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

Fiscal Year 2027-28
Agency Budget Plan

FORM A - BUDGET PLAN SUMMARY

	For FY 2027-28, my agency is (mark "X"):	
OPERATING REQUESTS *(FORM B1)*	X	Requesting General Fund Appropriations.
		Requesting Federal/Other Authorization.
		Not requesting any changes.

	For FY 2027-28, my agency is (mark "X"):	
NON-RECURRING REQUESTS *(FORM B2)*		Requesting Non-Recurring Appropriations.
		Requesting Non-Recurring Federal/Other Authorization.
	X	Not requesting any changes.

	For FY 2027-28, my agency is (mark "X"):	
CAPITAL REQUESTS *(FORM C)*		Requesting funding for Capital Projects.
	X	Not requesting any changes.

	For FY 2027-28, my agency is (mark "X"):	
PROVISOS *(FORM D)*		Requesting a new proviso and/or substantive changes to existing provisos.
	X	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.

	Name	*Phone*	*Email*
PRIMARY CONTACT:	Jake Sherbert	803-737-3018	jsherbert@dew.sc.gov
SECONDARY CONTACT:	Mike Brittingham	803-737-2176	mbrittingham@dew.sc.gov

I have reviewed and approved the enclosed FY 2027-28 Agency Budget Plan, which is complete and accurate to the extent of my knowledge.

	Agency Director	*Board or Commission Chair*
SIGN/DATE:	William H. Floyd	
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	Be Pro Be Proud	250,000	0	0	0	250,000	0.00	0.00	0.00	0.00	0.00
2	B1 - Recurring	IT Shared Services	189,063	0	0	0	189,063	0.00	0.00	0.00	0.00	0.00
3	B1 - Recurring	FTE Authorization realignment	0	0	0	0	0	0.00	184.25	-184.25	0.00	0.00
TOTALS			439,063	0	0	0	439,063	0.00	184.25	-184.25	0.00	0.00

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

FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY

1

Provide the Agency Priority Ranking from the Executive Summary.

TITLE

Be Pro Be Proud

Provide a brief, descriptive title for this request.

AMOUNT

General: $250,000

Federal: $0

Other: $0

Total: $250,000

What is the net change in requested appropriations for FY 2027-2028? This amount should correspond to the total for all funding sources on the Executive Summary.

NEW POSITIONS

0.00

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

FACTORS ASSOCIATED WITH THE REQUEST

Mark "X" for all that apply:	
X	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
	AI Related
	Related to a Non-Recurring request – If so, Priority #

STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES

Mark "X" for primary applicable Statewide Enterprise Strategic Objective:	
X	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

Goal 2.1 - Identify and respond to the evolving needs of job seekers, employers, and partners.

Goal 3.2 - Innovate service delivery to give customers and partners easier access to programs and digital tools that increase awareness, build skills, and reduce barriers to employment.

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

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

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 $250,000 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 72,500 visitors have toured the Be Pro Be Proud interactive trailer, the Workforce Workshop, which has made approximately 750 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. 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. The cost of the contract for transport of the trailer and operation of tours has increased by $175,000 since the initial budget request for $500,000 in recurring funds was granted in FY24. This existing recurring funding for the program is insufficient to cover the increased cost of the contract and administration of the program, and DEW has no other appropriate sources of funding to cover these increased costs. Historically, DEW has relied on non-recurring appropriations to bridge this gap, but those funds will be fully exhausted by the end of FY26–27. Entering FY27–28, DEW faces a funding shortfall of roughly $250,000, driven primarily by the increase in contracted vendor costs and personnel support necessary to operate and manage the program effectively. To maintain uninterrupted services, sustain statewide outreach, and meet demand from schools and communities, the program requests a $250,000 increase in funding for FY27–28. This increase aligns recurring appropriations with demonstrated program costs, ensures continuity of operations, and supports the state's long term workforce development goals without necessitating reductions in program reach or quality.

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

2

Provide the Agency Priority Ranking from the Executive Summary.

TITLE

IT Shared Services

Provide a brief, descriptive title for this request.

AMOUNT

General: $189,063

Federal: $0

Other: $0

Total: $189,063

What is the net change in requested appropriations for FY 2027-2028? This amount should correspond to the total for all funding sources on the Executive Summary.

