

AGENCY NAME:	Department of Employment and Workforce		
AGENCY CODE:	R600	SECTION:	083



Fiscal Year 2025-26 Agency Budget Plan

FORM A - BUDGET PLAN SUMMARY

OPERATING REQUESTS (FORM B1)	For FY 2025-26, my agency is (mark "X"):	
	<input type="checkbox"/>	Requesting General Fund Appropriations.
	<input checked="" type="checkbox"/>	Requesting Federal/Other Authorization.
	<input type="checkbox"/>	Not requesting any changes.
NON-RECURRING REQUESTS (FORM B2)	For FY 2025-26, my agency is (mark "X"):	
	<input checked="" type="checkbox"/>	Requesting Non-Recurring Appropriations.
	<input checked="" type="checkbox"/>	Requesting Non-Recurring Federal/Other Authorization.
	<input type="checkbox"/>	Not requesting any changes.
CAPITAL REQUESTS (FORM C)	For FY 2025-26, 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 2025-26, 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.

	<u>Name</u>	<u>Phone</u>	<u>Email</u>
PRIMARY CONTACT:	Tiffany Frye	803-737-2571	tfrye@dew.sc.gov
SECONDARY CONTACT:	Jacquelyn Carlen	803-737-0367	jcarlen@dew.sc.gov

I have reviewed and approved the enclosed FY 2025-26 Agency Budget Plan, which is complete and accurate to the extent of my knowledge.

	<u>Agency Director</u>	<u>Board or Commission Chair</u>
SIGN/DATE:		
TYPE/PRINT NAME:	William H. Floyd, III	

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

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

BUDGET REQUESTS			FUNDING					FTES				
Priority	Request Type	Request Title	State	Federal	Earmarked	Restricted	Total	State	Federal	Earmarked	Restricted	Total
1	B1 - Recurring	Statewide Education & Workforce Development Portal Maintenance and Update	2,000,000	0	0	0	2,000,000	0.00	0.00	0.00	0.00	0.00
2	B2 - Non-Recurring	Statewide Education & Workforce Development Portal	15,000,000	1,859,376	0	0	16,859,376	0.00	0.00	0.00	0.00	0.00
3	B1 - Recurring	Be Pro Be Proud	215,000	0	0	0	215,000	0.00	0.00	0.00	0.00	0.00
4	B1 - Recurring	FY25 Increase and Employee Retention	1,908,973	0	0	0	1,908,973	0.00	0.00	0.00	0.00	0.00
TOTALS			19,123,973	1,859,376	0	0	20,983,349	0.00	0.00	0.00	0.00	0.00

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

FORM B1 – RECURRING OPERATING REQUEST

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

TITLE	Statewide Education & Workforce Development Portal Maintenance and Update
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Provide a brief, descriptive title for this request.

AMOUNT	<p>General: \$2,000,000</p> <p>Federal: \$0</p> <p>Other: \$0</p> <p>Total: \$2,000,000</p>
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What is the net change in requested appropriations for FY 2025-2026? This amount should correspond to the total for all funding sources on the Executive Summary.

NEW POSITIONS	0.00
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Please provide the total number of new positions needed for this request.

FACTORS ASSOCIATED WITH THE REQUEST	<p>Mark "X" for all that apply:</p> <table style="width: 100%;"> <tr><td><input type="checkbox"/></td><td>Change in cost of providing current services to existing program audience</td></tr> <tr><td><input type="checkbox"/></td><td>Change in case load/enrollment under existing program guidelines</td></tr> <tr><td><input type="checkbox"/></td><td>Non-mandated change in eligibility/enrollment for existing program</td></tr> <tr><td><input type="checkbox"/></td><td>Non-mandated program change in service levels or areas</td></tr> <tr><td><input type="checkbox"/></td><td>Proposed establishment of a new program or initiative</td></tr> <tr><td><input type="checkbox"/></td><td>Loss of federal or other external financial support for existing program</td></tr> <tr><td><input type="checkbox"/></td><td>Exhaustion of fund balances previously used to support program</td></tr> <tr><td><input checked="" type="checkbox"/></td><td>IT Technology/Security related</td></tr> <tr><td><input type="checkbox"/></td><td>HR/Personnel Related</td></tr> <tr><td><input type="checkbox"/></td><td>Consulted DTO during development</td></tr> <tr><td><input type="checkbox"/></td><td>Related to a Non-Recurring request – If so, Priority #</td></tr> </table>	<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 checked="" type="checkbox"/>	IT Technology/Security related	<input type="checkbox"/>	HR/Personnel Related	<input type="checkbox"/>	Consulted DTO during development	<input type="checkbox"/>	Related to a Non-Recurring request – If so, Priority #
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<input type="checkbox"/>	Related to a Non-Recurring request – If so, Priority #																						

STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES	<p>Mark "X" for primary applicable Statewide Enterprise Strategic Objective:</p> <table style="width: 100%;"> <tr><td><input type="checkbox"/></td><td>Education, Training, and Human Development</td></tr> <tr><td><input type="checkbox"/></td><td>Healthy and Safe Families</td></tr> <tr><td><input type="checkbox"/></td><td>Maintaining Safety, Integrity, and Security</td></tr> <tr><td><input type="checkbox"/></td><td>Public Infrastructure and Economic Development</td></tr> <tr><td><input checked="" type="checkbox"/></td><td>Government and Citizens</td></tr> </table>	<input 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 checked="" type="checkbox"/>	Government and Citizens
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<input type="checkbox"/>	Maintaining Safety, Integrity, and Security										
<input type="checkbox"/>	Public Infrastructure and Economic Development										
<input checked="" type="checkbox"/>	Government and Citizens										

ACCOUNTABILITY OF FUNDS	<p>1.2. Lead and support the efforts of the Coordinating Council for Workforce Development and the S.C. Statewide Education and Workforce Development Act.</p> <p>3.3.4. Work with Coordinating Council for Workforce Development partners to begin developing a central online portal for employers, jobseekers, students, educators, and other stakeholders to locate workforce development and education resources and services across the state.</p>
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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?

RECIPIENTS OF	<p>DEW would use these funds to maintain the Education and Workforce Portal with support from vendor(s) tasked with maintenance, security, and updates.</p>
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FUNDS

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

The South Carolina education and workforce system is governed by the Statewide Education and Workforce Development Act (Act 67 of 2023). The stated purpose of the act includes, among other items, to coordinate and align all publicly funded workforce development efforts and promote a customer-centric system that is easy to access, highly effective, and simple to understand.

The Coordinating Council for Workforce Development, chaired by the Executive Director of the Department of Employment and Workforce (DEW), is tasked with implementing the requirements under the act to include creation of a Unified State Plan for Education and Workforce (USP) and an Education and Workforce Portal.

This request is for \$2 million in recurring General Funds to maintain and update the Education and Workforce Portal. This portal will serve as the state's central access point for education and workforce information to users as their circumstances and desires change throughout their life. The portal will be a desktop and mobile browser friendly online resource that will provide users with tailored resources relating to workforce opportunities and pathways.

The target audience is diverse to include user groups across South Carolina such as employers, jobseekers, educators, students, parents, community leaders, policy makers, state agencies, workforce partners, and the public.

This funding request is based on a very preliminary estimate; a feasibility study is in progress to provide a more detailed estimate of portal costs.

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 B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	3
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Provide the Agency Priority Ranking from the Executive Summary.

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

AMOUNT	<p>General: \$215,000</p> <p>Federal: \$0</p> <p>Other: \$0</p> <p>Total: \$215,000</p>
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What is the net change in requested appropriations for FY 2025-2026? This amount should correspond to the total for all funding sources on the Executive Summary.

NEW POSITIONS	0.00
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Please provide the total number of new positions needed for this request.

FACTORS ASSOCIATED WITH THE REQUEST	Mark “X” for all that apply:	
	<input checked="" 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"/>	HR/Personnel Related
	<input type="checkbox"/>	Consulted DTO during development
	<input type="checkbox"/>	Related to a Non-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	<p>1.1.1. Enlist businesses across the state as partners in identifying/developing future workforce solutions.</p> <p>1.1.2. Foster relationships with and among stakeholders to maintain understanding of workforce needs and ideas.</p> <p>2.1.3. Actively participate with applicable workforce partners to coordinate delivery and promotion of services to leverage partnerships and avoid duplication of initiatives.</p>
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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?

