

Executive Summary

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 the payment of Unemployment Insurance (UI) benefits, the collection of unemployment taxes, job placement, and federal employment statistics. While these duties haven't changed, modern needs and service delivery methods have. As the leading workforce development and labor exchange agency in the state, the agency continually adapts to the demands of the computer society, the global economy, and the commitment to make all of its employees partners in change.

The thrust of our new focus can be summarized in two words: results matter. We believe in "customer satisfaction", not just number of placements. A top priority in every office is reducing the amount of time that a customer must wait to receive service. Our main goal is to match job seekers with employers as quickly and effectively as possible, and we offer a variety of services to assist both groups of customers. These services broadened significantly on July 1, 2000, with the implementation of a new employment system -- the Workforce Investment Act (WIA) -- and a new executive director, C. Michael Mungo.

The Workforce Investment System replaced the Job Training Partnership Act (JTPA), a long-standing program that focused on providing jobs and training for the economically disadvantaged. The Workforce Investment System is more broadly focused, working under the guidance of state and local Workforce Investment Boards (WIB), which are comprised predominantly of members of the business community. The new system partners the Employment Security Commission with several other state and local agencies to provide a full range of services. With the inception of the Workforce Investment System, many of our local offices were designated as One-Stop Centers, housing several partnering state and local agencies under one roof.

In the past, a customer came to our offices for two reasons - to file for Unemployment Insurance benefits, and to seek work. That is no longer the case. Many of our local offices have become the designated One-Stop Centers for local Workforce Investment Boards. Customers may now find help in the form of Vocational Rehabilitation, Welfare-to-Work, Adult Education, or local technical colleges. They may also apply for housing, or get help in obtaining a General Equivalency Diploma (GED) or acquiring specific job-related skills. These centers also include a Career Information Center, which allows job seekers to access career information on the Internet and use software that allows them to create resumes. They are also free to use our fax and e-mail services. Employers, likewise, in need of qualified workers can count on the Employment Security Commission for recruiting, referrals, and job training tailored to meet their specific needs. And, it is all free!

Over the past year, the broad focus of the Employment Security Commission has been to make the new system work.

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Under Mr. Mungo's leadership, the new Employment Security Commission administration is committed not only to the philosophy of Workforce Investment, but also ensuring that our 1,100-plus employees have a stake in the agency's future. Over the past year, every employee has been brought into the agency's one-year and five-year planning process. Employees were solicited for their suggestions on improving the agency. Some of these suggestions, such as Flex Time and an Employee Bonus Program, were implemented within a short time frame. A list of 113 issues has been drawn up, and plans of action have been submitted for over 70 of these suggestions. Also, management has been considerably decentralized. For example, the Employment Security Commission's 34 area directors have been given more authority in the decision-making process, to include use of a credit card for purchases.

The 2000-2001 year has been an extremely busy one for an agency on the move. We were instrumental in filling over 64,000 jobs. Additionally, we renovated or changed the physical structure of half the local offices. This included the redesign of our offices to an "open floor" plan, which allows customers more accessibility to our staff and to the services we provide.

The agency has also completely upgraded its security system for the central office complex. All central office employees now wear identification badges, which contribute to a safer working environment.

Internally, the Electronic Data Processing Department has set up time-lines to process service requests. This department is also in the process of standardizing the types of computer hardware and software to achieve maximum compatibility.

The Employment Security Commission's Unemployment Insurance Division has a well-deserved reputation for processing claims quickly. This year, the division won the U.S. Department of Labor's Regional Office Award for the Best Overall Performance in the eight-state region, and has even improved its performance as measured by the U.S. Department of Labor standards. The staff has also established a cross-training program, so that local office employees will be able to provide services to unemployment insurance and employment service customers.

Changes in the law have helped strengthen unemployment insurance collection tools. An agency amnesty program resulted in the collection of over \$1 million in delinquent taxes. The Unemployment Insurance Division has also developed and implemented an automated Employee Performance and Management System in the Field Service area. This system received honorable mention at the 2000 U.S. Department of Labor (USDOL) National Customer Service Awards Program. The division has implemented a new tax application for the interactive voice response system, and is actively participating in the development of the South Carolina Business One-Stop System. This system will allow new businesses to register on-line with the agency.

The Finance Department has successfully made the transition from the Job Training Partnership Act to the Workforce Investment Program, which involved balancing all the records of a retired program and instituting a new one simultaneously.

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The Labor Market Information (LMI) Department has been restructured to emphasize customer service and marketing. The department was subdivided into three sections: Customer Support, Labor Force Statistical and Economic Analysis, and Information Support. The Customer Support section works with local Workforce Investment Boards to provide information support and to assist with marketing efforts. A two-person Customer Service Unit was set up to respond directly to data and information requests. A special website, Palmetto Economic Analysis Research System (PEARS), has been established to provide user-friendly labor market information.

South Carolina served as the lead state for a national training effort for the labor market information community through a grant from the U. S. Department of Labor Employment and Training Administration (ETA). Staff from every state in the country attended the LMI Training Institute, coordinated by staff from the Employment Security Commission's LMI Department. The agency received high acclaim for this effort. Additionally, LMI staffers have served on national policy councils and planning committees to determine the future direction of various workforce programs.

The South Carolina Employment Trends publication was renamed the South Carolina Workforce Trends. A reformatting of the labor market information substantially increased circulation.

The Employment Security Commission's Human Resource Management (HRM) Department has been strongly focused on giving employees not only a greater role in the agency, but more incentive to remain and progress in their careers. A Merit Increase Program and a Revised Pay Plan reward both job excellence and continued training. A bonus program, with awards up to \$1,000, has been established for exceptional contributions, service, or savings. Ten awards have already been given. There has also been an increased emphasis on communications; employees are being encouraged to obtain more training, establish a career plan, and stay up-to-date on agency policies.

In regard to staff development, the agency continues to provide technology training to employees and One-Stop partners for various Microsoft applications, career information center programs, and other computer applications and databases that support agency operations. In addition, training on "change management" is being delivered to local office employees and partners through a series of regional training sessions. A series of workshops on Work Keys has also been offered and well attended by partners, area directors, and technical staff. Work Keys is a job analysis and skills assessment system, which is growing in popularity with Employment Security Commission customers. Planning is underway for future training on such topics as collaborative partnerships, diversity, and customer service. Leadership development training is being planned for early 2002.

Even with these many developments, the agency has retained its ability to respond to immediate day-to-day emergencies. When video poker was banned in South Carolina, the Employment Security Commission took immediate measures to process over one thousand additional claims. When the announcement was made that a number of state employees would be laid off, the

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agency devised a plan to help these affected workers. Part of this plan included a public job fair which set aside time to serve state employees specifically. The **SC Works!** Job Fair was held in July 2001 and approximately 10,000 attended. People from around the state were also able to participate via satellite at local Employment Security Commission offices.

Vision and Guiding Principles

The vision of the Employment Security Commission is to be recognized as the leading workforce development and labor exchange agency in South Carolina. Our vision is based on the following values:

- Provide Quality Customer Service.
- Promote Total Employee Involvement.
- Produce Superior Products.
- Seek Additional Public/Private Partnerships.
- Promote Greater Use of Technology Tools.
- Accept Daily Change.
- Encourage Teamwork.
- Strive For Increased Community Involvement.

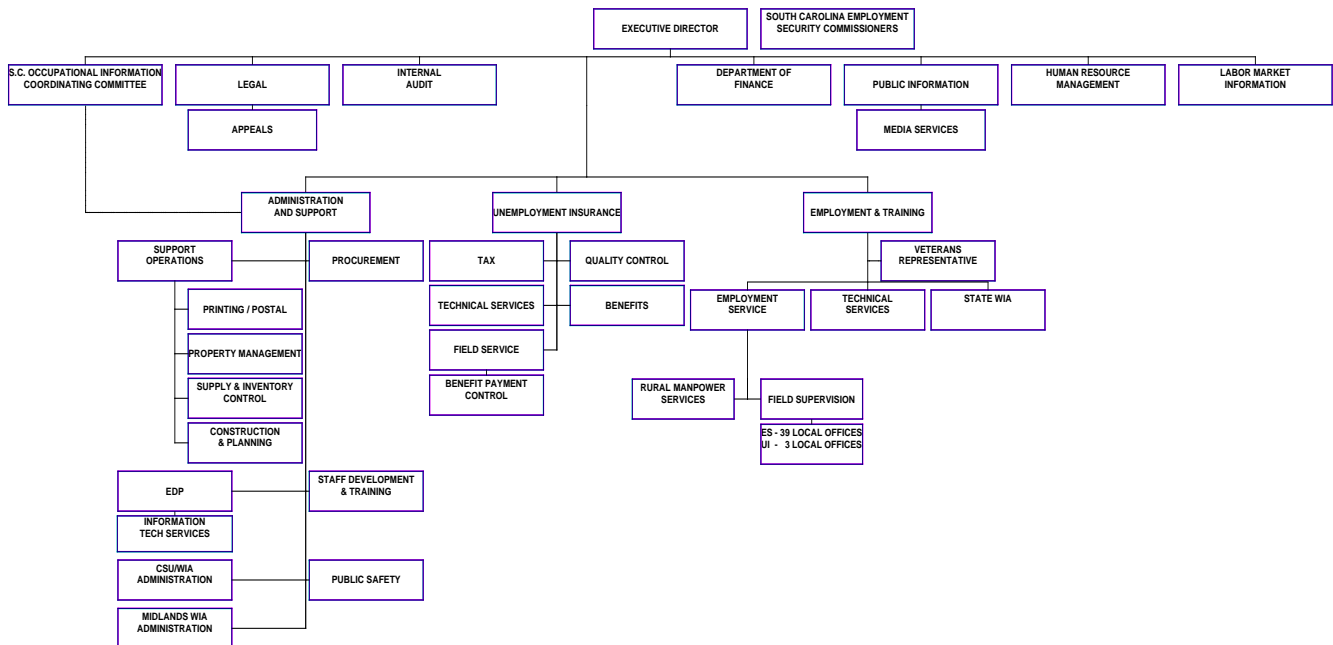
The guiding principles of the Employment Security Commission are:

