

South Carolina Department
of
Labor, Licensing and Regulation

Annual Accountability Report
Fiscal Year 2000-2001

The Honorable Jim Hodges, Governor
Rita McKinney, Director

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I. EXECUTIVE SUMMARY

INTRODUCTION

When the South Carolina legislature created the South Carolina Department of Labor, Licensing and Regulation (LLR), a driving goal was to improve accountability and the quality of service delivered by the 40 separate state agencies that were merged to form the agency. Legislators envisioned an organization that would promote efficiency and build accountability, yet deliver the highest level of customer service.

With these challenges, strategic management and planning are essential to integrate these 40 former agencies into one organization with a common mission, vision, values and guiding principles. The mission of LLR is to make South Carolina a safer and better place to work and live. As a result of the recently completed strategic plan, LLR has a vision of becoming “*the best state government agency in the United States*” by the year 2010. Three intermediate goals have been set also:

- By 2001: To be recognized in the Southeastern United States as a leading state government agency.
- By 2002: To be recognized in the United States as a leading state government agency.
- By 2005: To have the specific performance measures in place to track progress toward being the best state government agency in the United States.

Throughout the 10-year effort to attain this vision, three strategic objectives will be used to measure our performance and improvement:

- Maximize Employee Satisfaction
- Maximize Customer Satisfaction
- Maximize Efficient Use of Resources

In FY2001, a brochure (attached) was developed outlining LLR’s mission to make South Carolina a safer and better place to work and live; our vision of becoming the best state government agency in the United States by the year 2010; and the strategies outlined for implementing that goal. A PowerPoint presentation was also developed that included a brief history of the agency; highlights of the strategic planning process; an outline of the mission, vision, values and strategies of our agency; and a list of desirable behaviors that will maximize customer satisfaction, employee satisfaction and the efficient use of resources. These tools were used to discuss and promote the strategic planning effort with all LLR employees, Professional and Occupational Licensing (POL) board members and external groups such as Chambers of Commerce statewide, fire service organizations and professional and occupational associations. In addition, each employee’s performance evaluation is tied to the strategic plan. Therefore, each employee is accountable for the desired outcome and understands the role he or she plays in accomplishing the mission of the agency. Progress reports are completed quarterly and are presented to the Leadership Team.

MAJOR ACHIEVEMENTS

The following achievements relate to each of our strategic objectives:

Maximize Customer Satisfaction

Keeping in mind that superior customer satisfaction is derived from such factors as the agency's ability to provide quick response time, reliable information, problem solving, and flexibility, the agency began to gather information from customers to assess service levels. Requests for information were sought from industry Board members, and related associations, walk-in customers, and visitors to our internet site. While the process of obtaining customer information will be on going, significant information has been obtained to date. As a result, the agency is implementing extensive process improvement measures which will impact customer satisfaction. Other steps taken to assess customer satisfaction include the establishment of focus groups and partnerships with industry-related organizations.

Some of the major achievements relating to this strategic goal include:

- 1) The agency is proud of the progress it has made in creating a unified information technology strategy and platform to support its business needs and improve customer service. Several initiatives are underway in this area which significantly address service delivery:
 - The agency developed and completed the Request for Proposals (RFP) process for a consolidated licensing system. As a result of implementing this system, 220,000 licensees will be able to renew their licenses by credit card on-line. This will mean quicker response time for our customers while allowing the opportunity to reduce agency resources.
 - The agency continues to improve its much accessed website which has won awards from the *South Carolina Press Association* for two consecutive years. These awards have included second and third place in the Best Website Competition. Since January 1, 2001 LLR has accumulated 5,496,848 hits, making it one of the most visited sites in South Carolina state government.
 - Numerous work forms have been converted to word processing templates. Doing so has saved printing costs and also allowed work documents to be submitted electronically. This conversion also has allowed LLR to place over 100 forms on our website for downloading by our customers, at their convenience. In the past four months, LLR's website received over 30,000 download requests for these documents, a ten-fold increase from last year, resulting in significant savings not only in printing but postage as well. An associated initiative placed licensee verifications on the agency's website. Now tens of thousands of previously mailed verification requests are handled electronically without intervention by LLR staff. This single initiative, called Licensee Lookup, has saved the agency thousands of dollars in manpower and associated printing/postage costs and brought an essential public service directly to the desktops of thousands of customers and constituents. The Board of Medical Examiners alone had over 40,000 web requests for

physician license verifications in May 2001. Agency-wide, online verifications have tripled over the past year.

- 2) The Fire and Life Safety Division partnered with the Department of Education and school districts to deliver the “Freddie in Schools” fire safety education and prevention program for grades K-5. The program was delivered to 40,000 more students in FY2001 than in FY2000 while still remaining within the budgeted program amount. Test results showed an 8% increase in fire safety knowledge in kindergarten and first grade; 44% increase in second grade; 16% in third grade; 97% in fourth grade and 51% in fifth grade after receiving the course. Research has shown that prevention is a key ingredient in addressing the rising number of fire deaths. Educating our youth will impact fire safety within our State for years to come.
- 3) The “SafetyWorks” campaign launched on Labor Day 1999 as part of an effort to educate businesses about free services available through the Office of OSHA Voluntary Programs (OVP), continues to succeed. OVP consultants saved South Carolina businesses approximately \$5 million in OSHA fines. In FY99, OVP consultants identified and corrected 5,755 hazards in SC workplaces. That number rose to 8,619 in FY 2000 and 9,461 in FY2001, over a fifty percent increase. South Carolina continues to lead the nation in OSHA state plan states with 37 Palmetto Star sites, despite having the strictest requirements in the nation. Palmetto Star sites injury and illness rates and total lost workday incident rates are 84% below the South Carolina Bureau of Labor Statistics rates.

Maximize Employee Satisfaction

The agency’s Leadership Team has committed itself to an open-door policy with individual employee meetings as well as group meetings. Each member of the Leadership team meets with every employee in his or her respective area. In addition, Director McKinney has met with 284 of the agency’s employees during this past year to better understand employee concerns and needs. As a result of this extensive communication the following initiatives were undertaken and completed:

- 1) The exit interview process was examined and a new questionnaire was developed and utilized. The results are shared quarterly with the Leadership Team, which uses the data to implement changes.
- 2) A new orientation program was developed and delivered to every agency employee and will be used for all new employees. The orientation program focuses on the agency’s strategic plan with a primary focus on customer service. With agency expectations stated clearly upon arrival, employees are clear as to agency expectations.
- 3) Agency supervisors completed 100% of their performance evaluations in a timely manner. The agency is very proud of this achievement. Agency supervisors continue to get annual

EPMS training and assistance from Human Resources in the setting of appropriate and meaningful success criteria.

- 4) A salary equity review was completed by Human Resources and job classifications have been identified for career path development.
- 5) The Leadership Team hosted an employee appreciation day luncheon for all agency employees. Funding for the event was provided by the Leadership Team members.

Also noteworthy is the agency's turnover rate which has decreased from 8.15% to 5.67% this fiscal year.

Efficient Use of Resources

The agency has continued to take extensive steps to maximize the efficient use of resources. Major program outcomes are as follows:

- 1) The consolidated licensing system, which was piloted through the Board of Nursing this year, will reduce the need for temporary employees during the renewal licensing seasons. In addition, the on-line renewals by credit cards will allow the agency over time to continue reducing staff levels while maximizing customer satisfaction. While the combining of 40 agencies into one entity was for purposes of accountability, it is important to not to lose site of the inherent difficulties. For example, it remains difficult to standardize financial practices without such a system. And, without such a system and only two programmers on staff, the agency must constantly "patch" systems written in eleven versions of five computer languages. This system will play a tremendous role in standardizing processes and allowing greater efficiencies.
- 2) LLR has established hardware and software standards and awarded a single-source software-purchasing contract. This will simplify procurement practices and allow for quantity discounts.
- 3) The agency's expenditure review team continued to provide a forum for cost savings measures throughout the agency. Even before the mandate for budget cuts was communicated, the agency had reduced staff to the lowest level since its inception in 1994. Thousands of dollars in savings have been identified in such ways as reviewing the most efficient ways to communicate to our customers and converting work forms to word processing templates. Since FY2000, expenditures in these items have decreased by \$340,000.
- 4) During this legislative session, the SC Firefighters Employment and Registration Act was passed. This Act establishes a database of firefighters in South Carolina that is maintained at the Office of the State Fire Marshal and requires that all firemen, volunteer or paid, working

for local fire departments pass a background check conducted by SLED. The Act also continues the collection of the .35 bond money which will fund capital improvement and support needs at the State Fire Academy; regional service delivery of public firefighters education and training; fire prevention services; public fire safety education, including grants to such entities as Edventure's Dalmatian Station; and implementation of the SC Firefighters Employment and Registration Act.

MISSION AND VALUES

MISSION STATEMENT

Making South Carolina A Safer and Better Place to Work and Live

The SC Department of Labor, Licensing and Regulation will accomplish its mission by:

- Promoting a regulatory climate that provides a safe and healthy environment where businesses can be successful in a manner that benefits our citizens;
- Conducting appropriate inspection and complaint investigation programs and, when necessary, pursuing enforcement options as provided by law;
- Administering licensing, permitting and certification programs, as provided by law; and
- Providing appropriate education, information, and outreach programs.

LLR's CORE VALUES

Provide Excellent Service

Act With Integrity

Treat People With Respect

KEY STRATEGIC GOALS

Major program goals of the SC Department of Labor, Licensing and Regulation are:

- Ensure that unity of purpose exists within the agency with each employee understanding the agency's mission and vision and how individual job duties contribute to accomplishment of the mission.
- Establish partnerships with employer organizations in order to foster a better understanding of OSHA's rules and regulations to aid employers in compliance and improvement of the quality of safety and health programs for South Carolina's workforce.
- Enhance and improve all aspects of course delivery at the Fire Academy to include resident training and props, industrial and public fire service marketing, curriculum, regional training services and administrative support. Expand industry client base to better prepare South Carolina industry for potential hazards.
- Create and maintain a fire safe environment for South Carolina citizens through code enforcement, the expansion of the "Freddie in Schools" fire safety education program, public service announcements and the distribution of smoke alarms.
- Protect the safety, health and well-being of the general public by licensing qualified individuals and businesses and establishing education programs for licensees to enhance their performance.
- Ensure compliance with the South Carolina Elevator and Amusement Ride Safety Codes.

