South Carolina
House of Representatives
Government Efficiency &
Legislative Oversight Committee

Study of the **South Carolina Department of Employment and Workforce**

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South Carolina House of Representatives
GOVERNMENT EFFICIENCY &
LEGISLATIVE OVERSIGHT COMMITTEE

AUTHORITY

The Legislative Oversight Committee, created in December 2014, is a vehicle for oversight used by the House of Representatives. The Committee's specific task is to conduct legislative oversight studies and investigations of state agencies at least once every seven years. The Committee has the authority to conduct studies at any time of state agencies within the Committee's jurisdiction, even outside of the seven-year cycle.

MISSION

Determine if agency laws and programs are being implemented and carried out in accordance with the intent of the General Assembly and whether they should be continued, curtailed, or eliminated. Inform the public about state agencies.

VISION

For South Carolina agencies to become, and continuously remain, the most effective state agencies in the country through processes which eliminate waste and efficiently deploy resources thereby creating greater confidence in state government.

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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

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

FINDINGS

During the study of the South Carolina Department of Employment and Workforce, the Economic Development, Transportation, and Natural Resources Subcommittee (Subcommittee) of the House Government Efficiency and Legislative Oversight Committee (Committee) adopts **39** findings.

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

MISSION AND PURPOSE

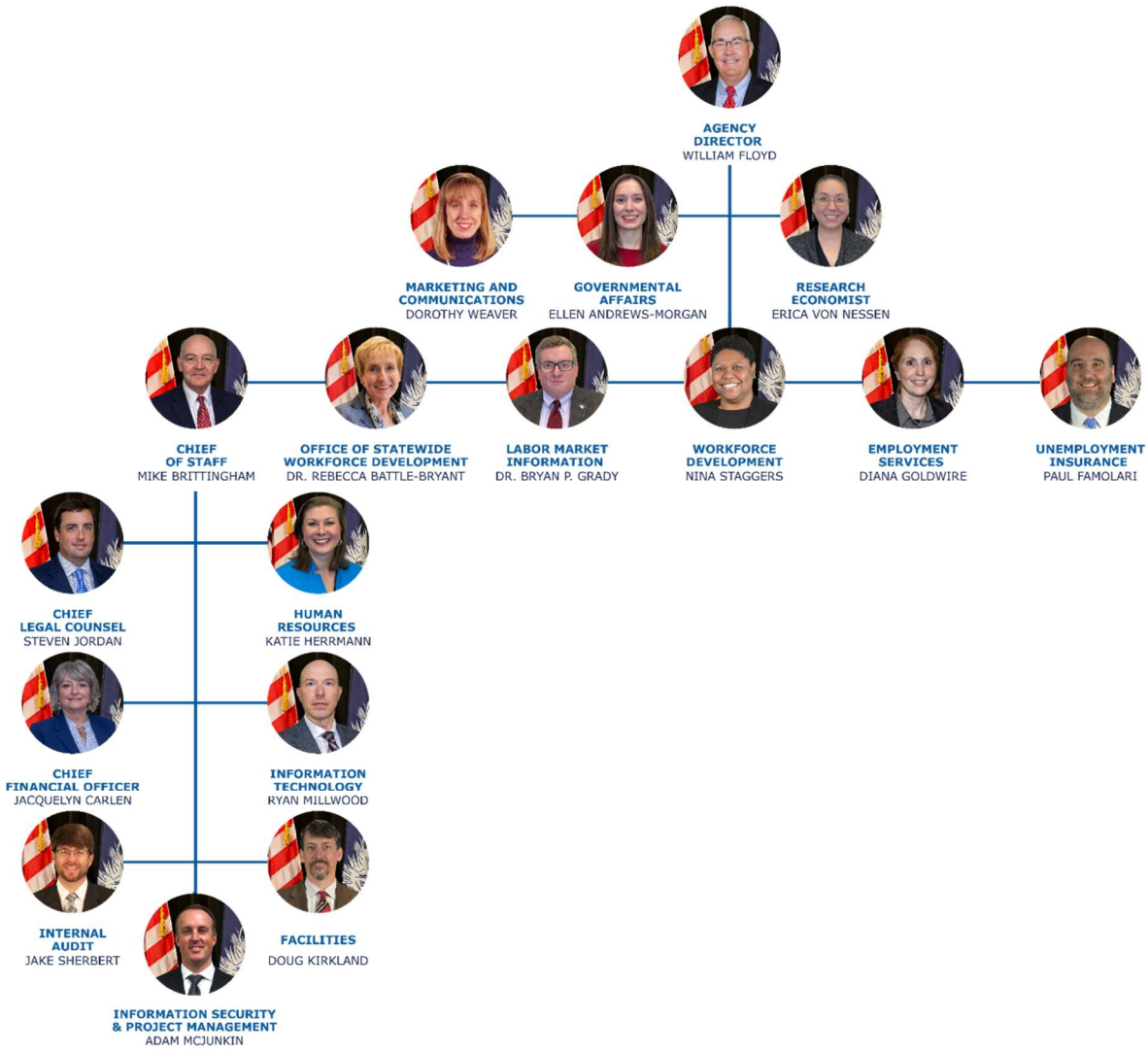
FINDING 1

The South Carolina Department of Employment and Workforce (SCDEW) is a cabinet-level agency whose structure and mission have changed through successive legislative reorganizations over nearly 90 years to reflect the evolving needs of South Carolina's workforce and economy.

From its beginnings, SCDEW has "always been a federal-state collaboration."[1] The federal foundations of South Carolina's public employment and unemployment insurance systems were established during the Great Depression.[2] The Wagner-Peyser Act of 1933[3] created a federal-state cooperative system of free public employment services, with the primary mission of connecting "employers with job seekers and job seekers with jobs."[4] Two years later, on August 14, 1935, Congress passed the Social Security Act,[5] which established the framework for a cooperative federal-state unemployment compensation system designed to provide economic security through joint federal and state action while preserving consideration of local conditions.[6]

As a result of the Social Security Act, "each state was . . . required by the federal government to initiate its own state level agency to administer" the Act.[7] South Carolina addressed the matter promptly. In 1936, the General Assembly passed its unemployment compensation law

DEW Senior Leadership



and simultaneously established the South Carolina Unemployment Compensation Commission.[8] The Commission was a body governed by three commissioners appointed by the legislature and organized into two coordinate divisions, the South Carolina State Employment Service division and the Unemployment Compensation division.[9] Each division was administered by a full-time salaried director subject to the supervision and direction of the commission.[10] In 1946, reflecting SCDEW's expanded mission following the return of public employment offices to state control and the establishment of the Readjustment Allowance Program for veterans under the GI Bill of Rights, the legislature renamed the agency the South Carolina Employment Security Commission.[11]

SCDEW's modern structure took shape through Act No. 146 of 2010, which reorganized the Employment Security Commission into the Department of Employment and Workforce following the Great Recession.[12] Rather than three commissioners appointed by the legislature as a governing body, the new agency became a cabinet agency with an executive director appointed by the governor from candidates vetted by a nine member SCDEW Review Committee and confirmed by the Senate.[13] The appeals function previously performed by the commissioners was transferred to a legislatively elected appellate panel.[14] SCDEW's current executive director, William H. Floyd, III, who also serves as the chairman of the Coordinating Council for Workforce Development (CCWD), describes the 2010 reorganization as a needed transition from a structure that had served the agency well for decades to one better suited to a modern, customer focused workforce agency. According to Director Floyd, prior to the 2010 reorganization, the agency was "not as efficient as it needed to be and there was not as much oversight" because the agency's three commissioners appointed the executive director.[15] But now that the agency is a cabinet agency with gubernatorial oversight, DEW has become "more customer-centric" and "there's more oversight and transparency."[16]

The most recent significant reorganization occurred in 2023, when the General Assembly enacted the Statewide Education and Workforce Development Act (Act 67).[17] The Act transferred the South Carolina Department of Commerce's workforce development responsibilities to SCDEW, including the CCWD and the Regional Workforce Advisors program, and significantly broadened SCDEW's workforce development authorities and responsibilities.[18] As noted by House Speaker Murrell Smith at the time of the Act's filing, "The legislation . . . streamline[s] 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."[19] Rather than create an entirely new state agency to administer the CCWD, the General Assembly chose to house those duties within SCDEW, "leveraging assets at the workforce agency" already in place.[20] As a result, SCDEW's Office of Statewide Workforce Development became the agency's newly created fifth division, joining Unemployment Insurance, Employment Services, Labor Market Information, and the Workforce Development Division. Director Floyd describes his role as effectively "wearing two proverbial hats," serving simultaneously as SCDEW's executive director and, separately, as chairman of the CCWD.[21]

FINDING 2

The South Carolina unemployment insurance program is designed to provide temporary, partial wage replacement to workers who lose their jobs through no fault of their own. Its governing statutory purpose, enacted in 1936, remains codified in state law today.

The unemployment insurance (UI) program operates as a partnership between the federal government and each of the 53 participating jurisdictions[22] with the federal government establishing broad minimum requirements and each state designing and administering its own UI program within those guidelines.[23] Oversight of the programs is provided by the United States Department of Labor.[24] Beyond the federal guidelines, each state has "a fair degree of latitude in how the program operates."[25] Most of a state's discretion relates to how long an individual can receive UI benefits, the number of weeks, the amount of UI benefits, disqualification parameters, and the like.[26] The UI program was conceived as an economic stabilizer. Specifically, the program is designed to provide "temporary direct payments to eligible workers who are involuntarily unemployed through no fault of their own."[27] UI benefits are "partial payments" meant to "provide a bridge to reemployment."[28] These benefits "don't replace the full amount of wages that somebody lost, but they provide enough on a weekly basis that the person can sustain the bare necessities, their basic necessities if their rent, their utilities, their car payments . . . so that they can more securely go about seeking their next opportunity."[29]

When the General Assembly enacted the state's unemployment compensation law in 1936, it articulated the program's purpose in terms that remain codified in state law today:

> *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.[30]

To be eligible for unemployment insurance benefits in South Carolina, a claimant must be legally authorized to work in the United States,[31] must have sufficient attachment to the labor market as demonstrated by wages in at least two quarters of the base period totaling at least $4,455,[32] must be unemployed through no fault of their own,[33] and must be able to work, available to work, and actively seeking work during each week in which benefits are claimed.[34] Benefits are calculated at 50% of the claimant's average weekly wage during the base period, subject to a minimum of $42 per week and a maximum set annually by the executive director, which is currently $350 per week.[35] The maximum duration of benefits is 20 weeks, and benefits are taxable at both the state and federal level.[36]

The weekly requirement that a claimant demonstrate they are able to work, available to work, and actively seeking work reflects the UI program's core design—namely, it exists to support a transition back to employment, not to substitute for it.[37] The condition that a claimant must have been separated from employment through no fault of their own serves the same purpose, ensuring that benefits flow only to individuals who are actually available for and seeking new work, not to those who voluntarily removed themselves from the labor market.[38]

FUNDING

FINDING 3

SCDEW is funded largely by the federal government, with 85% of its budget derived from federal grants administered through the U.S. Department of Labor and 15% from state general funds.

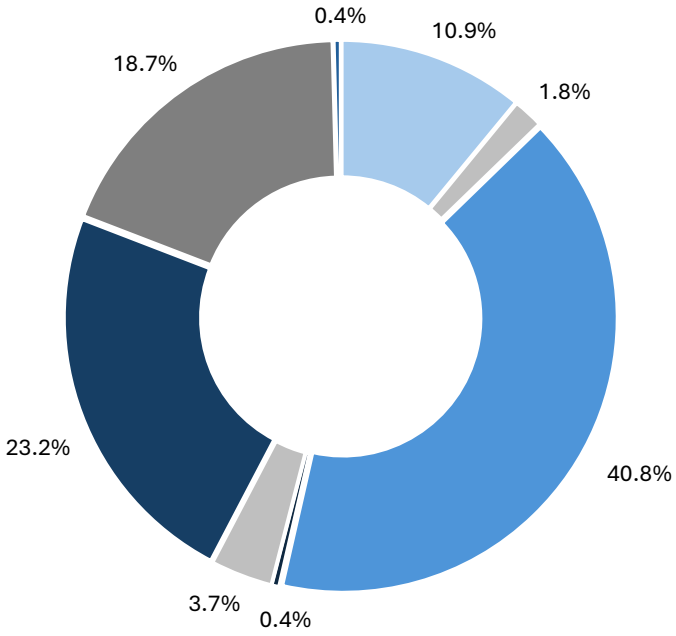
SCDEW's total funding for fiscal year 2025-26 was approximately $145.4 million, of which $12.98 million (roughly 15%) came from state general funds, with the balance derived from federal grants.[39] The federal funding streams that support SCDEW's operations include: the Federal Unemployment Tax Act (FUTA) administrative grant, which funds the administration of the unemployment insurance program; the Workforce Innovation and Opportunity Act (WIOA), which funds training and employment services for adults, dislocated workers, and youth; the Wagner-Peyser Act allocation, which funds the public employment services delivered through SC Works centers; the Jobs for Veterans State Grant (JVSG), which funds dedicated veterans employment representatives; the Labor Market Information cooperative agreement with the U.S. Bureau of Labor Statistics; the Work Opportunity Tax Credit program; and the Trade Adjustment Assistance program.[40] Together, these federal streams represent the principal source of funding nearly every service SCDEW delivers to employers and job seekers.

State general funds allow SCDEW to be "more nimble and more effective" in some of the services it provides.[41] These services include implementation of Act 67, including the Coordinating Council for Workforce Development and its supply gap analysis and portal projects; the Regional Workforce Advisors program transferred from the Department of Commerce; rural employment services and the Rural Connections initiative; the Be Pro Be Proud mobile workforce center, a public-private partnership with the Associated Industries of South Carolina Foundation; career readiness assessments and credentials; the Appellate Panel ($811,000 annually); a dedicated unemployment insurance fraud prosecutor ($120,000 annually); and general salary increases for SCDEW employees, which federal grants do not cover.[42] SCDEW also receives $1.976 million from Education Improvement Act funds to support the Regional Workforce Advisors program.[43]

The Wagner-Peyser Act allocation for South Carolina in the most recent fiscal year was approximately $9.4 million, covering primarily the salaries of employment services staff working within the program.[44] The Jobs for Veterans State Grant totaled approximately $2.9 million.[45] SCDEW's Federal Unemployment Tax Act (FUTA) administrative grant

for fiscal year 2025 was approximately $28.8 million, representing a 30% reduction from fiscal year 2010 funding levels when adjusted for inflation, a trend discussed further in **Finding 4**.[46] According to Director Floyd, SCDEW's predominantly federal funding structure means that it must be attentive and responsive to shifts in federal priorities and funding allocations.[47]

DEW Funding FY26



	Unemployment Insurance	40.8%
	Workforce Innovation and Opportunity Act	23.2%
	State Funds	18.7%
	Wagner-Peyser	10.9%
	Jobs for Veterans State Grants	3.7%
	Labor Market Information	1.8%
	Trade Adjustment Assistance	0.4%
	Work Opportunity Tax Credit	0.4%

FINDING 4

The federal administrative grant for SCDEW's unemployment insurance program has declined by about 30% in inflation-adjusted terms over the last 10 to 15 years while operating costs have increased, creating a funding gap that SCDEW described as manageable for now but increasingly difficult to sustain over time.

SCDEW received approximately $29 million in federal administrative grant funding for the UI program in the most recently completed fiscal year.[48] That grant, which is administered by the U.S. Department of Labor through the Federal Unemployment Tax Act (FUTA),[49] is the primary source of funding for the daily operations of the unemployment insurance program, including staff salaries, technology maintenance, integrity operations, and appeals processing.

Operating costs have increased over the same period for three primary reasons. First, employee wages have grown substantially over the last 10 to 15 years, and funding provided through FUTA has not kept pace with those increases. The General Assembly has provided approximately $1 million per year in recurring state funding to offset salary growth.[50] Second, the two modern technology systems that support the UI program (SCUBI, the cloud-based benefit processing system, and SUITS, the employer tax system) together cost approximately $4 to $5 million per year in maintenance fees, a substantial and ongoing obligation that did not exist before the pre-pandemic modernization.[51] And "[a]s technology advances elsewhere in private industry, we're going to have some need to enhance some of these systems to improve their usability."[52] Third, as noted in **Finding 21**, the evolving fraud threat is expected to require additional investment to address over time.[53]

A structural feature of FUTA exacerbates the funding challenge. The grant is calculated based on claim workload rather than the number of employer accounts SCDEW

maintains.[54] As a result, during periods of economic expansion and low unemployment, precisely when the employer base is growing and SCDEW's tax administration, audit, and compliance obligations are increasing, the agency receives less federal funding.[55] As SCDEW explained, "in times of economic booms, that means we have more employers coming in. That's more employers that we need to service through the tax program, more employers that we need to audit. But we're receiving less in federal funding."[56]

The General Assembly has provided targeted state funding to supplement FUTA. In addition to the salary offset funding, the legislature provides $811,000 annually for the Appellate Panel and $120,000 annually for a dedicated special assistant attorney general who prosecutes unemployment insurance fraud cases.[57] When combined with the Reemployment Services and Eligibility Assessment (RESEA) grant and all state funding streams, SCDEW's total operating budget is approximately $35 million.[58] SCDEW testified that it is currently able to manage within that budget but "[t]hat is going to get harder over time."[59]

ADMINISTRATION AND OPERATIONS

FINDING 5

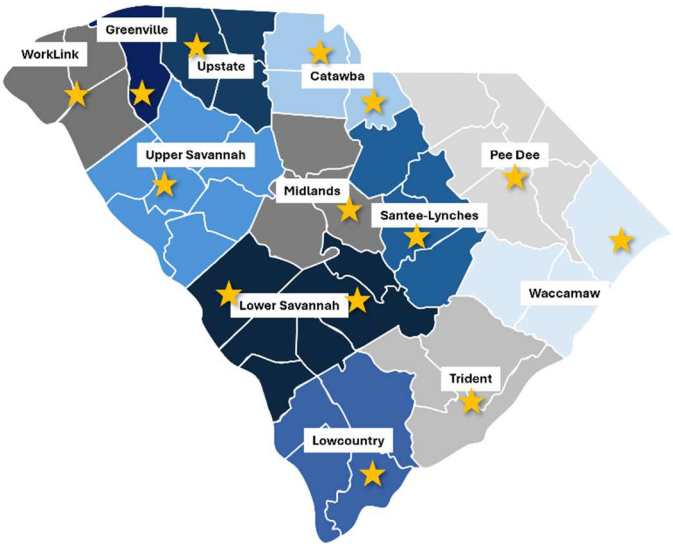
SCDEW provides employment and workforce services in all 46 counties through 39 SC Works centers, 209 connection points established at libraries, colleges, universities, faith-based organizations, and nonprofits, two mobile career coaches, and an online virtual engagement center staffed by live representatives.

SCDEW's Employment Services division operates as part of the nationwide American Job Center network, a federal-state cooperative system of free public employment services established as a "one-stop delivery system" under the Wagner-Peyser Act.[60] The Wagner-Peyser Employment Service is now a core program under the Workforce Innovation and Opportunity Act (WIOA) and a core component of the one-stop delivery system, known in South Carolina as SC Works.[61]

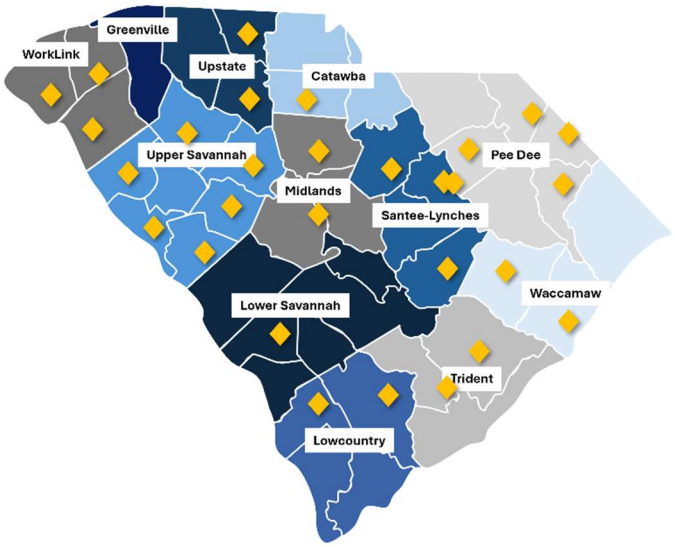
SC Works centers are the public brand for South Carolina's American Job Centers, providing job search assistance, resume and interview preparation, skills assessments, labor market information, and referrals to training and support services to job seekers, as well as hiring event coordination, personalized employer plans, targeted marketing assistance, and rapid response services to employers.[62] As of March 2026, SCDEW maintained 43 SC Works centers across the state's 12 local workforce regions, including 14 comprehensive centers.[63] By July 2026, that number had fallen to 39 following the closure of four centers in the Upper Savannah local workforce area, located in Edgefield, Saluda, McCormick, and Abbeville counties.[64] SCDEW attributes the closures to declining

SC Works Centers

Location of Comprehensive Centers



Location of Affiliate Centers



center traffic relative to the cost of maintaining physical locations. According to SCDEW, these decisions are made by local workforce boards rather than by SCDEW directly, based on an evaluation of historic traffic, hours of operation, and operating costs relative to the volume of customers served.[65] SCDEW stated that Upper Savannah leadership worked closely with the agency to ensure continued access to services in the affected counties through virtual and mobile service channels, and characterized such closure decisions as an example of local workforce boards "being good stewards of [funds] and really evaluating where is the need in their community and aligning those resources appropriately."[66]

Although four counties do not have a permanent physical SC Works location, "the unique thing about [the Employment Services] division is that [it's] located throughout the entire state" such that even if SCDEW is not physically in that location, "we're moving around those locations."[67] SCDEW serves those counties through connection points and periodic pop-up events.[68]

Through connection points, SCDEW "partners with different libraries, colleges, faith-based organizations as well, and even nonprofit organizations to make sure [it] has coverage in all 46 counties."[69] Connection points provide public access to computers, assistance filing unemployment claims and searching for work, and SC Works information. SCDEW trains location staff on SC Works and the UI portal and makes regular visits to restock materials and signage.[70] Some connection points are open to the general public while others serve only the constituents of the host organization, such as enrolled students at particular colleges and universities.[71] SCDEW has grown its network of connection points from 178 in fiscal year 2021 to 209 in fiscal year 2024.[72] In the four Upper Savannah counties specifically, SCDEW added six new connection points in fiscal year 2026, bringing the total in those counties to twelve.[73] SCDEW maintains two mobile career coaches—*i.e.*, vehicles equipped with computers, printers, and Wi-Fi that serve rural areas, festivals, and community events, that provide on-site employment assistance to individuals who cannot easily access a physical SC Works center.[74]

In follow-up materials submitted after the hearing, SCDEW confirmed that the four closed centers had seen sharply declining traffic in the months leading up to closure, from a combined 858 visits in fiscal year 2025 to just 113 visits in the eight months before the centers closed. SCDEW reported that its alternative outreach in the affected counties, which included hosting job fairs and "pop-up SC Works" events, deploying a mobile Career Coach vehicle, and expanding computer-lab connection points at libraries and community organizations, drew more total visitors in each of the four counties than the closed centers themselves had seen in that same period. In Abbeville, for example, the closed center recorded 66 visits from July 2025 through February 2026, while pop-up events and Career Coach visits in the county drew 610 people over the same stretch. SCDEW pointed to this as evidence that "meeting jobseekers where they are" can reach more people than a traditional physical center.[75]

SCDEW also operates a "non-brick and mortar type" Virtual Engagement Center (VEC) staffed by live representatives who provide online employment assistance during business hours, including one-on-one chat assistance, matching job seekers to local resources, veteran services, and virtual workshops.[76] The VEC also conducts virtual hiring events and, in partnership with the South Carolina Department of Corrections, offers virtual mock interviews and hiring events for individuals in correctional facilities who are preparing for reentry into the workforce.[77] Since its launch in September 2022 through June 2025, the VEC drew 42,284 total visitors, hosted 1,893 chats, and averaged 1,244 visitors per month.[78] SCDEW noted that the VEC also serves as a rapid communications platform during disasters or emergencies, allowing the agency to quickly post information and direct constituents to available resources.[79]

SCDEW's Employment Services division is staffed by roughly 212 employees, with 22 vacancies at the time of testimony, a number SCDEW attributed primarily to retirements and staff departing for other employment opportunities.[80]

FINDING 6

South Carolina law currently requires SCDEW to deliver certain unemployment insurance notices, including notices that trigger appeal deadlines, via U.S. Postal Service regardless of whether the recipient interacts with the agency electronically, a requirement SCDEW estimates could be replaced with opt-in electronic correspondence at a savings of hundreds of thousands of dollars to close to $1 million annually.

South Carolina law requires SCDEW to mail certain unemployment insurance notices via U.S. Postal Service, including notices of initial determinations and appeal decisions whose deadlines are triggered based on the mailing date rather than the date of receipt or electronic transmission.[81] This requirement applies to all notices throughout the program regardless of how parties otherwise interact with SCDEW.[82]

As SCDEW noted, this would be "a huge benefit" to address.[83] If the General Assembly were to allow parties to opt into electronic correspondence, SCDEW would be able to send electronic-only notices to those parties and eliminate the associated printing, postage, and mailing costs. SCDEW estimated that through reasonable adoption by claimants and employers, the savings could reach hundreds of thousands of dollars annually, "if not close to $1 million a year just by saving, printing, postage, ink, all of that."[84]

FINDING 7

SCDEW cut turnover among its customer service representatives, once the highest-turnover position in the agency, from over 70% to under 30% by tying a cash bonus directly to performance, part of a broader retention effort built after the agency discovered it had no real mechanism to learn why employees were leaving until they had already resigned.

SCDEW's customer service representatives, the front-line staff who field calls from unemployment claimants and job seekers, had a turnover rate of roughly 71% in fiscal year 2024, which was at one point the highest turnover rate of any position in the agency.[85] In response, the agency created a bonus program in fiscal year 2025 paying customer service representatives $500 for achieving a 95% or better average score on their performance scorecard for the prior quarter.[86] Since implementing the program, the agency reported nearly a 40% increase in the number of representatives hitting that 95% threshold, and testified that the position's combined average scorecard is now consistently above 90%.[87]

The CSR bonus program grew out of a broader retention strategy SCDEW built after recognizing its only tool for understanding turnover was the exit survey. This survey provided feedback only after an employee had already decided to leave.[88] Starting in April 2023, the agency began conducting "stay surveys" instead. These surveys are one-on-one interviews with 10 to 12 randomly selected employees each month, drawing from anyone employed at least a year.[89] SCDEW has conducted 500 of these interviews to date, 161 in 2025 alone, and said the model lets it identify and respond to problems before they escalate into a resignation.[90] In its 2025 stay surveys, the agency reported that the likelihood of employees recommending SCDEW as a great place to work rose from 4.3 to 4.5 out of 5, trust in upper management improved by 10%, and overall employee satisfaction improved by 7%. Employees most often cited coworkers, management, workplace culture, flexibility, training, and autonomy as what they valued most about their jobs, factors SCDEW noted cost the agency little to nothing to prioritize.[91]

SCDEW also identified gaps in onboarding as a retention risk. Before 2023, new hires could start on any day of the month with no standardized orientation, "email the supervisor or the new hire" style. SCDEW moved to standardized hire dates tied to the start of each pay period, which allowed it to implement a formal, full-day orientation session in Columbia twice a month.[92]

FINDING 8

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 SCDEW, a 3% reduction in FY 2026-27 amounts to $389,545.

