



*South Carolina Employment
Security Commission*

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

-ESC Mission Statement

Annual Accountability Report
FY 2001- 2002

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Section I – Executive Summary

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) has traditionally been responsible for paying unemployment insurance benefits, collecting unemployment taxes, finding jobs for people, and collecting federal employment statistics. While these functions haven't changed, 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 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:

- ESC is the acronym, not only for Employment Security Commission but also for “Effectively Serving Customers.” The customer comes first!
- All employees will be partners in change, providing meaningful input into the improvement of the Agency's operations.
- Key results and performance will be linked to long-term planning.
- Open communication, both internal and external, will be continually promoted.
- The latest technology and resources will be used to continuously enhance customer service.
- New opportunities to build public and private partnerships will be continually sought.
- ESC will maintain a diverse, professional, well-trained, motivated, and dedicated workforce.

Key Strategic Goals for Present and Future Years

- Increased employee awareness of Agency's policies, programs and services
- Improved customer service
- Quality workplaces for all employees
- A prepared workforce
- Collaborative partnerships
- Improved communications

Opportunities and Barriers

Opportunities

- Ongoing efforts to enhance customer service, particularly for businesses
- Continued development of employee training programs
- Creation of a committee to study workforce planning needs of the Agency
- Alternative funding possibilities through grants to supplement federal funds
- 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
- Continued improvement of internal communications through e-mail, the Agency's Intranet and Internet websites
- Increased emphasis on business development and employer relations
- Improved quality and flexibility of "S.C. Jobs on TV" service in partnership with the Workforce Investment Boards (WIBs) and South Carolina Educational Television (SCETV)
- Successful implementation of a new Unemployment Insurance (UI) tax system, as well as initial claims systems for both Internet and telephone
- Establishment of an integrated automated scheduling and case management system for UI appeals
- Successful enforcement of legislation allowing wage garnishment to recover funds related to UI fraud
- 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

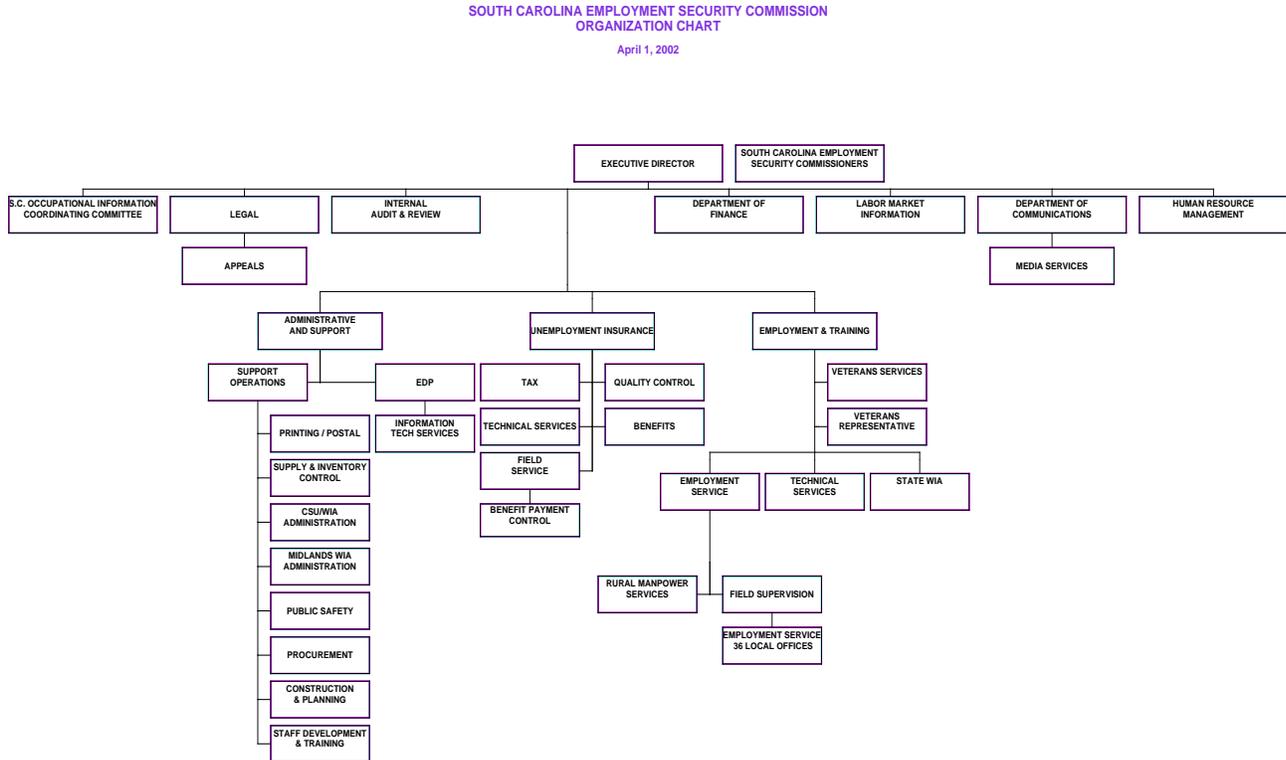
- Major cutbacks in state and federal funding
- Lower salaries than the private sector, making it difficult to retain qualified employees
- Heavy workloads and staff reductions
- Lack of management and employee consensus on internal and external needs
- Limited efforts to build effective statewide and local collaborative partnerships
- Lack of a full-time experienced grant writer/administrator to secure alternative financial resources
- Lack of a systematic approach for monitoring employee and customer satisfaction
- Lack of an effective method for monitoring new and existing human resource management systems

Major Achievements Over the Past Year

- Internal communications have improved with the approval of a new e-mail news service for employees and increased use of the Agency Intranet.
- Many divisional and departmental policy and procedures manuals were added to the Agency's Intranet site, thereby improving accessibility of information to employees.
- During the economic slowdown, the Agency sponsored or collaborated with partners on more than twenty job fairs or business expos across the state, serving over 75,000 participants.
- New media partnerships were forged, including one with WIS-TV in Columbia with the creation of "Job Market Mondays". Job fairs were held around the state in collaboration with *The State* newspaper and Clear Channel Communications.
- A toll-free information line for labor market information was maintained and enhanced.
- Flexibility was emphasized within the Agency through extended operation hours, a business casual dress code, adjustable work schedules, and cross training.
- A committee was established to study workforce-planning needs of the Agency.
- The Agency was one of the first nationwide to pay Temporary Extended Unemployment Compensation benefits.
- Development of a UI tax system was initiated. Internet-based initial claims and job registration systems were also designed and programmed.
- The Agency's On-the-Job-Training Program was redesigned and a national Department of Labor Recruitment Award was received for efforts in the Job Corps Program.
- Assistive technology was installed in many One-Stop Workforce Centers to accommodate disabled clients.
- Bilingual personnel, signs, and literature were provided to assist the growing Spanish-speaking population in the state.
- 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.
- A "Virtual One-Stop" System was developed to provide client management and federal reporting capabilities for the Workforce Investment Act (WIA) program.
- Many human resource management policies and procedures were implemented, addressing issues related to Occupational Safety and Health Administration (OSHA), wellness, security, and training.
- A comprehensive new staff development and training curriculum was developed to enhance employee skills, knowledge, and attitudes. Management training and new employee training are now available.
- A video focusing on some of the model One-Stop Workforce Centers in the Southeast was developed in the Agency's Media Department. The department also won a Telly Award – the equivalent of an Emmy Award for non-commercial broadcasters.
- Comprehensive career and educational information was provided statewide through the Agency's SCOIS at 626 sites in schools, libraries, and One-Stop Workforce Centers.

Section II – Business Overview

Organizational Chart



Number of Employees

As of June 30, 2002, the Employment Security Commission had the following number of employees:

1,165 full-time
229 temporary

1,394 total employment

Operation Locations

As of June 30, 2002, there were thirty-six local offices, two of which are branch offices, eleven itinerant points, two administrative offices, and a warehouse. Locations are listed below:

South Carolina Employment Security Commission Accountability Report 2001-2002

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	

Expenditures and Appropriations Chart

Major Budget Categories	00-01 Actual Expenditures		01-02 Actual Expenditures		02-03 Appropriations Act	
	Total Funds	General Funds	Total Funds	General Funds	Total Funds	General Funds
Personal Service	\$37,128,239		\$39,809,298		\$44,509,695	
Other Operating	\$14,962,332	\$228,048	\$15,071,573	\$212,374	\$12,931,945	\$211,774
Special Items: Debt Service (0800)	\$516,673		\$327,523		\$445,734	
Permanent Improvements (1101)	\$1,201,440		\$ 96,528		-0-	
Case Services	\$1,074,562		\$2,578,975		\$1,555,631	

Expenditures and Appropriations Chart

Major Budget Categories	00-01 Actual Expenditures		01-02 Actual Expenditures		02-03 Appropriations Act	
	Total Funds	General Funds	Total Funds	General Funds	Total Funds	General Funds
Distributions To Subdivisions	\$27,963,155		\$36,065,446		\$41,488,612	
Fringe Benefits	\$9,961,190		\$10,891,884		\$12,385,522	
Non-recurring						
Total	\$92,807,591	\$228,048	\$104,847,227	\$ 212,374	\$113,317,139	\$211,774

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.

