbia Convention Center.
 - Lt. Governor Pamela Evette presented Governor's Proclamation of September 2025 as Workforce Development Month.



VISION



Looking Ahead/Vision for Future

Vision for DEW's next five years:

- Launch the Find Your Future Central Portal for Education and Workforce Development, containing helpful resources that help connect students and jobseekers with relevant training and impactful careers
- Successfully transition to the next generation of SC Works Online Services (SCWOS) platform to better connect workforce partners and enhance case management
- Utilize new and emerging technology to more efficiently serve employers and unemployment insurance claimants
- Continue refining South Carolina's supply gap analysis, illuminating strategic education and workforce development opportunities to better deliver a trained and ready workforce matching the needs of current and future employers



SOUTH CAROLINA DEPARTMENT OF
Employment and Workforce

THANK YOU

An equal opportunity employer/program. Auxiliary aids and services are available upon request to individuals with disabilities.

For program funding details in compliance with the Stevens Amendment, please visit www.dew.sc.gov/funding.

Unemployment Insurance

Paul Famolari, Assistant Executive
Director for Unemployment Insurance



SOUTH CAROLINA DEPARTMENT OF
Employment and Workforce



Benefits 2024 Performance

South Carolina's Unemployment Insurance program is one of the top performing programs in the country.

Metric	U.S. DOL Goal	South Carolina Performance	Regional Rank	National Rank
New Employer Determination Timeliness	70%	94.5%	1	4
First Payment Timeliness	87%	91.8%	1	6
Determination Timeliness	80%	95.9%	1	3
Job Separation Determination Quality	75%	87.3%	1	11
Lower Authority Appeals Case Aging	30 days	17 days	2	10
Lower Authority Appeals Time Lapse	80%	94.4%	1	4
Lower Authority Appeals Quality	75%	100%	1	1
Higher Authority Appeals Case Aging	45 days	22 days	5	20
Effective Audit Measure	Pass	Pass	1 of 3 to pass	1 of 16 to pass
Improper Payment Rate	<10%	7.29%	1	12
Fraud Rate	n/a	0.36%	1	5
Overpayment Detection Rate	b/t 50% and 95%	73.81%	1	5
Overpayment Recovery Rate	68%	198.25%	2	4
RESEA Reemployment Rate	n/a	75%	3	12

Overview: History & Legislative Purpose

Federal-State partnership established in 1935 by the Social Security Act in response to widespread job loss during the Great Depression.

- Provides temporary direct payments to eligible workers who are involuntarily **unemployed through no fault of their own**. These partial wage replacement payments provide a bridge to reemployment by allowing eligible individuals to continue to pay for the necessities of life while they look for new work.
- Federal law requires states to have certain broad requirements in place. States then administer their own unemployment insurance (UI) programs with unique requirements and eligibility criteria.
- 53 individual UI programs (50 states, District of Columbia, Puerto Rico, Virgin Islands).
- Oversight and guidance is provided by the United States Department of Labor (USDOL).

Overview: History & Legislative Purpose

The public policy behind the UI program:

“Economic insecurity due to unemployment is a serious menace to health, morals and welfare of the people of this State; involuntary unemployment is therefore a subject of general interest and concern which requires appropriate action by the General Assembly to prevent its spread and to lighten its burden which so often falls with crushing force upon the unemployed worker and his family; the achievement of social security requires protection against this greatest hazard of our economic life; this can be provided by encouraging the employers to provide more stable employment and by the systematic accumulation of funds during periods of employment to provide benefits for periods of unemployment, thus maintaining purchasing power and limiting the serious social consequences of poor relief assistance. The General Assembly therefore declares that in its considered judgment the public good and the general welfare of the citizens of this State require the enactment of this measure, under the police powers of the State, for the compulsory setting aside of unemployment reserves to be used for the benefit of persons unemployed through no fault of their own.” S.C. Code § 41-27-20.

Overview: Basic Process

Employers pay taxes on wages into the UI Trust Fund.



Individual is separated from employment and files a claim for UI benefits.



DEW investigates and issues a decision on eligibility.

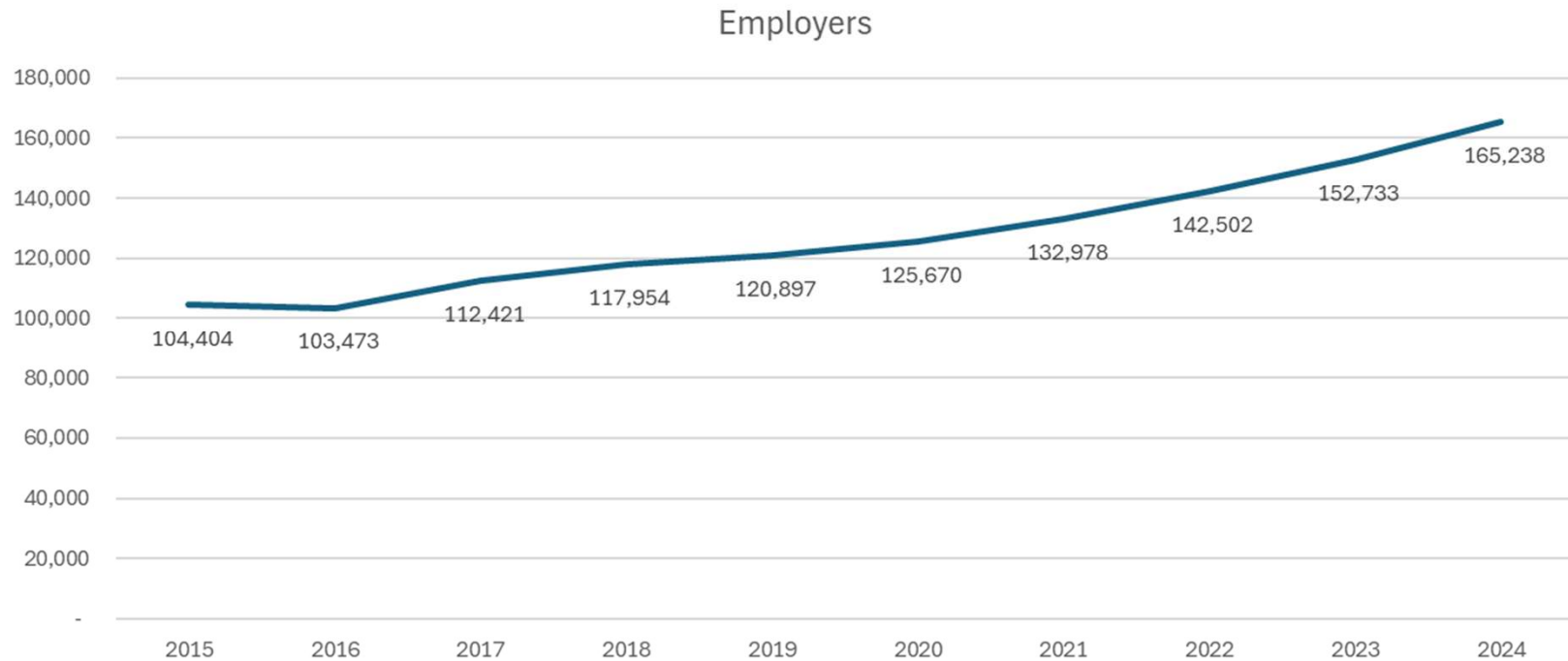


Individual receives temporary weekly UI benefits from the UI Trust Fund if eligible.