KEY BUSINESS DRIVERS

LLR's key business drivers include:

	<u>FY01</u>
• Percentage of businesses in voluntary compliance with OSHA	99.61%
• % of general public polled with negative impression of LLR	9.1%
• South Carolina injury and illness rate	5.7
• Fire deaths	100
• Firefighter deaths	0
• Students receiving Freddie-in-Schools fire prevention curriculum	285,000
• Elevator and amusement ride fatalities	0
• Number of POL licenses verified by Internet	3,964,088
• Number of POL license applications processed	217,852
• Employee turnover rate	5.67%
• EPMSs completed on time	100%
• Website visitors	494,462

OPPORTUNITIES AND BARRIERS

While the Leadership Team realizes that it has set quite a lofty long-range goal for the year 2010, it is proud of its strategic planning process. One of the biggest achievements this year was to tie every employee's EPMS to the strategic plan. Each Division has also developed detailed action plans to address the agency's three strategic objectives. The plans are continuously reviewed with quarterly meetings at the division level as well as the Leadership Team level. Without such a plan, the agency would have been floundering this past year and unable to meet the budgetary challenges which faced state government. With very limited financial and human resources, the agency was still able to make tremendous progress.

The budget reductions suffered during FY01 and FY02 severely compromise our agency's ability to carry out our mission. LLR took permanent reductions of \$69,765 in FY2000 and \$647,433 in FY2001 in general fund appropriation. This represents an 11% cut in our appropriation. LLR also lost carry forward balances of approximately \$433,000 in general fund appropriation and \$554,864 in special revenue funds. LLR is now told to anticipate a cut in FY2002 between 7 and 10%. The state fund budget cuts are particularly disheartening to an agency which receives minimal funds to administer the agency. The attached chart compares funds LLR receives for administration compared to similar state agencies.

LLR implemented dozens of cost saving measures in FY2001 and did not fill vacancies in state funded programs in an effort to save dollars that would be carried forward and would help offset, at least for a year, the impact of the permanent reductions. These efforts proved futile when the agency's carry forward funds were also taken to make up for shortfalls. The agency is still analyzing the impact of this action on agency operations in FY2002. At a minimum, services will be reduced and out-of-state travel will likely be eliminated. LLR also faces the possibility that federal funds will be returned or deobligated because of the agency's inability to provide the state match required, and that the agency will implement a reduction-in-force (RIF).

Currently, permanent reductions to our base have had the following impact to our programs:

- Two trainer positions in the OSHA Voluntary Program have been eliminated. These trainers teach South Carolina's working men and women how to work safely in all kinds of job situations, from driving a fork lift to handling hazardous chemicals to wearing personal protective gear.
- Two positions in our Labor Services Mediation Program have been eliminated. Investigation services for industrial disputes, strikes and lockouts now will only be provided in critical situations involving threat of violence and/or a critical work stoppage.
- Administration will not fill vacancies in the following areas: Legislative Liaison, Public Information, Human Resources, Finance and Information Services. Additional restrictions have also been placed on travel, equipment, telephones, leased cars, beepers and computer software upgrades.
- The Fire and Life Safety Division will continue to leave vacant positions which previously had not been filled to help eliminate the previous budget deficit. Travel expenses for adjunct instructors teaching public fire programs cannot be paid. Annual replacement of equipment and capital needs will be eliminated and will only be done in critical situations.

Whether one calls it a challenge or barrier, it is important to understand the issues which relate to the financial administration of the agency. When the legislature created LLR in 1994, combining approximately 40 different agencies into one, administrative funding remained the same as it had been for the Department of Labor prior to restructuring. The agency has not sought nor received any additional funding though the agency quadrupled in size after restructuring. The legislature has continued to advise the agency that each board in the Professional and Occupational Licensing Division should be self-sufficient. This is difficult to achieve, even with fee increases that have already been implemented or are being considered. Although these boards were self-sufficient prior to restructuring, the systems were not in place to assure the accountability, which the legislature hoped to achieve through restructuring. Now that these systems are in place and are costly to administer, the agency is still required to remit 10% of all expenditures and all excess funds in the Contractor's Licensing Board to the general fund. This practice was instituted prior to restructuring, when central state government agencies such as the Budget and Control Board, Attorney General's Office, Comptroller General's Office and State Treasurer's Office devoted significant time to assisting the boards in administrative matters. Since the administrative burden now belongs to the agency, we believe this revenue should remain with the agency.

Another funding challenge is the Firefighter Mobilization Act which was passed by the General Assembly and signed by the Governor last year. The Division of Fire and Life Safety, the Emergency Preparedness Division and the Firemen's Association have partnered to create the ability for firefighter mobilization in case of disaster. A database has been completed which includes personnel, equipment and fire station locations. Funding has been provided by the PSARAS foundation which may continue a minimal amount of funding to support technology needs. The next step in ensuring firefighter mobilization is to equip the regional coordinators with computer equipment and train the state's firefighters. This will entail one-time expenditures for computer software/hardware and communications equipment, as well as recurring cost for continued program maintenance and operations.

CONCLUSION

LLR has made significant progress this year in both the administrative and programmatic areas. The agency invites all readers of this report to review the attached LLR strategic plan brochure. LLR believes readers will agree that if all of the listed action plans are addressed by the specified dates, LLR will become a model agency. A major objective of the agency continues to be the identification of significant performance measures which will assist us in measuring our outcomes.

II. BUSINESS OVERVIEW

Effective February 1, 1994, Act 181 created the South Carolina Department of Labor, Licensing and Regulation (LLR) which merged the Department of Labor, the State Fire Marshal's Office, the South Carolina Fire Academy and 38 professional and occupational licensing boards into the new agency. The diverse composition of LLR creates a complex organizational structure with many unique management challenges.

The legislation empowered the Governor to appoint a director of the agency with the advice and consent of the Senate.

LLR is organized into four divisions: Fire and Life Safety; Labor; Professional and Occupational Licensing (POL); and Administration. The Fire and Life Safety Division is located in Columbia on Monticello Trail at the State Fire Academy. The Division of Labor is housed at 3600 Forest Drive in Columbia. The Divisions of Administration and Professional and Occupational Licensing are located at 110 Centerview Drive in the Kingstree Building, also in Columbia.

LLR has 456.93 FTEs, but a significant number of these, 60, remain vacant because of the recent budget cuts. Although the number of employees at LLR is not large, the agency is perhaps the most complex in state government when assessing its complexity in terms of management and impact on the state as a whole.

Our customers are the 2,000,000 employees of the State, the 85,000 employers, 228,000 licensed professionals, 18,000 firefighters, 300 board members of the Professional and Occupational Licensing Division and everyone who owns or uses an elevator and amusement ride. LLR's customers also include the citizens of South Carolina and visitors to our State who use the services of those we license and/or regulate. Other customers include the Governor, the State Legislature and other State agencies.

Major products and services of our agency include:

- Administering laws that pertain to employer/employee relationships such as occupational safety and health, payment of wages, child labor, migrant labor and mediation of disputes between unions and businesses.
- Regulation of elevator and amusement rides in South Carolina.
- Providing courtesy inspections, technical assistance and training to aid the business community in voluntary compliance with all areas of the Occupational Safety and Health Act.
- Licensing of numerous occupations and professionals such as accountants, doctors, nurses, massage therapists, barbers, residential builders and so forth.
- Training the state's fire service personnel – paid, volunteer and industrial.
- Ensuring compliance with national and state-adopted fire safety codes and standards.

Our budget is currently \$30 million of which \$6.3 million are state funds. See attached chart for further information.

Department of Labor, Licensing and Regulation
Accountability Report Appropriations/Expenditures

Base Budget Expenditures and Appropriations

Major Budget Categories	99-00 Actual Expenditures		00-01 Actual Expenditures		01-02 Appropriations Act	
	Total Funds	General Funds	Total Funds	General Funds	Total Funds	General Funds
Personal Service	\$14,924,817	\$4,242,716	\$15,442,378	\$4,349,366	\$15,745,226	\$4,176,554
Other Operating	\$ 8,502,584	\$1,150,633	\$ 8,705,631	\$1,338,208	\$10,539,413	\$1,267,791
Special Items	\$ 250,000	\$ 150,000	\$ 100,881	\$	(\$392,443)	(\$497,443)
Permanent Improvements	\$	\$	\$ 110,000	\$	\$	\$
Case Services	\$	\$	\$	\$	\$	\$
Distributions to Subdivisions	\$	\$	\$	\$	\$	\$
Fringe Benefits	\$ 3,753,456	\$1,074,512	\$ 4,129,735	\$1,159,315	\$4,181,473	\$1,382,114
Non-recurring	\$	\$	\$	\$	\$	\$
Total	\$27,430,857	\$6,617,861	\$28,488,625	\$6,846,889	\$30,073,669	\$6,329,016

Other Expenditures

Sources of Funds	99-00 Actual Expenditures	00-01 Actual Expenditures
Supplemental Bills	\$0	\$0
Capital Reserve Funds	\$0	\$0
Bonds	\$0	\$0

III. ELEMENTS OF MALCOLM BALDRIGE AWARD CRITERIA

LEADERSHIP

Director McKinney is actively involved with her leadership team in the development and implementation of LLR's Strategic Plan. This plan sets the direction for our agency. The leadership team at Labor, Licensing and Regulation consists of the Director and representatives from each program area. They are:

Deme Loftis, Deputy Director of Administration
Michelle Childs, Deputy Director of Labor
Bert Polk, Deputy Director of Fire and life Safety
Robert Selman, Assistant Deputy Director of Professional and Occupational Licensing
Randy Bryant, Assistant Deputy Director of Professional and Occupational Licensing
Ruby McClain, Assistant Deputy Director of Professional and Occupational Licensing
Rick Fulmer, Legislative Liaison
Jim Knight, Director of Public Information
Wendy Cartledge, General Counsel

The team has identified LLR's:

Mission or Core Purpose-

*Making South Carolina A **SAFER & BETTER** Place To Work and Live*

Values-

*Providing Excellent Customer Service
Treating People with Respect
Acting with Integrity*

Vision-

*By 2010, become **the best state government agency in the United States.***

Plan for Action-

*Maximize Customer Satisfaction
Maximize Employee Satisfaction
Maximize the Efficient Use of Resources*

Action plans to support the three agency strategic objectives – maximize customer satisfaction; maximize employee satisfaction; and maximize the efficient use of resources – are developed within each division. Quarterly progress reports are presented both within the divisions and at the leadership team level. Most noteworthy is the fact that objectives in the strategic plan are tied to each employee's performance evaluation.