Description of Major Products and Services

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

- Provides qualified job applicants to employers
- Administers the state Unemployment Insurance (UI) system
- Assists job seekers in finding suitable employment
- Administers the Workforce Investment Act within South Carolina
- Operates One-Stop Workforce Centers
- Refers customers to appropriate training and/or services
- Provides employment services to veterans
- Provides a variety of Labor Market Information (LMI) products and services
- 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 partnerships with a wide variety of federal, state, and local governmental and private agencies, organizations, and businesses
- Provides staff support to the Military Assistance Council

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 values; e) organizational and employee learning; and f) ethical behavior?

1.1a-f – In fiscal year (FY) 2000-2001, the Agency established a strategic planning process to facilitate a systematic approach for future improvement efforts. Senior leadership continues to set, deploy, and communicate short-term and long-term directions that are part of the strategic plan. This is accomplished primarily through an Annual Administrative Planning Session,

which was also initiated in FY 2000-2001. The planning session allows senior leadership to come together and work toward building a more effective vision for the Agency. In addition, the planning session allows the senior leadership team to identify progress over the past year and discuss goals and future implementation. The senior leadership team is continuing to work toward effectively communicating, throughout the Agency, the vision and goals set forth in the planning sessions.

Performance expectations are clearly defined and communicated to individual employees and departments. 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. Over the past year, division and departmental meetings have convened weekly to communicate short-term performance expectations and also to facilitate more 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 year, and through further development of action plans during the administrative planning session. The overall Agency plan, including organizational values, has been added to the Agency's Intranet for review by all employees.

In an effort to improve Agency services and operations, senior leadership established a bonus program for employees who conceptualize new ideas. An Agency-wide effort was rendered as encouragement for employee suggestions and recommendations for improvement. This not only provides feedback to senior leadership but also provides and encourages employee involvement. In addition, local offices are awarded monthly and quarterly productivity awards for continued improvement and innovation in the services they provide.

In order to help employees better serve the Agency and its customers, the senior leadership team promotes training opportunities, both internally and outside the Agency, for all employees. Internally, the Staff Development and Training Department was commissioned to develop a training track to facilitate specialized training for employees in subjects related to the overall ESC mission and customer-focus. This training program consists of induction training, supervisory training and management training. Implementation of this new program is scheduled for July 1, 2002.

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?

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. 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. Also, the bonus program is in place specifically to encourage and provide monetary recognition to employees who look for ways to improve, financially or procedurally, any area in which services are provided to customers. The Employee Recognition Awards Program, instituted at the end of FY 2001-2002, provides for instant recognition of employees who provide excellent service to customers. Over the past year, continued enhancements to customer service were made.

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

1.3 - Performance 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. Actual results are reported in Category 7 (Business Results).

4. 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?

1.4 - Over the past year, senior leadership continued to move authority and decision making to lower-level management. This strategy was adopted to ensure effective functioning of the Agency, particularly in the absence of the executive director and other senior leadership staff. Also, over the past year, senior leadership continued to take action on a wide range of issues identified by employees. As a direct result of employee feedback, senior leadership has addressed specific issues and made improvements in day-to-day operations and services. Weekly division meetings have provided for more frequent updates and performance reviews. As a result, senior management has instituted a more integrated approach for delivering services by breaking down barriers between departments.

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

1.5 - 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 2001-2002, extended local office hours were implemented to better serve the public during the economic downturn. More local decision authority for public service improvement is also encouraged. Senior leadership continues to actively monitor legislation at the state and federal level which would affect services to the public.

6. How does senior leadership set and communicate key organization priorities for improvement?

1.6 - Key organizational goals and priorities for improvements are communicated through the strategic planning process and the development of action plans. This is reinforced and revisited through weekly division meetings and through consistent communication between senior leadership and staff on a frequent basis. Divisions, departments, units, and employees

are required to evaluate their individual roles and progress toward accomplishing Agency goals.

7. How does senior management and the Agency actively support and strengthen the community? Include how you identify and determine areas of emphasis.

1.7 - 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. For local area directors, the Agency provides assistance with organizational membership fees. Staff are 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.

2.1a-e The Employment Security Commission continues to build upon a systematic strategic planning process which began in FY 2000-2001. The process was designed to involve all employees, from senior leadership to entry-level staff. Input was also received during FY 2001 from employer councils and Workforce Investment Boards, as well as an Agency-appointed Baldrige Self-Assessment team to improve goals for FY 2002. By collecting input from a variety of sources, the Agency strives 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.

Initial development 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 first-line supervisor was asked to meet with his/her staff to determine the unit's role, and to develop an action plan. Departments then 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. The Agency is continuing to further develop 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.

The Agency continues to convene its annual Administrative Planning Session, which is held for the senior leadership to review progress and further develop the agency's overall strategic plan. The 2002-2003 FY strategic planning process will further build upon planning that was developed in the previous year.

2. How do you develop and track action plans that address your strategic objectives?

2.2 - The Agency's strategic plan centers around five overall agency goals. Since the inception of the strategic plan, action plans are continually identified and delegated to the appropriate division or department for implementation. During the past FY, a general review and analysis meeting was held to monitor progress toward implementation of departmental goals and objectives that support the overall strategic plan. At this meeting, each department gave oral and written progress reports to senior leadership. Since that time, weekly progress reviews take place at division meetings.

As the strategic plan is updated and further developed during FY 2002-2003, additional benchmarks and metrics will be identified and modified on an ongoing basis. Overall action plans continue to be developed and refined at the Annual Administrative Planning Session, which is the most significant tool for reviewing and refining the Agency's strategic plan. The strategic planning process will continue to be updated yearly and made more specific so each division and department will have clearer guidelines on how their progress will be measured.

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

2.3 - After the annual administrative planning session, the Agency's overall strategic plan, including objectives, action plans and performance measures, are communicated and disseminated to the various divisions and departments. Efforts are currently under way to establish a more systematic approach for communication of the plan to all employees.

3.0 Customer Focus

1. Identify key customers and stakeholders.

3.1 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. Other customers include the following: job-seekers, including employed, 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 (WIBs); and One-Stop partner organizations, both private and public; the legislature; agency employees; and the general public. Although concentration was on South Carolina citizens, information and services were also available through web-based

applications, providing access to job and labor market information to any individual or company.

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

3.2 – Some ESC customers are identified based on federal and state legislation that defines services and eligibility. Additionally, other customers are identified based on their individual needs for employment-related information and services.

Customer and stakeholder requirements are identified through surveys; focus groups; interviews; direct customer feedback; monitoring of forums; monitoring of legislative activity; workshops; conferences; and observation.

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

3.3 - ESC offers multiple information and access points to customers including the Internet, job fairs, toll-free numbers, and numerous other outlets. Through continuous feedback, ESC determines the most effective means of reaching the public it serves. Working with partner organizations under WIA, One-Stop Workforce Centers are designed to meet the specific requirements of each local area and its customers through job placement, training, 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; 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 of staff in local chambers of commerce, Jaycees and other similar group activities to gauge community needs; and attendance at state and national conferences to stay attuned to the best practices in customer service. Customer comments are solicited in person, by written survey, by telephone and through other technology. One example is the survey of both program participants and businesses under WIA. That survey is a phone-driven survey, which uses the methodology of the American Customer Satisfaction Index (ACSI). ACSI is currently surveying employers and WIA participants. It will be expanded next year to include all job seekers. By using ACSI, results can be compared with other governmental agencies and private organizations.

4. How do you use information from customers/stakeholders to improve services or programs?

3.4 - Based on the information received through these various sources, customer requirements are continually evaluated. The level and delivery of services are guided by this feedback. Additionally, local WIBs set general policy guidelines for the operation of One-Stop Workforce Centers in their areas. Agency staff serve on these boards along with business leaders, educational representatives and local elected officials. To meet the needs of the business community and provide a skilled workforce, WIBs evaluate customer needs and determine the best possible service mix and operation design. Program and performance data are provided to these oversight groups based on the actual services provided to customers

during a FY. 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 FY 2001, South Carolina was recognized by the USDOL as the best overall state in terms of UI performance in the Southeastern Region.

5. How do you measure customer/stakeholder satisfaction?

3.5 - The Agency continues to reorganize 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 have been hired. Toll-free numbers and fax on demand features have been added to provide easy access to information. The Agency continues to train employees to deal effectively with customers. Employees are also being cross-trained in other programs to handle customer requests more efficiently. All customer complaints receive individual attention and follow-up.

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

3.6 - ESC has different services and accommodations available to meet the needs of various customer groups. Accommodations have been rendered for both the technologically savvy and those customers preferring paper documents. Outreach efforts are in place to provide ESC 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).

4.0 Information and Analysis

1. How do you decide which operations, processes and systems to measure?

4.1 – The USDOL establishes the measurement systems for all employment security agencies in the United States. These 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 software solutions to meet the operations and process system measurements as defined. These measures are tied to the Agency's overall strategic plan.

2. How do you ensure data quality, reliability, completeness and availability for decision making?

4.2 – Within ESC internal operations, data is reviewed by management to ensure accurate indicators of services are provided. Through established monitoring systems, the quality, reliability and availability of data are reviewed to ensure accuracy in accountability necessary

for decision making. Documents are readily available for sampling and verification or decision-making.