SCDEW identified Employment Services, Appeals, Coordinated Workforce Development, and the Regional Workforce Advisors program as the areas that would be affected by this reduction.[93] The agency does not yet know how many positions would be eliminated as a result.[94] SCDEW states that a cut of this size would fall on staffing, training, technology, and discretionary program support, since fixed costs like utilities are not reducible, resulting in delayed hiring, heavier workloads for remaining staff, slower response times, and reduced outreach and compliance monitoring.[95] According to SCDEW, for job seekers and employers the practical effect would be longer wait times, fewer technical assistance opportunities, and delayed modernization projects.[96]

BENEFITS AND QUALIFIERS

FINDING 9

For unemployment insurance purposes, SCDEW classifies employers as either "reimbursing" or "contributory" and administers a 20-class tax structure, which ties each employer's annual tax rate to the amount of unemployment insurance benefits drawn by its former employees, for the approximately 164,000 contributory employers.

At the end of FY 2024, the state had approximately 165,000 employers.[97] The threshold to be considered an employer in South Carolina is "fairly low."[98] As SCDEW explained, "Basically, you have to have either paid $1,500 worth of wages to an individual in any quarter during a calendar year, or you employed at least one person in at least 20 different weeks during a year."[99] Once an individual or entity is considered an employer and subject to the unemployment

insurance code, there are two different kinds of employers. The first are reimbursing employers. These employers are state and local governmental entities and, optionally, qualifying nonprofit organizations that elect not to pay quarterly unemployment insurance taxes. Instead, "they are reimbursing the unemployment insurance trust fund, dollar-for-dollar, any unemployment benefits that are paid out to their former employees based on the wages that the reimbursing employer paid."[100] There were approximately 1,300 reimbursing employers in South Carolina in fiscal year 2024.[101] Most reimbursing employers elect to receive a bill when benefits are paid rather than prepaying through a quarterly tax because the reimbursement obligation arises only when a former employee actually draws benefits.[102] An employee discharged for cause or who voluntarily quits is generally not eligible for benefits. Consequently, a reimbursing employer's actual cost is often lower than it might be under the contributory tax structure.[103]

Contributory employers, who constitute roughly 164,000 of the 165,000 registered employers in the state, pay quarterly unemployment insurance taxes on the first $14,000 of wages paid to each employee per year.[104] Each fall, SCDEW calculates a benefit ratio for every contributory employer by dividing the total unemployment insurance benefits charged to that employer's account over the prior three years by the employer's total taxable wages during the same period.[105] SCDEW then ranks all employers from lowest benefit ratio to highest and assigns each to one of 20 tax classes in accordance with section 41-31-50 of the Code.[106] Employers with no benefit charges during the three-year lookback period are placed in Tax Class 1 and pay no unemployment insurance taxes. The remaining employers are distributed among Tax Classes 2 through 20, with each class designed to contain approximately 5% of the state's total taxable wages.[107] Tax Class 20 carries a federally required minimum rate of 5.4% on each employee's wages up to the first $14,000 per year.[108]

FINDING 10

SCDEW's unemployment insurance disqualification provisions create a discrepancy in which claimants discharged for illegal drug use or gross misconduct, including theft of items valued at more than $50 and criminal assault of another employee, face a lesser effective disqualification than claimants discharged for general misconduct.

Section 41-35-120 of the Code establishes several categories of job separation that disqualify a claimant from receiving unemployment insurance benefits, including voluntary quit without good cause, discharge for misconduct, discharge for cause, discharge for illegal drug use, discharge for gross misconduct, and failure to accept suitable work.[109] The disqualification consequence varies significantly by category, and SCDEW identified an anomaly in which two of the most serious categories—illegal drug use and gross misconduct—carry a less severe effective penalty than general misconduct.

A claimant discharged for misconduct is disqualified from receiving unemployment insurance benefits for 20 weeks, with a corresponding and mandatory reduction of benefits calculated by multiplying the claimant's weekly benefit amount by twenty.[110] As SCDEW described it, the practical effect is that a claimant found discharged for misconduct cannot receive any unemployment insurance benefits for the entire benefit year,[111] because the 20-week disqualification combined with the corresponding reduction in the maximum benefit amount wipes out the entire allotment.[112] To become eligible for a new benefit year, the claimant must return to work, earn eight times their weekly benefit amount from a single employer, meet all monetary requalification requirements, and wait at least a year. SCDEW characterizes this as "the most significant, substantial disqualification penalty" in the code.[113]

By contrast, a claimant discharged for illegal drug use is indefinitely disqualified, but need only return to work and earn eight times their weekly benefit amount, across any number of employers, before the full allotment of benefits becomes available for the remainder of the current benefit year with no reduction to the maximum benefit amount.[114] The statutory requirements for a finding of illegal drug use are specific. The employer must have a written policy communicated to employees, the employee must have refused to provide a sample or tested positive, and the positive test must be confirmed by gas chromatography mass spectrometry or an equivalently stringent federally approved method.[115]

Section 41-35-120(4) of the Code establishes a separate category of discharge for gross misconduct, which covers more serious workplace conduct than general misconduct but carries a *less severe* effective disqualification.[116] Gross misconduct carries the same effective disqualification as illegal drug use—i.e., indefinite, with requalification by earning eight times the weekly benefit amount, and no reduction in the maximum benefit amount.[117] The statutory definition of gross misconduct includes willful or reckless damage to employer property in excess of $50, theft of items valued at more than $50, consumption of alcohol on employer property in violation of a written policy, failure to comply with federal drug and alcohol testing requirements, criminal assault or battery of another employee or customer, criminal abuse of a patient or child in the claimant's professional care, willful failure to comply with a lawful order of a supervisor directly related to a written job description, and willful neglect of duty.[118]

TRUST FUND AND TAXES

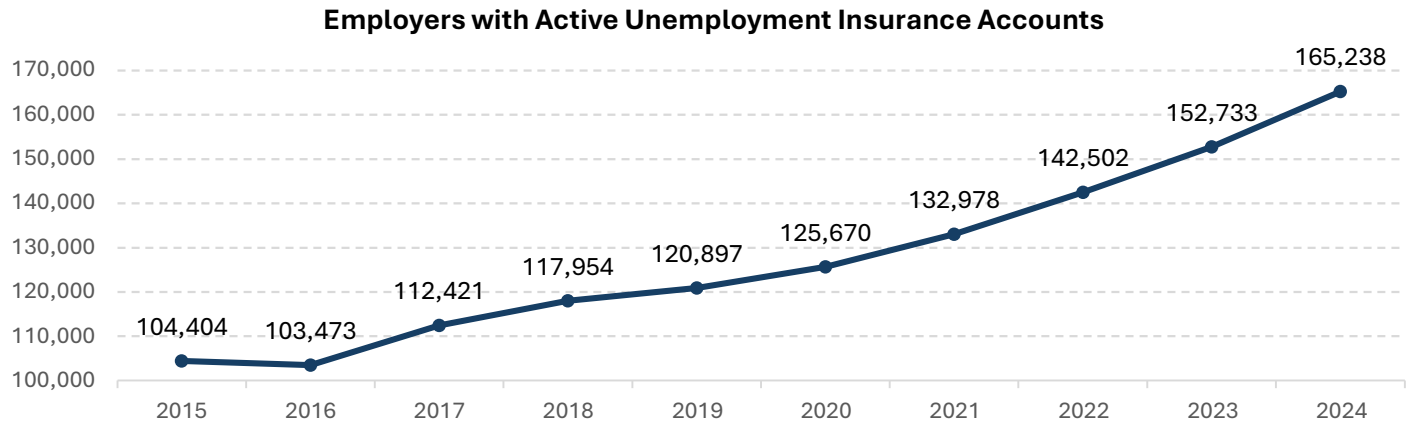
FINDING 11

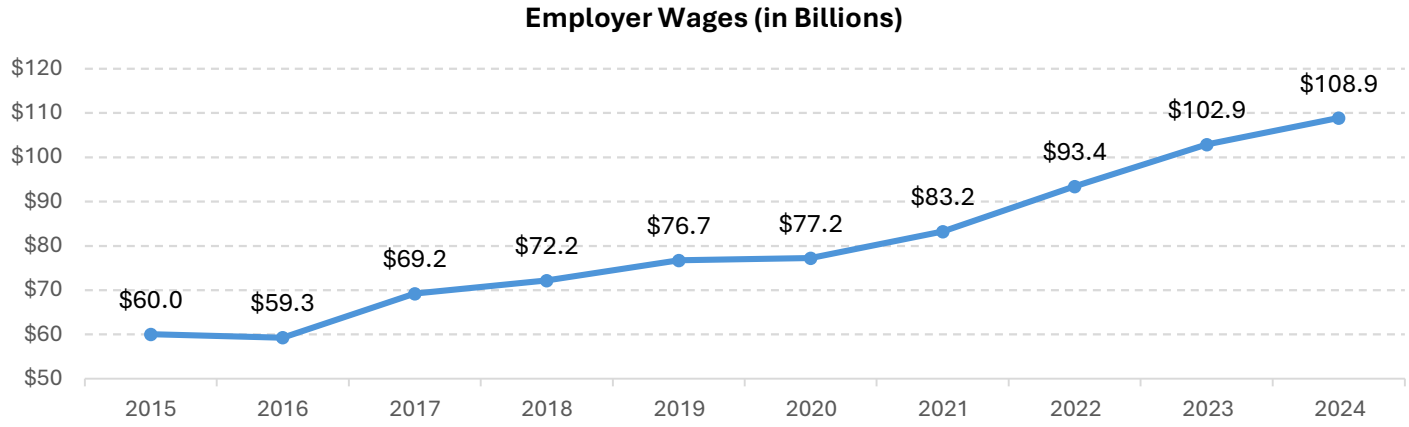
In 2024, SCDEW collected $217 million in unemployment insurance taxes from approximately 165,000 employers and paid $160 million in benefits to 45,000 eligible claimants.

Every employer paying wages to an employee in South Carolina must maintain an active account with SCDEW.[119] As of December 31, 2024, SCDEW maintained active unemployment insurance accounts for approximately 165,000 employers, representing roughly a 60% increase in active employers since 2015.[120] Those employers reported wage information on 2.5 million employees.[121] In 2024, these employers reported total gross wages of $109 billion.[122] Of that amount, $30 billion was taxable for purposes of funding the Unemployment Insurance Trust Fund because only the first $14,000 paid to each employee per year is subject to the unemployment insurance tax.[123]

In 2024, 120,000 individuals filed initial claims for unemployment insurance benefits, of whom 45,000 received at least one week of benefits.[124] The difference between initial filings and recipients reflects individuals who are not monetarily eligible because they lack the requisite attachment to the labor market to be potentially eligible for UI benefits and those disqualified based on the circumstances of their job separation.[125] According to SCDEW, on average 40% of applicants are denied because of a job separation issue, such as a voluntary quit or discharge for cause, while the majority of those who apply are eligible because their separation involved a lack of work, a shutdown, or a discharge without cause.[126] The average weekly benefit amount in 2024 was $315, and the average eligible claimant received benefits for 11 to 13 weeks.[127] SCDEW collected $217 million in employer taxes in 2024 and paid $160 million in unemployment insurance benefits. The agency projects $170 million in benefit payments for 2025, an increase driven in part by the 2025 increase in the maximum weekly benefit amount from $326 to $350.[128]

Unemployment Insurance Accounts





FINDING 12

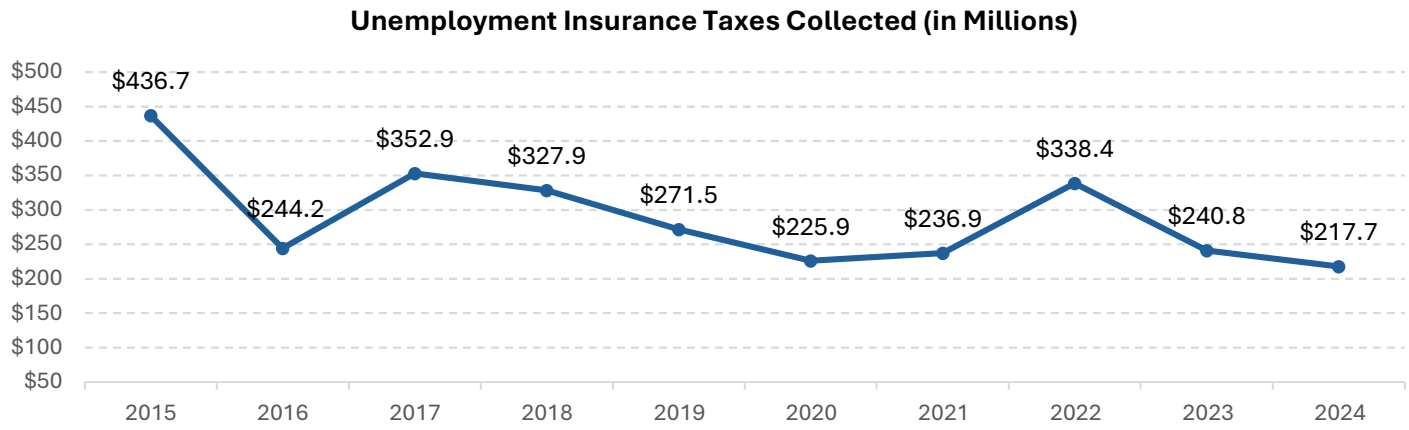
The Unemployment Insurance Trust Fund became insolvent during the Great Recession, requiring South Carolina to borrow nearly $1 billion from the federal government to continue paying benefits. The Fund has since been rebuilt to full solvency, and South Carolina is currently one of only 18 states nationwide with a fully solvent Trust Fund.

The Unemployment Insurance Trust Fund became insolvent during the 2008 Great Recession.[129] For every year from 2000 through 2009, South Carolina paid out more in unemployment insurance benefits than it collected in new tax revenue, and that sustained drain left the Trust Fund without sufficient reserves when the Great Recession produced a dramatic spike in claims. As a result, the state had to borrow nearly $1 billion from the federal government to continue paying unemployment insurance benefits.[130]

From 2011, when the tax code was changed, through 2019, South Carolina employers paid both the taxes necessary to cover expected annual unemployment benefit payments and an additional solvency surcharge designed to repay the federal loan and rebuild the Trust Fund to the minimum required level.[131] During the peak repayment years of 2011 through 2013, SCDEW was collecting more than $500 million annually in employer taxes, compared to $217 million collected in 2024.[132]

The COVID-19 pandemic produced a second significant test of the Trust Fund. In 2020, 810,000 individuals filed claims for unemployment insurance benefits, meaning that SCDEW suddenly "got about six to seven years' worth of work in a very short period of time as a result of the pandemic."[133] According to SCDEW, one of the reasons the Trust Fund is in great shape today is because in 2020 the General Assembly appropriated federal CARES Act funds to replenish the Trust Fund. These funds were instrumental in avoiding the need to raise taxes on employers who were simultaneously navigating the economic uncertainty of the pandemic.[134] As of the start of 2025, the Trust Fund balance was $1.715 billion, growing to nearly $1.8 billion by July 1, 2025.[135] South Carolina is currently one of only 18 states nationwide with a fully solvent Trust Fund as measured by the Average High Cost Multiple standard recommended by the federal Department of Labor, a status that allows the state to withstand unexpected increases in claim volume without borrowing from the federal government and to avoid the imposition of a solvency surcharge on employers.[136]

Unemployment Insurance Taxes



FINDING 13

South Carolina's statutory formula for maintaining Unemployment Insurance Trust Fund solvency would have required the state to hold nearly $2 billion in reserve by 2030, a level SCDEW projected would exceed the maximum realistic benefit payout in any foreseeable recessionary year and would trigger a mandatory solvency surcharge if the Trust Fund fell short.

The goal of the Average High Cost Multiple standard is to ensure the Trust Fund holds enough money to pay the full amount of unemployment insurance benefits expected in an average recessionary year without receiving any new tax revenue during that year.[137] The calculation works as follows: SCDEW identifies the three highest unemployment insurance benefit payment years over the last 20 years, which are currently 2009, 2010, and 2020; divides the

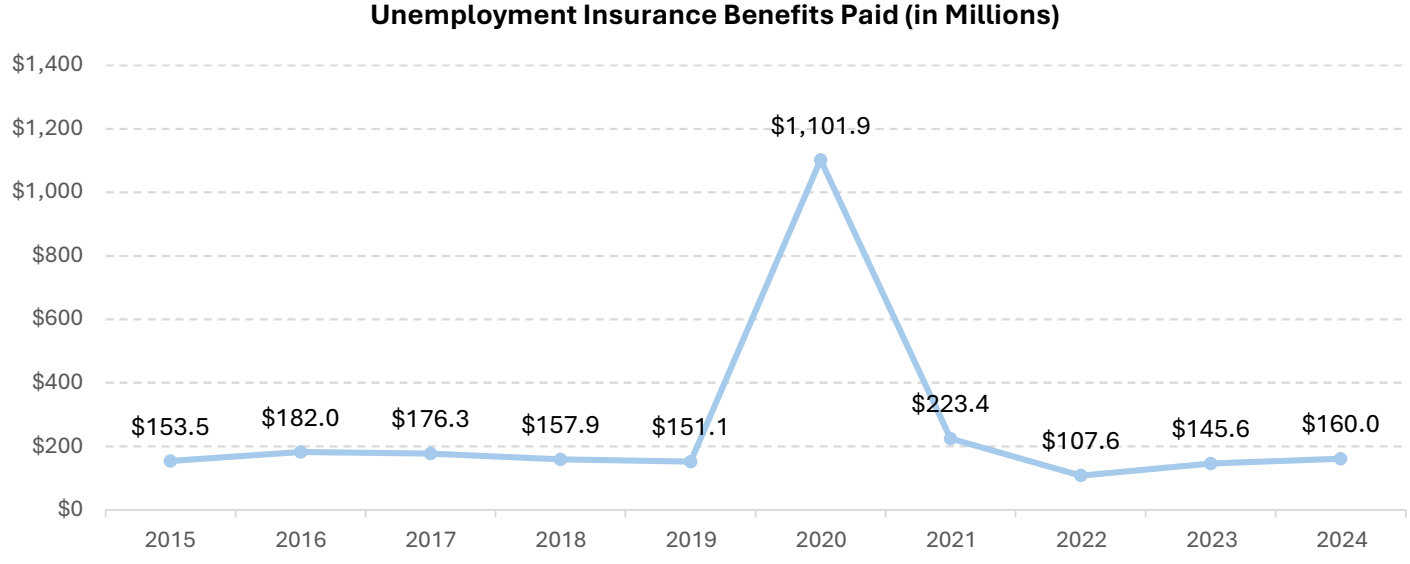
amount of benefits paid during each of those years by the taxable wages reported by employers during that same year to produce a benefit cost rate for each year; averages those three rates together, currently yielding 1.38%; and multiplies that rate by the total gross wages reported by employers in the most recently completed calendar year.[138] When SCDEW set taxes for 2025, the applicable total gross wages were $105.5 billion, and that calculation produced a minimum required Trust Fund balance of $1.45 billion for 2025.[139]

The problem, however, is wage growth in South Carolina over the last ten years.[140] According to SCDEW, as a result of tremendous gross wage growth over the last decade, "the minimum amount of money that [the state] need[s] to have in the Trust Fund every year keeps going up. And at this point it's going up by about $100 million per year of the minimum amount" regardless of whether claim volume or benefit levels change.[141] SCDEW projections anticipate that in order for the Trust Fund to remain solvent, it needs a minimum of $1.55 billion in 2026, $1.65 billion in 2027, and nearly $2 billion by 2030.[142] SCDEW expects that under current projections, the Trust Fund balance will fall below the required minimum in approximately five years. When that happens, state law requires SCDEW to impose an additional solvency surcharge on top of every employer's standard unemployment insurance tax rate, meaning South Carolina businesses would pay higher taxes to maintain a reserve that will likely never be fully drawn down.[143]

SCDEW has concluded that the trajectory of the current formula has become disconnected from the program's actual recessionary experience. Notably, the highest benefit payout year in the agency's history was 2020, during the pandemic, when SCDEW paid out $1.1 billion in unemployment insurance benefits.[144] Because the maximum weekly benefit amount is relatively static and the maximum duration of benefits is 20 weeks, as SCDEW noted, "it is very unlikely that we are ever going to be in a situation in which we would expect to pay $2 billion worth of unemployment insurance benefits in a given year."[145]

As an alternative, SCDEW proposes a formula grounded in the state's actual experience. Specifically, multiply the percentage of the workforce that historically files for unemployment insurance benefits in an average recessionary year (approximately 8%) by the maximum weekly benefit amount (currently $350) by the maximum number of benefit weeks, which is 20.[146] According to SCDEW, under that calculation, the worst case Trust Fund requirement in 2030 would be approximately $1.5 billion rather than nearly $2 billion, and the change would provide tax relief to employers by eliminating the need to generate revenue to keep pace with a rising solvency floor that will never realistically be drawn down.[147] SCDEW cautions that abandoning the Average High Cost Multiple would cost the state its eligibility for a specific short-term, interest free federal loan available only to states that meet that standard. But SCDEW notes that the loan has been used only once in its history and therefore "[i]t's worth considering whether the risk of potentially losing that opportunity is worth having a more manageable or reasonable trust fund minimum balance."[148]

Unemployment Insurance Benefits



FINDING 14

In 2024, approximately 84% of all employers paid no unemployment insurance taxes into the Unemployment Insurance Trust Fund, and the share of exempt taxable wages has nearly doubled since 2014, raising concerns about the long-term adequacy of Trust Fund contributions.

Even as SCDEW suggests the statutory reserve target is too high, it also separately identified a related concern. The base of employers actually contributing to the Trust Fund has been narrowing for a decade.

Pursuant to section 41-31-50 of the Code, any contributory employer whose former employees drew no benefits during the three-year lookback period is placed in Tax Class 1 and pays no unemployment insurance taxes, other than the 0.06% contingency assessment.[149] The three-year lookback period means that an employer needs to avoid having any former employees draw benefits over 12 consecutive calendar quarters to pay nothing into the Trust Fund the following year.[150] As SCDEW noted, "the system is designed so that the greater percentage of your employees who are utilizing the system will in turn mean you have to pay more in taxes to make up for it."[151]

In 2025, about 103,000 employers were in Tax Class 1, representing about 84% of all employers in the state eligible for a calculated rate.[152] At the other end of the scale, fewer than 6,000 employers were in Tax Class 20, the highest tax bracket.[153] While employers in Tax Class 1 represent 84% of all contributory employers by count, they account for a smaller, growing share of total taxable wages. When the 12-quarter lookback period took effect in 2014, approximately 16% of the state's total taxable wages fell in Tax Class 1, meaning only 16% of wages were not being taxed for unemployment insurance purposes.[154] By 2025, that figure had nearly doubled to approximately 30%, meaning nearly a third of all wages subject to the unemployment insurance tax are currently exempt from it because the employers paying those wages had no benefit charges over the prior three years.[155] SCDEW has identified the growth in Tax Class 1 as a concern warranting legislative attention, noting that the current three-year lookback period also has disproportionate consequences for small businesses when a single claim does occur.[156]

FINDING 15

The three-year lookback period used to calculate employer Unemployment Insurance tax rates can place a small business directly into Tax Class 20 as a result of a single unemployment insurance claim, and the penalty requiring an employer with an active lien to pay all future taxes at the Tax Class 20 rate has grown from a 10% increase over Tax Class 19 when the current tax code was enacted in 2011 to a 250% increase today.

Because the three-year lookback period spans only 12 calendar quarters, a small employer with a limited taxable wage base can find itself in Tax Class 20 as a result of a single former employee drawing unemployment insurance benefits. As SCDEW noted, for a small business with approximately $150,000 in annual taxable wages, the three-year lookback period produces a taxable wage base of only $450,000. If a single former employee draws more than $5,000 to $6,000 in benefits over that period, the employer's benefit ratio will be high enough to place it in Tax Class 20.[157] This result is not because the employer had high turnover or widespread layoffs, but because the employer's wage base is too small to absorb even a modest benefit charge.[158] As SCDEW observed, "that single claim can take you from Tax Class 1 or Tax Class 2 to Tax Class 20. And you are stuck with that for three years."[159] This consequence falls disproportionately on small businesses.[160]

The gap between Tax Class 19 and Tax Class 20 has grown dramatically since the current tax code was enacted. When the code took effect in 2011, the difference between the second-highest and highest tax brackets was only 10%. Today, an employer with a lien faces a tax increase of at least 250% over its calculated rate.[161] As SCDEW noted, "that is your best case scenario as an employer that if you have a lien, your taxes are going up 250% going from Tax Class 19 to Tax Class 20. I'm not sure that's exactly how the tax code is meant to operate."[162] The gap grew because as the Trust Fund reached full solvency and required contribution rates dropped across Tax Classes 1 through 19, the Tax Class 20 rate remained tied to the federally required minimum of 5.4%, leaving the second highest and highest classes separated by a gap that has grown from incidental to severe.[163]

The lien penalty structure, combined with the 250% tax gap, can be severe and produce a rapidly escalating debt spiral for an employer who misses a payment. For example, an employer with $500,000 in quarterly taxable wages whose agent inadvertently continues paying at the prior year's tax rate underpays by $500. SCDEW sends required notices, but the employer misses the response window because it accesses its account only quarterly. Consequently, SCDEW files a lien. When the employer files the following quarter expecting to owe $800 at its calculated rate, it discovers it in fact owes approximately $27,000 at the Tax Class 20 rate because the $500 lien from the prior quarter

remained unpaid.[164] "And now they're stuck into this spiral where they're unable really to get out of that."[165] As SCDEW testified, "this is not discretionary. This is all spelled out in law."[166] In response to SCDEW's recommendation, in 2024, the legislature enacted statutory relief that allows an employer with a lien to pay future quarters at its calculated rate if it enters an approved installment payment agreement and abides by its terms.[167] According to SCDEW, a lot of employers have taken advantage of the new law because "it stops the bleeding going forward so [employers] can get back into compliance without being buried under a deluge of debt."[168]

Separately, SCDEW identified that the existing cap on report delinquency penalties has not been updated since the mid-1980s and is now misaligned with the scale of the employer community.[169] Under S.C. Code § 41-31-350, the penalty for failing to submit a required wage report is capped at $1,000, regardless of the size of the employer or the amount of taxes owed. As SCDEW noted, "a $1,000 penalty for a large, large employer is hardly noticed, whereas a small employer that $1,000 is going to be a significant hit," meaning the cap is simultaneously a de minimis deterrent for large employers and a meaningful burden for small ones.[170]

FINDING 16

The Work Opportunity Tax Credit, which provides employers up to $9,600 in tax credits for hiring individuals facing barriers to employment, generated $75 million in potential tax credits for employers doing business in South Carolina in 2025 on an annual state administrative budget of just $250,000, and has had no federal authorization since December 31, 2025.