NEW POSITIONS

0.00

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
X	IT Technology/Security related
	HR/Personnel Related
	AI Related
	Related to a Non-Recurring request – If so, Priority #

STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES

Mark "X" for primary applicable Statewide Enterprise Strategic Objective:	
X	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

Goal 3.3 - Improve internal processes, operational readiness, and organizational resilience through continuous improvement and innovation.

Goal 3.4 - Advance technology innovation, cybersecurity, IT modernization, and infrastructure resilience to support evolving service delivery.

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

South Carolina Department of Employment and Workforce (DEW) requests additional funding to cover essential IT Shared Services operational costs that are no longer supported by the Department of Administration. These mandated expenses must be

FUNDS	absorbed to maintain service continuity and meet state requirements.

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 additional funds to address a substantial increase in the annual cost of its TierPoint disaster recovery solution, which is provided through the State's Shared Services program from the Department of Administration. This disaster recovery environment is a critical component of DEW's technology infrastructure, ensuring continuity of operations and safeguarding essential systems that support unemployment insurance, workforce services, and other mission critical programs. Maintaining a reliable and fully functional disaster recovery platform is required to meet federal and state compliance standards and to protect system availability for South Carolina residents. During FY 2025–26, DEW's annual cost for this service was $153,802. However, effective July 1, 2026, Shared Services implemented updated cost models reflecting increased vendor charges, expanded platform requirements, and statewide adjustments to cost allocation formulas. As a result, DEW's annual expense for the TierPoint disaster recovery environment increased to $342,865. This represents a cost difference of $189,063 that was not anticipated in DEW's recurring budget. This funding request seeks to cover that unfunded increase, ensuring DEW can continue to maintain a secure, compliant, and resilient disaster recovery capability without disrupting operations or diverting resources from core programs. Providing this additional appropriation will allow DEW to responsibly absorb the Shared Services cost adjustment and preserve essential services relied upon by individuals, employers, and partner agencies across the state.

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

Provide the Agency Priority Ranking from the Executive Summary.

TITLE

FTE Authorization realignment

Provide a brief, descriptive title for this request.

AMOUNT

General: $0

Federal: $0

Other: $0

Total: $0

What is the net change in requested appropriations for FY 2027-2028? This amount should correspond to the total for all funding sources on the Executive Summary.

NEW POSITIONS

0.00

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
X	HR/Personnel Related
	AI Related
	Related to a Non-Recurring request – If so, Priority #

STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES

Mark "X" for primary applicable Statewide Enterprise Strategic Objective:	
X	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

Goal 1.1 - Promote agency alignment by integrating strategic planning, budgeting, and continuous improvement in a way that is consistent with agency values.

Goal 3.3 - Improve internal processes, operational readiness, and organizational resilience through continuous improvement and innovation.

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

This request is a technical realignment of FTE authorizations to match existing funding. No new FTEs or additional appropriations are needed; the change simply ensures position authority aligns with current resources.

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	Agency FTEs need to be realigned across Federal and Other funds to match the funding sources that currently support these positions. Currently, authorized FTEs do not reflect true funding patterns, creating inconsistencies in budgeting and reporting. Adjusting the authorized FTEs will improve transparency, ensure compliance with funding requirements, and provide a more accurate picture of our workforce and resource needs. Each position title has been reviewed to identify its specific funding source and to determine whether that funding is recurring or non-recurring. Based on this analysis, 184.25 positions currently budgeted under Other funds will be removed from that category because they are actually supported by recurring Federal funds and should be formally established under Federal. This adjustment ensures that authorized FTEs accurately reflect their funding sources and provides a clearer, more compliant representation of our workforce.

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
	Cite the proviso according to the renumbered list (or mark "NEW").
TITLE	Reed Act Spending Authority
	Provide the title from the renumbered list or suggest a short title for any new request.
BUDGET PROGRAM	Unemployment Insurance, Employment Service, WIOA
	Identify the associated budget program(s) by name and budget section.
RELATED BUDGET REQUEST	
	Is this request associated with a budget request you have submitted for FY 2027-2028? If so, cite it here.
REQUESTED ACTION	Amend
	Choose from: Add, Delete, Amend, or Codify.
OTHER AGENCIES AFFECTED	None
	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 and dollar amount.