Overview: Statewide Scope

Employers

Over 165,000 active employer accounts required to submit wage reports every quarter in 2024—a 60% increase from 2015.

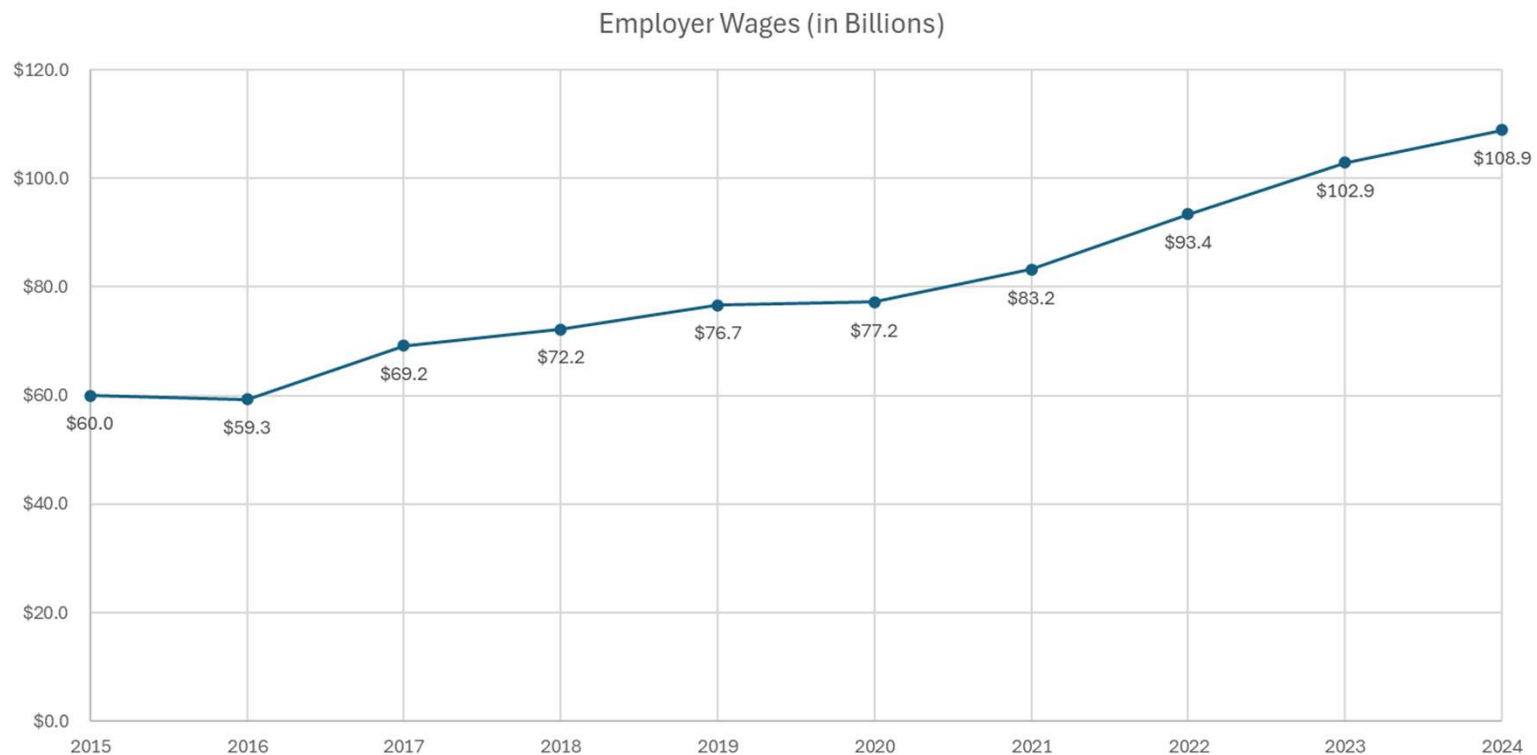


*Source: USDOL ETA 204

Overview: Statewide Scope

Employers

Over **\$108 billion** in total wages reported; over \$30 billion is taxable.



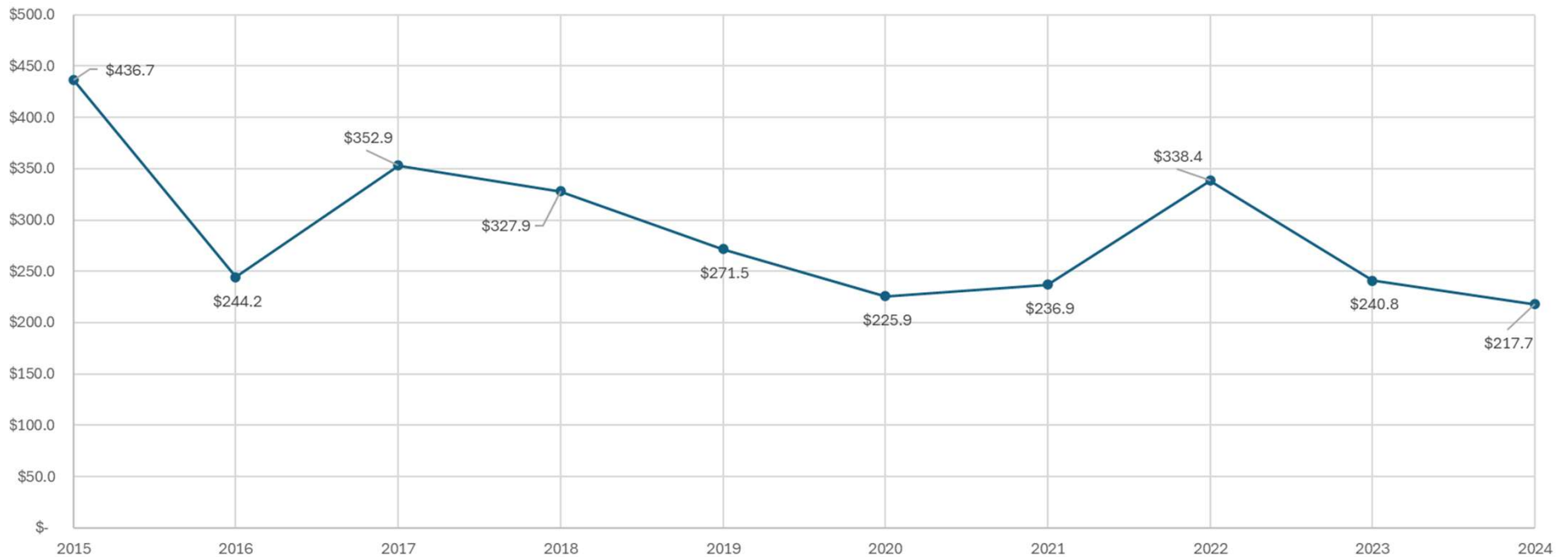
*Source: USDOL ETA 204

Overview: Statewide Scope

Employers

Over **\$217 million** in taxes collected into the UI Trust Fund in 2024.