RECIPIENTS OF	<p>South Carolina Department of Employment and Workforce (DEW) administers this program utilizing a contract with a vendor to operate the Be Pro Be Proud trailer and conduct tours scheduled and coordinated by DEW staff in partnership with the</p>
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FUNDS

Associated Industries of South Carolina Foundation.

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

DEW is requesting an additional **\$215,000** in recurring general funds to continue Be Pro Be Proud, a workforce initiative aimed at educating high school students parents, and nontraditional students about the high paying and high demand jobs available in the skilled and vocational trades. Since its launch in August 2020, more than 45,000 visitors have toured the Be Pro Be Proud interactive trailer, the Workforce Workshop, which has made approximately 500 tour stops across the state providing visitors with information about pathways to opportunities in skilled and vocational trades as well as hands-on experience with simulation modules for jobs like welding, construction technology, CNC machine operation, heavy equipment operation, commercial driving, diesel technology, utility bucket operation, and forklift operation.

Be Pro Be Proud is administered by DEW in partnership with the Associated Industries of South Carolina Foundation with DEW staff providing administrative support like scheduling events and coordinating requests from schools, community partners, and other event organizers. DEW has contracted with a vendor to transport the trailer to each destination and support operation of the Workforce Workshop tours, and the cost of these services has increased significantly since the program began in 2020. As a result, the cost of the contract alone is anticipated to increase by \$175,000. Existing funding for the program is insufficient to cover the increased cost of the contract.

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		
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FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	4
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Provide the Agency Priority Ranking from the Executive Summary.

TITLE	FY25 Increase and Employee Retention
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Provide a brief, descriptive title for this request.

AMOUNT	<p>General: \$1,908,973</p> <p>Federal: \$0</p> <p>Other: \$0</p> <p>Total: \$1,908,973</p>
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What is the net change in requested appropriations for FY 2025-2026? This amount should correspond to the total for all funding sources on the Executive Summary.

NEW POSITIONS	0.00
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Please provide the total number of new positions needed for this request.

FACTORS ASSOCIATED WITH THE REQUEST	<p>Mark "X" for all that apply:</p> <table style="width: 100%;"> <tr><td><input type="checkbox"/></td><td>Change in cost of providing current services to existing program audience</td></tr> <tr><td><input type="checkbox"/></td><td>Change in case load/enrollment under existing program guidelines</td></tr> <tr><td><input type="checkbox"/></td><td>Non-mandated change in eligibility/enrollment for existing program</td></tr> <tr><td><input type="checkbox"/></td><td>Non-mandated program change in service levels or areas</td></tr> <tr><td><input type="checkbox"/></td><td>Proposed establishment of a new program or initiative</td></tr> <tr><td><input type="checkbox"/></td><td>Loss of federal or other external financial support for existing program</td></tr> <tr><td><input type="checkbox"/></td><td>Exhaustion of fund balances previously used to support program</td></tr> <tr><td><input type="checkbox"/></td><td>IT Technology/Security related</td></tr> <tr><td><input checked="" type="checkbox"/></td><td>HR/Personnel Related</td></tr> <tr><td><input type="checkbox"/></td><td>Consulted DTO during development</td></tr> <tr><td><input type="checkbox"/></td><td>Related to a Non-Recurring request – If so, Priority #</td></tr> </table>	<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 checked="" type="checkbox"/>	HR/Personnel Related	<input type="checkbox"/>	Consulted DTO during development	<input type="checkbox"/>	Related to a Non-Recurring request – If so, Priority #
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STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES	<p>Mark "X" for primary applicable Statewide Enterprise Strategic Objective:</p> <table style="width: 100%;"> <tr><td><input checked="" type="checkbox"/></td><td>Education, Training, and Human Development</td></tr> <tr><td><input type="checkbox"/></td><td>Healthy and Safe Families</td></tr> <tr><td><input type="checkbox"/></td><td>Maintaining Safety, Integrity, and Security</td></tr> <tr><td><input type="checkbox"/></td><td>Public Infrastructure and Economic Development</td></tr> <tr><td><input type="checkbox"/></td><td>Government and Citizens</td></tr> </table>	<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
<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	<p>Goal 4: Improve employee retention and enhance employee engagement, professional development, and recognition initiatives.</p> <p>Funds will be used to pay the 2.25% general salary increase within the FY24-25 General Appropriations Act and to retain an experienced, high-performing workforce through implementation of a performance pay program.</p>
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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?