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

4.3 - Operational data that are gathered from individual program areas are currently available to senior leadership, managers, and end-users on request. Operational data are continually used to make programmatic decisions. These data are reviewed monthly, quarterly, and annually, based on various programmatic requirements. Individual programs include, but are not limited to, UI, LMI, E&T, WIA and other statewide grants.

3. *How do you select and use comparative data and information?*

4.4 - South Carolina is compared to the other 49 states (and also to other employment service entities in Washington, D.C., Puerto Rico, 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 must be collected to provide performance reporting to the USDOL. Internally, we compare similar offices at local levels to provide an informative overview of performance.

5.0 Human Resource Focus

1. *How do you and your managers/supervisors encourage and motivate employees (formally and/or informally) to develop and utilize their full potential?*

5.1 – The ESC leadership team encourages and motivates employees through empowerment, innovation and flexibility. Over the past year, senior leadership has revised numerous policies and procedures and implemented several new ones, such as a recognition program to show appreciation for contributions to the Agency’s success. Other actions include attaining affirmative action goals; actively seeking and responding to employee input; and supporting and providing opportunities for professional growth/development.

Representatives from all areas of the organization participated in refining information for the Agency’s strategic plan. Employees actively participate on different organizational committees, an experience that exposes them to a variety of Agency activities. All are encouraged to participate in staff development and to attend additional training and education programs. Flexible scheduling has allowed many to attend school while still meeting their job requirements.

2. *How do you identify and address key developmental and training needs, including job skills training, performance excellence training, diversity training, management and leadership development, new employee orientation and safety training?*

5.2 – Both employees and supervisors participate in the determination, design, and evaluation of education and training, as these individuals frequently are best able to identify critical needs and evaluate success. 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 has also been identified as essential to the growth and improvement of Agency operations. The ultimate goal of a continuous focus on training is to develop a workforce with the knowledge, skills, and attitudes important to the Agency's success. Individual employee goals are matched with the Agency's missions and goals.

3. *How does your employee performance management system, including feedback to and from employees, support high performance?*

5.3 – The EPMS attempts to improve supervisor-employee communications and relationships while serving as the primary tool for management to document employee performance, increase productivity, and reward performance. The primary goal is to increase the overall effectiveness and productivity of the Agency through improving the work performance of its individual employees. Generally, an evaluation session is a time for accountability; for comparing actions with consequences; for detecting flaws and making improvements; and for planning future challenges.

If employees are to seek high levels of performance, they first must understand the expectations of their supervisor and the requirements detailed in their respective position descriptions. The EPMS provides the means for these expectations and requirements to be communicated. In the planning stage, the employee and supervisor first 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. The employee can now ask for the supervisor's expectations and can express his or her own expectations.

Also, during the planning stage, the supervisor or the employee can recommend a performance objective that can be accomplished over the course of the rating period. By these means, an employee can demonstrate performance that even exceeds the supervisor's expectation. In addition, the employee and the supervisor can meet to discuss progress at any time throughout the rating period.

4. *What formal and/or informal assessment methods and measures do you use to determine employee well-being, satisfaction and motivation?*

5.4 – The Agency's strategic plan is a driving force in determining human resource needs. Senior management meets regularly to discuss strategy and assess performance, thereby insuring that human resources are aligned with service requirements and expectations. Each manager is responsible for aligning required job functions with employee skill levels. All

employees are encouraged to seek ways to automate and streamline work processes wherever possible.

During the year, the Agency established several committees to encourage employees to make suggestions for improvements. Variable work schedules enable employees to balance their personal and professional lives. Staffing, pay incentives, recruitment and related human resources programs are annually evaluated and revised based on informal discussion with staff and management. Information from exit interviews, training sessions, informal employee discussions, employee relations' issues, professional journals, and human resources research provides a basis for new or revised processes and activities. Changes are proposed to executive staff for approval and implementation. In addition to the more formal methods of motivation, the Agency provides annual breakfasts and dinners to recognize staff for their contributions, and to encourage teamwork.

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

5.5 -- The Agency has in place written safety policies and procedures for the central office complex and each local office. All buildings have "Right to Know Centers". Safety inspections of the facilities and operations are ongoing. Agency personnel with special expertise are utilized in inspections when necessary. Information contained in the 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 are periodically reviewed for compliance. All agency buildings are in compliance with the Americans with Disabilities Act. In addition, the buildings have been tested for air quality, for water quality, and for asbestos.

6. *What is the extent of 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 Personnel in Employment Security (IAPES), the United Way, local churches and schools, the United Negro College Fund, Rotary Club, 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 second year in a row, almost \$25,000 was raised for non-profit organizations through payroll deductions alone.

6.0 Process Management

1. What are your key design and delivery processes for products/services, and how do you incorporate new technology, changing customer and mission-related requirements, into these design and delivery processes and systems?

6.1 – ESC’s key designs are the management and operation of the UI benefit program, the Employment and Training program and the LMI program. The Agency has thirty-six local offices located throughout the state that deliver service to claimants, job seekers, and employers, as well as a central administrative office that provides the necessary support.

Technology continues to play a major role in improving design and delivery processes. The implementation and updating of the Agency’s Internet systems has aided customers with self-registration. Job seekers can access the ESC’s website for access to the Palmetto Economic Analysis and Research System (PEARS), America’s Job Bank, and automated referral services. Employers can access the website for information ranging from wage report filing instructions to job listings and participation in the South Carolina Business One-Stop Workforce Center. The Internet claims system and virtual initial claim call center will aid claimants with expeditious benefit filing.

New technology at several ESC offices around the state has been assisting people with disabilities in overcoming obstacles to employment. A recent state pilot project provided “assistive technology” in these locations in the form of software, hardware, and work stations for job seekers who are blind, have reduced vision, or have other disabilities. Also, funds from WIA have been approved to purchase “assistive technology” for One-Stop Workforce locations in all areas.

One way the Agency adapted to changing customer requirements was extension of operational hours, allowing additional time for customer access. The Agency partnered with major employers to conduct job fairs and business expositions throughout the state. During these events the Agency provided valuable opportunities for job placements, as well as showcasing the many services provided through ESC. Resume preparation and critiquing, and employment consultation and job listings were among the services actually provided on site at job fairs.

Media projects were also used as a service delivery tool. “South Carolina Jobs On TV,” presented Monday through Friday, featured up-to-date statewide job openings. This collaborative effort partnered ESC and SCETV with state and local WIBs, regional Councils of Government and other state agencies. WIS-TV, one of South Carolina’s major television stations, sponsored a weekly segment, “Job Market Monday”. This promoted the ESC goals of facilitating financial stability and economic growth.

2. How does your day-to-day operation of key production/delivery processes ensure meeting key performance requirements?

6.2 - ESC provides a “safety net” for the unemployed, acting as an economic stabilizer during downturns in the economy. Key functions, in this regard, are the issuing of UI checks and the collection of employer taxes in a timely manner.

The Agency has undertaken a number of initiatives this year designed to improve services to both internal and external customers. Initiatives in the UI area include the continued development of a new tax system incorporating the latest technology and Interactive Voice Response (IVR) “0” reporting system; the piloting of a new UI claims Internet filing system; and the development of a new virtual initial claim call center. Further development has been rendered to the imaging systems for claimant and employer data, allowing various departments immediate access to ensure timely responses. Initiatives rendered with increased customer focus include extended local office hours to accommodate public need; delegation of more authority/responsibility to local office area directors in the decision-making process; adoption of a “No Wait” policy in local office lobbies; redesign of local office floor plans to allow for a more customer-friendly environment; incorporation of One-Stop partners into ESC local office operations; development and implementation of a new Virtual One-Stop operational system; and redesign of local office productivity awards.

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

6.3 - ESC’s UI Division has a well-deserved reputation for processing claims quickly. The division has won the USDOL’s Regional Office Award for the Best Overall Performance in eight of the last twelve years. The Agency continuously strives to improve the processes and performance levels as measured by the USDOL.

The Agency has completed the cross-training program within the local offices. This training enabled all field staff to provide services to both UI and ES customers, thus avoiding delays in service time. The training proved especially valuable when the Temporary Extended Unemployment Compensation (TEUC) Act was passed. South Carolina was the first state in the southeast, and one of the first in the nation to issue TEUC benefits. To accomplish this task, the Agency began preparation of the benefit system months in advance. Agency programmers performed a multitude of system tests to ensure the accommodation of the anticipated claims load and reporting requirements. This preparation, along with the cross training, allowed South Carolina to excel where many states failed.

Quality Control continuously monitors and performs various audits on the Agency’s local and central office practices. Reports, statistics, and graphs are generated to notify appropriate parties of problem areas. Recommendations for training, changes, and improvements are forwarded, with follow-ups rendered as necessary. This function proves to be a valuable tool in the Agency efforts to improve overall performance.

The LMI Department was restructured to emphasize and improve customer service and marketing. Changes were rendered to facilitate better customer performance, such as: more

emphasis on providing information, support and marketing efforts to local offices and WIBs; prompt response to data and information requests; and the enhancement of the Agency's website to provide user-friendly labor market information.

The Annual Administrative Planning Session is used to review accomplishments and establish new goals and priorities for the new FY. 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.