- The customer comes first.
- Each employee will be involved in providing meaningful input into the way the agency does business.
- Key results/performance will be linked to long-term planning.
- The agency will become the leading workforce development and labor exchange agency.
- The agency will continue to promote open communication throughout the agency.
- The agency will make use of the latest technology tools to better serve our customers.
- The agency will be a good partner in all of its partnerships.
- The agency will boldly seek opportunities to build additional public/private partnerships.
- The agency will maintain a diverse, professional, well trained, motivated, and dedicated workforce.
- ESC is the acronym, not only for Employment Security Commission but also for “Effectively Serving Customers”.

Business Overview

Organizational Chart

**SOUTH CAROLINA EMPLOYMENT SECURITY COMMISSION
ORGANIZATION CHART
July 1, 2000**



Number of Employees

As of June 30, 2001, the Employment Security Commission had the following number of employees:

1,106 full-time
 64 temporary

1,170 total employment

Business Overview

Operation Locations

As of June 30, 2001, the agency had thirty-four (34) local offices, two (2) branch offices, eleven (11) itinerant points, two (2) administrative offices, and a warehouse. Locations are listed below:

Administrative (Columbia, SC)

Robert E. David Building
C. Lem Harper Sr. Building
Warehouse

Local Office Locations

Abbeville (Branch)	Georgetown	Newberry
Aiken	Greenville	Orangeburg
Anderson	Greenwood	Rock Hill
Barnwell	Hampton	Seneca
Beaufort	Hartsville	Spartanburg
Bennettsville	Hilton Head (Branch)	Summerville
Camden	Kingstree	Sumter
Charleston	Lancaster	Union
Chester	Lexington	Walterboro
Clinton	Liberty	Winnsboro
Columbia	Marion	
Florence	Moncks Corner	
Gaffney	Myrtle Beach/Conway	

Itinerant Point Locations

Bishopville	Edgefield	Ridgeland
Chesterfield	Fairfax	Saluda
Denmark	Manning	York
Dillon	McCormick	

Business Overview

Expenditures and Appropriations Chart

Major Budget Categories	99-00 Actual Expenditures		00-01 Actual Expenditures		01-02 Appropriations Act	
	Total Funds	General Funds	Total Funds	General Funds	Total Funds	General Funds
Personal Service	37,061,490	-0-	37,128,241	-0-	41,877,955	-0-
Other Operating	13,956,872	250,554	14,962,331	248,048	10,794,974	226,943
Special Items: Debt Service (0800)	516,673	-0-	516,673	-0-	503,886	-0-
Permanent Improvements (1101)	458,667	-0-	1,201,440	-0-	1,000,000	-0-
Case Services	751,171	-0-	1,074,562	-0-	1,244,085	-0-
Distributions To Subdivisions	37,428,026	-0-	27,963,155	-0-	45,509,807	-0-
Fringe Benefits	9,400,312	-0-	9,961,190	-0-	11,521,904	-0-
Non-recurring	708	-0-	-0-	-0-	-0-	-0-
Total	\$99,573,919	\$250,554	92,807,592	\$248,048	\$112,452,611	\$226,943

Business Overview

Key Customers

External

Claimants
Job Seekers
General Public
Special Populations
Employers
Economic Development Agencies
Councils of Government
Chambers of Commerce
Federal, State, and Local Agencies/
Service Providers
Regional Organizations, Boards, and
Councils
K-12 Public and Private Schools
Colleges and Universities
Elected Officials
News Media
SCOIS Users
Career Development Professionals
Judicial System
Regional Media Consortium
Planners, Economists, & Researchers

Internal

Local Office Staff
Commissioners
Administrative Office Staff

Key Suppliers

The Employment Security Commission follows the South Carolina State Procurement Code in the acquisition of goods and services to support agency operations.

Business Overview

Description of Major Products and Services

The agency provides a variety of goods and services to our external customers as indicated below:

- Provides suitable job applicants to employers
- Administers the State Unemployment Insurance System
- Assists job seekers in finding suitable employment
- Administers the Workforce Investment Act within South Carolina
- Operates One-Stop Career Centers
- Refers customers to appropriate training and/or services
- Provides employment services to Veterans
- Produces a variety of Labor Market Information (LMI)
- Promotes and manages the S.C. Occupational Information System (SCOIS)
- Participates in the planning and implementation of a variety of economic/workforce development activities and educational initiatives involving partnering with a wide variety of federal, state, and local governmental and private agencies, organizations, and businesses
- Provides staff support to Military Assistance Council

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 plus the seven department heads. The senior management team is comprised of the senior leadership team plus the twenty-six management staff.

Senior leadership sets, deploys, and communicates short-term and long-term directions through a newly implemented Annual Administrative Planning Session, which is attended by the agency's senior management team. This session was one of the first major steps the agency took towards making progressive changes in its operation. The planning session allows the senior leadership of the agency to identify progress over the past year, and to discuss goals and their future implementation. By identifying and disseminating these goals, the agency's mission can be achieved throughout all levels. Performance expectations should be clearly defined through an Employee Performance Management System (EPMS); employees then know what is expected of them and how they will be evaluated on their job performance. Suggestion boxes, along with a bonus program, have been established to solicit employee ideas and innovations. This not only provides feedback to senior leadership but helps encourage empowerment.

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. They sign an acknowledgement form certifying they understand the issues involved. An employee handbook further details ethical behavior.

Senior leadership has actively established and promoted a focus on customers by making improved customer service one of the agency's overall goals. Specifically, departments within the agency have been directed by senior leadership to work toward a "no-wait" policy for services provided to customers, both internal and external. This is a phenomenal shift in focus. A bonus program was established to encourage agency employees to look for ways to improve, financially or procedurally, any area in which services are provided to customers. As a result of the bonus program, several enhancements to customer service have been made. The agency has also given each employee a coffee mug that changes the acronym of the agency's name, "ESC", into a focus on customers – Effectively Serving Customers.

The executive director holds a Quarterly Review and Analysis meeting to help measure agency performance. This meeting, which is held in a panel format, is convened as a tool for the executive director to receive an oral report of progress made, and to ask questions about specific goals. Department directors, or their representatives, report on their progress since the last quarterly review, and make projections for future accomplishments. The department directors also submit a written report outlining their oral presentation, highlighting key dates. These written reports are compiled and given to each department as a source of reference. Employees within the various departments are invited and encouraged by senior leadership to attend the Quarterly Review and Analysis Meeting, to be made aware of goals, progress, and developments within other departments.

Leadership

Senior leadership uses organizational performance review findings and employee feedback to improve their leadership and effectiveness. Over the past fiscal year, senior leadership has moved authority and decision making to lower level management. This strategy was adopted to ensure effective functioning of the agency, even in the absence of the executive director and other senior leadership. Also, over the past fiscal year, senior leadership asked each employee to develop a list of issues he/she wished to see addressed. As a result, 113 workgroups were created to address these issues, with all employees encouraged to serve on at least one workgroup. Subsequent to their findings, several recommendations were quickly put into effect. As a direct result of employee feedback, senior leadership has addressed issues and made improvements to day-to-day operations and services.

The agency's senior leadership sets and communicates key organization goals and priorities for improvement through a systematic planning process. This long range planning process, put into effect over the past fiscal year, was the first of its type in agency history. Through the planning process, the agency's mission was established and overall goals were identified. These goals focus specifically on improving and enhancing services that the Employment Security Commission provides to its customers, both internal and external. Each agency department was challenged to review its operations and functions to determine how it may better align itself with the overall agency goals. Departments, units, and employees are required to evaluate their individual roles in accomplishing agency goals.