	<p>Funds will be used to pay the FY24-25 General Appropriations Act 2.25% general salary increase for federally-funded or Education Improvement Act-funded employees</p>
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RECIPIENTS OF FUNDS

(which was not funded in the act) so that federal funds and Education Improvement Act funds can be used for other administrative or operating costs to better serve South Carolinians served by those programs. Funds will also be used to fund performance-based salary increases for both state and federally-funded employees that meet certain criteria.

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

DEW is requesting \$1,908,973 to fund the unfunded portion of the 2.25% general salary increase in the FY24-25 General Appropriations Act and to implement a performance pay program.

General Increase (\$1,137,973)

As DEW is primarily funded by federal grants, legislated increases must be absorbed by our current level of federal dollars. While DEW was fortunate to receive approximately \$1 million in the FY24-25 budget to cover a portion of the previous year's 5% general increase, 56% of that increase remains federally funded along with the 2.25% salary increase passed last year. Because DEW's federal funding is already fully obligated, the cost of these salary increases over time may not be sustainable and may potentially affect the level and quality of services to South Carolina residents and businesses.

In addition, state law provides for twelve Regional Workforce Advisors to be employed by DEW to serve as a critical resource to bridge gaps at the local level between those who educate students and the business community. The Regional Workforce Advisors are state-funded, but the Education Improvement Act (EIA) funding for these twelve vital positions is not increased to accommodate a general salary increase when one is funded for state FTEs paid with state General Funds. While the 2.25% increase this year only represents about \$25,000 for the Regional Workforce Advisor program, this increase was accompanied by a \$500,000 reduction in the program's funding. The relatively thin margins for this program make this relatively modest increase in costs much more significant. Funding the cost of the most recent general salary increase for the Regional Workforce Advisor program will ensure adequate funding remains for use in local areas in and around our state's schools.

Performance Pay (\$771,000)

The SC Department of Employment and Workforce (DEW) is requesting \$771,000 in general funds to retain high-performing employees critical to the agency's success in getting South Carolinians back to work and addressing the needs of business customers and jobseekers alike. DEW's federal funding has not increased to keep the agency's salaries competitive, particularly for tenured employees. The most common reason cited for separating employees in exit surveys is compensation, and compensation is the most common answer among current employees in satisfaction surveys asking what they were least satisfied with regarding their job. This state funding is requested to fund performance-based salary increases where other sources of funding are not available.

Turnover directly correlates to higher agency administrative and training costs and impacts the agency's overall effectiveness, efficiency, and productivity. For example, in 2023, it took an average of 100 - 200 hours to onboard and train a new employee for frontline positions in Unemployment Insurance and Employment Services, a cost of about \$5,000 - \$10,000 per hire. Customer Service Representatives, for example, had 29 separations, with per hire cost around \$9,100 for a total of \$264,078 spent to onboard and train those new hires. In addition to the cost of training and onboarding, turnover naturally results in the loss of productivity due to vacancies to include longer wait times and less coverage at SC Works Centers to sustain and grow programs like Ticket to Work or Connection Points. Turnover also results in a lack of seasoned employees to train new hires, ensure continuity of operations, and serve in leadership roles.

DEW proposes to utilize these funds for salary increases among employees with "Exceptional" performance ratings with additional criteria to be determined by the Executive Director such as making a substantial contribution to cost savings/cost reduction; a significant contribution to agency goals and objectives; or a significant increase in services, quality of work, or agency productivity through innovation.