A revised orientation program sets out clearly agency expectations to new employees. This year the newly developed orientation program was presented to ALL agency employees for reinforcement and continued communication of strategic objectives. A needs assessment is being completed for each employee to assess training and development needs. Supervisors will review the plans with human resources and address needs. Organizational values are communicated to employees in orientation and then on a continuous basis. These values become the agency's

guiding forces for defining appropriate behavior and decision- making. In an effort to maximize customer satisfaction, the Leadership Team defined agency-wide performance expectations for customer service. The team identified key customer service behaviors common to all agency units; set minimum standards and “normal expectations”; and identified “model behaviors”. These behaviors were communicated to all agency employees. Agency-wide performance expectations were also developed and communicated for supervisors. Also during the year, the human resources staff presented training on the performance evaluation system. Discussions included establishing performance measures that link the strategic plan to individual employee performance.

The leadership team members understand the importance of monitoring our agency’s processes and products. Senior leaders receive feedback from employees during scheduled monthly meetings with their staff. They also have an open-door policy for employees and meet with every employee on at least an annual basis. The Director also meets with employees throughout the year. The feedback received is discussed at bi-weekly leadership team meetings. Director McKinney and the leadership team meet regularly with agency boards and their members and associations and advisory committees of the fire service and professional and occupational licensees. The feedback received allows the leadership team to evaluate our progress and react accordingly

Our agency cites “employee behaviors that exemplify agency values in the employee newsletter which is disseminated monthly. A few examples are listed below:

- LLR’s Karen Newton, an Administrative Coordinator with the Board of Medical Examiners, received the Inspector General’s Integrity Award. This award is the highest honor given by the U. S. Department of Health and Human Service Inspector General’s Office to someone outside its ranks. She was cited as a customer service oriented professional for job tracking investigations and filing paperwork once a case has been completed.
- Russ Friar, Operations Manager at the Fire Academy, received the Frank Ballentine Award, which is given to the person or organization that represents the best fire service training and provides support of training beyond the standard.
- LLR was the recipient of the Governmental Champion of the Year Award for its support of career and technology education in South Carolina.
- LLR was selected as one of four finalists in the nation for an Emmy Award for local public service announcements in August 2000. The National Association of Television, Arts and Sciences recognized LLR for its public fire safety education campaign, “Survivor or Statistic? Get Fire Smart!”.
- LLR and the Office of Public Information were honored with a Mercury Award from the South Carolina Chapter of the Public Relations Society of America. The award was presented in recognition of the outstanding career pages for middle and high school students which have appeared in South Carolina newspapers weekly during the fiscal year.
- The South Carolina Press Association honored the agency’s employee newsletter, LLR TIMES, as the best newsletter in the state during the year 2000. FIRE AND LIFE SAFETY NEWS, which is distributed to the state’s 18,000 paid and volunteer firefighters, received a third place award in the specialty newspaper category.

- LLR was selected “Program of the Year” by the National Real Estate Educators Association (REEA) for its development of Trust Account Management course. This CEU course was presented free of charge to brokers and/or their accounting managers during the past year.

Our senior managers encourage participation in associations related to their profession. Active participation in national associations such as the Council on Licensure, Enforcement and Regulation (CLEAR), National Association of Governmental Labor Officials (NAGLO), Occupational Safety and Health State Plan Association (OSHSPA) and National Association of Nursing Board Administrators as well as governmental associations like the SC Government Finance Officers Association (GFOA) and International Personnel Management Association (IPMA) is encouraged. Several of our employees have served as officers in these organizations.

Senior managers also encourage our agency’s active involvement with the local community. Our employees have adopted the first graders at E. E. Taylor Elementary School. This year we sponsored a visit to the Columbia Marionette Theatre and Puppetry Center, a trip to Riverbanks Zoo and a tour of the Statehouse where the Governor read to the children. The committee in charge of these activities raises monies to support their efforts through employee bake sales, golf tournaments and hot dog sales. Monetary support was also provided to two LLR employees and their families during crisis situations. Our employees are counselors at summer camps for children burned in fires. Other community groups supported include the United Way, American Red Cross, First Ladies’ Walk for Cancer and American Cancer Society’s Relay for Life. LLR employees, POL board members and POL licensees participated in the Groundhog Job Shadow Day sponsored by the Department of Education, LLR and the Employment Security Commission in February 2001.

The agency makes a concentrated effort to make the public aware of its products and services. As mentioned earlier, LLR’s website is one of the most frequently visited in state government. In addition, agency leaders frequently address customers at association and organizational meetings. As the budget allows, brochures and information packets are prepared by the Public Information Office for dissemination.

STRATEGIC PLANNING

This year our Director and members of our leadership team began implementation of our agency's strategic plan that outlines our mission, values and plan for action.

LLR's Mission or Core Purpose–

Making South Carolina A SAFER & BETTER Place To Work and Live

Our Values-

Providing Excellent Customer Service

Treating People with Respect

Acting with Integrity

Our Objectives to support our long range goals-

Maximize Customer Satisfaction

Maximize Employee Satisfaction

Maximize the Efficient Use of Resources

Our agency has set a long-range goal or vision of becoming ***“the best state government agency in the United States”*** by the year 2010. Three intermediate goals have been set also:

By 2001: To be recognized in the Southeastern US as a leading state government agency.

By 2002: To be recognized in the US as a leading state government agency.

By 2005: To have the specific performance measures in place to track progress toward being the best state government agency in the US.

Throughout the 10-year effort to become the best state government agency in the US, we will measure our performance and improvement in these three areas:

- Employee Satisfaction
- Customer Satisfaction
- Efficient Use of Resources

In FY2001, a brochure (see attached) was developed outlining LLR's mission to make South Carolina a safer and better place to work and live; our vision of becoming the best state government agency in the United States by the year 2010; and the strategies developed that will get us there. A PowerPoint presentation was also developed that included a brief history of the agency; highlights of the strategic planning process; an outline of the mission, vision, values and strategies of our agency; and a list of desirable behaviors that will maximize customer satisfaction, employee satisfaction and the efficient use of resources. Both of these tools were used to discuss and promote the strategic planning effort with all LLR employees, POL board members and external groups such as Chambers of Commerce statewide, fire service organizations and professional and occupational associations.

The strategic planning process has created a forum for continuous improvement processes throughout the agency. While last fiscal year was spent developing the strategic plan, this year's emphasis was on communication and implementation of the plan. The agency is proud of the employee involvement in the strategic planning process and the effort to tie each employee's

EPMS to the plan. The Leadership Team meets quarterly to review the work done in the past quarter toward the action plans developed by each division to accomplish our three strategies. Significant strides have been made in the areas of Customer Satisfaction, Employee Satisfaction and Efficient Use of Resources which are outlined in the Customer Focus, Human Resources and Process Management portions of this report. Budgeting decisions are guided by the priorities of the strategic plan and are allocated appropriately.

CUSTOMER FOCUS

The Department of Labor, Licensing and Regulation continues to emphasize the importance of customer satisfaction to all of our employees. Maximizing customer service is one of the agency's top three strategic objectives.

During the strategic planning process our customers were identified as the following:

- 2,000,000 Employees in South Carolina
- 85,000 Employers in South Carolina
- 228,000 Licensed Professionals
- 18,000 Firefighters
- 300 Board Members of the Professional and Occupational Licensing Division
- Everyone who owns or uses an elevator or amusement ride in South Carolina

LLR's customers also include the citizens of South Carolina and visitors to our State who use the services of those we license and/or regulate. Other customers include the Governor, the State Legislature and other State agencies.

Director McKinney and the Leadership Team spend a considerable amount of time meeting with our customers to determine their level of satisfaction, ideas for improvement and expectations of our services. She and her senior staff meet regularly with agency boards and their members and associations and advisory committees of the fire service and professional and occupational licensees. A PowerPoint presentation and brochure were developed and used to discuss and promote the strategic planning effort with external groups such as Chambers of Commerce statewide, fire service organizations and professional and occupational associations. In addition, Director McKinney made 31 speeches to civic clubs and professional associations promoting employer participation in the consultation and training services offered by the Office of OSHA Voluntary Programs.

The agency developed a plan to enhance the profile of the Department of LLR among the citizens of the state. During the fiscal year, the following parts of the plan were accomplished:

- LLR commissioned a survey of South Carolina citizens by USC's Department of Governmental Affairs to determine familiarity with LLR and opinion of the agency. The results will be used to establish a benchmark to measure the effectiveness of the strategic plan to increase public awareness of the agency and perception regarding quality of service.
- Preliminary work on developing a brand (logo) for the agency that communicates to the public who we are and what we do was accomplished. Development of the brand included consultation with three of the top public relations firms in the state.
- LLR's newsletters targeted to employers, licensees and firefighters were used to communicate information about the agency's strategic plan, including the mission and core values.
- Distribution of news releases to the media about agency programs and accomplishments were increased 300% during the fiscal year.
- Public Information Office staff identified and communicated to the media a list of LLR experts on specific topics the media can call on as they develop stories.

- Liaisons from each program office were assigned responsibility for improving content on program web pages at LLR's internet address. Internet sites were redesigned to make them more customer friendly.

LLR is continuing to develop an agency-wide plan to monitor customer needs and whether they are being met in a satisfactory manner. Several of our programs currently survey their customers in an effort to learn about customer satisfaction, concerns, issues, expectations and future needs or desires. The agency is asking for customer input on the many newsletters it distributes. In addition, walk-in customers as well as website visitors are being surveyed for input on the quality of service received.

INFORMATION AND ANALYSIS

The key business drivers shown in this report were selected to show our effectiveness on improving the safety and health of South Carolina citizens and visitors. These performance measures were chosen because they correlate with our agency's mission and goals and also with our customer's needs. The agency's three strategic objectives: maximizing customer satisfaction, employee satisfaction and the efficient use of resources when identifying key measures were also considered.