The agency and its senior leadership actively support and strengthen communities by encouraging area directors to be involved in civic clubs, chambers of commerce, workforce investment boards, economic development groups, and various other community oriented boards or committees. Area directors and staff are encouraged to be involved in areas that will expose the agency and its services to customers, employers and the community at large. Agency staff also participates in and sponsor local and regional job fairs to provide assistance to the community as a whole.

Strategic Planning

Strategic planning is a vital tool for any organization that intends to meet the challenges presented by an ever-changing society. The Employment Security Commission began a systematic strategic planning process in fiscal year 2000-2001, after the appointment of a new executive director. This was a planning process that involved all employees, from senior leadership to entry-level staff. Although the strategic planning process is in its early stages, this exercise has accomplished much in determining a specific agency mission with clearly defined goals.

The development process began when each department was asked to develop a one-year and a five-year plan. Through this initial process, departments were challenged to identify the services provided, their customers, performance goals and objectives, strategies to be used, and key external factors affecting operations. Each first-line supervisor was asked to meet with his or her staff to determine the unit's role, and to develop an action plan. Each department then compiled individual unit plans to develop the overall department's one-year and five-year plans. This included identifying organizational structure, mission statement and departmental goals and objectives, giving each department a clear understanding of its role and purpose. 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. This will be further developed into strategies for 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.

Through this first phase of the agency's strategic planning process, department directors were able to examine how each individual unit fit into its departmental structure. Employees also identified issues that needed to be addressed by the agency. Each individual employee submitted a list of issues, which he or she thought should be addressed by the agency. These were compiled into 113 separate issues. Workgroups for each of these were formed to make recommendations to senior leadership. Some of these issues have been acted upon, while others are still in the planning phase. Throughout the planning phase all employees were involved in establishing issues to be addressed, goals and performance outcomes, and in the development of the annual plan.

An Annual Administrative Planning Session was held in fiscal year 2000-2001 for the senior leadership to further develop the agency strategic plan. At this planning session, they developed a mission statement, and identified goals. The annual plan developed by the departments were merged into an overall strategic plan.

Strategic Planning

The 2001-2002 fiscal year strategic planning process builds upon the planning that was developed in the previous fiscal year. The executive director has developed 24 outcome goals from the five overall agency goals. These were given to the senior leadership team, to identify how they will contribute to the achievement of the overall agency goals. Departments will determine a measurement system and a baseline year against which progress will be measured.

Annual Plan training is provided to each department in preparing yearly updates to the strategic plan. The Quarterly Review and Analysis meeting tracks the planning process, and each department gives an oral progress report. This report is given to the executive director, who in turn may ask questions and make comments. The Annual Administrative Planning Session is another tool for tracking and refining the agency's strategic plan. During this session, the agency's leadership team comes together to review the previous year's annual plan and discuss its future development and implementation for the upcoming year. The strategic planning process will be updated yearly and made more specific so that each department will have clear guidelines on how progress will be measured. This will be further developed as the departments establish baseline measurements for determining how they will meet the overall goals.

As the agency's strategic planning process proceeds, it will continue to build on progress previously made toward developing a systematic blueprint for growth. In future years, senior leadership will be able to make performance reviews and measure accountability in achieving goals based on established benchmarks and baselines that will have originated, in part, during the 2001-2002 fiscal year strategic planning process.

Customer Focus

During the program year, the Employment Security Commission put into process a plan to reinvent itself as a user-friendly, customer-focused public agency. For the first time in its history, employees became actively involved in the decision-making process. Customer input became a top priority, from businesses, job-seekers, unemployment insurance customers and partner organizations. Procedures were streamlined and revamped based on input from these groups. A mission statement and five-year plan were developed to incorporate the customer emphasis. The “ESC” acronym no longer simply referred to Employment Security Commission – it also became synonymous with “Effectively Serving Customers.” A description of this process follows.

Major customer and stakeholder groups have been identified through the annual planning process. The single most significant of these is the United States Department of Labor (USDOL). USDOL provides the funding for most of the program activities and determines much of the service mix. Additionally, many of the performance measures and deliverables are specified through contracts and grants with the USDOL. Otherwise, our customers include the following groups: job-seekers, both unemployed and underemployed; businesses; customers for unemployment insurance; state government agencies; federal government agencies; local government agencies; colleges, universities, technical schools and other educational entities; economic development officials; chambers of commerce; Workforce Investment Boards; and One-Stop partner organizations, both private and public; the legislature; agency employees; and the general public. Approximately 300,000 individuals used the services of the Employment Security Commission in person during the latest program year, and there were numerous others who were served successfully off-site through technology. Although concentrating on South Carolina and its citizens, services were offered throughout the nation and the world through the Internet, using web-based applications, providing access to job and labor market information to any individual or company.

Through continuous feedback, the South Carolina Employment Security Commission determines the most effective means of reaching the public it serves. Working with partner organizations under the Workforce Investment System, One-Stop centers are designed to meet the specific requirements of each local area and its customers through placement, training, and providing labor market information and other workforce development services. Besides partner input, the following methods are used to gather customer recommendations: focus groups of employers and job-seekers; surveys on the agency website; advisory groups; surveys in publications; customer comment cards; self-appraisal surveys; required surveys of program participants under WIA and other special programs which track outcomes of customers; required surveys of businesses; customer service sections within the agency; training evaluation forms; participation in local chambers of commerce, Jaycees and other similar group activities by staff to gauge community needs; and attendance at state and national conferences to stay attuned to the best practices in customer service. Since most of the legislated guidelines are federally driven, these latter conferences are a key to understanding program requirements and learning how other states deal with similar work activities. In total, customer comments are solicited in person, by written survey, by telephone and through other technology. One example is the survey of both program

Customer Focus

participants and businesses under the Workforce Investment System. That survey is a phone-driven survey, which uses the methodology of the American Customer Satisfaction Index (ACSI). By using ACSI, results can be compared with other governmental agencies and private organizations. The first results will be available in Program Year 2001.

Based on the information received through these various sources, customer requirements are constantly evaluated. How and what services are offered are guided by this feedback, within the legal requirements of the USDOL. Additionally, local workforce investment boards set general policy guidelines for the operation of One-Stop centers in their areas. Agency staff is seated on these boards along with business leaders, educational representatives and local elected officials. Through these boards, customer needs are evaluated, and the best possible service mix and operation are designed to meet the needs of the business community and provide a skilled workforce. Program and performance data are provided to these oversight groups based on the actual services provided to customers during a program year. In the UI Program, for example, there are federally mandated performance measures upon which the agency is evaluated annually. Results are compared regionally and nationally. In Program Year 2000, South Carolina was recognized as the best overall performing UI state in the Southeastern Region by the USDOL.

The agency is also being reorganized to place priority on customer service. Several departments have made structural changes to better serve customers and increase emphasis on marketing services. Staff dedicated specifically to marketing and customer support has been hired. Toll-free numbers and fax on demand, to provide easy access to information, have been added. Employees throughout the agency are being trained to deal effectively with customers. They are also being cross-trained in other programs to handle customer requests more efficiently. Agency employees are being formally surveyed for their recommendations, and workgroups have been formed to examine the issues. These groups forward their recommendations for solving the issues to the agency's management team for further action.

Information and Analysis

The U.S. Department of Labor establishes the measurement systems for all employment security agencies in the United States. These measurements are set for the various funded operating units (Unemployment Insurance, Employment and Training, Labor Market Information, etc.).

In the Electronic Data Processing Group (EDP), the Employment Security Commission works with the end users in each area to insure that agency operations, processes, and systems enable them to meet federal reporting requirements. In some areas (Employment Services, Labor Market Information, and Training) the agency participates with other states, consortiums, and private companies in the establishment of common software solutions to meet the operations and process system measurements as defined.

The information needed to meet the various reporting requirements is entered on-line by the end users in software solutions managed by EDP. In this way, measurement information is obtained at the point of service and captured as a byproduct of providing the service. The service cannot be provided unless the data is captured correctly. This “intake method” ensures that the data is complete and of the highest quality.

The agency uses the latest computer hardware and software to meet the liability and availability of the systems needed, and then manages those resources. The agency is meeting the reliability objective for having the computer systems operational 99+ percent of the time.

The agency’s computer processing complex consists of two processors coupled together. If one failed, the other would continue to function. EDP would “shut off” application development and other recoverable/non-critical systems until the repair could be made. Repairs can be made without bringing the system down. CPU memory is modularized, and one unit failing does not shut the system down. Memory can be repaired/replaced while the system continues to operate. The agency has an Uninterrupted Power Source (UPS) System that regulates power and electrical surges and low voltage conditions so that the computer complex is unaffected by power loss or brownouts. Computers can continue to operate for 45 minutes without outside power. The agency has elected not to install a diesel generator for longer power outages.

Likewise, information is stored on industry-leading raid level 5 Direct Access Storage Device (DASD). A disk failure can occur, but all data is still available and agency operation continues. Repair can be done while the system is in operation.