UI Taxes Collected (in Millions)



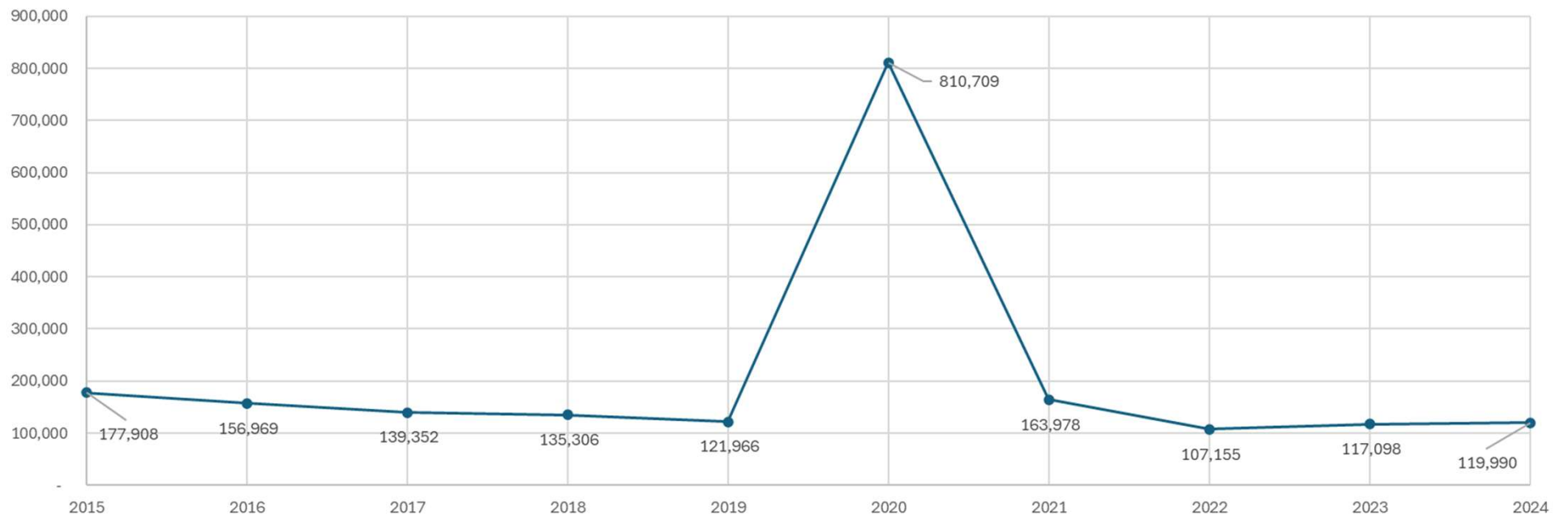
*Source: USDOL ETA 2112

Overview: Statewide Scope

Individuals

Nearly **120,000** initial applications for UI benefits in 2024.

Initial Claims



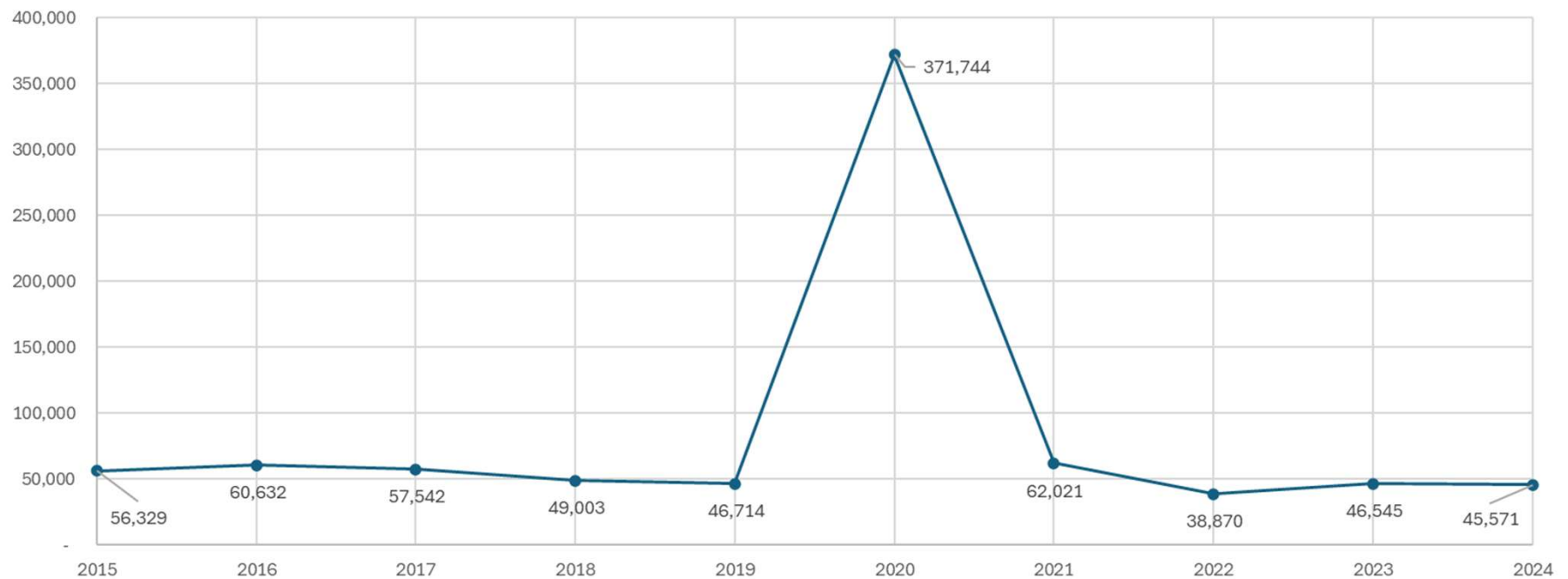
*Source: USDOL ETA 5159

Overview: Statewide Scope

Individuals

Over **45,000** individuals received at least one week of UI benefits in 2024.