Our key business drivers include:

- Percentage of businesses in voluntary compliance with OSHA
- % of general public polled with negative impression of LLR
- South Carolina injury and illness rate
- Fire deaths
- Firefighter deaths
- Students receiving Freddie-in-Schools fire prevention curriculum
- Elevator and amusement ride fatalities
- Number of POL licenses verified by Internet
- Number of POL license applications processed
- Employee turnover rate
- EPMSs completed on time
- Website visitors

One of the objectives of our strategic plan is to make sure we are measuring the right things. Do the measures we use correlate to our agency's mission and the needs and desires of our customers? LLR seeks to refine our performance measures and search for comparable entities to benchmark ourselves against in the next year.

HUMAN RESOURCE FOCUS

All managers and supervisors are required to attend supervisory training offered by the Office of Human Resources. They also attend the Human Resources Practices course and EPMS training conducted by the agency. Training plans are being developed for each employee with assistance from the Human Resource Office. In addition, extensive cross-training efforts exist throughout the agency. Cross-training employees enhances individual employee skills, assists with succession planning and uses human resources more effectively.

LLR currently recognizes outstanding employees through several means. The LLR TIMES highlights a LLR "Superior Service Provider" employee in each monthly newsletter. The LLR Leadership Team sponsored an agency-wide picnic in May to recognize LLR employees and the outstanding job they do as part of "Public Service Recognition Week". Also, each division was highlighted by the agency head in emails sent agency-wide during this week.

As part of the agency's strategic plan, a team was formed in June to discuss developing a formal Employee Reward and Recognition Program and to look at ways to improve the current Employee Innovation Program. December 2001 is the target date for establishment of guidelines for this program.

LLR also sponsored several events that enhance employee satisfaction. The Annual Health Fair was held in October 2000 and it highlighted changes in employee benefits and provided preventative worksite screenings, including the Palmetto Richland Breast Cancer mammography van. Blood drives are sponsored quarterly and employees are encouraged to take part in the Spring Wellness Walk held in April of each year. The annual SCRA Pre-Retirement Planning Seminar was held in August. Employee Health Preventative Brown Bag Lunches are held quarterly with topics ranging from stress management and nutrition to peak performance. The agency also sponsored an employee appreciation luncheon that was paid for by the leadership team.

As part of the agency strategic plan, job classifications have been identified for career path development. Human Resources held a forum for investigators/inspectors from the POL Division to identify key competencies for job success. The forum was also useful in identifying training needs and opportunities for improvement. Recognizing the difference of pay scales and job classifications which came from the 41 former separate state agencies which were merged to form LLR, Human Resources is also conducting a salary study to identify inequities in compensation and create more consistent standards.

Human Resources continues to work with supervisors in establishing specific goals and identifying the behavior that is necessary to achieve those goals set in the agency's strategic plan. As EPMS appraisals are submitted to Human Resources they are audited and suggestions are made to the rating officers for any improvements. Each EPMS is tied to the agency's strategic plan so that each employee will understand their part in accomplishing key objectives.

LLR's Employee Performance Management System (EPMS) provides a formal mechanism for a supervisor that is structured, systematic, and monitored on a regular basis. The agency has maintained its goal of 100% participation in the EPMS appraisal process for the July 1, 2000 Universal Review Date period. Human Resources received 394 EPMS planning stages for the upcoming review period of July 1, 2000 – June 30, 2001. Out of this number, 354 EPMS planning stages were received within six weeks of the July 1, 2000 date and 40 EPMS appraisals were received outside of the timeframe.

The agency's New Employee Orientation program has been expanded to a full-day program and is presented twice a month. New employees are provided in-depth coverage on state benefits, the EPMS system, LLR's history, customer service, initial telephone set up and telephone use and an overview of the agency's information technology system. During this fiscal year, an abbreviated orientation program was presented to all employees emphasizing the agency's customer service initiative and divisional cross-training efforts.

The agency also sends employees who display management and leadership potential through the Associate Public Managers (APM) curriculum and Certified Public Manager (CPM) curriculum. One employee also participated in the Governor's EXCEL leadership program, while another participated in the state's Executive Institute.

Employee well-being, satisfaction, and motivation are determined informally through such mechanisms as employee suggestion boxes and open door policies. Formal meetings are held in each division with all employees. In addition, the Director meets with groups of employees throughout the year. Last year, she met with 251 of the 398 employees in the agency. At some point, the agency will conduct a more formal employee survey to obtain feedback and suggestions for improvement.

Especially because of its mission, a large percentage of the agency's employees participate in safety training. For example, OSHA inspectors go through an extensive two-year training before they are allowed to inspect work places individually. The agency also focuses on safety and health from an internal perspective. Evacuation teams have been formed to deal with incidents relating to fires. Policies and procedures are being developed to include other imminent emergencies such as bomb threats or other threats. In addition, a workplace violence policy has been developed and will be disseminated this coming year to all employees. Workplace violence training has been developed and will also be provided to every employee in the coming year. The State Law Enforcement Division recently conducted training for LLR on identifying suspicious packages. The agency also took steps this past year to increase security in all buildings. Silent alarms were placed in areas throughout the agency. Entrances and exits were reviewed for proper security and improvements were made. The agency also continues to mandate defensive driver education for employees who drive state vehicles.

Beginning in January 2001, data is maintained on exit interviews and a quarterly report is compiled and shared with the Leadership Team. The agency also began examining turnover rates in various programmatic areas. In FY2000, the turnover rate was 8.15%; for FY2001 it is 5.67%.

Human Resources also developed new strategies for employee recruitment and retention. A Dial-A-Job telephone line was established for easy access to vacancy information. This information is also available on the agency internet site. As part of its workforce planning and analysis strategy, agency staff participates in key career fairs at South Carolina colleges and universities. In addition, Human Resources has also identified key positions which will be vacated in the next five years as a result of retirement. HR staff is meeting with agency managers to develop succession plans to fill these positions.

PROCESS MANAGEMENT

To reach our goal of efficient use of resources and to improve the delivery of our services, a unified agency IT strategy and platform was created. This plan will support the business needs of our employees and managers in all divisions, as well as enhance the level of service received by our customers.

A comprehensive Request for Proposals (RFP) for a consolidated licensing system was developed by LLR personnel and subsequently published by the Materials Management Office. With an award in place for the consolidated licensing system, work immediately began on developing common business and cash accounting practices for all affected areas. Rapid progress has been made in this effort. One result of common accounting practices with our new system is the ability to accept online renewals. Recent history from the few states that have similar systems indicates that more than half of our licensees will renew online. This eliminates the waiting period involved in renewing licenses and ensures a more accurate database resulting in cost savings and better-served customers. These practices allow LLR to finally remove the remaining legacy systems inherited when the agency was formed. Systems written in 11 versions of five computer languages will be replaced by one cohesive environment and financial practices will be standardized. With the purchase of the new consolidated licensing system, temporary employees have been significantly reduced in the past six months. LLR now has only two part-time temporary Information Services employees working 45 hours a week compared with four employees who worked 110 hours a week last fiscal year.

LLR has established hardware and software standards. Because of these standards, the agency has recognized significant savings due to the economies of scale. LLR awarded a single-source software-purchasing contract, which simplified procurement practices and provides quantity discounts. 85% of the agency is in compliance with the new software standards. Exceptions were made for programs with federal requirements and/or court or media outlets requirements.

Numerous work forms have been converted to word processing templates. Doing so has saved printing costs and also allowed work documents to be submitted electronically. This conversion also has allowed LLR to place over 100 forms on our website for downloading by our customers, at their convenience. In the past four months, LLR's website received over 30,000 download requests for these documents, a ten-fold increase from last year, resulting in significant savings not only in printing but postage as well. An associated initiative puts licensee verifications on the agency's website. Now tens of thousands previously mailed verification requests are now handled electronically without intervention by LLR staff. This single initiative, called Licensee Lookup, has saved the agency thousands of dollars in manpower and associated printing/postage costs. It also brought an essential public service directly to the desktops of thousands of customers and constituents. The Board of Medical Examiners alone had over 40,000 web requests for physician license verifications in May 2001. Agency-wide, online verifications have tripled over the past year.

In an effort to gain an external perspective, the agency involved specialists from the private sector to provide free consultation services in three different cases in FY2001. First, the Public

Information Office consulted with three of the state's top public relations firms regarding the objective to enhance the identity and understanding of LLR. Second, as part of LLR's efforts to prepare for budget cuts in FY2002, the Leadership Team and their direct reports met with the Executive Vice President of a large telecommunications company based in the Upstate, about how that company handled large budget cuts and layoffs. And last, the agency's human resource staff arranged to meet with the 2001 recipient of the South Carolina Chamber of Commerce Human Resource Person of the Year Award to gather information on ways to improve.

A significant portion of the effort and time of the Professional and Occupational Licensing Division (POL) is the investigation of complaints against licensees and inspection of their businesses. In order to improve the investigation and inspection processes for the POL Division, a meeting was held with all investigators and inspectors and the following recommendations were made:

- Standardize the complaint form and the instructions for filling it out.
- Standardize the complaint logs kept for each board.
- Place LLR's Office of General Counsel Prosecutor's Summary Form and review summary form on the internet.
- Require each program to personalize and use an approved explanation document to be given to the complaining witness and to the licensee under investigation.
- Teach the techniques of using an opening and closing conference with the complaining witness and the licensee under investigation.
- Require each supervisor of investigators to personalize a training check sheet to show that all appropriate topics have been taught.
- Introduce a consistent message on "culture" considerations such as due process, civil enforcement and focused investigation.

Also, as a result of this meeting, the first LLR Investigator Continuing Education Session was held on May 14, 2001 covering topics including:

- Pre-investigation Screening – A Regulatory Tool for Focus
- Opening and Closing Conferences – A Tool for Keeping Expectations Reasonable
- Document Production – A Tool to Prevent the Case from Outgrowing
- The Investigative Review Committee – A Prosecution Tool for Focus
- The Prosecutor's Summary – A Blueprint for Case Construction

Another process improvement undertaken in FY2001 involved the adoption of the International Building Codes by the SC Building Codes Council. This created an unexpected series of issues concerning the lines of authority between local building officials and resident fire marshals. The Department administers a licensing program for building officials and certifies resident fire marshals. Because the adoption of the International Building Codes introduced a new set of terms into the state, and these terms were different from those of the pre-existing South Carolina statutes, both constituent groups were confused about their roles and their interaction with each other. A multidisciplinary committee from inside the agency was formed with the mission of surveying the law and the needs of the local fire service and local building communities. A series of meetings were held with concerned associations and organizations concerning scope of authority, availability of training and funding of training. As a result, a question and answer

document written in language that would be useful for the local enforcement agencies was published. This document set out the scope of local authority so as to preserve the flexibility of local government to meet the needs of its citizens in the most cost-effective manner. This resulted in a reduced burden on local government and reduced costs for building owners by reducing duplication of enforcement in this area by setting clear lines of authority.