The agency is also meeting its availability objective, which is to provide response times of 2 – 5 seconds to its users for routine on-line information requests. Agency systems can be classified as operation oriented; that is, the users cannot perform their jobs if the computer system is unavailable. Personnel monitor the performance of the systems to insure that the computer resources are available to meet the current and projected volumes. The agency has on-line monitors on the system, and also provides regular reports on the capacity and performance of these systems.

Information and Analysis

Agency EDP staff meet daily to discuss any problems in applications. Each problem is recorded with actions taken and recommendations. These reports are reviewed and signed by the managers of Operations, Tech Support, and Systems and Programming. If necessary, there is a discussion of the problem and recommendations necessary to correct it. These daily reports are retained for a period of one year.

End users are responsible for determining the data information analysis required to meet their needs for decision-making, relating to USDOL requirements. Regular meetings are held between end-user departments and appropriate EDP personnel to discuss status and priority of information needs. Requests for new information and changes are authorized and prioritized by user department executives.

Regular user reports and analysis reports are produced on the schedules as set by the end-users. End-users also determine their ad hoc information needs. The request for this information is made by the appropriate agency executive, noting whether it is a continuing information need or a one-time request. EDP and end-user departmental personnel work jointly to define requirements.

All information requests are tracked and reported by an EDP tracking system. The status of all projects is regularly reported to the responsible end user sponsor. The agency is currently installing an on-line capability that will allow end-users to view the status of their requests on demand.

South Carolina is compared to the other 49 States (and also to other employment service entities in Washington, D.C., Guam, and the Virgin Islands) by the USDOL. The USDOL "grades" the performance of each agency in various programs. This measurement system defines the data that the agency must collect to provide performance reporting to the USDOL. EDP also compares performance this year against its performance in previous years to determine if progress is being made.

In addition, agency executives establish performance norms around the USDOL measurements and also establish other agency performance measurements. EDP's function is to insure that it captures and saves data necessary to be able to measure and report, as defined by the agency. This is done via the agency planning process as well as EDP requirement requests as previously outlined.

Human Resources

One of the goals of the agency is to ensure a diverse and motivated workforce that is well trained and empowered to do its job. Currently, the agency is meeting 91.4% of its overall Affirmative Action goals. The Human Resource Management (HRM) Department's role is to analyze all personnel actions to determine their effect on agency goal attainment. Goals are determined by comparing the workforce to the availability of minorities and females. In accordance with the State Human Affairs Commission reporting requirements, the workforce is broken down by job category, race, and sex. Hiring authorities are advised of under-utilization, if applicable, at the time vacancies are posted. Should recommendations not address the under-utilization, HRM makes the necessary contacts to determine any appropriate action to be taken (i.e., justification supporting the recommendation, plan for addressing the under-utilization, concentrated recruitment, etc.). As actions are processed, workforce goals are updated and recalculated.

Motivation through empowerment, innovation, and flexibility has received major emphasis within the agency. Senior leadership sets the agency's long-term strategic direction and annual objectives, following detailed analyses of leading and lagging indicators of trends in the economy, markets, customer behavior, technology, employee skills, supplier capabilities, and other key factors. At the departmental level, planning became an organization-wide activity, involving all personnel. Recent agency objectives were accomplished through action plans that often transcend several departments. Totalling 113 in the Fiscal Year 2000 – 2001, action plans (collectively referred to as the *113 Issues to be Addressed*) were converted into individual work groups for all employees, about two-thirds of whom participated.

This last step in plan development and implementation at the level of the individual worker has significantly increased local authority. Employee empowerment is vital to accomplishing agency goals for performance improvement and customer satisfaction. Management consciously acts to delegate authority and assigns responsibilities throughout the organization.

Education and training are designed, delivered, and reinforced on the job. The level of training is evaluated with special emphasis placed on meeting individual career progression and organizational business needs. Both employees and supervisors participate in the determination, design, and evaluation of education and training because these individuals frequently are best able to identify critical needs and evaluate success. Performance measures and standards to ensure performance excellence are currently being overhauled. The agency's priority development and training concerns now revolve around management/leadership development, diversity training, and safety. Succession planning and leadership development at all levels have also been identified as essential to the growth and improvement of agency operation.

The primary goal of the agency's Employee Performance Management System is to increase the overall effectiveness and productivity of the agency through improving the work performance of its individual employees. Generally, an evaluation is a time for accountability; for comparing actions with consequences; for detecting flaws and making improvements; and for planning future challenges.

Human Resources

By design, the EPMS attempts to improve supervisor-employee communications and relationships and serves as the primary tool for management to increase productivity and reward performance (i.e., salary increases, promotions, reassignments).

Appropriate indicators of employee satisfaction, well being, development, and effectiveness include safety, absenteeism, turnover, turnover rate for customer-contact employees, grievances, worker compensation, innovation and suggestion rates, courses completed, cross-training, as well as results of employee surveys.

Appropriate measures and/or indicators of work system improvements and effectiveness include job classification simplification, job rotation, work layout, work locations, and changing supervisory ratios.

The agency has in place numerous written Safety Policies and Local Office Safety Plans that are continuously reviewed. Offices are regularly inspected by both trained and certified agency Public Safety officers and a member of the Human Resource Management Department, as well as by other official certified Public Safety Personnel (i.e., OSHA Defect Analysis and Audits). Information contained in the Safety Policies/Plans includes such items as specific staff actions in the event of emergency (i.e., evacuation routes and communication plans), security, and general office safety. Agency personnel are regularly trained, with new employees informed during orientation. All agency buildings have *Right To Know* centers and are in compliance with the Americans with Disabilities Act. Electronic and audio security/emergency measures are in place as deemed appropriate and in accordance with law.

By design, the agency has offices that serve the communities of all forty-six (46) counties in the state. Services include, but are not limited to the following: Adult Day Care, Adult Education, Aid to Families with Dependent Children, Alcohol and Drug Intervention Programs, Day Care for Children, Employment and Training Services, Healthcare, Legal Services, Public Transportation, Social Security, Veterans Benefits, and Vocational Rehabilitation.

After normal business hours, a large number of our 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. In the last year, almost \$25,000 was raised for non-profit organizations through payroll deductions alone.

Process Management

The Employment Security Commission has three divisions and seven departments that support the two core functions of the agency: the management and operation of the state's Unemployment Insurance system and the redesign and transformation of the state's public labor exchange system to the next generation workforce system. The agency's One-Stop Workforce System, along with the supporting administrative offices, serves as the key design and delivery process for the agency's products/services.

The agency provides a safety net for the unemployed and acts as an economic stabilizer during downturns in the economy. Key functions in this regard are the issuing of unemployment checks in a timely manner and the collection of employer taxes. To these ends, the agency has undertaken a number of initiatives this year designed to improve services to both external and internal customers. These initiatives include: the development and design of a new tax system that incorporates the use of the newest technologies [Request for Proposal (RFP) has been awarded]; the design and implementation of an automated employer account information and "0" reporting system; the development and design of a new Internet filing system for unemployment claims; and the development and design of a new virtual initial claim call center.

Another core function of the agency is labor exchange. In this regard, the agency strives to provide job seekers with the most comprehensive and current job bank and to provide employers with qualified, trained, and educated applicants for their job vacancies. During the past year, the agency has undertaken a variety of initiatives to revitalize the public employment service through improving program/service access with an increased focus on customer service. These initiatives included: extending hours of operation for local offices to accommodate public need; delegating more authority/responsibility to local office area directors in the decision-making process; adopting a "No Wait" policy in local office lobbies; redesigning local office floor plans to allow for a more customer friendly environment; incorporating "One-Stop" partners in agency local office operations; securing an RFP to implement Virtual One Stop in South Carolina; and designing a new local office productivity award.

The agency also provides support services to its thirty-six (36) local offices and to all of its state administrative offices. During the past year, the agency has undertaken a variety of initiatives. These initiatives included: redesigning the Building Maintenance Plan; developing an agency construction-planning program that utilizes pre-approved contractors to provide new construction, repair and renovation; and redesigning and "up-fitting" ten (10) local offices to facilitate the "One-Stop concept."

Technology continues to play a major role in improving the agency's design and delivery processes. Over the past year, the agency has undertaken a variety of other technology-based initiatives. These included: the design of a new tax system; the design of an Internet claims filing system; the development and design of a new virtual initial claim call center; the design of an Internet-based WIA eligible provider and participant reporting system; the design and implementation of the Palmetto Economic Analysis and Research System (PEARS); increasing

Process Management

the number of PCs and other technological tools available to staff and partnering agency staff; and automating registration, referral and job search functions within local One-Stop Centers. Many of these changes and improvements illustrate a changing mindset from employee-provided services to a technology-based, self-serve perspective.