The Work Opportunity Tax Credit (WOTC) program provides employers with potential tax credits ranging from $1,200 to $9,600 for hiring individuals who fall into one of more than 26 federally defined target groups facing barriers to employment, such as individuals with a felony conviction.[171] When SCDEW prepares a WOTC-eligible jobseeker for an interview, SCDEW is "equipping them with the terminology to be able to say to that employer 'this is a benefit or an incentive you could receive if you make an offer to me for employment.'"[172] Thus, SCDEW is leveraging the program "from both the employer side as well as the job seeker side."[173] On average, SCDEW administers WOTC on just over $250,000 a year. Yet the program generated $75 million in potential tax credits for employers doing business in South Carolina in 2025 alone.[174] As SCDEW characterized it, "small budget, but very [fiscally] impactful on the whole for South Carolina."[175]

The program's federal authorization expired on December 31, 2025.[176] However, for the last seven to eight months, SCDEW has continued to process WOTC certification requests tied to hires that occurred before that date.[177] Although indications point toward eventual reauthorization by Congress, no reauthorization had occurred as of the time of testimony.[178] According to SCDEW, lapses in WOTC authorization followed by eventual reauthorization are not uncommon based on the program's history.[179]

SCDEW has pursued modernization and automation projects for WOTC over the past two years, including electronic submission of untimely certification requests, independent employer batch upload capability, and an enhancement specifically streamlining certification for veterans, one of the program's 26-plus target groups.[180] SCDEW noted that the veteran certification enhancement alone generated 1,465 determinations that would otherwise have required manual staff effort.[181] SCDEW tracks return on investment metrics for these automation projects, including how freed-up staff capacity gets redeployed. As one example, SCDEW reassigned a staff member from the WOTC program's Eligible Training Provider List function to help launch the new Workforce Pell pilot, rather than hiring someone new to fill that role.[182]

METRICS AND STATISTICS

FINDING 17

SCDEW's unemployment insurance program ranked first in the southeast region across nearly every federal performance measure in 2024, was one of only nine programs out of 53 nationwide to meet the first payment timeliness standard, and ranked in the top ten nationally in most measures.

The U.S. Department of Labor evaluates all 53 state unemployment insurance programs on uniform performance measures covering new employer registration timeliness, first payment timeliness, determination timeliness, decision quality, and appeals processing. In 2024, SCDEW ranked in the top ten nationally in most measures and in the top 15 in all but one.[183]

New employer status determinations, which measure the speed at which new employers are registered in the state system, were completed within 90 days of the end of the quarter of liability for 94.5% of new employers in 2024, the fourth best rate nationally against a federal expectation of 70% and a national average of 88%.[184] First payment timeliness, "arguably the most important measure of an

unemployment insurance program's effectiveness in serving claimants,"[185] measured as the percentage of first benefit payments issued within 14 days of an eligible claimant's first compensable week, was 91.8% in 2024, the sixth best rate nationally against a federal expectation of 87% and a national average of 74.1%. SCDEW was first in the southeast region and one of only nine programs nationwide to meet this measure.[186] Determination timeliness, measured as the percentage of initial separation decisions issued within 21 days of the application date, was 95.9% in 2024, the third best rate nationally against a federal expectation of 80% and a national average of 64.9%.[187] Separation determination quality, measured as the percentage of evaluated decisions receiving a near-perfect score in intensive peer review, was 87.3% in 2024, the 11th best rate nationally against a federal expectation of 75% and a national average of 68.9%.[188]

As SCDEW noted, South Carolina was first in the southeast region across nearly every measure and, as of the time of testimony, was the only program to meet every required federal performance measure in 2024.[189] According to SCDEW, its pre-pandemic modernization of the benefit payment and employer tax systems was instrumental in allowing it to scale up during the pandemic without the system failures that affected numerous other states.[190] In addition, its dedicated quality assurance structure, which provides ongoing evaluation and real-time feedback to operational staff, has contributed to consistent improvement across all federal performance measures.[191]

Unemployment Insurance Program Performance Metrics

New Employer Status Determination Timeliness

State	Metric	National Rank
South Carolina	**94.5%**	**4**
Florida	93.9%	5
North Carolina	92.3%	6
Georgia	90.4%	10
Alabama	88.7%	17
Kentucky	85.6%	28
Mississippi	79.5%	44
Tennessee	69%	49

Determination Timeliness

State	Metric	National Rank
South Carolina	**95.9%**	**3**
Mississippi	87.4%	13
North Carolina	81.3%	19
Tennessee	72.5%	25
Georgia	62.0%	35
Kentucky	43.9%	42
Alabama	32.7%	47
Florida	23.6%	51

First Payment Timeliness

State	Metric	National Rank
South Carolina	**91.8%**	**6**
Mississippi	82.4%	17
Tennessee	79.5%	20
Georgia	73.5%	27
North Carolina	70.2%	31
Florida	65.2%	42
Kentucky	59.7%	48
Alabama	35.3%	53

Separation Determination Quality

State	Metric	National Rank
South Carolina	**87.3%**	**11**
North Carolina	76.7%	22
Tennessee	76.1%	23
Mississippi	69.2%	29
Alabama	64.5%	33
Georgia	63.1%	34
Kentucky	60.3%	38
Florida	35.6%	48

FINDING 18

South Carolina's unemployment insurance improper payment rate declined from a pandemic peak of 25% in 2021 to 6.82% for the period ending June 30, 2025, ranking 12th lowest nationally and well below the federal 10% threshold, and the fraud rate declined to 0.36% in 2024, the fifth lowest rate nationally, compared to a pre-pandemic rate of 4% to 6%.

SCDEW's fraud detection and prevention efforts, discussed further in Finding 21, are reflected in the agency's broader fraud and improper payment metrics. The improper payment rate is the percentage of unemployment insurance benefit payments determined to have been paid to claimants who did not meet all eligibility requirements.[192] It is calculated through a process known as Benefit Accuracy Measurement (BAM), in which SCDEW conducts intensive investigations of 1,000 claims each year, reviewing each claim in depth to determine whether the payment was proper based on both the job separation and weekly eligibility requirements.[193] Prior to the period ending June 30, 2023, South Carolina had never achieved an improper payment rate below 10%. From 2009 through 2020, the rate ranged consistently between 12% and 14%.[194]

The pandemic disrupted this baseline. The state's improper payment rate spiked to 25% in 2021. According to SCDEW, much of that spike was COVID-related because the agency "had to staff up so dramatically. So you had inexperienced staff making decisions. You had staff being pulled from other areas who had never dealt with this. We just had to throw them in there to deal with the volume."[195] The spike also reflected the rapid implementation of novel federal COVID-19 unemployment programs that required states to interpret new statutory frameworks with minimal federal guidance and process unprecedented claim volumes.[196] Additionally, the federal Pandemic Unemployment Assistance program required only self-certification of eligibility with no documentary proof, a design the federal government imposed on the states over SCDEW's explicit objection.[197]

South Carolina's improper payment rate has declined every year since its 2021 peak. The Department of Labor requires states to maintain an improper payment rate below 10%.[198] The trajectory of the state's improvement is notable. In 2020, the state ranked 47th nationally with a rate of 11.88%. By 2023, the rate had fallen to 7.49%, ranking 16th. For the period ending June 30, 2024, the national average was 14.41%, and South Carolina's rate was 7.29%, the 12th lowest in the nation.[199] For the period ending June 30, 2025, South Carolina's rate declined further to 6.82%.[200]

SCDEW attributes this improvement to several initiatives. Identity verification was enhanced through ID.me, requiring every claimant to complete digital identity verification before any payment is issued.[201] Quarterly wage cross matching was strengthened, comparing employer reported wages each quarter against all claimants who drew benefits during that period to identify any claimant who worked but did not report earnings.[202] In July 2022, SCDEW added an explicit notification to the weekly certification process informing claimants that employer reported wages are cross matched each quarter, that discrepancies will be investigated, and that fraud findings may result in prosecution. SCDEW believes that "has led to a marked improvement in our improper payment rate."[203] SCDEW also enhanced its data analytics capabilities to identify data elements within claims suggestive of potential fraud and prioritize those claims for investigator review.[204]

The integrity initiatives that drove down the improper payment rate produced a similar result in the fraud rate. The fraud rate, the percentage of benefit payments determined through intensive internal investigation to have been paid as the result of an intentional false statement or misrepresentation, was 0.36% in 2024, the fifth lowest nationally, compared to a national average of 5.39%.[205] SCDEW cautioned that the rate is subject to statistical noise and noted candidly that it likely understates actual fraud, placing the more probable rate at approximately 1%.[206] Prior to the pandemic, SCDEW's fraud rate was consistently between 4% and 6%.[207]

SCDEW's overpayment detection rate, which measures the percentage of overpayments actually established compared to the amount the improper payment rate would predict, was 73.81% for the three-year period ending December 31, 2024, the fifth-best rate nationally among programs that passed the measure, which requires a detection rate between 50% and 95%.[208] For the three year period ending September 30, 2025, SCDEW's detection rate had improved further to 84.2%.[209]

FINDING 19

In 2024, SCDEW recovered nearly twice as much in claimant unemployment insurance overpayments as it established in new overpayments, the fourth-best overpayment recovery rate nationally, and is on pace to set a new collection record in 2025.

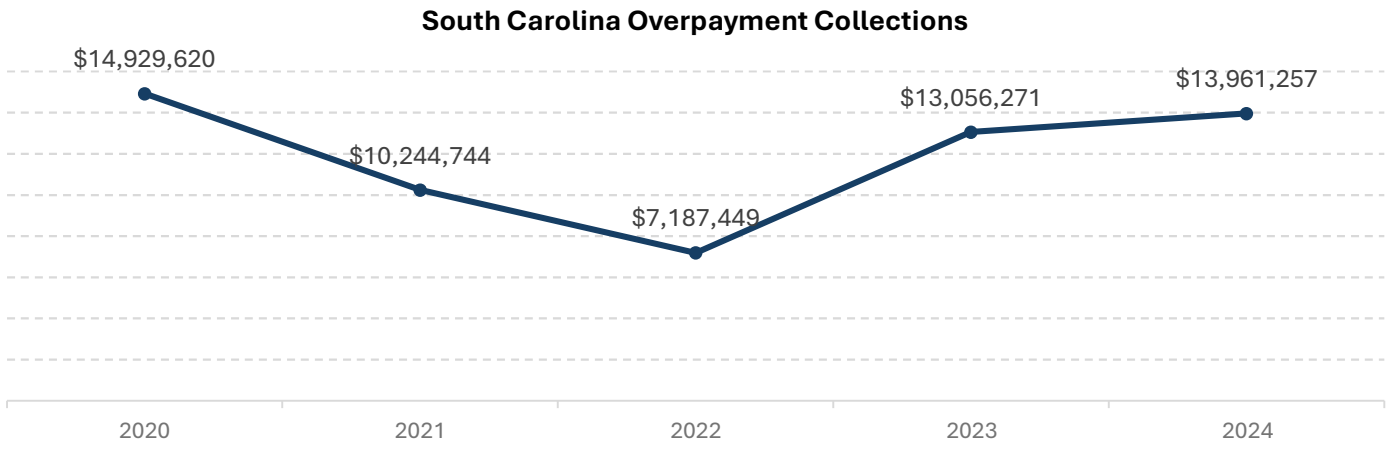
Claimants who receive unemployment insurance benefits to which they were not entitled are required to repay those benefits to the Trust Fund.[210] As of December 31, 2024, SCDEW had approximately $38 million in outstanding claimant overpayments across all active collection periods, which span five years for non-fraudulent

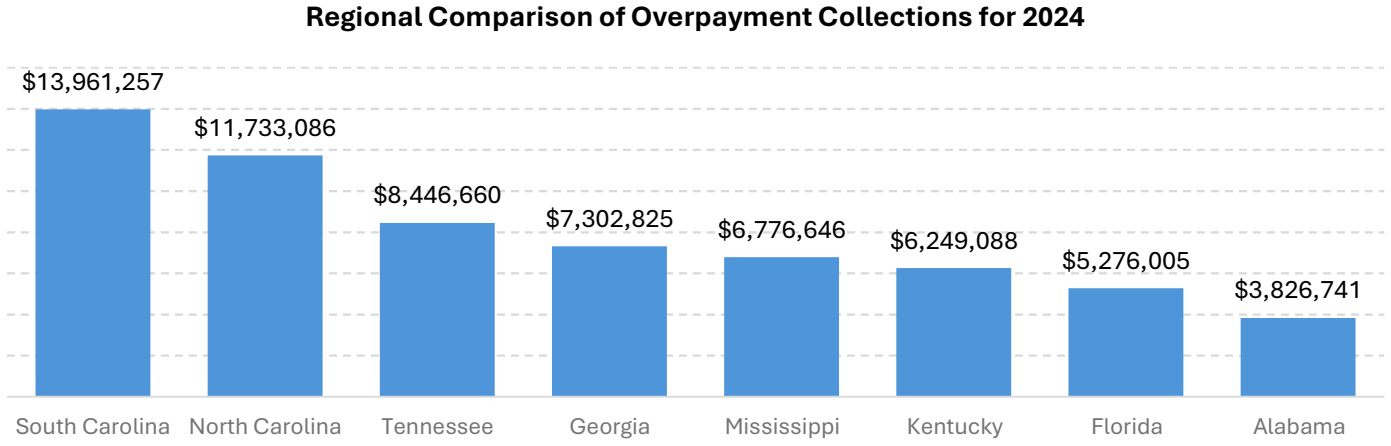
overpayments and eight years for fraudulent overpayments.[211] That balance has declined for each of the prior three years, because SCDEW has collected more in overpayment recoveries annually than new overpayments established. SCDEW attributes this sustained improvement to a significant expansion of its collection efforts beginning in late 2022.[212] The agency collects overpayments through benefit offsets applied against future benefit payments, state and federal income tax refund garnishment through the state Set-Off Debt program and the federal Treasury Offset Program, involuntary wage garnishment against re-employed claimants, and interception of state lottery winnings.[213]

SCDEW collected approximately $14 million in claimant overpayments in 2024, the 17th highest dollar amount collected nationally and the highest in its southeast region.[214] Starting in late 2022, the agency significantly expanded its income tax garnishment programs and increased collection staffing, producing $13 million in collections in 2023 and nearly $14 million in 2024, and the agency projects that it is on pace to collect more than $15 million in 2025, which would represent a new collection record.[215] All recovered overpayments are returned directly to the Unemployment Insurance Trust Fund.[216]

SCDEW's overpayment recovery rate, which measures the percentage of actual overpayments recovered compared to new overpayments established, was 198.25% in 2024, meaning the agency recovered nearly twice as much as it newly established, the fourth-best recovery rate nationally.[217] The national average recovery rate in 2024 was 43%, meaning that nationwide, states were on average adding more to their outstanding overpayment balances each year than they were collecting.[218] Over the three year period ending December 31, 2024, SCDEW collected more than 100% of the new overpayments it established each year, the third best performance nationally over that period.[219] By comparison, over the same five year period, Florida established $520 million more in new overpayments than it collected, and Kentucky established $150 million more.[220] Looking at the full period from the

Unemployment Insurance Overpayment Collections





third quarter of 2022 through the second quarter of 2026, SCDEW has recovered $50.6 million against $33.2 million in overpayments established over that span, a cumulative recovery rate of roughly 152%, the second-highest recovery rate of any state in the nation over that period, behind only Mississippi.

On the employer side, SCDEW had approximately $180 million in outstanding unpaid unemployment insurance taxes on its books over a ten-year period, representing roughly 5% of total employer tax collections during that time. By comparison, the IRS estimates its own annual noncollection rate at between 13% and 17%.[221] SCDEW noted that a significant portion of the outstanding employer tax balance likely reflects estimated assessments against businesses that closed without formally deregistering with SCDEW rather than genuine unpaid obligations from active employers.[222]

FINDING 20

SCDEW's unemployment insurance appeals process is among the fastest in the nation, with lower authority appeals averaging 17 days to resolution in 2024 against a national average of 190 days, and the legislatively elected Appellate Panel maintaining an average case age of 22 days against a federal expectation of 40 days and a national average of 150 days.

Every decision issued by SCDEW, whether a job separation determination, a weekly eligibility decision, an overpayment or fraud determination, or a tax classification decision, is appealable by the claimant or the employer, and is handled by SCDEW's appeals division.[223] Appellate rights are stated explicitly on every determination the agency issues, including the deadline for filing and the methods available to do so.[224] SCDEW designed the appeals process to be "simple, speedy and inexpensive," in recognition of the economic difficulty a claimant may be experiencing and the reality that the vast majority of parties navigate the process without legal representation.[225]

The appeals process has two internal levels of review before a matter may be appealed to the Administrative Law Court. The first level, lower authority appeals, is handled by 11 administrative hearing officers supported by four staff, under the direction of a Chief of Appeals. Hearing officers conduct formal quasi-judicial evidentiary hearings, primarily by telephone, in which parties are sworn in, testimony is taken, evidence is admitted, and objections are handled. These are de novo hearings. The hearing officer is not bound by the initial determination and issues a new decision based solely on the information presented at the hearing.[226] Parties have 10 calendar days from the mailing date of a determination to file an appeal. If no appeal is filed within that period, the decision becomes final as a matter of law.[227] In 2024, SCDEW's lower authority appeals division handled approximately 14,000 appeal issues, for an average caseload of approximately 1,000 issues per hearing officer annually. Of those decisions, 72.5% affirmed the initial determination and 27.5% either reversed or modified it in favor of the appellant, consistent with the national average of approximately 70% affirmed and 30% reversed or modified.[228]

On performance measures, SCDEW's lower authority appeals ranked among the best in the nation. The federal expectation is that the average age of a pending lower authority appeal will be less than 30 days. The national average case age in 2024 was 190 days, caused in part by several states carrying substantial pandemic-era backlogs.[229] South Carolina's average case age was 17 days, the 10th lowest nationally and one of only 26 programs with an average below 30 days.[230] In the regional comparison, Alabama and Georgia had the highest average case ages in the nation, with individuals in those states waiting nearly two years for an appeal decision.[231] The time lapse measure—i.e., the percentage of decisions mailed within 30 days of the appeal filing date, against a federal expectation of 60%, was 94.4% in 2024, the 4th best rate nationally and one of only 13 programs to meet this measure, against a national average of 25.7%.[232] On the appeals quality measure, which evaluates a random sample of 20 hearings per quarter against a detailed DOL scorecard, SCDEW scored 100% in 2024, one of 22 states to achieve a perfect score, and has maintained a 100% quality score through 2025.[233]

The second level of review, the Appellate Panel, is a three-member board of review elected by the General Assembly during presidential election years and tasked with issuing the agency's final decision on disputed claims and tax matters.[234] The Appellate Panel is bound by the record developed by the lower authority hearing officer and does not hold a new hearing, but may reach its own findings of fact and conclusions of law, may invite parties to present oral argument, and may remand a matter to reopen the record if warranted.[235] Parties have 10 calendar days from the date of the lower authority decision to appeal to the Appellate Panel. Further appeal after a Panel decision is to the Administrative Law Court, which is also bound by the record from the lower authority hearing.[236] In 2024, the Appellate Panel issued nearly 1,000 decisions, of which 84% affirmed the lower authority decision and 16% either reversed or modified it, compared to a national average of 89% affirmed.[237] The federal expectation for higher authority appeals is an average case age of less than 40 days. The national average in 2024 was 150 days. South Carolina's average was 22 days, the 20th best performing higher authority program in the country and historically consistent in the low 20s.[238]

FRAUD SCHEMES

FINDING 21

Since 2021, SCDEW has identified and stopped more than 200 fictitious employer schemes involving stolen Social Security numbers and fabricated employment records, preventing an estimated $6 million in fraudulent benefit payments, representing a dramatic increase from only one or two such fraudulent schemes encountered in the preceding two decades.

In a fictitious employer scheme, which SCDEW characterizes as a "new kind of phenomenon," a bad actor registers a fake business with SCDEW, submits quarterly wage reports using social security numbers and names obtained from data breaches on the dark web, and attributes wages to individuals who never worked for the fake business.[239] Over several quarters, the bad actor builds a fake employment history for these fictitious employees, sometimes even paying UI taxes to make the scheme appear legitimate.[240] The goal is then to file unemployment insurance claims on behalf of those individuals, posing as both the employer and the claimant in SCDEW's fact-finding process.[241] When SCDEW sends a notice asking whether the claimant was laid off, the bad actor, who controls the employer account, confirms the fabricated separation.[242] As SCDEW explained, South Carolina's built-in employer notification system, which alerts a real employer anytime one of its employees files a claim for benefits, makes it difficult to file fraudulent claims against a legitimate business whose workforce would recognize a fraudulent filing.[243] Fictitious employer schemes are designed specifically to circumvent that protection by creating a fake employer whose workforce exists only on paper.[244]

SCDEW encountered only one or two such schemes in the two decades before the COVID pandemic.[245] Since 2021, it has identified and stopped more than 200 fraud schemes, all involving wages reported on more than 1,000 individuals who were not the actual persons associated with the stolen social security numbers.[246] SCDEW stopped all of these schemes before any benefits were paid.[247] As SCDEW noted, had all of the fictitious claimants received the maximum amount of benefits, the loss to the Trust Fund would have been approximately $6 million.[248] SCDEW characterized this detection work as "a daily, daily struggle."[249]

SCDEW's detection efforts are led by a dedicated team of approximately four to five special investigators who monitor every new employer registration daily for suspicious data elements, with flagged registrations automatically triggering a deeper review. When a fictitious employer is identified, SCDEW cross matches it against all other employer accounts in the system to identify related schemes, using a "spider out" approach to find patterns that may have been missed.[250]

When asked whether there are weaknesses in the detection process that need to be reassessed, SCDEW acknowledged that weaknesses exist. SCDEW noted that current fictitious employer schemes share certain characteristics that make them relatively easy to spot and lock down quickly, but deliberately declined to describe those characteristics publicly to avoid providing guidance to bad actors.[251] SCDEW is evaluating new vendor offerings for entity validation and verification similar to the ID.me identity verification used on the individual claimant side, and exploring additional data cross matches with entities such as the IRS to increase confidence that newly registered employers are legitimate businesses.[252] SCDEW also participates in the National Association of State Workforce Agencies integrity data hub, through which all 53 UI programs share information about suspicious claims, IP addresses, and other fraud indicators.[253]

The challenge, however, is one of resources and staffing. As SCDEW noted, resource limitations tied to the decline in UI administrative grant funding make this a difficult area to fully staff. While SCDEW stated it is currently able to manage, it cautioned that the threat is "constantly evolving" making detection a struggle and that advances in artificial intelligence may make it "harder and harder" to identify fictitious accounts.[254] "And so there may come a time in two years, three years where we may be coming and asking for some additional support."[255]

FINDING 22

Pending federal policy changes to core employment service programs present significant operational uncertainty for SCDEW's Employment Services division, with particular concern for the agency's ability to serve populations with the greatest barriers to employment.

SCDEW's Employment Services division identified two important pending federal policy changes as sources of operational uncertainty, both of which are being implemented rapidly, without additional funding to support compliance, and without adequate guidance from the federal government.

The first change is a new requirement that individuals seeking services through the Wagner-Peyser employment

services program, which has historically been a free, open-access service requiring no application and imposing no eligibility conditions, must now undergo a formal eligibility verification process before receiving assistance.[256] SCDEW expressed concern that this requirement is incongruous with the nature of the program. As SCDEW testified, "the problem is we're a free program. We're not offering anything but assistance. So they want us to make people go through an eligibility verification process when we're not giving them anything in return."[257] The verification process requires participants to produce documentation of identity and work authorization and to complete associated paperwork before accessing services that have always been available without those conditions.[258]

SCDEW identified individuals in its Second Chance and Back to Work programs as most at risk of being excluded by this requirement. Many of the people the division is most trying to reach, including those reentering the workforce after incarceration and those recovering from domestic violence, homelessness, or substance use disorders, "may not have the paperwork necessary or be able to fill out the paperwork necessary to get through this verification program, which, again, has always been free."[259] SCDEW also opined that "[c]ase management is going to be affected. People that have the barriers to employment, the ones who are hardest to serve, it's going to be more difficult to give them the case management that they need without going through this verification process."[260]

The second change is the proposed consolidation of multiple federal workforce development funding streams, potentially including Wagner-Peyser and WIOA, being "rolled in together" into a single Make America Skilled Agan Block Grant to the states.[261] SCDEW expressed concern that this consolidation would create uncertainty about the continuity of funding for specific program areas and would make staff retention substantially more difficult during the transition.[262] As SCDEW observed, "with any big federal change where they're talking about consolidation, that's really hard to retain staff during that."[263]

Asked how these changes would affect SCDEW's outcomes, SCDEW indicated it is concerned, explaining that "with these changes, you can only provide a certain level of services that directly affect your outcome" and that the restrictions on what SCDEW can and cannot do under the new requirements will have a direct impact on the employment outcomes it is able to achieve for the populations it serves.[264]

FINDING 23

SCDEW has secured 32 criminal indictments against nine people for unemployment insurance fraud, is building an AI tool to flag fraudulent claims before they are paid, and separately has recouped "staggering" results in collecting overdue employer taxes.

SCDEW employs a dedicated fraud prosecutor and has a State Law Enforcement Division (SLED) agent assigned specifically to investigate unemployment insurance fraud cases.[265] To date, that effort has produced nine arrests and 32 individual indictments.[266] One defendant, accused of filing fraudulent claims under four different identities, pleaded guilty. Another died while his indictment was still pending, resolving that case by default. The remaining seven indictments are awaiting trial or a plea agreement.[267] SCDEW testified that these cases take considerable time to build, since much of the evidence comes from bank records obtained through subpoena, and that the pace of prosecution is ultimately constrained by the docket of the court of general sessions.[268] When asked directly how much fraud money the agency has recovered, the SCDEW could not provide a dollar figure at the hearing and said it would follow up separately with that number.[269] The agency later confirmed that the aforementioned 32 indictments involve $148,097.04 in fraudulently obtained unemployment benefits, though the agency noted its total fraud overpayment recovery, which includes cases resolved outside the criminal prosecution process, is significantly higher.[270]

Separately, SCDEW's Integration and Integrity teams are developing a tool that uses the agency's own unemployment insurance data to identify or predict fraudulent claims, rather than relying solely on cases that surface after the fact.[271] SCDEW described this as one of several internal projects exploring artificial intelligence, alongside a planned AI component for its call center, and said its broader approach to AI adoption remains deliberately cautious.[272]

Beyond fraud, SCDEW's Office of General Counsel developed a separate program to enforce collection of overdue employer taxes and bring delinquent employers back into compliance. SCDEW's chief of staff described the results of the program, which focuses on some of the agency's most difficult accounts, as "staggering," though he did not provide the underlying dollar figures at the hearing.[273] SCDEW later confirmed that its Office of General Counsel has collected $15,189,078 since launching this initiative roughly three years ago.[274] SCDEW testified that this effort benefits both the state's unemployment trust fund and the employers themselves, since an employer with an unresolved tax lien is placed in the state's highest risk tax classification, a status the agency said is "a place you don't want to be as a taxpaying employer."[275]

WORKFORCE DEVELOPMENT

FINDING 24

SCDEW's Workforce Development Division administers the state's WIOA Title I programs, part of the SC Works system, which in the program year that ended June 30, 2026, received $29 million in federal funding for just three of the six programs created under the Workforce Innovation and Opportunity Act.