LLR continued to scrutinize administrative costs during FY2001. Activity based budgets were developed for administrative functions including Mail Services, Finance, Procurement, Human Resource Management and Information Services. Managers were asked to plan and have approved training and travel requests for all employees at the beginning of the fiscal year. Input for changes to the cost distribution for administrative services was sought. As a result, the Division of Administration reduced operating costs by 27% during this fiscal year. An additional process improvement entailed the agency's Minority Business Utilization Plan. The agency exceeded its goal by 56% and strives to maintain this high percentage.

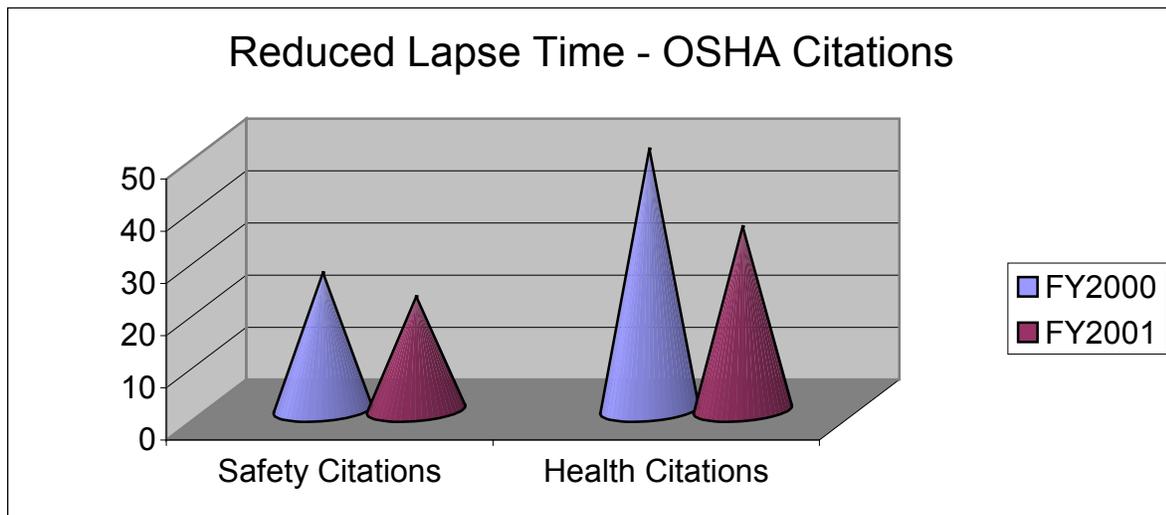
Also as part of its strategic planning efforts, the Division of Administration conducted process reviews of Administrative functions including payroll, accounts payable, procurement and data processing. These reviews streamlined the processes without loosening audit controls and allowed the division to save money and keep vacant positions without hampering operations. LLR established benchmarks for further improvement and is in the process of implementing process reviews in other areas as well.

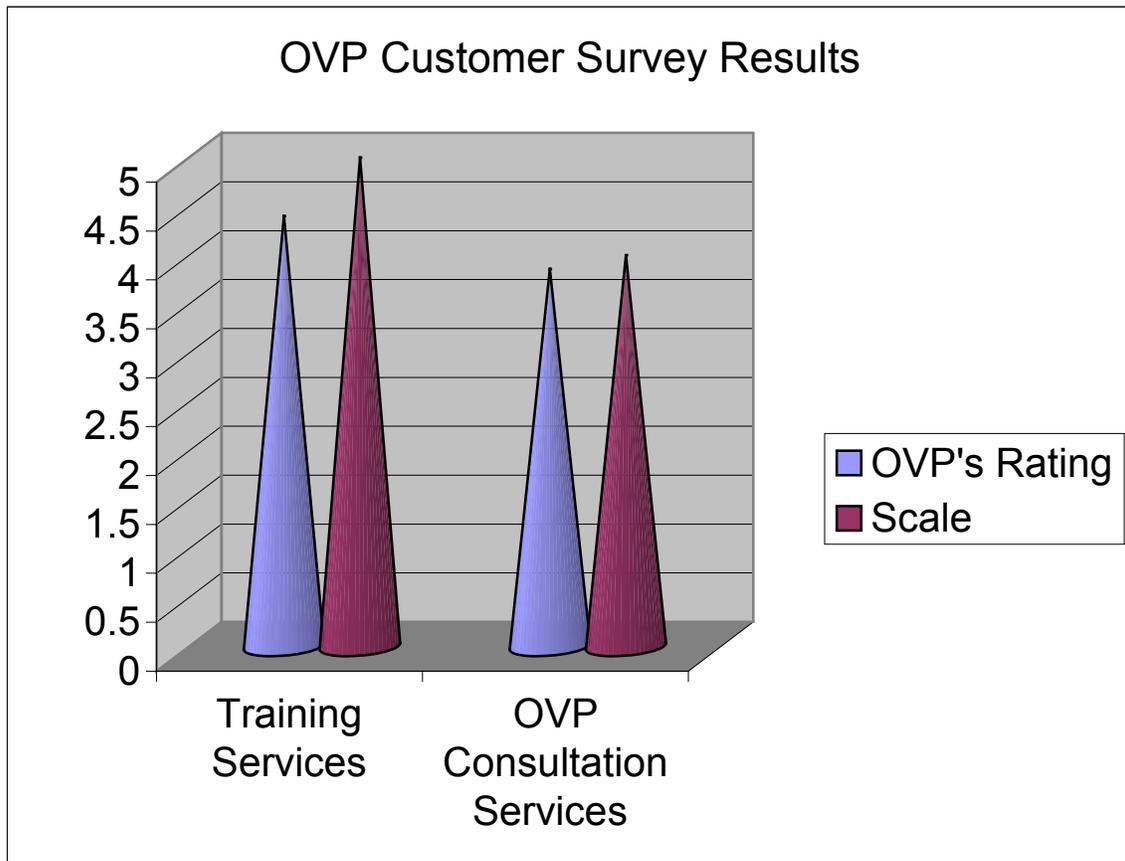
LLR remains committed to improving our processes. The strategic plan developed this year charges each division with systematically conducting periodic process reviews in units across the agency to identify "model processes" and processes that need improvement. This will provide divisions with factual information and comparison statistics for use in managing continuous improvement.

BUSINESS RESULTS

Customer Satisfaction

	FY98	FY99	FY00	FY01
% of general public polled with negative impression of LLR	*	*	*	9.10%
% of general public polled who recognized LLR	*	*	*	39.4%
\$\$ Saved in OSHA fines by businesses achieving compliance	*	*	6.7M	5.0M
Approved Palmetto Star sites	28	34	36	37
Initiate workplace fatality investigation within one day	100%	100%	95%	98%





“Freddie” Program Testing

	FY98	FY99	FY00	FY01
% Increase in test scores – After delivery of “Freddie” fire safety education program				
Kindergarten	*	15%	23%	8%
First Grade	*	16%	3%	8%
2 nd Grade	*	30%	39%	44%
3 rd Grade	*	50%	32%	16%
4 th Grade	*	*	56%	97%
5 th Grade	*	*	37%	51%

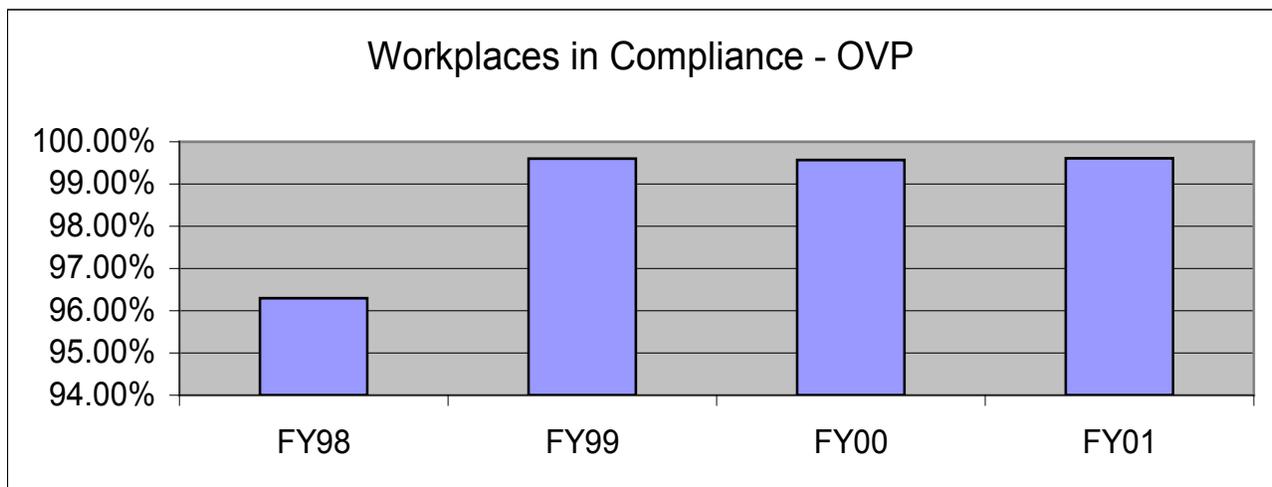
SC Department of Labor, Licensing and Regulation FY2000-2001 Annual Accountability Report

IFSAAC (International Fire Service Accreditation Congress) Testing:

<u>Course Name</u>	<u>#Students Tested</u>	<u>Students Passed</u>	<u>Pass Rate</u>
1152 OSHA Firefighting	1009	716	70.9%
1153 Firefighter I	540	484	89.6%
1154 Firefighter II	313	263	84%
2100 Fire Officer I	131	100	76.3%
3400 ARFF Firefighter	86	85	98.8%
4161 Fire Instructor I	140	98	70.5%
4175 Fire & Life Safety Education	38	36	94.7%
4503 Driver Operator	66	43	65.1%

