



SOUTH CAROLINA DEPARTMENT OF
Employment and Workforce

**House Ways and Means
Transportation and Regulatory Subcommittee
Budget Hearing**



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Key Agency Officials



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Our Mission

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

Our Vision

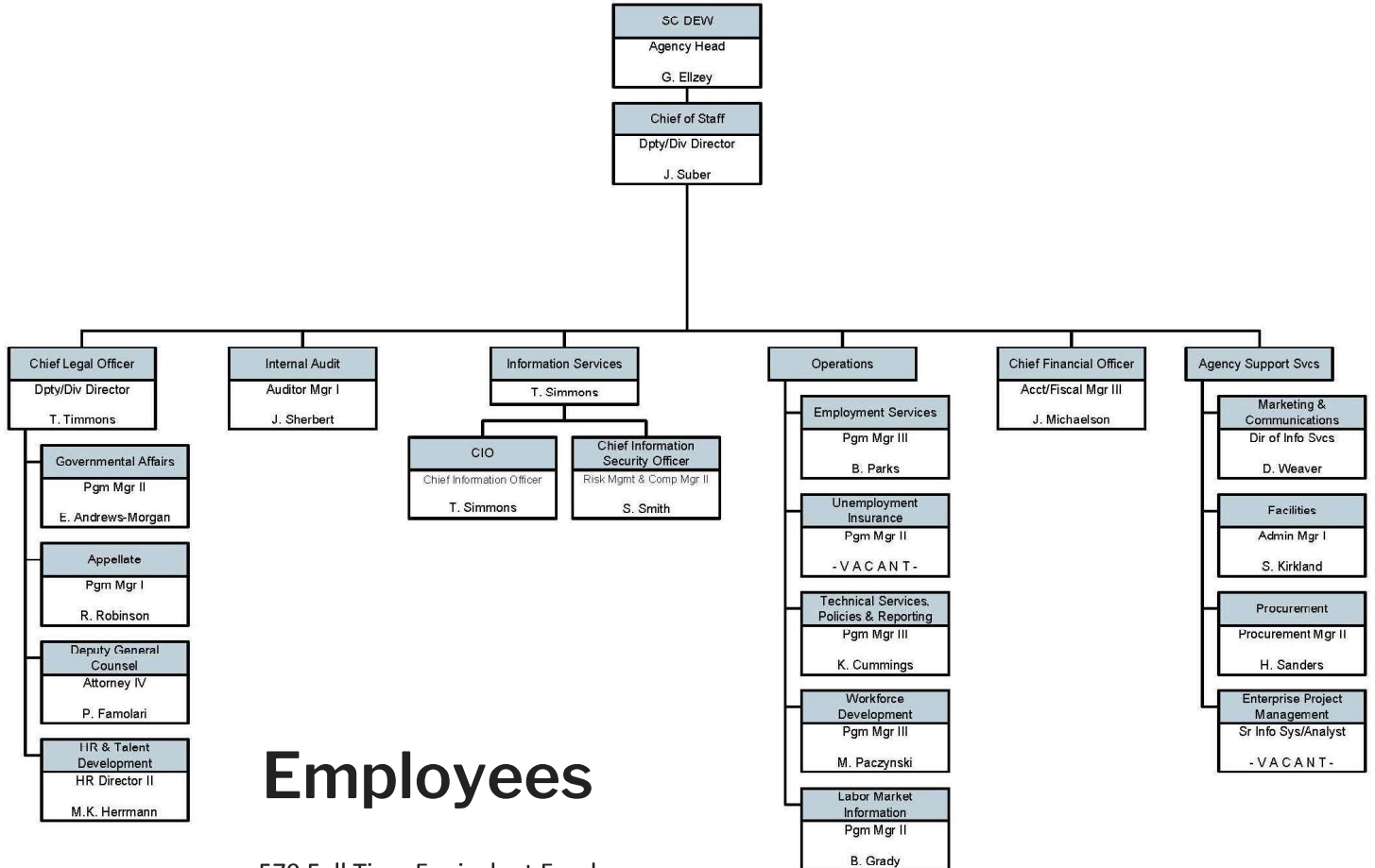
To be viewed as an efficient, transparent, customer-friendly partner in providing quality workforce solutions.