Claimants Receiving at Least One Week of UI Benefits

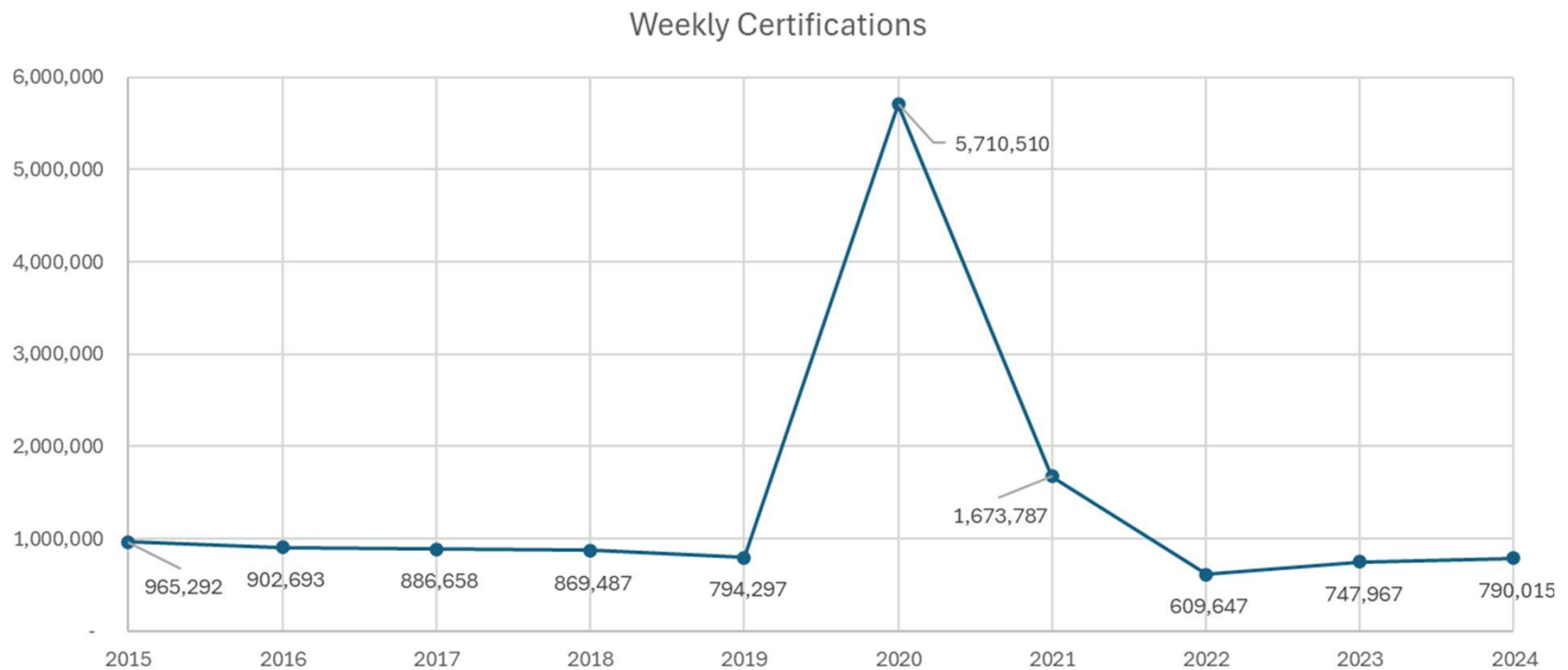


*Source: USDOL ETA 5159

Overview: Statewide Scope

Individuals

Nearly **800,000** weeks of UI benefits applied for in 2024.

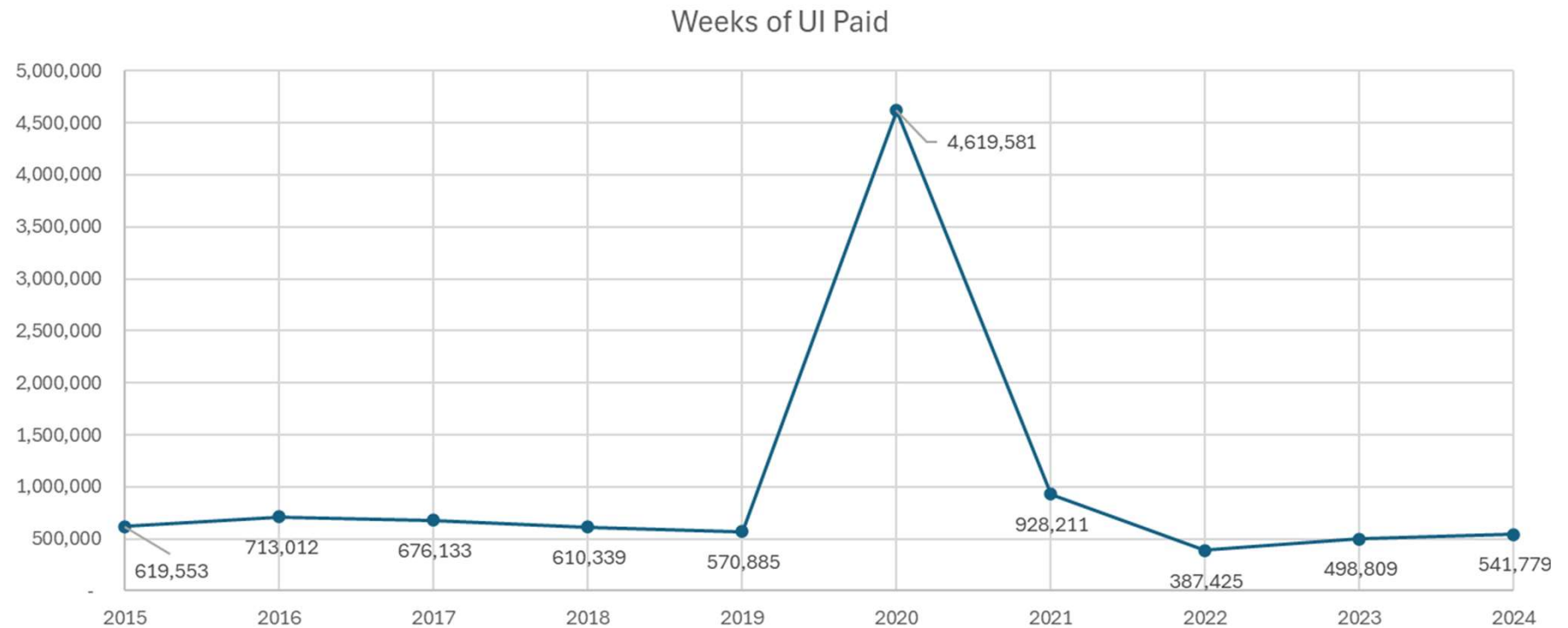


*Source: USDOL ETA 5159

Overview: Statewide Scope

Individuals

Over **540,000** weeks of UI benefits paid in 2024.



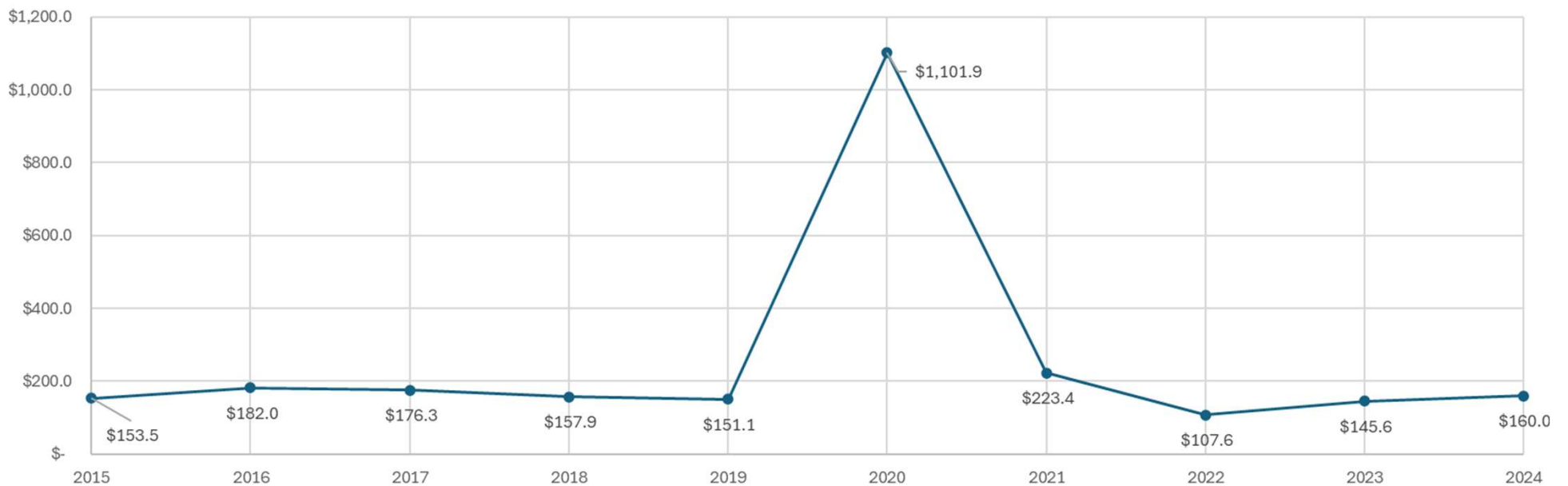
*Source: USDOL ETA 5159

Overview: Statewide Scope

Individuals

Over **\$160 million** in UI benefits paid in 2024.