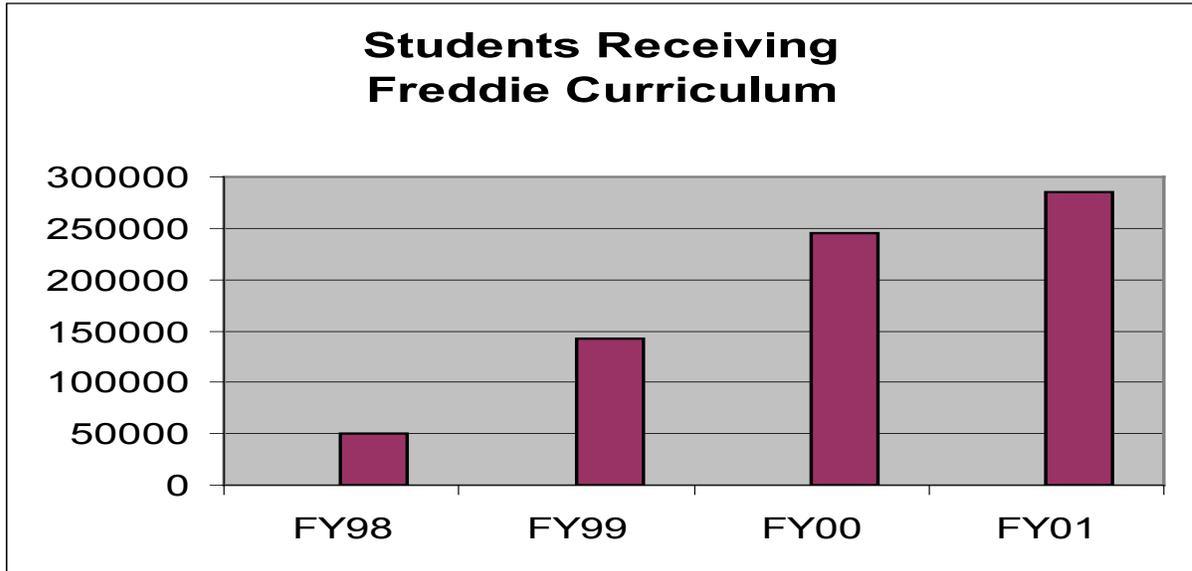
Mission Accomplishment

Calendar Year	1996	1997	1998	1999
SC injury and illness rate National average in was 6.3	5.9	5.9	5.7	5.7
	FY98	FY99	FY00	FY01
Total hazards corrected - OVP	4,045	5,715	8,619	9,461
% of employers implementing safety & health systems	*	50%	59.3%	40%

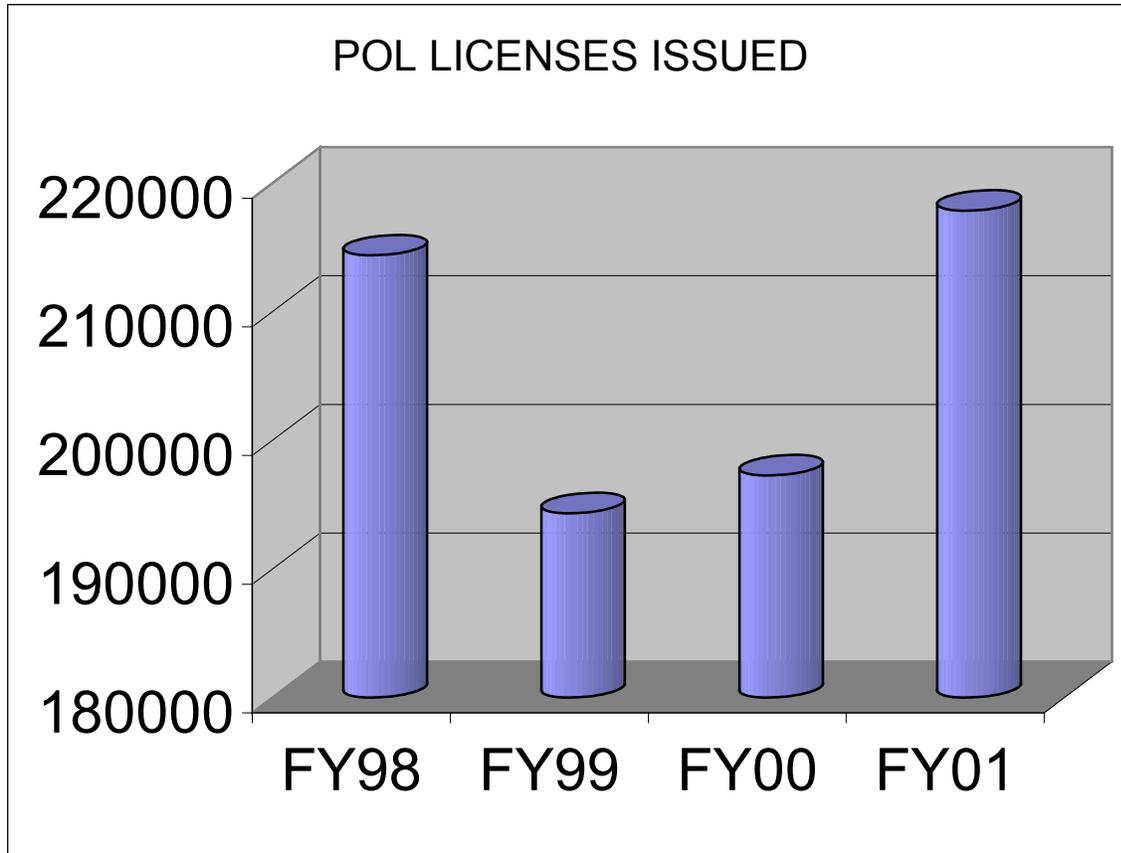


	FY98	FY99	FY00	FY01
Elevator fatalities	0	0	0	0
Amusement ride fatalities	0	0	0	0
Bungee jump fatalities	0	0	0	0
Workers involved in strikes	2,694	501	25	0
Reported strikes	2	2	1	0
Work hours lost due to strikes	338,728	70,464	1,200	0
	FY98	FY99	FY00	FY01

Violations cited – wage related	5,000	5,581	4,810	7,347
Violations cited – child labor	134	68	31	274

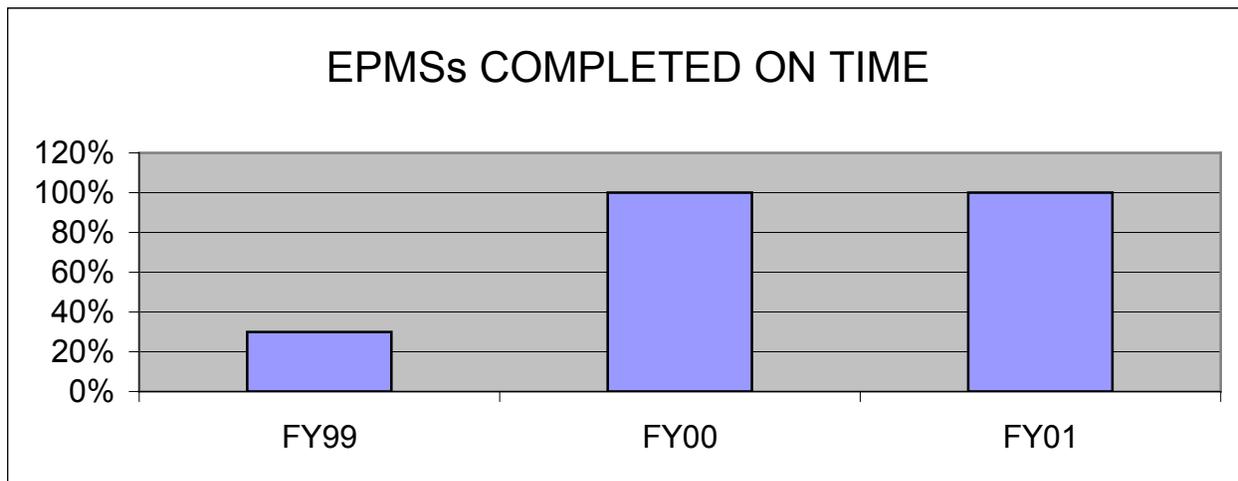


	FY98	FY99	FY00	FY01
Fire deaths (based on calendar year)	93	69	78	100
Firefighter deaths	0	1	2	0
Number of new POL license applications processed	29,869	26,213	29,763	29,222
Number of renewal POL applications processed	184,509	168,114	167,499	188,630



	FY98	FY99	FY00	FY01
Percentage of complaints about POL licensees closed:				
By dismissal	*	*	60%	55%
Non-disciplinary action	*	*	19%	22%
Disciplinary action	*	*	21%	23%

Employee Satisfaction



	FY98	FY99	FY00	FY01
Employee Turnover Rate	*	*	8.15%	5.67%

Other Accomplishments/Initiatives:

- Director McKinney met with 284 or 71% of the agency’s employees.
- New Employee Orientation Program with emphasis on customer service, LLR’s history and strategic plan, employee benefits and information technology was presented to all employees.
- Agency-wide performance expectations for customer service, employee satisfaction and efficient use of resources were developed and presented to all employees.
- Job classifications have been identified for career path development.
- Every employee’s EPMS is tied to the agency’s strategic plan.
- Dial-A-Job telephone line was established for easy access to vacancy information.
- Leadership team sponsored and paid for an employee appreciation luncheon.

Supplier/Contractor/Partner

- The Office of OSHA Voluntary Programs partnered with the Long Term Health Care Administrator's Board and the long term care industry, which is one of the 10 high hazard industries in South Carolina according to OSHA. In an effort to educate the industry on applicable standards and ultimately reduce the injury and illness rate, staff conducted satellite distance learning conferences with over 355 participants being trained.
- The Office of OSHA Voluntary Programs developed various checklists as tools for employers to understand complex regulations. Examples are the Fire Service Industry Checklist, the Wastewater Treatment Checklist and the Long Term Care Industry Checklist.
- The Migrant Labor Office helped obtain a HOME Grant for \$300,000 through the State Housing Authority for the construction of migrant housing.
- Received a \$3,000 grant from USDOL-Education and Training Administration to publish a Handbook of Services for migrant labor workers. Received a \$500 grant from the March of Dimes for materials for women and children in Spanish and a \$500 grant from the Department of Pesticide for reproducing 290 copies of the video "Steps to Compliance: An Educational Tool for Growers in SC".
- 100% of the staff in the Elevator and Amusement Rides program is certified by the National Association of Elevator Safety Authorities. Every inspector who is authorized to inspect amusement rides has been certified by the National Association of Amusement Ride Safety Officials.
- An Elevator Advisory Board and Amusement Advisory Board were formed to address issues of concern to owners and operators of elevators and amusement rides.
- Input from customer groups and fire service associations lead to the development and implementation of a new basic firefighter training program. 110 programs have been conducted and the evaluations have been very good.
- The Office of the State Fire Marshal made 28 presentations at professional associations this past fiscal year.
- The Director made 31 speeches to civic clubs and professional associations to promote understanding and support of LLR programs, strategies and goals. In addition, she traveled to Chambers of Commerce throughout the state promoting employer participation in the consultation and training services offered by the Office of OSHA Voluntary Programs.