SCDEW's Workforce Development Division is responsible for statewide workforce planning and research for the publicly funded workforce system, administering workforce and employer incentive programs, developing policies to guide the workforce system, collecting and reporting on performance outcomes, and training workforce professionals across the SC Works system.[276] The division has also positioned itself to support implementation of the South Carolina Workforce Pell Program, a partnership among the Office of Statewide Workforce Development, SCDEW, and the Governor's Office.[277] According to SCDEW, the Workforce Development Division's responsibilities ensure that the state "maintains a strong, accountable, and forward looking workforce system."[278]

The Workforce Innovation and Opportunity Act (WIOA) is the federal legislation that creates the publicly funded workforce system known in South Carolina as SC Works.[279] Enacted in 2014, the WIOA was the first bipartisan legislation in workforce development since the Workforce Investment Act of 1998, and it was designed to align federal investments, tighten accountability, and target services to the job seekers and employers who need them most.[280]

The WIOA comprises six distinct programs organized under four titles, administered by four different state agencies. Title I covers the adult, dislocated worker, and youth programs, administered by SCDEW through the Workforce Development Division. Title II covers the Adult Education and Family Literacy Act programs, administered by the Department of Education through its Office of Career Readiness. Title III covers the Wagner-Peyser Employment Service program, also administered by SCDEW. Title IV covers the Vocational Rehabilitation Act programs, administered by the Department of Vocational Rehabilitation and the Commission for the Blind.[281] For the three WIOA programs SCDEW administers, the adult, dislocated worker, and youth programs, the agency received $29 million in the program year that ended June 30, 2026 (Program Year 2025).[282]

The WIOA also requires all four titles to come together every four years and write a single strategic plan for the whole system.[283] Under the prior legislation, the four titles "were all identifying [their] strategic priorities in silos and not working together to create really a network of partners and programs to serve the customers."[284] South Carolina submitted its first unified state plan to the U.S. Departments of Labor and Education in 2016 and has updated it every two years since.[285] The currently approved plan covers the six WIOA core programs together with five additional federal programs: the Temporary Assistance for Needy Families (TANF) program, the Supplemental Nutrition Assistance Program (SNAP), the Jobs for Veterans State Grant program, the Trade Adjustment Assistance Act (TAA) program, and the Senior Community Employment Program, for a total of 11 federal programs coordinated under a single four-year plan.[286]

WIOA Programs

Programs	Partner Agency
Title I – Adult, Dislocated Worker, and Youth programs	DEW
Title II – Adult Education & Family Literacy Act Programs	Department of Education Office of Career Readiness
Title III – Wagner-Peyser Act Program	DEW
Title IV – Vocational Rehabilitation Act Program	Vocational Rehabilitation Department Commission for the Blind

FINDING 25

South Carolina's workforce system is governed at the state level by the governor, SCDEW, and a State Workforce Development Board, and at the local level by chief local elected officials, fiscal entities, and workforce development boards whose members are unpaid volunteers.

Governance of the workforce system is shared between the governor, SCDEW, and the State Workforce Development Board, which develop and provide strategic direction and leadership for the system.[287] In addition, twelve local workforce development boards develop and communicate strategic vision locally, advise on policies and procedures, promote regional economies through workforce investments, and oversee local operational systems.[288] The 12 local workforce development areas have existed since the Workforce Investment Act of 1998.[289] When WIOA was enacted in 2014, South Carolina elected to carry those areas forward, and they undergo a recertification and redesignation process managed by SCDEW every two to three years.[290] SCDEW acknowledged that this geographic structure has not been revisited "in some time" and identified it as an area the agency intends to examine as part of its ongoing workforce transition efforts.

Members of the State Workforce Development Board are appointed by the Governor.[291] Board membership criteria are set by the WIOA and require a majority of members to represent businesses nominated by chambers or business associations, with 20% required to represent workforce interests such as community-based organizations, and additional seats reserved for representatives of each WIOA partner program.[292] Members of the legislature are appointed by the presiding officers of their respective chambers. Representative Don Chapman and Senator Ross Turner currently serve on the State Workforce Development Board.[293] The board is chaired by Thomas Freeland of Greenville and vice chaired by Warren Sneed of Cooper Standard in Spartanburg, and it is currently reviewing and updating its four-year strategic plan.[294] All state and local board positions are volunteer, unpaid positions.[295]

The State Workforce Development Board meets quarterly, along with its three standing committees: the Workforce Innovation Committee, the SC Works Management Committee, and the Board Governance and Development Committee. The SC Works Management Committee is responsible for direct oversight of the SC Works system.[296] Local boards are required to maintain an SC Works Committee and a disability committee but otherwise have flexibility to establish additional committees.[297] SCDEW acknowledged that "one of the areas of opportunity that we have and that we continue to work on, is strengthening the collaboration and partnership between the State Workforce Development Board and each of the 12 local workforce development boards."[298] According to SCDEW, "it's been a strategic priority for the chairman of the state board for several years now to really have a stronger influence in partnership with the local boards."[299]

SCDEW described the State Workforce Development Board's ability to influence the workforce system in five categories: funding, performance metrics, policies and procedures, partnership and collaboration, and evaluations and assessments.[300] As an example of the board's use of funding, in 2017 the board used WIOA funds to establish five transportation pilot projects, competitively awarded to local workforce boards in Anderson, Dillon, Spartanburg, Walterboro, and Williamsburg counties, to create or expand public transportation routes connecting residents to employment and training.[301] Over the grant period, 6,700 individuals used the new or extended routes, 47% used the service to access employment or training, and 40% used it to maintain employment or complete training.[302] The initiative reflects an "undeniable need" for greater transportation access and resources in rural communities.[303] The agency noted that the Dillon County route, which required close coordination among SCDEW, the Department of Transportation, and local transit authorities, was more of the most successful and has continued to operate because of sustained local government support after the grant period ended.[304]

FINDING 26

SCDEW's supply gap analysis found that the state is not training enough workers in several key industries, and that the state's teacher shortage is not a training problem, although SCDEW admits it does not know what is really driving challenges with teacher retention.

SCDEW's statutorily required supply gap analysis found the state is not producing enough graduates in construction, digital technology, health care and human services, or marketing and sales to meet private-sector demand, with the widest gap by far in registered nurses. The analysis also found South Carolina's teacher shortage is not a training problem, though SCDEW conceded it does not have the data to say what is actually driving it.

Act 67 requires SCDEW to publish a supply gap analysis annually.[305] The analysis measures whether South Carolina is producing enough new workers to keep pace with employers' annual workforce needs. For a given

occupation, SCDEW compares "who's graduating with what credentials, what are the job openings that are out there and how well do those things line up with each other."[306] The difference between those figures is the "supply gap." A large gap indicates that "demand expressed by employers greatly exceeds the number of people who are coming out of colleges and universities with that skill set."[307] Large gaps further suggest that "education and training providers may need to retool to increase production and retention of students to better meet workforce needs."[308] SCDEW has shared this data with the Commission on Higher Education and technical college administrators, and testified that the Commission considers it when reviewing proposals for new academic programs, evaluating whether a proposed program would train students in a skill "the free market will pay people for."[309]

SCDEW breaks the results into 14 federally designated career clusters, rating each as having a narrow, moderate, or wide gap between supply and demand.[310] Four clusters showed a wide gap: construction, digital technology, health care and human services, and marketing and sales.[311] According to SCDEW, within health care, "the largest supply gap by a substantial margin is registered nurses."[312]

Teacher shortages in the state are a well-known concern. But according to SCDEW, the state is training enough people to fill open teaching positions, and the real problem is retention since there are "enough graduates coming out to largely meet the needs of local school districts."[313] Asked whether wages are driving that retention problem, SCDEW declined to draw a firm conclusion,[314] explaining that answering the question properly would require "a big survey of current and former educators," a survey that, by SCDEW's own admission, has never been done, not by its team, and not, as far as SCDEW is aware, by any other state agency.[315]

Career Cluster Gap Analysis

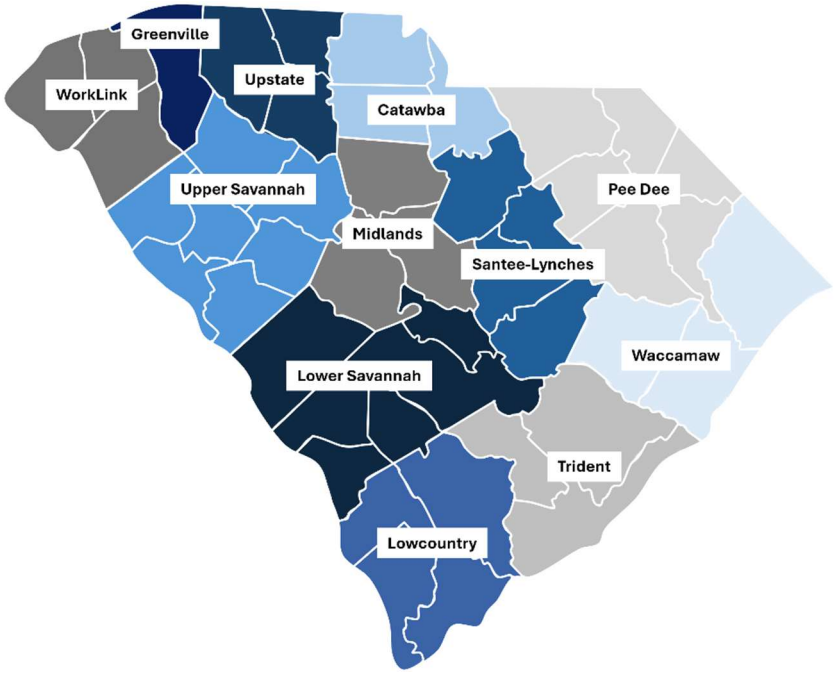
Career Cluster	SGA Rating
Advanced Manufacturing	Moderate Gap
Agriculture	Narrow Gap
Arts, Entertainment, & Design	Narrow Gap
Construction	Wide Gap
Digital Technology	Wide Gap
Education	Narrow Gap
Energy & Natural Resources	Moderate Gap
Financial Services	Moderate Gap
Healthcare & Human Services	Wide Gap
Hospitality, Events, & Tourism	Moderate Gap
Management & Entrepreneurship	Moderate Gap
Marketing & Sales	Wide Gap
Public Service & Safety	Narrow Gap
Supply Chain & Transportation	Moderate Gap

FINDING 27

South Carolina has not redrawn its 12 workforce regions since 1998.

South Carolina's workforce system is governed at the state level by the governor, SCDEW, and a State Workforce Development Board, and at the local level by 12 local workforce development boards.[316] The 12 local areas have existed since 1998, and when WIOA replaced the prior federal workforce law in 2014, the state simply carried the same boundaries forward.[317] SCDEW is now reconsidering that decision. As part of the Workforce Transition Initiative,[318] the agency is examining whether the 12-area map "still makes sense for South Carolina, because it hasn't been revisited in some time," calling it "an area of opportunity as we think about where we take the workforce system in the next years."[319]

12-Area Map



FINDING 28

SCDEW's federal bonding program insures employers against loss from hiring workers with barriers to employment, issuing roughly 20 bonds a year from an existing inventory of $5,000 to $25,000 coverage.

The federal bonding program provides a fidelity bond for employers who hire individuals from target groups or facing a barrier to employment, including individuals who are judicially involved, lack a work history, or have poor credit. The bonds range in coverage from $5,000 to $25,000. [320] If a bonded employee subsequently commits an offense causing the employer financial harm, such as theft, larceny, embezzlement, or forgery, the bond functions like insurance, allowing the employer to recover the loss, which SCDEW stated helps remove a barrier employers may otherwise perceive to hiring someone with a relevant background.[321]

SCDEW purchased 548 fidelity bonds in 2019 using a U.S. Department of Labor grant. According to the agency, demand has since stabilized at roughly 20 bonds issued per year, leaving SCDEW with ample bond inventory to meet current demand.[322] The bonds are used across industries, most commonly in manufacturing, with the sole exception of cannabis-related industries, which are ineligible.[323] The bond program is promoted through job fairs, hiring events, and social media, primarily LinkedIn for employer outreach, including a current outreach campaign called "Where There's More."[324]

According to SCDEW, the bonding program is built into its prerelease partnership with the South Carolina

Department of Corrections. SCDEW's Employment Services division stations staff on-site at correctional facilities to work with inmates within 180 days of release, taking them through employability workshops to prepare them to "talk about their conviction or their background to leverage the resources" like the Federal Bonding and Work Opportunity Tax Credit program.[325] Participants also take part in a virtual hiring event before release, allowing them to meet prospective employers and secure a job before leaving custody.[326] The bond functions as an incentive to hire by removing the employer's practical risk in hiring someone with a criminal record.[327]

FINDING 29

SCDEW's new occupational data reveals that only 19% of South Carolina residents working in the state are employed in a field that matches their college degree or certificate, a finding that SCDEW says undercuts the assumption that a training program can produce a fixed number of graduates and expect them to fill a specific job shortage.

Section 41-31-160 of the Code requires, among other things, employers in the state with ten or more employees "file that portion of the 'Employer Quarterly Contribution and Wage Reports' containing the employee's social security number, name, Standard Occupational Classification (SOC) code, total number of hours worked, and total wages electronically," in a format approved by SCDEW in addition to the five data points the federal government already requires for unemployment insurance purposes.[328] The SOC code is a federal classification system that identifies the specific type of work an employee performs, a distinction SCDEW described as critical to answering where shortages of labor actually exist in the state's economy. Previously, SCDEW could determine how many people worked at a hospital, for example, but, as the agency explained, "we don't know how many of them are doctors or nurses or janitors or accountants."[329] The new occupational data allows the agency to make those distinctions and conduct "a lot more detailed analysis" of turnover by occupation and employment and wage trends "at a very micro level that we were not able to do previously."[330] SCDEW characterized the new information as "extremely powerful."[331] According to SCDEW, compliance has been high, with "the vast majority" of employers providing the codes, and that its team is actively working through the remaining gaps by following up directly with employers who did not report a code or whose reporting raised questions.[332]

The SOC code and hours worked data also allow SCDEW to answer questions extending beyond where labor shortages exist. Specifically, the agency can break out turnover rates broken out by occupation rather than just industry, see how many workers hold multiple jobs and whether those jobs are in the same field or different fields, and, most significantly, track what SCDEW calls "longitudinal wage and title progression," which is actual data on what happens to a person's career over time rather than the "mostly hypothetical" career pathway discussions the state relied on in the past.[333] SCDEW is building that into a job transition dashboard that will, for the first time, let employers see whether workers in their field are leaving at a higher or lower rate than the state average.[334]

Applying that same occupational data to a federal government model designed to predict which jobs a given college degree should lead to, SCDEW found that only 19% of people who attended college in South Carolina and are currently working in the state are employed in an occupation the model would predict based on their degree.[335] The agency noted that some fields, like nursing and law, show a much tighter link between degree and occupation, but for most fields the disparity is far wider.[336] According to SCDEW, the practical consequence is that lawmakers cannot assume that increasing enrollment in a training program will reliably solve a specific labor shortage. To the contrary, "if you find that you need a certain number of a certain occupation, you can't just go to a training program, get X people and drop them all in there and assume they will all take that job . . . people are random."[337]

FINDING 30

SCDEW's expanded workforce development authority traces directly back to a prior study this Committee conducted of the South Carolina Department of Commerce, which found that workforce development responsibilities were scattered across agencies without adequate coordination.

As noted by Director Floyd, Act 67 of 2023, which, among other things, transferred the Department of Commerce's workforce functions to SCDEW, grew directly out of this Committee's own prior study of the Department of Commerce.[338] The Act's stated purpose—to "coordinate, align, and enhance all publicly funded workforce development services and centralize oversight of the entities that provide these services to enhance accountability"[339]—reflects the same coordination gap the Commerce study identified. The Commerce study found workforce development was "touched on by different agencies" but "wasn't quite coordinated as much as it needed to be."[340] According to Director Floyd, this fact directly informed the passage of Act 67.[341] Director Floyd

credited this Committee's findings with helping the General Assembly recognize that "workforce is important in South Carolina," and called the prior study a part of "a pathway for us to do this constructively."[342]

Prior to Act 67, the Department of Commerce chaired a smaller Coordinating Council for Workforce Development (CCWD) with a different composition, and housed the Regional Workforce Advisors, described as "critical connectors between educators and employers," who worked directly with schools and employers to align training with workforce needs.[343] The Act moved the Regional Workforce Advisors to SCDEW and expanded the CCWD's membership to include a broader range of state agencies and stakeholders.[344]

CCWD now provides oversight and awareness of workforce related activities across the Department of Commerce, the Technical College System, the Commission on Higher Education, and the Department of Education, so that these agencies are "rowing in the same direction rather than going left and right."[345] SCDEW noted that ultimate oversight of these activities still rests with the General Assembly, and that CCWD's role is to report back annually with suggestions and recommendations rather than to direct other agencies' activities.[346]

SCDEW testified that South Carolina's approach of coordinating workforce development through a statutorily created council rather than creating a new standalone agency is now being replicated in other states. Georgia and North Carolina, for example, have both recently made legislative changes creating similar coordinating entities. In addition, South Carolina's approach mirrors priorities the U.S. Departments of Labor, Commerce, and Education outlined in America's Talent Strategy.[347]

FINDING 31

South Carolina loses out-of-state college graduates to other states at twice the rate it did a decade ago, and according to SCDEW, paid internships, not training programs alone, are the state's best tool for keeping college graduates in state.

Data from CCWD's research demonstrates that students who earn a "career ready" designation and complete an internship earned nearly $4,000 more in their first year of work than peers with neither the designation nor the work experience.[348] CCWD finds this evidence encouraging as it establishes that "an internship pays off even as early as right after high school."[349] CCWD tied this directly to a separate, more troubling data point. The number of out-of-state college graduates leaving South Carolina after graduation has doubled over the past decade. This is troublesome to CCWD because the state invests in these students' education only to see them leave.[350]

Dr. Rebecca Battle-Bryant, Director of the Office of Statewide Workforce Development, identified two specific reasons South Carolina employers give for not offering more internships. First, many assume minors cannot be on a job site at all if the work is hazardous. Drawing on her own background in bridge construction, Dr. Battle-Bryant maintained that this isn't necessarily true. According to Dr. Battle-Bryant, minors can still ride along, sit in on estimating, or shadow engineering work without violating safety rules.[351] Second, internships are often unpaid, competing directly with jobs students already hold. Indeed, 40% of South Carolina high school and college students already have a job, making an unpaid internship, or "some fancy name like a practicum," a hard sell against paid work they're already doing.[352]

Dr. Battle-Bryant pointed to employer feedback that "durable skills" like communication, reliability, and workplace conduct, matter more to long term employment than specific technical skills, which shift from year to year based on labor market trends.[353] To illustrate the point, Dr. Battle-Bryant described a Rock Hill accounting firm that hires high school and college interns, some of whom decide accounting is not for them. Yet, the firm's owner considers the internship a win for the community, because the intern leaves knowing "how to work" and "how to come to work on time," skills that students often cannot identify in themselves because schools rarely teach them to think in those terms.[354]

Rather than propose a single statewide internship program, SCDEW's strategy has been to identify successful local models and help other communities adopt them. In Beaufort County, the Beaufort Jasper Water & Sewer Authority has run 11 internships and retained all 11 as full-time employees after graduation.[355] Spartanburg Regional Medical Center runs roughly 120 internships each summer, funded in part through matching grants the community raised on its own.[356] In Greenville, the Chamber of Commerce runs "Launch Greenville," and in Beaufort, a privately funded initiative offers nursing and healthcare graduates a $4,500 annual stipend to remain in the area for two years, on the theory that if they stay that long, "they'll build roots and won't want to go."[357] SCDEW is compiling these examples into a "best practices" feature on the Find Your Future portal so other communities can learn from and adapt them.[358] While the portal is SCDEW's "technological connection," internships remain the way SCDEW builds the human connection it considers critical to keeping high school graduates in the state.[359]

FINDING 32

SCDEW's veterans employment program operates under federal grant requirements that significantly restrict which veterans and military spouses may receive intensive case management from dedicated veterans' employment representatives, creating difficulties that limit the program's flexibility.

SCDEW administers veterans' employment services through the Jobs for Veterans State Grant (JVSG), a federal grant with two distinct position types. Disabled Veterans' Outreach Program specialists, known as DVOPs, serve as case managers for veterans and eligible military spouses who face significant barriers to employment, such as homelessness, prolonged unemployment, or disability.[360] Local Veterans' Employment Representatives, known as LVERs, work directly with employers to advocate for veteran hiring, follow federal contractor compliance requirements, and take veteran resumes directly to employers.[361]

The federal regulations governing DVOP services include a triage requirement that prevents veterans from simply walking into an SC Works center and requesting a DVOP case manager.[362] As SCDEW explained, a veteran must first be screened and referred by a Wagner-Peyser staff member, who must verify the veteran's eligibility before the referral is made.[363] The DVOP must then independently confirm eligibility before providing services.[364] SCDEW noted that this process confuses veterans, partner organizations, and SC Works center colleagues, who frequently ask why a veteran cannot be directed straight to a veteran's representative.[365] But as SCDEW noted, "we can lose our grant over that."[366]

To serve a broader range of veterans while maintaining grant compliance, SCDEW created a 50/50 position structure in which certain staff members are funded 50% through Wagner-Peyser and 50% through the JVSG.[367] This structure allows those employees to serve a wider range of customers but requires them to physically move to a different workstation and switch between separate system accounts depending on which program they are operating under at a given time.[368] An inadvertent login to the wrong account while in the wrong location could jeopardize grant compliance.[369] SCDEW described the JVSG as one of those grants that "can keep you up at night" given the precision required to avoid a compliance violation.[370] The arrangement also creates team dynamic challenges, because other SC Works center staff who rotate through front desk duties and hiring events cannot ask DVOP-funded employees to participate in those shared responsibilities without risking grant compliance, leading some colleagues to perceive DVOP staff as not contributing to team efforts when in fact they are protecting the grant.[371]

Veterans' Entered Employment Rate (VEER)

Nationwide Top 10 VEER

Rank	State	VEER
1	New Hampshire	72.3%
2	Mississippi	70.3%
3	Iowa	68.7%
4	Wisconsin	67.8%
5	Indiana	65.2%
6	**South Carolina**	**60.9%**
7	Kansas	60.8%
8	Michigan	60.7%
9	Nebraska	60.1%
10	Virginia	60.1%

Region 3 VEER

Rank	State	VEER
1	Mississippi	70.3%
2	**South Carolina**	**60.9%**
3	Florida	59.2%
4	Tennessee	58.7%
5	North Carolina	57.4%
6	Kentucky	55.6%
7	Alabama	39.7%

Recruitment for DVOP positions is also constrained by strict federal eligibility criteria, including specific disability ratings and minimum periods of active service. SCDEW noted that it regularly encounters highly qualified candidates who fall just short of those thresholds.[372] As SCDEW testified, "what disheartens me every time is that you'll have an amazing National Guard member who only served 179 days of active duty, and I can't hire them. They're highly qualified, but they don't meet the 180 days of active service."[373]

To ensure that all veterans who enter an SC Works center feel served and welcomed regardless of DVOP eligibility, SCDEW has trained all center staff under the philosophy that "we're all veterans representatives" and that any staff member can and should provide basic employment services to a veteran who walks through the door.[374] SCDEW also developed the STAYS program, which enables veterans and military spouses who do not qualify for DVOP services to sign up for guaranteed interviews with participating employers, bypassing the automated screening systems that often filter out veterans because of resume gaps or unconventional employment histories. As of the time of testimony, the STAYS program had enrolled over 800 participants, engaged 337 employers, and resulted in 322 hires.[375]

Despite the administrative complexities and recruitment challenges inherent in the JVSG grant structure, South Carolina's veterans employment program achieves strong outcomes. In Program Year 2023, the state's Veterans' Entered Employment Rate (VEER)—i.e., the percentage of veterans and other eligible persons not employed at program entry who were employed in the first quarter after the exit quarter, was 60.89%, which was the sixth highest in the nation and second highest in the region, and well above the national threshold of 50.5%.

CYBERSECURITY AND ARTIFICIAL INTELLIGENCE

FINDING 33

SCDEW is planning for the impact of AI on the workforce, but admits it does not yet know which occupations AI will affect most or what AI literacy should mean for its programs.

In July 2025, the U.S. Departments of Labor, Commerce, and Education released America's Talent Strategy, organized around five pillars: industry-driven strategies, worker mobility, integrated systems, accountability, and flexibility and innovation.[376] SCDEW aligned its WIOA state plan and its own division priorities to match, then launched a long term Workforce Transition Initiative to carry that vision through the SC Works system.[377]

SCDEW described four near term goals for the initiative. First, it is studying the return on investment of its federally funded programs, work that will help determine whether the 30% participant cost floor is set correctly.[378] Second, it is developing a reorganization policy for the state's 12 local workforce areas (the issue raised in Finding 27). Third, it is looking at diversifying funding sources, given the decade-long decline in WIOA dollars.[379] Fourth, it is reviewing policies that make the system hard to navigate.[380]

Of America's Talent Strategy's five pillars, the fifth pillar, flexibility and innovation, leans heavily on artificial intelligence. SCDEW said its plans include building AI into case management and job search tools, studying which occupations AI will affect, and considering whether WIOA funds could support AI literacy training.[381] Asked directly what AI tools SCDEW currently uses in its programs, the answer was none. Any AI capability is still tied to the system modernization project described in Finding 35.[382]

Pressed further on specifics, SCDEW was candid about how much remains unsettled. When asked what "AI literacy" means for its programs, SCDEW responded that it did not know that yet; indeed, "that's part of what we need to understand."[383] When asked how it would determine which occupations AI affects most, the agency's answer was the same: "We don't know that yet either . . . . that truly is a part of the evaluation that we need to do."[384] For AI-specific incumbent worker training, SCDEW said it would handle it the way it handles all incumbent worker training, namely, "we largely defer to the employer to guide us on what their employees need to remain competitive."[385]

FINDING 34

The General Assembly has committed $13.1 million to build a single, AI-powered portal that would allow state residents to log in and get personalized answers about jobs, training, and wages. Nearly two years after the interim website launched, the portal has gone out for bid.

SCDEW describes the AI-powered "Find Your Future" portal as a "virtual mall" where multiple state agencies share data and tools through a single point of entry that is accessible to every state resident.[386] Unlike the current interim website, the portal would use AI to answer a user's specific questions directly, pulling together labor market

data, ROI dashboards, supply gap analysis, and other reports SCDEW has spent years building, rather than requiring someone to already know which office or webpage to search.[387] The concept mirrors what America's Talent Strategy calls a "talent marketplace," and that the federal government is asking all 50 states to move toward some version of it.[388]

The General Assembly has committed $10.3 million in nonrecurring funds and $2.8 million in recurring funds to the project.[389] SCDEW launched an interim website, findyourfuturesc.gov, in February 2025 to begin building public awareness ahead of the real portal, which Director Floyd candidly described as functional but not intuitive.[390] The actual portal went out for bid on September 30, 2026.[391]

SCDEW ran a pilot test with an outside vendor, Future Fit AI, to learn what a working version might look like before the request for proposal goes out. The pilot found that most users who signed up did not learn about it through word of mouth. Rather, the pilot found that "social media ads are the way to find these young people . . . that's where they're at."[392] SCDEW has not yet finalized how it will measure the portal's success, but said metrics under consideration include how many people use it, how far they get before abandoning it, and, longer term, whether it measurably improves the metrics already tracked in the Unified State Plan.[393] A portal steering committee made up of CCWD's own partner agencies, along with outside business, cybersecurity, and IT representatives, has been shaping the project's requirements before the request for proposal is finalized.[394]

South Carolina was also selected as one of ten semifinalist states in a federal technical assistance program supporting states building these portals, alongside more advanced states like Alabama and Arkansas.[395] SCDEW applied as a "novice" rather than an advanced applicant. If selected as a finalist, the program would direct additional federal funds toward connecting the portal with K-12 systems. SCDEW must submit its plan of action by December 4, 2026, to be considered.[396]

FINDING 35

SCDEW faces attempted cybersecurity intrusions daily and has restricted employee use of AI tools out of concern that confidential claimant and employer data could be exposed to outside systems.