UI Benefits Paid (in Millions)



*Source: USDOL ETA 5159

Overview: Administrative Funding

Administrative funding to states is provided by the federal government through the Federal Unemployment Tax Act (FUTA).

- Uniform across the country
- The Secretary of Labor must certify that a state's UI laws are compliant with federal law.
- The key provisions a state law must have to be compliant include:
 - Having methods of administration "reasonably calculated to insure full payment of unemployment compensation when due."
 - Issuing payments solely through public employment offices.
 - Providing an opportunity for a fair hearing for all individuals denied benefits.
 - Requiring that an individual must be able to work, available to work, and actively seeking work to receive benefits.

Overview: Administrative Funding

Administrative funding to states is provided by the federal government through the Federal Unemployment Tax Act (FUTA).

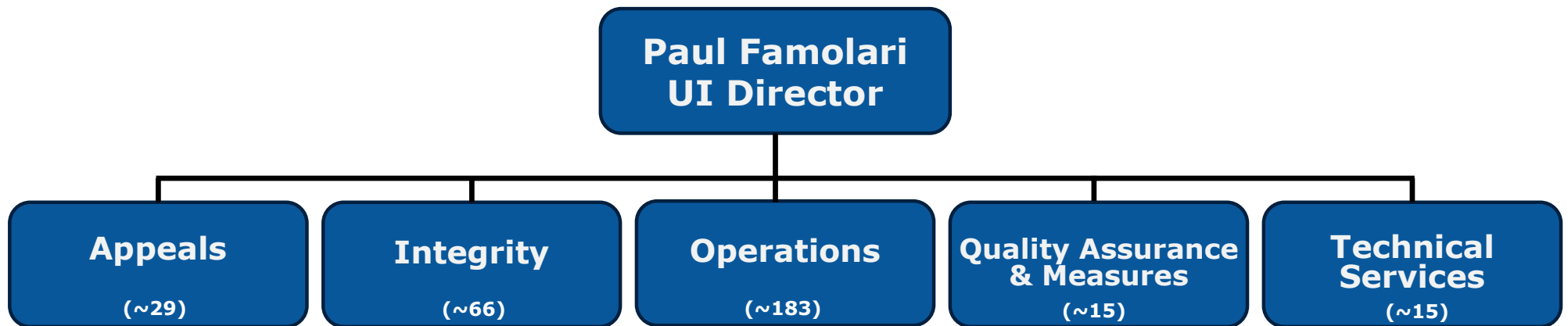
- The Secretary of Labor also certifies each year that a state's laws comply with FUTA.
- Employers pay a federal tax of 6.0% of the first \$7,000 of each covered employee's wages.
 - Employers in states with an UI system that meets the broad federal requirements receive a 5.4% FUTA tax credit that reduces the actual FUTA tax to 0.6%.
 - In 2024, South Carolina employers paid ~\$107.3 million in FUTA taxes. Without the FUTA tax credit, these employers would have paid ~\$1.073 **billion**.
- FUTA taxes pay for state UI administration, as well as federal oversight and other programs, such as Employment Services, Veterans Employment and Training Services, and the federal share of special UI benefits paid during periods of high unemployment.

Overview: Administrative Funding

FY 2025 funding

- \$28,830,171 from federal government (30% reduction from FY 2010 funding, adjusted for inflation)
- Funding from legislature
 - ~\$811,000 for the Appellate Panel
 - \$1,005,991 in recurring funds to cover the FY24 5% general salary increase (5%) for state employees

Overview: Organizational Chart





Unemployment Insurance Taxes

UI Taxes: Overview

Over 165,000 employers in 2024:

- **Employer definition:** (1) an entity that in any quarter paid more than \$1,500 in wages; or (2) an entity which employed at least one person in at least twenty different weeks during a year. S.C. Code § 41-27-210(2).
 - Most employers meeting that definition must have an account with DEW.
- **Exceptions:** Sole proprietorships, family businesses, agricultural, domestic labor, nonprofits.

Two kinds of employers:

- **Reimbursable employers:** State and local governmental entities (required) and 501(c)(3) non-profits (by election). These employers reimburse the state dollar for dollar on any UI benefits paid to their former employees from the UI Trust Fund.
- **Contributory employers:** Most employers in South Carolina. These employers are assigned an annual tax rate to pay UI taxes every quarter.

UI Taxes: Overview

Reimbursable employers:

- In 2024, South Carolina had approximately 1,300 reimbursable employers.
- Required to file a quarterly report containing a list of their employees and their total wages for the quarter.
- They are billed dollar for dollar the amount of UI benefits paid to a former employee, even if that former employee was disqualified from receiving benefits for any period of time because they were at fault in their job separation.
- They must elect to be billed every quarter for any benefits paid to a former employee, or they can pay a quarterly contribution of 2% of their taxable wages.

UI Taxes: Overview

Contributory employers:

- In 2024, South Carolina had approximately 165,000 contributory employers.
- Contributory employers are required to file a quarterly wage report containing a list of their employees and their total wages for the quarter.
- Contributory employers are taxed yearly on the first \$14,000 in gross wages they pay each employee.
- If an employee is unemployed through no fault of their own, the contributory employer is charged for the UI benefits paid to the former employee. This will impact the employer's UI tax rate in subsequent years.

UI Taxes: Tax Rate Calculation

How taxes are calculated:

- DEW is required to set taxes to raise enough revenue to cover the amount of UI benefits expected to be paid during the year. [S.C. Code § 41-31-50(1)(b)]
- Every fall, DEW looks at each employer's experience over the three-year period ending June 30 of the current year. [S.C. Code § 41-31-5(1)(b)]
- The benefits charged against an employer's account are divided by the taxable wages reported during that three-year look back period. This results in a "benefit ratio." [S.C. Code § 41-31-5(1)(b)]
- Each employer's benefit ratio is ranked from lowest to highest. [S.C. Code § 41-31-50(1)(a)(ii)]
- There are twenty tax classes. Every employer with no benefit charges during the three-year look back period is placed in Tax Class 1. The remaining employers are split into roughly equal classes that each contain approximately 5% of the state's total taxable wages. [S.C. Code § 41-31-50]
- DEW then assigns tax rates to each tax class according to the statutory requirements of S.C. Code § 41-31-50.

UI Taxes: Tax Rate Calculation

Special considerations:

- Tax Class 1 does not pay any UI taxes.
- Tax Class 20 pays at least 5.4%.
- Employers must complete twelve months of liability to qualify for a calculated tax rate during the next annual rate calculation. If an employer is not eligible for a calculated rate, then they are assigned the tax rate for Tax Class 12 or 1%, whichever is higher.
- Every employer, including Tax Class 1, pays a 0.06% contingency tax.

