

Annual Accountability Report
FY 2003- 2004



*South Carolina Employment
Security Commission*

*“...to provide quality, customer-driven workforce services
that promote financial stability and economic growth”*

-ESC Mission Statement

TABLE OF CONTENTS

Section I – Executive Summary	3
1. Mission and Values	3
2. Major Achievements from the Past Year	3 - 4
3. Key Strategic Goals for the Present and Future Years	5
4. Opportunities and Barriers	5
(a) Opportunities	
(b) Barriers	
5. Use of Accountability Report to Improve Organizational Performance	6
Section II – Business Overview	6
1. Number of Employees	6
2. Operation Locations	6 - 7
3. Organizational Structure	7
4. Expenditures/Appropriations Chart	8
5. Major Program Areas Chart	9
6. Description of Services	10 - 11
Section III – Elements of Malcolm Baldrige Award Criteria	12
Category 1. Leadership	12 - 15
Category 2. Strategic Planning	15 - 18
Category 3. Customer Focus	19 - 21
Category 4. Measurement, Analysis, and Knowledge Management	21 - 23
Category 5. Human Resource Focus	23 - 26
Category 6. Process Management	26 - 29
Category 7. Business Results	29 - 57

Section I – Executive Summary

1. Mission and Values

The mission of the South Carolina Employment Security Commission is to provide quality, customer-driven workforce services that promote financial stability and economic growth.

The Employment Security Commission (ESC) is responsible for paying unemployment insurance benefits, collecting unemployment taxes, finding jobs for people, and collecting federal employment statistics. While these functions haven't changed significantly over the past decade, customer needs and service delivery methods have. As the leading workforce development and labor exchange agency in the state, ESC continually adapts to the demands of new technology and the global economy. Our main goal is to match job seekers with employers quickly, efficiently and effectively, and we offer a variety of services to assist both groups.

The thrust of our new focus can be summarized in two words: customer satisfaction. We believe in customer service and effective results.

The Employment Security Commission values are:

1. The customer comes first! ESC is the acronym, not only for Employment Security Commission but also for "Effectively Serving Customers."
2. All employees will be partners in change, providing meaningful input into the improvement of the Agency's operations.
3. Key results and performance will be linked to long-term planning. Open communication, both internal and external, will be promoted continually.
4. The latest technology and resources will be used to continuously enhance customer service.
5. New opportunities to build public and private partnerships will be sought continually.
6. ESC will maintain a diverse, professional, well-trained, motivated, and dedicated workforce.
7. As the stewards of public funds, ESC will ensure the fiscal integrity and accountability of our Agency and the systems we administer.

2. Major Achievements Over the Past Year

1. Over 100,000 South Carolinians became employed within 90 days of receiving a reported service from our office.
2. Over 220,000 applicants were referred to listed job openings.
3. Over 300,000 individuals were registered for services aided by the implementation of Internet registration.
4. Bilingual staff was added to the majority of our Agency workforce centers.
5. The Navigator program increased staff knowledge and awareness of customers with disabilities and special needs.
6. Assistive technology devices placed in our workforce centers provided a "welcome mat" for all who entered.

7. More business-related services were offered in our workforce centers such as Business Solution Centers, Voice of the Employer Forums, Business Summits, Work Keys proctoring and Key Train in our centers, and Spanish classes for industry.
8. Informational meetings were conducted for workforce development stakeholders entitled “Linking Education, Workforce Development and Economic Development” and “Economic Development for Workforce Leaders”.
9. \$2 million in funding was provided to existing businesses in South Carolina to train current workers in an effort to upgrade skills and maintain competitiveness.
10. Over \$3 million in National Emergency Grants was applied for and received to assist with the re-employment and training of dislocated workers impacted by the downturn in the state’s economy.
11. The Agency partnered with the State Department of Education and eleven school districts in implementing innovative approaches to reduce dropouts, truancy, non-completion rates, and remedial education at institutions of higher learning.
12. The Bureau of Labor Statistics quality criteria for Labor Market Information were met or exceeded in all program activities.
13. In an effort to help the business community and jobseekers during the economic slowdown of the past year, the Agency joined local workforce investment areas and private businesses in sponsoring or participating in over 20 job fairs or business expos across the state. These events served some 50,000 citizens.
14. Through collaborative partnerships, SCESC is producing a thirty-minute program for SCETV’s new South Carolina Channel, *Carolina Works*, devoted to introducing the public to SC’s Workforce Development System.
15. Internet-based initial claims and job registration systems were implemented statewide.
16. The Agency remains a leader, nationally, in the promptness of decisions on lower authority appeals, with a quality rating of 100%. Approximately 99% of lower authority appeals decisions were issued within 30 days.
17. Many human resource management policies and procedures were implemented, addressing issues related to Occupational Safety and Health Administration (OSHA), wellness, security, and training.
18. Comprehensive career and educational information was provided statewide through the Agency’s SCOIS at 530 sites in schools, libraries, and One-Stop Workforce Centers.
19. Development of a UI tax system was continued with implementation expected in FY 2004-2005.
20. The capability to take initial claims via the Agency’s Intranet, as well as the Internet, was implemented statewide.
21. The Agency developed and implemented a system for taking initial claims for unemployment compensation by telephone.
22. ESC participated in the development of the South Carolina Business One Stop (SCBOS). This is a system that will allow employers to register with multiple agencies at one site.
23. The Agency worked to develop new ways to detect identity theft and ensure proper payment of benefits to only those legally allowed to work.

3. Key Strategic Goals for Present and Future Years

1. Increased employee awareness of Agency's policies, programs and services
2. Improved customer service
3. Quality workplaces for all employees
4. A prepared workforce
5. Collaborative partnerships
6. Improved communications
7. Fiscal integrity

4. Opportunities and Barriers

Opportunities

1. Ongoing efforts to enhance customer service, particularly for businesses
2. Increased emphasis on business development and employer relations
3. Increased emphasis on activities to address Agency workforce planning needs
4. Continued focus on fiscal accountability and the reengineering of processes to increase the efficiency and effectiveness of administration and operations
5. Continued development of employee training programs
6. Alternative funding possibilities through grants to supplement federal funds
7. Enhanced linkage between the ESC-based S.C. Occupational Information System (SCOIS) and one-stop workforce centers; SCOIS software provides detailed information on career and training opportunities
8. Continued improvement of internal communications through e-mail, the Agency's Intranet and Internet websites
9. Continued employer-focused outreach efforts, similar to the "Job Market Monday" feature with WIS-TV in Columbia and a similar arrangement with WSPA-TV in Spartanburg
10. Successful implementation of a new Unemployment Insurance (UI) tax system, as well as initial claims systems for both Internet and telephone
11. Consolidate thirty-eight local interactive voice response (IVR) units into one central IVR unit
12. Successful enforcement of legislation allowing wage garnishment to recover funds related to UI fraud
13. Information technology funding for projects such as upgrading infrastructure and introducing voice recognition to assist in the prevention of fraud, as well as electronic funds transfer for benefit payments

Barriers

1. Major cutbacks in state and federal funding
2. Lower salaries than the private sector, making it difficult to retain qualified employees
3. Heavy workloads and staff reductions
4. Lack of a formalized needs assessment process

5. Organizational Performance and Continuous Improvement

The Accountability Report serves as the foundation of the Agency's strategic planning process. This process involves the assessment of customer needs and the design of Agency programs and services as set forth in the plan, as well as an on-going evaluation of performance against established benchmarks and standards. A primary function of the Accountability Report is to inform. Through clearly communicating organizational mission, goals and objectives to employees, other state agencies, partnering organizations and customers, the Accountability Report serves to promote continuous improvement within the Agency and its programs.

Section II -- Business Overview

The Employment Security Commission (ESC) is the leading workforce development and labor exchange agency in the state. ESC is responsible for the payment of Unemployment Insurance (UI) benefits, the collection of unemployment taxes, job placement, and federal employment statistics. Our main goal is to match job seekers with employers quickly and effectively, and we offer a variety of services to assist both groups.

ESC works in concert with the federal government to preserve national economic stability. Funds come from payroll taxes paid by employers. These funds underwrite the UI program and public employment service. (Administrative funds are federal dollars that come from a portion of the tax paid by state employers.) ESC is also an active partner with business and industry, working with employers to hold down tax rates, and working hard to reduce the time that any worker is out of a job. At the state and local levels, special employer advisory committees actively work with ESC to ensure that all employment security programs are designed to meet the needs of business, and to ensure that the private sector has a strong voice in issues affecting employment and training of South Carolinians.

Number of Employees

At the end of FY 03-04, ESC had 991 full-time employees and 194 temporary employees.

Operation Locations

ESC operates a network of offices serving all forty-six counties of the state. This includes thirty-five workforce centers, twelve itinerant points, two administrative offices, and a warehouse. In addition, a limited number of staff is assigned to provide services at six other locations.

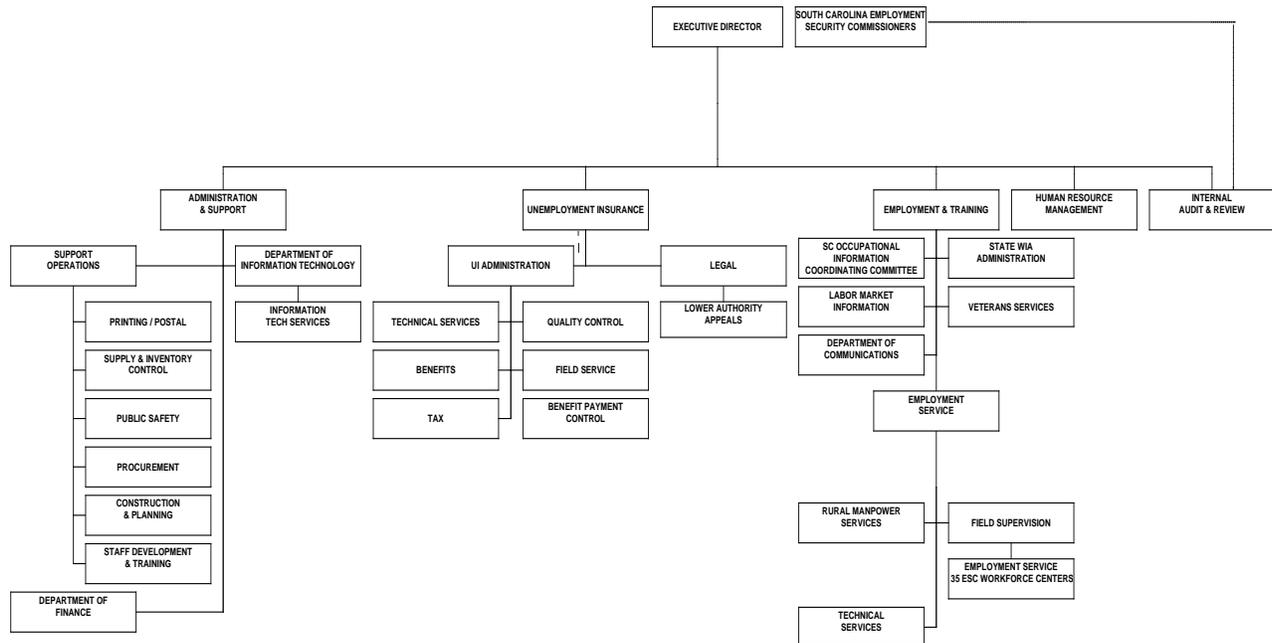
The locations of the workforce centers are: Abbeville (Branch Office), Aiken, Anderson, Barnwell, Beaufort, Bennettsville, Camden, Charleston, Chester, Clinton, Columbia, Florence, Gaffney, Georgetown, Greenville, Greenwood, Hampton, Hartsville, Kingstree, Lancaster, Lexington, Liberty, Marion, Moncks Corner, Myrtle Beach/Conway, Newberry, Orangeburg, Rock Hill, Seneca, Spartanburg, Summerville, Sumter, Union, Walterboro, and Winnsboro. The itinerant point locations are: Allendale, Bishopville, Chesterfield, Denmark, Dillon, Edgefield, Greer, Manning, McCormick, Ridgeland, Saluda, and York. Additionally, staff is assigned to

provide services at non-agency facilities in Anderson, Charleston, Hartsville, Marion, and Spartanburg.

The Administrative Offices - the Robert E. David Building, the C. Lem Harper, Sr. Building, and the warehouse - are located in Columbia, SC.

Organizational Structure

SOUTH CAROLINA EMPLOYMENT SECURITY COMMISSION
 ORGANIZATION CHART
 July 1, 2004



Base Budget Expenditures and Appropriations

Major Budget Categories	02-03 Actual Expenditures		03-04 Actual Expenditures		04-05 Appropriations Act	
	Total Funds	General Funds	Total Funds	General Funds	Total Funds	General Funds
Personal Service	\$41,432,209	\$	\$39,315,853	\$	\$46,664,796	\$
Other Operating	\$13,774,749	\$193,663	\$11,575,612	\$176,049	\$13,591,026	\$130,724
Debt Service	\$951,917	\$	\$360,219	\$	\$392,888	\$
Permanent Improvements	\$1,201,131	\$	\$2,202,711	\$	\$	\$
Case Services	\$4,395,364	\$	\$4,850,998	\$	\$11,000,000	\$
Distributions to Subdivisions	\$44,210,820	\$	\$42,922,410	\$	\$54,566,266	\$
Fringe Benefits	\$11,580,635	\$	\$10,998,376	\$	\$13,273,878	\$
Non-recurring	\$0	\$	\$0	\$	\$0	\$0
Total	\$117,546,825	\$193,663	\$112,226,179	\$176,049	\$139,488,854	\$130,724

Other Expenditures

Sources of Funds	02-03 Actual Expenditures	03-04 Actual Expenditures
Supplemental Bills	\$0	\$0
Capital Reserve Funds	\$0	\$0
Bonds	\$0	\$0

Interim Budget Reductions

Total 02-03 Interim Budget Reduction	Total 03-04 Interim Budget Reduction
\$18,111	\$1,778

Major Program Areas

Program Number and Title	Major Program Area Purpose (Brief)	FY 02-03 Budget Expenditures	FY 03-04 Budget Expenditures	Key Cross References for Financial Results*
I Administration	To provide executive leadership and administrative services for the agency.	State: 0 Federal: 8,261,298 Other: 1,149,499 Total: 9,410,797 % of Total Budget: 8.0%	State: 0 Federal: 8,170,206 Other: 1,129,898 Total: 9,300,104 % of Total Budget: 8.0%	III (7.3) pgs. 44-45
II. Employment Services	To provide for the matching of job seekers with employers who need workers.	State: 0 Federal: 17,722,118 Other: 5,364,221 Total: 23,086,339 % of Total Budget: 20.0%	State: 0 Federal: 13,365,966 Other: 3,538,484 Total: 16,904,450 % of Total Budget: 15.0%	III (7.2-10) p. 36
III. Unemployment Insurance	To provide for assessing and collecting Unemployment Insurance taxes. Oversees the filing of unemployment claims and benefit payments.	State: 0 Federal: 31,499,772 Other: 1,831,689 Total: 33,331,461 % of Total Budget: 28.0%	State: 0 Federal: 30,446,955 Other: 1,787,811 Total: 32,234,766 % of Total Budget: 29.0%	III (7.2-17) through (7.2-21) pgs. 41-43
IV. Occupational Information	To provide information to improve the way young people and adults plan careers, make educational training decisions and find jobs.	State: 193,663 Federal: 274,791 Other: 152,994 Total: 621,448 % of Total Budget: 0.5%	State: 176,049 % Federal: 222,947 Other: 236,052 Total: 635,048 % of Total Budget: 0.5%	III (7.2-11) p. 37 III (7.2-12) p. 37
VI. Workforce Investment Act	To provide for local one-stop workforce centers statewide designed to meet the employment training and Labor Market Information needs of businesses, jobseekers and at-risk youth.	State: 0 Federal: 51,096,780 Other: 0 Total: 51,096,780 % of Total Budget: 43.5%	State: 0 Federal: 53,151,810 Other: 0 Total: 53,151,810 % of Total Budget: 47.5%	III (7.1-1) and (7.1-2) p. 30 III (7.2-1) through (7.2-9) pgs. 32-35

Below: List any programs not included above and show the remainder of expenditures by source of funds.

Remainder of Expenditures:	State: Federal: Other: Total:	State: Federal: Other: Total:	
	% of Total	% of Total	

	Budget:	Budget:
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* Key Cross-References are a link to the Category 7 - Business Results. These References provide a Chart number that is included in the 7th section of this document.

Description of Services

The South Carolina Employment Security Commission is widely known as a labor exchange and unemployment insurance entity. Services are available at no cost for both the job seeker and the employer. Job seekers may file for unemployment insurance and register to use a variety of employment services at their nearest ESC workforce center. They have the option of using the self-directed services of the center or working with a workforce specialist to assist them in becoming employed and self-sufficient. Employers desiring assistance with their workforce needs may contact the nearest ESC workforce center for help with recruiting, screening, interviewing, and hiring potential workers.

Job Seeker Services

Individuals seeking employment have full use of all services available to them in their job search. Job seekers who register with a workforce center are included in a database of available job seekers and matched with current job openings in the area. The system also refers qualified individuals to the employer for interviewing. Each workforce center is equipped with a resource area designed to give applicants self-service access to the latest technology for Internet job searches, the best resources for producing professional resumes, tools to evaluate their work skills and needs, and access to employer information. Information is also available to all applicants regarding training services, as well as referrals to other agencies and services designed to help individuals re-enter the workforce.

