



*Workforce Investment Act
Annual Report*

July 2006 through June 2007



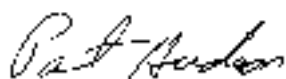
Dear Workforce Stakeholders:

This report highlights much of the success that our workforce development system has had this past program year using our federal Workforce Investment Act (WIA) funding. These positive results have advanced our goals for a comprehensive and coordinated workforce and economic development strategy in South Carolina.

- We increased our emphasis on business services, building partnerships with employers that are creating the jobs of the future.
 - On-the-Job partnerships grew by 98%.
 - Customized Training partnerships grew by 275%.
 - Incumbent Worker Training partnerships served over 7,000 workers, creating 524 new jobs and saving 5,600 existing ones.
 - Our investment of \$2.2 million in Incumbent Worker Training programs put a minimum of \$66 million in annual salaries into South Carolina's economy.
- The State Workforce Investment Board distributed \$3.2 million in competitive grants that funded initiatives ranging from providing computer training for disabled veterans returning from Iraq and Afghanistan to developing career pathways for childcare workers in economically-depressed counties.
- We increased the total number of adult participants served with WIA dollars by approximately 38%. Youth participation grew by 13%.
- We served more than 19,000 South Carolinians during the last program year and increased the number of participants who received job training services.
- We served twice as many high school drop-outs as we did last year.
- Youth participating in our Jobs for America's Graduates-South Carolina pilot program raised their GPAs and passed more classes, while decreasing their absences and suspensions.

All of these accomplishments support our goal of building a world class, competitive workforce in South Carolina. There is much to look forward to, and much work remaining to be done. For example, the WorkKeys® Career Readiness Certificate initiative was launched statewide in October 2007 and will continue to be a priority in 2008 and beyond. I hope this report will provide you with a snapshot of our recent successes.

Sincerely,



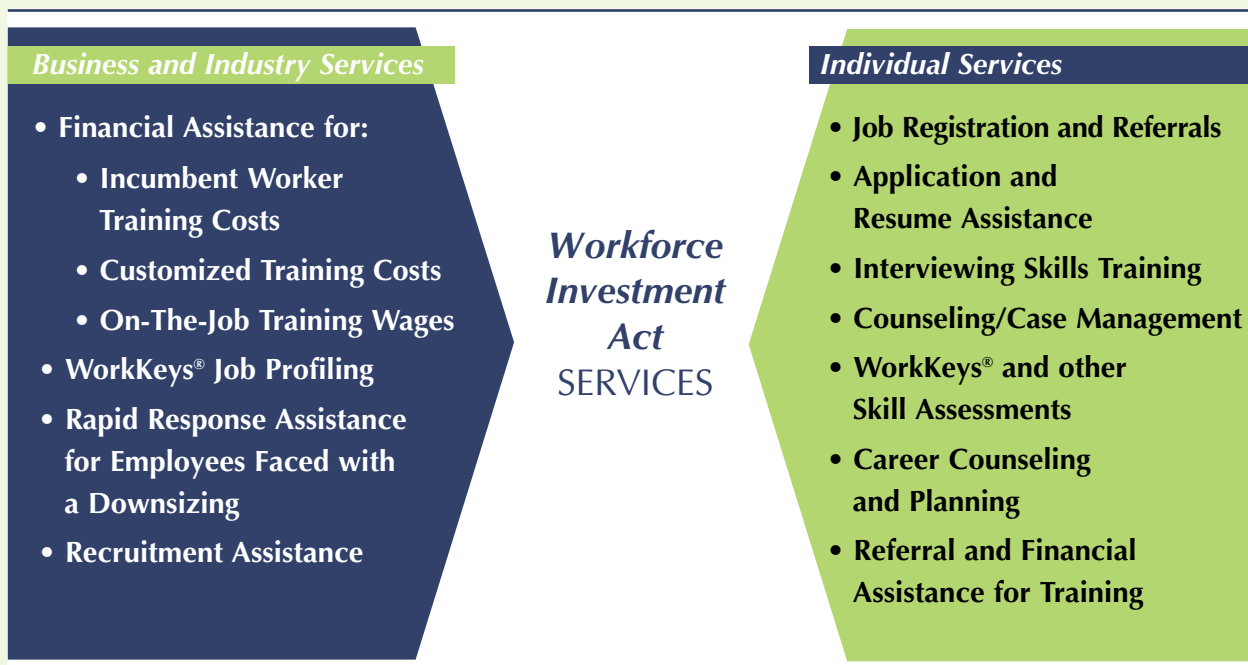
Pat Hudson
Chairman, State Workforce Investment Board



