

AGENCY NAME:	Department of Employment and Workforce		
AGENCY CODE:	R600	SECTION:	83



Fiscal Year 2015-16 Agency Budget Plan

FORM A – SUMMARY

RECURRING FUNDS (FORM B DECISION PACKAGES)	<p>My agency is submitting the following recurring decision packages (Form B): 3545</p> <p>For FY 2015-16, my agency is (mark "X"):</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30px; text-align: center;"><input type="checkbox"/></td> <td>Requesting a net increase in recurring General Fund appropriations.</td> </tr> <tr> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td>Not requesting a net increase in recurring General Fund Appropriations.</td> </tr> </table>	<input type="checkbox"/>	Requesting a net increase in recurring General Fund appropriations.	<input checked="" type="checkbox"/>	Not requesting a net increase in recurring General Fund Appropriations.		
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<input checked="" type="checkbox"/>	Not requesting a net increase in recurring General Fund Appropriations.						
CAPITAL & NON-RECURRING FUNDS (FORM C DECISION PACKAGES)	<p>My agency is submitting the following one-time decision packages (Form C): 3911</p> <p>For FY 2015-16, my agency is (mark "X"):</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30px; text-align: center;"><input checked="" type="checkbox"/></td> <td>Requesting capital and/or non-recurring funds.</td> </tr> <tr> <td style="text-align: center;"><input type="checkbox"/></td> <td>Not requesting capital and/or non-recurring funds.</td> </tr> </table>	<input checked="" type="checkbox"/>	Requesting capital and/or non-recurring funds.	<input type="checkbox"/>	Not requesting capital and/or non-recurring funds.		
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PROVISOS	<p>For FY 2015-16, my agency is (mark "X"):</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30px; text-align: center;"><input type="checkbox"/></td> <td>Requesting a new proviso and/or substantive changes to existing provisos.</td> </tr> <tr> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td>Only requesting technical proviso changes (such as date references).</td> </tr> <tr> <td style="text-align: center;"><input type="checkbox"/></td> <td>Not requesting any proviso changes.</td> </tr> </table>	<input type="checkbox"/>	Requesting a new proviso and/or substantive changes to existing provisos.	<input checked="" type="checkbox"/>	Only requesting technical proviso changes (such as date references).	<input type="checkbox"/>	Not requesting any proviso changes.
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<input type="checkbox"/>	Not requesting any proviso changes.						

Please identify your agency's preferred contacts for this year's budget process.

	<u>Name</u>	<u>Phone</u>	<u>Email</u>
PRIMARY CONTACT:	Shaji Kuriakose	803-737-2571	skuriakose@dew.sc.gov
SECONDARY CONTACT:	Don D. Grant	803-737-0367	dgrant@dew.sc.gov

I have reviewed and approved the enclosed FY 2015-16 Agency Budget Plan, which is complete and accurate to the extent of my knowledge.

	<u>Agency Director</u>	<u>Board or Commission Chair</u>
SIGN/DATE:		
TYPE/PRINT NAME:	Cheryl M. Stanton	

This form must be signed by the department head – not a delegate.

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FORM B – PROGRAM REVISION REQUEST

DECISION PACKAGE	3545
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Provide the decision package number issued by the PBF system ("Governor's Request").

TITLE	Two percent pay increase and Employer's share of fringe benefits and health plan increase
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Provide a brief, descriptive title for this request.

AMOUNT	\$8,649
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What is the net change in requested appropriations for FY 2015-16? This amount should correspond to the decision package's total in PBF across all funding sources.

ENABLING AUTHORITY	Title 41 – Labor and Employment Section 27-41 Employment and Workforce SCOICC was established in 1977 as a consortium of agencies mandated by the Carl D. Perkins Vocational Education Act, and the SCOIS Career System is mandated by state law to be made available to all 85 school districts and is written into the state Education and Economic Development Act (EEDA).
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What state or federal statutory, regulatory, and/or administrative authority established this program? Is this decision package prompted by the establishment of or a revision to that authority?