Employer Services

Employers have access to a full array of services to assist them with their workforce needs. Employers are encouraged to post job openings with ESC, which builds a database of job openings in the state. A job matching system is in place to match applicants with employers based on the requirements of the job. Specialized services such as recruiting, screening, and scheduling interviews of potential applicants are provided to employers. Employers experiencing or anticipating layoffs may receive additional services to help prepare their workforce for the separation. These services may include group orientations, on-site registrations, or on-site filing for Unemployment Insurance (UI) benefits.

Administering the State Unemployment Insurance (UI) System

The UI system is funded through an unemployment insurance tax levied against employers, to assist workers who may become unemployed. Workers who are unemployed or partially unemployed may apply for UI benefits. Application for benefits can be accomplished several ways – by visiting the nearest workforce center, electronically via the Internet, or by the worker's employer (if he or she is still job-attached). After the initial application is taken, the employer is notified of the claim being filed. Statements are taken from the applicant and the employer as to the reason for separation and then a determination is issued. Should either party disagree with the final decision, they may initiate an appeal process. Once the benefit year begins, claimants file weekly by phone or by mail. Each claimant's status will be reviewed periodically as he or she continues to receive benefits.

Administering the Workforce Investment Act Within South Carolina

ESC serves as the administrative entity for the Workforce Investment Act (WIA) in South Carolina and works in conjunction with the State Workforce Investment Board to provide planning and policy development for WIA and the Welfare to Work (WtW) program. WIA made provisions for the “one-stop” delivery system within twelve local areas that were established in the state. Each area has developed a system to provide core, intensive, and training services to customers seeking employment, designed to make them self-sufficient. Access to core services is available to all customers. Intensive services and training may be available to those customers that need extra help in finding a job or re-entering the workforce.

One-Stop Workforce Center Operator

WIA legislation provided that at least one comprehensive one-stop workforce center be designated in each of the twelve areas. The workforce center coordinates with various other agencies (partners) to provide the full array of services required under the Workforce Investment Act. Additional sites (satellite locations) can be established if the need is determined by the Workforce Investment Board (WIB) in that area. The entity that operates a comprehensive workforce center or satellite location is determined by a competitive bidding process. Each area WIB seeks bids from those entities that can operate a one-stop workforce center, complying with WIA legislation. There is a total of fifty-two one-stop workforce centers in the state, seventeen of which are comprehensive sites and thirty-five of which are satellite sites. Of the seventeen comprehensive one-stops in the state, ESC currently operates ten. In addition, of the twenty-nine satellite sites, ESC operates fifteen. In the satellite offices, all basic services are provided. Additional services may be available on a limited basis.

Labor Market Information Services

ESC, in conjunction with the Bureau of Labor Statistics, provides a broad array of statistical data in various formats. The data provided are for use by job seekers, employers, educators, planners, economists, students, and others. Data are presented in publications, articles, news releases, pamphlets, and the Internet. Special data requests are often received. Types of data available include unemployment statistics, recent industrial employment numbers, occupational data, and wage survey results.

South Carolina Occupational Information Coordinating Committee

The South Carolina Occupational Information Coordinating Committee (SCOICC) is also housed in the Agency. SCOICC operates the South Carolina Occupational Information System (SCOIS). This system was designed to address the need for career information in the state. It is available in all workforce centers, many school districts, and various other sites. Users may access computer software that offers resources to assess their skills and interests. This assessment is matched with potential occupations. Additionally, the user may review all available information pertaining to that occupation and locate facilities that offer the specific training required.

Other Specialized Services

Certain segments of the workforce also receive specialized services in the workforce centers. Veterans are given preference with registration, referrals to job openings, and have designated program specialists to assist them. The Agency also monitors the employment and living arrangements of migrant and seasonal farm workers very closely. In addition, the Department of Labor has designated ESC as the coordinator for the Alien Labor Certification (ALC) and Work Opportunity/Welfare-to-Work Federal Tax Credit programs.

Economic Development Services

ESC is one of the main providers of data to economic development agencies around the state. The Agency distributes data on the general economic status of the state to various colleges and universities, as well as the general public, on a monthly basis. Companies considering relocation to South Carolina can find the data needed to make an informed decision.

Section III - Elements of Malcolm Baldrige Award Criteria

1.0 Leadership

The senior leadership of the Employment Security Commission consists of three levels: the executive staff, the senior leadership team, and the senior management team. The executive staff is comprised of the executive director and the three deputy executive directors. The senior leadership team is comprised of the executive staff and the seven department heads. The senior management team is comprised of the senior leadership team and the twenty-six management staff.

1. How do senior leaders set, deploy and communicate: a) short and long term direction, b) performance expectations, c) organizational values, d) empowerment and innovation, e) organizational and employee learning, and g) ethical behavior?

1.1a-g – Senior leadership continues to work toward effectively communicating, throughout the Agency, the vision and goals set forth for the Agency. This is accomplished primarily through division, department and unit meetings. Weekly division meetings provide opportunities for overall direction to be set and monitored. Subsequent meetings on the division, department, and

unit level allow this information to be shared with front-line employees, thus ensuring consistent communication on the short and long term direction of the Agency.

Performance expectations are clearly defined and communicated to individual employees and departments. The use of the Employee Performance Management System (EPMS) allows employees to know what is expected of them and how they will be evaluated on their job performance. Reviews of departments and divisions are also in place. Division, departmental, and unit meetings continue to communicate short-term performance expectations and also serve as frequent progress reviews.

The Agency's organizational values are based on the following: promoting total employee involvement, producing superior products, seeking additional public and private partnerships, promoting greater use of technology, accepting daily change, encouraging teamwork, and striving for increased community involvement. Senior leadership communicates a focus on these values by stressing their importance to employees throughout the fiscal year. The overall Agency plan, including organizational values, remains available on the Agency's Intranet for review by all employees.

Where possible, employees are encouraged and empowered to strategize, suggest, and improve work processes. Employee feedback has been vital in improving many work processes, programs, and initiatives sponsored by the Agency. As a result, employee feedback and assessment remains a vital part of determining future direction for the Agency.

In order to help employees better serve the Agency and its customers, the senior leadership team promotes both internal and external training opportunities for all employees. These training opportunities have served to improve the level of service provided to Agency customers. Senior leadership continues to encourage, where possible, training opportunities to further develop the knowledge, skills, and abilities of all employees.

Standards for ethical behavior are communicated to each employee upon hiring. Employees are given a written copy of the Guide for State Employees developed by the State Ethics Commission. Employees then sign an acknowledgement form certifying that they understand the issues involved. An employee handbook further details ethical behavior.

2. How do senior leaders establish and promote a focus on customers and other stakeholders?

1.2 – Senior leadership continues to actively promote a focus on customers by reinforcing improved customer service as one of the Agency's overall goals. Senior leadership continues to evaluate Agency programs, services, organizational structure, and financial resources in order to ensure that services are meeting the needs of customers and are continually being improved. Enhancements to customer service continue to be implemented.

3. How do senior leaders maintain fiscal, legal, and regulatory accountability?

1.3 – Senior leaders maintain fiscal, legal, and regulatory accountability by consistently reviewing the current state of the Agency. This review includes: frequent updates on the overall

budget status of the divisions, departments and reviews within the Agency; consistent consultation with the Agency's legal department on adherence to state and federal legislation; and frequent communication with state and federal officials to report on the Agency's adherence to guidelines established to operate the programs entrusted to the Employment Security Commission. In addition, the Agency's Internal Audit Department and external auditors assist with monitoring performance and reporting findings to the senior leadership.

4. What key performance measures are regularly reviewed by your senior leaders?

1.4 – Organizational measures reviewed by senior leadership include the following: customer satisfaction; mission accomplishment; human resource effectiveness; procurement effectiveness; process management; asset management effectiveness; administrative support effectiveness; employee satisfaction and involvement; staff development; and local and federal grant effectiveness. These measures are reviewed through written reports, and through weekly and quarterly department and division meetings. Actual results are reported in Category 7 (Business Results), pages 30-57.

5. How do senior leaders use organizational performance review findings and employee feedback to improve their own leadership effectiveness and the effectiveness of management throughout the organization?

1.5 – By receiving regular updates on the state of Agency and employee concerns, senior leaders are able to adjust and modify their leadership strategies to maximize overall effectiveness. Over the past year, senior leadership continued to take action on a wide range of issues identified through regular meetings and through employee feedback. As a result, senior leadership has addressed specific issues and made improvements in day-to-day operations and services where appropriate. Weekly division meetings have provided an avenue for these modifications to be assessed for practicality and overall effectiveness. This strategy continues to facilitate a more integrated approach for delivering services by breaking down barriers between departments.

6. How does the organization address the current and potential impact on the public of its products, programs, services, facilities and operations, including associated risks?

1.6 – Senior leadership continues to examine and address the current and potential impact of Agency services on the economy and the population of South Carolina. During FY 2003-2004, we continued extended local office hours in some areas to better serve the public during the economic recovery. More local decision-making authority for public service improvement is also encouraged. Senior leadership traveled to the various satellite offices around the state to talk with employees and customers served by the Agency. This direct feedback allows senior leaders to have direct interaction with those needing Agency services. Senior leadership continues to actively monitor legislation at the state and federal level, which would affect services to the public. Senior leadership also continually reviews current trends and labor market data to stay abreast of issues impacting the Agency's service to the public.

7. How does senior leadership set and communicate key organizational priorities for improvement?

1.7 – Key organizational goals and priorities are set and communicated through weekly division and department meetings and through the development of specific action plans. Continued communication on key priorities occurs in weekly meetings and through consistent communication between senior leadership and staff. Divisions, departments, units, and employees are required to evaluate their individual roles and progress toward accomplishing Agency goals.

8. *What is the extent of participation in improving the community?*

1.8 – The Agency and its senior leadership actively support and strengthen communities by strongly encouraging employee involvement in civic clubs, chambers of commerce, Workforce Investment Boards, economic development groups, and various other community oriented groups or committees. The Agency also is represented on the board of Koban Columbia, Inc., a non-profit organization designed to provide opportunities to “at-promise” youth and their families. For local area directors, the Agency provides assistance with organizational membership fees. Staff is encouraged to be involved in programs that will provide exposure for ESC and the services provided to job seekers, businesses, and the community at large. In addition, the Agency participates in and sponsors local and regional job fairs to provide assistance within various communities around the state.

2.0 Strategic Planning

1. *What is your strategic planning process, including participants, and how does it account for: a) customer needs and expectations; b) financial, societal and other risks; c) human resource capabilities and needs; d) operations capabilities and needs; e) supplier/contractor/partner capabilities and needs.*

2.1 – During the 2003-2004 fiscal year, the Employment Security Commission shifted emphasis from its’ systemic strategic planning model to focus on tactical planning. This shift was due to the increasing need to reengineer operational processes to adapt to significant reductions in resources. To complicate matters, the State’s economic downturn had an enormous impact on Agency workload as the number of layoffs and long-term unemployed continued to grow throughout the fiscal year. In response to this need, a tactical planning model was developed to assist leadership in identifying and evaluating issues related to operational alternatives. This model was piloted in the spring of 2004. The model incorporates the use of 360° feedback, nominal group technique and a variety of evaluative matrices to include the SWOT (Strength Weaknesses Opportunities Threats) analysis.

As operational challenges were met, the Agency returned to a systemic strategic planning process. To aid in this effort, the Agency placed increasing priority on energizing the State Employer Council. This customer-driven council provides guidance on establishing strategic goals for the Agency. In addition, collaboration with the local Workforce Investment Boards improved resource alignment and clarified goals, roles and desired outcomes. The growing emphasis on collaboration helped us move closer to a seamless workforce delivery system in South Carolina. By collecting input from a variety of sources, the Agency strove to achieve

balance in all aspects of performance. Since its inception, the strategic planning process has aided senior leadership in determining a specific mission with clearly defined goals.

Internally, the process began with each department creating a one-year and a five-year plan. Departments were challenged to identify services provided, customers, performance goals and objectives, strategies to be used, and key external factors affecting operations. Each front-line supervisor was asked to meet with his/her staff to determine the unit's role, and to develop an action plan. Then, departments compiled individual unit plans to develop the overall department's one-year and five-year plans. This included identifying organizational structure, a mission statement and departmental goals and objectives. Departments were also asked to identify the business they were in, including services, customers, competitors, and growth. The departments identified external influences, including economic and budgetary factors. Departments examined their available capabilities, and evaluated their outside image, strengths, and future assumptions. The allocation of resources -- including people, equipment, space, and information -- was also examined in this initial phase. A critical factor in resource planning for the Agency is succession planning. The loss of key personnel over the next three to five years will have a significant impact on the organization. The Agency is continuing to further develop strategies for knowledge transfer, human resources, finance, and information technology, along with other resource plans to be included in the future. Finally, departments identified programs and projects necessary to achieve their goals and objectives.

2. What are your key strategic objectives?

See Strategic Planning Chart on Page 17.

3. How do you develop and track action plans that address your key strategic objectives? Note: Include how you allocate resources to ensure accomplishment of your action plans.

2.3 – The Agency's strategic goals can be identified by division. It is at the division level that tactical plans are developed to address strategic goals and objectives. Through the use of input from customers, front-line staff, program staff, partnering agencies, and management, operational action plans are developed. These tactical plans are established using SMART (Specific Measurable Action-Oriented Relevant Time Bound) goals and are executed through a project management approach.

The vast majority of Agency resources come from federal dollars. Program specific funds are used to support related strategic and operational goals and objectives. These goals and objectives are incorporated into plans required by the funding source.

4. What are your key action plans/initiatives?

See Strategic Planning Chart on Page 17.

5. How do you communicate and deploy your strategic objectives, action plans and performance measures?

2.5 – The Agency’s overall strategic plan, including objectives, action plans and performance measures, are communicated and disseminated to the various divisions and departments. Divisional and departmental objectives and plans to include performance measures become the foundation for the planning stage of the Employee Performance Management System (EPMS). In addition, a monthly electronic newsletter called *On the Job* has been used to provide employees with pertinent information on Agency initiatives and performance.

6. *If the Agency’s strategic plan is available to the public through the Agency’s Internet homepage, please provide an address on the website for that plan.*

The strategic plan is currently not available through the Agency’s Internet homepage.

2.6-1 STRATEGIC PLANNING

Program Number and Title	Supported Agency Strategic Planning Goal/Objective	Related FY 03-04 Key Agency Action Plan/Initiatives	Key Cross References Performance Measures
II ES	To increase employer awareness of services available through the Agency	Expanded and revitalized the State Employer Council and the twelve local Workforce Investment Area Employer Councils	I (2), (7,8) p. 4 III (2.1) p. 15 III (3.2) p. 19 III (3.5) p.20 III (7.1-2) p. 30
		Enhanced and expanded efforts such as Job Market Monday on WIS-TV and offered Job and Career Fairs across the state to assist both employers and job-seekers in the labor exchange process	I (2) (13) p. 4 II, Employer Services, p. 10
III UI		Collaborated in the development of the SC Business One Stop (SCBOS). This is a system that allows employers to register with multiple agencies at one site.	I (2) (23) p. 4 III (6.2) p. 27
II ES	To increase job placement activities and reduce the average number of weeks claimed by UI recipients	Provided workshops and reemployment services on a continuous basis	II, Job Seeker Services, p. 10

Program Number and Title	Supported Agency Strategic Planning Goal/Objective	Related FY 03-04 Key Agency Action Plan/Initiatives	Key Cross References Performance Measures
		Partnered with local businesses, Workforce Investment Areas and other agencies in sponsoring or participating in over 20 job fairs and business expos across the state, serving some 50,000 citizens	I (2) (13) p. 4
II, III ES/UI	To increase the use of technology to improve access, speed and quality of services	Developed and implemented a telephone system for taking initial claims for UI by telephone	I (2) (21) p. 4
II, III ES/UI		Expanded the use of internet and intranet claims on a statewide basis	I (2) (20) p. 4
III UI	To reduce fraud and abuse with the UI system (Risk Management)	Developed new ways to detect identity theft and insure proper payment of benefits to only those legally entitled to work	I (2) (23) p. 4 III (6.3) p. 28
VI WIA	To integrate employment, economic development and education (E ³) in SC workforce development programs	Participated in the National Association of Workforce Boards Economic Summit with SC Dept of Commerce and the State Chamber of Commerce	I (2) (8) p. 4
		Sponsored the annual State WIA Conference in support of E ³ theme	
		Deployed updated web-based SC Virtual One Stop System	
		Overhauled Statewide One Stop Usage Reporting to focus on employment issues	

3.0 Customer Focus

1. How do you determine who your customers are and what their key requirements are?

3.1 – Our customers and their key requirements are determined by federal and state legislation that defines the services the Agency provides as well as customer eligibility guidelines. The US Department of Labor (USDOL) provides program funding and determines many of our service areas. Many of our performance measures and deliverables are specified through contracts and grants with the USDOL. Other customers are determined based on their individual needs for employment-related information and services. These customers include: businesses; state government agencies; federal government agencies; local government agencies; universities; colleges; technical schools; other educational entities; economic development officials; chambers of commerce; Workforce Investment Boards (WIBs); one-stop partners organizations, both private and public; the legislature; and the general public. Although concentration is on South Carolina citizens, information and services are available through web-based applications that provide access to employment and labor market information to any individual or company. Our customer's key requirements include seeking employment for the employed, unemployed and underemployed, supportive services, as well as services involving labor market information.