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, ~~2026~~2027. 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 E – AGENCY COST SAVINGS AND GENERAL FUND REDUCTION CONTINGENCY PLAN

TITLE	Agency Cost Savings and General Fund Reduction Contingency Plan
AMOUNT	$440,720 *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 *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. *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.

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.

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

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. In addition, DEW continues to evaluate its statutory authorities to identify opportunities for the legislature to provide the regulated community with additional savings and reduced compliance burdens.

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:**
X	Repeal or revision of regulations.
	Reduction of agency fees or fines to businesses or citizens.
X	Greater efficiency in agency services or reduction in compliance burden.
	Other

METHOD OF CALCULATION	N/A

Describe the method of calculation for determining the expected cost or time savings to businesses or citizens.

REDUCTION OF FEES OR FINES	DEW has very few fines or fees at its discretion as most are penalties 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 utilized its mandatory reports to the General Assembly to make legislative recommendations on how the unemployment insurance tax code can be amended to provide relief to the regulated community. Several of DEW's legislative recommendations to reduce tax burdens and reform penalties within the unemployment insurance tax code were implemented by the legislature in Act No. 243 of 2026 (S. 688).

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	In FY27, DEW plans to repeal R.47-500 and R.47-501 relating to the Unemployment Insurance Trust Fund as any necessary portions of these regulations were codified by Act No. 243 of 2026 (S. 688). DEW plans to amend R.47-5, relating to delinquent wage reports, to conform with the same act which changed the number of quarters in the computation period. These changes will avoid any confusion for the regulated community.

Which regulations does the agency intend to amend or delete? What is the enabling authority for the regulation?

	In FY27, DEW plans to continue its work to improve customer experience, realize savings, reduce compliance burdens, and make our services easier to access. DEW will also continue to identify opportunities for the agency and the legislature to work together to reduce costs and burdens on the regulated community as well as fight fraud and promote program integrity. 2026 marked the thirteenth year in a row without an increase in unemployment insurance tax. With a fully solvent and resilient unemployment insurance trust fund balance, South Carolina set the 2026 tax rates to raise approximately the same level of revenue as in recent years while still lowering rates by utilizing a solvency credit from a strong trust fund. The 2026 tax cut was the largest cut by percentage since 2011 with an average savings of 34.7% for classes two through nineteen (class one and class twenty are set in statute). In FY26, DEW made several legislative recommendations in its annual trust fund and

SUMMARY

agency management reports to the legislature; several of these recommendations were implemented by Act 243 of 2026 (S. 688). Some examples are described below.

• Change to Trust Fund Solvency Target: Section 41-31-45 was amended to adopt a less restrictive solvency standard for the Unemployment Insurance Trust Fund, replacing the Average High Cost Multiple with the formula:

South Carolina Labor Force x .08 x Maximum Weekly Benefit Amount x Maximum # of Weeks of Benefits = Minimum Required Balance

DEW estimates that changing the solvency standard reduces projected tax burden on employers by nearly $415 million by June 30, 2030 by reducing the minimum trust fund balance required from $1.976 billion to only $1.561 billion.

• Changes to Employer Tax Penalties for a Lien: Section 41-31-60 was amended to replace the Tax Class 20 (5.4%) penalty rate for an active lien with an increase of two percentage points to the otherwise calculated rate. This change, effective for liens issued on or after January 1, 2027, will provide significant relief to most impacted employers while also ensuring that employers already assigned to Tax Class 20 due to experience are also incentivized to resolve their debt in a timely manner.

• Extension of the Lookback Period in Section 41-31-5: Section 41-31-5 was amended to gradually extend the lookback period used to calculate benefit ratios for employers from twelve quarters to sixteen quarters for tax year 2027 then twenty quarters for tax year 2028 and beyond. In 2026, most rated employers—nearly 84%—were in Tax Class 1 which does not contribute to the trust fund. Those employers accounted for 29.5% of the taxable wage base, double the amount in Tax Class 1 when the lookback period was last changed. Extension of the lookback period is intended to slowly increase the wages contributing to the trust fund and better distribute the total tax burden among contributing employers. In addition, employers with smaller payrolls will have more wages to offset benefits used and provide some additional insulation from increases to tax rates when benefits are used by their employees.

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