UI Taxes: Tax Rate Calculation

- Employers must pay an additional solvency surcharge whenever the UI Trust Fund does not have the minimum amount required by statute. [S.C. Code § 41-31-55]
- Employer UI taxes are deposited in the state's Unemployment Insurance Trust Fund maintained at the federal Treasury Department.
- The UI Trust fund earns interest.
- Money in the UI Trust Fund can be only be used to pay UI benefits or issue refunds to employers of taxes erroneously paid.

UI Taxes: Trust Fund Solvency

- South Carolina has adopted the most widely accepted measure of Trust Fund solvency known as the Average High Cost Multiple (AHCM). [S.C. Code § 41-31-45(A)]
- The goal is to have enough money in the UI Trust Fund to pay the full amount of benefits in an average recessionary year without any new tax revenue.
 - Identify the three highest UI benefit years over the last twenty years. Divide each year's benefit payments by the total wages paid during that year. That is the "benefit cost rate" for that year. Average the three benefit costs rates together and multiply by the total wages paid during the most recently completed calendar year. The resulting amount is the amount needed in the trust fund to be solvent.
 - When DEW set taxes last year for CY2025:

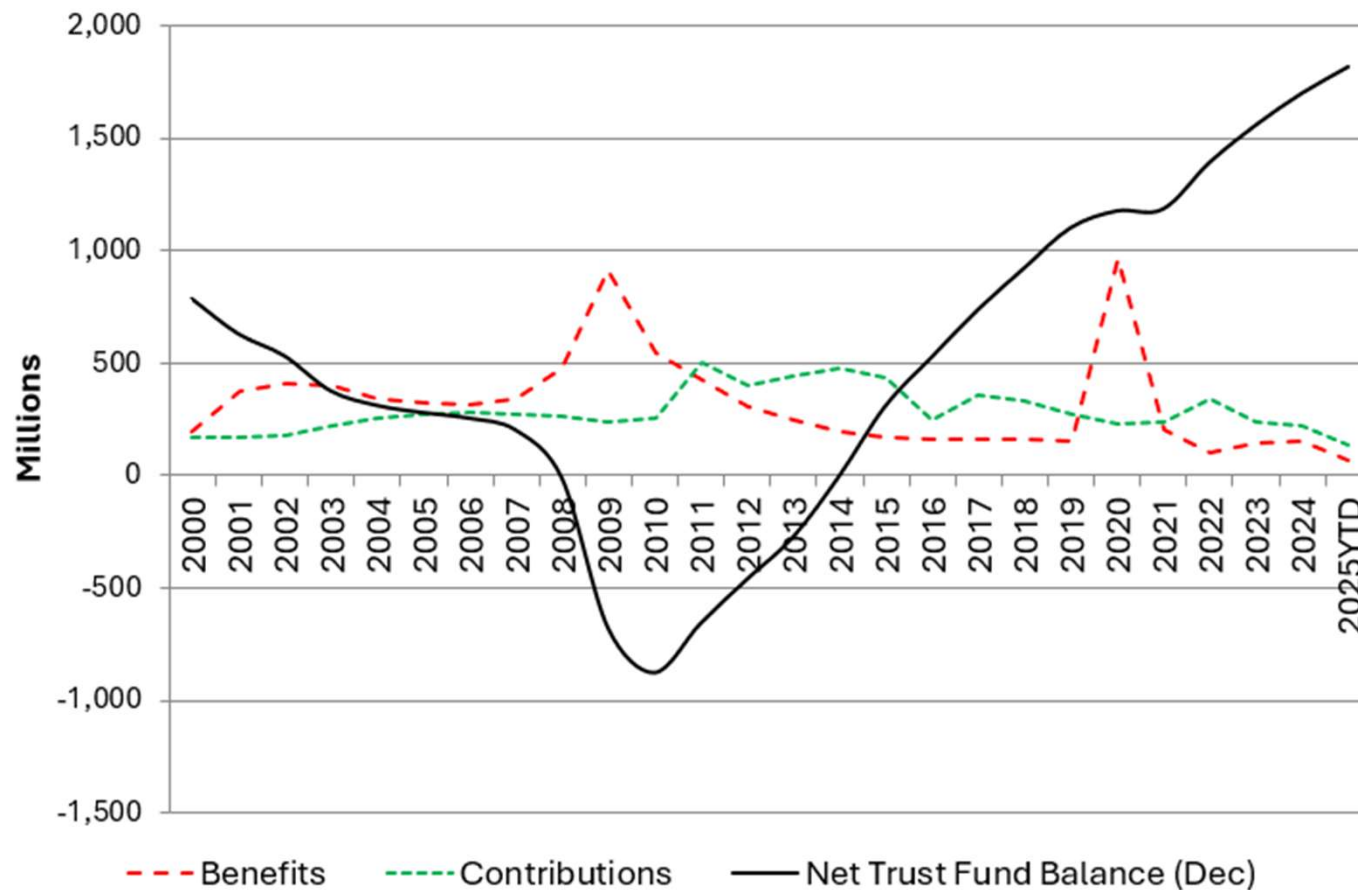
1.38%	x	\$105.5 billion	=	\$1.455 billion
average benefit cost rate for three highest benefit years (2009, 2010, 2020) within the last twenty		total wages paid during the most recently completed calendar year (CY2023)		minimum trust fund balance
- The trust fund balance as of January 1, 2025, was \$1.715 billion. South Carolina was one of only 18 states with a fully solvent trust fund. Balance as of August 1, 2025, was \$1.8 billion.

UI Taxes: Trust Fund Solvency

The UI Trust Fund solvency target will grow each year as South Carolina employers pay more and more in total wages:

CALENDAR YEAR	HIGH COST YEARS	AVERAGE HIGH COST RATE	TOTAL WAGES 2 YEARS PRIOR (BILLIONS \$)	TARGET BALANCE (AHCM=1.0) (MILLIONS \$)
2015	1991, 2009, 2010	1.30	\$57.0	\$741.0
2016	1991, 2009, 2010	1.30	\$60.3	\$783.9
2017	1991, 2009, 2010	1.30	\$64.0	\$832.0
2018	1991, 2009, 2010	1.30	\$67.2	\$873.6
2019	1991, 2009, 2010	1.30	\$71.1	\$924.3
2020	1991, 2009, 2010	1.30	\$75.1	\$965.9
2021	2009, 2010, 2020	1.38	\$77.2	\$1,083.3
2022	2009, 2010, 2020	1.38	\$79.6	\$1,098.5
2023	2009, 2010, 2020	1.38	\$88.2	\$1,217.2
2024	2009, 2010, 2020	1.38	\$97.6	\$1,346.9
2025	2009, 2010, 2020	1.38	\$105.5	\$1,455.9
2026	2009, 2010, 2020	1.38	\$109.7	\$1,513.9
2027	2009, 2010, 2020	1.38	\$114.1	\$1,574.6

UI Taxes: Historical Trust Fund Activity



UI Taxes: Quarterly Wage Reports

Every employer must submit wage reports and pay UI taxes to DEW by the end of the month following the end of a calendar quarter.

Calendar Quarter	Due Date
First Quarter	April 30
Second Quarter	July 31
Third Quarter	October 31
Fourth Quarter	January 31

UI Taxes: Quarterly Wage Reports

Each report must include the following information:

[S.C. Code § 41-31-160]

- each employee's **name**;
- each employee's **Social Security Number**;
- the **total gross wages** paid to each employee;
- the **# of hours worked** by each employee; and
- the **Standard Occupational Classification (SOC) Code** that best describes the kind of work performed by the employee.