2. How do you keep your listening and learning methods current with changing customer/business needs?

3.2 – ESC's listening and learning methods are kept current with changing customer/business needs through continuous communication and feedback. Working with partner organizations under the Workforce Investment Act (WIA), one-stop workforce centers are designed to meet the specific requirements of each local area and its customers needs. Summits are held with the twelve (12) Workforce Investment Board (WIB) chairpersons to identify needs around the state. Youth Council and Faith Based Council meetings are also held to get specialized input for services. Other methods used to keep listening and learning methods current with customers' needs are as follows: focus groups of employers and job-seekers, advisory groups, required surveys of program participants under WIA and other program tracking methods, self-appraisal surveys, required surveys of businesses, customer service sections within the Agency, participation of staff in local chambers of commerce, and attendance at state and national conferences to stay attuned to the best practices in customer service. Customer comments are solicited through a variety of efforts such as in-person solicitation, telephone and written surveys, and through other technology. One example is the survey of both program participants and businesses under the Workforce Investment Act (WIA). The survey is phone-driven, operated by the Employment & Training Institute (ETI), which uses the methodology of the American Customer Satisfaction Index (ACSI). ETI is currently surveying employers and WIA participants and has a subcontract to review Employment Services. By using ACSI, results can be compared with other governmental agencies and private organizations to improve methods with changing customer/business needs. The Agency also has a complaint management process that includes Equal Employment Opportunity (EEO) complaints as well as Employment Service (ES) and Unemployment Insurance (UI) complaints. Offices are staffed with specialists to assist with complaint intake. The Agency strongly encourages open lines of communication so that

our listening and learning methods stay current in order to serve our customers to our full potential.

3. How do you use information from customers/stakeholders to keep services or programs relevant and provide for continuous improvement?

3.3 – The Agency uses information from customers/stakeholders to keep services or programs relevant and provide for continuous improvement by surveying customers and evaluating their feedback. The level and delivery of services are guided by customer/stakeholder feedback. Workforce Investment Boards (WIBs) meet and evaluate customer needs and determine the best possible services and operation design to meet the needs of the business community and provide a skilled workforce. Program and performance data are reviewed by management to aid in service or program modifications, which helps us better serve our customers.

4. How do you measure customer/stakeholder satisfaction?

3.4 – The Agency continually evaluates customer requirements and satisfaction results that guide the level and delivery of services. The USDOL has established seventeen (17) core performance measures, which must be satisfied under the Workforce Investment Act (WIA). These measures are part of the USDOL WIA regulations and are incorporated in each Local Workforce Investment Area's (LWIA's) five-year plan. Additionally, local Workforce Investment Boards (WIBs) set general policy guidelines for the operation of one-stop workforce centers in their specific areas. Agency staff serves on these boards along with business leaders, educational representatives, and local elected officials. Under WIA, questionnaires and the ACSI are used to solicit feedback from businesses and program participants. Program and performance data are provided to these oversight groups based on the actual services provided to customers during a fiscal year. ESC regularly monitors each area to ensure understanding of and compliance with governing federal regulations and local area policies.

ESC places priority on customer service, making structural changes to better serve customers and increase emphasis on marketing services. Staff is dedicated specifically to marketing and customer support. The Agency has a secret shopper contract to objectively evaluate services in workforce centers. Toll free numbers and fax-on-demand features have been added to provide easy access to information. Agency products and brochures, developed by the Labor Market Information Department, are evaluated by the customers who receive these services. The Agency continues to train employees on how to deal effectively with customers. Employees are cross-trained in various program areas to handle customer requests more efficiently. All customer complaints receive individual attention and follow-up.

5. How do you build positive relationships with customers and stakeholders? Indicate any key distinctions between customer groups.

3.5 – The Agency has numerous services and accommodations available to build and bridge relationships with customers and stakeholders. ESC continues to operate programs specifically dealing with specialized groups such as: veterans, disabled veterans, youth, Native Americans, those needing adult education and literacy activities, senior adults, and the Spanish-speaking

communities. Outreach efforts are in place to provide Agency services to migrant and seasonal farm workers. Services have also been established for customers with barriers, including Limited English Proficient (LEP) individuals and those covered by the Americans with Disabilities Act (ADA). Assistive technology equipment has been purchased to assist those with barriers. Accommodations have been provided for the technologically savvy and for those customers preferring paper documents. The Agency has a statewide employer representative who coordinates the South Carolina Employer Committee (a business-minded focus group) to identify employer/business needs to aid in improving relationships between the Agency and businesses. The Statewide Partners Group meets quarterly to address improvement of relationships, and includes the senior management of the partners in the one-stop system. The Agency tracks new applicants and renewals, as well as applicants placed and applicants employed. More concentration has been placed on referrals of applicants to supportive services and in providing employment after services rather than the direct placement goals of the past. Efforts to build positive relationships include recognition of those providing outstanding service and for those with outstanding achievements by the International Association of Workforce Professionals (formerly International Association of Personnel in Employment Security- IAPES) through nominations and awards. This professional organization is an example of building positive relationships. The organization expanded its membership to include partner organizations and other interested parties. WIA awards also recognize exemplary performance and achievement of Local Workforce Investment Areas (LWIAs), partners, and participants. These awards encourage all levels to work together to achieve objectives.

4.0 Measurement, Analysis, and Knowledge Management

1. How do you decide which operations, processes and systems to measure for tracking financial and operational performance?

4.1 – The USDOL establishes measurement systems for all employment security agencies throughout the United States and measures are set for the various funded programs within the Agency. Senior leadership, after ensuring compliance with USDOL mandates, further defines which operations, processes, and systems to measure. In some program areas the Agency participates with other states, consortiums, and private companies in the establishment of common solutions to meet the operations and process system measurements as defined. These measures are part of the Agency's overall strategic plan.

2. What are your key measures?

4.2 – The key measure of the Employment Security Commission's management strategy is how effective the Agency's activities are in achieving its goals. Since the Agency is undertaking new and expanded roles, our work to develop new outcome measures is critical in demonstrating our effectiveness. As we develop these new measures, the Agency will use internal measures of success for those strategies that affect internal operations such as the strategies to improve communication and improve its workforce. We will survey employees to determine the impact of management policies that support them and make improvements based on the results. Examples of such indicators are:

- The degree to which the Agency meets its strategic goals
- Increased satisfaction among employees and customers
- Program managers agree better financial operational data is provided
- Program managers believe automated solutions are employed effectively
- Program managers agree the Agency has the right people in the right place to achieve results
- Executive Staff's management agenda plans are met
- The various Agency departments efficiently work together, ensuring the needs of Agency employees and customers are met

3. How do you ensure data integrity, timeliness, accuracy, security and availability for decision-making?

4.3 – Within ESC, internal operations data are reviewed by management to ensure that accurate indicators of services are provided. Controls are also in place, which provide for security of confidential data and ensure that only designated staff have access to this information. Through established monitoring systems, the quality, reliability, and availability of data are reviewed to ensure accuracy in accountability necessary for decision-making.

4. How do you use data/information analysis to provide effective support for decision-making?

4.4 – Operational data are continually utilized in making programmatic decisions for UI, E&T, LMI, and WIA programs. Specialized departments such as UI Technical Services, E&T Technical Services, and State Workforce Investment Administrative Department (SWIAD) are utilized to provide supervision to these programs. Services provided include, but are not limited to:

- Interpretation and dissemination of federal regulations and directives
- Preparation and distribution of procedures, policy manuals, and forms
- Establishment of Plan of Service objectives and goals for each office, with periodic reviews and reports being forwarded to management on accomplished progress
- Evaluations, training, and/or special studies conducted as necessary

Operational data gathered from individual program areas are currently available to senior leadership, managers, and end-users on request. This data is reviewed weekly, monthly, quarterly, and annually, based on various programmatic requirements, and is used for decision-making purposes.

5. How do you select and use comparative data and information?

4.5 – South Carolina is compared to the other 49 states (and to the other employment entities in Washington, D.C., Puerto Rico, and the Virgin Islands) by the USDOL, which "grades" the performance of each agency in various programs. This measurement system defines the data that

must be collected to provide performance reporting. The Agency is also compared to the eight other states within our region and has won the USDOL's Regional Office Award for Best Overall Performance in eight of the last thirteen years. Internally, we compare similar offices at local levels to provide an informative overview of performance, with awards given to the best at each level.

6. How do you manage organizational knowledge to accomplish the collection and transfer and maintenance of accumulated employee knowledge, and identification and sharing of best practices?

4.6 – The Agency manages organizational knowledge to accomplish the collection and transfer and maintenance of accumulated employee knowledge, and identification and sharing of best practices through a systematic approach of discovering, understanding and using knowledge to achieve organizational objectives. Specifically:

1. **Identifying & Collecting:** Knowledge Audit/Inventory, Knowledge Mapping, Best Practices, Documenting Processes, and Expert Interviews
2. **Storing:** Document Repositories, Document Management, Systems, and Databases
3. **Transferring:** On-the-Job Training, Job Aids, Debriefings, Cross-Training, Mentoring, Modeling, Communities of Practice (diverse groups), and Knowledge Fairs

The basic concept of Knowledge Transfer Methods is to utilize the most effective strategies (*i.e., utilize personal interaction/sharing of learned knowledge*) as opposed to strategies that are least effective (*i.e., heavy documentation – little personal interaction*). To begin, the Agency's Senior Leadership Team - with the assistance of the Human Resource Management Department - identified key job categories to profile. Next, the Staff Development and Training Director assessed current performance prior to initiating the following: job duties/task analysis, task criticality/essential functions, training prioritization & resources, skills analysis (SCANS Competencies and WorkKeys Skills), and other resources. Finally, assessment and accountability efforts were implemented.

5.0 Human Resources

1. How do you encourage and motivate employees to develop and use their full potential?

5.1 – The Agency encourages and motivates all employees to develop and utilize their full potential in alignment with the Agency's goals and objectives. In support of human resource policies, the Agency consistently promotes a balanced workforce and encourages the attainment of affirmative action goals. The Agency makes collaborative efforts to build and maintain a work environment conducive to performance excellence and full participation, along with personal and organizational growth.

Work Systems

Work and Job Design: Work and jobs are designed with employees' contributions (*including cost center managers and supervisors*) to ensure:

1. Design, management, and improvement of Agency work processes that support the Agency's action plans and related human resource plans. Work processes are often designed and managed to encourage individual initiative and self-directed responsibility;
2. Flexibility, rapid response, and learning in addressing current and changing customer, mission, and operational requirements; and
3. Effective communications, cooperation, and knowledge/skill sharing across work functions, units, and locations.

Compensation and Recognition: The Agency's compensation and recognition approaches for individuals and groups (including managers and supervisors) reinforce overall objectives for customer satisfaction, performance improvement, and employee and organization learning.

Employee Education, Training and Development

Education and training opportunities provided by the Agency support the accomplishment of key organizational action plans and address organization needs. This includes building knowledge, skills, and abilities, and contributing to improved employee performance and development.

1. Education and training support the Agency's key action plans and needs, including longer-term employee development and learning, and leadership development of employees.
2. Education and training are designed to support the Agency's work systems by seeking input from employees and their supervisors/managers in education and training design.
3. Education and training, including orientation of new employees, are delivered.
4. Knowledge and skills are reinforced on the job.
5. Education and training are evaluated and improved, taking into account organization and employee performance, employee development and learning, leadership development objectives, and other relevant factors.

2. How do you identify and address employee- training needs?

5.2 – The Agency frequently identifies and addresses employee-training needs by assessing current work needs and projecting future courses of action to meet those needs. Development of core curriculum is influenced by this process. Training needs are also developed through communication between employees and their supervisors. Individual employee goals are matched with the Agency's overall mission and goals. Employee self-motivation is a key factor in developing successful training programs. The ultimate goal is to develop a workforce that is knowledgeable, skilled, and motivated. Specifically, the Agency prioritizes training needs that revolve around programmatic skills and knowledge, management/leadership development, human resource management practices, anti-harassment training, diversity training, and office safety procedures.

3. How is high performance supported by the EPMS?

5.3 – High performance is supported by the Employee Performance Management System. Through use of the EPMS, the Agency strives to improve supervisor-employee communication.

The EPMS also serves as the primary tool for management to document employee performance and increase productivity. The main goal is to increase the overall effectiveness and productivity of the Agency by improving the work performance of its individual employees. Generally, an evaluation session is a time for accountability, for assigning consequences with actions, for detecting flaws and making improvements, and for planning future goals.

To achieve high levels of performance, employees must first understand the mission of the Agency. In the planning stage, employees and their supervisors review the employee's position description for accuracy and understanding. At this time, the position description can be updated or modified to ensure these two factors. During the planning stage, an employee may ask for the supervisor's expectations and express his or her own expectations. Also, during the planning stage, the supervisor or the employee may recommend a performance objective that can be accomplished over the course of the rating period. The employee and the supervisor should meet to discuss the employee's progress sometime during the rating period.

4. How do you determine employee satisfaction, well-being, and motivation?

5.4 – The Agency maintains a work environment that supports the satisfaction, well-being, and motivation of its employees by addressing the following areas:

Work Environment: The Agency maintains a safe and healthful work environment. Employee well-being factors such as health, safety, diversity and ergonomics are addressed in improvement activities. Key measures and targets for each of these environmental factors are developed and employees take part in establishing these measures and targets.

Specific factors that have positively affected employee well-being, satisfaction, and motivation include: effective employee problem or grievance resolution; safety factors; opportunities for employees to express their views of management; employee training, development, and career opportunities; employee preparation for changes in technology or the work organization; work environment and other work conditions; workload; cooperation and teamwork; recognition; benefits; communications; job security; compensation; and equal opportunity.

Employee Support Services: The Agency builds and enhances its work climate for the well being, satisfaction, and motivation of all employees through the following: counseling; career development and employability services; recreational or cultural activities; non work-related education; leave for family responsibilities; work safety training; flexible work hours; and retiree benefits (*including extended health care*).

Employee Satisfaction: Measures and/or indicators of well-being, satisfaction, and motivation include: safety; absenteeism; turnover; grievances; other job actions; insurance costs; workers' compensation claims; and results of surveys. Results relative to such measures and/or indicators are reported in Item 7.3.

5. How do you maintain a safe and healthy work environment?

5.5 – The Agency maintains a safe and healthy work environment through written safety policies and procedures for the workplace. In addition, a safety manual is provided and ongoing training is held for employees. All buildings have “Right to Know Centers”. Safety inspections of the facilities and operations are scheduled regularly. Agency personnel with special expertise are involved with inspections when appropriate. Information contained in safety policies and procedures includes such items as general office safety and security, and specific staff actions that are necessary in the event of an emergency, such as evacuation routes and communication plans.

Each floor of the Robert E. David Building has a safety officer and an assistant safety officer. Agency personnel are highly trained in safety policies and procedures. New employees are introduced to the safety policies and procedures during their initial orientation session. ESC facilities must comply with OSHA standards and facilities are periodically inspected for compliance. All Agency buildings are in compliance with the Americans with Disabilities Act. In addition, the buildings have been tested for air quality, water quality, and asbestos.

6. What is your involvement in the community?

5.6 – The Agency supports employee participation in a variety of local, regional, and national organizations such as the International Association of Workforce Professionals (IAWP), Society for Human Resources (SHRM), the United Way, local churches and schools, the United Negro College Fund, Rotary Club, KOBAN Columbia, chambers of commerce, Habitat for Humanity, the American Red Cross, and others. After normal business hours, a large number of employees volunteer in their communities and participate in local events and organizations. The Agency sponsors blood drives, collects needed items for disabled and disadvantaged children, and participates in fundraisers for organizations such as March of Dimes, United Way, and the Annual Community Health Charities. For the fourth year in a row, over \$20,000 was raised for non-profit organizations through payroll deductions alone.

6.0 Process Management

1. What are your key processes that produce, create or add value for your customers and your organization, and how do they contribute to success?

6.1 – ESC is responsible for the effective management and operation of the Unemployment Insurance, Employment and Training, WIA, and LMI programs for the State of South Carolina. The Agency has thirty-five workforce centers and twelve itinerant points that serve the forty-six counties of the state. These offices are charged with the delivery of quality service to our customers - claimants, job seekers, employers, and the community in general. Having the local offices gives a more personalized service to the customer, thereby contributing to the Agency’s primary goal of “Effectively Serving Customers”. ESC also has a central administrative office that provides the necessary support for the local offices, as well as the management of all programs.

The Agency continuously strives to improve the processes and performance levels, as measured by USDOL, in the areas of Unemployment Insurance (UI) and Employment & Training (E & T).

The speed, accuracy, and quality with which these services are provided make the difference between a successful and an unsuccessful Agency.

2. How do you incorporate organizational knowledge, new technology, changing customer and mission-related requirements, cost controls, and other efficiency and effectiveness factors into process design and delivery?

6.2 – With major cutbacks in state and federal funding, and increased workloads throughout the state, the Agency was challenged to provide the same high level of service. Incorporating new technology into the Agency’s design and delivery processes was vital to the continued success of the Agency.