Our Commitment

DEW is dedicated to the motto: See it. Own it. Work it. DEW it. We know that each and every employee plays a role in the success of the agency and accomplishing the mission. At its core, See it. Own it. Work it. DEW it. means that as employees of DEW, if we know of an issue, we take ownership of that issue and work to come up with a solution.

Organizational Chart

SC Department of Employment and Workforce



Employees

579 Full Time Equivalent Employees

30 Temporary Grant Employees

23 Temporary Employees

The South Carolina Department of Employment and Workforce has a total of 632 employees.

Primary Products and Services

Agency Departments and Divisions

1

Unemployment Insurance

A federally mandated program that provides financial assistance to eligible workers who become unemployed through no fault of their own.

2

Employment Services

This division works to bring employers and job seekers together through hiring events, specialized training and pilot projects to name a few examples.

3

Workforce Development

Focuses on innovative approaches to workforce development.

4

Labor Market Information

LMI gathers employment statistics, job forecasts, wages, demographics and other data to help various stakeholders understand today's complex workforce.

5

Technical Services, Policies and Reporting

Responsible for fulfilling performance and reporting requirements for workforce programs under the Workforce Innovation and Opportunity Act.

CUSTOMER-DRIVEN WORKFORCE SYSTEM AND SOLUTIONS

While the financial bridge is one element of the agency's core functions, helping support a thriving workforce is the other. Because searching for work has evolved with the pandemic, so have the resources offered by the agency.

JOB FAIRS

As part of our partnership with SC Works, we were able to provide alternative job fairs and hiring events during the pandemic. These events are an excellent and efficient way for jobseekers and employers to connect. Walkthrough/outside and drive-through job fairs proved invaluable during times of social distancing.

ENHANCED REFERRALS

In order to better facilitate networking opportunities between employers and claimants, as well as assist with work searches, the enhanced referral program provides claimants with a list of applicable employers who have job openings matching their skills and experiences.

"WE LOOKED FOR EVERY OPPORTUNITY TO PARTNER WITH OTHER ORGANIZATIONS TO PROVIDE EDUCATION AND TRAINING OPPORTUNITIES THAT WOULD BENEFIT INDIVIDUALS WHILE THEY WERE OUT OF WORK. HAVING ADDITIONAL SKILLS AND USING THE TIME AWAY FROM A JOB TO ADD SOMETHING TO THEIR RESUME COULD HELP THEM WITH THEIR NEXT JOB AND THEIR CAREER."



422

drive-thru job fairs



849

walkthrough/outside job fairs

VIRTUAL SERVICES

VIRTUAL JOB FAIRS

While walkthrough, outside and drive-through job fairs were safe and effective ways to help individuals find employment during the pandemic, SC Works and DEW looked for a more suitable long-term way to host job fairs. The answer was to use a virtual platform.

- Virtual jobs fairs have become critical to providing services remotely, particularly in rural areas.
- The agency partnered with Brazen, an online networking platform, to host these virtual meet-ups in an efficient and effective way.
- The virtual platform is flexible and cost-effective and can be used for small and large groups alike, allowing for anything from small, single-business hiring events to large, multi-corporation job fairs.



395

virtual job fairs

VIRTUAL WORKSHOPS

Continuing the goal of making SC Works services accessible to more people during the pandemic and beyond, virtual workshops are hosted through this online meeting software which allows claimants and job seekers to attend valuable career-enhancing sessions to help them take their next step to employment.

BE PRO BE PROUD SC IS A FOCUSED EFFORT DESIGNED TO CREATE AND GENERATE STUDENT, PARENT, EDUCATOR, AND ADULT JOBSEEKER INTEREST IN TECHNICAL PROFESSIONS BY PRESENTING THEM AS THE HIGH-TECH, HIGH-WAGE CAREER PATHS THEY ARE.