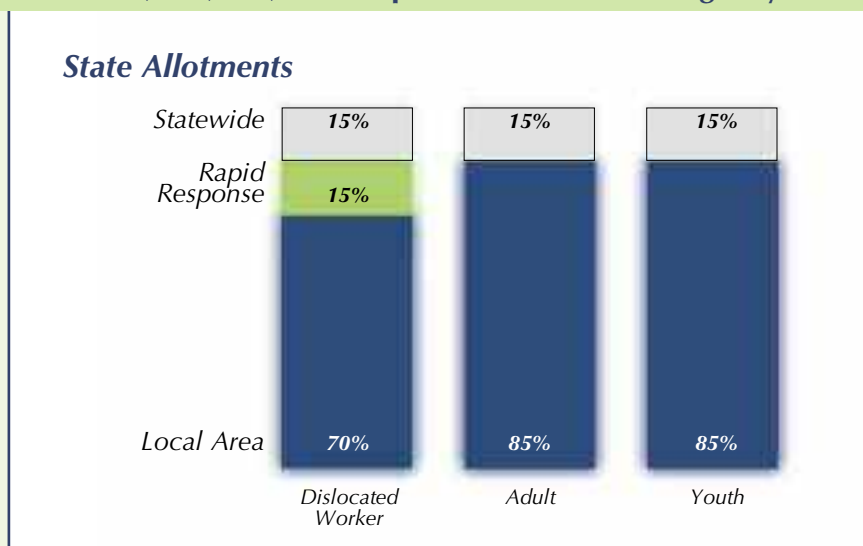
Pat Hudson emphasized greater coordination between workforce and economic development groups in South Carolina during the 2007 Workforce Development Partnership Conference in Greenville.

The Workforce Investment Act in South Carolina

The Workforce Investment Act, known as WIA, is a federal program administered in South Carolina through the Workforce Development Division of the South Carolina Department of Commerce and through twelve regional Workforce Investment areas throughout the state. The program's activities serve two objectives: to address the training, education and employment needs of individuals and to develop a skilled workforce that meets the needs of business and industry in South Carolina.



South Carolina's federal allotment in Program Year 2006, \$63,530,879, was dispersed in the following way:



The majority of the WIA program is executed through – and often tailored to – twelve local areas in order to better serve local business and industry needs. A map outlining the 12 local areas in South Carolina can be found on the back cover of this report.

Business Services

Increasing the business services provided through WIA to help build a strong job market is a key part of the State Workforce Investment Board's strategic plan, and it is working! More South Carolina companies are discovering the competitive advantage that WIA-funded training can deliver. Those services can include wage reimbursements and training grants for new and incumbent workers, recruitment of qualified job applicants and WorkKeys® profiling and testing.

Program Year 2006 WIA Business Services by the Numbers:

TRAINED	SAVED	CREATED
7,068	5,651	524
WORKERS	EXISTING JOBS	NEW JOBS

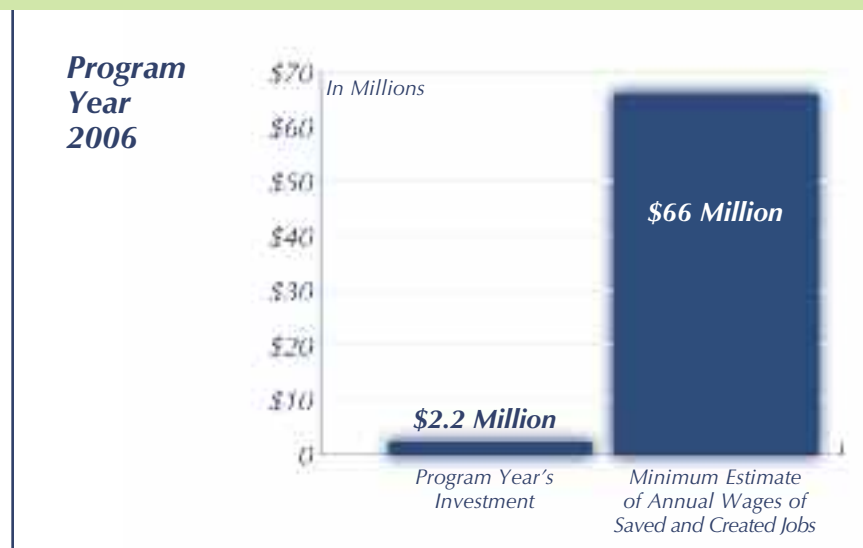


**98% Increase in
On-the-Job Training**



**275% Increase in
Customized Training**

Investments in Incumbent Worker Training Produce High Yields for the S.C. Economy



The total jobs saved and created (6,175) with a \$2.2 million investment in Incumbent Worker Training (IWT) resulted in \$66 million in annual wages into the state's economy. This figure was calculated assuming a minimum wage. However, most of these jobs paid well above minimum wage, some as high as \$30 per hour.