FACTORS ASSOCIATED WITH THE REQUEST	Mark "X" for all that apply:
	<input checked="" type="checkbox"/> (Base Adjustment) Allocation of statewide employee benefits.
	<input type="checkbox"/> (Base Adjustment) Realignment within existing programs and lines.
	<input type="checkbox"/> (Base Adjustment) Restructuring of agency programs – <i>requires pre-approval.</i>
	<input type="checkbox"/> Change in cost of providing current services to existing program audience.
	<input type="checkbox"/> Change in case load / enrollment under existing program guidelines.
	<input type="checkbox"/> Non-mandated change in eligibility / enrollment for existing program.
	<input type="checkbox"/> Non-mandated program change in service levels or areas.
	<input type="checkbox"/> Proposed establishment of a new program or initiative.
	<input type="checkbox"/> Loss of federal or other external financial support for existing program.
<input type="checkbox"/> Exhaustion of fund balances previously used to support program.	

RECIPIENTS OF FUNDS	This reflects the additional salaries/benefits for SCDEW's South Carolina Occupational Information Coordinating Committee (SCOICC) staff as a result of the state-wide general increase.
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What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?

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RELATED REQUEST(S)	None.
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Is this decision package associated with other decision packages requested by your agency or other agencies this year? Is it associated with a specific capital or non-recurring request?

MATCHING FUNDS	These funds will not be matched by federal, institutional, philanthropic, or any other resources.
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Would these funds be matched by federal, institutional, philanthropic, or other resources? If so, identify the source, amount, and terms of the match requirement.

FUNDING ALTERNATIVES	No other funding sources were considered.
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What other possible funding sources were considered? Could this request be met in whole or in part with the use of other resources, including fund balances? If so, please comment on the sustainability of such an approach.

SUMMARY	To distribute employee benefit allocations (F300), to include the pay raise contained in the FY 2014-15 budget and higher employer contributions toward employee healthcare costs. We have allocated \$6,051 toward pay plan (salaries – 501058) and \$2,598 toward fringe benefits and health insurance (employer contributions - 513000).
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Provide a summary of the rationale for the decision package. Why has it been requested? How specifically would the requested funds be used? If the request is related to information security or information technology, explain its relationship to the agency’s security or technology plan.

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METHOD OF CALCULATION	<p>The amount of request was calculated by executive budget office (EBO) - annualized base pay increase of two percent, 2014 and 2015 health plan rate increase, and compensation increases for retirement employer contributions based on the retirement rate of the retirement system in which individual participate.</p>
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How was the amount of the request calculated? What factors could cause deviations between the request and the amount that could ultimately be required in order to perform the underlying work?

FUTURE IMPACT	<p>No. We consider funds appropriated for base pay increase and employer’s share of the state’s health plan increase as a permanent transfer into our agency’s general base budget.</p>
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Will the state incur any maintenance-of-effort or other obligations by adopting this decision package? What impact will there be on future capital and/or operating budgets if this request is or is not honored? Has a source of any such funds been identified and/or obtained by your agency?

PRIORITIZATION	<p>N/A</p>
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If no or insufficient new funds are available in order to meet this need, how would the agency prefer to proceed? By using fund balances, generating new revenue, cutting other programs, or deferring action on this request in FY 2015-16?

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INTENDED IMPACT	N/A
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What impact is this decision package intended to have on service delivery and program outcomes, and over what period of time?

PROGRAM EVALUATION	<p>The number of SCOIS sites and log ins per year are used in the evaluation process.</p> <p>Sites:</p> <p>2011-2012 – 1126</p> <p>2012-2013 – 1214</p> <p>2013-2014 – 1270</p> <p>Log ins:</p> <p>2011-2012 – 401,532</p> <p>2012-2013 – 465,273</p> <p>2013-2014 – 561,551</p>
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How would the use of these funds be evaluated? What specific outcome or performance measures would be used to assess the effectiveness of this program?

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FORM C – CAPITAL OR NON-RECURRING APPROPRIATION REQUEST

DECISION PACKAGE	3911
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Provide the decision package number issued by the PBF system ("Governor's Request").

TITLE	Unemployment Insurance – SCUBI Project (Southeast Consortium for Unemployment Benefits Integration)
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Provide a brief, descriptive title for this request.

AMOUNT	\$28,761,097
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How much is requested for this project in FY 2015-16?

BUDGET PROGRAM	98000000 - Non-recurring Appropriations
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Identify the associated budget program(s) by name and budget section.

