

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



Fiscal Year 2026-27 Agency Budget Plan

FORM A - BUDGET PLAN SUMMARY

OPERATING REQUESTS (FORM B1)	For FY 2026-27, my agency is (mark "X"): ☒ Requesting General Fund Appropriations. ☐ Requesting Federal/Other Authorization. ☐ Not requesting any changes.
NON-RECURRING REQUESTS (FORM B2)	For FY 2026-27, my agency is (mark "X"): ☒ Requesting Non-Recurring Appropriations. ☐ Requesting Non-Recurring Federal/Other Authorization. ☐ Not requesting any changes.
CAPITAL REQUESTS (FORM C)	For FY 2026-27, my agency is (mark "X"): ☐ Requesting funding for Capital Projects. ☒ Not requesting any changes.
PROVISOS (FORM D)	For FY 2026-27, my agency is (mark "X"): ☐ Requesting a new proviso and/or substantive changes to existing provisos. ☒ Only requesting technical proviso changes (such as date references). ☐ 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:	Jake Sherbert	803-737-3018	jsherbert@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	Information Technology Modernization	1,596,610	0	0	0	1,596,610	0.00	0.00	0.00	0.00	0.00
2	B2 - Non-Recurring	Information Technology Modernization (Shared Services One-Time Costs)	887,000	0	0	0	887,000	0.00	0.00	0.00	0.00	0.00
3	B1 - Recurring	FY26 General Salary Increase - EIA	0	0	0	29,338	29,338	0.00	0.00	0.00	0.00	0.00
TOTALS			2,483,610	0	0	29,338	2,512,948	0.00	0.00	0.00	0.00	0.00

Agency Name:	Department Of Employment And Workforce		
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FORM B1 – RECURRING OPERATING REQUEST

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

TITLE	Information Technology Modernization
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Provide a brief, descriptive title for this request.

AMOUNT	General: \$1,596,610 Federal: \$0 Other: \$0 Total: \$1,596,610
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What is the net change in requested appropriations for FY 2026-2027? 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: <table style="width: 100%;"> <tr><td>☐</td><td>Change in cost of providing current services to existing program audience</td></tr> <tr><td>☐</td><td>Change in case load/enrollment under existing program guidelines</td></tr> <tr><td>☐</td><td>Non-mandated change in eligibility/enrollment for existing program</td></tr> <tr><td>☐</td><td>Non-mandated program change in service levels or areas</td></tr> <tr><td>☐</td><td>Proposed establishment of a new program or initiative</td></tr> <tr><td>☐</td><td>Loss of federal or other external financial support for existing program</td></tr> <tr><td>☐</td><td>Exhaustion of fund balances previously used to support program</td></tr> <tr><td>☒</td><td>IT Technology/Security related</td></tr> <tr><td>☒</td><td>HR/Personnel Related</td></tr> <tr><td>☒</td><td>Consulted DTO during development</td></tr> <tr><td>☒</td><td>Related to a Non-Recurring request – If so, Priority # 2</td></tr> </table>	☐	Change in cost of providing current services to existing program audience	☐	Change in case load/enrollment under existing program guidelines	☐	Non-mandated change in eligibility/enrollment for existing program	☐	Non-mandated program change in service levels or areas	☐	Proposed establishment of a new program or initiative	☐	Loss of federal or other external financial support for existing program	☐	Exhaustion of fund balances previously used to support program	☒	IT Technology/Security related	☒	HR/Personnel Related	☒	Consulted DTO during development	☒	Related to a Non-Recurring request – If so, Priority # 2
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☒	Consulted DTO during development																						
☒	Related to a Non-Recurring request – If so, Priority # 2																						

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

ACCOUNTABILITY OF FUNDS	5.4.5 Transition IT infrastructure to Shared Services at Department of Administration Funds would advance this strategy by refining cybersecurity, information technology, and infrastructure resilience to transition Information Technology (IT) infrastructure to Shared Services at Department of Administration. Funds for shared services will be used, in coordination with the Department of Administration in accordance with Executive Order No. 2022-03 and Proviso 117.107 of the FY25-26 General Appropriations Act.
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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?

	DEW will receive the funds and administer their distribution. Funds for shared services
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RECIPIENTS OF FUNDS

will be used in agreement with the Department of Administration's Division of Technology Operations.

