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



**Fiscal Year 2018-19
Agency Budget Plan**

FORM A - BUDGET PLAN SUMMARY

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| OPERATING REQUESTS (FORM B1) | For FY 2018-19, 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 2018-19, my agency is (mark "X"): | |
| | <input type="checkbox"/> | Requesting Non-Recurring Appropriations. |
| | <input type="checkbox"/> | Requesting Non-Recurring Federal/Other Authorization. |
| | <input checked="" type="checkbox"/> | Not requesting any changes. |
| CAPITAL REQUESTS (FORM C) | For FY 2018-19, 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 2018-19, 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: | Tracey C. Hunt | (803) 737-2571 | thunt@dew.sc.gov |
| SECONDARY CONTACT: | Margaret D. Romaniello | (803) 737-7850 | mromaniello@dew.sc.gov |

I have reviewed and approved the enclosed FY 2018-19 Agency Budget Plan, which is complete and accurate to the extent of my knowledge.

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| | <i>Agency Director</i> | <i>Board or Commission Chair</i> |
| SIGN/DATE: | <i>Cheryl Stanton 9/15/17</i> | |
| TYPE/PRINT NAME: | Cheryl M. Stanton | |

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

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| AGENCY NAME: | |
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FORM B2 – NON-RECURRING OPERATING REQUEST

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| AGENCY PRIORITY | The top and only non-recurring request <i>Provide the Agency Priority Ranking from the Executive Summary.</i> |
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| TITLE | Be Pro Be Proud Initiative <i>Provide a brief, descriptive title for this request.</i> |
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| AMOUNT | <table border="0"> <tr> <td>General:</td> <td>\$950,000</td> </tr> <tr> <td>Federal:</td> <td>\$0</td> </tr> <tr> <td>Other:</td> <td>\$0</td> </tr> <tr> <td>Total:</td> <td>\$950,000</td> </tr> </table> <p><i>What is the net change in requested appropriations for FY 2018-19? This amount should correspond to the total for all funding sources on the Executive Summary.</i></p> | General: | \$950,000 | Federal: | \$0 | Other: | \$0 | Total: | \$950,000 |
| General: | \$950,000 | | | | | | | | |
| Federal: | \$0 | | | | | | | | |
| Other: | \$0 | | | | | | | | |
| Total: | \$950,000 | | | | | | | | |

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| FACTORS ASSOCIATED WITH THE REQUEST | <p>Mark "X" for all that apply:</p> <table border="0"> <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 checked="" 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 type="checkbox"/></td><td>Consulted DTO during development</td></tr> <tr><td><input type="checkbox"/></td><td>Request for Non-Recurring Appropriations</td></tr> <tr><td><input type="checkbox"/></td><td>Request for Federal/Other Authorization to spend existing funding</td></tr> <tr><td><input type="checkbox"/></td><td>Related to a 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 checked="" 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 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 # _____ |
| <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 checked="" 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 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 # _____ | | | | | | | | | | | | | | | | | | | | | | | | |

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| STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES | <p>Mark "X" for primary applicable Statewide Enterprise Strategic Objective:</p> <table border="0"> <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 | | | | | | | | | | |

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| ACCOUNTABILITY OF FUNDS | <p>These tie into the agency goal in the accountability report to facilitate a workforce system that fosters financial stability and economic prosperity. This component will enable us to continue to grow Sector Strategies as a means of building regional talent pipelines and creating meaningful Career Pathways for Workers in South Carolina.</p> |
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What specific agency objective, as outlined in the agency's accountability report, does

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this funding request support? How would this request advance that objective? How would the use of these funds be evaluated?

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| RECIPIENTS OF FUNDS | The agency would receive the funds and then go through the competitive grants process to grant them out to a 501 c 3. |
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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 predetermined eligibility criteria?