SCDEW faces cybersecurity threats every day in an environment where "every second that clicks off the clock, there's a bad person out there trying to penetrate" its systems.[397] The agency recently completed a two phase move of its administrative services, funded in part by the General Assembly, which the agency said improved its security posture in partnership with the Department of Administration.[398] SCDEW is subject to multiple layers of external review, including audits from the IRS and the Department of Administration, in addition to oversight from its own internal information security team. SCDEW testified that its internal security auditors hold the agency to a demanding standard, stating that "we're never good enough to satisfy them."[399] The agency described routine defensive measures including continuous system monitoring and simulated phishing tests sent to employees, and said it has had no confirmed security breaches to date, while acknowledging it cannot guarantee that will remain true.[400]

Cybersecurity risk was also the agency's stated reason for limiting how employees can use AI. SCDEW testified that its only approved enterprise-wide generative AI tool is Microsoft Copilot, deployed in a "closed circuit" environment, and that it maintains an internal policy prohibiting employees from using outside AI tools, out of concern that inputting confidential claimant or employer information into an external AI model could expose that data.[401]

CUSTOMER SERVICE

FINDING 36

A South Carolina job seeker eligible for multiple workforce programs has to repeatedly tell the same story to different case managers, in different systems, because four state agencies serve the same customers through four systems that do not talk to each other. SCDEW is now negotiating a fix.

SC Works Online Services (SCWOS) is the state's largest job board and supports case management across every WIOA federal program.[402] According to SCDEW, the driving force behind the modernization project is simple: the agency's contract with its existing system vendor was expiring.[403]

The problem SCDEW is trying to solve is a familiar one. Four different agencies each administer a piece of WIOA. And each runs its own separate legacy system, even though, as SCDEW put it, "we all serve a common customer."[404] Eligibility requirements are often nearly identical across the SCDEW's adult program, the Department of Education's adult education program, and the Department of

Vocational Rehabilitation and Commission for the Blind programs. Because SCDEW administers both Title I (Adult, Dislocated Worker, and Youth) and Title III (Wagner-Peyser) of WIOA, SCWOS is utilized for all of those programs, but currently, a job seeker who walks into a center has to sit down with one case manager for the adult program, then start over with a different case manager and a different system for adult education, "provide all the same information and go through that again."[405]

According to SCDEW, every agency intends to keep its own legacy system. What the modernization project is meant to add is real-time data exchange across all four, so that a case manager sitting with a job seeker who is potentially eligible for all of the WIOA programs can identify that eligibility in one meeting, rather than passing the person from office to office.[406] SCDEW is currently negotiating with its selected vendor and expects to move into implementation in early 2027.[407]

FINDING 37

SCDEW has built return on investment data covering every public postsecondary credential in South Carolina, which tracks how much graduates earn and how long it takes them to recoup their tuition. But the agency does not flag underperforming programs to the General Assembly and confirmed no process currently exists for it to do so.

SCDEW's Strategic Initiatives Team, created to carry out Act 67's data mandates, has built a wage trajectory dataset covering every credential issued by a public university, college, or technical college in the state.[408] By matching graduation records from the Commission on Higher Education against wage records for graduates working in South Carolina, SCDEW can show what a specific degree or certificate actually pays years after completion, and, in a future version of the tool, how long it takes a graduate to earn back what they spent on tuition.[409] SCDEW confirmed the data will answer the question of which of the state's tax funded education programs or workforce programs consistently lead to livable wages and above.[410]

SCDEW takes a hands-off approach when the data shows a program is not producing good outcomes for its graduates. Specifically, SCDEW is "not going to come out and say . . . people shouldn't do that . . . that's not a value judgment that [the Strategic Initiatives Team] is going to put on it."[411] When asked whether any process exists for SCDEW to bring that information to the General Assembly's attention on its own, SCDEW responded that the General Assembly would have to request the data itself.[412] The only existing check SCDEW could point to was indirect—i.e., the Commission on Higher Education already considers wage outcomes when it reviews proposals for new academic programs.[413] SCDEW added that "this is data that the legislature is . . . obviously you told us to do it. So we want to make it available in whatever form is most useful for the members."[414]

ECONOMIC DEVELOPMENT

FINDING 38

Although South Carolina is the fastest growing state in the country, many of the state's counties lose population annually, representing a "vicious cycle" the unemployment rate alone may not fully capture.

SCDEW's Labor Market Information Division produces the state's vital economic data under federal cooperative agreements with the U.S. Bureau of Labor Statistics.[415] When asked which parts of the state face the greatest labor market challenges, SCDEW pointed to the northeast and southwest portions of the state and particularly Marlboro County, which "has the highest unemployment rate in the state and has for a number of years" following a major plant closing in 2022.[416] According to SCDEW, Marlboro County's unemployment rate is roughly 7%, compared to 3% in Charleston and Lexington counties, which typically post the state's lowest unemployment rates.[417]

SCDEW's long term concern is what it describes as a "depopulation situation" leading to a "vicious cycle" in rural counties. Specifically, employers in rural counties leave in search of a larger workforce or better infrastructure, which drives more residents to leave, which, in turn, discourages new employers from coming in.[418] SCDEW noted the irony that "South Carolina as a whole is the fastest growing state in the country," even as "many, if not most counties are losing population" in any given year.[419] In faster growing areas like Greenville, SCDEW stated that the challenge runs the other direction—i.e., employers competing to hire enough workers at the wages they're willing to pay.[420]

SCDEW acknowledged a limitation in these figures. County level unemployment rates understate the severity of a struggling county's problems. If county residents leave because they cannot find work, their departure shrinks the labor force rather than showing up as unemployment, which masks how severe unemployment conditions actually are.[421] County residents who stop looking for work

altogether, known as “discouraged workers,” drop out of the labor force entirely. Migration loss itself is not directly measured by SCDEW’s statistics, though it can be inferred from separate Census Bureau and state Revenue and Fiscal Affairs population data.[422]

FINDING 39

SCDEW partnered with the Southern Carolina Alliance, a seven county Lowcountry economic development alliance, to form a regional manufacturing workforce collaborative aimed at ending duplicative employer outreach across the region.

The Southern Carolina Alliance covers seven Lowcountry counties to include Jasper, Hampton, Allendale, Bamberg, Barnwell, Beaufort, and Colleton counties.[423] SCDEW testified that the Alliance first came to the agency expressing a need for “greater access to education and training resources,” pointing to high unemployment and low levels of economic development and manufacturing in the region.[424]

Two years ago, SCDEW and the Alliance formed a regional manufacturing collaborative and built a strategic plan aligned with the state’s Unified State Plan for Education and Workforce Development.[425] SCDEW just finished year one of a two-year commitment and is now entering year two.[426] Early results include better communication across partners, cross-promoted job fairs and hiring events, and more coordinated employer outreach. SCDEW explained that coordinated employer outreach matters because without it, “you’ve got multiple workforce and economic development entities reaching out to the same employer, offering very similar services,” which “over time . . . begins to be a burden to our employers.”[427]

SCDEW called the partnership a “first of its kind example” of how the agency works with regional economic alliances at the local level.[428]

INTERNAL CHANGES

During the study of the South Carolina Department of Employment and Workforce, the Department made **3** internal changes related to participation in the study process.

INTERNAL CHANGE 1

As noted in **Finding 13**, the current statutory formula for determining UI Trust Fund solvency, the Average High Cost Multiple, would require the state to maintain a minimum Trust Fund balance approaching $2 billion by 2030, a level SCDEW projected would exceed the maximum realistic unemployment insurance benefit payout in any foreseeable recessionary year and would trigger a mandatory solvency surcharge on employers if the Trust Fund fell short. SCDEW recommended replacing the Average High Cost Multiple with a formula grounded in the state's actual recessionary experience, specifically, multiplying 8% of the state labor force by the maximum weekly benefit amount and the maximum benefit weeks.

During the 2026 legislative session, the General Assembly enacted Act No. 243 of 2026, effective July 1, 2026, which amended Section 41-31-45 of the Code to replace the Average High Cost Multiple with a new "fund solvency target" calculated as the product of 0.08, the size of the South Carolina labor force as determined annually by the U.S. Bureau of Labor Statistics, the maximum weekly benefit amount set by SCDEW, and the maximum number of benefit weeks. The new formula directly reflects SCDEW's recommendation. S.C. Code Ann. § 41-31-45(A)(2) (Act No. 243 of 2026).

INTERNAL CHANGE 2

As noted in **Finding 14**, SCDEW identified the growth in Tax Class 1 as a concern warranting legislative action, noting that the three-year lookback period had contributed to a significant and growing share of contributory employers paying no unemployment insurance taxes, with the share of taxable wages in Tax Class 1 nearly doubling from 16% in 2014 to approximately 30% by 2025. SCDEW recommended gradually extending the lookback period from three years to five years to bring the percentage of taxable wages in Tax Class 1 back toward the level that existed when the current tax code was first enacted.

During the 2026 legislative session, the General Assembly enacted Act No. 243 of 2026, effective July 1, 2026, which amended Section 41-31-5 of the Code to extend the lookback period for calculating employer benefit ratios in two steps: (1) from 12 calendar quarters to 16 calendar quarters beginning in tax year 2027; and (2) from 16 calendar quarters to 20 calendar quarters beginning in tax year 2028. The extended lookback period is expected to reduce the percentage of taxable wages in Tax Class 1 over time by giving every employer a larger taxable wage base against which benefit charges are measured, and to mitigate the disproportionate impact a single unemployment insurance claim can have on a small business's tax classification. S.C. Code Ann. § 41-31-5(1)(e), (d), (e) (Act No. 243 of 2026).

INTERNAL CHANGE 3

As noted in **Finding 15**, SCDEW identified two significant concerns with the current penalty structure. First, the requirement that any employer with an active tax lien pay all future unemployment insurance taxes at the Tax Class 20 rate of 5.4%, regardless of the employer's calculated rate, had grown from a 10% increase over Tax Class 19 when the tax code was enacted in 2011 to a 250% increase today, a consequence SCDEW characterized as disproportionate and capable of trapping businesses in a rapidly escalating debt spiral. SCDEW recommended replacing the automatic Tax Class 20 assignment with a structure requiring employers with active liens to pay their calculated rate plus a defined surcharge. Second, SCDEW identified the existing $1,000 cap on report delinquency penalties, unchanged since the mid-1980s, as simultaneously too lenient for large employers and disproportionately burdensome for small ones, and recommended removing the cap.

During the 2026 legislative session, the General Assembly enacted Act No. 243 of 2026, effective July 1, 2026, which amended Sections 41-31-60 and 41-31-350 of the Code to address both concerns. For tax executions issued on or after January 1, 2027, Section 41-31-60 now requires an employer with an outstanding lien to pay unemployment insurance taxes at its calculated rate plus two percent, rather than automatically at the Tax Class 20 rate. Tax executions issued prior to January 1, 2027 remain subject to the Tax Class 20 requirement until paid in full. Section 41-31-350 removes the $1,000 cap on report delinquency penalties, replacing it with a penalty of 10% of contributions due with a minimum of $25, making the penalty proportionate to the amount of taxes owed regardless of employer size. S.C. Code Ann. §§ 41-31-60(B)(2), 41-31-350 (Act No. 243 of 2026).

RECOMMENDATIONS

During the study of the South Carolina Department of Employment and Workforce, the Economic Development, Transportation, and Natural Resources Subcommittee (Subcommittee) of the House Government Efficiency and Legislative Oversight Committee (Committee) adopts **12** 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.

WORKFORCE DEVELOPMENT

RECOMMENDATION 1

The General Assembly should consider establishing a legislative review of the Statewide Education and Workforce Development Act (Act 67 of 2023) to evaluate whether the governance framework envisioned by the legislation has been fully implemented and is effectively advancing the State's workforce and economic development objectives.

The review should assess the implementation and effectiveness of Act 67 and, at a minimum, consider the following questions:

- Has Act 67 been implemented consistent with the intent of the General Assembly? If not, what barriers have impeded implementation?
- Has the voluntary participation and collaboration of workforce, education, economic development, and industry stakeholders produced the statewide coordination and outcomes envisioned by the Act?
- Are the Coordinating Council for Workforce Development and the Office of Statewide Workforce Development equipped with sufficient authority to fulfill their statutory responsibilities?
- Should the Coordinating Council for Workforce Development or the Office of Statewide Workforce Development be granted additional authority to monitor or enforce implementation of the Unified State Plan?
- Should participation in statewide workforce initiatives or implementation of the Unified State Plan be considered when awarding discretionary state workforce grants or other incentive-based funding?
- Does the current balance between statewide coordination and local autonomy provide sufficient flexibility while ensuring accountability for achieving statewide workforce objectives?
- Should the responsibilities or statutory authority of the Department of Employment and Workforce be modified to better support implementation of Act 67?
- What statutory, administrative, or governance changes, if any, would strengthen statewide coordination, accountability, and workforce outcomes?

SCDEW should report the results of this evaluation to the Committee within one year of approval of this report.

RECOMMENDATION 2

The Department of Employment and Workforce, in coordination with the Coordinating Council for Workforce Development, should establish a recurring statewide stakeholder forum to communicate implementation of the Unified State Plan, report progress toward statutory performance measures, discuss emerging workforce and economic trends, and identify opportunities or barriers affecting statewide workforce development.

The forum should provide members of the General Assembly, workforce partners, educational institutions, economic development organizations, employers, and other stakeholders with a consolidated overview of the State's workforce strategy and implementation efforts.

RECOMMENDATION 3

The Committee recommends that SCDEW establish a formal process for flagging low return postsecondary credential programs to the General Assembly on an annual basis, rather than requiring the Committee or another body to request that analysis on its own initiative.

As discussed in **Finding 36**, SCDEW has already built the underlying data needed to identify these programs, tracking graduate earnings and time to recoup tuition costs for every public postsecondary credential in the state. But the agency testified that no such reporting process currently exists, and that the General Assembly would have to request the data itself before SCDEW would bring it forward.

The Committee recommends that SCDEW work with the Commission on Higher Education and the Technical College System to establish clear, publicly available criteria for identifying low-return programs, and to report that information to the General Assembly annually, alongside the statutorily required supply gap analysis discussed in **Finding 26**. Pairing the two would allow policymakers to see, in a single annual report, both where the state is not producing enough workers in high demand fields and where training dollars may not be translating into meaningful outcomes for graduates.

SCDEW should report to the Committee on the establishment of the forum and its progress within one year of approval of this report.

RECOMMENDATION 4

The Committee recommends that SCDEW update its employment services performance reporting to separately identify job postings manually entered by staff and job postings that populate the SC Works Online Services System through automated spidering, so that total employer participation in the SC Works system is accurately and transparently reflected in all future reports to the General Assembly.

SCDEW's employment services performance data reflected a multi-year downward trend in job postings and employer participation that did not accurately represent actual employer engagement with the SC Works Online Services system. The apparent decline resulted not from reduced employer participation but from a shift in how employers interact with the system. Employers are increasingly choosing not to create a manual job order where a job posting has already been spidered into SC Works Online Services from another job board like Monster or Career Builder. Because spidered postings were not captured in the reported metric, the data presented to the General Assembly showed a declining trend that obscured a more complete and accurate picture of employer activity. SCDEW acknowledged the limitation and committed to updating its metrics presentation to separately identify manually entered and spidered postings going forward.

The Committee recommends that SCDEW implement this change in its next report to the General Assembly and maintain the disaggregated reporting methodology in all subsequent performance presentations, so that the legislature has a complete picture of employer participation in the SC Works system on which to base policy and funding decisions.

ARTIFICIAL INTELLIGENCE

RECOMMENDATION 5

The Committee recommends that SCDEW develop a comprehensive AI Strategy to guide the agency's internal use of AI. The Committee recommends that SCDEW collaborate with the South Carolina Department of Administration to develop and implement an agency-specific artificial intelligence strategy aligned with the South Carolina State Agencies' Artificial Intelligence Strategy.

The AI strategy should ensure transparency, accountability, and protection of individual rights. SCDEW should provide an annual report to the governor outlining the status of the agency's AI initiatives and their impact on public safety operations. Additionally, the agency should provide an annual update to the House Ways and Means Committee detailing the status of AI strategy implementation, the anticipated cost of future AI integration, and identified opportunities to leverage AI to create efficiencies and reduce operational costs.

CUSTOMER SERVICE

RECOMMENDATION 6

The Committee recommends that SCDEW evaluate whether the current geographic boundaries of the twelve Local Workforce Development Areas (LWDAs) remain appropriate based on labor market alignment, economic development regions, population and workforce demographics, employer demand, service accessibility.

The twelve LWDAs have existed since 1998 and were simply carried forward without reexamination when WIOA replaced the prior federal workforce law in 2014. As discussed in **Finding 27**, SCDEW acknowledged that the boundaries "hasn't been revisited in some time" and described reconsidering them as "an area of opportunity." SCDEW is already developing a reorganization policy, as part of its broader Workforce Transition Initiative, to guide local decisionmakers on when and how to consider changes to the existing area boundaries.[429] The Committee recommends SCDEW complete and formally adopt that policy, incorporating the criteria above, so that any future reorganization proceeds on a defined, statewide framework rather than on an ad hoc, area by area basis.

SCDEW should report to the Committee on the results of its evaluation and the status of the reorganization policy within one year of approval of this report.

EMPLOYEE SURVEY

RECOMMENDATION 7

The Committee recommends that SCDEW request the Office of the State Inspector General (SIG) conduct an employee satisfaction survey.

Agency leadership must report survey findings to the House Legislative Oversight Committee and include an action plan to address identified opportunities for improvement. The survey must be conducted within one year of approval of this report, and the results must be provided to the House Legislative Oversight Committee. Subsequent employee satisfaction surveys should be conducted every two years.

This recommendation requests the agency utilize the experience and expertise of the SIG to survey employee morale. The SIG has partnered with the House Legislative Oversight Committee in prior studies to provide this human resource information at no cost to the participating agency. The SIG's independence as a third party may mitigate any employee concern regarding the anonymous nature of the survey and its results, resulting in more candid and constructive responses. Agency leadership is disadvantaged if unaware of challenges or systemic issues within the agency.

The agency should compare the results of its own internal employee satisfaction reviews, if any, to the results of the SIG's independent assessment.

PROGRAMS AND SERVICES

RECOMMENDATION 8

The Committee recommends that SCDEW evaluate employer awareness and utilization of the Federal Bonding Program to identify barriers to participation and determine whether additional outreach or education could increase employer use of the program.

As part of this evaluation, SCDEW should assess employer awareness, participation trends, industry utilization, geographic distribution, and the effectiveness of the current outreach efforts. SCDEW should report the results of this evaluation to the Committee within one year of approval of this report.

MODERNIZATION OF LAWS

RECOMMENDATION 9

The Committee recommends that the General Assembly amend Section 41-31-160 of the South Carolina Code, as recommended by SCDEW, to provide a penalty for employers who fail to report Standard Occupational Classification codes for their employees.

As noted in **Finding 29**, the SOC code is a federal classification system that identifies the specific type of work an employee performs. Accurate SOC code reporting is vital to achieving the goals of the Statewide Education and Workforce Development Act because it enables SCDEW to identify precisely where shortages of labor exist in the state's economy. Without accurate SOC data, workforce planning and education investment decisions rest on an incomplete picture.

Currently, although SCDEW states there is "over 80% compliance" with the law, section 41-31-160 contains no penalty for noncompliance.[430] The Committee therefore recommends that the General Assembly amend section 41-31-160 as recommended by SCDEW to provide a penalty for noncompliance.

RECOMMENDATION 10

The Committee recommends that the General Assembly repeal Section 41-35-126 of the South Carolina Code, as recommended by SCDEW, and rely exclusively on the compelling family circumstances provision of Section 41-35-125(B)(2)(d)(iii) to address unemployment insurance eligibility for military spouse relocations.

South Carolina law contains two separate statutory provisions that address unemployment insurance eligibility for individuals who leave employment to relocate with a military spouse. First, section 41-35-126 was enacted specifically to address military spouse relocation. That section provides that an individual who voluntarily leaves work to relocate because a spouse has been reassigned from one military assignment to another is eligible for unemployment insurance benefits provided that the separation from employment occurs within fifteen days of the scheduled relocation date.[431] The second provision, section 41-35-125(B)(2)(d)(iii) provides, among other things, that an individual is eligible for benefits if the individual's spouse was transferred or employed in another city or state outside of a reasonable commuting distance and the individual separated from employment in order to relocate with the spouse.[432] Unlike section 41-35-126, the compelling family circumstances provision contained in section 41-35-125(B)(2)(d)(iii) imposes no time limit on when the separation must occur relative to the relocation date.

SCDEW acknowledged that it already applies the compelling family circumstances standard to military spouses in practice, noting that "we do treat military spouses just like we would [any other claimant] and we find that under compelling family circumstances."[433] Section 41-35-126 therefore serves no practical purpose while creating the potential for confusion, inconsistent application, and inequitable outcomes for military families. The Committee therefore recommends that the General Assembly repeal section 41-35-126 as recommended by SCDEW.

RECOMMENDATION 11

The Committee recommends that the General Assembly amend Title 41 of the South Carolina Code to authorize SCDEW to send certain communications by electronic means in lieu of physical mail where communication by mail is currently required by statute.

As discussed in **Finding 6**, Title 41 of the South Carolina Code currently requires SCDEW to send certain notices, determinations, and other communications by United States mail. This requirement imposes significant and unnecessary costs on the agency, and amending the Code to allow for electronic communications would save $1 million annually in printing, postage, ink, and related administrative costs.

During the 2026 legislative session, the House passed H.4744, which added Section 41-27-660 to the South Carolina Code to expressly authorize SCDEW to send by electronic means any report, notice, demand, bill, or other communication currently required to be mailed, and would define "mailed" to include electronic transmission. The Senate took no action on the bill before the close of the session.

The Committee recommends that the General Assembly amend Title 41 with equivalent legislation in the next session.

RECOMMENDATION 12

The Committee recommends that the General Assembly amend sections 41-35-110 and 41-35-120 of the Code as recommended by SCDEW to align the penalty for discharge due to illegal drug use with the penalty for misconduct, and to repeal the gross misconduct statute.

As discussed in **Finding 10**, South Carolina law establishes separate disqualification provisions for misconduct, illegal drug use, and gross misconduct. SCDEW recommended two specific statutory changes to address this disparity. First, the disqualification for illegal drug use should be changed to mirror the disqualification for misconduct (20 weeks, with a corresponding reduction in the maximum benefit amount) rather than the current indefinite disqualification with no benefit reduction. Second, the gross misconduct statute should be repealed entirely, with the specific conduct currently defined as gross misconduct reclassified as misconduct, subjecting it to the 20-week disqualification and benefit reduction applicable to misconduct generally.[434] The Committee agrees and recommends that the General Assembly amend sections 41-35-110 and 41-35-120 of the South Carolina Code accordingly.

MEMEMBER STATEMENT

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Committees:
Government Efficiency and Legislative Oversight
Medical, Military, Public and Municipal Affairs

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MEMBER STATEMENT

Regarding the Committee's Study of the South Carolina Department of Employment and Workforce

October 23, 2026

Members of the Committee:
I appreciate the work that went into the Committee's study of the South Carolina Department of Employment and Workforce (SCDEW). I support the direction of the report and have no objection to its findings or recommendations as written. I submit this statement to ask the Committee and the General Assembly to give additional attention to four points. Each grows out of testimony we heard, and the report touches on several of them already. My purpose is to sharpen our focus on results.

1. Measuring success by outcomes, not activity

Finding 29 reports that only 19% of South Carolina residents who attended college in the State and are working here are employed in an occupation that a federal model would predict from their degree. SCDEW's own conclusion was that lawmakers cannot assume that training more people for a given occupation will reliably solve a specific labor shortage. If so, counting how many people we train or how many credentials we produce is not an adequate measure of whether workforce development is working. I would ask that the State's workforce measures also reflect whether participants get jobs, what those jobs pay, whether their wages grow, whether they stay employed, and whether the training we funded actually connects them to the opportunities we said it would. The occupational and wage data described in Finding 29, including SCDEW's work on longitudinal wage and title progression, suggests the State is building the capacity to answer these questions.

2. Paid internships and work-based learning

Finding 31 reports that South Carolina is losing college graduates to other states at twice the rate it did a decade ago, and that SCDEW identified paid internships, rather than training programs alone, as the State's best tool for keeping graduates here. The testimony also showed that students who earned a "career ready" designation and completed an internship earned nearly $4,000 more in their first year of work than peers with neither, and that unpaid internships are a hard sell for the 40% of high school and college students who already hold jobs. SCDEW has chosen to identify successful local models and help other communities adopt them rather than propose a statewide program. I would ask the Committee to consider a recommendation to expand paid internships, apprenticeships, co-ops, and other opportunities that connect people to employers while they are still being trained, and to consider what the State can do to support those models at scale.

3. Making program outcome data available to students and families

I support the report's recommendation that SCDEW establish a formal process for flagging low-return postsecondary credential programs to the General Assembly (see Finding 37). I would go one step further. SCDEW has built data covering every public postsecondary credential in the State showing what graduates earn, and it has indicated that a future version of that tool will show how long it takes graduates to recover what they spent on tuition. Students and families make major financial decisions based on the information available to them at the time. They should be able to see this information before they invest their time and money in a program, and not only after the General Assembly has reviewed it. I would ask the Committee to consider recommending that program-level wage and tuition-recovery information be made publicly accessible in a form students and families can use.

4. Accountability for acting on what the data show

Throughout our hearings, I kept returning to one question: once the data tells us we have a workforce problem, who is responsible for bringing everyone together to solve it? The State has become good at identifying shortages and gaps, and SCDEW's annual supply gap analysis (Finding 26) is a good example. But as Finding 30 explains, the role of the Coordinating Council for Workforce Development is to report annually with suggestions and recommendations rather than to direct other agencies, and ultimate oversight rests with the General Assembly. The report's recommendations for a legislative review of Act 67 and for a recurring statewide stakeholder forum are steps in the right direction. As they are carried out, I would ask the Committee and the General Assembly to make certain that responsibility for acting on the data, and not only for producing it, is clearly assigned.

None of this changes my support for the direction of the report. I do not want us to know only how much workforce development we are doing. I want us to know whether it is helping South Carolinians earn more, build careers, and take advantage of the economic opportunities the State is working so hard to bring here. Thank you for considering these additions.

Respectfully submitted,



Wendell K. Jones
Government Efficiency and Legislative Oversight Committee Member
South Carolina House of Representatives, District 25

EXHIBIT A

SOUTH CAROLINA DEPARTMENT OF
Employment and Workforce

Workforce Development Division Follow-Up

The following information is provided as follow-up to testimony provided on July 28, 2026, to the S.C. House of Representatives Committee on Government Efficiency and Legislative Oversight.

State and Local Workforce Development Boards

- *State Workforce Development Board:* The membership of the State Workforce Development Board (SWDB) is prescribed by 20 C.F.R. § 679.110 [Attachment A]. A list of the members of the State Workforce Development Board is provided as Attachment B.
- *Local Workforce Development Board*: The membership of the twelve Local Workforce Development Boards are prescribed by 20 C.F.R. § 679.320 [Attachment C]. A map of the local workforce development areas is provided as Attachment D.

Upper Savannah SC Works Center Traffic Data

The Upper Savannah Workforce Development Board closed three centers effective June 30, 2026: Abbeville, Edgefield, McCormick, and Saluda. The center traffic for these centers is provided below for the periods July 1, 2024 – June 30, 2025 and July 1, 2025 – February 2026.