Employers pay UI taxes on the first \$14,000 paid to each employee. [S.C. Code § 41-27-380(B)]

UI Taxes: Delinquent Wage Reports

- DEW provides written notification giving the employer **15 days** to submit the report. [S.C. Code § 41-31-340]
- If the employer does not submit the report within fifteen days, DEW must estimate wages based on the best information available and then tax those estimated wages at **double the tax rate** that would have otherwise applied. [S.C. Code § 41-31-340]
- DEW must also assess a **10%** delinquent report penalty (min: **\$25** /max: **\$1,000**). [S.C. Code § 41-31-350]
- Interest accrues at **1%** per month. [S.C. Code § 41-31-370]
- DEW must assign employers to the highest Tax Class 20 rate if they have not submitted a required wage report when taxes are set. [S.C. Code § 41-31-60(A)]

UI Taxes: Delinquent Taxes

- DEW provides written notification giving the employer ten days to submit the report. [S.C. Code § 41-31-320]
- DEW must assess a penalty of 10% of the contributions due if the underpayment was due to negligence. [S.C. Code § 41-31-330(2)(B)]
- Interest accrues at 1% per month. [S.C. Code § 41-31-370]
- DEW provides a final written notice giving the employer an additional fifteen days to submit the payment. [S.C. Code § 41-31-390(A)]
- DEW must file a lien if the employer does not pay the amount. [S.C. Code § 41-31-390]
- Employers must pay future quarter taxes at the highest Tax Class 20 rate until the lien amount is paid in full. [S.C. Code § 41-31-60(B)]

UI Taxes: Employee Classification

- **Employers pay taxes on employees, not independent contractors.**
- South Carolina adheres to the traditional common law right to control test to distinguish between employees and independent contractors. [S.C. Code Regs. § 47-8]
- **Legislature has carved out statutory exemptions:** seafood industry, family business, elected officials; religious employment; student work-study; prison labor; commission insurance agents and real estate agents, etc. [S.C. Code § 41-27-260]
- DEW randomly audits employers to ensure they properly classify employees and pay required taxes. DEW also investigates classification disputes revealed by a worker filing a UI claim.

UI Taxes: Acquisitions

- Employers are required to notify DEW whenever they either purchase an existing business or sell their business. [S.C. Code § 41-31-100; S.C. Code Regs. § 47-17]
- An entity that acquires substantially all (95% or more) of an existing business and continues that business inherits the entire benefit experience of the predecessor business. [S.C. Code § 41-31-100-110]
- An entity that acquires a distinct and severable portion of an existing business and continues that business inherits the benefit experience of the predecessor business attributable to the portion acquired. [S.C. Code § 41-31-120]
- If an acquisition occurs and there is commonality of control between the predecessor and the successor, then the successor is assigned whichever tax rate is highest between the successor and predecessor.

UI Taxes: Service Delivery

- Every employer with ten or more employees must submit wage reports electronically.
[S.C. Code § 41-31-160]
- DEW modernized its employer tax computer system in March 2018. The State Unemployment Insurance Tax System (SUITS) provides an online self-service portal that every employer in the state, and their agents, can access at any time:
 - Review account status
 - Update contact information
 - File wage reports electronically
 - Make payments
 - Request information

UI Taxes: Service Delivery

Employer ID: [REDACTED]
Employer Name: [REDACTED]
Business Entity Type: LLC (taxed as a corporation)

Alerts & Messages

You have 104 unread messages
 You have 0 Action Items
 You have 2 Alerts

Your Options

- My Account
- Action Items
- Wage Submission
- Wage Summary
- Payments
- Account Maintenance
- Benefit Charges Summary
- Documents
- Tax Rate
- IRS 940 Certification

Employer Information

Employer Account ID: [REDACTED]	Business Name: [REDACTED]
Effective Tax Rate: 5.460%	FEIN: [REDACTED]
DBA Name: [REDACTED]	Employment Type: General
Account Status: Active	Reporting Type: Contributory
Liability Date: [REDACTED]	

Unread Messages

- 04/17/2024
[Payment Posted](#)
- 04/17/2024
[Employer Wage Details](#)
- 03/07/2024
[Active Lien](#)
- 01/25/2024
[Payment Posted](#)

[VIEW MORE](#)

Wages Filing and Payment

Year	Filing	UI Payment
Q1-2024	✓	✗
Q4-2023	✓	✗
Q3-2023	✓	✗
Q2-2023	✓	✗
Q1-2023	✓	✓

Estimated No Action Past Due
 Not Liable Due Approaching

[FILE WAGES](#)

Total Unpaid UI Taxes and Amount Due

UI/Charge Taxes: \$24,507.19	Interest: \$7,629.94
Penalty: \$2,548.04	Total Due: \$34,685.17

Your most recent payment was received on: 04/17/2024 for \$6,688.72

[MAKE PAYMENT](#)

Quick Actions

- [Change Address/Phone](#)
- [Change Communication Preference](#)
- [Agent Assignment](#)
- [Request Account Information](#)

Benefit Charges

Year	Benefit Charges
2023 Q3	~3500
2023 Q4	~500

UI Taxes: Staffing

Employer Tax Services Division

- Staffing

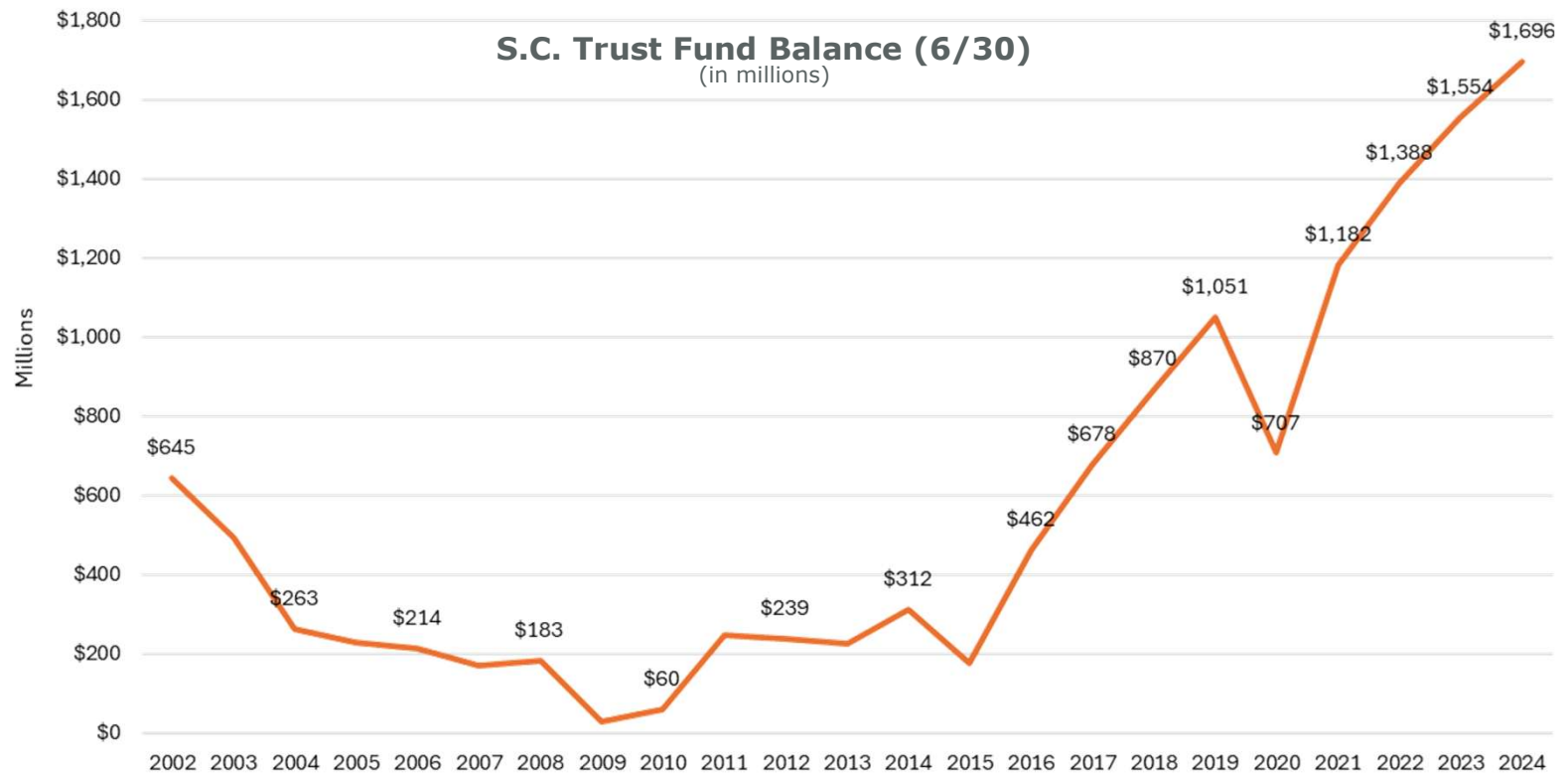
- One manager, one assistant manager, and twenty staff