Regulatory and Legal Compliance and Citizenship

	FY98	FY99	FY00	FY01
OSHA inspections	1,534	1,458	1,729	2,175
Fatality inspections	25	35	32	38
Employees covered by OSHA	132,714	98,690	122,842	134,321
Wage claim complaints investigated	1,744	1,997	1,873	2,483
Child labor complaints investigated	160	119	119	137
Wage and child labor penalties assessed	*	*	\$142,830	\$350,100
Collective bargaining agreements negotiated	239	244	176	123
Elevators inspected	5,039	6,342	7,796	7,843
Elevators registered	7,290	6,119	7,677	7,995
Amusement rides inspected	1,000	801	1,027	899
Amusement ride permits issued	692	636	733	703
Bungee jumps inspected	2	2	1	1
Bungee jumps permitted	2	2	1	1
Inspections per Deputy State Fire Marshal	709	699	814	1237
Inspections completed by Deputy State Fire Marshals	13,481	13,282	12,218	17,320
Students receiving Fire Marshal Certification	139	186	124	119
Building plans reviewed by Office of State Fire Marshal	564	614	503	517
Fire Academy training programs	1,862	1,372	1,317	1,437
Firefighters trained	15,563	19,778	17,292	18,078

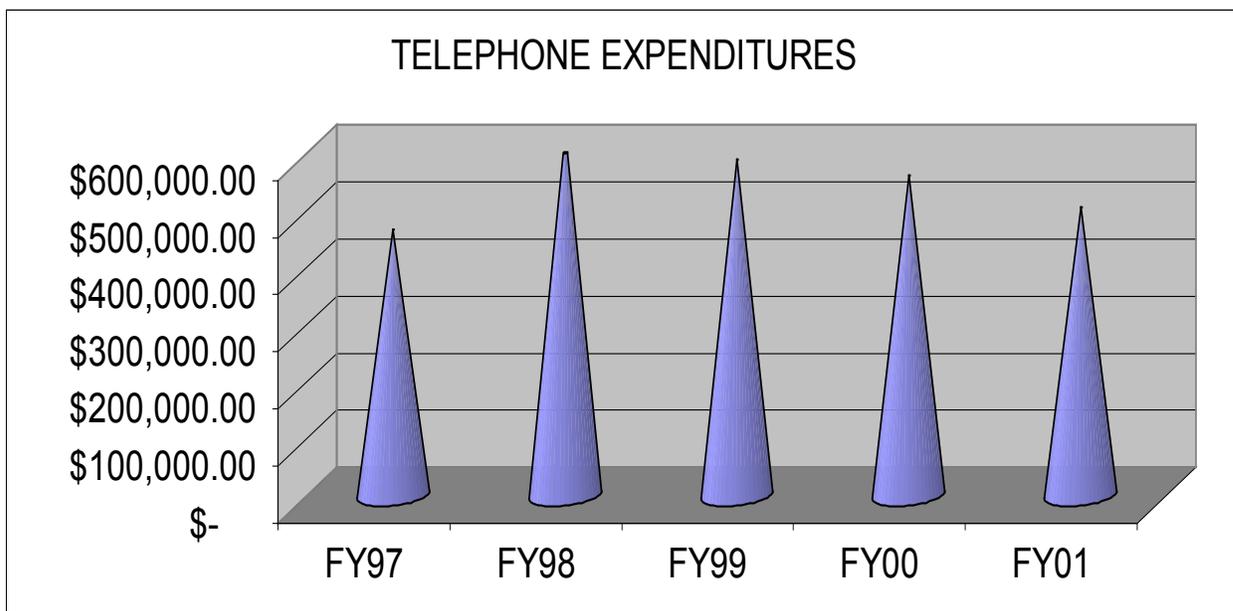
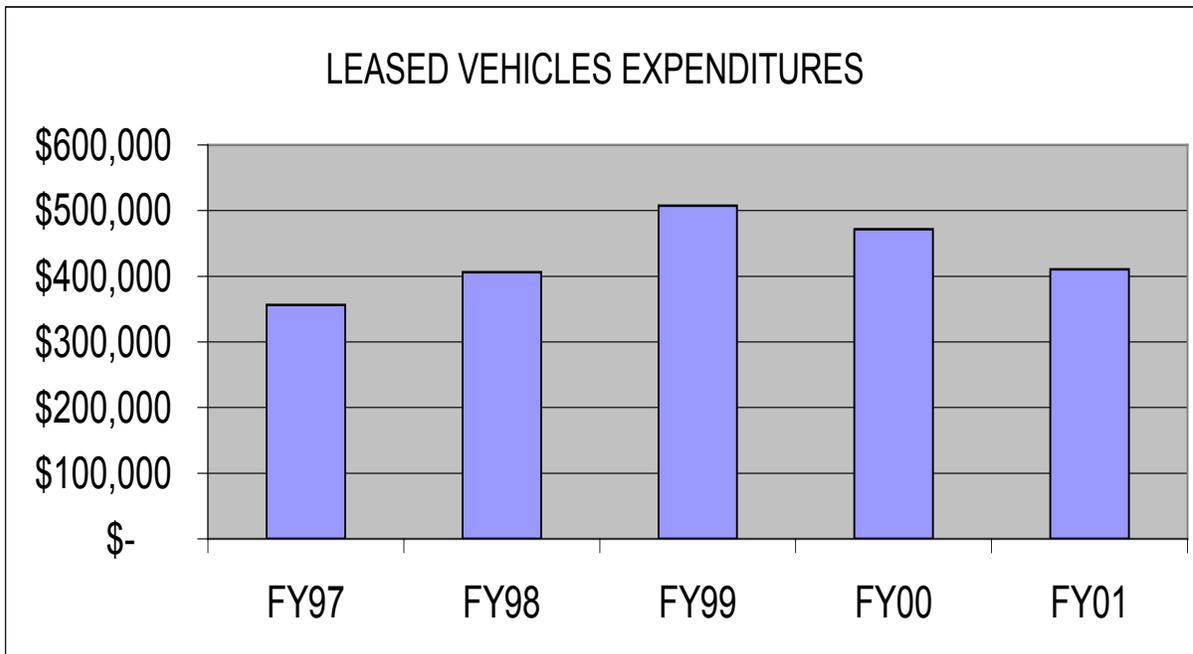
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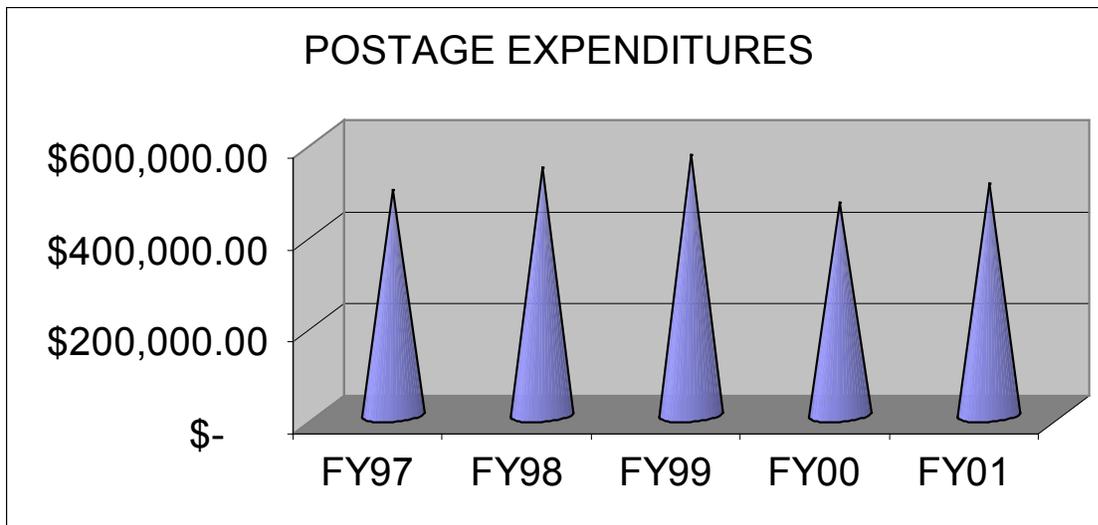
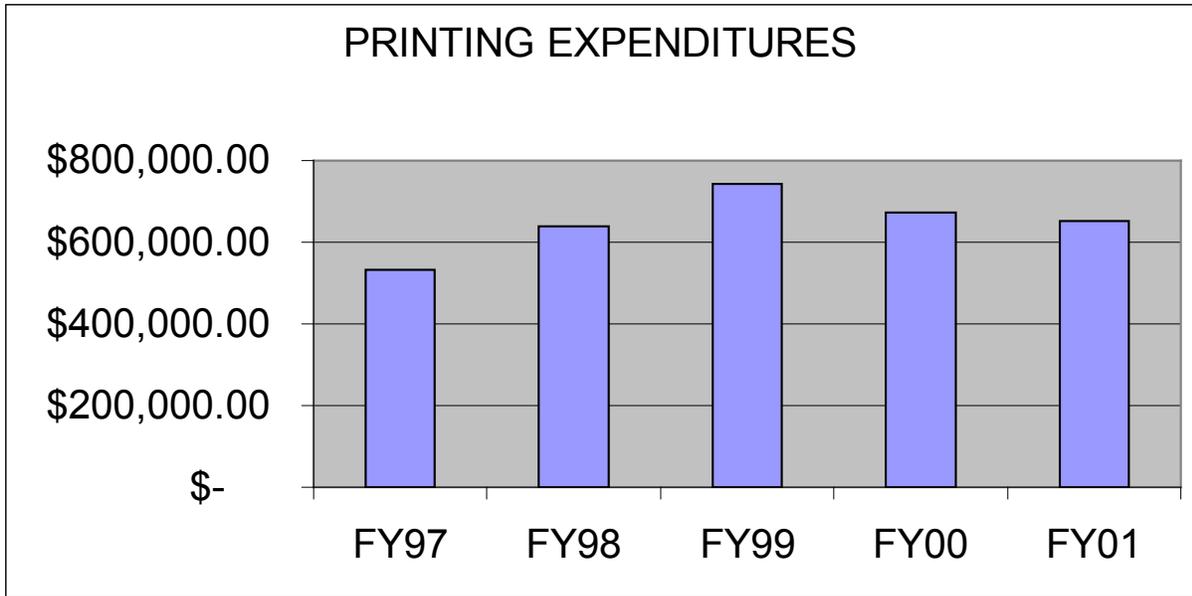
	FY98	FY99	FY00	FY01
POL investigations/inspections	17,956	18,815	18,257	16,899
POL complaints opened	5,309	5,191	5,083	4,348