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

6.4 - ESC has representatives in the Field Service and Quality Control Departments that render personal interaction with both employers and claimants. These representatives provide services to ensure the rules, regulations, and laws are properly adhered to. Assistance and support are provided for employers to establish and maintain UI accounts. Individualized assistance is rendered to employers in adaptation of their systems to meet filing requirements and technology specifications.

The Agency has entered into interagency data exchange agreements with several agencies. The South Carolina Department of Social Services (DSS) provides new hire information from employers for cross-matching against the UI benefit system. This allows for earlier detection of potential overpayments. Weekly listings of child support participants are processed against the Agency's system, rendering necessary deductions on benefit checks. An agreement has also been entered into with the South Carolina Department of Revenue. This agreement allows for annual deductions against income tax benefits to recoup ESC overpayments. The Agency also has an agreement to allow federal and state withholding taxes on benefit checks.

Many of the ESC local offices have become the designated comprehensive One-Stop Workforce Centers for local Workforce Investment Act (WIA). Under the WIA system, the Agency develops partnerships with other state and local agencies to provide a full range of services. Local "One-Stop" service delivery is enhanced through partner services, including Vocational Rehabilitation, Welfare-to-Work, Adult Education, and local technical colleges. One-Stop Workforce Centers also have career resource centers, which provide job seekers with access to Internet career information and resume software.

ESC continues to sponsor annual employer workshops and the Job Creator Awards. These awards and events help improve relationships with the business community. Award recipients may be nominated by the six sponsoring agencies and the twelve local WIBs, with the presentation of awards by the Governor. ESC also continues to sponsor the annual Groundhog Job Shadow Day. Participation in this year's event increased by 10% from last year, demonstrating the interest in and value of the program to all involved.

7.0 Business Results

Customer Satisfaction

In past years, ESC local offices conducted ongoing customer surveys. Survey forms were sent to random samples of three major customer groups: job applicants; businesses; and partners, including community-based organizations. New customer surveys have been recently developed to include dates of contact, as well as a graded response scale, which describes the level of satisfaction.

A comprehensive set of customer satisfaction surveys covering all programs and services is being developed. Until these are completed, local offices will use the most recent customer surveys to obtain more quantified measure of customer satisfaction.

Also during FY 2001-2002, the Employment and Training Institute, Inc. conducted a customer satisfaction survey as mandated by the Workforce Investment Act (WIA). This survey measured customer satisfaction for both employers and existing WIA participants. This is a telephone 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 WIA goal for customer satisfaction was 65% for employers and 68% for participants during FY 2000-2001. The WIA goal for customer satisfaction during FY 2001-2002 was 67% for employers and 70% for participants. The graphs below depict the survey results for the first two years, showing actual results far exceeded the WIA goals.



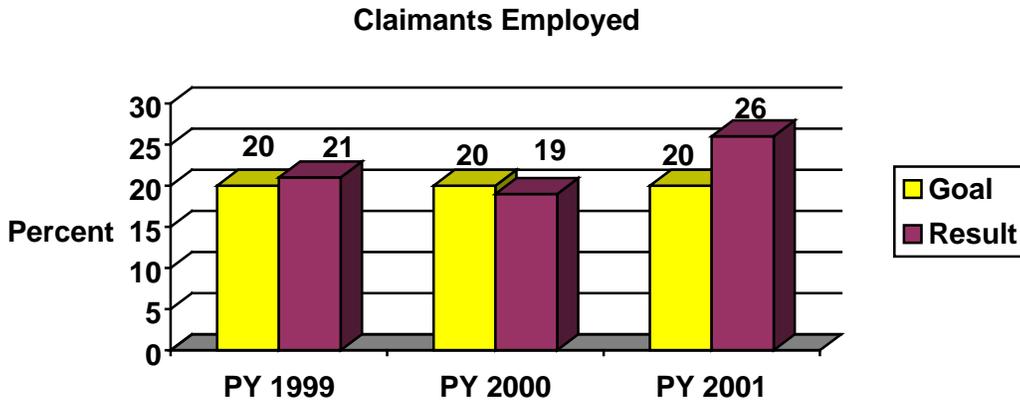
Mission Accomplishments

Job Referrals and Services Provided to Customers

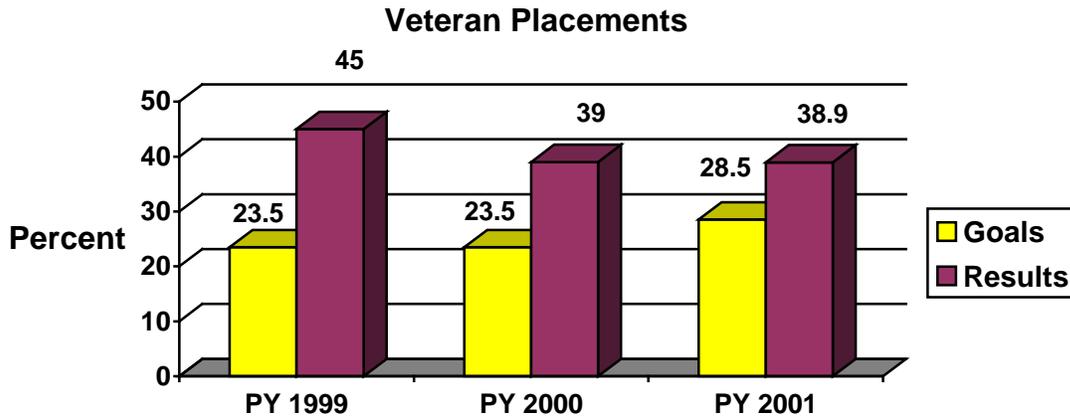
The primary goal of the ESC labor exchange function is to assist individuals in obtaining employment. During the last program year, 306,484 individuals were registered for this

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 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.



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 24.82%, establishing the goal for veterans at 28.54%. The actual employment rate for veterans was 38.95%, well above the established goal.



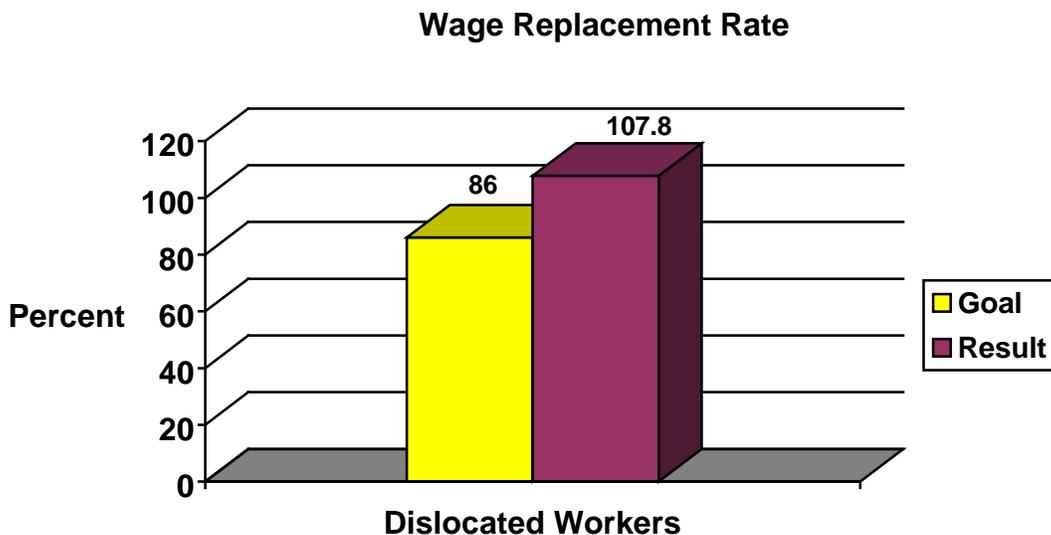
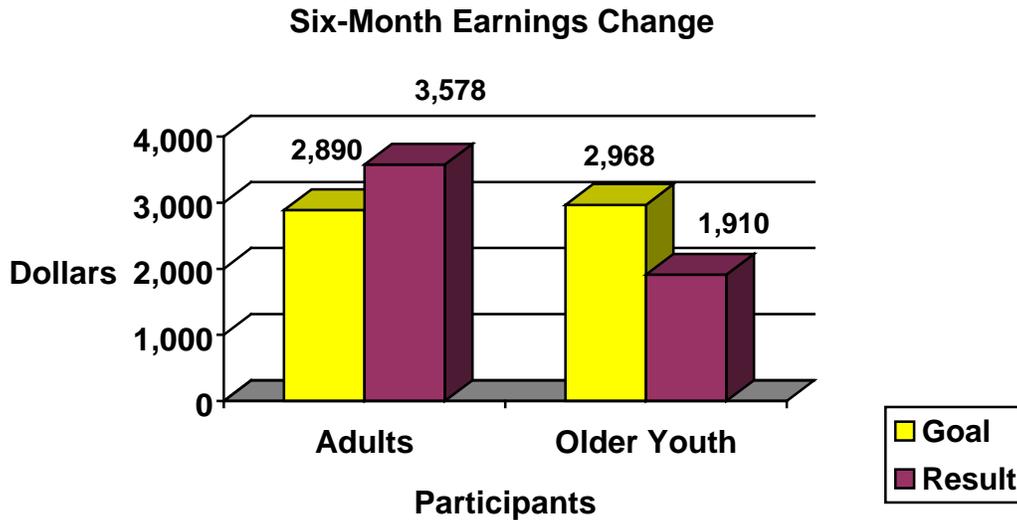
Workforce Investment (WIA)

To date, fifteen comprehensive One-Stop Workforce Centers and thirty-six satellite offices have opened to provide a wide array of services to customers at single neighborhood locations. Through the local One-Stop Workforce Center, employers have a single point of

contact to access labor market information and list job openings. Additionally, job seekers have access to all workforce services at the same location.