Partnership Meets Industry Cluster Demand for Skilled Welders

In addition to Incumbent Worker Training and Customized Training contracts, innovative use of WIA funds can meet the demands of business in other ways as well. In 2006 the Santee-Lynches Workforce Investment Board, Central Carolina Technical College and 14 employers in the region worked together to fill a demand gap for skilled welders by creating a 16 week training program that could be accessed by workers utilizing WIA-funded Individual Training Accounts.



Central Carolina Technical College's welding program provides a hands-on learning environment.

Classes were structured so that participants could learn the most challenging – and highest-paying – skill of pipe welding or stop when certified as plate or MIG/TIG welders. Having area employers from that particular industry sector directly involved was key to designing a successful program.

Outreach and marketing efforts by the local Workforce Investment Board, including industry-specific job fairs, alerted job seekers in the region to the demand for skilled welders and introduced them to the region's One-Stop Career Centers. Individual Training Accounts were used to pay for the training classes for qualified individuals. A growing number of workers have been successfully placed with area companies since the program began, and the Santee-Lynches Workforce Investment Board is

considering a similar approach for the high-demand field of industrial electrical maintenance. This project illustrates how coordinating different programs and funding streams can deliver maximum effect.

What Workforce Investment Act Business Partners are saying about Incumbent Worker Training programs:

"The IWT program gave our facility extra leverage to increase our technicians' skills to better enable them to eliminate waste and unneeded factory downtime positively affecting the bottom line. We saved jobs and created some new jobs by focusing on the high-tech skills of today."

—Robert Bosch Corp.

"The funding was put to good use and has improved our retention. Of the 44 employees that were trained, 12 employees achieved multiple position certifications. Of the 44 employees, 32 are still employed with us. The average wage increase of program participants was higher than the average increase across the company."

—CVS Pharmacy



WIA-funded Incumbent Work Training partnerships help employers in South Carolina increase productivity and save jobs.

"The IWT grant program provided us the opportunity to improve the skills of existing workers, the means for developing appropriate skills training for existing employees and to develop a recruiting process to better target employees with the skills necessary to be successful on the job. We added 60 new positions to our workforce, with a company-wide turnover rate of only 6.3%. This has been a true success story for our organization, and the funds provided through IWT certainly provided us the opportunity to offer meaningful, career-oriented jobs for employees in the Aiken area."

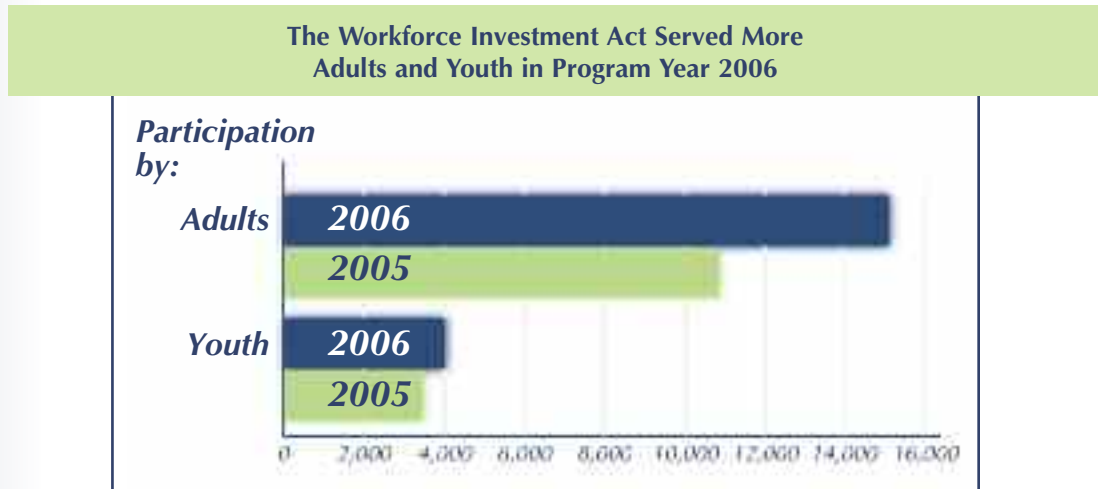
—TTX Co.