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| JUSTIFICATION OF REQUEST | <p>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.</p> <p>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.</p> <p>Be Pro Be Proud is a mobile demonstration center in order to access all areas of the state, and provides hands-on displays as well as promotional marketing and online resources to connect students to the necessary training and employers.</p> <p>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/.</p> <p>The intention will be for funds to be matched by the private sector. These funds are for the one-time costs associated with purchasing the equipment, licensing, mobile design, buildout, etc.</p> |
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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. Does this non-recurring appropriation request create an annualization or need for recurring funds?

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FORM D – PROVISIO REVISION REQUEST

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| NUMBER | 83.1 |
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Cite the proviso according to the renumbered list for FY 2018-19 (or mark "NEW").

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| TITLE | Consortium Contracts: Training-Development Sessions and Media Services |
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Provide the title from the FY 2017-18 Appropriations Act or suggest a short title for any new request.

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| BUDGET PROGRAM | Employment Services |
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Identify the associated budget program(s) by name and budget section.

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| RELATED BUDGET REQUEST | N/A |
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Is this request associated with a budget request you have submitted for FY 2018-19? If so, cite it here.

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

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| OTHER AGENCIES AFFECTED | N/A |
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Which other agencies would be affected by the recommended action? How?

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| SUMMARY & EXPLANATION | <p>The name of the state program was changed, and this request is needed to update the proviso with the proper title.</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.

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| FISCAL IMPACT | N/A |
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Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.

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| PROPOSED PROVISO TEXT | <p>83.1. (DEW: <u>Business Intelligence Division Program Contracts</u> Consortium Contracts: Training Development Sessions and Media Services) All earmarked funds collected for the <u>Business Intelligence Division LMI</u> Training Development Sessions; Media Services and Program Contracts through the Department of Employment and Workforce may be retained by the agency to be used for the exclusive purpose of operating these programs. All funds not expended in the prior fiscal year may be carried forward for use in the current fiscal year.</p> |
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Paste FY 2017-18 text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.

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FORM D – PROVISIO REVISION REQUEST

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| NUMBER | 83.5 |
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Cite the proviso according to the renumbered list for FY 2018-19 (or mark "NEW").

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| TITLE | UI Tax System Modernization |
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Provide the title from the FY 2017-18 Appropriations Act or suggest a short title for any new request.

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| BUDGET PROGRAM | Non-Recurring Appropriations |
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Identify the associated budget program(s) by name and budget section.

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| RELATED BUDGET REQUEST | N/A |
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Is this request associated with a budget request you have submitted for FY 2018-19? If so, cite it here.

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

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

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| 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 \$3,178,053 of other funds will be utilized to fund a portion the agency's unemployment tax system modernization project.</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.

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| FISCAL IMPACT | <p>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.</p> <p>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.</p> <p>Up to \$3,178,053 of other funds will be utilized to fund a portion the agency's unemployment tax system modernization project.</p> |
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Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.

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| PROPOSED PROVISIO TEXT | <p>83.5. (DEW: UI Tax System Modernization)</p> <p>The Department of Employment and Workforce is authorized to expend up to \$1,743,930<u>3,178,053</u> 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, 2017<u>2018</u>. 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.</p> |
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Paste FY 2017-18 text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.

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| AGENCY NAME: | Department of Employment and Workforce | | |
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FORM D – PROVISIO REVISION REQUEST