Further expansion of the Agency’s web site has proven both time efficient and cost effective for interactive registrations for various groups in such areas as:

- Employers with dual registrations of their businesses with ESC and the SC Department of Revenue (DOR) via the Business One-Stop System
- Employers with completion of Agency reports such as statistical employment data and quarterly wage reports
- Employers with information regarding job openings and registrations
- Job seekers with access to various employment information and statistical data
- Job seekers with on-line registration with the Agency and state/national job banks
- Unemployed workers with information on the UI program
- Unemployed workers with on-line benefit claim registration

Additional areas in which the Agency continues to incorporate new technology and customer expectations/requirements are:

- Electronic mail responses for employers regarding employment separation information
- Increased participation of Electronic Funds Transfer (EFT) application for employers’ quarterly taxes
- Increased participation of employer magnetic media wage reporting (SCWages) and claims filing (Benclaim) systems
- Technical modifications to the Agency’s software, hardware, and workstations for ADA (Americans with Disabilities Act) customers
- Increased bilingual staff to local offices
- Continued extended operational hours to accommodate customer access and services
- Partnerships with major employers for statewide job fairs and business expositions
- Expanded statewide utilization of media projects via radio, television, and newsprint as service delivery tools

ESC’s commitment to technological advances promotes the Agency’s goals of facilitating financial stability and economic growth in an ever-changing economy. The advances in services continue to meet and even exceed customer expectations and satisfactions.

3. How does your day-to-day operation of these processes ensure meeting key performance requirements?

6.3 – The Agency continues to lead the region and nation in many areas, such as processing claims and registrations promptly and accurately. With the increased workload in various areas throughout the state, meeting these key performance requirements proved a challenge. The Agency utilized the "Rapid Response Team" and "Emergency Response Team" (comprised of statewide staff) to ensure quality customer services were provided in a timely manner during times of significantly increased workloads.

Initiatives have been taken to improve the quality and accuracy of the UI program. ESC has partnered with the Social Security Administration to prevent the establishment of claims using improper or counterfeit social security numbers. This partnership has assisted the Agency with "Identity Theft" investigations. The Agency has also worked with the Office of the Inspector General (OIG) for prosecution of fraudulent claims. During this report period ESC proposed legislation (that recently passed) to prevent "SUTA Dumping". (*SUTA is the acronym for State Unemployment Tax Act.*) This practice is "creative" accounting utilized by employers in their efforts to reduce quarterly taxes. This improper practice would have produced a substantial negative impact on the Agency's Trust Fund. These steps are just a few of the preventative measures utilized by the Agency to ensure the integrity of the UI Program.

4. What are your key support processes, and how do you improve and update these processes to achieve better performance?

6.4 – The administrative office personnel serve as the Agency's key support and management staff. This staff is responsible for ensuring all work processed and submitted by the statewide offices meets the federal guidelines established by USDOL. This staff is also responsible for any process revision and/or training deemed necessary.

The Labor Market Information (LMI) Department has continued to emphasize and improve customer service and marketing. Changes were made to facilitate better customer performance, such as: more emphasis on providing information, support and marketing efforts to local offices and Workforce Investment Boards (WIBs); prompt response to data and information requests; and the enhancement of the website to provide user-friendly labor market information. Customer surveys are conducted to gather feedback on services provided and this information is utilized in making future program improvements.

The UI Division's Quality Control Department continuously monitors the UI program and performs various audits on the practices of the Agency's administrative and local offices. Weekly and annual reviews are conducted to ensure USDOL compliance. Reports, statistics, and graphs are generated to notify management of problem areas. Recommendations for training, changes, and improvements are forwarded, with follow-ups by the UI Technical Services Department made when necessary. This quality control function is a valuable tool in the Agency's efforts to improve overall performance in the UI program.

5. How do you manage and support your key supplier/contractor/partner interactions and processes to improve performance?

6.5 – Many of the ESC workforce centers serve as the designated comprehensive “one-stop” workforce centers for local Workforce Investment Areas (LWIAs). Under the WIA system, the Agency develops partnerships with other state and local entities to provide a full range of services. Local “one-stop” service delivery is enhanced through partner services, including those of Vocational Rehabilitation, Adult Education, and local technical colleges. Workforce Investment Boards (WIBs) evaluate customer needs and determine the best possible service mix and operations design for their designated area.

Employers are a key supplier to the Agency. The Agency has designated local and administrative office staff to serve as employer representatives who work with local employers to ensure customer service and satisfaction, technological adaptation of filing requirements, and adherence to the Agency's rules and regulations. Surveys are sent to employers, which allow the employer to rate the Agency's performance. This information is used to make improvements. The Agency continues to sponsor annual employer workshops and the Job Creator Awards. These events and awards help improve relationships with the business community. Nominations are made by the six sponsoring agencies and the twelve local WIBs, and the Governor presents the awards.

ESC and SCOIS continue to provide comprehensive career and educational information statewide through the Agency's SC Occupational Information System (SCOIS) at multiple sites in schools, libraries, and “one-stop” workforce centers. The annual Groundhog Job Shadow Day also continues to be a huge success, as the interest and participation grows every year.

The Agency partners with other agencies through interagency data exchange agreements:

- SC Department of Social Services (DSS) provides employers' new hire information, which is used to determine job referral and placement results. This same report is utilized to cross-match the Unemployment Insurance (UI) benefits system. This allows for earlier detection of potential overpayments.
- DSS also provides weekly child support listings that are processed against the Agency's system, which adjusts the benefit checks accordingly.
- Department of Revenue (DOR) partners with ESC to allow annual income tax benefits to be deducted and applied against UI benefits overpayments. DOR also allows deductions for federal and state withholding taxes on benefit checks.
- Social Security Administration (SSA) partners with ESC to process the Agency's weekly tape of all new benefit claims for social security verification.

7.0 Business Results

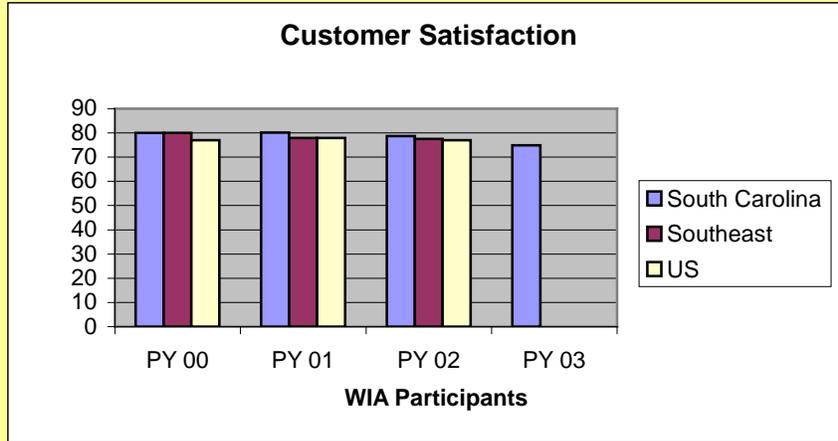
7.1 – Customer Satisfaction

For the past four program years, the Employment and Training Institute, Inc. has conducted a customer satisfaction survey as mandated by the Workforce Investment Act (WIA). This survey measured customer satisfaction for both WIA participants and employers. This survey uses the

methodology of the American Customer Satisfaction Index (ACSI). By using ACSI, results can be compared with other governmental agencies and private organizations.

7.1-1 Customer Satisfaction for WIA Participants

This graph depicts South Carolina’s Customer Satisfaction survey results for WIA participants during the past four program years as compared to the U.S. and the Southeast. South Carolina exceeded the performance goals for WIA participants for all four years. The PY 03 regional and national results will be available in October 2004.



7.1-2 Customer Satisfaction for Employers

This graph depicts South Carolina’s Customer Satisfaction survey results for employers for the past four program years as compared to the U.S. and the Southeast. South Carolina exceeded the performance goals for both WIA participants for all four years. The PY 03 regional and national results will be available in October 2004.



7.2 – Mission Accomplishments

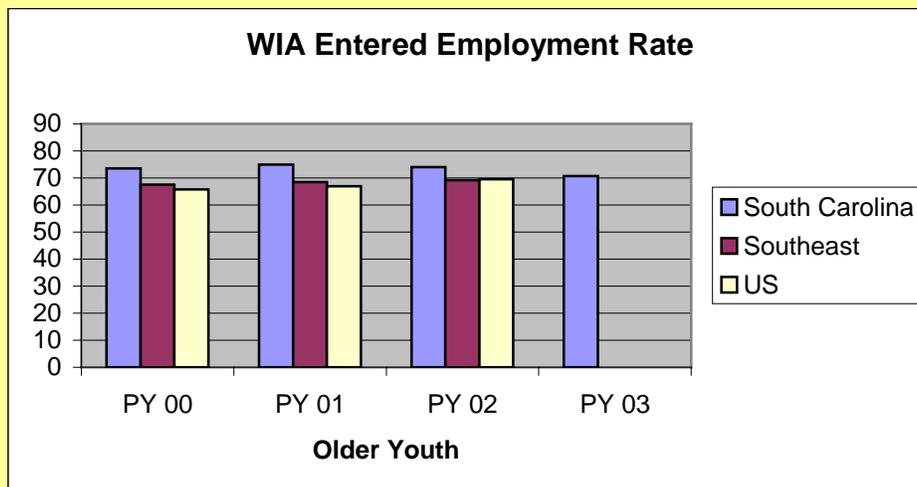
Workforce Investment Act (WIA)

The Workforce Investment Act (WIA) established a system to provide workforce preparation and employment services to meet the needs of both employers and job seekers through a “One-Stop” Workforce System. A wide variety of services is provided through partnerships with other agencies. WIA provides funding to serve adults, dislocated workers, and youth. This system provides customers with a list of eligible training providers and information on how well those providers perform, allowing customers to choose the training that is best for them. Through the local “One-Stop”, employers will have a single point of contact to receive labor market information and list job openings, and job seekers will have access to all services at the same location.

WIA is a customer-focused system with emphasis on providing skilled workers for employers and meeting the training, education, and employment needs of individuals. Core indicators of performance include the entered employment rate, retention rate, and earnings change/earnings replacement rate for adults, dislocated workers, and older youth ages 19-21.

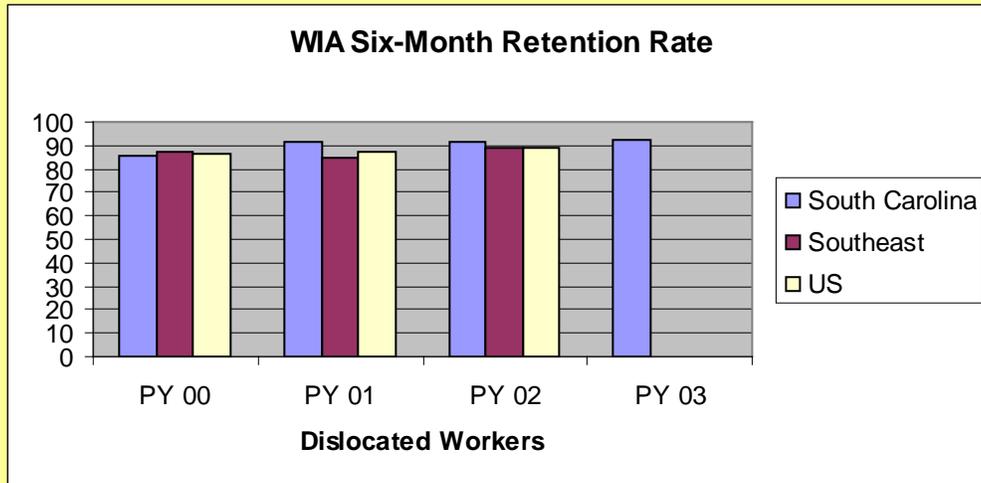
7.2-1 WIA Entered Employment Rate for Older Youth

This graph shows the percentage of Older Youth who were unemployed at registration into WIA and were employed in the first quarter after WIA. For the last three years South Carolina has exceeded the national and southeastern rates. The PY 03 regional and U.S. results will be available in October 2004.



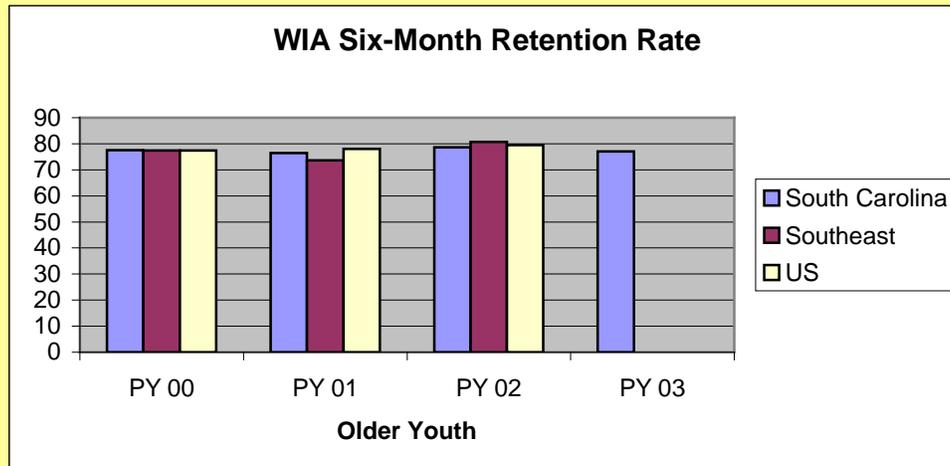
7.2-2 WIA Six-Month Retention Rate for Dislocated Workers

This graph shows the percentage of Dislocated Workers who were employed in the third quarter after exiting the WIA program. The PY 03 regional and U.S. results will be available in October 2004.



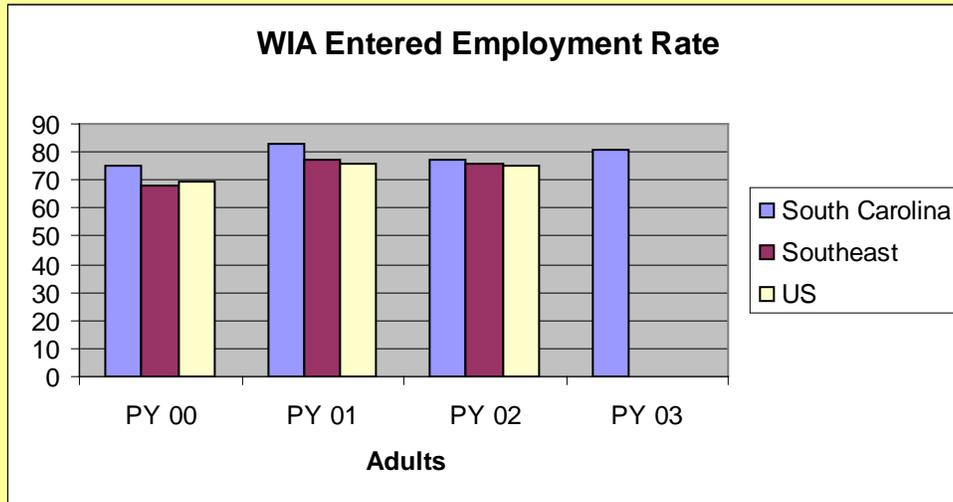
7.2-3 WIA Six-Month Retention Rate for Older Youth

This graph shows the percentage of Older Youth who were employed in the third quarter after exiting the WIA program. The PY 03 regional and U.S. results will be available in October 2004.



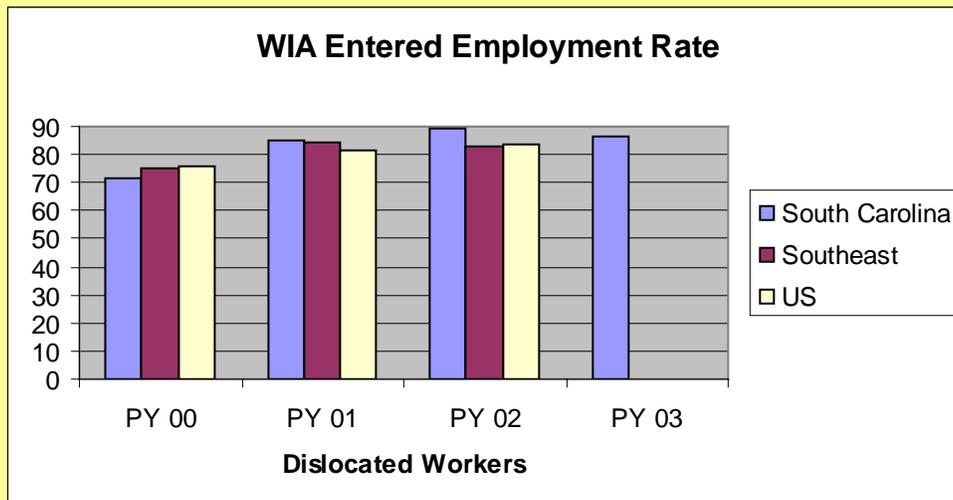
7.2-4 WIA Entered Employment Rate for Adults

The graph shows the percentage of adults who were unemployed at registration into WIA and were employed in the first quarter after exiting the WIA program. For the last three years, South Carolina has exceeded the national and southeastern rates entered employment rate for adults. The PY 03 regional and U.S. results will be available in October 2004.



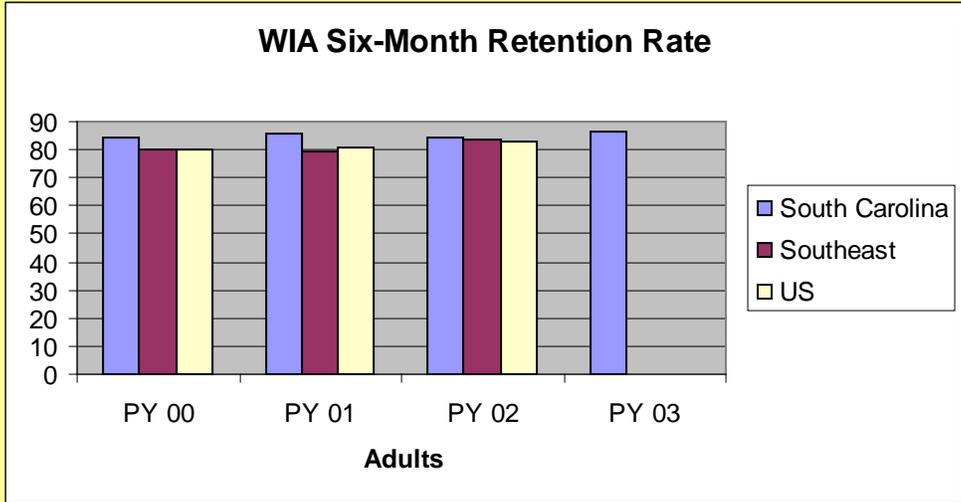
7.2-5 WIA Entered Employment Rate for Dislocated Workers

The graph shows the percentage of Dislocated Workers who were employed in the first quarter after exiting WIA. For the last two years, South Carolina has exceeded both the national and southeastern rates for entered employment rate for dislocated workers. The PY 03 regional and U.S. results will be available in October 2004.