"These funds contribute to Michelin's ability to provide quality maintenance and technical training to our existing workforce. This training is necessary to allow our employees to grow in their profession and to allow the company to maintain efficient operations with reduced downtime for maintenance problems."

—Michelin North America, Inc.

Adult and Youth Program Results

Program Year 2006 also saw a surge in the overall numbers of individual South Carolinians served through the Workforce Investment Act. More than 19,000 participants received services delivered through our state's 12 local Workforce Investment Areas. Compared with the prior program year, participation in WIA-supported adult programs grew by 38%. Youth program participation increased by 13%.



Performance Results*:

- Approximately 83% of Unemployed Adult participants found employment.
- Approximately 89% of Adult participants were still employed 6-9 months later.
- Approximately 68% of Youth participants were placed in employment or education.
- Approximately 54% of the Youth enrolled in education programs attained a degree or certificate.
- Approximately 49% of the Youth who needed basic skills improvement made literacy and numeracy gains.

**Based on the S.C. reported statistics for the U.S. Department of Labor Common Measures for WIA programs recorded during PY '06.*

South Carolina targeted a challenging need in Program Year 2006 and reaped positive results. Compared to last year, WIA served more high school dropouts and 40% more out-of-school youth. Program Year 2006 was also the second year of the Jobs for America's Graduates – South Carolina (JAG-SC) pilot project. Tracking of the program participants shows substantial gains in attendance, behavior and learning, leading the State Workforce Investment Board to commit \$1million to the project over each of the next three years.

Student Achievement

Each year, 95% of JAG-SC students finished the school year.

After one year in JAG-SC, the ninth graders, on average:

- Decreased absences by 13% from the previous year
- Increased GPA by 10% from the previous year

After two years in JAG-SC, the 10th graders, on average:

- Decreased absences by 41%
- Decreased suspensions by 35%
- Increased GPA by 9%
- Passed 6% more classes

Workforce Investment Act Success Stories



Cynthia Fowler, Greenville —

Cynthia had worked the same basic job for the same company for 10 years when a layoff forced her to make a transition. Cynthia had to make the shift from manufacturing to an entirely new field – a daunting task faced by many people at one time or another during their lives.

With help from the Greenville County One-Stop's WIA program, Cynthia was able to complete training as a Certified Medical Assistant, at Greenville Technical College's Buck Mickel Center. She was able to overcome numerous barriers to success and was offered a full-time job prior to completing her training. After completing the WIA program in December 2006, Cynthia began her new career as a Medical Assistant with a Greenville medical clinic.



Thaddeus Shull, Midlands —

At age 53, Thaddeus Shull was unable to continue his 13-year career as a tire builder due to a medical condition. He faced a tough job market with a set of skills not easily transferrable to another occupation.

WIA paid for truck driver training for Thaddeus through Sage Technical Services. He earned a Commercial Driver's License (CDL) in July 2006, a skill that led to employment as an over-the-road driver for a local trucking company. This new job allowed Haskell to meet his immediate goal of providing stability and financial security for his family. It also laid the foundation for him to pursue a long-term goal of becoming an owner/operator and starting his own trucking company.



Shavonne Prescott, Upper Savannah —

Shavonne entered a WIA Youth program when she was 15 years old. Testing showed that she was challenged in terms of basic skills development.

Over the past five years, Shavonne has participated in WIA-funded leadership programs, community service projects, job shadowing and summer work experiences. She credits a 2006 WIA work experience as an office assistant with the Edgefield County Sheriff's Office with giving her the motivation and desire to pursue a career as a lawyer. After successfully completing high school, Shavonne is now attending USC Aiken as a pre-law major with an eye towards a future career in law enforcement.



Harold Smith, Midlands —

Discipline problems and a negative attitude at school had Harold on a path leading away from success. Enrolling in the Midlands WIA Youth program, "Success 4 Life," while attending the Wil Lou Gray Opportunity School's Youth Challenge Academy helped him overcome those barriers.

Working with his "Success 4 Life" counselor, Harold established goals for himself that helped position him for a successful career in the Army. While in the program, he prepared for the GED exam and the ASVAB (Armed Services Vocational Aptitude Battery). Harold completed his GED and enlisted in the army in August 2007. His long-term goals include attending Officers Candidate School and training as a helicopter pilot.