- Responsibilities

- Employer registration
- Status determinations
- Account maintenance
- Rate protests
- Customer service
- Wage reports

UI Taxes: Successes

South Carolina's Unemployment Insurance Trust Fund is fully solvent.



UI Taxes: Successes

Substantial tax cuts for South Carolina employers thanks to effective stewardship of the UI Trust Fund.



UI Taxes: Successes

Tax Class	2025		2014		2011	
	Total Effective Rate	Max per Employee	Total Effective Rate	Max per Employee	Total Effective Rate	Max per Employee
1	0.060%	\$8.40	0.089%	\$12.46	0.103%	\$10.30
2	0.161%	\$22.54	0.732%	\$102.48	0.818%	\$81.80
3	0.172%	\$24.08	0.806%	\$112.84	0.903%	\$90.30
4	0.185%	\$25.90	0.890%	\$124.60	0.999%	\$99.90
5	0.199%	\$27.86	0.985%	\$137.90	1.106%	\$110.60
6	0.214%	\$29.96	1.090%	\$152.60	1.223%	\$122.30
7	0.231%	\$32.34	1.206%	\$168.84	1.351%	\$135.10
8	0.250%	\$35.00	1.332%	\$186.48	1.490%	\$149.00
9	0.271%	\$37.94	1.469%	\$205.66	1.650%	\$165.00
10	0.295%	\$41.30	1.627%	\$227.78	1.831%	\$183.10
11	0.321%	\$44.94	1.806%	\$252.84	2.023%	\$202.30
12	0.350%	\$49.00	1.996%	\$279.44	2.237%	\$223.70
13	0.408%	\$57.12	3.764%	\$526.96	4.233%	\$423.30
14	0.941%	\$131.74	4.174%	\$584.36	4.702%	\$470.20
15	1.039%	\$145.46	4.627%	\$647.78	5.214%	\$521.40
16	1.147%	\$160.58	5.142%	\$719.88	5.790%	\$579.00
17	1.268%	\$177.52	5.700%	\$798.00	6.420%	\$642.00
18	1.402%	\$196.28	6.331%	\$886.34	7.125%	\$712.50
19	1.551%	\$217.14	7.026%	\$983.64	7.914%	\$791.40
20	5.460%	\$764.40	7.805%	\$1,092.70	8.789%	\$878.90

Note: In 2011, only the first \$10K in wages was taxed (now \$14K).

UI Taxes: Successes

Efficiency Gains from Electronic Self-Service

- Modernized the tax system in 2018, providing robust self-service resources for employers to complete business and interact with DEW electronically.
- Every quarter, approximately 90-95% of wage reports are submitted electronically.
- Every quarter, between 90-95% of contributions are made electronically versus paper check.

UI Taxes: Opportunities

Tax Class 1:

- Pays no taxes into the UI Trust Fund.
- 15.8% of taxable wages were in Tax Class 1 in 2014. 29.7% of taxable wages are in Tax Class 1 in 2025.
- **Opportunity for statutory review to consider gradually expanding the lookback period from three to five years so that less taxable wages are in the lowest Tax Class 1 every year.**
 - Bring percentage of taxable wages in Tax Class 1 down to 2014 levels.
 - Reduce adverse impact of a single UI claim on small businesses.

UI Taxes: Opportunities

Penalty Structure

DEW does not have discretion. State law requires DEW to file a lien on unpaid UI taxes, and employers are required to pay at the highest Tax Class 20 rate until the lien is paid in full.

- S.C. Code § 41-31-10 – Every employer must pay Tax Class 20 unless they do everything required by the Code.
- S.C. Code § 41-31-310 – UI taxes are due by the end of the month following the end of a calendar quarter.
- S.C. Code § 41-31-390(A) – DEW **shall** notify employers of underpayments and DEW **shall** file liens if the underpayment is not paid within 10 days.
- S.C. Code § 41-31-60(B) – Employer with an active lien at the end of a quarter must pay at the Tax Class 20 rate for that quarter.

UI Taxes: Opportunities

Due to historically low UI tax rates, the statutory penalty scheme can create substantial debt spirals for employers.

- An employer paid their 1Q25 taxes at 2024's rate instead of this year's rate:

Quarter	Taxable Wages	Due at 0.161% (Tax Class 2)	Paid at 0.060% (Tax Class 1)	Total Due
1Q25	\$500,000	\$805	\$300	\$505

- Employer does not pay and DEW files a lien, which the employer does not pay.
Here's what happens in 2Q25:

Quarter	Taxable Wages	Due at 0.161% (Tax Class 2)	Due at 5.460% (Tax Class 20)	Difference
2Q25	\$500,000	\$805	\$27,300	\$26,495

UI Taxes: Opportunities

Lien and Missing Report Tax Class 20 Penalty

- The increase from the Tax Class 19 rate to the Tax Class 20 rate in 2011 was approximately 10%. In 2025, the increase from the Tax Class 19 rate to the Tax Class 20 rate is 250%.
- Employers assigned to Tax Class 20 during the annual rate calculation due to their benefit experience suffer no consequence, other than interest and penalties, if they do not comply with the law.
- Opportunity to change the penalty provisions so that delinquent employers with an active lien are required to pay their quarterly UI taxes at their calculated rate plus 2 percentage points until all liens are paid.

UI Taxes: Opportunities

Further Promotion of Electronic Service

- DEW currently spends over \$1,000,000 per year mailing required notices to individuals and businesses via the United States Postal Service.
- **DEW recommends a statutory change or a proviso authorizing DEW to send required notices via electronic means if the recipient opts in to electronic delivery.**