BE PRO BE PROUD
 BEPROBEPROUDSC.ORG



4,771

students toured the mobile workshop



1,035

people joined the movement



50

cities visited



103

tour stops

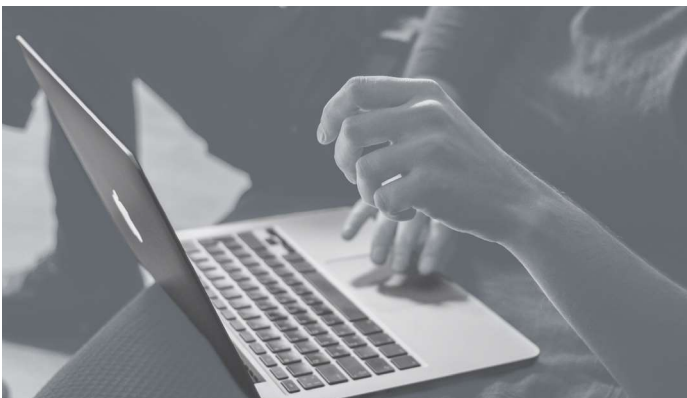
WEEKLY JOB MATCH

Each week, claimants' skills and experiences were matched with company-posted job requirements. These identified opportunities were sent by email to the claimants in the geographical area to help connect them to local hiring employers looking for employees with their skill set.



WORK SEARCH

After being paused during the pandemic state of emergency, the weekly work search was reinstated in April 2021. Because of the influx of new claimants, an extensive communications campaign notified and educated claimants about this returning requirement. The work search not only helped claimants navigate their way through the reemployment process, but employers were also able to meet them halfway with job postings in our SC Works Online System (SCWOS).



INDIVIDUAL EMPLOYER PLANS

The agency and the representatives in the SC Works centers work with individual employers to develop a plan for them to obtain appropriate employees. The assigned employer team works with the employer to determine the best path forward for recruiting and identifying skills for their open positions. These plans can include the job match program, virtual job fairs, recall assistance, hiring events, and screening services, among other personalized services.

PROACTIVE EMPLOYER PARTNERSHIPS

Agency leadership met with business leaders and groups, such as the SC State Chamber and associations representing manufacturing, retail, hospitality, small businesses, and a myriad of industries. These meetings provided the opportunity for feedback about their needs and challenges so the agency could create personalized solutions and programs to respond to their workforce needs.



Financial Update

Budget vs. Actual for FY 21 and FY 22

Fiscal Year	Program	Cmmt Item	Cmmt Name	Budget	Actual
2021	Be Pro Be Proud	561000	Carry Forward in from FY20	642,500	325,311
		561000	Carry Forward Out to FY22	-317,189	0
	Be Pro Be Proud Total			325,311	325,311
	Work Readiness Program	501058	Personal Services	26,272	26,272
		512001	Other Operating Expenses	464,554	414,314
		513000	Employer Contributions	13,833	13,833
		561000	Carry Forward in from FY20	5,610	5,610
		561000	Carry Forward Out to FY22	-50,241	0
	Work Readiness Program Total			460,029	460,029
2021 Total				785,340	785,340
2022	Be Pro Be Proud	561000	Carry Forward in from FY21	317,189	167,519
		561000	FY22 Supplemental Appropriation	642,500	0
	Be Pro Be Proud Total			959,689	167,519
	Work Readiness Program	501058	Personal Services	61,200	18,533
		512001	Other Operating Expenses	422,000	310,284
		513000	Employer Contributions	22,103	14,148
		561000	Special Items	2,082	0
		561000	Carry Forward in from FY21	50,241	0
	Work Readiness Program Total			557,626	342,965
2022 Total				1,517,314	510,484

Carry Forward Balance

General Fund - FY 21 and FY 22

Doc Year	Entry Docu	Doc. Type	Process	Year	Budget Type	Fund	Funds Ctr	Cmmt item	Grant	Funded Program	Amount LC
2022	1000775244	CFWD	Carry For. Recv	2022	Carryforward Special Items	10010000	R6000000	561000	NOT RELEVANT	9817.130000X000	317,188.86
2022	1000780885	CFGF	Carry For. Recv	2022	Carryforward Gen Fund	10010000	R6000000	561000	NOT RELEVANT	8900.000000X000	50,240.53