The Employment Security Commission has implemented an automated system for registering and tracking services to customers. In addition, the cross training of staff has increased local office efficiency in expediting the delivery of quality services to customers through a seamless delivery system. Heavy emphasis continues to be placed on performance-based standards in such areas as employer satisfaction, customer satisfaction, the measurement of activity levels, the timely payment of unemployment insurance benefits, and the timely adjudication of unemployment insurance issues. Training continues to be a priority in enhancing communication capabilities among internal and external customers through use of technology and in ensuring that program performance and customer satisfaction are attained.

An annual strategic planning session is used to review accomplishments and establish new goals and priorities for the year. Quarterly follow-up sessions are held to review each goal by program area, division, and department. Continual review of program and system performance measures, coupled with targeted training of programmatic and administrative staff, allows the agency to quickly adapt to changing customer priorities and economic conditions. Maintaining constant contact and open communication with federal partners and state leadership ensures proper interpretation and input on guidelines, regulations, and legislation.

The agency has empowered employee workgroups to evaluate and make recommendations on a wide variety of issues related to programs, services, and administration. During the past year over one hundred (100) workgroups actively participated in this continuous improvement process.

The agency conducts research on available programs, technology, training, and other resources that could support operations and assist in better meeting the needs of its customers. Input from business, governmental, and other partners in workforce development assists the agency in maximizing resource utilization through alignment of activities and services with customer needs. Procurement and use of new technology and new systems to improve efficiency and effectiveness help the agency to continually improve the quality of services to both internal and external customers. The agency has established and maintained open lines of communication with management and staff at all levels within the organization.

Business Results – Customer Satisfaction

In the past, local offices conducted annual customer surveys. Survey forms were sent to three major groups of customers: applicants seeking work; employers seeking workers; and partners, including community based organizations. A randomly selected sample of customers was mailed a list of questions regarding services and asked to reply via a stamped self-addressed envelope. The questions were aged, vague, non-specific and the responses were hard to interpret.

New customer surveys have been developed to include dates of contact as well as a graded response scale that will describe the level of satisfaction.

The agency is developing a comprehensive set of customer satisfaction surveys covering all programs and services; however, until these are completed, local offices will use the new customer surveys to obtain a more quantified measure of customer satisfaction.

During FY 2000-2001, a customer satisfaction survey was conducted for the Employment Security Commission by the University of South Carolina. The survey, mandated by the Workforce Investment Act (WIA), measured customer satisfaction for both employers and job seekers (those participants who received either intensive services, training, or were placed in a job). The WIA goal for customer satisfaction was 65% for employers and 68% for job seekers. The graph below depicts the first year's survey results showing actual results far exceeded the WIA goal.

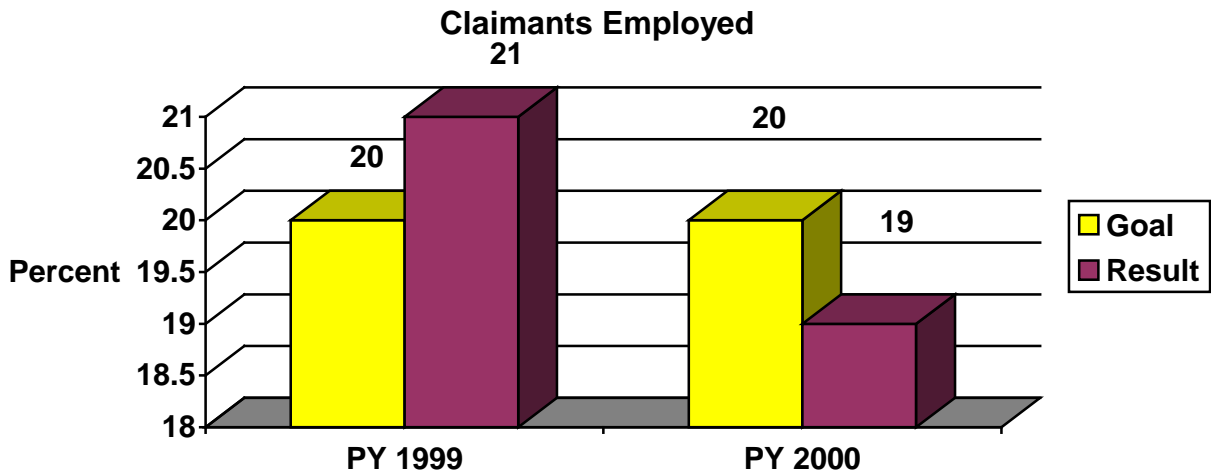


Business Results – Mission Accomplishments

Job Referrals and Services Provided to Customers

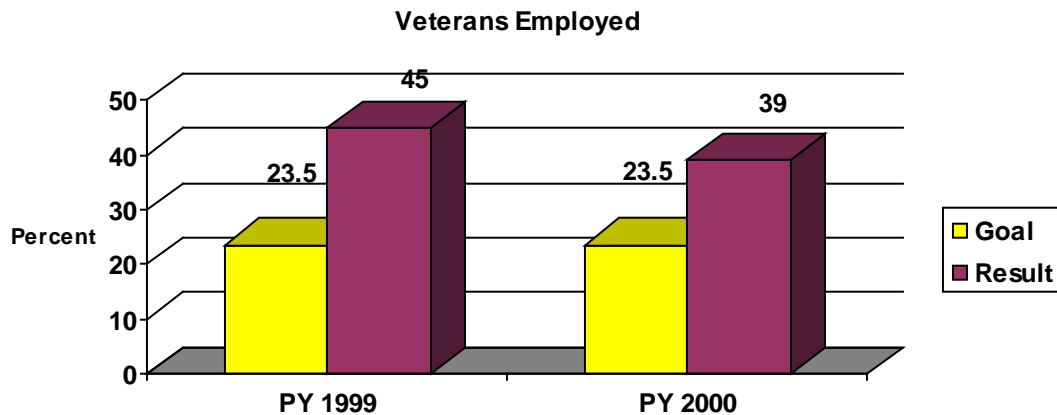
The primary goal of the labor exchange function of the agency is to assist individuals in obtaining employment. During the last program year, 306,484 individuals were registered for this purpose, an increase of almost 7% from the prior year. Of those registered, a total of 22% - or 67,921 individuals - were employed after receiving agency services.

Two groups of customers received special emphasis for agency services: customers receiving unemployment 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.



Business Results – Mission Accomplishments

For veterans, the agency goal is to provide them with a 15% higher placement rate than non-veteran applicants. During the last program year, non-veteran applicants were employed at a rate of 20.45%. This makes the goal for veterans 23.5%. The actual employment rate for veterans was 39%, well above the established goal.



Workforce Investment

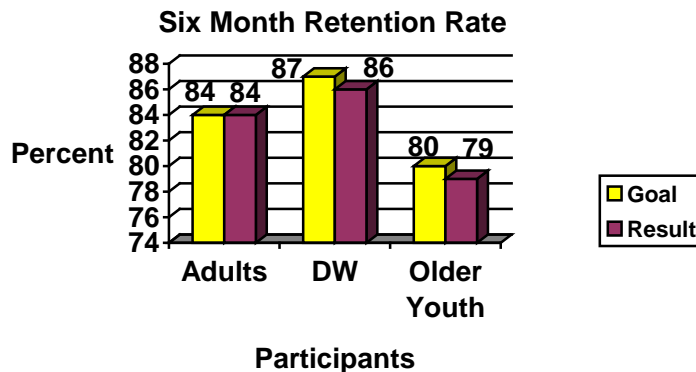
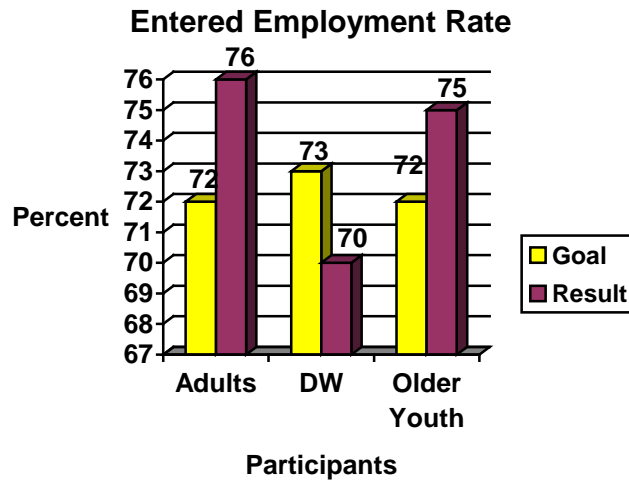
Workforce Investment Act (WIA)

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 was the first year of the new WIA system, and much work was involved to implement this new system. New state and local Workforce Investment Boards were established and the Statewide Eligible Provider System, including Individual Training Accounts, was developed. 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. The state is also developing a comprehensive tracking system that will capture all federal reporting requirements, as well as provide case management tools.

Business Results – Mission Accomplishments

To date, seventeen comprehensive “One-Stop” Centers and twenty-nine affiliates have opened to provide a wide array of services to customers at a single neighborhood location. 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.