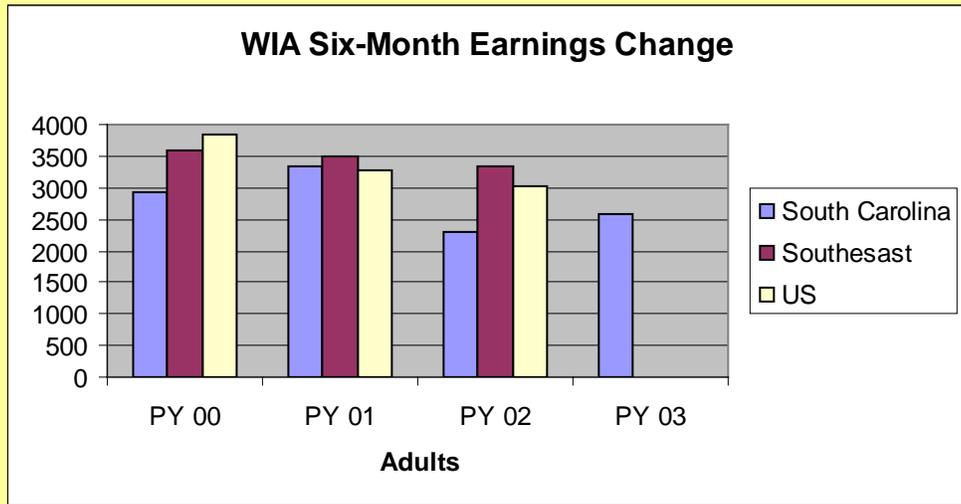
7.2-6 WIA Six-Month Retention Rate for Adults

This graph shows the percentage of Adults who were employed in the third quarter after exiting the WIA program. South Carolina has exceeded the national and southeastern rates for the past three years. The PY 03 regional and U.S. results will be available in October 2004.



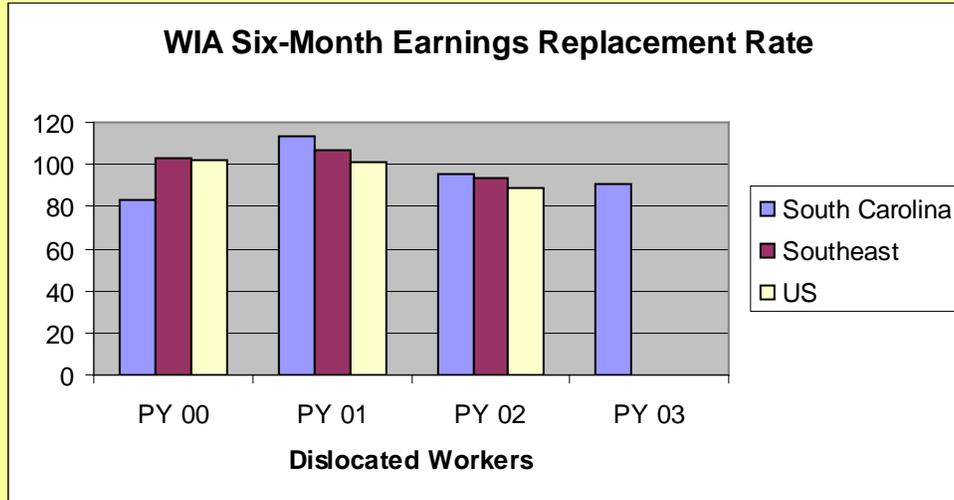
7.2-7 WIA Six-Month Earnings Change for Adults

This graph displays compares the pre-program earning to the post-program earnings for adults who participated in the WIA program. The PY03 results for the nation and the southeast will be available in October 2004.



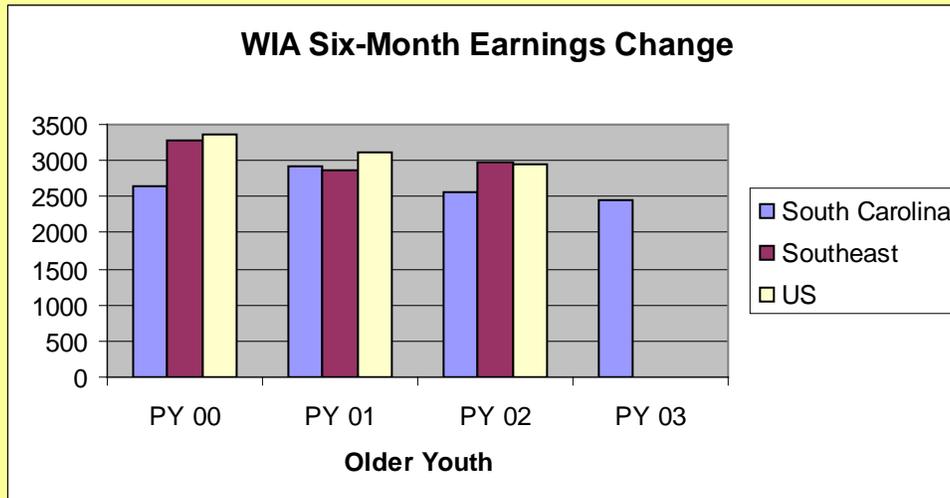
7.2-8 WIA Six-Month Earnings Replacement for Dislocated Workers

This graph shows the earnings compares the post-program earnings to the pre- dislocation earnings for Dislocated Workers who participated in the WIA program. The PY03 results for the nation and the southeast will be available in October 2004.



7.2-9 WIA Six-Month Earnings Change for Older Youth

This graph displays compares the pre-program earnings to the post-program earnings for Older Youth who participated in the WIA program. The PY03 results for the nation and the southeast will be available in October 2004.



7.2 – Mission Accomplishment

Employment Service

Job Referrals and Services Provided to Customers

The primary goal of the ESC labor exchange function is to assist individuals in obtaining employment. During the last program year, 322,984 individuals were registered for this purpose, a slight decrease from the prior year. Of those registered, almost 32% or 103,170 individuals were employed after receiving services.

Two groups of customers received special emphasis for Agency services: customers receiving Unemployment Insurance benefits (claimants) and veterans. For claimants, the Agency goal is to ensure that at least 20% of the people receiving unemployment benefit checks return to work. This may result from a direct job referral or from other services provided by the Agency. This past year 32% became employed.

This may result from a direct job referral or from other services provided by the Agency. This past year 32% became employed.

For veterans, the Agency goal is to accomplish a 15% higher placement rate than for non-veteran applicants. During the last program year, non-veteran applicants were employed at a rate of 30.64%, establishing the goal for veterans at 35.24%. The actual employment rate for veterans was 45.01%, well above the established goal.

7.2-10

	PY 99	PY 00	PY 01	PY 02	PY 03
New Applications and Renewals	287,506	306,484	326,562	326,031	322,984
Applicants Employed	76,570	67,921	85,292	99,860	103,170
Applicants Placed	66,050	49,877	36,744	38,121	43,013
Veterans Placed	7,656	5,824	4,075	4,315	4,700
Percentage of claimants employed from totals registered	21.40	18.90	24.70	30.00	31.76

7.2 – Mission Accomplishment

The South Carolina Occupational Information System (SCOIS)

The South Carolina Occupational Information System (SCOIS) is a program of the South Carolina Occupational Information Coordinating Committee (SCOICC), a consortium of ten state agencies: Governor's Office; Department of Education; Budget & Control Board; State

Board for Technical & Comprehensive Education; Commission on Higher Education; Department of Social Services; Department of Commerce; Department of Vocational Rehabilitation; Department of Labor, Licensing and Regulation; and the Employment Security Commission, who acts as the fiscal agent. The SCOICC operates a statewide network of career development resources called SCOIS.

SCOIS maintains a computer network (CD and Internet delivery) of user sites in high schools, middle schools, elementary schools, technical centers, colleges, and various private and state agencies, places where people go to find out about careers and jobs. Each site pays an annual subscription fee for software updates.

7.2-11 Number of SCOIS Sites – Maintaining current numbers of sites and acquiring new sites are top priorities. The decline in the state’s economy over the past few years has led to the inability of some sites to be able to pay the annual SCOIS user fee. Beginning in PY-00, there has been a small annual decrease in the number of SCOIS sites. The cumulative effect of budget cuts caused a more dramatic decrease in SCOIS sites in PY-03.

PROGRAM YEAR	WORKSHOPS HELD	TRAINED
1998	12	241
1999	15	376
2000	11	247
2001	16	322
2002	8	120
2003	6	109

7.2-12 Workshops Held and Customers Trained – SCOIS is a major provider of professional development in the field of career development. Over the years, numerous workshops have been held to train teachers, counselors, administrators, and others how to use career development resources. One program in which training has been provided over the past six years is *The Real Game* Program Series. *The Real Game* program offers career development activities for ages kindergarten through adult. Budget cuts over the past 3 years have resulted in a decrease in the number of professional development workshops held and, consequently, a decrease in the number of individuals receiving this training.

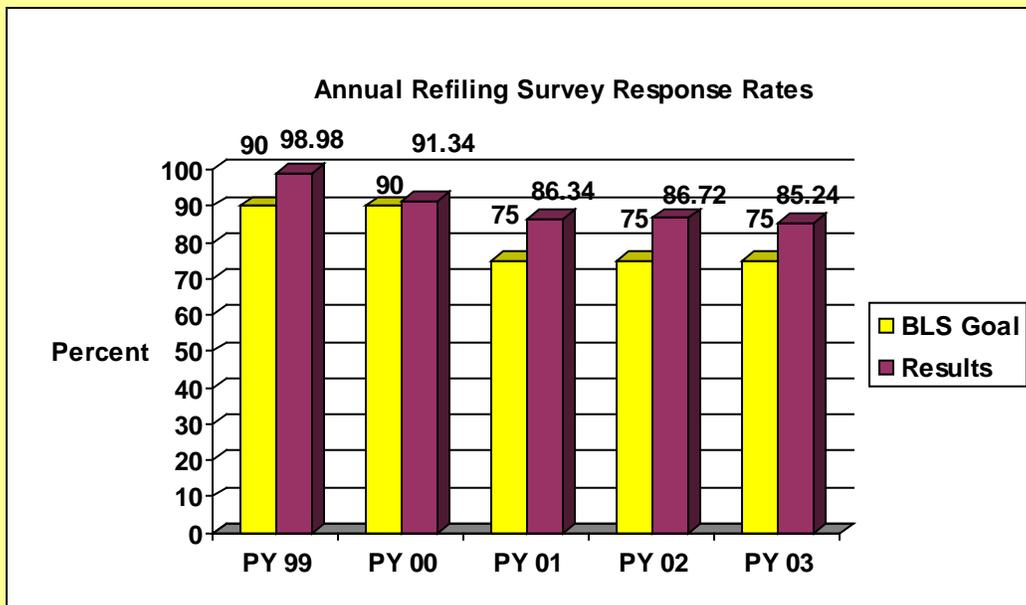
PROGRAM YEAR	NUMBER OF SCOIS SITES
1998	620
1999	630
2000	650
2001	645
2002	611
2003	529

7.2 – Mission Accomplishment

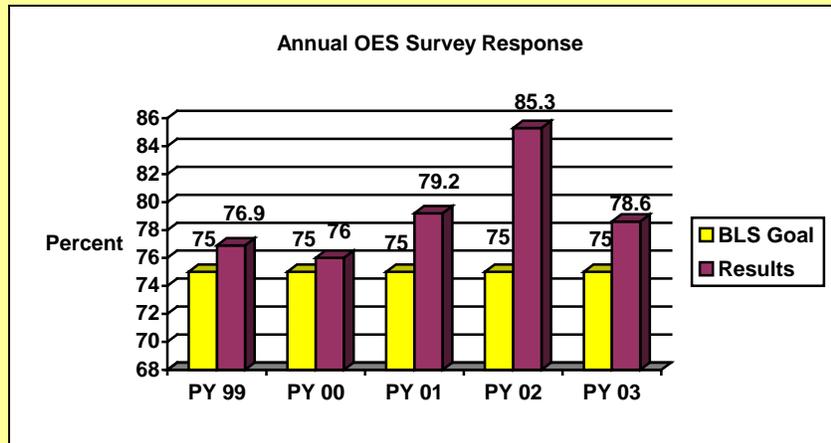
Labor Market Information

The Labor Market Information (LMI) Department is responsible for a wide variety of statistical and analytical programs in association with the U.S. Bureau of Labor Statistics (BLS), the Employment and Training Administration (ETA), and numerous outside contractors. LMI produces and provides data and analysis through publications, the LMI website, the Palmetto Economic Analysis Research System (PEARS), mail, and phone. The department's Customer Service Unit handles many of the requests from the public. LMI's staff also conducts special studies and makes presentations to groups upon request. The department serves a substantial number of public and private customers, and provides operational reports and analysis as needed.

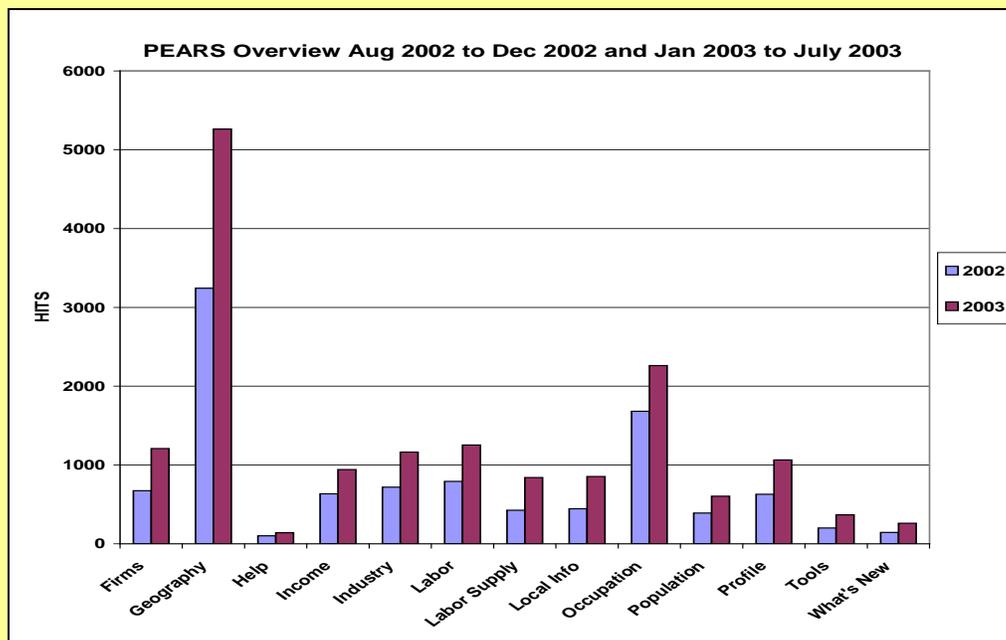
7.2-13 Each Year, Labor Market Information staff surveys a segment of the state's businesses to verify and update information on their locations and operations. Information from this Annual Re-filing Survey is used by the Agency's Unemployment Insurance Division. This information is also used to measure changes in the state's labor market.



7.2-14 The Occupational Employment Statistics (OES) survey is an annual federal/state survey for the collection of current occupational employment and wage data from employers. Through this nationwide program, occupational employment and wage data are estimated for each Metropolitan Statistical Area (MSA), state, and territory in the U.S.