Prioritized Budget Request

FY 22-23 Prioritized Budget Request Summary												
Department of Employment and Workforce (R600 - 83)												
BUDGET REQUESTS				FUNDING					FTEs			
Priority	Request Type (recurring, non-recurring, capital)	Request Title	Brief Description	General - Recurring	General - Nonrecurring	Other	Federal	Total	State	Other	Federal	Total
1	Non-recurring	Be Pro Be Proud	Be Pro Be Proud SC visits schools and events, offering exposure to available careers in trade, along with information about the skills needed and training resources available. Stepping inside the 53-foot mobile workshop, participants experience nine in-demand professions, which offer engagement through: a heavy equipment simulator, fork lift simulator, diesel technology, commercial driving simulator, construction technology, utility bucket station, welding simulators, and computer numerical control (CNC) operations.		642,500.00			642,500.00	0.00			0.00
2	Recurring	Work Readiness Program	SC Work Ready is administered by the SC Department of Employment and Workforce (DEW) through a contract with Career Readiness Assessments. DEW is responsible for managing the multi-agency workforce and economic development effort and providing technical assistance as needed. South Carolina must continuously improve the skill set of its workforce to be competitive in a global market and to meet the needs of existing business and industry. The program measures the quality and capability of our workforce and provides the means to better prepare and align our workforce with existing business and industry. This request is for one program year in which 20,000 (projected) South Carolinians will take Career Readiness Assessments.	507,385.00				507,385.00	1.00			1.00
3								0.00				0.00
4								0.00				0.00
5								0.00				0.00
6								0.00				0.00
7								0.00				0.00
8								0.00				0.00
9								0.00				0.00
10								0.00				0.00
11								0.00				0.00
12								0.00				0.00
13								0.00				0.00
14								0.00				0.00
15								0.00				0.00
16								0.00				0.00
17								0.00				0.00
18								0.00				0.00
19								0.00				0.00
20								0.00				0.00
TOTAL BUDGET REQUESTS				\$ 507,385	\$ 642,500	\$ -	\$ -	\$ 1,149,885	1.00	0.00	0.00	1.00



Proviso Request Summary

Transportation and Regulatory Subcommittee Proviso Request Summary						
FY 21-22 Proviso #	Renumbered FY 22-23 Proviso #	Proviso Title	Short Summary	FY of Proviso Introduction/ # of years in budget	Recommended Action	Proviso Language
83.5		UI Tax System Modernization	Per requirements set forth in Section 903 (c) (2), SSA, the agency is requesting spending authority necessary to use the proceeds from sale of real properties containing Reed Act equity.	FY 2015-16	Amend	The Department of Employment and Workforce is authorized to expend up to \$1,158,150 230,756 of funds made available to the State under Section 903 of the United States Social Security Act, as amended. The funds must be used under the direction of the Department of Employment and Workforce, for the purpose of acquiring software, equipment, and necessary services to replace the agency's unemployment tax information system with a modern technology solution. No part of the funds herein authorized may be obligated after a two-year period beginning on July 1, 2021 2022 . The amount obligated pursuant to this provision shall not at any time exceed the amount by which (a) the aggregate of amounts transferred to the accounts of the State pursuant to Section 903 of the Social Security Act exceeds (b) the aggregate of the amounts obligated for administration and paid out for administration and paid out for benefits and required by law to be charged against the amounts transferred to the account of this State.
83.7		GED Incentive Program	Incentive of \$500 for individuals currently drawing unemployment benefits to obtain their GED or high school diploma.	FY 2021-22	Amend	<u>The Department of Employment and Workforce may carry forward unexpended funds allocated for the GED Incentive Program in the prior fiscal year to the current fiscal year.</u> For Fiscal Year 2021-22, of the funds Funds allocated <u>and carried forward</u> to the Department of Employment and Workforce from the Department of Education GED Incentive Program, \$4,500,000 shall be utilized as an incentive for individuals currently drawing unemployment benefits to obtain their GED or high school diploma. In order to be eligible, the individual must have an active claim from any of the state or federal unemployment insurance programs and be a South Carolina resident who is at least nineteen years of age. The individual must certify to the department that they do not currently hold a GED or high school diploma from any state. They must also enroll in and complete the GED or high school diploma course work prior to June 1, 2022 <u>June 1, 2023</u> . The Department of Employment and Workforce shall enter into a data-sharing agreement with the Department of Education to cross match eligibility to ensure that participants do not currently hold a GED or high school diploma and to confirm that the individual enrolled in and completed the diploma process to obtain the GED or high school diploma. The Department of Employment and Workforce shall issue a one-time payment in the amount of \$500 to the individual upon confirmation from the Department of Education that the individual has successfully received the GED or diploma. These incentive payments shall be issued on a first come first served basis based on completion date, until the funds from this program have been exhausted. Funds allocated for this incentive program shall not be transferred or utilized for any other purpose. Unexpended funds shall be remitted to the General Fund at the end of the current fiscal year.