SUMMARY	<p>In 2013, SC received \$50 million in supplemental budget request (SBR) funds from the U.S. Department of Labor to take over as the lead procurement state for the Southeast Consortium of Unemployment Benefits Integration (SCUBI) project to build and implement an integrated Unemployment Insurance Benefits system for South Carolina, North Carolina, and Georgia.</p> <p>The existing systems were designed and implemented 30 years ago, they are obsolete and in danger of complete failure. The legacy systems have poor agility – integrating new technology is complex & inefficient, minimal scalability – limited capacity to handle significant increase in claims filed in the recent recession, inhibited productivity – technology that improves staff productivity and services such as document management systems, forms management, & ad-hoc reporting tools cannot be quickly implemented. Consortium members have experienced many minor outages due to system failures or power outages which have resulted in lost productivity of tens of thousands of dollars each hour of outage. Changing the platform and design of these mission-critical systems changes the states' focus from spending all their money keeping the system running to improving the systems, services, & quality. A Modern UI Benefits System will greatly reduce maintenance cost and integrating changes will be much easier to accommodate. Finally, the modernized UI benefits system incorporates security of information in its foundation.</p> <p>SCDEW included \$15m in increased recurring spending authority in its approved state budget for the 2014-2015 fiscal year, which was the estimated amount of spending authority needed at that time. Because the contract is structured to pay only for delivered product (and not simply time & materials) SC has paid for the deliverables approved to date. For the project to be completed within the grantor-imposed time restrictions, the agency projects that up to \$28.761m of additional federal spending authority will be needed during the 2015-2016 state fiscal year to pay for the deliverables approved by the states during that year (as per the contract). The \$50m in grant funds must be liquidated by 9/30/2016.</p>
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Provide a summary of the project and explain why it is necessary. If the request is related to information security or information technology, explain its relationship to the agency's security or technology plan.

RELATED REQUEST(S)	None,
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Is this decision package associated with other decision packages requested by your agency or other agencies this year? Is it associated with a specific capital or non-recurring request?

MATCHING FUNDS	The United States Department of Labor has awarded funding to support states in updating their IT infrastructures. As cost to design & develop is unaffordable in the current budget environment, collaborative solutions to address the challenge has led to consortium strategy to fund system modernization and large technology projects.
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Would these funds be matched by federal, institutional, philanthropic, or other resources? If so, identify the source and amount.

FUNDING ALTERNATIVES	We are not seeking any general funds to implement this modernization effort or any future general funds support. The other sources are federal funds, which primarily come from supplemental budget funds and general UI administrative grants.
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What other possible funding sources were considered?

LONG-TERM PLANNING AND SUSTAINABILITY	<p>UI modernization incentive funds and UI administrative funds have been set aside to upgrade and manage the IT infrastructure associated with the new system upon implementation.</p> <p>SC will also act as a pass-through fiscal agent for various federal funds initially received by NC and GA for the SCUBI project, and SCDEW may include additional requests for this spending authority in subsequent years.</p>
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What other funds have already been invested in this project (source/type, amount, timeframe)? Will other capital and/or operating funds for this project be requested in the future? If so, how much, and in which fiscal years? Has a source for those funds been identified/secured?

OTHER APPROVALS	Approval for the project has been obtained from SC DSIT and the consortium's project steering committee. The Procurement Services Division of the Budget & Control Board executed the contract on behalf of DEW.
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What approvals have already been obtained? Are there additional approvals that must be secured in order for the project to succeed? (Institutional board, JBRC, BCB, etc.)

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FORM D – PROVISO REVISION REQUEST

NUMBER	83.6
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Cite the proviso according to the renumbered list for FY 2015-16 (or mark "NEW").

TITLE	Negotiation of Interest
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Provide the title from the FY 2014-15 Appropriations Act or suggest a short title for any new request.

BUDGET PROGRAM	
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Identify the associated budget program(s) by name and budget section.

DECISION PACKAGE	
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Is this request associated with a decision package you have submitted for FY 2015-16? If so, cite it here.

REQUESTED ACTION	Amend
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Choose from: Add, Delete, Amend, or Codify.

OTHER AGENCIES AFFECTED	N/A
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Which other agencies would be affected by the recommended action? How?

SUMMARY	Amend the date to October 1, 2015
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Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it.

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EXPLANATION	<p>Relevant update for the new fiscal year.</p>
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Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.

FISCAL IMPACT	<p>N/A</p>
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Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.

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By **October 1, 2015**, the Department of Employment and Workforce must develop and implement a plan to seek a waiver of interest on the state's FUA loan debt in order to mitigate the impact of the interest payments on South Carolina employers.

**PROPOSED
PROVISO TEXT**