WIA is a customer-focused system with emphasis on meeting employer needs for skilled workers, as well as 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.

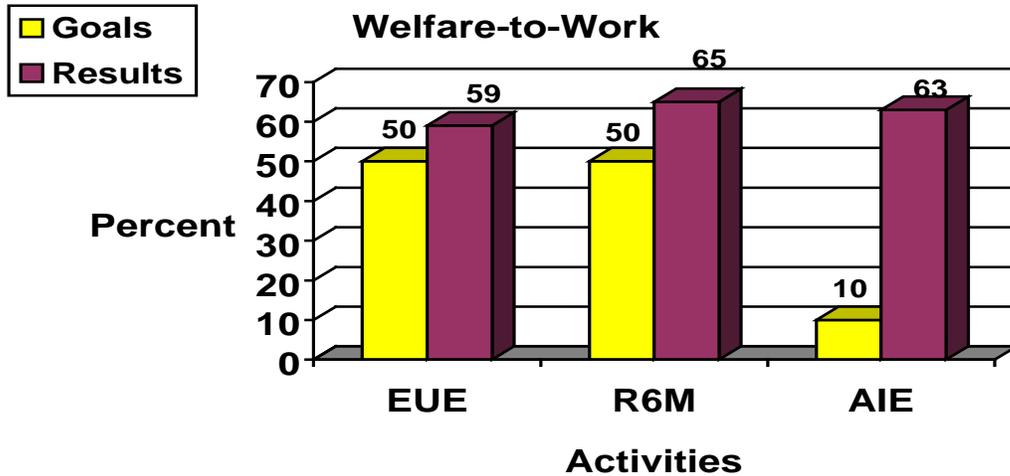
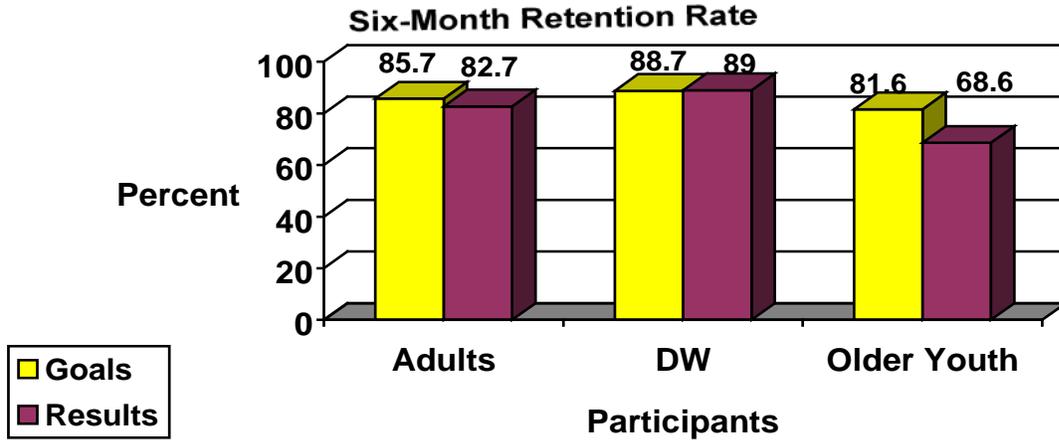
The charts below show first and second year performance for six-month earnings change for adults and older youth, and wage replacement for dislocated workers.



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 Center. A wide variety of services are provided through partnerships with other agencies. WIA provides funding to serve adults, dislocated workers, and youth.

The workforce system also provides customers with a list of eligible training providers and information on provider performance, allowing customers to choose the training that is best for them. A comprehensive tracking system that will capture all federal-reporting requirements, as well as provide case management tools, is being developed.



Payment of Claims for Unemployment Insurance (UI) Compensation

The Unemployment Insurance 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 to accurately determine 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.

UI Initial Claims and Weeks Claimed

July 1999-June 2002

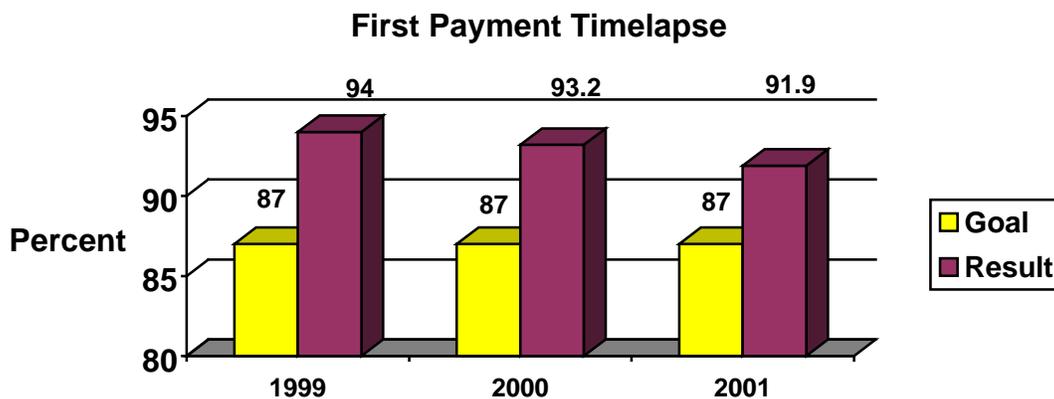
Total Initial Claims	July 1999 - June 2000	282,844
	July 2000 - June 2001	405,861
	July 2001 - June 2002	448,806
Total Weeks Claimed	July 1999 - June 2000	1,194,657
	July 2000 - June 2001	1,772,416
	July 2001 - June 2002	2,806,119

National performance measures have been established through a collaborative process between the USDOL and the employment security agencies measures in all states and territories. There are more than thirty uniform performance measures. The most critical measures of unemployment insurance processing are shown below.

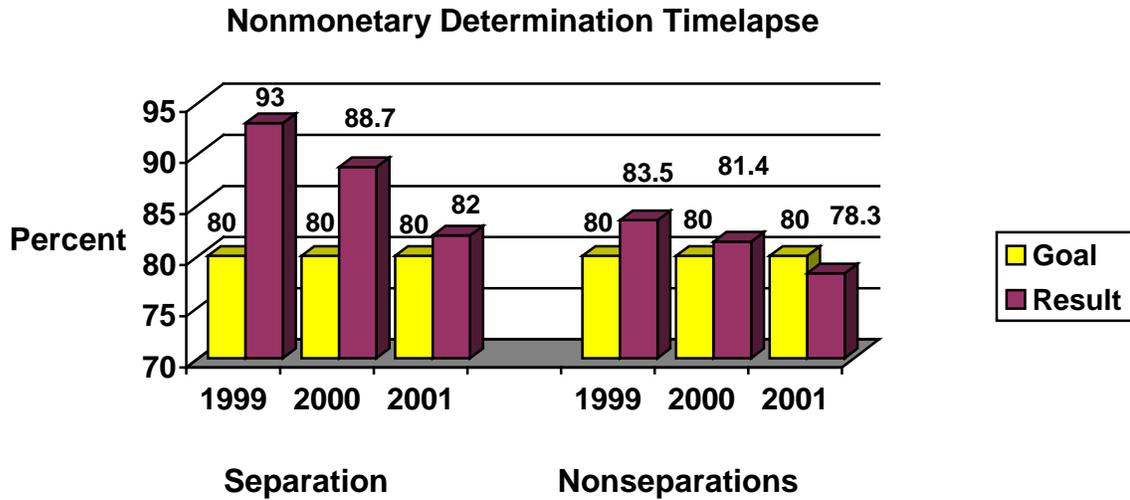
Program Performance Assessment – The national performance measures ranked the Agency’s unemployment program high, especially when compared with other state unemployment programs. The combined performance scores resulted in ESC finishing each of the past two years well above the national average. South Carolina was in the top one-third of the states in 40 different measures and was in the top ten in thirty measures.

BENEFITS Year	Top 10 States	Top 1/3 States	Above National Average
CY 1999	62.7%	81.3%	95.3%
CY 2000	72.1%	95.3%	100.0%
CY 2001	41.0%	54.8%	94.5%

First Payment Timeliness: Unemployment Insurance payments 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.