Program Area	Funding Type	Cost FY25 2.5% Increase
Administration & Audit	Federal	\$ 221,519
Employment Services	Federal	\$ 284,182

Labor Market Information	Federal	\$ 40,640
Unemployment Insurance	Federal	\$ 525,664
Workforce Development	Federal	\$ 42,056
Regional Workforce Advisors	S.C. Education Improvement Act	\$ 23,913
Grand Total	\$ 1,137,973	

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		
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FORM B2 – NON-RECURRING OPERATING REQUEST

AGENCY PRIORITY	2
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Provide the Agency Priority Ranking from the Executive Summary.

TITLE	Statewide Education & Workforce Development Portal
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Provide a brief, descriptive title for this request.

AMOUNT	\$16,859,376
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What is the net change in requested appropriations for FY 2025-2026? 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
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	<input checked="" type="checkbox"/>	IT Technology/Security related
	<input type="checkbox"/>	Consulted DTO during development
	<input type="checkbox"/>	HR/Personnel Related
	<input checked="" type="checkbox"/>	Request for Non-Recurring Appropriations
	<input checked="" type="checkbox"/>	Request for Federal/Other Authorization to spend existing funding
	<input checked="" type="checkbox"/>	Related to a Recurring request – If so, Priority # Statewide Education & Workforce Development Portal
<input type="checkbox"/>	Maintenance and Update	

STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES	Mark "X" for primary applicable Statewide Enterprise Strategic Objective:	
	<input 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 checked="" type="checkbox"/>	Government and Citizens

ACCOUNTABILITY OF FUNDS	<p>1.2. Lead and support the efforts of the Coordinating Council for Workforce Development and the S.C. Statewide Education and Workforce Development Act.</p> <p>3.3.4. Work with Coordinating Council for Workforce Development partners to begin developing a central online portal for employers, jobseekers, students, educators, and other stakeholders to locate workforce development and education resources and services across the state.</p>
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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?

RECIPIENTS OF FUNDS	DEW would contract with a vendor(s) to build the Education and Workforce portal.
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What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)?

**JUSTIFICATION
OF REQUEST**

The South Carolina education and workforce system is governed by the Statewide Education and Workforce Development Act (Act 67 of 2023). The stated purpose of the Act includes, among other items, to coordinate and align all publicly funded workforce development efforts and promote a customer-centric system that is easy to access, highly effective, and simple to understand.

The Coordinating Council for Workforce Development, chaired by the Executive Director of the Department of Employment and Workforce (DEW), is tasked with implementing the requirements under the act to include creation of a Unified State Plan for Education and Workforce (USP) and an Education and Workforce Portal.

This request is for \$15 million in nonrecurring funding to create and maintain the Education and Workforce Portal to serve as the state's central access point for education and workforce information to users as their circumstances and desires change throughout their life. The portal will be a desktop and mobile browser friendly online resource that will provide users with tailored resources relating to workforce opportunities and pathways.

The target audience is diverse to include user groups across South Carolina such as employers, jobseekers, educators, students, parents, community leaders, policy makers, state agencies, workforce partners, and the public.

This funding request is based on a very preliminary estimate; a feasibility study is in progress to provide a more detailed estimate of portal costs.

Federal Funds Authorization

The Education and Workforce Portal has \$1,859,376 in federal funds committed through SC Nexus. These funds are to expedite the rollout of the portal and include a focus on widening exposure to grid resilience careers and educational programs. These funds will be expended over a five-year period.

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.

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FORM D – PROVISO REVISION REQUEST

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

TITLE	Reed Act Spending Authority
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Provide the title from the renumbered list or suggest a short title for any new request.

BUDGET PROGRAM	Unemployment Insurance, Employment Service, WIOA
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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 2025-2026? If so, cite it here.

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

OTHER AGENCIES AFFECTED	None
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Which other agencies would be affected by the recommended action? How?

SUMMARY & EXPLANATION	<p>Section 903(c)(2) of the Social Security Act requires DEW to request spending authority to use the proceeds from the sale of real properties containing Reed Act equity. This request updates the reference to the fiscal year and dollar amount.</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, or the potential amount of Reed Act proceeds associated with properties currently listed for sale on state surplus. Up to \$2,375,072 of the funds will be utilized to fund a portion of the agency's unemployment insurance, Workforce Innovation and Opportunity Act, and Employment Services programs.