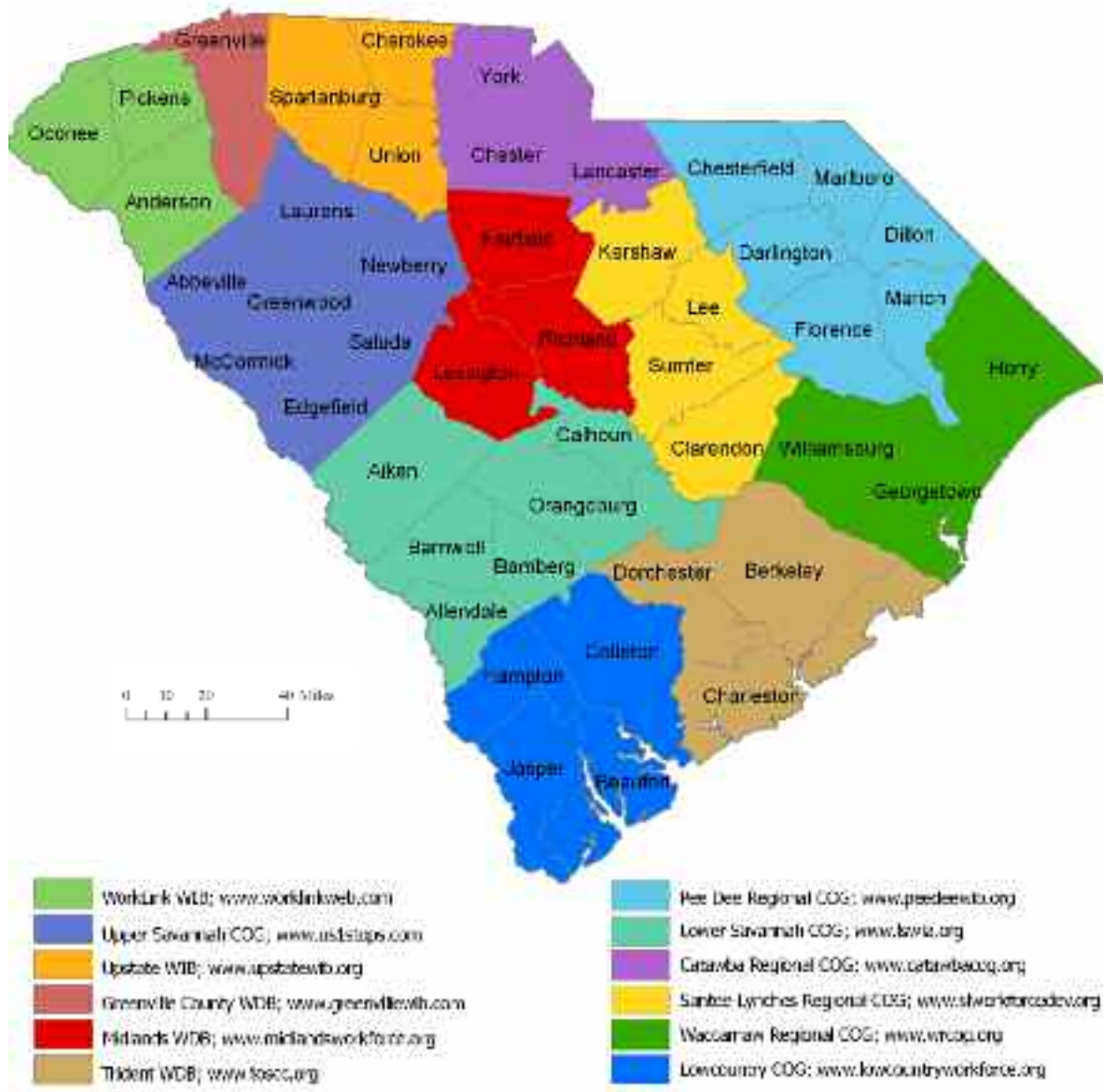


Harold Oglesby, Upstate —

Harold Oglesby was in danger of failing to earn a high school diploma when he enrolled in Alternatives in Motion (AIM), a WIA-funded program for at-risk youth at Limestone College in Gaffney in January 2006.

By December, he had successfully earned his GED and was placed by his job coach in a grounds keeping job at the college. Harold's hard work and positive attitude – and the education and training he received while in AIM – resulted in his promotion into a supervisory role on the college's maintenance staff. Harold credits AIM with providing him with the skills and opportunity to succeed.

South Carolina Local Workforce Investment Areas



An equal opportunity employer/program. Auxiliary aids and services are available upon request to individuals with disabilities. All voice telephone numbers may be reached using TTY/TDD equipment via the South Carolina Relay Service at 711.

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