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?

DEW is seeking to ensure effective, efficient, and secure information technology infrastructure and to retain and recruit staff critical to maintaining it; therefore, this request has two components:

(1) \$1,271,050 for transition of Information Technology infrastructure to Shared Services at the Department of Administration, and

(2) \$325,560 for Information Technology recruitment and retention.

Shared Services Migration (\$1,271,050)

In accordance with Proviso 117.107 and Governor Henry McMaster's Executive Order No. 2022-03, the Department of Employment and Workforce is requesting \$1,271,050 to fund its Information Technology (IT) migration to Shared Services at the Department of Administration. The following table outlines the annual recurring costs associated with transitioning DEW's IT infrastructure to Shared Services as determined in coordination with the Department of Administration.

Service Description	Annual Recurring Cost
Layer 2 Switch	\$5,127
Layer 3 Switch	\$3,845
Core Switch	\$4,699
SD-WAN Device	\$2,563
Wireless Device	\$205
Firewall VDOM - Mid-Small	\$14,788
Firewall VDOM - Large	\$27,790
Physical Firewall HaaS	\$20,004
Physical Firewall Management	\$52,662
Meraki Cellular Gateway	\$2,520
Virtual Private Network	\$57,443
Virtual Server (2 CPU/4GB RAM)	\$280,607
Server Support - Bronze	\$212,004
Server Storage, per GB - Tier 1	\$243,066
Data Backup, per GB	\$250,215
SQL Server - per 2-Core	\$28,046
Firewall VDOM - Large	\$27,790
Citrix Remote Access Licensing	\$1,140
Rock Hosting, per U	\$36,536
Total recurring request	\$1,271,050

This transition to Shared Services will cover services for cloud computing, virtual servers, data storage, data protection, disaster recovery, Citrix remote access, connectivity, LAN support, and rack hosting.

As described by Governor McMaster in Executive Order No. 2022-03, the transition of IT services to the Department of Administration can be expected to reduce the

JUSTIFICATION OF REQUEST

overall costs of and improve the State's return-on-investment for providing IT services, increase efficiencies by removing barriers to collaboration among agencies, reduce risks associated with providing IT services and increase information security, improve agencies' business operations, and better allow for the preparation for, management of, and response to major technology incidents." If DEW does not receive this funding, it could negatively impact the agency's ability to efficiently and effectively maintain its information technology resources needed to serve South Carolinians as well as impede the realization of the benefits of the Shared Services model.

Information Technology/Security Recruitment & Retention (\$325,560)

DEW is requesting \$325,280 to bring our employees in our Information Technology and Information security departments closer to market value for their positions.

Information Technology (IT) and Information Security (IS) staff play a critical role in ensuring that the agency is effective and its data secure; however, their salaries are not competitive with the market, even among other South Carolina state agencies. Currently, 41 of 44 (93%) of employees in IT/IS roles are paid below the state average for their positions, some even as much as 23% below the state average value. This is true even after the implementation of the State's new classification and compensation system.

DEW's turnover rate for IT/IS employees over the last two years has consistently ranged from 15% to 20%. Loss of these experienced DEW IT/IS employees results not only in the loss of institutional knowledge but also increased costs as new employees must be trained on DEW's specific systems, policies, and procedures. Maintaining effective, efficient, and secure infrastructure and information systems depends on high-performing, experienced employees skilled in these areas, but additional funding is needed to offer competitive salaries needed to recruit and retain these critical staff. Without additional funding, DEW will likely continue to lose experienced staff to the private sector as well as other state agencies and have trouble filling the resulting vacancies.

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	3
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Provide the Agency Priority Ranking from the Executive Summary.

TITLE	FY26 General Salary Increase - EIA
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Provide a brief, descriptive title for this request.