SC Works Center	FY 2025	FY 2026 [through February 2026]
Abbeville	223	66
Edgefield	269	29
McCormick	155	9
Saluda	211	9
Greenwood	7,102	4,489
Laurens	2,826	984
Newberry	4,591	2,571
Total Center Traffic:	**15,377**	**8,157**

While DEW does not have authority over the decision to close these centers, our agency has worked collaboratively with Upper Savannah to build on strategies piloted over the past year to ensure continued access to quality employment services for Abbeville, Edgefield, McCormick, and Saluda residents. DEW's outreach plan included:

- hosting job fairs and hiring events in those counties as well as outreach during community events;
- conducting "Pop-up SC Works" events in which DEW staff host computer workstations in the communities and / or deploy the Career Coach, with its air conditioning and ten workstations, to locations where customers congregate like churches, stores, and libraries;
- supplying technology, specifically the Virtual Engagement Center, to Upper Savannah, staffed by DEW and local staff, offering job search and Workforce Innovation and Opportunity Act (WIOA) services; and
- expanding the number of Connection Points, computer labs at libraries, nonprofits, faith-based organizations, and other community partners where jobseekers can file unemployment insurance claims, search for work, and access employment resources.

In collaboration with Upper Savannah, DEW has been able to pilot these strategies while supplementing the four offices, now closed, that were open once per month. These efforts have been largely successful:

- In FY26, DEW increased the number of Connection Points in the area by six: one was added for a total of four in Abbeville, one was added for a total of three in Edgefield, and four were added for a total of five in McCormick.
- In all four counties with closed centers, attendees of ongoing events, pop-up SC Works, and career coach visits have outpaced the traffic at each county's SC Works Center (open once per month) this fiscal year. These counts suggest that meeting jobseekers where they are may reach more customers than traditional brick-and-mortar settings.

July 2025 – February 2026	**SC Works Center Traffic**	**Alternative Delivery Attendees**		
		Events/Pop-Up	**Career Coach**	**Total**
Abbeville	66	469	141	610
Edgefield	29	47	32	79
McCormick	9	249	13	262
Saluda	9	6	29	35
Total Traffic	**8,157**	**771**	**215**	**986**

These efforts have been made possible, in part, with the funding provided by the General Assembly in the FY23-24 General Appropriations Act for a second Career Coach and additional Employment Services staffing focused on rural communities.

Work Opportunity Tax Credit Target Groups

In the hearing on July 28, 2026, Ms. Staggers erroneously stated that there were more than twenty target groups for the Work Opportunity Tax Credit. There are sixteen target groups:

(1) *Veteran/*SNAP Recipient (B1):* Received SNAP benefits for three consecutive months in the last 15 months.

(2) *Unemployed Disabled Veteran (DV6):* Entitled to compensation for a service-connected disability and unemployed for a period totaling at least six months in the previous year. (Maximum credit $9,600).

(3) *Disabled Veteran (DV):* Entitled to compensation for a service-connected disability and during the one-year period prior to the hire date, was discharged, or released from active duty. (Maximum credit $4,800).

(4) *Unemployed Veteran (Four Weeks) (V4):* Unemployed for at least four weeks during the one-year period prior to the hire date.

(5) *Unemployed Veteran (Six Months) (V6):* Unemployed for at least six months during the one-year period. (Maximum credit $5,600).

(6) *Vocational Rehabilitation (VR):* Active client or successful completion of *IWRP within two years prior to the hire date through Vocational Rehabilitation, Department of Veteran Affairs or Commission for the Blind.

(7) *Ticket-To-Work Participant (E2):* Active client or successful completion of SSA authorized Ticket-to-Work program within two years prior to the hire date.

(8) *Long Term Unemployed Recipient (LTUR):* Unemployed at least 27 consecutive weeks in which unemployment insurance benefits were received a portion of the time.

(9) *Ex-Felon (C):* Convicted felony offender hired within one year of conviction or release date, or during work-release program participation.

(10) *Supplemental Security Income Recipient (H):* Received SSI any month during the 60 days prior to the

hire date.

(11) *Designated Community Resident—Empowerment Zone (EZ):* 18-39 year-old residing in a federally-designated Empowerment Zone within certain addresses located in Columbia or Sumter.

(12) *Designated Community Resident—Summer Youth (SY):* 16-17 year-old Empowerment Zone resident hired between May 1 and September 15 residing within certain addresses located in Columbia or Sumter. (Maximum credit $1,200).

(13) *Designated Community Resident:* Rural Renewal Community (RRC), 18-39 year-old residing in a federally-designated Rural Renewal Community which is Marlboro County in South Carolina.

(14) *Supplemental Nutritional Assistance Program (SNAP) Recipient:* 18-39 year-old receiving SNAP benefits six consecutive months prior to and including the hire month.

(15) *Temporary Assistant to Needy Families Recipient (TANF)*: Received TANF nine of the last 18 months.

(16) *Long-Term Family Assistance Recipient (LTFA):* Long-term TANF recipient.

Training Denials

The subcommittee had requested the percentage and number of applicants denied training services and the reasons for those denials; however, unfortunately, SC Works Online Services does not have a mechanism by which we can determine the number of denials and their reasons.

Federal Bonding Coverage Amounts

Federal bonds may be issued for employers hiring eligible workers in the amount of $5,000, $10,000, $15,000, $20,000 or $25,000. The amount depends on the risk the employer faces. They determine their risk exposure. Employers have recently been requesting maximum coverage. The bond is sent directly to the business within fifteen days after the insurance company receives the paperwork and will be retroactive to the start date. Bonds automatically terminate after six months.

Job Placements

The Workforce Innovation and Opportunity Act (WIOA) outlines six primary indicators of performance, including the Employment Rate 2nd and 4th Quarters After Exit from a WIOA program. The Employment Rate is defined as the share of participants in unsubsidized jobs after leaving the program. This measure applies to the WIOA Title I, II, III, and IV programs. DEW administers Title I and III programs. Actual performance for the year ending June 30, 2025, is provided below and on the next page.

Indicator/Program	Title I Adult Goal	Title I Adult Actual	Title I Adult % of Goal	Title I DW Goal	Title I DW Actual	Title I DW % of Goal	Title I Youth Goal	Title I Youth Actual	Title I Youth % of Goal	Overall Indicator Score
Employment Rate Q2	79.1%	79.1%	100.0%	81.6%	79.9%	97.9%	78.0%	81.1%	104.0%	100.6%
Employment Rate Q4	78.3%	78.6%	100.4%	80.9%	84.3%	104.2%	75.0%	79.8%	106.4%	103.7%
Median Earnings	$6,900	$8,455	122.5%	$8,550	$10,183	119.1%	$3,985	$5,293	132.8%	124.8%
Credential Rate	67.5%	76.7%	113.6%	69.1%	84.9%	122.9%	63.0%	66.7%	105.9%	114.1%
Measurable Skill Gains	66.3%	75.1%	113.3%	67.7%	77.2%	114.0%	61.5%	73.8%	120.0%	115.8%
	Overall Program Score		110.0%	Overall Program Score		111.6%	Overall Program Score		113.8%	

Pass	• An Overall Program Score (across all indicators) is at least 90.0% • An Overall Indicator Score (across A/DW/Y programs) is at least 90.0% • Have an Individual Indicator Score of at least 50.0%
Fail	• An Overall Program Score (across all indicators) that did not meet at least 90.0% • An Overall Indicator Score (across A/DW/Y programs) that did not meet at least 90.0% • Have an Individual Indicator Score that did not meet 50.0%

Program Year 2024 Wagner-Peyser Annual Performance Summary

	Goal for PY'24	Worklink	Num/Den	Percent of Goal-WorkLink	Upper Savannah	Num/Den	Percent of Goal-Upper Savannah	Upstate	Num/Den	Percent of Goal-Upstate
Employment Q2	67.0%	85.9%	2,718/3,684	128.2%	70.5%	1,598/2,216	105.2%	68.8%	3,500/4,889	102.7%
Employment Q4	66.0%	87.7%	2,562/3,462	132.9%	73.2%	1,650/2,292	110.9%	68.5%	3,100/4,339	103.8%
Median Earnings	$5,755	$9,100		158.1%	$5,155		89.6%	$8,168		141.9%

	Goal for PY'24	Greenville	Num/Den	Percent of Goal-Greenville	Midlands	Num/Den	Percent of Goal-Midlands	Trident	Num/Den	Percent of Goal-Trident
Employment Q2	67.0%	85.0%	2,865/4,126	126.9%	79.3%	3,458/4,7662	118.4%	80.7%	3,504/5,088	120.4%
Employment Q4	66.0%	84.8%	2,976/4,180	128.5%	77.4%	3,611/4,965	117.3%	80.6%	3,090/4,500	FALSE
Median Earnings	$5,755	$8,717		151.5%	$8,064		140.1%	$9,173		159.4%

	Goal for PY'24	Pee Dee	Num/Den	Percent of Goal-Pee Dee	Lower Savannah	Num/Den	Percent of Goal-Lower Savannah	Catawba	Num/Den	Percent of Goal-Catawba
Employment Q2	67.0%	82.9%	2,501/3,679	123.7%	85.1%	4,764/6,809	127.0%	79.0%	1,589/2,253	117.9%
Employment Q4	66.0%	84.9%	2,625/3,849	128.6%	82.7%	4,216/5,994	125.3%	81.0%	1,536/2,157	122.7%
Median Earnings	$5,755	$7,545		131.1%	$8,775		152.5%	$8,214		142.7%

	Goal for PY'24	Santee-Lynches	Num/Den	Percent of Goal-Santee-Lynches	Waccamaw	Num/Den	Percent of Goal-Waccamaw	Lowcountry	Num/Den	Percent of Goal-Lowcountry
Employment Q2	67.0%	79.6%	1,686/2,552	118.8%	78.0%	1,697 / 2,381	116.4%	77.7%	805/1,219	116.0%
Employment Q4	66.0%	76.8%	1,740/2,629	116.4%	85.2%	1,682 / 2,389	129.1%	76.1%	828/1,245	115.3%
Median Earnings	$5,755	$6,923		120.3%	$7,882		137.0%	$8,162		141.8%

	Goal for PY'24	Statewide	Num/Den	Percent of Goal-Statewide
Employment Q2	67.0%	70.4%	30,763 / 43,726	105.1%
Employment Q4	66.0%	70.6%	29,656 / 42,017	107.0%
Median Earnings	$5,755	$7,800		135.5%

Overall Program Score
115.9%

Pass	• Have an Individual Indicator Score of greater than or equal to 90.0%
Not Meeting 90% of Goal	• Have an Individual Indicator Score between 50.0% and 89.9%
Fail	• Have an Individual Indicator Score that did not meet 50.0%

Attachment A: State Workforce Development Board Regulation [20 C.F.R. § 679.110]

§ 679.110 What is the State Workforce Development Board?

(a) The State WDB is a board established by the Governor in accordance with the requirements of WIOA sec. 101 and this section.

(b) The membership of the State WDB must meet the requirements of WIOA sec. 101(b) and must represent diverse geographic areas of the State, including urban, rural, and suburban areas. The WDB membership must include:

(1) The Governor;

(2) A member of each chamber of the State legislature, appointed by the appropriate presiding officers of such chamber, as appropriate under State law; and

(3) Members appointed by the Governor, which must include:

(i) A majority of representatives of businesses or organizations in the State who:

(A) Are the owner or chief executive officer for the business or organization, or is an executive with the business or organization with optimum policy-making or hiring authority, and also may be members of a Local WDB as described in WIOA sec. 107(b)(2)(A)(i);

(B) Represent businesses, or organizations that represent businesses described in paragraph (b)(3)(i) of this section, that, at a minimum, provide employment and training opportunities that include high-quality, work-relevant training and development in in-demand industry sectors or occupations in the State; and

(C) Are appointed from a list of potential members nominated by State business organizations and business trade associations; and

(D) At a minimum, one member representing small businesses as defined by the U.S. Small Business Administration.

(ii) Not less than 20 percent who are representatives of the workforce within the State, which:

(A) Must include two or more representatives of labor organizations nominated by State labor federations;

(B) Must include one representative who must be a member of a labor organization or training director from a joint labor-management registered apprenticeship program, or, if no such joint program exists in the State, a member of a labor organization or training director who is a representative of an registered apprenticeship program;

(C) May include one or more representatives of community-based organizations that have demonstrated experience and expertise in addressing the employment, training, or education needs of individuals with barriers to employment, including organizations that serve veterans or provide or support competitive, integrated employment for individuals with disabilties; and

(D) May include one or more representatives of organizations that have demonstrated experience and expertise in addressing the employment, training, or education needs of eligible youth, including representatives of organizations that serve out-of-school youth.

(iii) The balance of the members:

(A) Must include representatives of the Government including:

(1) The lead State officials with primary responsibility for the following core programs—

(i) The adult, dislocated worker, and youth programs authorized under title I of WIOA and the Wagner-Peyser Act;

(ii) The Adult Education and Family Literacy Act (AEFLA) program authorized under title II of WIOA; and

(iii) The State Vocational Rehabilitation (VR) program authorized under the Rehabilitation Act of 1973, as amended by title IV of WIOA.

(iv) Where the lead official represents more than one core program, that official must ensure adequate representation of the needs of all core programs under his or her jurisdiction.

(2) Two or more chief elected officials (collectively representing both cities and counties, where appropriate).

(B) May include other appropriate representatives and officials designated by the Governor, such as, but not limited to, State agency officials responsible for one-stop partner programs, economic development or juvenile justice programs in the State, individuals who represent an Indian tribe or tribal organization as defined in WIOA sec. 166(b), and State agency officials responsible for education programs in the State, including chief executive officers of community colleges and other institutions of higher education.

(c) The Governor must select a chairperson for the State WDB from the business representatives on the WDB described in paragraph (b)(3)(i) of this section).

(d) The Governor must establish by-laws that at a minimum address:

(1) The nomination process used by the Governor to select the State WDB chair and members;

(2) The term limitations and how the term appointments will be staggered to ensure only a portion of membership expire in a given year;

(3) The process to notify the Governor of a WDB member vacancy to ensure a prompt nominee;

(4) The proxy and alternative designee process that will be used when a WDB member is unable to attend a meeting and assigns a designee as per the following requirements:

(i) If the alternative designee is a business representative, he or she must have optimum policy-making hiring authority.

(ii) Other alternative designees must have demonstrated experience and expertise and optimum policy-making authority.

(5) The use of technology, such as phone and Web-based meetings, that must be used to promote WDB member participation;

(6) The process to ensure members actively participate in convening the workforce development system's stakeholders, brokering relationships with a diverse range of employers, and leveraging support for workforce development activities; and

(7) Other conditions governing appointment or membership on the State WDB as deemed appropriate by the Governor.

(e) Members who represent organizations, agencies or other entities described in paragraphs (b)(3)(ii) through (iii) of this section must be individuals who have optimum policy-making authority in the organization or for the core program that they represent.

(f)

(1) A State WDB member may not represent more than one of the categories described in:

(i) Paragraph (b)(3)(i) of this section (business representatives);

(ii) Paragraph (b)(3)(ii) of this section (workforce representatives); or

(iii) Paragraph (b)(3)(iii) of this section (government representatives).

(2) A State WDB member may not serve as a representative of more than one subcategory under paragraph (b)(3)(ii) of this section.

(3) A State WDB member may not serve as a representative of more than one subcategory under paragraph (b)(3)(iii) of this section, except that where a single government agency is responsible for multiple required programs, the head of the agency may represent each of the required programs.

(g) All required WDB members must have voting privileges. The Governor also may convey voting privileges to non-required members.

Attachment B: State Workforce Development Board Members

Board Member	Organization
Henry McMaster	Governor of South Carolina
Chairman, Thomas Freeland	Door System, part of ASSA ABLOY
Vice Chairman, J. Warren Snead	Cooper Standard
William H. Floyd	S.C. Department of Employment and Workforce
Charles Brave, Jr.	American Federation of Labor and Congress of Industrial Organizations (AFL-CIO)
Hope Broadway	Palmetto HR Partners
Representative Don Chapman	SC House of Representatives, District 43
Gregory Cannon Clark	Wells Fargo
Susan H. Cohen	Cohen Consulting SC, LLC
Col.(R) Craig Currey	Transitions Homeless Center, South Carolina
Corey Lamar Epps	Scout Motors
Nancy Ray Foster	Foster Real Estate
Stephen Gilchrist	African American Chamber of Commerce/US Committee on Civil Rights
Darline Graham	SC Commission for the Blind
James "Chris" Hall	SMART LOCAL 399
Dr. Tim Hardee	SC Technical College System
Felicia W. Johnson	SC Vocational Rehabilitation Department
Lelia Howze King	Build Carolina
Mike King	SC Department of Education
Robyn G. Knox	The HR Business Connect, LLC
Mayor George Patrick "GP" McLeer, Jr.	City of Fountain Inn
Patrick "Pat" Michaels	Goodwill Industries of the Upstate/Midlands
Jennifer L. Moore	United Way of the Midlands
Elaine Morgan	Berkeley Chamber of Commerce
Kevin Pak	Paknet Technologies
James Pasley	Waccamaw Economic Opportunity Council, Inc., Executive Director/CEO
Matthew Pollard	Colliers
Councilmember Tyler Servant	Horry County Council District 5
Dr. Windsor W. Sherrill	Clemson University
April Simpkins	April Simpkins Enterprises - Owner, Chelsie Kryst Foundation – Founder
Senator Ross Turner	SC Senate, District 8
John Uprichard	Find Great People (FGP)
Britt D. Vergnolle	BDV Solutions, LLC

Attachment C: Local Workforce Development Board Regulation [20 C.F.R. § 679.320]

§ 679.320 Who are the required members of the Local Workforce Development Board?

(a) For each local area in the State, the members of Local WDB must be selected by the chief elected official consistent with criteria established under WIOA sec. 107(b)(1) and criteria established by the Governor, and must meet the requirements of WIOA sec. 107(b)(2).

(b) A majority of the members of the Local WDB must be representatives of business in the local area. At a minimum, two members must represent small business as defined by the U.S. Small Business Administration. Business representatives serving on Local WDBs also may serve on the State WDB. Each business representative must meet the following criteria:

- **(1)** Be an owner, chief executive officer, chief operating officer, or other individual with optimum policy-making or hiring authority; and
- **(2)** Provide employment opportunities in in-demand industry sectors or occupations, as those terms are defined in WIOA sec. 3(23).

(c) At least 20 percent of the members of the Local WDB must be workforce representatives. These representatives:

- **(1)** Must include two or more representatives of labor organizations, where such organizations exist in the local area. Where labor organizations do not exist, representatives must be selected from other employee representatives;
- **(2)** Must include one or more representatives of a joint labor-management, or union affiliated, registered apprenticeship program within the area who must be a training director or a member of a labor organization. If no union affiliated registered apprenticeship programs exist in the area, a representative of a registered apprenticeship program with no union affiliation must be appointed, if one exists;
- **(3)** May include one or more representatives of community-based organizations that have demonstrated experience and expertise in addressing the employment, training or education needs of individuals with barriers to employment, including organizations that serve veterans or provide or support competitive integrated employment for individuals with disabilities; and
- **(4)** May include one or more representatives of organizations that have demonstrated experience and expertise in addressing the employment, training, or education needs of eligible youth, including representatives of organizations that serve out-of-school youth.

(d) The Local WDB also must include:

- **(1)** At least one eligible training provider administering adult education and literacy activities under WIOA title II;
- **(2)** At least one representative from an institution of higher education providing workforce investment activities, including community colleges; and
- **(3)** At least one representative from each of the following governmental and economic and community development entities:
  - **(i)** Economic and community development entities;
  - **(ii)** The State Employment Service office under the Wagner-Peyser Act (29 U.S.C. 49 et seq.) serving the local area; and
  - **(iii)** The programs carried out under title I of the Rehabilitation Act of 1973, other than sec. 112 or part C of that title;

(e) The membership of Local WDBs may include individuals or representatives of other appropriate entities in the local area, including:

- **(1)** Entities administering education and training activities who represent local educational agencies or community-based organizations with demonstrated expertise in addressing the education or training needs for individuals with barriers to employment;

(2) Governmental and economic and community development entities who represent transportation, housing, and public assistance programs;

(3) Philanthropic organizations serving the local area; and

(4) Other appropriate individuals as determined by the chief elected official.

(f) Members must be individuals with optimum policy-making authority within the entities they represent.

(g) Chief elected officials must establish a formal nomination and appointment process, consistent with the criteria established by the Governor and State WDB under sec. 107(b)(1) of WIOA for appointment of members of the Local WDBs, that ensures:

(1) Business representatives are appointed from among individuals who are nominated by local business organizations and business trade associations;

(2) Labor representatives are appointed from among individuals who are nominated by local labor federations (or, for a local area in which no employees are represented by such organizations, other representatives of employees); and

(3) When there is more than one local area provider of adult education and literacy activities under title II, or multiple institutions of higher education providing workforce investment activities as described in WIOA sec. 107(b)(2)(C)(i) or (ii), nominations are solicited from those particular entities.

(h) An individual may be appointed as a representative of more than one entity if the individual meets all the criteria for representation, including the criteria described in paragraphs (c) through (g) of this section, for each entity.

(i) All required WDB members must have voting privilege. The chief elected official may convey voting privileges to non-required members.

Attachment D: Map of Local Workforce Development Areas



EXHIBIT B

From: Andrews Morgan, Ellen
To: Roland Franklin
Subject: Findings/Recommendations Follow-Up
Date: Wednesday, September 30, 2026 2:54:20 PM

Hi Roland!

I have the following updates:

- **Spidering (Recommendation 4?)** —Looking at the text of the recommendation in the report again, I *finally* understood what you were saying about the *recommendation* not having anything to do with our concern, only the finding that is now removed had anything to do with that. My brain just got really wrapped around there for some reason, sorry! We are totally fine with the recommendation text for spidering as previously amended and just as it appears in the draft report you sent over on Friday. That is a good recommendation and something we can absolutely do. On a side note, the draft report does have both the newer version and the old version in it—we like the newer version that goes:

  > **Recommendation: The Committee recommends that SCDEW update its employment services performance reporting to separately identify job postings manually entered by staff and job postings that populate the SC Works Online Services System through automated spidering, so that total employer participation in the SC Works system is accurately and transparently reflected in all future reports to the General Assembly.**
  >
  > SCDEW's employment services performance data reflected a multi-year downward trend in job postings and employer participation that did not accurately represent actual employer engagement with the SC Works Online Services system. The apparent decline resulted not from reduced employer participation but from a shift in how employers interact with the system. Employers are increasingly choosing not to create a manual job order where a job posting has already been spidered into SC Works Online Services from another job board like Monster or Career Builder. Because spidered postings were not captured in the reported metric, the data presented to the General Assembly showed a declining trend that obscured a more complete and accurate picture of employer activity. SCDEW acknowledged the limitation and committed to updating its metrics presentation to separately identify manually entered and spidered postings going forward.
  >
  > The Committee recommends that SCDEW implement this change in its next report to the General Assembly and maintain the disaggregated reporting methodology in all subsequent performance presentations, so that the legislature has a complete picture of employer participation in the SC Works system on which to base policy and funding decisions.

- **WOTC Credits (Finding 16):** While the U.S. Department of Labor does not require any reporting of potential tax credits by state workforce agencies, the total dollar amount of **potential tax credits** for **employers doing business in South Carolina** is something that DEW does track. Note that our workforce development division staff tell me it is really important to use the terms "potential tax credits" and "employers doing business in South Carolina" because, for example, we have no way to know whether an employer actually claims the credit or its ultimate actual calculated value.

  > The Work Opportunity Tax Credit (WOTC) fluctuates year-to-year based on numerous factors, including program changes, periods of hiatus, and broader economic conditions. At present, the program is in a hiatus, and state workforce agencies are only permitted to report determinations made for hiring dates on or before December 31, 2025. Determinations for hiring dates on or after January 1, 2026, are ongoing but not reflected in current reporting.

Certified Potential Tax Credits for Employers Doing Business in South Carolina by Fiscal Year (October 1 – September 30)

- FY2022 = $115,356,000
- FY2023 = $97,193,400
- FY2024 = $74,907,600
- FY2025 = $74,665,200

For the state savings, we only have 2022 data, but since we do have more recent data (shown above) for potential tax credits, so assuming that you use the 2025 data, I think then the finding wording could just be adjusted like this:

> **Finding 16:** The Work Opportunity Tax Credit, which provides employers up to $9,600 in tax credits for hiring individuals facing barriers to employment, generated $75 million in potential tax credits for employers doing business in South Carolina in 2025 on an annual state administrative budget of just $250,000, and has had no federal authorization since December 31, 2025.

- **Four Systems, Four Agencies (Finding 35?):** I got clarification that for the most part our suggested change there was wordsmithing/smoothing motivated by a desire to clarify that DEW is responsible for both Title I and Title III (Wagner-Peyser, i.e., Employment Services) and uses SCWOS for both. The original wording is not inaccurate, so I think that the best way to approach it is for us to just make a clarification to the full text of the report for that finding so that you can keep this finding text as-is.

Best,

Ellen

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EXHIBIT C

From: Andrews Morgan, Ellen
To: Roland Franklin
Subject: RE: DEW Workforce Development Division (WIOA) Follow-up
Date: Tuesday, August 18, 2026 2:22:17 PM
Attachments: image002.png
image003.png

Roland,
I did go ahead and get from Paul information about recovery of improper payments from the last four years (FY23 – FY26) that shows that we have recovered nearly $51 million in state unemployment overpayments. This table is below. In this period (Q3-2022 through Q2-2026), only Mississippi had a higher recovery rate than South Carolina (you can run reports for all of the states here). I think that does give a slightly more complete picture in combination with the $148,097.04 we have recovered from the cases we have prosecuted so far.

UI Recovery Rates Report

State Total Overpayments Established and Recovered						
ST	**CYQ**	**UI + EB + EUC Overpayments Established**	**UI + EB + EUC Overpayments Waived**	**UI + EB + EUC Adjusted Ops Established +**	**UI + EB + EUC Overpayments Recovered**	**Recovery Rate * –**
SC	09/30/2022	$3,695,078	$5,332	$3,689,746	$1,400,782	37.96%
	12/31/2022	$2,622,947	$2,574	$2,620,373	$1,465,041	55.91%
	03/31/2023	$2,134,125	$10,872	$2,123,253	$2,965,968	*139.69%
	06/30/2023	$1,970,070	$7,641	$1,962,429	$3,734,876	*190.32%
	09/30/2023	$1,809,980	$2,608	$1,807,372	$3,147,126	*174.13%
	12/31/2023	$1,871,053	$4,940	$1,866,113	$3,208,301	*171.92%
	03/31/2024	$1,791,965	$9,780	$1,782,185	$5,360,851	*300.80%
	06/30/2024	$1,782,412	$2,871	$1,779,541	$2,958,458	*166.25%
	09/30/2024	$1,639,462	$5,868	$1,633,594	$2,472,503	*151.35%
	12/31/2024	$1,848,669	$1,693	$1,846,976	$3,169,445	*171.60%
	03/31/2025	$1,986,504	$1,100	$1,985,404	$5,479,998	*276.01%
	06/30/2025	$1,904,701	$25	$1,904,676	$3,845,809	*201.91%
	09/30/2025	$1,994,544	$4,304	$1,990,240	$2,808,616	*141.12%
	12/31/2025	$2,458,128	$2,100	$2,456,028	$2,564,849	*104.43%
	03/31/2026	$1,999,818	$1,892	$1,997,926	$3,538,425	*177.10%
	06/30/2026	$1,757,160	$50	$1,757,110	$2,465,125	*140.29%
	Total	$33,266,616	$63,650	$33,202,966	$50,586,173	*152.35%

Steven Jordan, our General Counsel, is calculating the recovery of delinquent taxes recovered by his team for you as well.