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| NUMBER | 83.6 <i>Cite the proviso according to the renumbered list for FY 2018-19 (or mark “NEW”).</i> |
| TITLE | Employment Training Outcomes Data Sharing <i>Provide the title from the FY 2017-18 Appropriations Act or suggest a short title for any new request.</i> |
| BUDGET PROGRAM | N/A <i>Identify the associated budget program(s) by name and budget section.</i> |
| RELATED BUDGET REQUEST | N/A <i>Is this request associated with a budget request you have submitted for FY 2018-19? If so, cite it here.</i> |
| REQUESTED ACTION | Amend <i>Choose from: Add, Delete, Amend, or Codify.</i> |
| OTHER AGENCIES AFFECTED | S.C. Department of Education, Center for Educator Recruitment, Retention and Advancement, Education Oversight Committee, S.C. Commission on Higher Education, State Board for Technical and Comprehensive Education, and South Carolina Vocational Rehabilitation Department are impacted as they relate to eligible training providers, who will provide individual participant data required for matching against the Unemployment Insurance wage records with the S.C. Department of Employment and Workforce (DEW). <i>Which other agencies would be affected by the recommended action? How?</i> |
| SUMMARY & EXPLANATION | Currently, the federal Workforce Innovation and Opportunity Act (WIOA) requires the integration of training and employment data for the purposes of improving longitudinal assessment of employment outcomes for various training providers eligible to receive funding appropriated or authorized by this Act. Eligible training providers (ETP) will provide personally identifiable information (PII) related to training programs offered for WIOA to the Department of Employment and Workforce. The PII information, which is confidential, will be matched against Unemployment Insurance wage records, which are also confidential. As a result, it will be possible to develop a system of records matching that could encompass many educational and training programs in the state to determine their effectiveness and assess their return on investment. Changes from last year’s Proviso include: In the introductory paragraph, there is a change in tense and the deletion of introductory language, as WIOA is now in effect and requires integration of training and employment data. The word “longitudinal” is deleted from the first sentence, because the data is internal to the Department or is directly provided by a stakeholder. |

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The previous Subsection (A) is deleted. The Workforce and Labor Market Information System (WLMIS) is a collaborative system that reflects the joint efforts of different agencies and organizations in the workforce system as it relates to data and information usage. While the Department will follow the guidance of the Workforce Information Advisory Council, a Federal Advisory Committee of workforce and labor market information experts, the Department does not have the authority to enforce a Governance Policy over the other participants in the workforce system as it pertains to WLMIS.

The previous Subsection (B)/current Subsection (A) is edited as follows:

The date of July 1, 2017 has passed and is deleted. The Department now enters into data sharing agreements with ETPs prior to the ETP entering student data, into the Palmetto Academic Training Hub (PATH) portal. PATH is added into the proviso as it was in development during FY 2016-2017. It is anticipated that PATH will produce performance measures for the 2017-2018 program year.

Additionally, there is a change in tense and language is added to the second sentence to reflect the current process and include examples from Employment and Training Administration (ETA) 9171- Eligible Training Provider Definitions, which are the federal guidelines provided by the US Department of Labor (DOL). The word “performance” was added to clarify what outcomes are matched with the student information. The phrase “tuition assistance” was deleted, because this information is not provided by the ETPs during their upload of student information.

The remaining language of the Subsection is deleted, because ETPs may not have access to the North American Industry Classification System (NAICS) codes for their student’s employment. Additionally, in South Carolina, the Standard Occupation Classification (SOC) system codes are not required to be reported by employers. Therefore, the Department does not have this information for the students that are matched within PATH.

New Subsection (B) is added to address the need agencies have for outcome data from the Department and to establish a process for exchange of data. Under 20 C.F.R. Part 603, the Department must maintain the confidentiality of wage data. However, there are limited exceptions within the regulation, including the agencies need for use in the performance of official duties. To qualify for the exception, the public official for the agency must enter into an agreement with the Department. The federal regulation has requirements for what the agreement must contain, including descriptions of the agency’s need and what costs must be covered.

Subsection (C) – (E) are deleted.

Subsection (C) is deleted because the Department has previously entered into data sharing agreements pursuant to 20 CFR Part 603 and currently shares data with the Vocational Rehabilitation Department and the Commission on Higher Education.

The Department has communicated with the Center for Educator Recruitment, Retention and Advancement. At this time, they do not have any requests for data from the Department, and the Department has discussed what is needed for data sharing, if they require it in the future.

The Department has met with representatives of the Education Oversight Committee (EOC). EOC does not collect data on an individual basis, and without individual data to match against the Department’s wage data, the Department cannot identify which

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individuals would be relevant for any specific data needs EOC may have. The Department has discussed this with EOC and provided them with information on what data is available and how the Department and the Office of Revenue and Fiscal Affairs (RFA) may be able to work together to assist EOC.