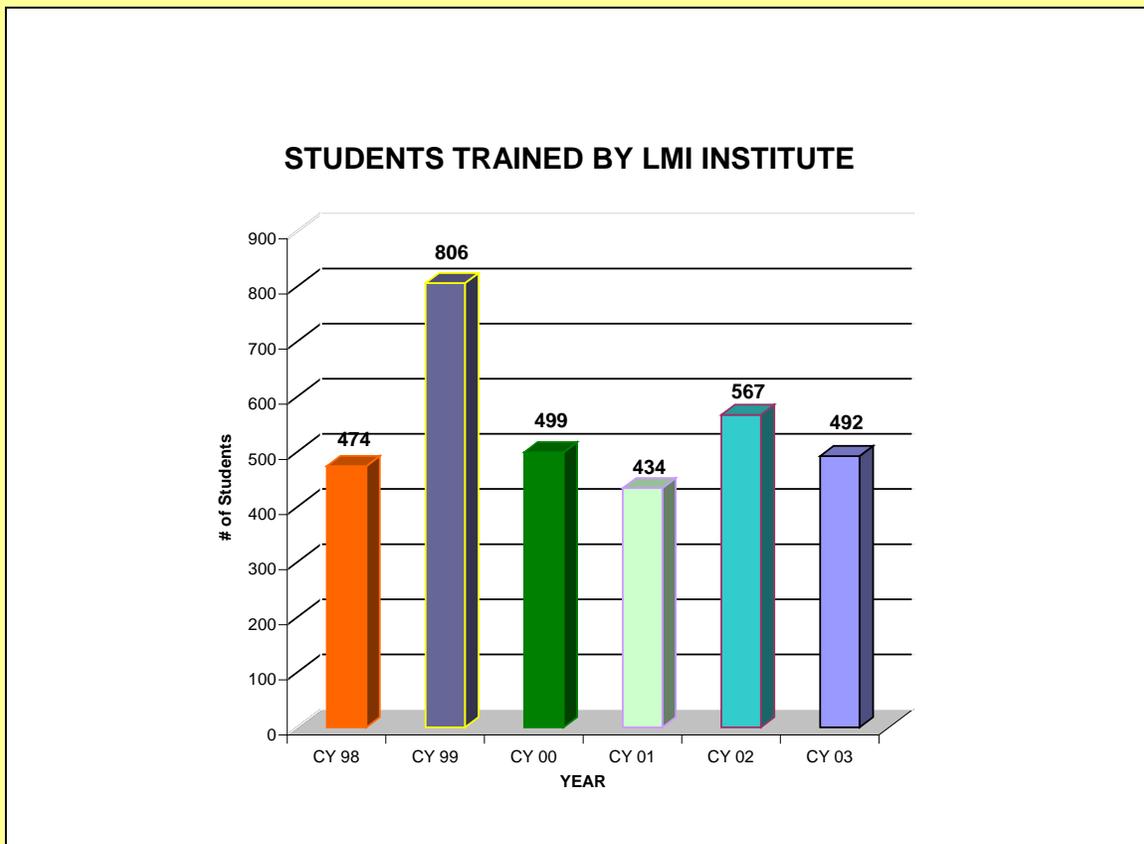


7.2-15 The web-based Palmetto Economic Analysis and Research System (PEARS), implemented in 2000, is the primary data delivery system for LMI. The system is used by workforce development service providers, one-stop workforce centers, businesses, individuals, the state, counties, educators, economic developers, and many others to obtain information about the state's labor market and economy. The system is available to all customers with Internet access.



A broad range of economic and labor market information is also provided via the LMI website, www.sces.org/lmi. A number of information products, including job outlook posters, a data chartroom, and state/area information spotlights are provided for downloading or viewing at the site. Monthly labor force and on-farm employment press releases are also posted to the site for customers and the media. The “What’s New” section of the site offers an instant look at the latest LMI products and services available.

7.2-16 The Labor Market Information (LMI) Training Institute is a national program that provides training and information services to workforce information professionals and consumers across the country. Funding is provided by grants from the U.S. Department of Labor, as well as training fees. The Institute is led by a board of directors from twelve states. The South Carolina Employment Security Commission serves as the lead state, responsible for administration of the Institute. The Institute provides classroom training in sites around the United States, as well as distance learning. It operates the LMInet web site (www.lmi-net.org) and produces the quarterly *LMI Horizons* newsletter.



7.2 – Mission Accomplishment

Unemployment Insurance (UI)

7.2-17 Payment of Claims – The program mission is to promote economic and employment stability and relieve the hardships of unemployment through the payment of employer financed insurance benefits to eligible unemployed individuals. The program objective is the accurate determination of employer liability, customer friendly unemployment insurance claims services, quality determinations of initial and continuing claimant eligibility, timely benefit payments on a continuing basis, and quality control programs to insure efficient and effective program performance.

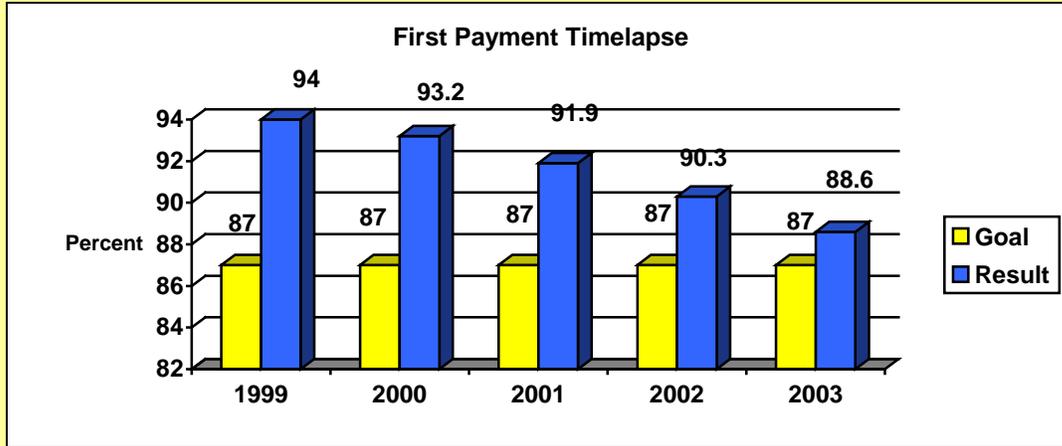
Total Initial Claims	July 1999 - June 2000	282,844
	July 2000 - June 2001	405,861
	July 2001 - June 2002	448,806
	July 2002 - June 2003	466,365
	July 2003 - June 2003	347,884
Total Weeks Claimed	July 1999 - June 2000	1,194,657
	July 2000 - June 2001	1,772,416
	July 2001 - June 2002	2,806,119
	July 2002 - June 2003	3,069,388
	July 2003 - June 2004	2,437,820

National performance measures have been established through a collaborative process between the U.S. Department of Labor and the fifty-two states’ and territories’ employment security agencies. There are more than thirty uniform performance measures. The most critical areas of unemployment insurance processing are shown below.

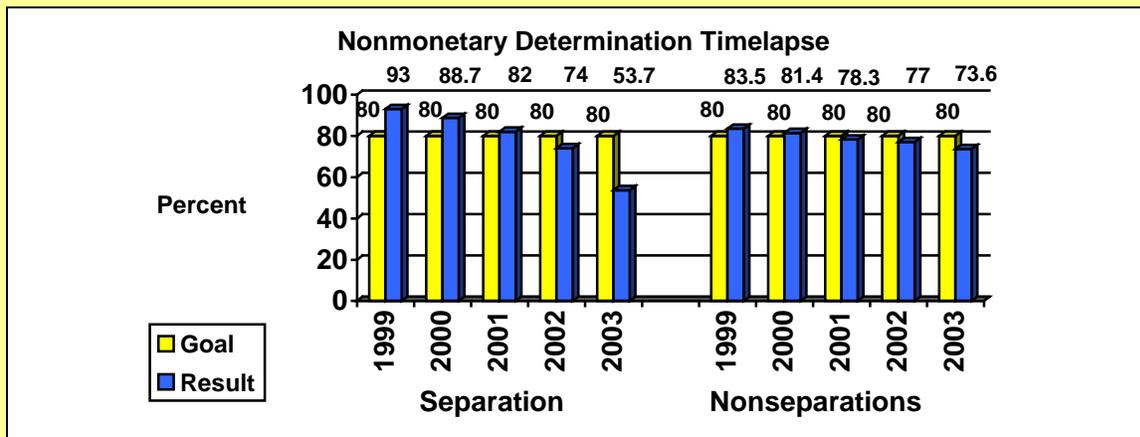
7.2-18 Program Performance Assessment – The national performance measures ranked the Agency’s unemployment program high, especially when compared with the other fifty-one unemployment programs. The combined performance scores resulted in the Agency finishing each of the past two years well above the national average.

BENEFITS			
Year	Top 10 States	Top 1/3 States	Above National Average
CY 99	62.7%	81.3%	95.3%
CY 00	72.1%	95.3%	100.0%
CY 01	41.0%	54.8%	94.5%
CY 02	37.3%	62.6%	96.0%
CY 03	32.1%	50.0%	82.1%

7.2-19 First Payment Timeliness: Payment should be made within 14 days of the first claim week-ending date after the waiting week has ended. The criterion for this measure is 87% of first payments being made timely.



7.2-20 Non-monetary Determination Timeliness: The eligibility determination should be made within 14 days of detecting an “issue” during a claim series (non-separation) and within 21 days for issues detected when the initial claim is filed (separation). “Issues” are anything that has potential to affect a claimant’s past, present, or future benefits rights. The criterion is 80% of the issues will be handled within the 14 or 21 day time period.



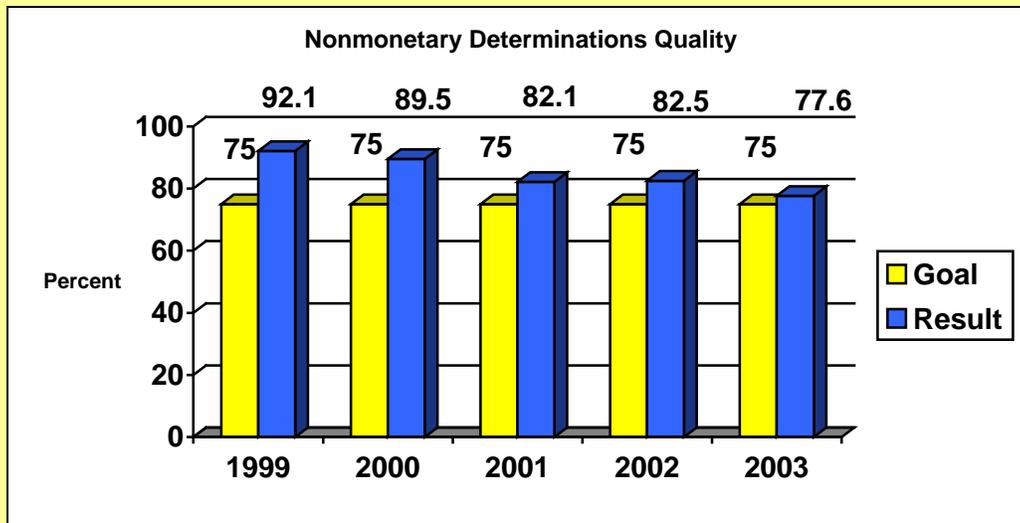
For Separation Determinations:

The 1999 S.C. score was the 4th highest in the country.
The 2000 S.C. score was the 6th highest in the country.
The 2001 S.C. score was the 18th highest in the country.
The 2002 S.C. score was the 22nd highest in the country.
The 2003 S.C. score was the 42nd highest in the country.

For Non-separation Determinations:

The 1999 S.C. score was the 10th highest in the country.
The 2000 S.C. score was the 10th highest in the country.
The 2001 S.C. score was the 16th highest in the country.
The 2002 S.C. score was the 15th highest in the country.
The 2003 S.C. score was the 22nd highest in the country.

7.2-21 Non-Monetary Determinations Quality: Samples of eligibility determinations are evaluated using federal guidelines to ensure proper decisions are made. The criterion for this is 75% of the evaluated determinations must score at least 80 points.



For Non-monetary Determinations:

The 1999 S.C. score represented the 2nd highest score in the country.
The 2000 S.C. score represented the 2nd highest score in the country.
The 2001 S.C. score represented the 11th highest in the country.
The 2002 S.C. score represented the 12th highest in the country.
The 2003 S.C. score represented the 26th highest score in the country.

7.3 – Financial Performance

Agency Revenue 2003-2004

Other Operating	\$ 467,120
Contracts	16,619
Consortium Contracts	4,193
Training Session Fees	71,574
Contingency Assessment Fund	7,536,930
Child Support Intercept	14,107
Parking Fees	58,278
SCOIC Career Resource Network	208,961
Technical Assistance & Training Program	0
WIA/Adult-Youth-Dislocated Worker	52,871,110
Reed Act Funds	2,746,745
Employment Services	11,312,507
Unemployment Insurance	30,896,889
Job Corps	191,365
Special Administration Fund	306,603
Disabled Veterans Outreach Program (DVOP)	1,052,486
Bureau of Labor Statistics (BLS)	1,249,897
ES Reimbursement Grant	107,493
Local Veterans Employment Representative (LVER)	1,220,605
North American Free Trade Agreement/Trade Adjustment Assistance (NAFTA/TAA)	2,136,306
Welfare-to-Work	630,544
State Appropriation	176,049
JTPA EDWAA	21
WIA Sec 503 Incentive Grant	31,360
Reintegration of Homeless Veterans into labor force	200,000
Disability Program Navigator	240,379
	<hr/>
	\$113,748,141

Agency Expenditures 2003 –2004

Personal Services	\$ 39,315,853
Operating	11,575,612
Debt Service	360,219
Permanent Improvements	2,202,711
Case Services	4,850,998
Distribution to Sub-Divisions	42,922,410
Fringe Benefits	10,998,376
Indirect Cost to General Fund	253,401
	<hr/>
	\$112,479,580

7.4 – What are your performance levels and trends for the key measures of Human Resource Results?

7.4-1 Absenteeism – Generally defined as an employee’s unscheduled failure to report to work, absenteeism creates general disarray and lower productivity. For the purposes of calculating absentee rates, the category of sick leave (*to include family & pool sick leave*) was selected. Other types of leave (*e.g., annual leave, holidays, etc.*) are typically planned absences whereby efforts can be made to avoid delays in scheduled activities. According to general research results of the Bureau of Labor Statistics, the absenteeism rate for most companies should be around 4% barring unusual circumstances.

Employee Absenteeism	FY 99-00	FY 00-01	FY 01-02	FY 02-03	FY 03-04
Fiscal Year Work Hours	2,160,600	2,156,700	2,271,750	2,224,950	2,029,950
Sick Leave Hours Used	95,571.83	89,625.45	95,858.90	103,682.88	117,964.48
% of Time Lost Through Unscheduled Absences	4.4 %	4.2 %	4.2 %	4.7 %	5.8 %

7.4-2 Employee Turnover – Success of the Agency’s efforts to ensure high morale and productivity may be measured, in part, through an analysis of the employee turnover rate. For the past five fiscal years, data have been tracked for six categories as listed below. A comparison of the Agency’s turnover rate against the national average for state and local governments shows that ESC experiences a notably lower turnover rate than the national average (*ESC Avg. 10.05%; National Avg. 15%*). The one exception during FY 99-00 was the result of a cost savings effort by the Agency through its participation in a pilot of the Voluntary Separation Program, which is now currently being used by other state agencies.

Type of Turnover	FY 99-00	FY 00-01	FY 01-02	FY 02-03	FY 03-04
Disability Retirements	4	5	6	1	3
Regular Retirements	77	24	25	26	30
Reduction in Force	0	3	0	0	0
Resignations	56	47	22	50	39
Separations	27	8	19	37	21
Terminations	5	3	8	6	2
Total Turnover	169	90	80	120	95
Avg. # of Full-time Employees	1,052	1,071	1,165	1,138	1,041
Turnover Percentage	16.1 %	8.4 %	6.9 %	10.5 %	9.1 %

7.4-3 Employee Satisfaction (*Exit Interviews*) – The exit interview is a four-part assessment questionnaire, which enables the Agency to more accurately and more confidentially measure the reasons why employees are leaving. Exit interviews can solidly measure reasons employees are leaving in the following key areas: *Supervision and Management, Work Satisfaction, Workload Distribution and Schedule Flexibility, Salary, Benefits, Training and Development, Career Advancement Opportunities, Organizational Culture, and Organizational and Work Group Communication.* Additionally, the assessment of exit interviews can result in improved Employee Retention/Reduced Turnover and benchmarking against industry norms. The exit interview data is run on a quarterly basis. This on-going feedback allows the Agency to determine and quantify where improvements have had a positive impact, as well as identify where other improvements are needed. In addition, this comparison exhibits trends which have formed regarding employee satisfaction.