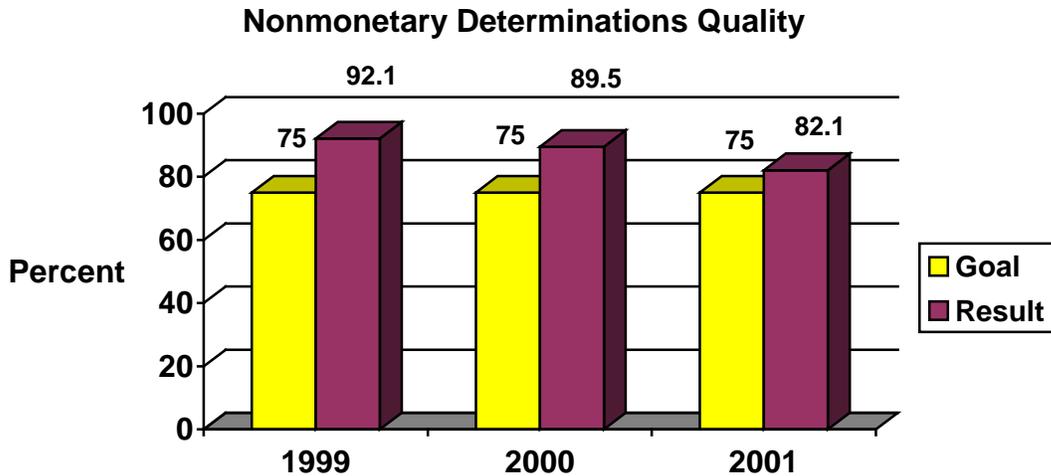
Nonmonetary Determination Timeliness: Eligibility determinations should be made within 14 days of detecting an “issue” during a claim series (nonseparation) and within 21 days for issues detected when the initial claim is filed (separation). “Issues” are anything that have the potential to affect a claimant's past, present, or future benefit rights. The criterion is 80% of the issues will be handled within the 14 -or 21- day period.



The 1999 S.C. score for separation determinations was the 4th highest in the country. The 2000 S.C. score for separation determinations was the 6th highest in the country. The 2001 S.C. score for separation determinations was the 18th highest in the country.

The 1999 S.C. score for nonseparation determinations was the 10th highest in the country. The 2000 S.C. score for nonseparation determinations was the 10th highest in the country. The 2001 S.C. score for separation determinations was the 16th highest in the country.

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



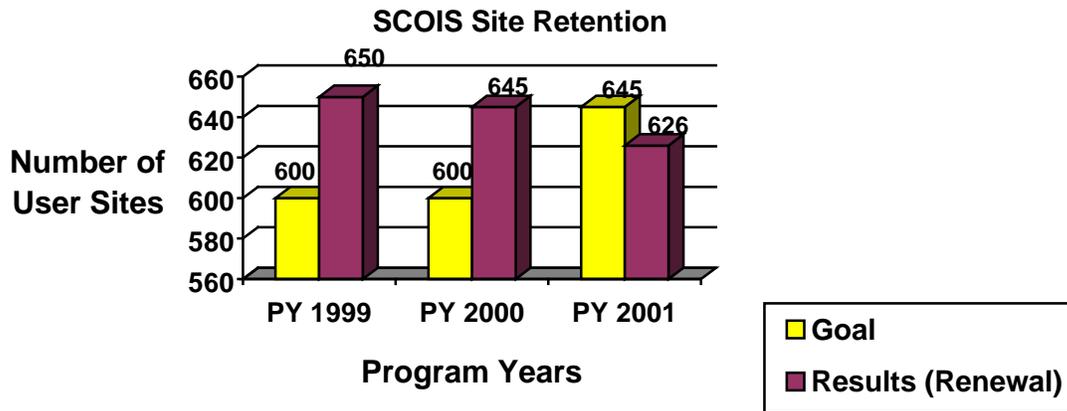
The 1999 S.C. score represented the 2nd highest score in the country. The 2000 S.C. score represented the 2nd highest score in the country. The 2001 S.C. score represented the 11th highest in the country.

Economic Information

The S.C. Occupational Information System (SCOIS)

The S. C. Occupational Information System program is facilitated through, a consortium of nine state agencies with ESC acting as the fiscal agent, which operates a statewide network of career development resources.

SCOIS maintains a network of user sites in high schools, middle schools, elementary schools, technical colleges, universities, and various private and state agencies. Each site pays an annual fee for equipment and software updates. Maintaining the current sites and acquiring new sites are top priorities. Major cutbacks in state and federal funding for career development, along with general state budget cuts, had an adverse impact on SCOIS this year. Because of cuts in funding, a number of sites were forced to cancel their SCOIS subscriptions.



SCOIS also provides professional development opportunities in a series of workshops called The Real Game Series program. These workshops train teachers, counselors, administrators, and others how to work with clients of various age levels, kindergarten through adult, in career exploration activities with students/customers. SCOIS implemented an Internet version of its software this year. Over 1200 SCOIS users were trained on the new features of SCOIS.Net.

SCOIS Professional Development and Training

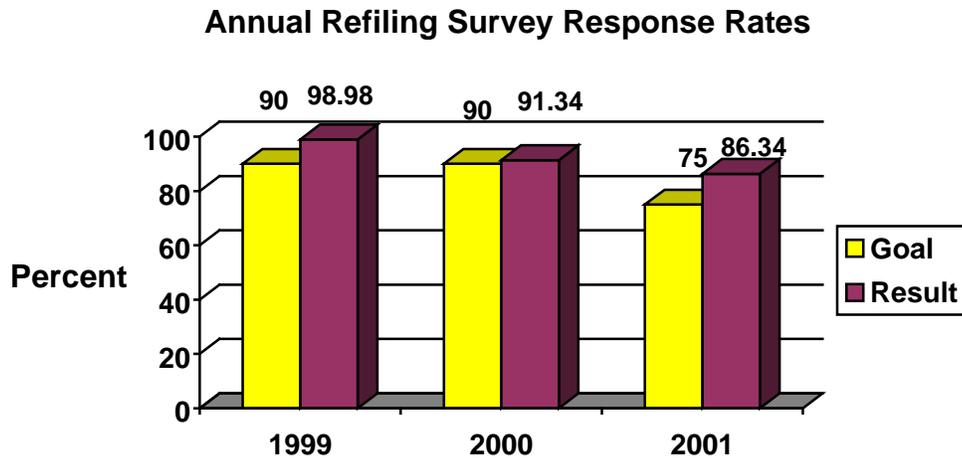
Program Year	Real Game Workshops Held	Customers Trained
1999	15	376
2000	12	259
2001	16	322

Labor Market Information

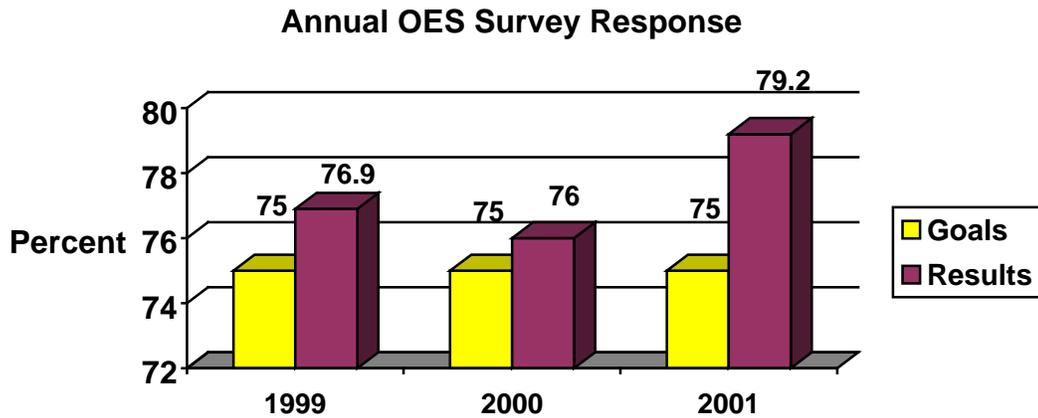
The Labor Market Information (LMI) Department is responsible for a wide variety of statistical and analytical programs in association with the U.S. Bureau of Labor Statistics

(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 conduct special studies and make presentations to groups upon request. The department serves a substantial number of public and private data customers, and provides management with operational reports and analysis as needed.

Each year, Labor Market Information staff survey a segment of the state's businesses to verify and update information on their locations and operations. Information from this Annual Refiling Survey is used by the Agency's Unemployment Insurance Division and in measuring changes in the state's labor market.



The Occupational Employment Statistics (OES) survey is an annual federal/state cooperative mail 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.



The Palmetto Economic Analysis and Research System (PEARS), implemented via the Internet in 2000, is the primary data delivery system for LMI. The system is used by the Workforce Investment System service providers, One-Stop Workforce Centers, businesses, individuals, the state, counties, Workforce Investment Areas and many others to obtain information about the state’s labor market and economy. The system is available to all customers with Internet access.

Employee Satisfaction, Involvement and Development

A major goal of the Agency is to create and maintain a positive, productive, learning, and caring work environment. Appropriate indicators of employee satisfaction, well being, development, and effectiveness include the following: absenteeism, turnover rates, grievances, affirmative action goal attainment, safety, 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, which 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, barring unusual circumstances, the absenteeism rate for most companies should be below 4 %.

Employee Absenteeism

<i>Fiscal Year</i>	<i>Average Number of Full-Time Employees</i>	<i>Multiplied by Number of Work Hours Per Year</i>	<i>Yearly Total of Sick Leave Hours Used</i>	<i>% of Time Lost Through Absences</i>
1999-2000	1,108	2,160,600	95,571.83	4.42 %
2000-2001	1,106	2,156,700	89,625.45	4.16 %
2001-2002	1,165	2,271,750	95,858.90	4.22 %

Regarding annual turnover, research has shown 30% (or less) to be a positive indicator of employee satisfaction. The rate is determined by dividing the number of positions by the number of employees who have left the Agency. The turnover rate for this reporting period was 6.87 %.