Best,
Ellen

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From: Andrews Morgan, Ellen <EAMorgan@dew.sc.gov>
Sent: Tuesday, August 18, 2026 1:19 PM
To: Roland Franklin <RolandFranklin@schouse.gov>
Subject: Re: DEW Workforce Development Division (WIOA) Follow-up

The dollar amount for the unemployment fraud cases that DEW has ***prosecuted*** is $148,097.04 although the dollar amount we have recovered from individuals determined to have committed UI fraud is much higher—let me know if the fraud overpayment recovery number would be helpful to go with that.

From: Roland Franklin <RolandFranklin@schouse.gov>
Sent: Tuesday, 18 August 2026 13:04:12
To: Andrews Morgan, Ellen <EAMorgan@dew.sc.gov>
Subject: RE: DEW Workforce Development Division (WIOA) Follow-up

CAUTION: This email was sent from outside the agency, clicking on links could open malicious websites.

Ellen

At the last meeting, there was a question concerning the dollar figure recovered to date in unemployment fraud insurance cases. I think COS Brittingham stated that he did not have the exact figure but would follow up separately. Please forward the amount to me when you get a chance.

Thanks

Roland Franklin
Legal Counsel
Government Efficiency & Legislative Oversight Committee
South Carolina House of Representatives

803-212-6810 | RolandFranklin@schouse.gov

From: Andrews Morgan, Ellen <EAMorgan@dew.sc.gov>
Sent: Monday, August 17, 2026 10:24 AM
To: Roland Franklin <RolandFranklin@schouse.gov>
Subject: DEW Workforce Development Division (WIOA) Follow-up

Hi Roland,

Here are follow-ups for workforce development. The training denial information we tried to track down for a while, but we do not have the ability to determine the number of training denials (or the reasons for them). That isn't something that is part of the federal reporting, so there wasn't a mechanism put into the system to be able to build a report to see that total.

I attached as a PDF for any publication, but in case for your internal purposes the word document is easier, I have also attached as word document.

Best,

Ellen

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EXHIBIT D

From: Andrews Morgan, Ellen
To: Roland Franklin
Subject: RE: DEW Workforce Development Division (WIOA) Follow-up
Date: Thursday, August 20, 2026 4:18:59 PM
Attachments: image002.png
image003.png

Roland,

While most of our traditional debt collection activity occurs within the Unemployment Insurance division, efforts by the Office of General Counsel focus on some of our most difficult accounts, so we are pleased to have collected $15,189,078 since the Office of General Counsel began this initiative about three years ago.

Best,

Ellen

ELLEN ANDREWS-MORGAN
Director of Governmental Affairs
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From: Roland Franklin <RolandFranklin@schouse.gov>
Sent: Tuesday, August 18, 2026 1:13 PM
To: Andrews Morgan, Ellen <EAMorgan@dew.sc.gov>
Subject: RE: DEW Workforce Development Division (WIOA) Follow-up

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Also . . .

Brittingham talked about a program developed by the Office of General Counsel to enforce collection of overdue employer taxes and described the results as “staggering.” Please provide me the actual dollar figures supporting that testimony.

Thanks

Roland Franklin
Legal Counsel
Government Efficiency & Legislative Oversight Committee

South Carolina House of Representatives

803-212-6810 | RolandFranklin@schouse.gov

From: Andrews Morgan, Ellen <EAMorgan@dew.sc.gov>
Sent: Monday, August 17, 2026 10:24 AM
To: Roland Franklin <RolandFranklin@schouse.gov>
Subject: DEW Workforce Development Division (WIOA) Follow-up

Hi Roland,

Here are follow-ups for workforce development. The training denial information we tried to track down for a while, but we do not have the ability to determine the number of training denials (or the reasons for them). That isn't something that is part of the federal reporting, so there wasn't a mechanism put into the system to be able to build a report to see that total.

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Best,

Ellen

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EXHIBIT E

EXHIBIT A

Workforce and Employment Services Programs of the South Carolina Department of Employment and Workforce

This exhibit summarizes the workforce and employment services programs described in the Subcommittee's hearings of Oct. 22, 2025, Nov. 18, 2025, Mar. 4, 2026, Jul. 28, 2026, and Aug. 12, 2026 and in SCDEW's written follow-up materials. Approximate timestamps (≈) refer to the hearing video. The State Workforce Development Board and the Coordinating Council for Workforce Development are governance bodies and are not listed as programs.

Program	Services Provided	Customer / Eligibility Qualifications	Funding Source	Source in Record
WIOA Title I: Adult, Dislocated Worker, and Youth Programs	Individualized case management, career services, training, and supportive services such as transportation vouchers. Administered locally by fiscal agents and the 12 local workforce boards, which procure the service providers. In Program Year 2024, about 4,500 participants were served (youth over 2,800; adult 1,282; dislocated worker 441), and South Carolina met all negotiated levels of performance.	Based primarily on age, employment status, and barriers to employment. The youth program prioritizes out-of-school disconnected youth ages 16 to 24 (a legislative mandate). The dislocated worker program requires a worker who has been laid off, is unlikely to return to that job, and needs training or services to obtain another job.	Federal WIOA funds: $29 million for Program Year 2025 (the year ended June 30, 2026). About 80% ($23 million) was passed through to the 12 local areas by substate allocation. The record does not break the $29 million out by program.	Jul. 28, 2026 hearing (≈00:33–00:42); Finding 24
Employment Services (Wagner-Peyser and SC Works)	Free public employment services through 39 SC Works centers (as of July 2026), 209 connection points at libraries, colleges, faith-based organizations, and nonprofits, two mobile career coaches, and a Virtual Engagement Center staffed by live representatives. Job seekers receive job search assistance, resume and interview preparation, skills assessments, labor market information, and referrals to training and support services. Employers receive hiring event coordination, personalized employer plans, targeted marketing assistance, and rapid response services. About 212 staff.	Historically free and open to all, with no application and no eligibility conditions. A new federal requirement that individuals verify identity and work authorization before receiving services is being implemented (see Finding 22).	Federal Wagner-Peyser allocation (about $9.4 million in the most recent fiscal year, covering primarily staff salaries), supplemented by state general funds for rural employment services and the Rural Connections initiative.	Mar. 4, 2026 hearing; Findings 3, 5, 22
Work Opportunity Tax Credit (WOTC)	An employer incentive: tax credits of $1,200 to $9,600 for hiring individuals in federally defined target groups. SCDEW processes certification requests and equips job seekers to raise the credit with employers. The program's federal authorization expired Dec. 31, 2025; SCDEW continues to process requests for hires made before that date while modernizing the program (electronic submission of untimely certification requests, employer batch upload).	Employers who hire an individual in one of the target groups (more than 20; SCDEW believed 26 or 27), such as individuals with a felony conviction and veterans.	Just over $250,000 per year to administer. According to DEW's certified data, employers doing business in South Carolina had $75 million in potential tax credits under the program in fiscal year 2025.	Jul. 28, 2026 hearing (≈00:49–00:51, 01:00–01:03); DEW correspondence; Finding 16
Federal Bonding Program	A fidelity bond (coverage of $5,000 to $25,000) that insures an employer against loss from theft, larceny, embezzlement, or forgery by a bonded employee. Roughly 20 bonds are issued per year (23 in 2022, 15 in 2023, and 19 in 2024). Used across industries, most commonly manufacturing. Promoted at job fairs and hiring events, on social media (primarily LinkedIn for employers), and through the "Where There's More" outreach campaign.	Individuals from target groups or facing a barrier to employment, including those who are judicially involved, lack a work history, or have poor credit. Cannabis-related industries are ineligible.	SCDEW purchased 548 bonds in 2019 with a U.S. Department of Labor grant, and current demand is met from that inventory.	Jul. 28, 2026 hearing (≈01:09–01:12); Finding 28

Program	Services Provided	Customer / Eligibility Qualifications	Funding Source	Source in Record
Trade Adjustment Assistance (TAA)	Employment and training support for workers who lost jobs or hours because of foreign trade: assessments, career counseling, job search assistance, referrals, and training. SCDEW's Rapid Response team visits affected employers to determine whether a layoff or closure meets TAA requirements. A "reach back" campaign served 93 workers, three of whom enrolled in training; 52 obtained employment. As of the hearing, 17 participants were enrolled.	Workers whose layoff, closure, or reduction in hours is determined to be trade affected through a petition to the U.S. Department of Labor. The program is in sunset (termination) status and has not been reauthorized by Congress, but the Department of Labor directed SCDEW to continue serving individuals eligible before July 1, 2022. Since sunset, 29 petitions have affected more than 3,700 workers, typically in manufacturing and transportation and logistics.	Federal funds, approximately $220,000 to $320,000 for program activities. Because the program has not been reauthorized, SCDEW has requested funds from previously appropriated dollars to serve currently enrolled participants and was awaiting a determination.	Jul. 28, 2026 hearing (≈01:12–01:20)
SC Career Readiness Program	Work-skills assessments and recognized credentials in math, reading data, digital skills, and soft skills, delivered through a vendor on a state contract (WIN Learning). More than 17,000 credentials earned from 2022 through June 30, 2025; the most common are the work-ready (math, reading, and data) credential (about 12,000) and the essential soft skills credential. The program formerly operated as Work Ready Communities and paused from about 2018 to 2022. SCDEW plans to focus next on employer outreach.	11th and 12th graders (through the Department of Education) and the existing workforce and job seekers (through SCDEW).	The contract value is not stated in the testimony. State general funds support SCDEW's career readiness assessments and credentials.	Jul. 28, 2026 hearing (≈01:20–01:21); Finding 3
Incumbent Worker Training	A WIOA-authorized training program that reimburses employers for funds used to upskill or reskill their current workforce, intended to help employers adapt to automation and new technology before layoffs occur.	Employers upskilling or reskilling current employees. The testimony does not state further eligibility criteria.	Funding is allocated by the State Workforce Development Board to the 12 local areas, usually every one to two years. SCDEW testified that no recurring source exists and funding rises and falls (for example, "this year we have 2 million, next year we have nothing").	Jul. 28, 2026 hearing (≈01:22–01:27)
South Carolina Workforce Pell Program	A partnership among the Office of Statewide Workforce Development, SCDEW, and the Governor's Office. SCDEW's Workforce Development Division has positioned itself to support implementation. Rather than hire a new employee, SCDEW reassigned one of its two staff positions on the WIOA Eligible Training Provider List program to support the Workforce Pell pilot, and noted that more staff may be needed as the program ramps up. The record does not otherwise describe the services.	Not described in the record for participants. Testimony noted that the federal Workforce Pell legislation essentially requires programs, to be eligible for federal funding, to at least not make participants' economic situation worse.	Not separately stated in the record.	Jul. 28, 2026 hearing (≈00:03:30–00:04:08, ≈01:04:30–01:05:30); Aug. 12, 2026 hearing (≈00:53:50); Finding 24

Program	Services Provided	Customer / Eligibility Qualifications	Funding Source	Source in Record
Veterans Employment Services (JVSG and STAYS)	Federal Jobs for Veterans State Grant funds two position types: Disabled Veterans' Outreach Program (DVOP) specialists, who case-manage veterans and eligible spouses with significant barriers, and Local Veterans' Employment Representatives (LVERs), who advocate for veteran hiring with employers. SCDEW's STAYS program gives veterans and military spouses who do not qualify for DVOP services guaranteed interviews with participating employers (over 800 participants, 337 employers, and 322 hires at the time of testimony). Program Year 2023 Veterans' Entered Employment Rate: 60.89%.	DVOP services: veterans and eligible military spouses facing significant barriers (such as homelessness, prolonged unemployment, or disability), who must first be screened and referred by Wagner-Peyser staff and then confirmed by the DVOP. DVOP staff must meet federal criteria, including 180 days of active service. STAYS: veterans and military spouses who do not qualify for DVOP.	Federal Jobs for Veterans State Grant (about $2.9 million). Certain positions are funded 50% by JVSG and 50% by Wagner-Peyser.	Mar. 4, 2026 hearing; Findings 3, 32
Second Chance (Department of Corrections Pre-Release Partnership)	SCDEW Employment Services staff and case managers work on site at Department of Corrections facilities. Services include employability workshops (resume writing, mock interviews, how to discuss a conviction or background, and using the Federal Bonding and WOTC programs) and virtual hiring events with employers before release. Volunteers recruited through a human resources professional organization conduct mock interviews.	Incarcerated individuals within 180 days of release from the South Carolina Department of Corrections.	No separate funding is stated. SCDEW testified that about 10% of its Employment Services funding supports its work with individuals facing significant barriers, including Second Chance participants.	Mar. 4, 2026 hearing (≈00:07–00:08, ≈00:40); Jul. 28, 2026 hearing (≈01:29); Aug. 12, 2026 hearing (≈05:45)
Back to Work	Named in testimony as an SCDEW program serving people with barriers to employment, but not described.	Not described in the record.	Not separately stated in the record.	Mar. 4, 2026 hearing (≈00:47)
Ready to Work Pilot	A partnership among SCDEW, the Department of Social Services, Epworth Children's Home, and Junior Achievement to help youth and young adults obtain a first job. Epworth staff taught the Junior Achievement Ready to Work employability curriculum on site at Epworth over about eight to nine weeks, while DEW staff facilitated the initial kickoff session, mock interviews, and a job fair. SCDEW is evaluating the results to decide whether to scale or expand the program.	Youth and young adults at Epworth Children's Home.	Not separately stated in the record.	Jul. 28, 2026 hearing (≈01:27–01:29)
Southern Carolina Alliance Regional Manufacturing Collaborative	A partnership formed about a year and a half to two years before the hearing to coordinate workforce and economic development outreach to employers. SCDEW and the Alliance developed a strategic plan aligned with the Unified State Plan, completed year one of a two-year implementation period, and report improved communication, cross-promotion of job fairs and hiring events, and collaborative employer engagement.	Employers and job seekers in the seven-county Alliance region: Jasper, Hampton, Allendale, Bamberg, Barnwell, Beaufort, and Colleton.	Not separately stated in the record.	Jul. 28, 2026 hearing (≈01:34–01:36); Finding 39
Regional Workforce Advisors	Advisors who connect school districts, students, and employers to workforce resources, promote work-based learning, and engage K–12 students and school counselors. Transferred from the Department of Commerce to SCDEW under Act 67. SCDEW tracks their activity through biweekly updates.	K–12 students, school counselors, school districts, and employers. The testimony does not state formal eligibility criteria.	$1.976 million in Education Improvement Act funds, plus state general funds.	Aug. 12, 2026 hearing (≈03:13–03:15); Oct. 22, 2025 hearing (≈02:01); Finding 3

Program	Services Provided	Customer / Eligibility Qualifications	Funding Source	Source in Record
Migrant and Seasonal Farmworker Monitor Advocate System	A federally required State Monitor Advocate who monitors delivery of Wagner-Peyser employment services and performance of the complaint system to ensure Migrant and Seasonal Farmworkers have equitable access to services through the SC Works system.	Migrant and seasonal farmworkers.	Not separately stated in the record.	Aug. 12, 2026 hearing (≈06:00)
Labor Market Information and Supply Gap Analysis	Produces data on employment and wages by industry and occupation for a variety of audiences, connects employers and job seekers to labor market insights, and conducts research and evaluations. Includes the supply gap analysis, which found the state is not training enough workers in several key industries (see Finding 26).	Open to a wide variety of audiences; no eligibility criteria are stated.	Federal Labor Market Information cooperative agreement with the U.S. Bureau of Labor Statistics; state general funds support the supply gap analysis implemented under Act 67.	DEW “Agency Divisions” hearing slide; Findings 3, 26

ENDNOTES

[1] Oct. 22, 2025 video presentation at 00:17:00—00:18:00.
[2] *Id*. at 00:18:00—00:18:20.
[3] Pub. L. No. 73-30, 48 Stat. 113 (codified as amended at 29 U.S.C. §§ 49–49l).
[4] Oct. 22, 2025 video presentation at 00:15:30—00:16:30; 00:18:20—00:19:00; Oct. 22, 2025 Web Packet, p. 4.
[5] 42 U.S.C. §§ 301–1305 (Supp. 1934).
[6] Oct. 22, 2025 Web Packet, p. 4.

[7] Oct. 22, 2025 video presentation at 00:18:30—00:19:30; 42 U.S.C. § 303 (conditioning federal grants on state unemployment compensation laws providing for methods of administration reasonably calculated to ensure prompt payment, including through public employment offices).
[8] Oct. 22, 2025 video presentation at 00:19:30—00:20:30.
[9] *Id*. at 00:19:30—00:20:34; Oct. 22, 2025 Web. Packet, p. 6.
[10] Oct. 22, 2025 Web Packet, p. 6.
[11] *Id*. p. 8.
[12] Oct. 22, 2025 video presentation at 00:23:00—00:25:30.
[13] Oct. 22, 2025 Web Packet, p. 10; S.C. Code Ann. §41-27-710 (2021); S.C. Code Ann. § 41-29-35 (2021).
[14] S.C. Code Ann. § 41-27-760 (2021).
[15] Oct. 22, 2025 video presentation at 00:24:27—00:25:30.
[16] *Id*. at 00:24:43—00:25:55.
[17] *See* S.C. Code §41-30-110 *et seq*. (Supp. 2023).
[18] October 22, 2025 video presentation at 00:26:32—00:27:30; Oct. 22, 2025 Web Packet, p. 10; S.C. Code Ann. 41-30-130 (Supp. 2023).
[19] *See* "Speaker Smith: It's time to streamline SC's workforce development efforts to help grow economy," The Post and Courier, *available at* https://www.postandcourier.com/opinion/commentary/smith-its-time-to-streamline-scs-workforce-development-efforts-to-help-grow-economy/article_f0f18076-9687-11ed-888f-37ad270c411f.html (last visited June 10, 2026).
[20] Aug. 12, 2026 video presentation at 02:03:38–02:04:30.
[21] Aug. 12, 2026 video presentation at 00:03:01–00:03:16; 01:48:00–01:48:30. Aug. 12, 2026 video presentation at 01:47:31–01:48:00; Oct. 22, 2025 Web Packet, p. 8.
[22] The jurisdictions include the 50 states, the District of Columbia, Puerto Rico, and the Virgin Islands. *See* Unemployment Compensation: Federal-State Partnership at 1, *available at* https://oui.doleta.gov/unemploy /pdf/ partnership.pdf (last visited Oct. 6, 2026).
[23] Oct. 22, 2025 video presentation at 03:09:00—03:09:30; Oct. 22, 2025 Web Packet, p. F3.
[24] *Id*. at 03:11:42—03:12:00.
[25] *Id*. at 03:11:00—03:11:30.
[26] *Id*. at 03:11:30—03:11:42.
[27] Oct. 22, 2025 video presentation at 03:09:30—03:10:00.
[28] *Id*. at 03:10:30—03:11:00.
[29] *Id*. at 03:10:30—03:11:00.
[30] S.C. Code Ann. § 41-27-20 (2021) (emphasis added).
[31] S.C. Code Ann. § 41-35-67 (1) (2021) ("Benefits shall not be paid on the basis of services performed by an alien unless such alien is an individual who was lawfully admitted for permanent residence at the time such services were performed, was lawfully present for purposes of performing such services or was permanently residing in the United States under color of law at the time such services were performed . . . .").
[32] S.C. Code Ann. § 41-27-310 (defining "insured worker" as requiring, among other things, at least $4,455 in base period wages for insured work).
[33] S.C. Code Ann. § 41-35-110(5) (2021).
[34] S.C. Code Ann. § 41-35-110(3) (2021); Nov. 18, 2025 video presentation at 00:11:41—00:12:00; 00:06:24—00:07:30; 00:15:00—00:15:30.
[35] S.C. Code Ann. § 41-35-40 (2021); Nov. 18, 2025 video presentation at 00:10:00—00:11:00.
[36] S.C. Code Ann. § 41-35-50 (2021); Nov. 18, 2025 video presentation at 00:10:30—00:11:00; 00:20:00—00:21:00.
[37] Nov. 18, 2025 video presentation at 00:15:30—00:15:50 ("The program is intended to provide a temporary financial bridge from when an individual lost their job to when they get their new job. In order to do that, that person has to show that they are actively seeking work.").

[38] *Id*. at 00:13:00—00:14:30 (observing that "claimants can be disqualified from receiving UI benefits for various periods of time" such as "if we find that they voluntarily quit [or] they were discharged for cause or misconduct").
[39] Oct. 22, 2025 Web Packet, p. 12.
[40] Oct. 22, 2025 video presentation at 00:32:54—00:38:16; Oct. 22, 2025 Web Packet, p. 12.
[41] Oct. 22, 2025 video presentation at 00:34:51—00:35:30.
[42] Oct. 22, 2025 Web Packet, p. 12; Oct. 22, 2025 video presentation at 00:35:04—00:41:30; 03:42:03—03:42:30
[43] Oct. 22, 2025 Web Packet, p. 12; Oct. 22, 2025 video presentation at 00:41:18—00:41:30.
[44] Mar. 4, 2026 video presentation at 00:10:07—00:10:16.
[45] *Id*. at 00:23:43—00:23:48.
[46] Nov. 18, 2025 video presentation at 04:01:55—04:02:00; Oct. 22, 2025 Web Packet, p.12.
[47] Oct. 22, 2025 video presentation at 00:34:51—00:35:30; 01:43:22—01:44:00.
[48] Nov. 18, 2025 video presentation at 04:01:55—04:02:00.
[49] *See* 26 U.S.C. § 3301 *et seq*.
[50] *Id*. at 03:59:18—04:00:00; 04:02:00—04:02:30.
[51] *Id*. at 03:49:53—03:50:00; 03:59:30—04:00:00.
[52] *Id*. at 04:00:15—04:00:24.
[53] Nov. 18, 2025 video presentation at 04:01:00—04:01:30.
[54] *Id*. at 04:00:00—04:00:38.
[55] *Id*. at 04:00:38—04:01:00.
[56] *Id*. at 04:00:38—04:01:00.
[57] Nov. 18, 2025 video presentation at 04:02:00—04:02:30.
[58] *Id*. at 04:03:31—04:03:45.
[59] *Id*. at 04:03:06—04:03:25.
[60] Mar. 4, 2026 video presentation at 00:02:21—00:03:42; 00:05:15—00:05:30.
[61] Mar. 4 Web Packet, p. 4 (citing 29 U.S.C. 49 *et seq*.; 20 C.F.R. § 652.1).
[62] Mar. 4, 2026 video presentation at 00:05:15—00:06:11.
[63] *Id*. at 00:05:15—00:06:11; Nov. 18, 2025 video presentation at 02:40:59—02:41:00.
[64] July 28, 2026 video presentation at 00:29:41—00:30:30.
[65] *Id*. at 00:30:00—00:32:30.
[66] *Id*. at 00:33:06—00:33:24.
[67] Mar. 4, 2026 video presentation at 00:08:30—00:09:00.
[68] *Id*. at 00:07:04—00:07:48.
[69] *Id*. at 00:07:15—00:07:48.
[70] Mar. 4, 2026 Web Packet.
[71] Mar. 4, 2026 video presentation at 00:40:14—00:41:19.
[72] *Id*.
[73] *See* Aug. 17, 2026 Workforce Dev. Div. Follow-up, attached hereto as **Ex. A.**
[74] Mar. 4, 2026 video presentation at 00:37:50—00:39:11.
[75] *See* Ex. A.
[76] Mar. 4, 2026 video presentation at 00:26:00—00:28:24; Mar. 4, 2026 Web Packet.
[77] *Id*. at 00:26:00—00:28:24.
[78] Mar. 4, 2026 Web Packet.
[79] Mar. 4, 2026 video presentation at 00:28:24—00:28:37.
[80] *Id*. at 00:09:07—00:10:16.
[81] *See* S.C. Code Ann. §§ 41-31-350 (2021); 41-31-630 (3), (5) (2021); 41-35-660 (2021).
[82] Nov. 18, 2025 video presentation at 03:57:00—03:57:27.
[83] *Id*. at 03:56:30—03:57:00.
[84] *Id*. at 03:57:00—03:57:27.
[85] Aug. 12, 2026 video presentation at 05:24:30–05:25:00.
[86] *Id*. at 05:25:00–05:25:30.
[87] *Id*. at 05:25:30–05:25:38.
[88] *Id*. at 05:15:30–05:16:00.
[89] Aug. 12, 2026 video presentation at 05:16:03—05:16:26.
[90] *Id*. at 05:16:00–05:17:00.
[91] *Id*. at 05:16:51—05:17:52.
[92] *Id*. at 05:26:30–05:28:00.

[93] SCDEW, Form E: Agency Cost Savings and General Fund Reduction Contingency Plan (FY 2026-27), *available at* https://www.admin.sc.gov/sites/admin/files/Documents/Budget/FY27%20R600%20-%20Department%20of%20Employment%20and%20Workforce.pdf (last visited Sept. 8, 2026).
[94] *Id*.
[95] *Id*.
[96] *Id*.
[97] Oct. 22, 2025 video presentation at 03:46:57—03:47:01.
[98] *Id*.
[99] *Id*. at 03:47:01—03:47:21. *See* S.C. Code Ann. § 41-27-210(2) (2021).
[100] Oct. 22, 2025 video presentation at 03:47:30—03:48:37.
[101] *Id*. at 03:49:10—03:49:16.
[102] *Id*. at 03:49:53—03:51:00.
[103] *Id*. at 03:49:53—03:51:00.
[104] Oct. 22, 2025 video presentation at 03:48:37—03:49:30.
[105] *Id*. at 03:51:33—03:52:40.
[106] *Id*. at 03:52:40—03:54:00.
[107] *Id*. at 03:53:00—03:54:00.
[108] Oct. 22, 2025 video presentation at 03:56:30—03:57:00. The Federal Unemployment Tax Act requires every state's unemployment insurance tax code to include at least one tax class rated at 5.4% or higher. *See* S.C. Code § 41-31-50(1)(c) (2021). An employer may appeal its assigned tax class within 30 days of the tax rate notice, though the grounds for appeal are limited to mathematical corrections (missed taxable wages or improperly charged benefits) as the assignment itself is a straightforward application of the statutory formula. *Id*. at 03:55:36—03:56:30.
[109] S.C. Code Ann. § 41-35-120 (2021); Nov. 18, 2025 video presentation at 00:44:51—00:45:30.
[110] S.C. Code Ann. § 41-35-120(2)(a) ("Discharge for misconduct connected with the employment. If the department finds that he has been discharged for misconduct connected with his most recent work prior to filing a request for determination of insured status or a request for initiation of a claim series within an established benefit year, with ineligibility beginning with the effective date of the request, and continuing for the next twenty weeks, in addition to the waiting period, *with a corresponding and mandatory reduction of the insured worker's benefits to be calculated by multiplying his weekly benefit amount by twenty*." (Emphasis added.))
[111] S.C. Code Ann. § 41-27-160 (2021) (defining "benefit year" as "the one-year period beginning with the day as of which an insured worker first files a request for determination of his insured status, and afterward the one-year period beginning with the day by which he next files this request after the end of his last preceding 'benefit year'; provided, that in the case of a combined wage claim filed by an individual in accord with an arrangement entered into by the department pursuant to the provisions of Section 41-29-140(2), the benefit year is that applicable provided by the law of the paying state").
[112] Nov. 18, 2025 video presentation at 00:48:31—00:50:15.
[113] *Id*. at 00:48:31—00:50:15.
[114] S.C. Code Ann. § 41-35-120 (3)(a) (providing that an insured worker is ineligible for benefits for "[d]ischarge for illegal drug use, and is ineligible for benefits beginning with the effective date of the request and continuing until he has secured employment and shows to the satisfaction of the department that he has performed services in employment as defined by Chapters 27 through 41 of this title and earned wages for those services equal to at least eight times the weekly benefit amount of his claim . . . ."); Nov. 18, 2025 video presentation at 00:52:30—00:53:23.
[115] S.C. Code Ann. § 41-35-120 (3)(a)(i)-(iii); Nov. 18, 2025 video presentation at 00:53:30—00:55:46.
[116] S.C. Code Ann. § 41-35-120 (4) (providing that an insured worker is ineligible for benefits for "[d]ischarge for gross misconduct, and is ineligible for benefits beginning with the effective date of the request and continuing until he has secured employment and shows to the satisfaction of the department that he has performed services in employment as defined by Chapters 27 through 41 of this title and earned wages for those services equal to at least eight times the weekly benefit . . .").
[117] S.C. Code Ann. § 41-35-120(4); Nov. 18, 2025 video presentation at 00:56:12—00:57:55.
[118] S.C. Code Ann. § 41-35-120 (4)(i)-(vii); Nov. 18, 2025 video presentation at 00:56:12—00:57:55.
[119] Oct. 22, 2025 video presentation at 03:14:06—03:14:17.
[120] *Id*. at 03:14:06—03:14:44.
[121] *Id*. at 03:14:35—03:14:44. Notably, "[t]hat's not 2.5 million distinct individuals, because an individual may work for multiple employers, and each one of those employers is going to report that individual to us. But that's 2.5 million employees who are being reported to us every single year." *Id*. at 03:14:44—03:15:01.
[122] *Id*. at 03:15:32—03:15:39.
[123] Oct. 22, 2025 video presentation at 03:15:32—03:15:46.
[124] *Id*. at 03:29:33—03:29:57.