Employee Exits	FY 99-00	FY 00-01	FY 01-02	FY 02-03	FY 03-04
Retirement	50.0 %	46.0 %	60.0 %	35.0 %	46.1 %
Another Job	29.0 %	17.0 %	6.0 %	42.0 %	15.4 %
Relocated	2.0 %	0.0 %	0.0 %	0.0 %	15.4 %
Personal	17.0 %	29.0 %	14.0 %	23.0 %	7.7 %
Other	2.0 %	8.0 %	20.0 %	0.0 %	15.4 %
Total	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %

7.4-4

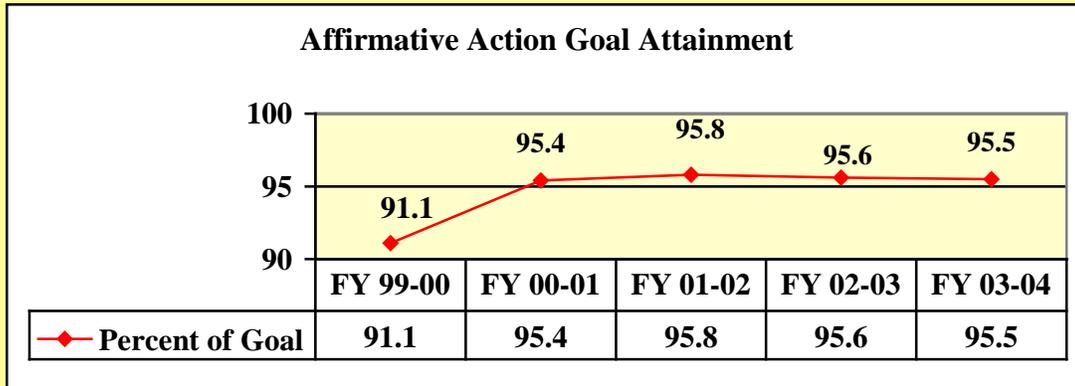
Summary of Employee Exit Questionnaire <i>Percent of Positive Responses</i>	FY 99-00	FY 00-01	FY 01-02	FY 02-03	FY 03-04
Understanding of Agency Mission	100.0 %	97.2 %	100.0 %	100.0 %	100.0 %
Request for Information from Management	96.1 %	98.1 %	100.0 %	95.0 %	84.6 %
Management's Response to Employee Requests	78.9 %	77.4 %	80.0 %	75.0 %	84.6 %
Kept Informed of Policies	90.4 %	91.7 %	100.0 %	83.8 %	92.3 %
Consider Returning	79.6 %	91.3 %	73.0 %	93.8 %	92.3 %
Duties Explained	93.8 %	86.6 %	87.0 %	100.0 %	100.0 %
Adequate Training	80.3 %	87.8 %	80.0 %	100.0 %	76.9 %
Workload	79.2 %	69.4 %	80.0 %	60.0 %	53.8 %
Employee/Supervisor Communication	90.2 %	88.6 %	92.0 %	75.0 %	92.3 %
Relationship with Supervisor	95.0 %	91.3 %	92.0 %	75.0 %	92.3 %

Summary of Employee Exit Questionnaire Percent of Positive Responses	FY 99-00	FY 00-01	FY 01-02	FY 02-03	FY 03-04
Guidance from Supervisor	93.6 %	85.8 %	92.0 %	100.0 %	92.3 %
Relationships with Co-workers	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Advancement Opportunities	71.1 %	75.0 %	75.0 %	58.8 %	92.3 %
Pay for Job	72.9 %	82.2 %	80.0 %	53.8 %	92.3 %
Cooperation and Teamwork	96.1 %	89.8 %	65.0 %	95.0 %	84.6 %
Resolving Problems	87.7 %	83.0 %	70.0%	75.0 %	76.9 %
Working Conditions	90.4 %	89.8 %	88.0%	75.0 %	84.6 %
EPMS Program	90.2 %	89.1 %	92.0%	100.0 %	100.0 %
Treatment by Management	81.8 %	83.0 %	92.0%	70.0 %	84.6 %
Recognition on the Job	91.6 %	84.4 %	100.0%	95.0 %	84.6 %
Communication within Agency	80.5 %	87.8 %	88.0%	90.8 %	100.0 %
Communication within Office	92.2 %	86.1 %	86.0%	93.8 %	76.9 %
Orientation Program	95.3 %	97.2 %	100.0%	100.0 %	92.3 %
Benefits Package	97.8 %	100.0 %	100.0%	100.0 %	100.0 %

7.4-5 Harmonious Relationships – Interaction between public employers and employees represents a very important factor in the effective and efficient operation of government. A proper forum for the understanding and resolution of employee grievances contributes to the establishment and maintenance of harmony, good faith, and the quality of public service. Agency policy states that the occasional grievance filed should not reflect poorly on either management or the employee filing it. The following chart reflects grievance activity for the past five fiscal years.

Employee Grievance Activity	FY 99-00	FY 00-01	FY 01-02	FY 02-03	FY 03-04
Total Number of Grievances Filed by Agency Employees	2	2	4	1	4
Non-Grievable Issues/ Grievances Denied	2	2	1	1	1
Grievable Issues / Grievances Accepted	0	0	3	0	3

7.4-6 Affirmative Action – The State Human Affairs Commission publishes an annual report on state agency hiring. This report details each agency’s efforts in recruiting, hiring, and promoting individuals in various sex and race demographic categories, and ranks agencies on how closely the proportions of employees reflect the available workforce. Over the past five years, the ESC has been very successful in obtaining its goals, which has resulted in the Agency being ranked among the top agencies in the state.



7.4-7 Employee Safety – The Agency encourages and promotes a safe environment for both employees and customers. Supervisors and managers are responsible for ensuring that safety requirements are met. Information on workplace safety is routinely distributed to employees and posted on the Agency bulletin boards. In case of fire, established procedures are in place for the safe evacuation of those employees with physical impairments. The chart below reflects the job-related accidents and/or illnesses that resulted in lost work time for the past three fiscal years. An analysis of each claim is done to determine training needs in order to prevent repeat incidents and assess other potential hazards.

Job-Related Accidents/Illnesses	FY 99-00	FY 00-01	FY 01-02	FY 02-03	FY 03-04
Number of Employees	13	13	8	15	12
Days Absent from Work	322.0	53.0	114.5	255.0	196.0
Average Number of Days	24.8	4.1	14.3	17.0	14.4

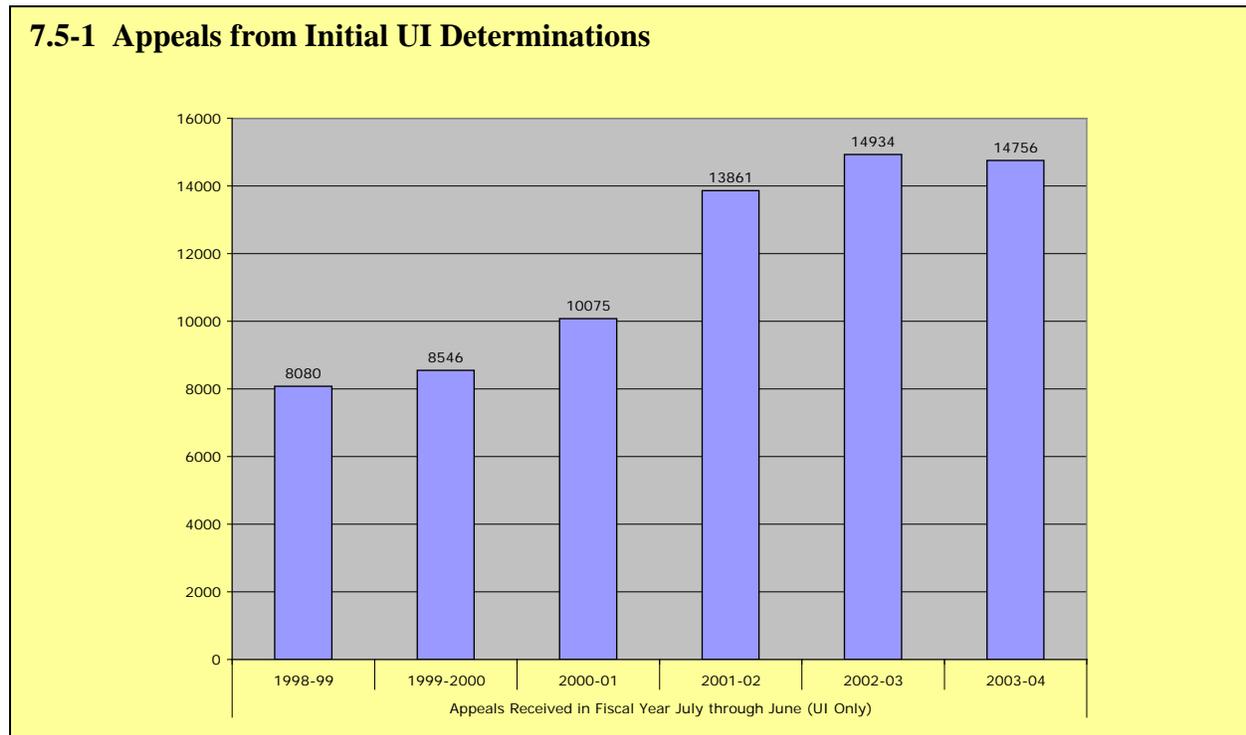
7.4-8 Human Resource Development and Training					
Administrative Office	FY 99-00	FY 00-01	FY 01-02	FY 02-03	FY 03-04
Total Training Events	N/A	N/A	92	97	7
Total Training Participants	N/A	N/A	1,385	1,244	117
Other ESC Sites	FY 99 -00	FY 00 -01	FY 01 -02	FY 02 -03	FY 03-04
Total Training Events	N/A	N/A	50	35	5
Total Training Participants	N/A	N/A	1,153	527	289
Other Sites (non-ESC)	FY 99 -00	FY 00 -01	FY 01 -02	FY 02 -03	FY 03-04
Total Training Events	N/A	N/A	76	93	59
Total Training Participants	N/A	N/A	109	146	103

7.5 – What are your performance levels and trends for the key measures of regulatory/legal compliance and community support?

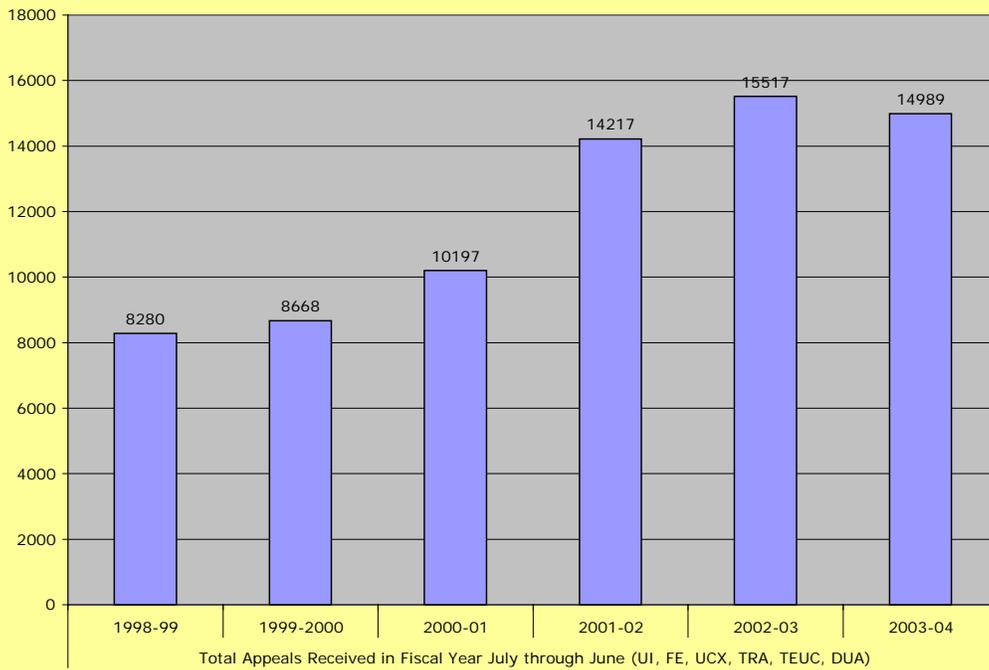
The Legal Department has three staff attorneys who represent the Commission and advise and assist ESC divisions. The department also manages the Commission Appeals Unit (Higher Authority Appeals) and oversees the Lower Authority Appeals Unit.

Unemployment Compensation Appeals

Although it is unclear that we have begun an economic recovery, the number of appeals, measured annually, shows a slight decline from last year.



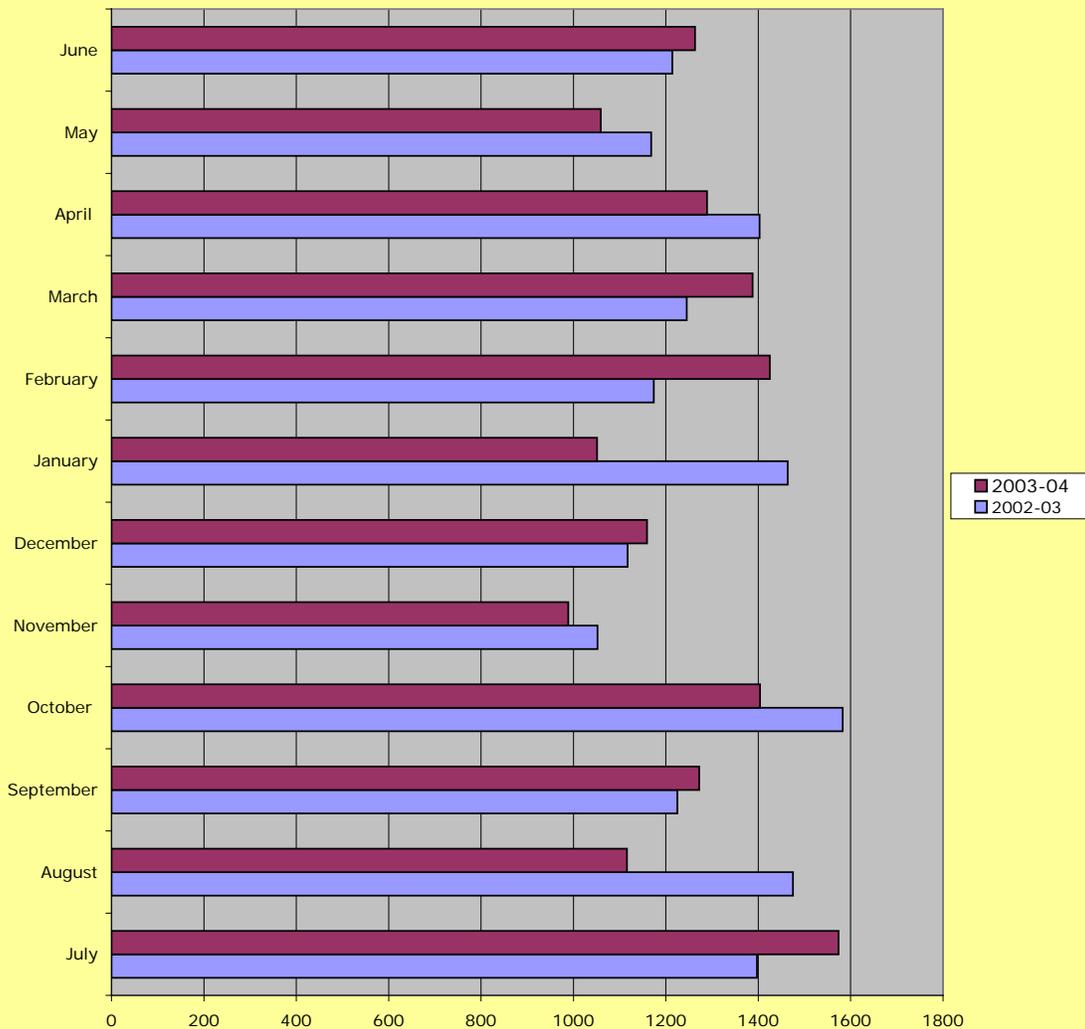
7.5-2 Appeals from Initial Determinations for All Programs



As figures 1 and 2 show, the number of appeals, both for UI and for all benefit programs, has begun to decrease. There were 14,756 UI appeals filed in the fiscal year ending June 30, 2004, and 14,989 appeals filed in all categories, a decrease of approximately 3.4% from the previous year. Over the six-year period represented, the number of appeals has nearly doubled, increasing by over 181%.

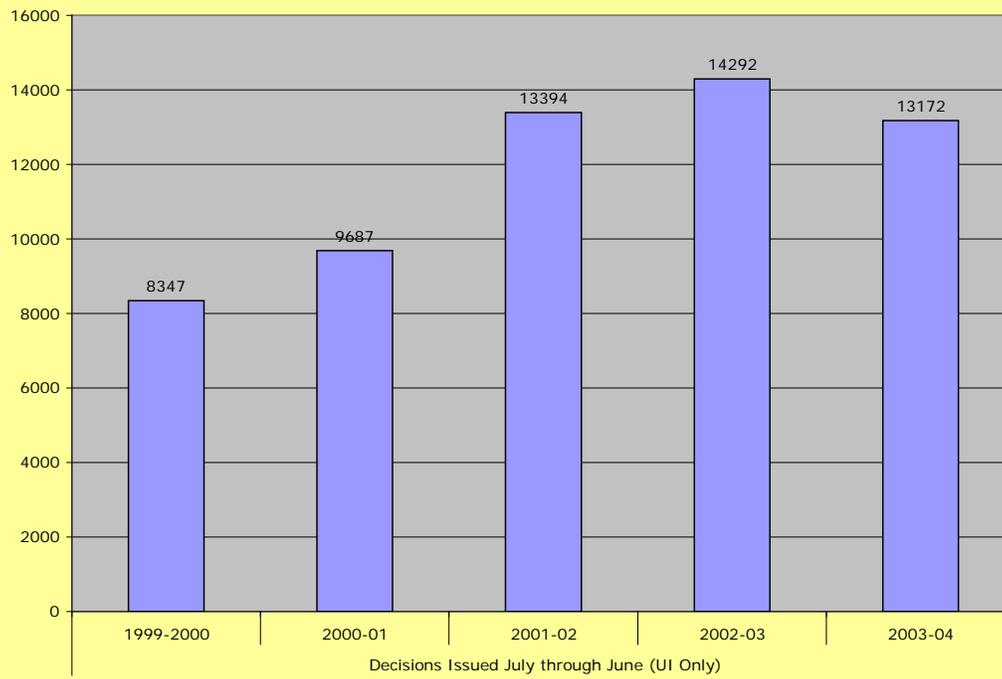
However, if we examine the monthly appeals for the last two years, we do not see a definitive trend. In fact, the number of appeals exceeded last year's totals for three of the most recent six months from January to June 2004.