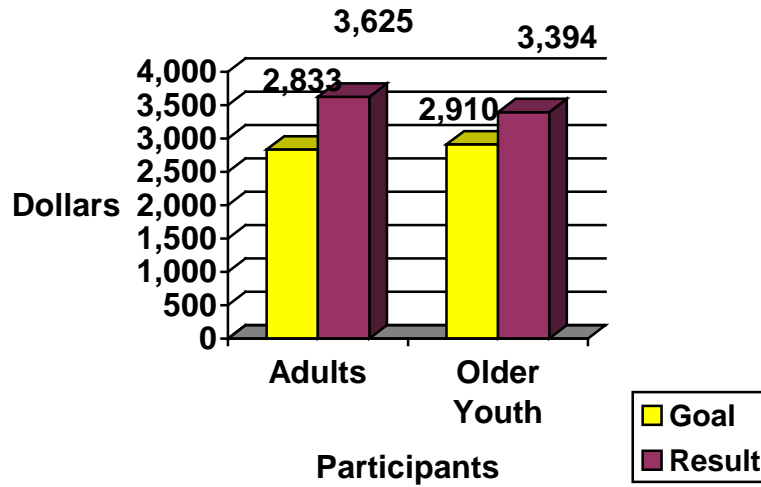
WIA is a customer-focused system with emphasis on meeting employers needs for skilled workers and for meeting the training, education, and employment needs of individuals. Core indicators of performance include the entered employment rate, retention rate, and earnings change/earnings replacement rate for adults, dislocated workers, and older youth ages 19-21. The graphs below show the first year performance for the Entered Employment Rate and the Six-Month Retention Rate for Adults, Dislocated Workers (DW), and Older Youth.



Business Results – Mission Accomplishments

The graphs below show the first year performance for the Six Month Earnings Change for Adults and Older Youth, and the Wage Replacement Rate for Dislocated Workers.

Six Month Earnings Change



Wage Replacement Rate

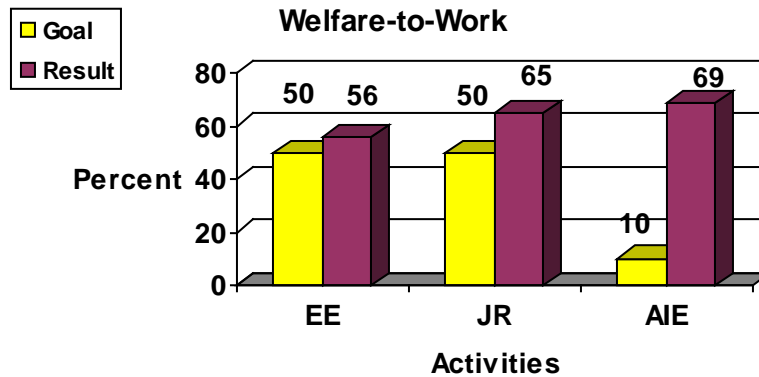


Business Results – Mission Accomplishments

Welfare-To-Work

Welfare-to-Work (WtW) is designed to move recipients of Temporary Assistance for Needy Families (TANF) and other low-income individuals with barriers to employment from dependency toward self-sufficiency. The program includes a variety of activities and services based on a “work-first” philosophy. Entry into unsubsidized employment, job retention and wage progression are the major goals for the participants. WtW provides job readiness training, work experience, on-the-job training, and job placement services to assist participants in finding suitable employment. Other services, including assessment, career counseling, mentoring, supportive services and basic skills upgrading are also provided to maximize job retention and increase earnings.

The goals for the Welfare-to-Work Program are: 50% Entered Employment (EE) rate; 50% Job Retention (JR) for six months, and 10% Average Increase in Earnings (AIE). The WtW Program exceeded all goals as depicted in the graph below.



Payment of Claims for Unemployment Insurance Benefits

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.

Business Results – Mission Accomplishments

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 ensure efficient and effective program performance.

Total Initial Claims	July 1999 - June 2000	282,844
	July 2000 - June 2001	405,861

Total Weeks Claimed	July 1999 - June 2000	1,194,657
	July 2000 - June 2001	1,772,416

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.

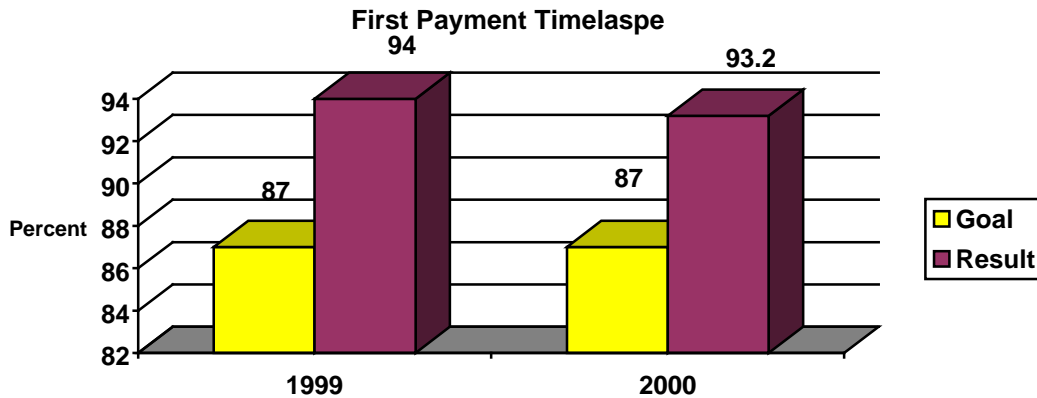
Program Performance Assessment – The national performance measures ranked the agency's unemployment program extremely high, especially when compared with the other fifty-one unemployment programs. The combined performance scores resulted in the agency finishing each of the past two years well above the national average. The agency also ranked in the top one-third and/or top ten states in the majority of the performance scores.

BENEFITS Year	Performance Scores in Top 10 States	Performance Scores in Top 1/3 States	Percent of Time Above National Average
Calendar Year 1999	62.7%	81.3%	95.3%
Calendar Year 2000	72.1%	95.3%	100.0%

Business Results – Mission Accomplishments

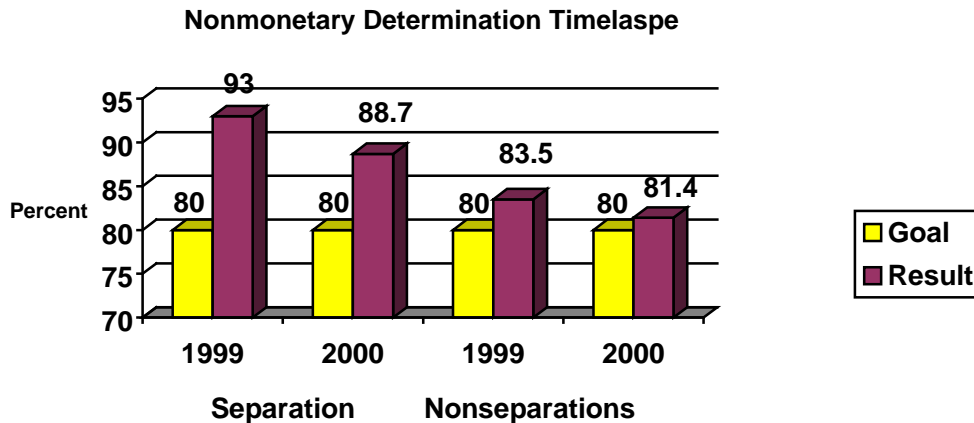
First Payment Timeliness: Payment should be made within 14 days of the first claim week-ending date after the waiting week has ended.

The criterion for this measure is 87% of first payments being made timely.



Nonmonetary Determination Timeliness: The eligibility determination should be made within 14 days of detecting an “issue” during a claim series (nonseparation) 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.

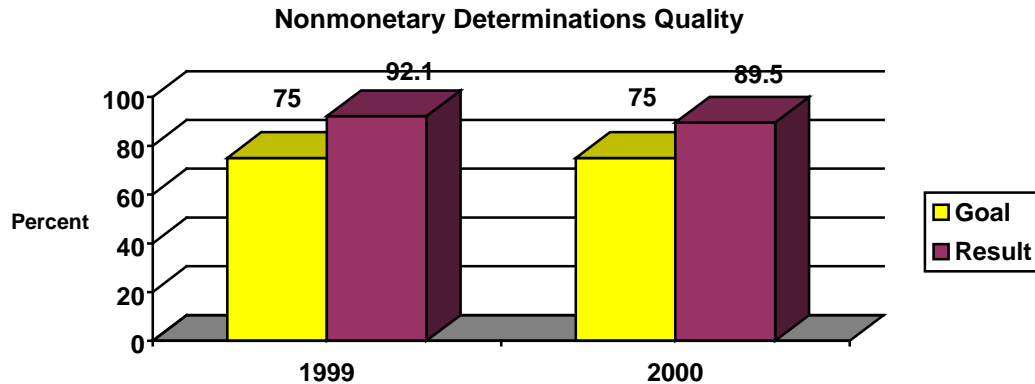


The 1999 S.C. score for separation issue determinations was the 4th highest in the country. The 2000 S.C. score for separation issue determinations was the 6th highest in the country. The 1999 S.C. score for nonseparation issue determinations was the 10th highest in the country. The 2000 S.C. score for nonseparation issue determinations was the 10th highest in the country.