AMOUNT	General: \$0 Federal: \$0 Other: \$29,338 Total: \$29,338
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What is the net change in requested appropriations for FY 2026-2027? 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: ☐ Change in cost of providing current services to existing program audience ☐ Change in case load/enrollment under existing program guidelines ☐ Non-mandated change in eligibility/enrollment for existing program ☐ Non-mandated program change in service levels or areas ☐ Proposed establishment of a new program or initiative ☐ Loss of federal or other external financial support for existing program ☐ Exhaustion of fund balances previously used to support program ☐ IT Technology/Security related ☒ HR/Personnel Related ☐ Consulted DTO during development ☐ Related to a Non-Recurring request – If so, Priority #
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STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES	Mark “X” for primary applicable Statewide Enterprise Strategic Objective: ☒ Education, Training, and Human Development ☐ Healthy and Safe Families ☐ Maintaining Safety, Integrity, and Security ☐ Public Infrastructure and Economic Development ☐ Government and Citizens
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ACCOUNTABILITY OF FUNDS	Goal 5: Optimize Internal Operations, Infrastructure, and Workforce Support Funds would advance this strategy by fostering a workforce reflective of key agency values and strengthening internal engagement, retention, and development. Funds will be used to pay the 2% general salary increase within the FY25-26 General Appropriations Act for Education Improvement Act (EIA) funded employees (the increase for these employees was not funded in the General Appropriations Act).
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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 will be used by DEW to pay the FY25-26 General Appropriations Act 2% general salary increase for Education Improvement Act (EIA) funded employees (the increase for these employees was not funded in the General Appropriations Act)
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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**

DEW is requesting \$29,338.00 to fund the unfunded portion of the 2% general salary increase in the FY25-26 General Appropriations Act related to Education Improvement Act funded employees.

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. 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 would ensure adequate funding remains for use in local areas in and around our state's schools.

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	Information Technology Modernization (Shared Services One-Time Costs)
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Provide a brief, descriptive title for this request.

AMOUNT	\$887,000
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What is the net change in requested appropriations for FY 2026-2027? 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:	
	☐	Change in cost of providing current services to existing program audience
	☐	Change in case load/enrollment under existing program guidelines
	☐	Non-mandated change in eligibility/enrollment for existing program
	☐	Non-mandated program change in service levels or areas
	☐	Proposed establishment of a new program or initiative
	☐	Loss of federal or other external financial support for existing program
	☐	Exhaustion of fund balances previously used to support program
	☒	IT Technology/Security related
	☒	Consulted DTO during development
	☐	HR/Personnel Related
	☐	Request for Non-Recurring Appropriations
☐	Request for Federal/Other Authorization to spend existing funding	
☒	Related to a Recurring request – If so, Priority # Information Technology Modernization	

STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES	Mark "X" for primary applicable Statewide Enterprise Strategic Objective:	
	☐	Education, Training, and Human Development
	☐	Healthy and Safe Families
	☒	Maintaining Safety, Integrity, and Security
	☐	Public Infrastructure and Economic Development
	☐	Government and Citizens

ACCOUNTABILITY OF FUNDS	5.4.5 Transition IT infrastructure to Shared Services at Department of Administration The funds will be used, in coordination with the Department of Administration, to transition to IT Shared Services in accordance with and Proviso 117.107 of the FY25-26 General Appropriations Act and Executive Order No. 2022-03.
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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 will receive the funds and administer their distribution to meet the requirements of the transition to Shared Services. The funds will be used in agreement with the Department of Administration's Division of Technology Operations.
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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

**JUSTIFICATION
OF REQUEST**

DEW is requesting \$887,000.00 to fund one-time costs associated with the migration to IT Shared Services at the Department of Administration.

The requested funds represent transitional costs, outlined below, established by the Department of Administration to ensure a seamless transition of IT services and cannot be absorbed within existing appropriations. Approval of this non-recurring request will allow DEW to complete the one-time transition work in accordance with Proviso 117.107 of the FY25-26 General Appropriations Act and further supported by Governor Henry McMaster's Executive Order 2022-03.

Service Description	Non-recurring cost
Admin Professional Services	\$55,000
Third-party Migration Services (Technologent)	\$832,000
Total non-curring request	\$887,000

As described by Governor McMaster in Executive Order No. 2022-03, the transition of IT services to the Department of Administration "can be expected to reduce the overall costs of and improve the State's return-on-investment for providing IT services, increase efficiencies by removing barriers to collaboration among agencies, reduce risks associated with providing IT services and increase information security, improve agencies' business operations, and better allow for the preparation for, management of, and response to major technology incidents." If DEW does not receive this funding, it could negatively impact the agency's ability to efficiently and effectively maintain its information technology resources needed to serve South Carolinians as well as impede the realization of the benefits of the Shared Services model.