7.5-3 Monthly Appeals from Initial Determinations for All Programs

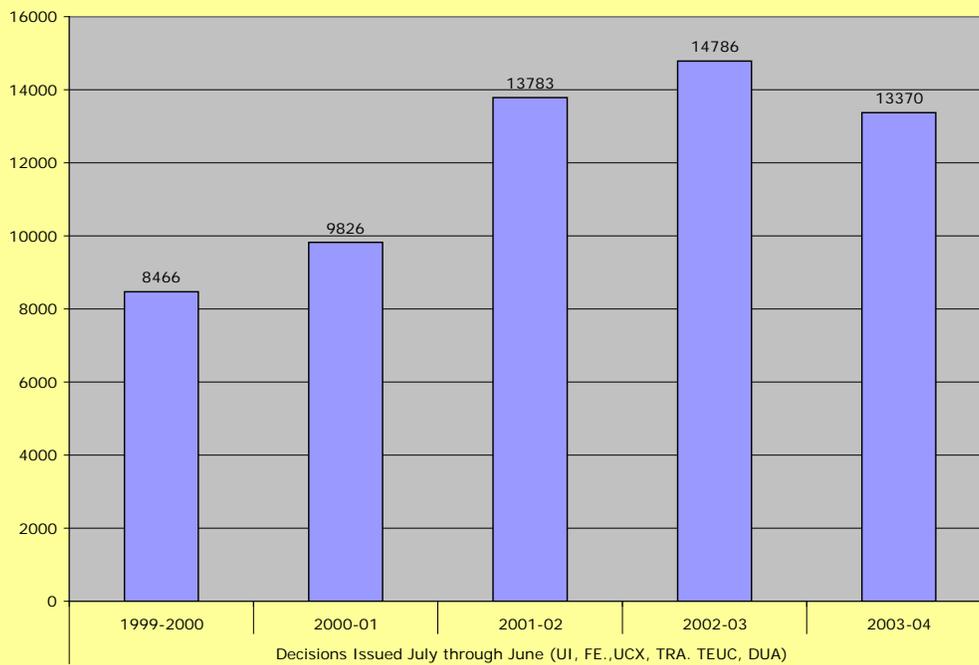


During the most recent fiscal year, Lower Authority Appeals issued 13,172 UI decisions and 13,370 decisions for all programs, decreases of approximately 9.6% from the previous year. This trend begins to reverse the increases experienced over the previous five years. With the end of the Temporary Extended Unemployment Compensation (TEUC) programs, we can expect the downward trend to continue if the economy stabilizes.

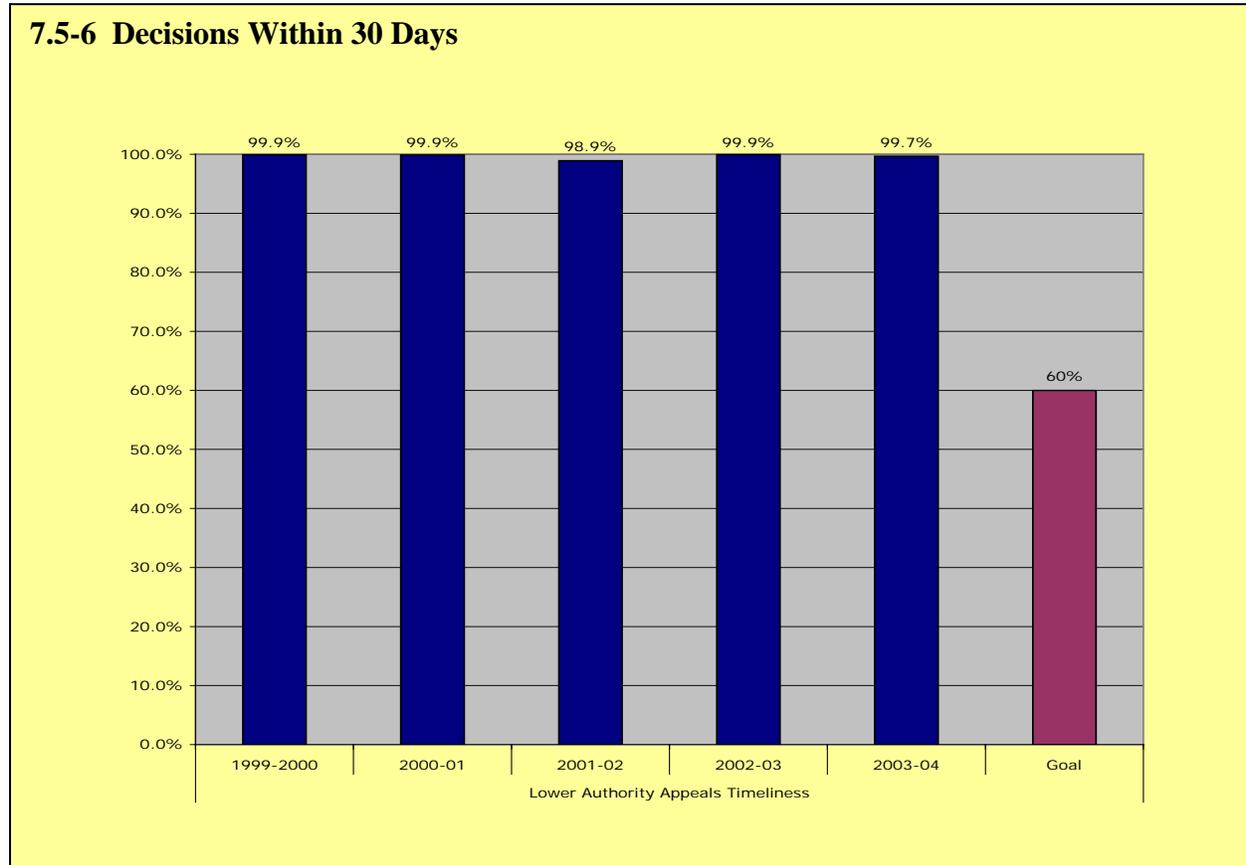
7.5-4 Decisions for UI Cases



7.5-5 Decisions for All Programs



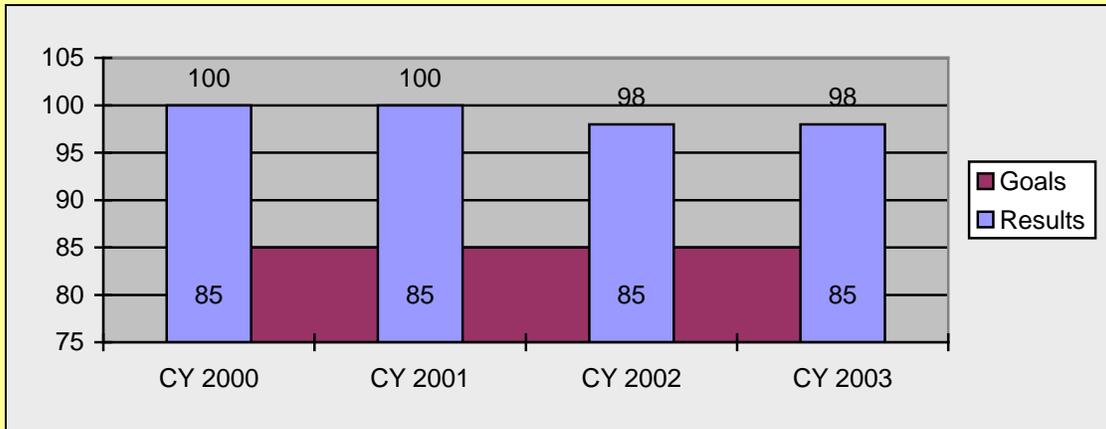
Lower Authority Appeals Timeliness. Timeliness is defined as the number of days elapsed from the filing of an appeal from a determination to the date of the decision. The goal set by the Department of Labor is to resolve 60% of appeals within 30 days.



The Lower Authority Appeals unit continues to lead the nation in this category. In addition, 99.8% of cases are disposed of within 45 days, and 100% of cases are decided within 90 days. These results also lead the nation.

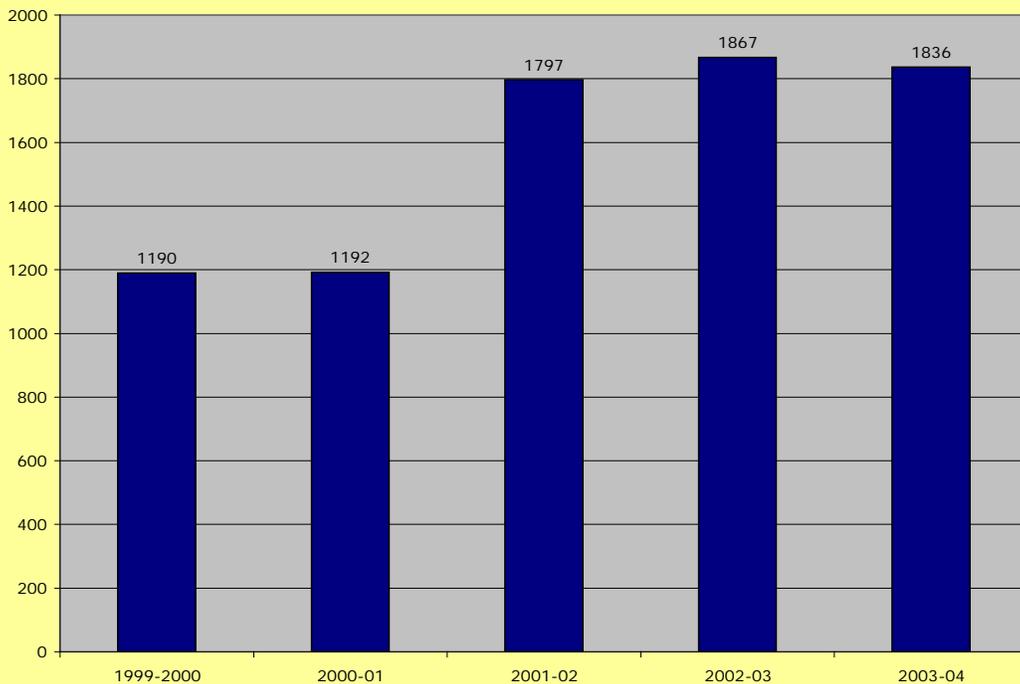
Lower Authority Appeals Quality. Quality evaluations are derived from assessments of quarterly samples drawn from lower authority benefit appeals hearings, evaluated for compliance with federal criteria for compliance with due process and legal standards for handling evidence, controlling the hearing, and allowing cross examination by each party. Cases must score at 85% or higher. Even with the high workload and changing staff, Lower Authority Appeals has maintained excellent results as measured by federal quality standards. South Carolina leads the nation in due process quality and places near the top in overall quality.

7.5-7 Hearings Quality

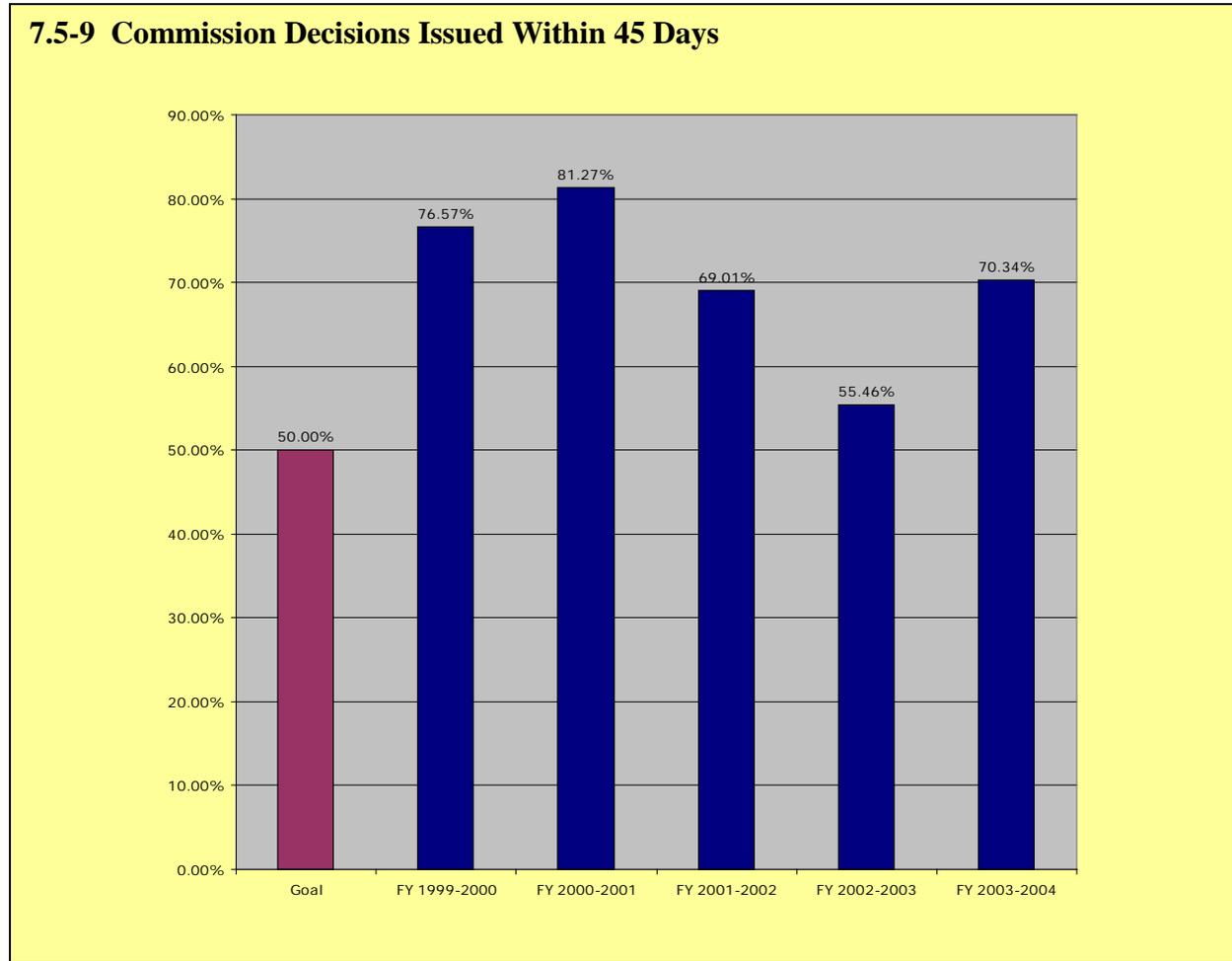


Higher Authority Appeals. Employers and individual claimants who do not agree with decisions issued by the Appeal Tribunal have the legal right to seek further review by appealing to the Employment Security Commission. The Commission reviews each case on the basis of the record created by the Appeal Tribunal although the Commission as the final finder of fact has the authority to make its own assessment of witnesses and evidence presented.

7.5-8 Appeals to the Commission (All Programs)

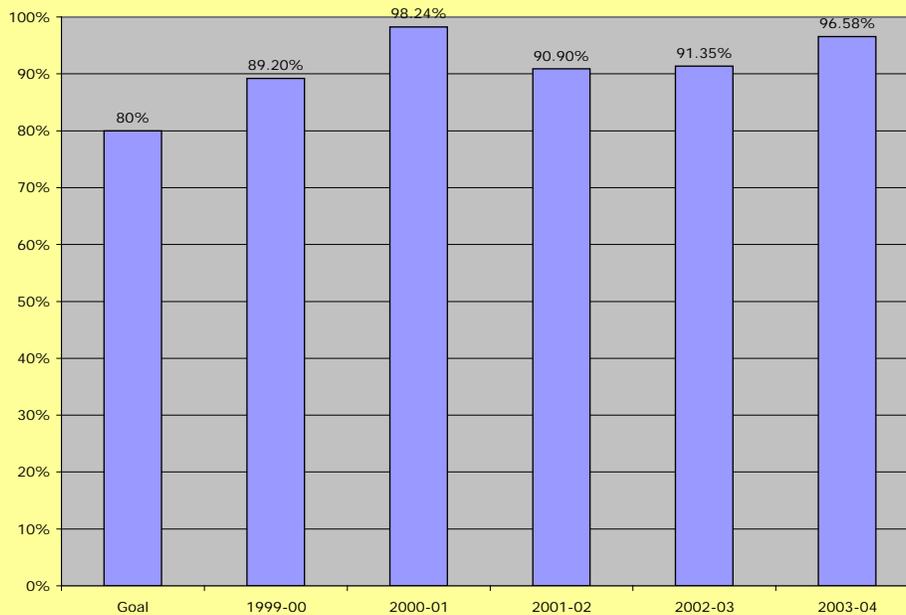


To ensure prompt resolution of these appeals, the Commission is encouraged to issue decisions for 50% of all cases within 45 days. During the twelve months from July 1, 2003, through June 30, 2004, the Commission issued 904 decisions within 45 days of the appeal-filed date.



The Commission is also encouraged to resolve 80% of all cases within 75 days from the appeal-filed date. The Commission typically manages to stay at or above 90% for this measure.

7.5-10 Commission Decisions Issued Within 75 Days



Lower Authority and Commission Appeals continue to meet and exceed the federal goals. Although the workload is still high, Lower Authority Appeals leads the nation in thirty-day time lapse, and Commission appeals has improved its 75-day performance measure to just over 96%. For the year from July 1, 2003 through June 30, 2004, Lower Authority Appeals handled 14,989 appeals and issued 13,370 decisions. The Commission handled 1,806 appeals and issued 1,551 decisions.

Although the increase in the number of appeals seems to have peaked, there is no indication that it will return to pre-recession levels, or even to the pre-boom levels of 1996 (10,000 annual appeals for Lower Authority and 1,100 appeals for the Commission). On the other hand, if the increases resume, even at a slower rate, we will soon reach the capacity limits of our resources to manage the caseload without falling short of the performance and quality goals set by the Department of Labor. To address these potential problems, we have begun to invest in technological improvements that will allow the department to make more efficient use of its personnel. We have started to implement an automated appeals management system that will decrease the duplication of data entry, assist with case scheduling, and help the hearing officers write decisions by importing addresses and statutory language. The next step will be to integrate the Lower Authority case management system with Commission Appeals. That step will also eliminate some duplicative data entry.