Employee Turnover

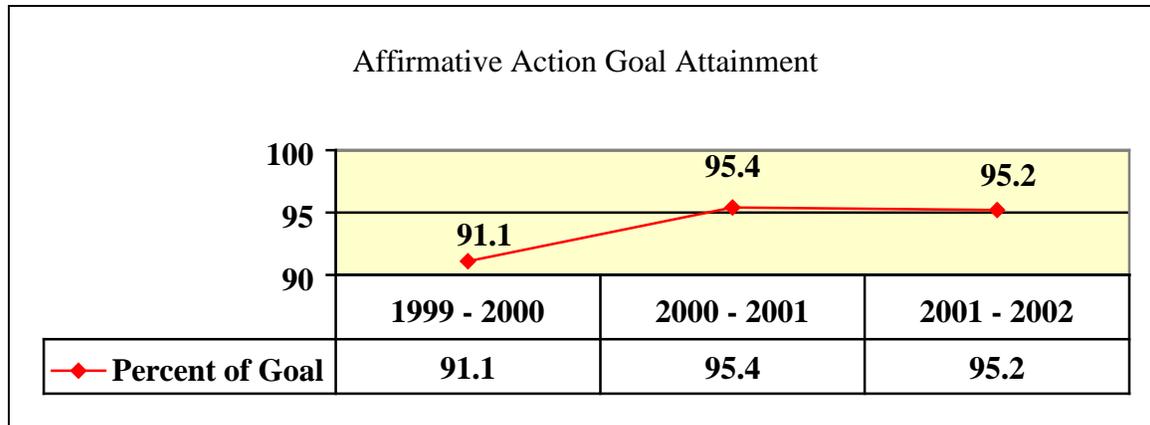
<i>Type of Turnover</i>	<i>Number of Employees for FY 2000 - 2001</i>	<i>Number of Employees for FY 2001 - 2002</i>
Disability Retirements	5	6
Regular Retirements	24	25
Reduction in Force	3	0
Resignations	47	22
Separations	8	19
Terminations	3	8
Total Turnover	90	80
Number of Full-time Employees	1,106	1,165
Turnover Percentage	8.14%	6.87 %

Harmonious relationships between public employers and employees represent 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. The following chart reflects grievance activity for the past three fiscal years.

Employee Grievance Activity

<i>Fiscal Year</i>	<i>Total Number of Grievances Filed by Agency Employees</i>	<i>Non-Grievable Issues/ Grievances Denied</i>	<i>Grievable Issues/ Grievances Accepted</i>
1999-2000	2	2	0
2000-2001	2	2	0
2001-2002	4	1	3

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. In the last three years, ESC has increased its level of goal attainment four percentage points, from 91 % to 95 %. In addition, the Agency now ranks seventh among all state agencies in goal attainment and second among large agencies of 1001 employees or more.



Employee Satisfaction – Exit Interviews

The Agency writes to each exiting employee requesting information that can be most beneficial in analyzing workplace conditions and accomplishing improvements. They are sent an exit interview questionnaire, which is confidential, and identification is optional. A quarterly analysis is performed and shared with the Agency’s executive director and deputies. Of the 53 forms mailed out, 15 were returned at a response rate of 28.3%. Breakdowns of the reasons for employees leaving are:

Employee Exits

<i>RETIREMENT</i>	<i>ANOTHER JOB</i>	<i>RELOCATED</i>	<i>PERSONAL</i>	<i>OTHER</i>
60.0%	6.0%	0.0%	14.0%	20.0%

Summary of Employee Exit Questionnaire Responses

<i>Topic</i>	<i>Positive</i>	<i>Topic</i>	<i>Positive</i>
Understanding of Agency Mission	100.0%	Advancement Opportunities	75.0%
Request for Information from Management	100.0%	Pay for Job	80.0%
Management's Response to Employee Requests	80.0%	Cooperation and Teamwork	65.0%
Kept Informed of Policies	100.0%	Resolving Problems	70.0%
Consider Returning	73.0%	Working Conditions	88.0%
Duties Explained	87.0%	EPMS Program	92.0%
Adequate Training	80.0%	Treatment by Management	92.0%
Workload	80.0%	Recognition on the Job	100.0%
Employee/Supervisor Communication	92.0%	Communication within Agency	88.0%
Relationship with Supervisor	92.0%	Communication within Office	86.0%

<i>Topic</i>	<i>Positive</i>	<i>Topic</i>	<i>Positive</i>
Guidance from Supervisor	92.0%	Orientation Program	100.0%
Relationships with Co-workers	100.0%	Benefits Package	100.0%

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

<i>Fiscal Year</i>	<i>Number of Employees</i>	<i>Days Absent From Work</i>	<i>Average Number of Days</i>
1999-2000	13	322	24.77
2000-2001	13	53	4.08
2001-2002	8	114.5	14.31

Human Resource Development and Training

The Agency provided 218 training opportunities, both internally and externally, for staff during the year.

Human Resource Training

<i>Training Site</i>	<i>Total Training Events</i>	<i>Total Training Participants</i>
Central Office	92	1385
Other ESC Sites	50	1153
Other Sites (non-ESC)	76	109

The Human Resource Management Department communicated a variety of information to employees during the year, as a part of the commitment to keep employees informed. Some of this included monthly leave status reports, insurance (health, dental, life, disability, etc.) information, retirement information, legislative changes, deferred compensation, and special retail promotions for government employees. The Agency held two blood drives in coordination with the American Red Cross.

Supplier/Contractor/Partner Performance

As required by the Wagner-Peyser Act, local offices conduct yearly non-numerical surveys, which are used for self-review only. There was an approximate 60% response rate from local partners. Almost all comments were positive.

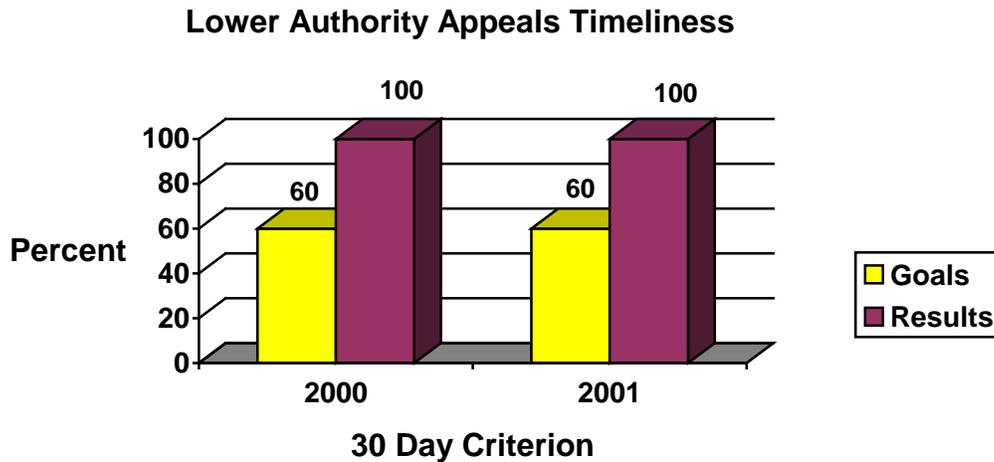
A goal of 65% response will be set for the following year, with plans for annual goal increases. Use of scaled responses will set the base numerical score or “grade” from which performance will be tracked. Since these are local office surveys, a procedure will be developed to obtain “state scores,” with approximately one fourth of the offices doing surveys each quarter.

Regulatory/Legal Compliance

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

Unemployment Compensation Appeals

Lower Authority Appeals Timeliness: Timeliness is defined as the number of days elapsed from the date the request for a lower authority appeals hearing is filed to the date of the decision. The criterion is 60% within 30 days.

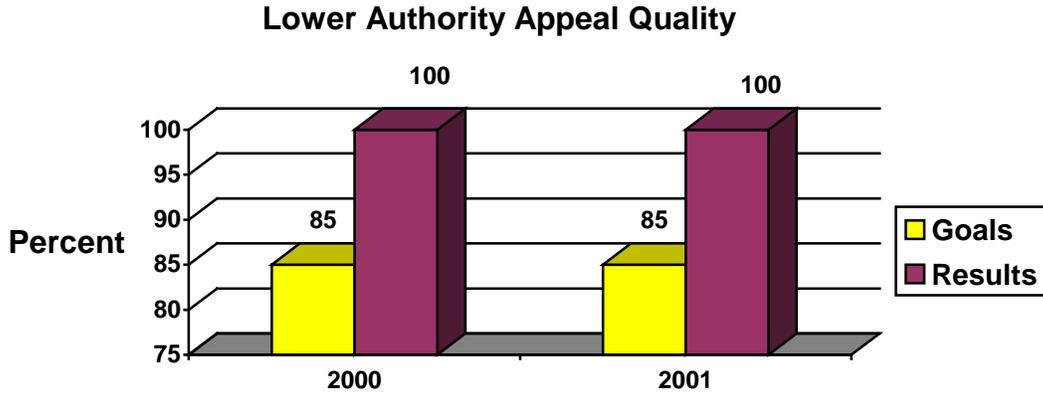


In 2000, S.C. scored 100% which represented the top score in the country.