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

The Department of Employment and Workforce is authorized to expend up to \$2,375,072 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 funding Unemployment Insurance, Workforce Innovation and Opportunity Act, and Employment Services Programs. No part of the funds herein authorized may be obligated after a two-year period beginning on July 1, ~~2024~~**2025**. 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 as 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	<div>New</div> <div><i>Cite the proviso according to the renumbered list (or mark "NEW").</i></div>
TITLE	<div>Carry Forward Authorization</div> <div><i>Provide the title from the renumbered list or suggest a short title for any new request.</i></div>
BUDGET PROGRAM	<div>General Fund</div> <div><i>Identify the associated budget program(s) by name and budget section.</i></div>
RELATED BUDGET REQUEST	<div></div> <div><i>Is this request associated with a budget request you have submitted for FY 2025-2026? If so, cite it here.</i></div>
REQUESTED ACTION	<div>Add</div> <div><i>Choose from: Add, Delete, Amend, or Codify.</i></div>
OTHER AGENCIES AFFECTED	<div>None</div> <div><i>Which other agencies would be affected by the recommended action? How?</i></div>

SUMMARY & EXPLANATION	<div>DEW is requesting authority to carry forward any unspent General Fund monies outside of the 10% carry forward proviso to continue to fund agency programs and services for South Carolina jobseekers, employers, educators, students, and other South Carolinians.</div> <div>DEW receives relatively little state funding and carry forward funds could offer some additional stability to programs on relatively thin margins such as the Regional Workforce Advisor program or Be Pro Be Proud and ensure that the maximum number of South Carolinians benefit from these programs.</div>
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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

General Fund monies that could be used to support the Department of Employment and Workforce mission would not be lapsed.

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**

Unexpended funds from appropriations to the Department of Employment and Workforce shall be carried forward from the prior fiscal year and used for the same purpose.

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

TITLE	3% Reduction Exemption
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Provide the title from the renumbered list or suggest a short title for any new request.

BUDGET PROGRAM	General Fund
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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 2025-2026? If so, cite it here.

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

OTHER AGENCIES AFFECTED	None
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Which other agencies would be affected by the recommended action? How?

SUMMARY & EXPLANATION	<p>DEW’s services are critical to getting South Carolinians to work, and this is never more important than in challenging economic times. Cuts to DEW’s state-funded programs would impact the agency’s rural employment services programs which assist rural jobseekers and employers; limit availability of career readiness assessments; impact operations of the second Career Coach for rural outreach and Rapid Response to layoffs, facility closures, and natural disasters; and negatively impact the operations of the Office of Statewide Workforce Development and DEW’s staff supporting activities related to the Coordinating Council for Workforce Development. Mandated across-the-board cuts could also negatively administrative support for the Appellate Panel overseeing appeals of DEW determinations related to unemployment benefits or unemployment tax.</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

In the event of across-the-board cuts mandated by the Executive Budget Office or the General Assembly, DEW's state funding would not be exempt.

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**

Funds appropriated for the Department of Employment and Workforce shall be excluded from any across-the-board agency base reductions mandated by the Executive Budget Office or General Assembly.

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	\$244,897
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What is the General Fund 3% reduction amount? This amount should correspond to the reduction spreadsheet prepared by EBO.

ASSOCIATED FTE REDUCTIONS	Unknown at this time
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How many FTEs would be reduced in association with this General Fund reduction?

PROGRAM / ACTIVITY IMPACT	Employment Services, Appeals, Coordinated Workforce Development and Regional Workforce Adv.
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What programs or activities are supported by the General Funds identified?

SUMMARY	<p>DEW administers 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 600 fewer assessments for job seekers and businesses of South Carolina. DEW will have fewer funds on hand to manage Employment Services, Appeals and Workforce Development programs. Fewer funds will be available to carry out its mission effectively.</p>
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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.