Business Results – Mission Accomplishments

Nonmonetary 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.



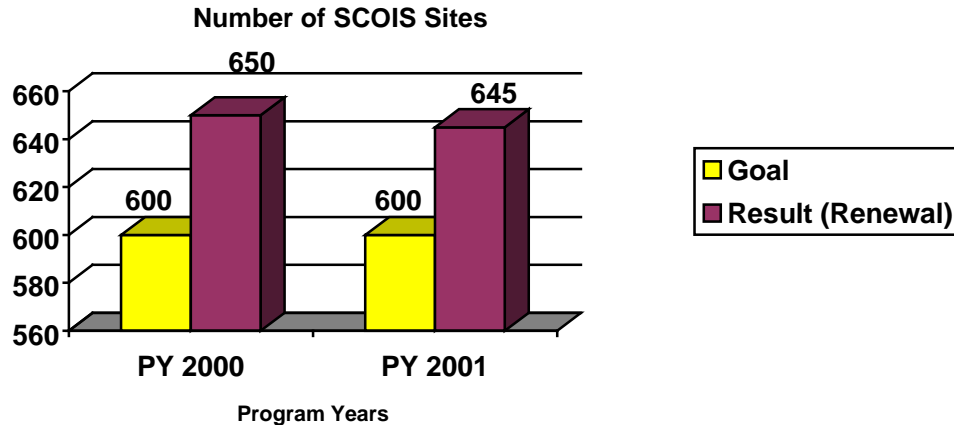
The 1999 S.C. score represented the 2nd highest score in the country.
The 2000 S.C. score represented the 2nd highest score in the country.

The S.C. 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 nine state agencies: The Governor’s Office; The South Carolina Department of Education; The Budget & Control Board; The State Board for Technical & Comprehensive Education; The Commission on Higher Education; The Department of Social Services; The Department of Commerce; The Department of Vocational Rehabilitation; and the South Carolina Employment Security Commission, who acts as the fiscal agent. The SCOICC operates a statewide network of career development resources called SCOIS.

Business Results – Mission Accomplishments

SCOIS maintains a network of user sites in high schools, middle schools, elementary schools, technical centers, colleges, and various private and state agencies that are served by SCOIS staff. Each site pays an annual fee for equipment and software updates. Maintaining the current sites and acquiring new sites are top priorities.



SCOIS also provides professional development opportunities in a series of workshops held around the state. These workshops train teachers, counselors, administrators, and others how to use SCOIS products to aid in career exploration activities with students/customers.

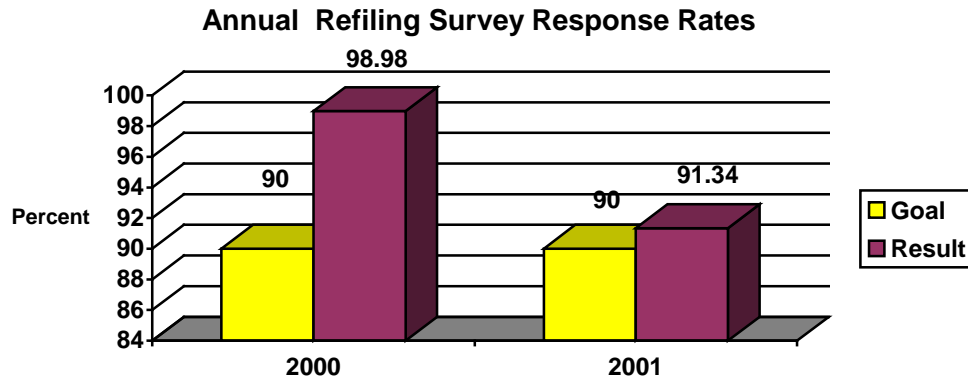
Program Year	Workshops Held	Customers Trained
2000	15	376
2001	12	259

Labor Market Information

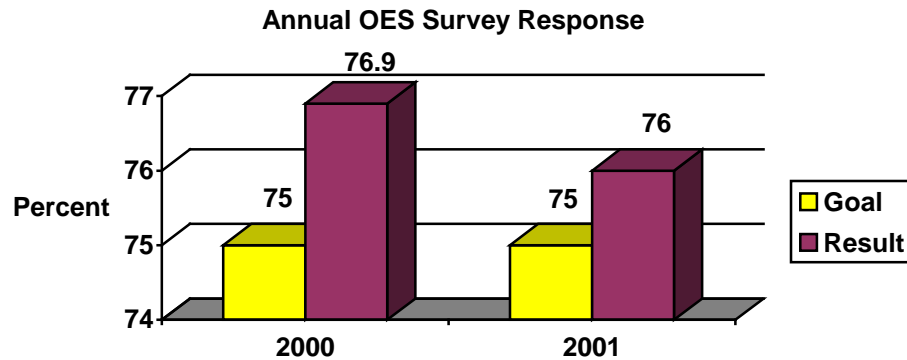
The Labor Market Information (LMI) Department is responsible for the wide variety of statistical and analytical programs in association with the U.S. Bureau of Labor Statistics (USBLS), the Employment and Training Administration (ETA), and numerous outside contractors. LMI produces and provides data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

Business Results – Mission Accomplishments

Each year, Labor Market Information staff surveys a portion of the state's businesses to verify and update information on their locations and what they do. Information from this Annual Refiling Survey is used by the Unemployment Insurance Division and in measuring the state's job market.



The Occupational Employment Statistics (OES) survey is a federal/state cooperative mail survey that collects current occupational employment and wage data from employers annually. Occupational employment and wage data is estimated for each Metropolitan Statistical Area (MSA), state, and territory in the U.S.



The Palmetto Economic Analysis and Research System (PEARS) was implemented in 2000 and is the primary data delivery system for LMI. It houses numerous types of South Carolina data and is available to anyone with Internet access. It is being used by the Workforce Investment System service providers, One-Stop centers, businesses, individuals, the state, counties, Workforce Investment areas and metropolitan areas to obtain information about the state's labor market and economy.

Business Results – Employee Satisfaction

It is a goal of the agency to create and maintain a positive, productive, learning, and caring work environment. Appropriate indicators of employee satisfaction, well being, development, and effectiveness include: absenteeism, turnover rates, grievances, safety, worker compensation, innovation and suggestion rates, training and educational courses completed, cross-training, and results of employee surveys.

Absenteeism is generally defined as an employee’s unscheduled failure to report to work that creates general disarray and lower productivity. For the purposes of calculating absentee rates in this exercise, sick leave has been selected, as other types of leave (i.e., annual leave and holidays) are typically planned absences whereby effort can be made to avoid any delay of scheduled activities. According to research conducted, barring unusual circumstances, the absenteeism for most companies should be below 4 percent.

Fiscal Year	Average Number of Full-Time Employees	Multiplied by Number of Work Hours Per Year	Yearly Total of Sick Leave Hours Used	% of Time Lost Through Absences
1999-2000	1,108	2,160,600	95,571.83	4.42%
2000-2001	1,106	2,156,700	89,625.45	4.16%

Regarding voluntary annual turnover, research has found 30% (or less) to be a positive indicator of employee satisfaction. Although agency data had been discontinued for a period of time until Fiscal Year 2000 – 2001, it can be reasonably concluded that previous fiscal year voluntary annual turnover would be similar, based on the small variance of the average number of full-time employees cited in the above absenteeism example.

Type of Voluntary Turnover	Number of Employees for FY 2000 - 2001
Disability Retirements	5
Retirements	24
Reduction in Force	3
Resignations	47
Separations	8
Terminations	3
Turnovers FY 2000-2001	90
Total Number of Full-time Employees	1106
FY 2000-2001 Turnover Percentage	8.14%

Business Results – Employee Satisfaction

Harmonious relations between public employers and public employees are necessary and a most important factor in the effective and efficient operation of government. A proper forum for the understanding and resolution of employee grievances will contribute 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. The following chart reflects grievance activity for the past two fiscal years.

Fiscal Year	Total Number of Grievances Filed by Agency Employees	Non-Grievable Issues/ Grievances Denied	Grievable Issues/ Grievances Accepted
1999-2000	2	2	0
2000-2001	2	2	0

This chart reflects the job-related accidents and/or illnesses that resulted in lost work time for the past two Fiscal Years.