AGENCY NAME:	Department of Employment and Workforce		
AGENCY CODE:	R600	SECTION:	83



**Fiscal Year 2022-23
Agency Budget Plan**

FORM A - BUDGET PLAN SUMMARY

OPERATING REQUESTS (FORM B1)	For FY 2022-23, my agency is (mark "X"):	
	<input type="checkbox"/>	Requesting General Fund Appropriations.
	<input type="checkbox"/>	Requesting Federal/Other Authorization.
	<input checked="" type="checkbox"/>	Not requesting any changes.

NON-RECURRING REQUESTS (FORM B2)	For FY 2022-23, my agency is (mark "X"):	
	<input checked="" type="checkbox"/>	Requesting Non-Recurring Appropriations.
	<input type="checkbox"/>	Requesting Non-Recurring Federal/Other Authorization.
	<input type="checkbox"/>	Not requesting any changes.

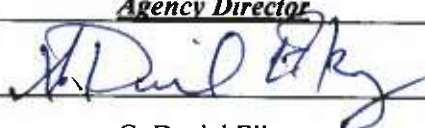
CAPITAL REQUESTS (FORM C)	For FY 2022-23, my agency is (mark "X"):	
	<input type="checkbox"/>	Requesting funding for Capital Projects.
	<input checked="" type="checkbox"/>	Not requesting any changes.

PROVISOS (FORM D)	For FY 2022-23, my agency is (mark "X"):	
	<input checked="" type="checkbox"/>	Requesting a new proviso and/or substantive changes to existing provisos.
	<input type="checkbox"/>	Only requesting technical proviso changes (such as date references).
	<input type="checkbox"/>	Not requesting any proviso changes.

Please identify your agency's preferred contacts for this year's budget process.

	<i>Name</i>	<i>Phone</i>	<i>Email</i>
PRIMARY CONTACT:	Shaji Kuriakose	(803) 737-2571	skuriakose@dew.sc.gov
SECONDARY CONTACT:	James Michaelson	(803) 737-0367	jmichaelson@dew.sc.gov

I have reviewed and approved the enclosed FY 2022-23 Agency Budget Plan, which is complete and accurate to the extent of my knowledge.

SIGN/DATE:	<i>Agency Director</i>	<i>Board or Commission Chair</i>
	 TYPE/PRINT NAME: G. Daniel Ellzey	

This form must be signed by the agency head – not a delegate.

Agency Name:	Department Of Employment And Workforce
Agency Code:	R600
Section:	83

<u>BUDGET REQUESTS</u>			<u>FUNDING</u>					<u>FTES</u>				
Priority	Request Type	Request Title	State	Federal	Earmarked	Restricted	Total	State	Federal	Earmarked	Restricted	Total
1	B2 - Non-Recurring	Be Pro Be Proud Workforce Initiative	642,500	0	0	0	642,500	0.00	0.00	0.00	0.00	0.00
TOTALS			642,500	0	0	0	642,500	0.00	0.00	0.00	0.00	0.00

Agency Name:	Department Of Employment And Workforce		
Agency Code:	R600	Section:	83

FORM B2 – NON-RECURRING OPERATING REQUEST

AGENCY PRIORITY	1
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Provide the Agency Priority Ranking from the Executive Summary.

TITLE	Be Pro Be Proud Workforce Initiative
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Provide a brief, descriptive title for this request.

AMOUNT	\$642,500
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What is the net change in requested appropriations for FY 2022-2023? This amount should correspond to the total for all funding sources on the Executive Summary.