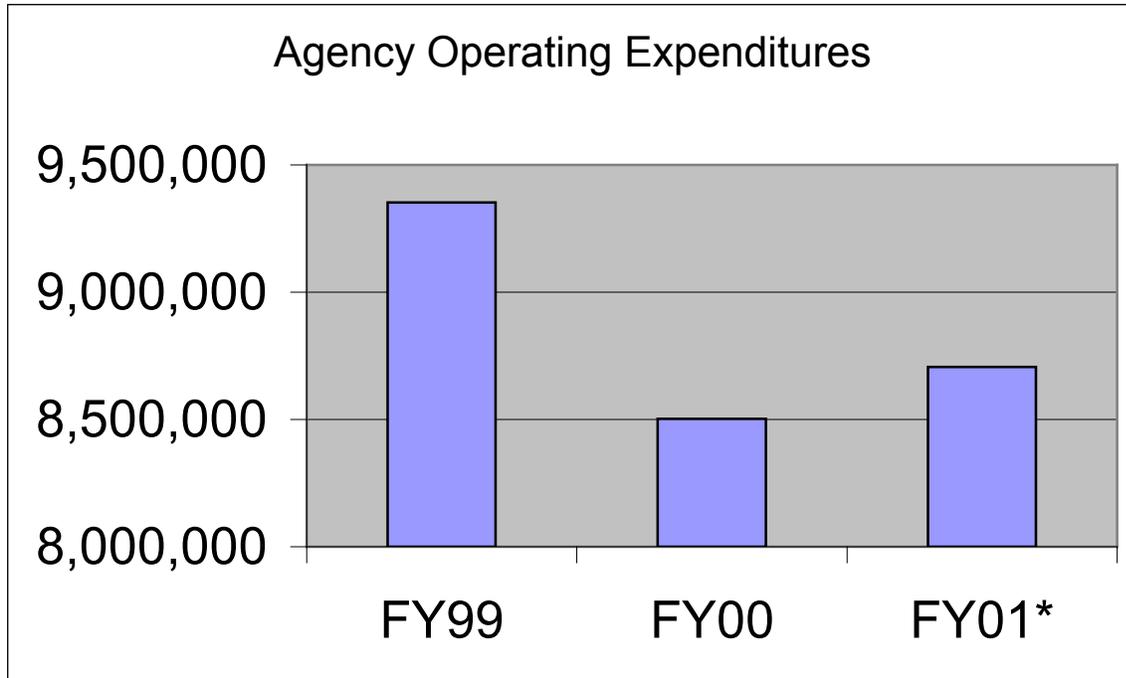
The HOPE (Helping Other People Everywhere) Committee, comprised of LLR employees, adopted the first grade class at E. E. Taylor Elementary School. Employees read to the classes on a regular basis. The Committee sponsored several activities for the children including a visit to the Columbia Marionette Theatre and Puppetry Center; a trip to Riverbanks Zoo; and a tour of the Statehouse that included a reading by the Governor. The HOPE Committee also provided monetary support to two LLR employees and their families during crisis situations. Monies to support the group's efforts are raised through employee hot dog and bake sales and golf tournaments.

LLR employees, POL board members and POL licensees participated in the Groundhog Job Shadow Day sponsored by the Department of Education, LLR and the Employment Security Commission in February 2001. LLR also received the Governmental Champion of the Year Award for its career awareness initiative.

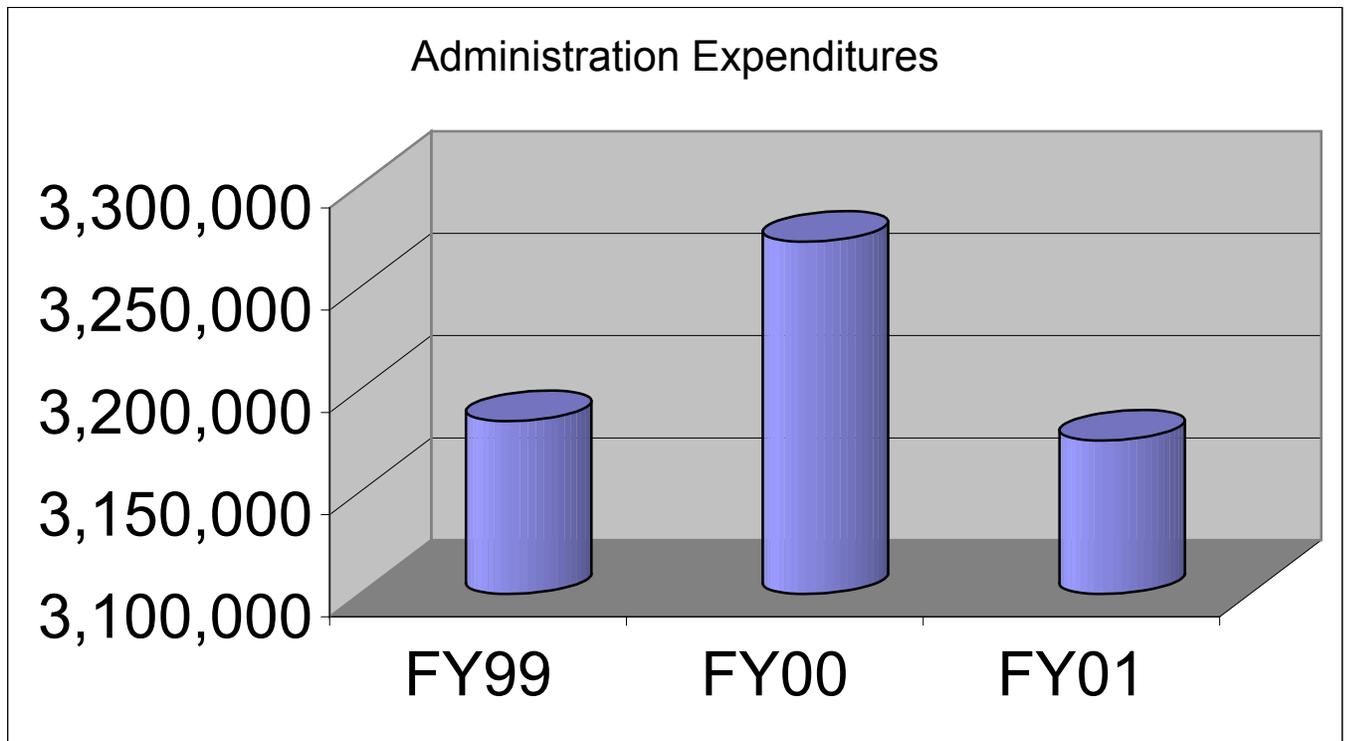
Financial Performance

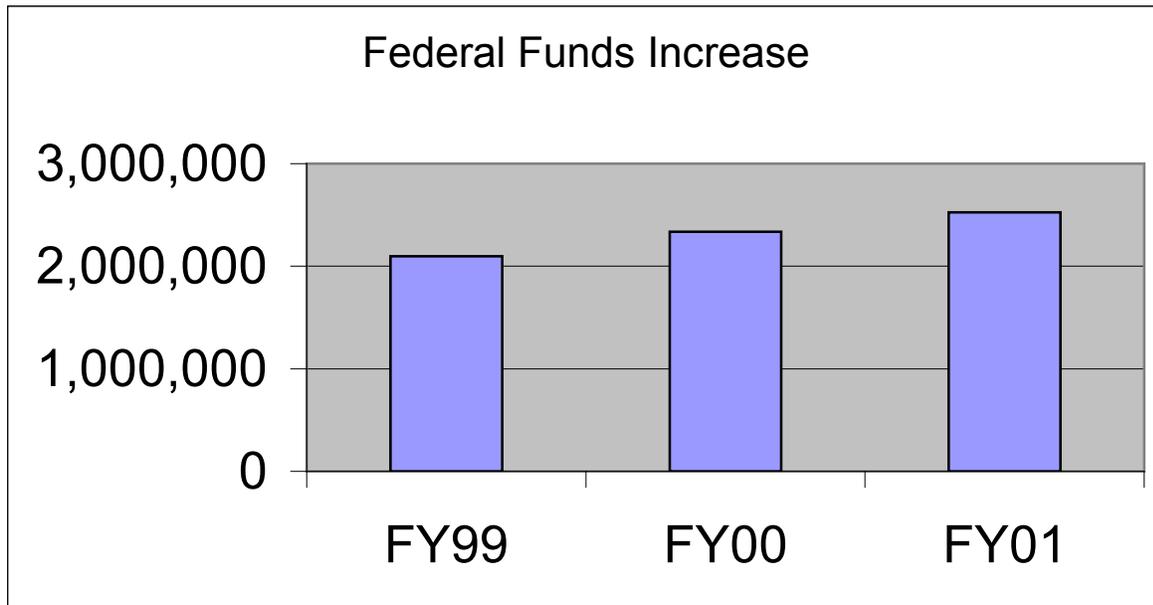






*FY01 Expenditures included the purchase of a Consolidated Licensing System.





South Carolina operates the OSHA program with 64 employees and a budget of \$4,244,000. Tennessee has 73 employees and a \$6,140,000 budget; North Carolina has 102 employees and \$14,527,395 budget. The following chart summarizes this information and demonstrates the cost efficiency for OSHA inspection in South Carolina.

State	Budget	Number of Employees	Number of Inspections	Cost per Inspection
SC	\$4,244,000	64	1,975	\$2,148
TN	\$6,140,000	73	2,075	\$2,959
NC	\$14,527,295	102	4,200	\$3,458