Subsection (D) is deleted. The South Carolina Student Loan Corporation has transferred the servicing of its loan portfolio to outside servicing agencies and does not originate federal student loans. It does not have data to meet this subsection.

Subsection (E) is deleted. The Department has previously entered into data sharing agreements and currently shares data with the Department of Social Services and the Department of Labor, Licensing and Regulation, pursuant to 20 C.F.R. Part 603.

Finally, per last year's proviso, the Department submitted copies of data agreements on July 3, 2017, and, therefore, this portion of the proviso is stricken.

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

No DEW fiscal impact is anticipated for this year.

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

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83.6. (DEW: Employment Training Outcomes Data Sharing)

The Department of Employment and Workforce, in developing the Workforce and Labor Market Information System (WLMIS) improvements required of the Workforce Innovation and Opportunity Act (WIOA) (P.L. 113-128), will require integration of training and employment data for the purposes of improving longitudinal assessment of employment outcomes for the various training providers eligible to receive funding appropriated or authorized by this Act.

~~—(A)— As the entity with authority for the oversight and maintenance for the WLMIS, the department shall establish a Governance Policy for the management, development, security, partner collaboration, and sharing responsibilities no later than July 1, 2017.~~

~~(BA)~~ No later than July 1, 2017, ~~the~~**The** department must enter develop a model into a data-sharing agreement with eligible training providers (ETPs)- prior to the ETP entering student data into the Palmetto Academic Training Hub (PATH). As specified by the WIOA Act, this agreement will require ETPs ~~will~~ submit data related to the types of training programs offered, individual student coursework, **including personal identifying information (PII) to match training, employment data and performance** outcomes, program completion and time to complete, **and** program costs, **as outlined in federal guidance.** It will further require reporting of personally identifiable information (PII) to match training and employment data to determine placement in companies and jobs by the North American Industry Classification (NAIC) System and Standard Occupation Classification (SOC) System and other information necessary for the department to accurately and completely assess the effectiveness and return on investment of all training programs offered by the entity.

(B) State agencies needing data from DEW must meet an exception permitting disclosure, pursuant to 20 C.F.R. Part 603. Prior to providing data to a state agency, DEW must enter into a data sharing agreement with the requesting state agency, as described in 20 C.F.R Part 603. Requesting state agencies must identify a need in the administration of the official duties for department data, as required by 20 C.F.R. Part 603. The department shall charge state agencies for costs, as described in federal and state law, for the data sharing requests.

~~—(C)— No later than July 1, 2017, the department must develop a model data-sharing agreement with the Department of Education, the Center for Educator Recruitment, Retention and Advancement, and the Education Oversight Committee, the Vocational Rehabilitation Department, and the Commission on Higher Education to capture and match data as enumerated in item (B) of this provision. This agreement will ensure collaborative sharing of matched data with each partner agency for the purpose of program assessment and effectiveness in compliance with state and federal laws.~~

~~—(D)— The department and the South Carolina Student Loan Corporation shall, by July 1, 2017, enter into a data-sharing agreement to determine the average debt load carried by individuals who participate in training programs with eligible training providers. This agreement will ensure collaborative sharing of matched data for the purpose of program assessment and effectiveness in compliance with state and federal laws.~~

~~—(E)— No later than July 1, 2017, the department must develop a model data-sharing agreement with the Department of Social Services to capture data related to New Hire status and social service data and with the Department of Labor, Licensing and Regulation to capture licensing and licensing-related data. This agreement will ensure collaborative sharing of matched data for the purpose of program assessment and effectiveness in compliance with state and federal laws.~~

~~—The Department of Employment and Workforce shall submit copies of the data~~

PROPOSED
PROVISO TEXT

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~~sharing agreements to the Chairman of the Senate Finance Committee, the Chairman of the House Ways and Means Committee, the Chairman of the Senate Labor, Commerce and Industry Committee, and the Chairman of the House Labor, Commerce and Industry Committee.~~

Paste FY 2017-18 text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.