FACTORS ASSOCIATED WITH THE REQUEST	Mark "X" for all that apply:	
	<input type="checkbox"/>	Change in cost of providing current services to existing program audience
	<input type="checkbox"/>	Change in case load/enrollment under existing program guidelines
	<input type="checkbox"/>	Non-mandated change in eligibility/enrollment for existing program
	<input type="checkbox"/>	Non-mandated program change in service levels or areas
	<input type="checkbox"/>	Proposed establishment of a new program or initiative
	<input type="checkbox"/>	Loss of federal or other external financial support for existing program
	<input type="checkbox"/>	Exhaustion of fund balances previously used to support program
	<input type="checkbox"/>	IT Technology/Security related
	<input type="checkbox"/>	Consulted DTO during development
	<input checked="" type="checkbox"/>	Request for Non-Recurring Appropriations
<input type="checkbox"/>	Request for Federal/Other Authorization to spend existing funding	
<input type="checkbox"/>	Related to a Recurring request – If so, Priority #	

STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES	Mark "X" for primary applicable Statewide Enterprise Strategic Objective:	
	<input checked="" type="checkbox"/>	Education, Training, and Human Development
	<input type="checkbox"/>	Healthy and Safe Families
	<input type="checkbox"/>	Maintaining Safety, Integrity, and Security
	<input type="checkbox"/>	Public Infrastructure and Economic Development
	<input type="checkbox"/>	Government and Citizens

ACCOUNTABILITY OF FUNDS	<ul style="list-style-type: none"> Be Pro Be Proud is a workforce initiative aimed at educating high school students, parents, and non-traditional students about the high paying and high demand jobs available in the skilled and vocational trades. South Carolina has over 60,000 available jobs, most of which are in the skilled trade professions. This initiative is aimed at recruiting the workforce to fill those available jobs by promoting the jobs themselves as well as the degree and certificate programs that lead to these high paying jobs. Be Pro Be Proud is a mobile demonstration center in order to access all areas of the state, including Abbeville plaintiff districts and rural areas, and provides hands-on displays as well as promotional marketing and online resources to connect students to the necessary training and employers. By promoting the high wages and demand for these jobs SC can increase participation and career readiness attainment in the K-12 system. The initiative is modeled on a very successful program in Arkansas. The website for Arkansas's program will provide a good example of the program's potential https://beprobeproud.org/ The Governor can be found speaking in favor of the program as part of a demonstration on the State House grounds this spring at this link https://www.youtube.com/watch?...
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What specific strategy, as outlined in the most recent Strategic Planning and Performance Measurement template of agency's accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?

	South Carolina Department of Employment and Workforce (DEW) will administer this
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RECIPIENTS OF FUNDS

program.

What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?

JUSTIFICATION OF REQUEST

If funds are not received the DEW will not be able to administer the program.

Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.

Agency Name:	Department Of Employment And Workforce		
Agency Code:	R600	Section:	83

FORM D – PROVISO REVISION REQUEST

NUMBER	83.5
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Cite the proviso according to the renumbered list (or mark "NEW").

TITLE	UI Tax System Modernization
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Provide the title from the renumbered list or suggest a short title for any new request.

BUDGET PROGRAM	Unemployment Insurance
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Identify the associated budget program(s) by name and budget section.

RELATED BUDGET REQUEST	N/A
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Is this request associated with a budget request you have submitted for FY 2022-2023? If so, cite it here.

REQUESTED ACTION	Amend
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Choose from: Add, Delete, Amend, or Codify.

OTHER AGENCIES AFFECTED	Department of Administration
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Which other agencies would be affected by the recommended action? How?

SUMMARY & EXPLANATION	<p>Per requirements set forth in Section 903 (c) (2), SSA, the agency is requesting spending authority necessary to use the proceeds from the sales of real properties containing Reed Act equity.</p> <p>Federal law prescribes the allowable uses and procedures to be followed by states when disposing of property containing federal grant equity. Section 903 (c) (2), SSA, requires state appropriation acts to authorize the use of Reed Act funds, limit the use of the funds exclusively for UI program use, and to specify the purpose and the amount to be used for such purposes. This request for \$2,230,756 of other funds from future sale proceeds will be utilized to fund a portion the agency's unemployment tax system modernization project, including maintenance costs.</p>
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Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it. Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.

FISCAL IMPACT

The total requested amount of spending authority was determined based on proceeds from sales already executed as well as the potential amount of Reed Act proceeds associated with properties currently listed for sale on state surplus.

Only amounts actually received via the sale of Reed Act properties will be used for this purpose and no general funds will be requested for these efforts.

Up to \$2,230,756 of other funds will be utilized to fund a portion the agency's unemployment tax system modernization project.

Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.