In 2001, S.C. scored 100% which represented the top score in the country.

Lower Authority Appeals Quality: Quality evaluations are derived from results of quarterly samples of lower authority benefit appeals hearings, as according to federal instructions.

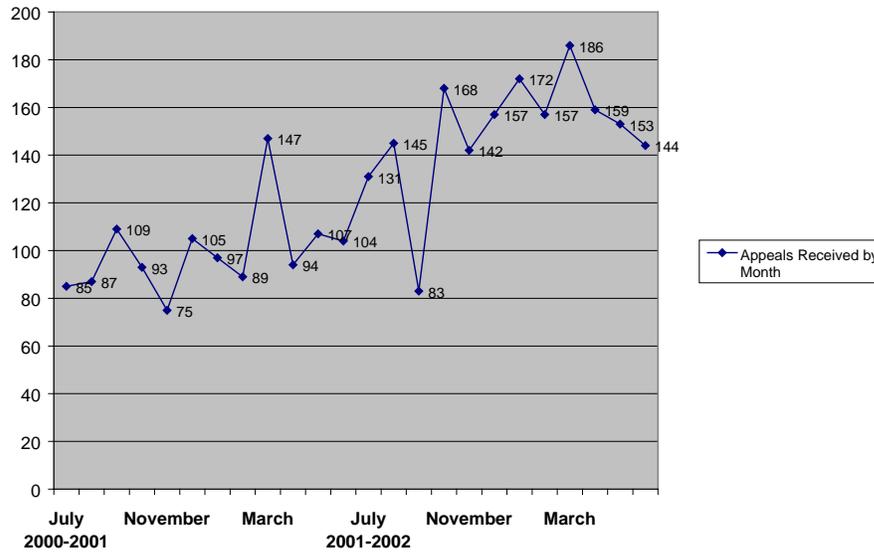
The criterion is 80% must score at 85 points or higher.



In 2000 S.C. scored 100% which represented the highest score in the country.
 In 2001 S.C. scored 100% which represented the highest score in the country.

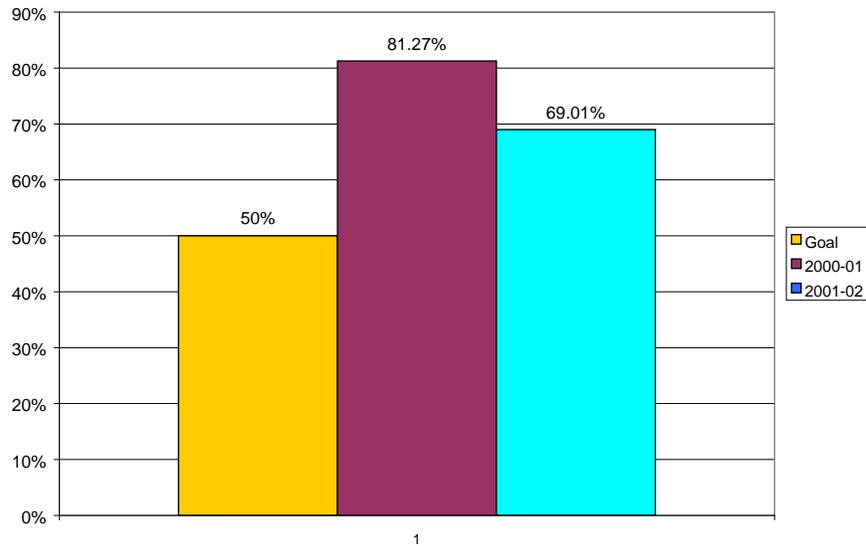
Higher Authority Appeals Timeliness: Employers and individual claimants who do not agree with decisions issued by the Appeal Tribunal have the legal right to seek further review by appealing to the Employment Security Commission. During the last twelve months, appeals to the Commission increased by more than 50% over the previous twelve months. The average went from just over 99 to nearly 150 appeals monthly.

Appeals Received by Commission



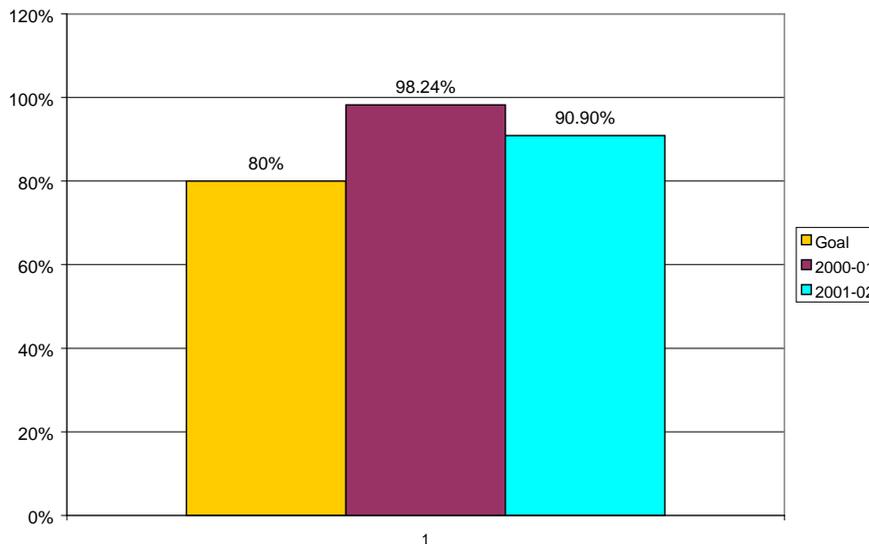
The general economic downturn has resulted in a higher number of claims and, therefore, an increased number of appeals both to the Appeal Tribunal and, as shown on the above chart, to the Commission. To ensure prompt resolution of such appeals, the Commission is required to issue decisions for 50% of all cases within 45 days and for 80% of all cases within 75 days. During the twelve months from July 1, 2001, through June 30, 2002, the Commission issued 1,031 decisions within 45 days of the appeal date.

Commission Decisions Issued within 45 Days



ESC continues to exceed the federal goal, although the increased workload has resulted in a slight decline from last year. As the workload moderates and staff become more experienced, it is anticipated that the Commission's 45-day timeliness will improve. July 1, 2001 through June 30, 2002, the Commission issued 1358 decisions within 75 days from the appeal date.

Commission Decisions Issued within 75 Days



Again, a slight decline is noted from the previous year although the federal requirement has been continually exceeded.

South Carolina Employment Security Commission Accountability Report 2001-2002

During the twelve months from July 1, 2001 through June 30, 2002, the Legal Department received 18 appeals to the Circuit Court of Commission Decisions. The Agency's attorneys prepare records, file answers, and represent the Commission in these cases.

The Legal Department also assisted in the collection of taxes and the recovery of overpayments. During the last twelve months, there were 92 foreclosure actions in which the Agency had liens for unpaid contributions against delinquent employers. Also, 132 claims were filed in Bankruptcy Court, in an effort to recover both unpaid contributions from businesses and benefit overpayments from claimants. Claims were filed in Probate Courts, and assistance was provided by ESC Field Service in prosecuting individuals refuse to repay benefits that were overpaid and employers refusing to furnish required records or reports.

UI Benefits Paid

Total Benefits Paid	July 1999-June 2000	\$195,257,178
	July 2000-June 2001	\$260,151,496
	July 2001-June 2002	\$430,487,871

Tax Contributions Collected

Total Contributions Collected	July 1999 - June 2000	\$237,163,440
	July 2000 - June 2001	\$171,873,598
	July 2001 - June 2002	\$176,058,728

AGENCY REVENUES 2001 - 2002

Other Operating	\$	1,370,903
Contracts	\$	1,538,487
Consortium Contracts	\$	29,688
Training Session Fees	\$	2,400
Contingency Assessment Fund	\$	6,882,495
Child Support Intercept	\$	6,452
Parking Fees	\$	56,605
SCOIC Career Resource Network	\$	128,269
Technical Assistance & Training Program	\$	120,729
WIA/Adult-Youth-Dislocated Worker	\$	39,899,242
Reed Act Funds	\$	309,611
Employment Services	\$	11,325,136
Unemployment Insurance	\$	32,232,448
Job Corps	\$	643,565
Special Administration Fund	\$	944,058
Dislocated Veterans Out-Reach Program (DVOP)	\$	1,050,930
Bureau of Labor Statistics (BLS)	\$	1,135,018
ES Reimbursement Grant	\$	85,545
Job Training Partnership Act (JTPA)	\$	82,662
Local Veterans Employment Representative (LVER)	\$	1,214,838
TAA/NAFTA	\$	1,476,758
Welfare-to-Work	\$	2,936,818
State Appropriation	\$	212,374
Carry-Forward Federal/Other Funds	\$	2,572,093
		106,257,124

AGENCY EXPENDITURES 2001 - 2002

Personal Services	\$	39,809,298
Operating	\$	15,071,573
Debt Service	\$	327,523
Permanent Improvements	\$	96,528
Case Services	\$	2,578,975
Distribution to Sub-Divisions	\$	36,065,446
Fringe Benefits	\$	10,897,884
Indirect Cost to General Fund	\$	140,651
Non-Recurring Operating Transfers	\$	1,269,246
		<hr/> <hr/>
	\$	106,257,124