<p>AGENCY COST SAVINGS PLANS</p>	<p>DEW will re-evaluate current contracts, future travel and other spending plans to implement a cost -saving plan. Any savings from implementing a reevaluation would be utilized in an investment into a new strategic initiative within the agency.</p>
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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	<p>Reducing Burden on Regulated Community</p> <p><i>Provide a brief, descriptive title for this request.</i></p>								
EXPECTED SAVINGS TO BUSINESSES AND CITIZENS	<p>This past fiscal year, DEW made a number of improvements to its unemployment insurance program to improve the experience of the regulated community. DEW strives for continuous improvement, and additional changes are on the way in FY24-25 to make interactions with our agency even easier.</p> <p><i>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.</i></p>								
FACTORS ASSOCIATED WITH THE REQUEST	<p>Mark "X" for all that apply:</p> <table border="1"> <tr> <td><input type="checkbox"/></td><td>Repeal or revision of regulations.</td></tr> <tr> <td><input type="checkbox"/></td><td>Reduction of agency fees or fines to businesses or citizens.</td></tr> <tr> <td><input checked="" type="checkbox"/></td><td>Greater efficiency in agency services or reduction in compliance burden.</td></tr> <tr> <td><input type="checkbox"/></td><td>Other</td></tr> </table>	<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
<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								
METHOD OF CALCULATION	<p>N/A</p> <p><i>Describe the method of calculation for determining the expected cost or time savings to businesses or citizens.</i></p>								
REDUCTION OF FEES OR FINES	<p>2024 marked the eleventh year in a row without an increase in unemployment insurance tax. With a fully solvent and resilient UI Trust Fund balance, South Carolina set the 2024 tax rates to raise approximately the same level of revenue as 2023 and 2022 while lowering rates for classes 2 - 19 by an average of 6% compared to 2023 levels (classes 1 and 20 have rates set by statute).</p> <p><i>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?</i></p>								
REDUCTION OF REGULATION	<p>N/A</p> <p><i>Which regulations does the agency intend to amend or delete? What is the enabling authority for the regulation?</i></p>								
SUMMARY	<p>In the past fiscal year, DEW introduced improvements for employers responding to wage garnishment notices. Employers may now respond electronically, and the wage garnishment request process is also streamlined so that an employer handling garnishments for multiple employees may now make a consolidated payment covering multiple employees rather than mailing individual checks for each of those employees.</p> <p>DEW has also implemented Act 136 of 2024, which amended Section 41-31-60(B) to provide an exception to allow an employer with an outstanding lien enrolled in an installment plan with DEW to satisfy the debt to pay future quarters over the course of the plan at their normally calculated rate, rather than the class twenty rate of 5.46%, as long as they adhere to the terms of the agreement (failure to pay or submit quarterly wage reports in a timely manner will result in reverting to the class twenty rate). This act, one of DEW's recommendations in its annual management report, is a win for the state as well as employers: it provides a strong incentive to enroll in a payment agreement, begin paying outstanding debt, and comply with the terms of the agreement while also providing needed relief to employers working in good faith to pay their debts.</p> <p>Since March 2005, electronic filing of wage reports has been required for employers reporting wages for 100 or more employees, and the vast majority of employers, even those with fewer than 100 employees, were already reporting electronically well prior to FY23-24; however, effective with the quarter ending March 31, 2024, the electronic filing requirement was extended to cover wage reports for all employers reporting wages for 10 or more employees and also include electronic filing for responses to requests for information regarding a claim for benefits. Electronic filing of responses to requests related to unemployment benefits claims speeds adjudication of claims while electronic</p>								

filing of wage reports helps employers avoid errors, reduces duplication of previously provided information, and makes the process easier and faster overall.

For individuals filing a claim for unemployment benefits, DEW has launched a pilot program with the United States Postal Service in which individuals can have their identity verified at participating local post offices rather than utilizing existing online options. In addition, to make it even easier for unemployment insurance claimants to track their payment status, DEW began a new direct messaging pilot in April 2024 in which claimants receive notification via text message (if opted in) or email as a confirmation that their weekly certification is being processed for payment that week. This pilot is intended to help claimants track the status of their claim and reduce call volume to maintain low wait times for other calls.

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