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

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| TITLE | Agency Cost Savings and General Fund Reduction Contingency Plan |
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| AMOUNT | \$15,026 <i>What is the General Fund 3% reduction amount (minimum based on the FY 2017-18 recurring appropriations)? This amount should correspond to the reduction spreadsheet prepared by EBO.</i> |
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| ASSOCIATED FTE REDUCTIONS | <p>No FTE elimination would be required. The reduction would directly lower the number of assessments available for South Carolina citizens and businesses.</p> <p><i>How many FTEs would be reduced in association with this General Fund reduction?</i></p> |
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| PROGRAM/ACTIVITY IMPACT | <p>DEW's 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 1,900 fewer assessments for job seekers and businesses of South Carolina.</p> <p><i>What programs or activities are supported by the General Funds identified?</i></p> |
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| AGENCY NAME: | Department of Employment and Workforce | | |
| AGENCY CODE: | R600 | SECTION: | 83 |

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| SUMMARY | <p>This decision package is in response to the request for all state agencies to assess the impact of a 3% general fund reduction. Based on the current pricing of \$8.00 per assessment, a \$15,026 reduction would equate to approximately 1,900 fewer assessments being administered during the 2018-2019 fiscal year.</p> <p>The total amount issued for the previous year was \$500,873. The 3% reduction of this total is \$15,026.</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.

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| AGENCY COST SAVINGS PLANS | <p>The Agency has undertaken two significant and years long projects to replace the tax (SUITS) and benefits (SCUBI) systems. These two systems will yield a more modern, effective and efficient workforce system for the state of South Carolina. Implementation of the new system will yield a potential savings of approximately \$5,646mm. Although the maintenance costs of the new system will be roughly half of that amount, the remainder will be available to resource other workforce related functions.</p> <p>In addition, SCDEW has eleven surplus buildings actively held for sale. The maintenance on these buildings combined is \$133,975 a year. Such savings would also be made available to resource other workforce related functions.</p> <p>An additional approximately \$300,000 in savings have occurred from the transfer of general services from the Department of Administration to SCDEW.</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?

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FORM F – REDUCING COST AND BURDEN TO BUSINESSES AND CITIZENS

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

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| EXPECTED SAVINGS TO BUSINESSES AND CITIZENS | This improved system will focus on the integrity of unemployment benefits claims submitted for the state of South Carolina. 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 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.

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| FACTORS ASSOCIATED WITH THE REQUEST | <p>Mark “X” for all that apply:</p> <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 | No general funds were used to develop or purchase this system. The previous program was hosted on a mainframe with 2 other programs that cost approximately \$5.3mm annually. The maintenance costs of the new system will be roughly half that amount. |
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Describe the method of calculation for determining the expected cost or time savings to businesses or citizens.

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| 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?

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| 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?

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

SUMMARY

In 2013, SC received \$50 million in supplemental budget request (SBR) funds from the U.S. Department of Labor to take over as the lead procurement state for the Southeast Consortium of Unemployment Benefits Integration (SCUBI) project to build and implement an integrated Unemployment Insurance Benefits system for South Carolina, North Carolina, and Georgia.

The existing systems were designed and implemented 30 years ago, they are obsolete and in danger of complete failure. The legacy systems have poor agility – integrating new technology is complex & inefficient, minimal scalability – limited capacity to handle significant increase in claims filed in the recent recession, inhibited productivity – technology that improves staff productivity and services such as document management systems, forms management, & ad-hoc reporting tools cannot be quickly implemented. Changing the platform and design of these mission-critical systems changes the states’ focus from spending all their money keeping the system running to improving the systems, services, & quality. A Modern UI Benefits System will greatly reduce maintenance cost and integrating changes will be much easier to accommodate. Finally, the modernized UI benefits system incorporates security of information in its foundation.

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