Fiscal Year	Number of Employees	Days Absent From Work	Average Number of Days
1999-2000	13	322	24.77
2000-2001	13	53	4.08

Near the beginning of FY 2000 – 2001, Agency employees were personally challenged in a letter from the executive director, in which he encouraged them to be more involved in day-to-day operations by submitting their ideas for improving business operations and customer satisfaction. After all responses had been received, a team of employees combined similar suggestions to formulate a list of *113 Issues to be Addressed*. Individual workgroups were formed to address each issue.

Employee participation in the workgroups was voluntary. However, the majority elected to participate. Chairpersons were selected and asked to solicit employees to create a workgroup reflecting a cross-section of the agency’s workforce.

One immediate result was the discussion throughout the agency concerning this unprecedented course of events. An electronic survey was conducted approximately one month after the January 1, 2001 implementation of a policy for Flextime/Compressed Workweek. This was one of the issues to be addressed. The survey indicated that over 90% of those who responded observed an increase in morale.

Business Results – Employee Satisfaction

Other documented examples of organizational and policy changes in response to feedback from employees, and included in the *113 Issues to be Addressed* are:

Merit Increase Program

This year's program of 2%, 3%, and 4% merit increases surpasses the recently passed General Appropriations Act which called for an average of 1% for merit increases, and surpassed last year's payout of 1%, 2%, and 3% merit increases.

Revised Pay Plan

Changes to the agency's pay plan were implemented to allow for greater salary increases and to provide more ways of awarding employee increases. The pay plan now allows for a salary increase of 6% for the attainment of additional skills/knowledge that are job related and up to 15% for retention based on a written bona-fide job offer. The percentages of increase that may be awarded upon promotion, reclassification and upward level assignment have changed to 8% for moving upward one pay level, 10% for two levels, 12% for three levels and 15% for four or more levels. An increase of 6% may be awarded for additional duties/responsibilities and transfers in the same pay band/level, 8% for moving upward one pay level, 10% for two levels, 12% for three levels, and 15% for four or more levels.

Bonus Program

The Bonus Program's purpose is to recognize the accomplishments and contributions of employees. Examples of appropriate reasons for awarding bonuses are:

- Contributions to increased organizational productivity
- Development and/or implementation of improved work processes
- Exceptional customer service
- Realized cost savings
- Other specific contributions to the success of the organization

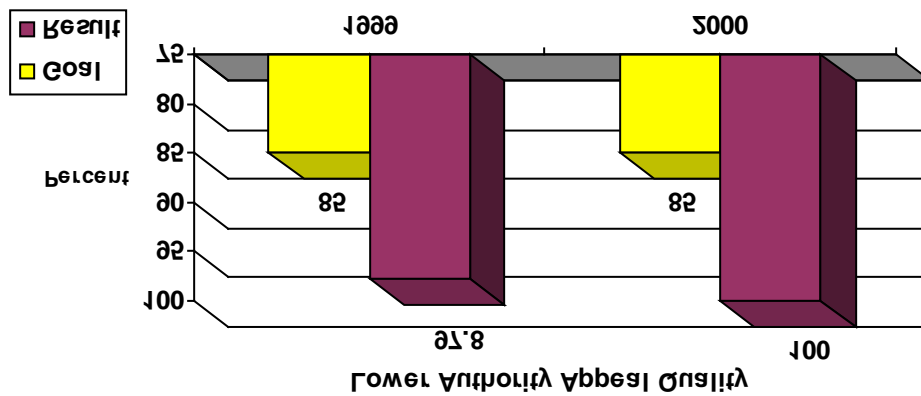
To date, ten bonuses ranging from \$500 to \$1000 have been awarded.

Business Results – Regulatory/Legal Compliance

Unemployment Insurance Benefit Appeals

Employers and individual customers who do not agree with the initial determination awarding or withholding unemployment benefits, may seek review by an Appeal Tribunal. To ensure prompt payment of unemployment benefits, the agency is required to issue decisions in 60% of all cases within thirty (30) days of the appeal.

The criterion is to issue 60% of the decisions within 30 days of the appeal request.



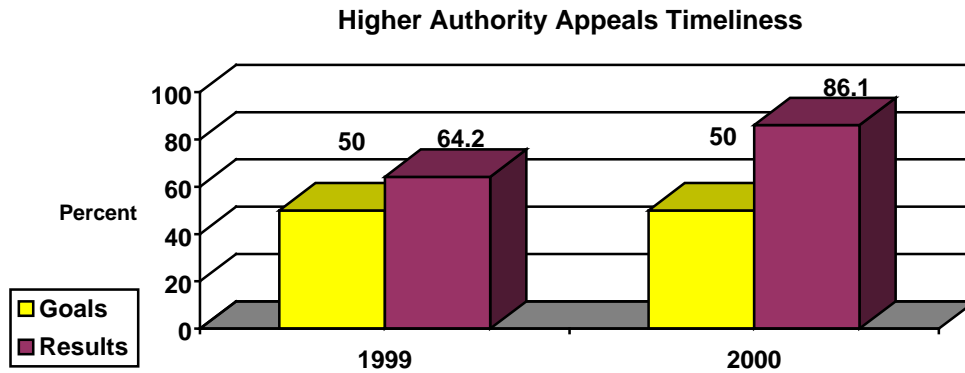
In 1999, S.C. scored 99.9%, which represented the top score in the country.
 In 2000, S.C. scored 100%, which represented the top score in the country.

Business Results – Regulatory/Legal Compliance

Higher Authority Appeals Timeliness

Employers and individual claimants who do not agree with the decision of the Appeal Tribunal may seek further review by appealing to the Employment Security Commission. To ensure prompt resolution of such appeals, the Commission is required to issue decisions for 50% of all cases within forty-five (45) days, and for 80% of all cases within seventy-five (75) days.

The criterion is to issue 50% of the decisions within 45 days of the Higher Authority Appeal request.



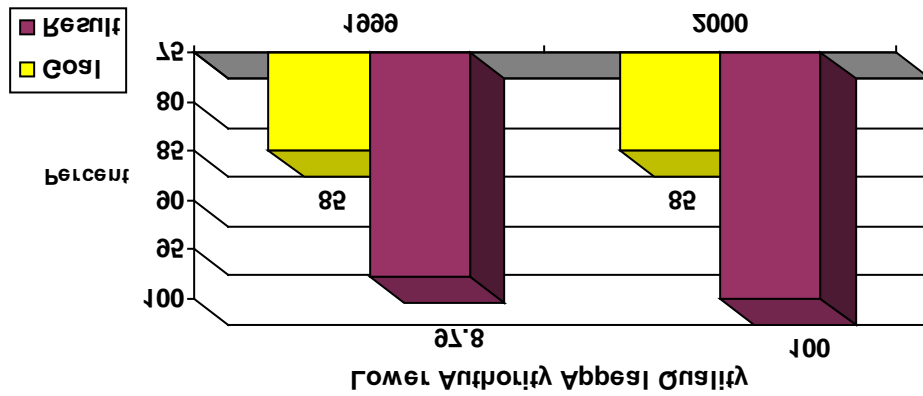
In 1999, S.C. scored 64.2%, which represented the 34th highest score in the country. In 2000, S.C. scored 86.1%, which represented the 16th highest score in the country.

Business Results – Regulatory/Legal Compliance

Lower Authority Appeals Quality

A sample of lower authority benefit appeals hearings is evaluated quarterly using federal guidelines to ensure proper appeal decisions.

The criterion is 80% must score 85 points or higher.



Business Results – Financial Performance

Tax collections decreased from July 1, 2000 through June 30, 2001, due to legislative action that reduced most employer tax rates. *

Tax Contributions Collected

Total Contributions Collected	July 1999 - June 2000	\$237,163,440
	July 2000 - June 2001	* \$171,873,598

UI Benefits Paid

Total Benefits Paid	July 1999 - June 2000	\$195,257,178
	July 2000 - June 2001	\$260,151,496

Agency Revenues 2000 - 2001

Unemployment Insurance	\$25,891,498
Employment Service	9,797,291
Workforce Investment Act	33,482,110
Welfare-to-Work	5,415,927
Job Training Partnership Act	2,125,101
Job Corps	594,196
Labor Market Information	2,585,844
Veterans Program	2,270,000
SC Occupational Information System	1,018,898
Alien Labor Certification	73,625
Trade Adjustment Assistance/ North American Free Trade Act	180,230
Work Opportunity Tax Credit	212,345
One-Stop	793,872
Significant Improvement	417,416
Welfare-to-Work Match	2,474,148
Contingency Assessment	10,626,056
Client Tracking Solutions	695,447
Regional Video	81,168
Parking Fees	70,496
	<u>\$98,805,668</u>

Agency Expenditures 2000 - 2001

Personal Services	\$37,128,241
Fringe Benefits	9,961,190
Other Operating	14,962,331
Debt Service	516,673
Permanent Improvements	1,201,440
Case Services	1,074,562
Allocations to Other Entities	27,963,155
Encumbrances	<u>5,998,076</u>
	<u>\$98,805,668</u>