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 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	None
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Is this request associated with a budget request you have submitted for FY 2026-2027? 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	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.
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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, ~~2025~~2026. 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		
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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	\$389,545
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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	A 3% reduction in general fund appropriations will directly limit the agency's ability to deliver timely and effective services. With fixed costs such as utilities being static and unchanged, reductions will fall on staffing, training, technology, and discretionary program support. This means delayed hiring or frozen positions, heavier workloads for remaining staff, slower response times, and reduced outreach and compliance monitoring. For customers and partners, the impact will be longer wait times, few technical assistance opportunities, and delayed modernization projects. While we will prioritize compliance with federal and state requirements, cuts at this level inevitably reduce the state's responsiveness to employers, jobseekers, and communities which undermines efforts to strengthen South Carolina's workforce and economic competitiveness.
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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	DEW will continue to strengthen internal controls, streamline operations, and pursue cost-saving measures such as limited nonessential travel, renegotiating contracts, consolidating supply purchases, and managing vacancies responsibly. These actions ensure that taxpayer dollars are used efficiently while preserving core services, advancing modernization, and meeting all compliance requirements.
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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		
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FORM F – REDUCING COST AND BURDEN TO BUSINESSES AND CITIZENS

TITLE	Reducing Burden on Regulated Community
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Provide a brief, descriptive title for this request.

EXPECTED SAVINGS TO BUSINESSES AND CITIZENS	DEW continues to make 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 FY25-26 to make interactions with our agency even easier.
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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: ☐ Repeal or revision of regulations. ☐ Reduction of agency fees or fines to businesses or citizens. ☐ Greater efficiency in agency services or reduction in compliance burden. ☒ Other
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METHOD OF CALCULATION	N/A
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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	Aside from FOIA, which had receipts of only \$549 in FY24-25, DEW has very few fines or fees at its discretion as most are within statute. For example, there are penalties in Title 41 of the South Carolina Code of Laws for employers that do not comply with unemployment insurance tax requirements or are delinquent in contributions; while DEW cannot change these penalties, DEW has made a legislative recommendation to amend Section 41-31-60(B) to make the penalty for employers with an active lien due to delinquent contributions a flat 2% addition to the employer's currently assigned tax rate rather than taxing the employer at a penalty rate that is effectively 5.46%. For most employers, this would be a significant reduction to the penalty while also providing an incentive for employers in tax class 20 already taxed the 5.46% rate to satisfy the debt.
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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	No amendments or deletions are planned for FY25-26 at this time; however, the agency is in the process of completing its five-year review of regulations.
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Which regulations does the agency intend to amend or delete? What is the enabling authority for the regulation?

	• 2025 marked the twelfth 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 2025 tax rates to raise approximately the same level of revenue as 2024, 2023, and 2022 while lowering rates. Due to the strength of the trust fund, DEW was able to utilize a negative solvency credit to decrease rates for classes 2 – 19 by an average of 9.5% compared to 2024 levels (classes 1 and 20 have rates set by statute). DEW anticipates continuing the trend of rate reductions in 2026. • DEW has continued to implement 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.
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SUMMARY

- In FY25, DEW introduced a new online user form for both claimants and employers. While wait times remain low for claimants and employers to obtain assistance by telephone, this form is a convenient new option that accommodates claimants and employers preferring online or written communication options, those with alternative schedules, etc. Employers can receive assistance with employer-filed claims, responding to a separation information request, submitting wage reports, installment payment agreements, and other issues they may experience. Claimants can request help with logging into their account, identity verification, issues with their claim, overpayments, appeals, work searches, and other general questions. After submitting the form, the claimant or employer will receive an email response that may include instructions, attachments, or links to help answer the question.

- DEW launched a new chatbot to make it even easier for unemployment insurance claimants to file their initial claims. Through this chat feature, claimants can, for example, get clarification about a question on the form or the claim filing process. In its first six months, approximately 19,500 claimants used the chatbot while filing their initial claim (32% of applicants) with a little over 24,000 interactions.

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