**PROPOSED
PROVISO TEXT**

83.5. (DEW: UI Tax System Modernization)

The Department of Employment and Workforce is authorized to expend up to ~~\$1,158,150~~ 2,230,756 of funds made available to the State under Section 903 of the United States Social Security Act, as amended. The funds must be used under the direction of the Department of Employment and Workforce, for the purpose of acquiring software, equipment, and necessary services to replace the agency's unemployment tax information system with a modern technology solution. No part of the funds herein authorized may be obligated after a two-year period beginning on July 1, ~~2021~~ 2022. The amount obligated pursuant to this provision shall not at any time exceed the amount by which (a) the aggregate of amounts transferred to the accounts of the State pursuant to Section 903 of the Social Security Act exceeds (b) the aggregate of the amounts obligated for administration and paid out for administration and paid out for benefits and required by law to be charged against the amounts transferred to the account of this State.

Paste existing text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.

Agency Name:	Department Of Employment And Workforce		
Agency Code:	R600	Section:	83

FORM D – PROVISO REVISION REQUEST

NUMBER	83.7
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Cite the proviso according to the renumbered list (or mark "NEW").

TITLE	GED Incentive Program
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Provide the title from the renumbered list or suggest a short title for any new request.

BUDGET PROGRAM	Workforce Investment Act
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Identify the associated budget program(s) by name and budget section.

RELATED BUDGET REQUEST	NA
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Is this request associated with a budget request you have submitted for FY 2022-2023? If so, cite it here.

REQUESTED ACTION	Amend
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Choose from: Add, Delete, Amend, or Codify.

OTHER AGENCIES AFFECTED	SC Department of Education
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Which other agencies would be affected by the recommended action? How?

SUMMARY & EXPLANATION	<p>GED Incentive Program – Funds shall be utilized as an incentive for individuals currently drawing unemployment benefits to obtain their GED or high school diploma.</p>
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Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it. Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.

FISCAL IMPACT

The Department shall issue a one-time payment in the amount of \$500 to the individual upon confirmation from the Department of Education that the individual has successfully received the GED or diploma. These incentive payments shall be issued on a first come first served basis based on completion date, until the funds from this program have been exhausted.

Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.

**PROPOSED
PROVISO TEXT**

(DEW: GED Incentive Program) The Department of Employment and Workforce may carry forward unexpended funds allocated for the GED Incentive Program in the prior fiscal year to the current fiscal year. For Fiscal Year 2021-22, of the funds Funds allocated and carried forward to the Department of Employment and Workforce from the Department of Education GED Incentive Program, ~~\$1,500,000~~ shall be utilized as an incentive for individuals currently drawing unemployment benefits to obtain their GED or high school diploma. In order to be eligible, the individual must have an active claim from any of the state or federal unemployment insurance programs and be a South Carolina resident who is at least nineteen years of age. The individual must certify to the department that they do not currently hold a GED or high school diploma from any state. They must also enroll in and complete the GED or high school diploma course work prior to ~~June 1, 2022~~ June 1, 2023. The Department of Employment and Workforce shall enter into a data-sharing agreement with the Department of Education to cross match eligibility to ensure that participants do not currently hold a GED or high school diploma and to confirm that the individual enrolled in and completed the diploma process to obtain the GED or high school diploma. The Department of Employment and Workforce shall issue a one-time payment in the amount of \$500 to the individual upon confirmation from the Department of Education that the individual has successfully received the GED or diploma. These incentive payments shall be issued on a first come first served basis based on completion date, until the funds from this program have been exhausted. Funds allocated for this incentive program shall not be transferred or utilized for any other purpose. ~~Unexpended funds shall be remitted to the General Fund at the end of the current fiscal year.~~

Paste existing text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.