[125] *Id*. at 03:30:02—03:30:43.
[126] Nov. 18, 2025 video presentation at 00:15:59—00:16:34.
[127] Oct. 22, 2025 video presentation at 03:32:21—03:33:09.
[128] *Id*. at 03:33:09—03:35:18.
[129] Oct. 22, 2025 video presentation at at 03:17:06—03:18:07.
[130] *Id*. at 03:17:00—03:17:28; 04:15:00—04:16:00.
[131] *Id*. at 04:01:35—04:02:26.
[132] *Id*. at 04:36:45—04:37:30; 03:16:30—03:17:00.
[133] Oct. 22, 2025 video presentation at 03:23:11—02:24:30.
[134] *Id*. at 04:15:38—04:16:02.
[135] *Id*. at 04:02:51—04:05:00.
[136] *Id*. at 04:03:00—04:03:30; 04:36:30—04:37:00. *See* S.C. Code Ann. § 41-31-45(A)(1) (2021) (defining "Average high cost multiple" as "the number of years the department could pay unemployment compensation, based on the statewide reserve ratio, if the department paid the compensation at a rate equivalent to the average benefit cost rate in the three calendar years during the previous twenty calendar years, or the last three recessions, in which the benefit cost rates were the highest").
[137] Oct. 22, 2025 video presentation at 04:02:51—04:03:30. The Average High Cost Multiple standard is a standard recommended, but not requited, by the U.S. Department of Labor. *Id*. at 04:03:08—04:03:20.
[138] *Id*. at 04:03:50—04:05:24.
[139] *Id*. at 04:04:50—04:05:06.
[140] *Id*. at 04:06:16—04:06:27.
[141] Oct. 22, 2025 video presentation at 04:06:16—04:06:44.
[142] *Id*. at 04:06:44—04:07:17.
[143] S.C. Code Ann. § 41-31-45(C) (2021) (authorizing SCDEW to promulgate regulations to return the Trust Fund to an adequate level after solvency is restored); S.C. Regs. 47-501 (imposing a solvency surcharge when the Trust Fund is solvent but below the required minimum balance). *See also* Oct. 22, 2025 video presentation at 04:13:23—04:14:38 ("We're going to end up with below that solvency target. And so we think that now is the time to alert the legislature to that possibility and to some possible solutions to avoid that.").
[144] Oct. 22, 2025 video presentation at 04:07:25—04:07:40.
[145] *Id*.
[146] *Id*. at 04:08:10—04:09:07.
[147] *Id*. at 04:09:08—04:10:02.
[148] Oct. 22, 2025 video presentation at 04:10:34—04:11:16.
[149] S.C. Code Ann. § 41-31-50 (2)(a), (b)(iii) (2021); S.C. Code Ann. § 41-27-410 (2021) ("Effective January 1, 1986, the departmental administrative contingency assessment is an assessment of six one hundredths of one percent to be assessed upon the wages as defined in Section 41-27-380(2) of all employers except those who have either elected to make payments in lieu of contributions as defined in Section 41-31-620 or are liable for the payment of contributions as defined in Section 41-31-620 or are liable for the payment of contributions and are classified as a state agency or any political subdivision or any instrumentality of the political subdivision as defined in Section 41-27-230(2)."); Oct. 22, 2025 video presentation at 03:56:00—03:56:55.
[150] Oct. 22, 2025 video presentation at 03:51:33—03:52:30.
[151] *Id*. at 03:55:08—03:55:30.
[152] *Id*. at 03:58:10—03:58:51.
[153] *Id*.
[154] Nov. 18, 2025 video presentation at 04:40:25—04:41:00.
[155] *Id*.
[156] Oct. 22, 2025 video presentation at 04:41:57—04:42:03; Nov. 18, 2025 video presentation at 00:33:48—00:34:00.
[157] Oct. 22, 2025 video presentation at 03:58:58—04:00:10.
[158] *Id*.
[159] *Id*. at 04:41:30—04:41:57.
[160] *Id*. at 04:41:57—04:42:03; Nov. 18, 2025 video presentation at 00:33:48—00:34:00.
[161] Oct. 22, 2025 video presentation at 04:47:00—04:48:30.
[162] *Id*.
[163] *Id*. at 04:38:00—04:39:12; S.C. Code § 41-31-50(1)(c).
[164] *Id*. at 04:42:30—04:46:00.
[165] Oct. 22, 2025 video presentation at 04:42:30—04:46:00.
[166] *Id*.

[167] *Id*. at 04:45:30—04:47:00. *See* S.C. Code Ann. § 41-31-60(B) (Supp. 2025) ("An employer who has a department-approved installment payment agreement shall be permitted to pay its unemployment compensation tax at the annual rate as determined pursuant to Section 41-31-50. However, any such employer's tax rate shall immediately revert to the tax class twenty rate if the employer fails to make any one of the succeeding deferred payments or fails to submit any succeeding wage report and payment in a timely manner as required by the department-approved installment payment agreement.").
[168] Oct. 22, 2025 video presentation at 04:46:19—04:47:37.
[169] Nov. 18, 2025 video presentation at 03:55:12—03:55:30.
[170] *Id*. at 03:55:30—03:55:42.
[171] July 28, 2026 video presentation at 00:49:00—01:00:00. *See* 26 U.S.C. § 51 (2025).
[172] July 28, 2026 video presentation at 00:49:27—00:50:17.
[173] *Id*. at 00:50:17—00:50:22.
[174] *See* Sept. 30, 2026 SCDEW correspondence, attached hereto as **Ex. B**.
[175] July 28, 2026 video presentation at 00:50:53—00:50:58.
[176] July 28, 2026 video presentation at 01:00:15—01:00:24.
[177] *Id*. at 01:00:24—01:00:53.
[178] *Id*. at 01:00:15—01:01:39.
[179] *Id*. at 01:01:00—01:01:39.
[180] July 28, 2026 video presentation at 01:01:39—01:02:30.
[181] *Id*. at 01:02:30—01:03:00.
[182] *Id*. at 01:03:12—01:06:30.
[183] Nov. 18, 2025 video presentation at 03:53:43—03:53:57.
[184] *Id*. at 02:29:41—02:30:38.
[185] *Id*. at 02:30:54—02:31:05.
[186] *Id*. at 02:31:06—02:31:31.
[187] Nov. 18, 2025 video presentation at 02:32:13—02:32:49.
[188] *Id*. at 02:33:19—02:34:05.
[189] *Id*. at 03:52:20—03:54:00.
[190] *Id*. at 03:48:22—03:51:00; 03:45:00—03:47:00.
[191] Oct. 22, 2025 video presentation at 03:48:22—03:51:00; 03:45:00—03:47:00.
[192] *Id*. at 03:18:17—03:18:26.
[193] *Id*. at 03:19:00—03:19:30; 03:44:30—03:45:30.
[194] *Id*. at 03:21:59—03:22:10.
[195] Nov. 18, 2025 video presentation at 03:21:40—03:22:18.
[196] *Id*. at 01:26:37—01:30:30; 03:20:33—03:21:40.
[197] *Id*. at 01:26:37—01:30:30; 03:20:33—03:21:40.
[198] *Id*. at 03:19:30—03:20:00.
[199] Nov. 18, 2025 video presentation at 03:20:04—03:20:25.
[200] *Id*. at 03:20:25—03:20:30.
[201] *Id*. at 01:10:40—01:11:07.
[202] *Id*. at 03:06:54—03:07:30.
[203] Nov. 18, 2025 video presentation at 03:10:00—03:21:36.
[204] *Id*. at 03:08:30—03:09:00.
[205] *Id*. at 03:22:30—03:23:00.
[206] *Id*. at 03:22:30—03:23:00.
[207] Nov. 18, 2025 video presentation at 03:23:28—03:23:45.
[208] *Id*. at 03:25:13—03:25:30.
[209] *Id*. at 03:26:06—03:26:10.
[210] *Id*. at 03:13:44—03:14:20.
[211] Nov. 18, 2025 video presentation at 03:14:00—03:14:30.
[212] *Id*. at 03:15:00—03:15:30.
[213] *Id*. at 03:15:30—03:16:00.
[214] *Id*. at 03:16:57—03:17:17.
[215] Nov. 18, 2025 video presentation at 03:16:21—03:17:03.
[216] *Id*. at 03:17:03—03:17:07.
[217] *Id*. at 03:27:46—03:28:00.
[218] *Id*. at 03:27:30—03:27:46.

[219] Nov. 18, 2025 video presentation at 03:28:41—03:28:50.
[220] *Id*. at 03:17:17—03:18:00.
[221] *Id*. at 02:57:28—02:58:00.
[222] *Id*. at 02:57:28—02:58:00.
[223] Nov. 18, 2025 video presentation at 03:30:21—03:31:33.
[224] *Id*. at 03:32:44—03:33:09.
[225] *Id*. at 03:33:09—03:33:15.
[226] *Id*. at 03:34:30—03:35:00.
[227] Nov. 18, 2025 video presentation at 03:32:44—03:32:52.
[228] *Id*. at 03:33:31—03:36:00.
[229] *Id*. at 03:39:30—03:39:51.
[230] *Id*. at 03:39:30—03:39:51.
[231] Nov. 18, 2025 video presentation at 03:39:30—03:40:00.
[232] *Id*. at 03:40:19—03:40:31.
[233] *Id*. at 03:41:00—03:41:30.
[234] *Id*. at 03:32:00—03:32:30.
[235] Nov. 18, 2025 video presentation at 03:37:13—03:37:30.
[236] *Id*. at 03:32:20—03:32:30; 03:36:42—03:37:00.
[237] *Id*. at 03:38:24—03:38:46.
[238] *Id*. at 03:42:46—03:43:30.
[239] Nov. 18, 2025 video presentation at 02:58:48—02:59:39.
[240] *Id*. at 02:59:39—02:59:57.
[241] *Id*. at 02:59:39—03:00:17.
[242] *Id*.
[243] Nov. 18, 2025 video presentation at 03:00:45—03:00:52.
[244] *Id*. at 02:59:39—03:00:17.
[245] *Id*. at 02:58:51—02:58:59.
[246] *Id*. at 03:00:22—03:00:30.
[247] Nov. 18, 2025 video presentation at 03:00:18—03:00:35; 03:01:44—03:01:57.
[248] *Id*. at 03:01:44—03:02:05.
[249] *Id*. at 03:02:05—03:02:10.
[250] *Id*. at 03:01:09—03:01:42.
[251] Nov. 18, 2025 video presentation at 03:02:10—03:02:51.
[252] *Id*. at 03:02:14—03:02:41.
[253] *Id*. at 03:03:41—03:04:00.
[254] *Id*. at 03:02:51—03:03:38.
[255] Nov. 18, 2025 video presentation at 03:02:51—03:03:38.
[256] *Id*. at 00:45:52—00:48:00.
[257] Mar. 4, 2026 video presentation at 00:45:52—00:48:00.
[258] *Id*. at 00:45:52—00:48:00.
[259] Mar. 4, 2026 video presentation at 00:45:52—00:48:00.
[260] *Id*. at 00:48:43—00:49:10.
[261] *Id*. at 00:45:52—00:48:00.
[262] *Id*. at 00:45:52—00:48:00.
[263] Mar. 4, 2025 video presentation at 00:45:52—00:48:00.
[264] *Id*. at 00:48:20—00:48:30.
[265] Aug. 12, 2026 video presentation at 06:06:30–06:07:00.
[266] *Id*. at 06:07:10—06:07:18.
[267] *Id*. at 06:07:00–06:07:30.
[268] *Id*. at 06:07:30–06:08:43.
[269] Aug. 12, 2026 video presentation at 06:07:59–06:08:19.
[270] See Aug. 18, 2026 SCDEW correspondence, attached hereto as **Ex. C**.
[271] Aug. 12, 2026 video presentation at 06:18:00–06:18:30.
[272] *Id*. at 06:14:53—06:15:00 (describing a "measured approach" to AI adoption).
[273] Aug. 12, 2026 video presentation at 06:05:30–06:06:00.
[274] *See* Aug. 20, 2026 SCDEW correspondence, attached hereto as **Ex. D.**

[275] Aug. 12, 2026 video presentation at 06:06:00–06:06:30.
[276] July 28, 2026 video presentation at 00:02:28—00:03:30. ***See* Ex. E** (summarizing workforce and development service programs of SCDEW).
[277] *Id*. at 00:03:42—00:04:08.
[278] *Id*. at 00:03:59—00:04:08.
[279] *Id*. at 00:04:09—00:04:30; 29 U.S.C. § 3151 (requiring states to establish a one-stop delivery system and a condition of receiving WIOA funding).
[280] July 28, 2026 video presentation at 00:04:30—00:05:00.
[281] *Id*. at 00:19:00—00:20:27.
[282] *Id*. at 00:06:11—00:06:57.
[283] July 28, 2026 video presentation at 00:20:27—00:20:48.
[284] *Id*. at 00:20:41—00:21:00.
[285] *Id*. at 00:21:01—00:21:14.
[286] *Id*. at 00:21:00—00:22:54.
[287] July 28, 2026 video presentation at 00:08:05—00:08:24. The membership of the State Workforce Development Board is prescribed by 20 C.F.R. § 679.110. The current membership is provided in **Exhibit XX.**
[288] *Id*. at 00:08:24—00:08:48.
[289] *Id*. at 00:11:06—00:11:13; Pub. L. No. 105—220, 112 Stat. 936 (1998).
[290] July 28, 2026 video presentation at 00:11:02—00:11:30.
[291] *Id*. at 00:13:50—00:13:54; 29 U.S.C. § 3111(b)(1)(C) (2024).
[292] *Id*. at 00:09:18—00:10:00; 29 U.S.C. § 3111(C)(i)—(iii) (2024).
[293] July 28, 2026 video presentation at 00:13:30—00:14:00.
[294] *Id*. at 00:14:24—00:15:00.
[295] *Id*. at 00:12:32—00:12:41.
[296] July 28, 2026 video presentation at 00:10:09—00:10:30.
[297] *Id*. at 00:10:30—00:10:52.
[298] *Id*. at 00:08:30—00:09:11.
[299] *Id*. at 00:09:00—00:09:09.
[300] July 28, 2026 video presentation at 00:14:32—00:15:00.
[301] *Id*. at 00:15:00—00:17:30.
[302] *Id*. at 00:16:02—00:16:30.
[303] *Id*. at 00:17:10—00:17:17.
[304] July 28, 2026 video presentation at 00:16:30—00:18:29.
[305] S.C. Code Ann. § 41-30-540(B)(6) (Supp. 2024).
[306] Aug. 12, 2026 video presentation at 01:13:34—01:14:10.
[307] *Id*. at 01:14:11—01:14:24.
[308] *See* Aug. 12, 2026 Packet p. 14.
[309] Aug. 12, 2026 video presentation at 01:12:17—01:13:00.
[310] *Id*. at 01:19:17—01:20:00.
[311] *Id*. at 01:20:00—01:20:30.
[312] *Id*. at 01:20:36—01:20:44.
[313] Aug. 12, 2026 video presentation at 01:20:44—01:21:11.
[314] *Id*. at 01:21:42—01:22:08.
[315] *Id*. at 01:22:08—01:23:30.
[316] *See* 29 U.S.C. § 3111(b) (State Workforce Development Board membership requirements, including gubernatorial appointment authority and required representation of businesses, workforce interests, and each WIOA partner program); Jul. 28, 2026 video presentation at 00:10:09—00:10:52 (describing the board's quarterly meetings and three standing committees: the Workforce Innovation Committee, the SC Works Management Committee, and the Board Governance and Development Committee).
[317] Jul. 28, 2026 video presentation at 00:11:02—00:11:19.
[318] This Initiative is a long-term multiyear effort to ensure the state's federally funded workforce system carries out the "vision and spirit" of America's Talent Strategy's five pillars. SCDEW stated that "[t]he initial actions center on gathering and analyzing data to better understand the return on investment of federally funded employment and training programs. And that effort has already started within our agency." *See* Jul. 28, 2026 video presentation at 01:37:59—01:39:43. *See also* **Finding 32**, *infra*.
[319] Jul. 28, 2026 video presentation at 00:11:19—00:12:30.

[320] July 28, 2026 video presentation at 01:07:53—01:08:30. Bonds are available in $5,000, $10,000, $15,000, $20,000, and $25,000 coverage tiers, with the employer selecting the tier based on its own assessment of risk. Employers have recently trended toward requesting maximum coverage. Bonds are issued within fifteen days of the insurance company receiving the paperwork, are retroactive to the employee's start date, and automatically terminate after six months. See S.C. Dep't of Emp. & Workforce, Workforce Development Division Follow-Up 2 (Aug. 17, 2026).
[321] July 28, 2026 video presentation at 01:10:44—01:11:52.
[322] *Id*. at 01:09:00—01:09:55 (stating that bond issuance from calendar year 2022 to 2024 was roughly 20 per year: 23 in 2022, 15 in 2023, and 19 in 2024); July 28, 2026 Web Packet, p. 45.
[323] *Id*. at 01:10:10—01:10:30.
[324] *Id*. at 01:12:01—01:12:46.
[325] July 28, 2026 video presentation at 01:29:01—01:29:34.
[326] *Id*. at 01:29:34—01:30:00.
[327] *Id*. at 01:11:44—01:11:54.
[328] S.C. Code Ann. § 41-31-160 (2021 & Supp. 2024); Aug. 12, 2026 video presentation at 01:00:30—01:01:00 (identifying the five preexisting federally required data points as the worker's name, Social Security number, industry, employer name, and quarterly wages).
[329] Aug. 12, 2026 video presentation at 01:01:14—01:01:20.
[330] *Id*. at 01:01:33—01:01:41.
[331] *Id*. at 01:01:00—01:01:30.
[332] *Id*. at 01:01:30—01:02:20.
[333] Aug. 12, 2026 video presentation at 01:02:30—01:03:03.
[334] *Id*. at 01:03:35—01:04:00.
[335] *Id*. at 01:06:35—01:07:04.
[336] *Id*. at 01:07:04—01:07:30.
[337] Aug. 12, 2026 video presentation at 01:07:04—01:07:36.
[338] *Id*. at 01:51:30–01:52:00.
[339] S.C. Code Ann. § 41-30-110 (Supp. 2024).
[340] Aug. 12, 2026 video presentation at 01:52:00–01:52:30.
[341] *Id*.
[342] *Id*. at 01:52:30–01:53:00.
[343] *Id*. at 01:53:30–01:54:00.
[344] Aug. 12, 2026 video presentation at 01:54:00–01:55:30.
[345] *Id*. at 01:53:00–01:53:30.
[346] *Id*. at 02:01:47–02:02:00.
[347] *Id*. at 02:12:00–02:13:00.
[348] Aug. 12, 2026 video presentation at 03:26:55—03:27:37.
[349] *Id*.
[350] *Id*. at 03:07:43–03:08:00.
[351] *Id*. at 02:55:00–02:55:30.
[352] Aug. 12, 2026 video presentation at 02:56:30–02:57:00.
[353] *Id*. at 03:17:14–03:18:00.
[354] *Id*. at 03:09:47–03:11:00.
[355] *Id*. at 02:57:30–02:58:00.
[356] Aug. 12, 2026 video presentation at 03:03:51–03:04:30.
[357] *Id*. at 03:04:30–03:05:00.
[358] *Id*. at 03:05:46–03:06:30.
[359] *Id*. at 02:56:46—02:57:30.
[360] Mar. 4, 2026 video presentation at 00:15:23—00:15:55.
[361] *Id*. at 00:16:01—00:16:17.
[362] *Id*. at 00:16:39—00:17:00.
[363] See 38 U.S.C. § 4211(4) (defining "eligible veteran" as a person who served in active duty for a period of more than 180 days and was honorably discharged or released, discharged because of a service-connected disability, served on active duty during a period of war and honorably discharged or released, or was discharged or released from active duty by reason of sole survivor discharge).
[364] Mar. 4, 2026 video presentation at 00:17:00—00:17:38.
[365] *Id*. at 00:17:00—00:17:38.

[366] *Id*. at 00:16:30—00:17:38.
[367] *Id*. at 00:17:38—00:18:30.
[368] Mar. 4, 2026 video presentation at 00:17:38—00:18:30.
[369] *Id*. at 00:17:38—00:18:30.
[370] *Id*. at 00:17:38—00:18:30.
[371] *Id*. at 00:19:30—00:20:01.
[372] Mar. 4, 2026 video presentation at 00:20:01—00:20:30.
[373] *Id*. at 00:20:01—00:20:30.
[374] *Id*. at 00:19:05—00:19:30.
[375] *Id*. at 00:23:52—00:24:00.
[376] See America's Talent Strategy: Building the Workforce for the Golden Age, *available at* https://www.dol.gov/sites/dolgov/files/OPA/newsreleases/2025/08/Americas-Talent-Strategy-Building-the-Workforce-for-the-Golden-Age.pdf (last visited Aug. 15, 2026); July 28, 2026 video presentation at 01:36:14—01:37:03.
[377] July 28, 2026 video presentation at 01:37:22—01:38:08.
[378] *See* July 28, 2026 video presentation at 01:38:30—01:39:00.
[379]
[380] *Id*. at 01:38:08—01:39:44.
[381] *Id*. at 01:39:59—01:41:15.
[382] *Id*. at 01:41:25—01:42:02.
[383] July 28, 2026 video presentation at 01:42:06—01:42:30. *See* S.C. Code Ann. § 41-30-120(5) (Supp. 2024) (defining "Unified State Plan" as "the comprehensive statewide education and workforce development plan that provides a systemwide approach to streamline and unify efforts of entities involved in education and workforce development in the State").
[384] July 28, 2026 video presentation at 01:42:58—01:43:24.
[385] *Id*. at 01:43:24—01:44:00.
[386] Aug. 12, 2026 video presentation at 01:59:00–02:00:00.
[387] *Id*. at 03:31:40—03:32:30.
[388] *Id*. at 02:18:21—02:18:43.
[389] *Id*. at 03:34:30—03:35:00.
[390] Aug. 12, 2026 video presentation at 03:34:02–03:34:30.
[391] *Id*. at 03:44:30—03:45:00; State Fiscal Accountability Auth. Procurement Servs., *available at* https://apps.sceis.sc.gov/SCSolicitationWeb/contract Search.do?solicit number=5400030161 (last visited Oct. 8, 2026).
[392] *Id*. at 03:37:33—03:38:30.
[393] *Id*. at 03:38:30—03:39:30.
[394] Aug. 12, 2026 video presentation at 03:39:00–03:40:00.
[395] *Id*. at 03:42:04—03:42:30.
[396] *Id*. at 03:42:30—03:43:30.
[397] *Id*. at 06:12:28—06:13:00.
[398] Aug. 12, 2026 video presentation at 06:13:00–06:13:30.
[399] *Id*. at 06:13:30—06:14:00.
[400] *Id*. at 06:14:00—06:14:32.
[401] *Id*. at 06:14:53—06:15:30.
[402] July 28, 2026 video presentation at 01:44:52—01:45:00.
[403] *Id*. at 01:45:00—01:45:19.
[404] *Id*. at 01:47:41—01:48:00.
[405] *Id*. at 01:48:00—01:48:30.
[406] July 28, 2026 video presentation at 01:48:30—01:49:07.
[407] *Id*. at 01:47:15—01:47:30.
[408] Aug. 12, 2026 video presentation at 00:45:57—00:47:45.
[409] *Id*. at 00:49:34—00:50:30; 01:08:19—01:09:30.
[410] *Id*. at 01:07:57—01:08:19.
[411] *Id*. at 01:10:34—01:11:00.
[412] Aug. 12, 2026 video presentation at 01:11:56—01:12:17.
[413] *Id*. at 01:12:17—01:12:33.
[414] *Id*. at 01:12:33—01:13:00.
[415] *Id*. 00:05:59—00:06:30. Those data include Local Area Unemployment Statistics (LAUS), Current Employment Statistics (CES), Quarterly Census of Employment and Wages (QCEW), Occupational Employment and Wage Statistics (OEWS), and

Industry and Occupation Employment Projections (EP). From this data, SCDEW produces "a ten-year projection of what is going to happen . . . sort of a baseline anticipation. . . . [T]he idea is to get a ten-year estimate." *Id*. at 00:09:25—00:10:52.
[416] Aug. 12, 2026 video presentation at 00:13:50—00:14:14. In 2022, Mohawk Industries, a Fortune 500 floor-covering manufacturer and distributor located in Bennettsville, South Carolina, announced it was shutting down and as a result laying off over 600 employees. Upon receiving notice of the closing, SCDEW provided "on-site meetings with Mohawk employees on all shifts to review the reemployment services available to employees through SC Works." *See* SCDEW, *available at* https://dew.sc.gov/news/2022-08/dew-working-get-mohawk-employees-jobs-they-are-unemployed (last visited Aug. 25, 2026).
[417] Aug. 12, 2026 video presentation at 00:16:03—00:16:30.
[418] *Id*. at 00:16:49—00:17:30.
[419] *Id*. at 00:16:59—00:17:04.
[420] *Id*. at 00:14:00—00:14:30.
[421] Aug. 12, 2026 video presentation at 00:19:30—00:19:41.
[422] *Id*. at 00:19:30—00:20:00.
[423] July 28, 2026 video presentation at 01:34:14—01:34:30.
[424] *Id*. at 01:34:30—01:35:00.
[425] *Id*. at 01:34:56—01:35:19.
[426] *Id*. at 01:35:19—01:35:30.
[427] July 28, 2026 video presentation at 01:35:30—01:36:00.
[428] *Id*. at 01:35:51—01:36:00.
[429] Jul. 28, 2026 video presentation at 00:11:02—00:12:30; 01:38:30—01:39:22.
[430] Nov. 18, 2025 video presentation at 03:55:52—03:56:53.
[431] S.C. Code Ann. § 41-35-126 (2021).
[432] S.C. Code Ann. § 41-35-125(B)(2)(d)(iii) (2021).
[433] Nov. 18, 2025 video presentation at 03:58:12—03:59:04.
[434] Nov. 18, 2025 video presentation at 03:57:40—03:58:06.