Agency Name:	Department Of Employment And Workforce		
Agency Code:	R600	Section:	83

**FORM E – AGENCY COST SAVINGS AND GENERAL FUND REDUCTION
CONTINGENCY PLAN**

TITLE	Agency Cost Savings and General Fund Reduction Contingency Plan
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AMOUNT	\$15,140 <i>What is the General Fund 3% reduction amount? This amount should correspond to the reduction spreadsheet prepared by EBO.</i>
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ASSOCIATED FTE REDUCTIONS	No FTE elimination would be required by the reduction. <i>How many FTEs would be reduced in association with this General Fund reduction?</i>
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PROGRAM / ACTIVITY IMPACT	DEWs only general funds appropriation supports the Work Ready program. The South Carolina Department of Employment and Workforce administers a statewide work ready program. DEW is responsible for managing the multi-agency workforce and economic development effort, tracking the progress of counties reaching certification levels and providing technical assistance as needed. Public and private sector leaders to include local educators, elected officials, chambers of commerce, economic developers, workforce development boards, government agencies and businesses are the drivers of the program. The impact will equate to administering approximately 605 fewer assessments for job seekers and businesses of South Carolina. <i>What programs or activities are supported by the General Funds identified?</i>
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SUMMARY	General fund reduction of \$15,140 would equate to approximately 605 fewer assessments being administered during the 2022-2023 fiscal year. This is based on the current pricing of \$25.00 per assessment.
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Please provide a detailed summary of service delivery impact caused by a reduction in General Fund Appropriations and provide the method of calculation for anticipated reductions. Agencies should prioritize reduction in expenditures that have the least significant impact on service delivery.

**AGENCY COST
SAVINGS PLANS**

What measures does the agency plan to implement to reduce its costs and operating expenses by more than \$50,000? Provide a summary of the measures taken and the estimated amount of savings. How does the agency plan to repurpose the savings?

Agency Name:	Department Of Employment And Workforce		
Agency Code:	R600	Section:	83

FORM F – REDUCING COST AND BURDEN TO BUSINESSES AND CITIZENS

TITLE	Modernization of South Carolina Benefits and Tax System
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Provide a brief, descriptive title for this request.

EXPECTED SAVINGS TO BUSINESSES AND CITIZENS	Modern benefits and tax system will focus on the integrity of unemployment benefits claims submitted for the state of South Carolina and taxes assessed & collected from employer. This directly impacts citizens and businesses because of the calculated tax rate settings are based on the claims submitted. Improper payments affect the tax rate settings for citizens and businesses. Through identifying improper payments with this new technology, the rate would thus decrease, saving time and money for citizens and businesses.
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What is the expected savings to South Carolina’s businesses and citizens that is generated by this proposal? The savings could be related to time or money.

FACTORS ASSOCIATED WITH THE REQUEST	Mark “X” for all that apply: <input type="checkbox"/> Repeal or revision of regulations. <input type="checkbox"/> Reduction of agency fees or fines to businesses or citizens. <input checked="" type="checkbox"/> Greater efficiency in agency services or reduction in compliance burden. <input type="checkbox"/> Other
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METHOD OF CALCULATION	<p>The retirement of legacy benefits and tax system has allowed the agency to eliminate nearly \$3M of the annual software, hardware, support, consulting, and personnel costs associated with the operations of a mainframe computing environment.</p> <p>SCUBI (the agency’s UI benefits modernized system) has saved the agency thousands of staff hours to complete tasks and there are many other additional benefits we derive from the new system. With the historic increase in UI claims filed because of Covid-19 the staff time saved processing unemployment claims was immense.</p> <p>The agency has gained enormous efficiencies with new State Unemployment Insurance Tax System (SUITS). The increase in self-service by employers, an increase in electronic wage report filings, and more tax payments being processed using an electronic payment have saved thousands of staff hours, and has resulted in an estimated annual savings of over \$2 million.</p>
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Describe the method of calculation for determining the expected cost or time savings to businesses or citizens.

REDUCTION OF FEES OR FINES	N/A
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Which fees or fines does the agency intend to reduce? What was the fine or fee revenue for the previous fiscal year? What was the associated program expenditure for the previous fiscal year? What is the enabling authority for the issuance of the fee or fine?

REDUCTION OF REGULATION	N/A
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Which regulations does the agency intend to amend or delete? What is the enabling authority for the regulation?

EXPECTED SAVINGS TO BUSINESSES AND CITIZENS	<p>The retirement of legacy benefits and tax systems has allowed the agency to eliminate nearly \$3M of the annual software, hardware, support, consulting, and personnel costs associated with the operations of a mainframe computing environment. With the historic increase in UI claims filed because of Covid-19 the staff time saved processing unemployment claims was immense.</p>
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SUMMARY

Provide an explanation of the proposal and its positive results on businesses or citizens. How will the request affect agency operations?